

**MINUTES OF THE  
CAPE COD MUNICIPAL HEALTH GROUP**

**STEERING COMMITTEE**

Wednesday, July 24, 2013 8:30 AM  
Centerville Osterville Marstons Mills Fire District  
Centerville, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 24, 2013 at the Centerville, Osterville Marstons Mills Fire District, Centerville, MA.

The following people attended the meeting:

**Committee Members Present:**

A. Francis (“Skip”) Finnell, Chair  
Noreen Mavro-Flanders  
Marie Buckner  
Susan Milne  
Debra Blanchette  
Gerry Panuczak  
Heather Harper  
Margaret Downey  
Erin Orcutt

Dennis-Yarmouth RSD  
County of Dukes County  
Town of Sandwich  
Town of Yarmouth  
Town of Barnstable  
Town of Chatham  
Town of Falmouth  
Barnstable County  
Cape Cod Reg. Technical High School

**Guests Present:**

Linda Loiselle  
Joyce Mason  
Linda O’Brien  
Pam Hudson  
Paul Gavin  
Suzanne Donahue  
Bill Hickey  
Fred Winer  
Nina Conroy  
Carol Cormier

Abacus Group  
Town of Mashpee  
Town of Provincetown  
Town of Provincetown  
Town of Provincetown IAC  
Blue Cross Blue Shield (BCBS)  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan (THP)  
Delta Dental of MA  
Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 8:40 AM.

**Approval of the Minutes of the June 26, 2013 meeting:**

Marie Buckner motioned to approve the minutes of the June 26, 2013 meeting.

Maggie Downey seconded the motion. The motion passed by a unanimous vote.

Motion
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**Wellness Committee Report:**

Maggie Downey said that Deanna Desroches, Wellness Consultant for the Cape, will brief the Board on the programs and progress. She said the contract scope of services for the consultant was sent to Atty. Butler. She said the Wellness newsletter is out this month. Ms. Downey mentioned that Ms. Desroches has contracted separately with some towns that wanted additional services.

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Carol Cormier said that the scope of services for the Wellness Consultant's position that were sent to Atty. Butler were specific to programs offered this year. She said she thought the consultant contract should list more generally the services that the consultant is expected to provide.

Mr. Finnell said he agreed with Ms. Cormier.

**BCBSMA proposed Level Monthly Deposit (LMD):**

Carol Cormier said that the Committee accepted the Harvard Pilgrim LMD proposal at its last meeting but asked Suzanne Donahue, BCBSMA, to go back to the underwriter to review the proposal (\$7.7M) in light of new information. She said that BCBS came back with a proposal of \$7,147,700 which she said is reasonable based on recent claims experience. She said that CCMHG paid the higher LMD for July and said that CCMHG plans to take the credit from the July overpayment in its August payment.

Ms. Donahue agreed that CCMHG could take the credit for the July overpayment on the August bill.

Marie Buckner motioned to accept the BCBS LMD of \$7,147,700.

Motion

Erin Orcut seconded the motion. The motion passed by unanimous vote.

**Member Issue:**

Suzanne Donahue explained that a grievance had been filed by a member who is under age 65 but Medicare eligible because of a disability. She said the member did not enroll in Medicare Part B when first eligible, and BCBS requests that the group pay the claims for Part B services. She said that the member was enrolled in Part B as of July 1, 2013 so that this will not be an issue going forward.

After some discussion Skip Finnell said that he doesn't want to set a precedent and that this is an employer issue.

Carol Cormier said another joint purchase group recently adopted a policy that the employer is responsible for dealing with issues that arise from failure of a Medicare eligible individual to enroll in a timely manner in Medicare Part B. She said that the employer could choose to pay the claims or put the responsibility on the Medicare eligible individual.

Heather Harper motioned to adopt a policy making it the employer's responsibility to either pay or charge the retiree or employee who is eligible but does not sign up for Medicare Part B for charges for services for which Medicare Part B would have paid.

Motion

Erin Orcutt seconded the motion.

Suzanne Donahue said that BCBS sends letters to members approaching age 65 but not to members who gain Medicare eligibility through having been approved for Social Security Disability.

Marie Buckner said that CCMHG should communicate to all Board members and Benefit Administrators the need to track Medicare eligibility.

Carol Cormier suggested this as a topic at the next Benefits Administrators meeting in the fall.

Mr. Finnell called for a vote on Ms. Harper's motion. The motion passed by unanimous vote.

**Proposed Amendment to the Joint Purchase Agreement (JPA):**

Skip Finnell said that the proposal is to add an alternate member to the Steering Committee, specifically a tenth member who would be from a town or district not already represented on the Committee and who would have the authority to vote in the absence of any one Committee member. He said the alternate would receive all the information sent to the regular members.

Carol Cormier said that the JPA requires two readings of proposed amendments and the first reading will be at today's Board meeting. She said the second reading would be at the October meeting and at that time, if the amendment passes, the alternate could be elected.

Noreen Mavro-Flanders motioned to recommend to the Board adoption of the proposed amendment to Article 4 of the Joint Purchase Agreement (JPA).

Motion
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Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

**Possible changes to certain Medicare plans:**

Carol Cormier said that information regarding changing Medex, Medicare Enhance, and Managed Blue for Seniors to plans that incorporate Medicare Part D for January 1, 2014 has been provided and discussed at previous meetings. She said part of the proposal is to change these plans to a January 1 renewal date which is required for Part D plans. She reviewed the impacts that the changes would have on the plan members, particularly for those on Medex and Medicare Enhance. She said about 7% of those plan members are using the *myMedicationAdvisor*® programs and/or Diabetes Rewards Program® which would no longer be available to them. Ms. Cormier reviewed the financial impacts and said that when one compares actual costs under the current self-funded arrangements that provide the Retiree Drug Subsidy to pricing for a Part D plan, there is not a significant difference. She said that when one compares the current rates charged, there is a difference, but she said this is because CCMHG rated Medex and Medicare Enhance somewhat higher than required.

Deb Blanchette said that CCMHG could price the Medex and Medicare Enhance plans lower and continue to receive the RDS and still favorably impact the OPEB liability.

Skip asked if there were any estimates of impact on OPEB liability.

Carol Cormier said that the impact would depend on an employer's contribution level.

Rich Bienvenue said that the current fund balance is \$22M and that \$8.3 of that is from the RDS.

Carol Cormier said that an unknown is the price comparison of prescription medications through the Part D plans versus prices through the international buying program.

Noreen Mavro Flanders said that even \$40 savings in premium would not offset increase in cost of co-pays for drugs for people who have been using the alternative RX programs.

Carol Cormier said that if the CCMHG is not ready to move to Part D plans, she recommends going with January 1<sup>st</sup> renewals for all senior plans for 2014. She said some of the plans currently change rates on Jan. 1 while others change on July 1. She said it will be best to have all plans on the same anniversary date so that when retirees sign up, they know that they will have the same rate for 12 months. She said that if the CCMHG decides to go to Part D plans for Medex, Medicare Enhance and Managed Blue for Seniors in the future, it will be easier since the plans would already be operating on a calendar year basis.

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She said being able to hold retiree-only health fairs is an advantage. She said CCMHG could hold regional fairs.

Bill Hickey said that other groups that changed to January 1 renewal dates for all senior plans have found it to work very well.

Ms. Cormier said that if CCMHG goes with a January renewal for all senior plans, it should consider holding the current Medex and Medicare Enhance rates for 18 months so that there is no rate change until January 2015.

Deb Blanchett motioned to recommend to the Board that it move Medex and Medicare Enhance to a January 1 renewal date effective January 1, 2014.

Motion

Skip Finnell said that CCMHG can continue to look at Part D plans for the future.

Noreen Mavro-Flanders seconded Ms. Blanchette's motion. The motion passed by unanimous vote.

Heather Harper asked GBS to provide an updated Employer Contributions spreadsheet.

**Proposed COBRA Administration Fees for FY14:**

Carol Cormier reviewed the fee proposed by Group Benefits Strategies (GBS) for FY14. She said it is \$0.46 per active employee plan subscriber per month and that the fee is two cents higher than the current fee.

Noreen Mavro-Flanders motioned to approve the FY14 COBRA fee as proposed by GBS.

Marie Buckner seconded the motion. The motion passed by unanimous vote.

Motion

**Discussion about possible distribution of Retiree Drug Subsidy (RDS):**

Carol Cormier reviewed the annual RDS receipts and the amounts of the RDS that were distributed to the CCMHG employers. She reminded the Committee that the FY14 rates had been set low, anticipating that \$10M could be drawn down from the fund balance.

There was a discussion.

Deb Blanchette motioned to recommend to the Board that it distribute the FY09 RDS of \$1,372,463 immediately.

Motion

Treasurer Rich Bienvenue reviewed some financial information and recommended waiting until the end of FY14 to make the decision.

There was further discussion.

Gerry Panuczak seconded Ms. Blanchette's motion. The motion passed by unanimous vote.

**Other Business:**

Marie Buckner said that the usual room at Sandwich Municipal Office Bldg. will not be available for future meetings. She suggested meeting at Sandwich Town Hall.

The following meetings were scheduled:

*CCMHG Steering Committee meeting, 7/24/2013*

- Steering Committee, Sept. 16 at 10 AM on Martha's Vineyard (location TBD);
- Steering Committee, Oct. 9 at 8:30 AM at COMM Fire District Bldg.;
- Board meeting, Oct. 9 at 10 AM at COMM Fire District Bldg.;
- Steering Committee, Nov. 20 at 9:00 AM at Sandwich Town Hall; and
- Steering Committee, Dec. 18 at 9:00 AM at Sandwich Town Hall.

Noreen Mavro-Flanders motioned to adjourn the meeting.

Motion
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Deb Blanchette seconded the motion. The motion passed by unanimous vote.

Skip Finnell adjourned the meeting at 9:40 AM.

*Prepared by Carol Cormier  
Group Benefits Strategies*