

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

STEERING COMMITTEE

Thursday, August 26, 2004, 9:00 a.m.
Dennis-Yarmouth Regional School District Administration Building

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Thursday, August 26, 2004 at the Dennis-Yarmouth Regional School District Administration Building. The following people attended the meeting.

Committee Members Present:

Robert Whritenour, Chairman	Town of Falmouth
Robert Canevazzi	Town of Dennis
Francis “Skip” Finnell	Dennis-Yarmouth Regional School District
Judie Jardin	Dukes County
Noreen Mavro-Flanders	Dukes County
Marie Buckner	Town of Sandwich

Guests Present:

Richard D. Bienvenue, C.P.A.	Treasurer
Tammy Cunningham	Town of Barnstable
Mark Zielinski	Barnstable County
Bill Fraher, C.P.A.	Bill Fraher, C.P.A.
Anne Hart-Davies	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Jeffrey Smith	Rockland Trust
Debra Thibodeau	Rockland Trust
David Smith	Rockland Trust
Wendy Barker	Rockland Trust
Carol Cormier	Group Benefits Strategies (GBS)
Joelle Carlberg	Group Benefits Strategies (GBS)

Chairman Bob Whritenour called the meeting to order at 9:10 a.m.

Investment Committee Report:

Meeting with representatives of Rockland Trust -

Bob Whritenour welcomed the representatives of Rockland Trust and thanked them for attending the meeting.

Jeffrey Smith, Senior Vice President, Financial Advisor, introduced himself and the other representatives. He provided an overview of Rockland Trust.

David Smith, Vice President, Senior Portfolio Manager, gave a detailed presentation.

Bob Whritenour suggested that the Committee get a clearer sense of the investment benchmarks and then adopt a new Investment policy consistent with them.

David Smith said there is an implied benchmark at Rockland, but they're willing to work on benchmarks that suit the Group.

Mr. Whritenour suggested that the Rockland Trust representatives circulate ideas for benchmarks with Rich Bienvenue for the next meeting. He talked about reporting and said it would be helpful if Rockland Trust could meet with the Board on a quarterly basis.

Mr. Smith said they would be more than happy to meet with the Board quarterly.

Mark Zielinski said he thought it would be a good idea to have Rockland Trust provide the Committee with a one-page allocation on a monthly basis.

The Rockland Trust representatives left the meeting at this time.

Independent Financial Auditor - FY03 audited financial statements, Bill Fraher, CPA:

Bill Fraher said that he had completed the draft audited financial statements. He said since this was his first year performing the audit, there had been a learning curve. He said there were some one-time procedures that were time consuming, but would not have to be done next year.

Mr. Fraher talked about the GASB34 implementation. He said it was not that significant, but there were some changes. He said that Rich Bienvenue provided the Management's Discussion and Analysis, which the auditor is not allowed to write.

Mr. Fraher talked about the elimination of deposit for the trust and the change to "June to June" cycle.

Mr. Fraher mentioned that the claim liabilities from FY03 had decreased and he would actually expect that it would increase.

Mr. Fraher said that most of the work had been done for the FY04 audit. He said Rich Bienvenue had visited GBS to review administrative procedures. He said he would be holding the FY04 report until October, at which time he would be able to look at claims run-out and have a better sense of the IBNR estimate.

There was a discussion on IBNR.

Mr. Fraher said the benchmark for the IBNR figure has been 2 ½ months of actual claims.

Mr. Bienvenue said the Group could go with 2 months of actual claims and that would be sufficient.

Mr. Fraher stated that he needs the representation and engagement letters signed before he can issue the final report.

Approval of the minutes of the July 21, 2004 meeting:

Noreen Mavro-Flanders requested a change on page 2 of the minutes from July 21, 2004. She moved approval of the minutes of the July 21, 2004 meeting with the revision on page 2.

Motion

Marie Buckner seconded the motion.

The motion passed by unanimous vote.

Treasurer's Report:

Financial Statements

Treasurer Richard Bienvenue reviewed the financial statements of July 31, 2004 (unaudited figures). He reported a fund balance of \$12.5 million. He said that financially, the Group is right on target

Mr. Bienvenue said his recommendation on the IBNR calculation was to change to 2 months of actual paid claims as opposed to 2 ½ months. He said he is confident that the Group should make this change, but the question is when. He said the FY04 audit should be reviewed first and then the discussions could begin on making the change to a less conservative IBNR estimate.

Bill Hickey said that he had to leave for another meeting. He mentioned that in June 2005, he would have the final copy of HPHC's SAS70 audit.

Mr. Hickey left the meeting at this time.

Presentation by The Abacus Group:

Carol Cormier introduced Michael Follick from The Abacus Group. She mentioned that the Food & Drug Administration (FDA) had just released a statement that they would not go after municipalities for purchasing prescription drugs through Canada as long as the municipality is using vendors known to the FDA, such as the companies that GBS has been dealing with. She said the statement was released last week.

Ms. Cormier said that GBS established another company named Prescription Benefit Services (PBS) because a number of clients were interested in purchasing prescription drugs from Canada and GBS president, Jack Sharry, did not want to jeopardize GBS if there were a legal challenge. She said the role that PBS plays also removes the client from direct contracts and dealings with the Canadian vendors. She said part of today's presentation would be a review of preliminary savings models if the CCMHG were to go with an optional Canadian Rx purchasing program.

Mr. Whritenour welcomed Michael Follick to the meeting.

Michael Follick thanked the Steering Committee for inviting him to attend the meeting. He gave a thorough presentation on Abacus Health Solutions. He explained that Abacus is a group of behavioral scientists and healthcare experts that provide consulting to large employers on health benefit design and management. He talked about the "myMedicationAdvisor" Program. He said the two primary objectives of the program are to help employers simultaneously control pharmacy costs and enhance effectiveness of the pharmacy benefit. He reviewed the features of "myMedicationAdvisor.com".

Skip Finnell arrived at this time.

Dr. Follick talked about "My Health Maximizer", which focuses on physical activity, healthy eating and quitting smoking. He said the website is user-friendly. He mentioned that there is a component of the website called, "heart age". He said it allows members to enter all of their lab values and it translates to a "heart age" or how old your heart is in comparison with your age.

Dr. Follick talked about the ways to implement myMedicationAdvisor and the results that are expected. He said Abacus's tailored messaging is an important feature in educating members. He suggested an approach with unions in order to educate them about the program. He said Abacus would provide onsite presentations. He said the results from the program include members switching to lower cost but equivalent medications, buying from lower cost sites such as Canada, waste less medication through better use, realize fewer adverse events and achieve better health outcomes.

Dr. Follick reviewed preliminary savings models for CCMHG alternative drug purchasing. He said the cost of the Abacus program would initially be \$1.25 per contract. He said the fees are based on level of participation in the program with a cap.

There was a discussion.

Carol Cormier said CCMHG should get a discount on the cost per contract because of the volume of the Group.

Mr. Whritenour said he would like to see more detailed information on the services that Abacus provides.

Ms. Cormier said she had asked Abacus to do an introductory presentation, which is why there wasn't more detail.

Dr. Follick said he would provide more detail in regards to services.

Ms. Cormier asked the Group if it were interested in interviewing Canadian vendors.

Noreen Mavro-Flanders questioned if the Group should get union cooperation prior to offering this program.

Ms. Cormier said the Group could start with exploratory letters with Insurance Advisory Committees.

There was a discussion.

The consensus of the Committee was to interview Canadian vendors and allow the release of claims data to Abacus.

Carol Cormier said she would email meeting dates to the Committee members.

Wellness Coordinator's Report:

Deanna Desroches referred to her Memo in the meeting packet. She said she would prepare a Memo with updates for each meeting regardless of whether or not she attends.

Ms. Desroches said the next CHIP program would be held at the Yarmouthport Fire Station starting October 5th. She said it was originally planned to start on September 30th, but instead the last screening would be September 30th and the program would begin on October 5th. She said there would be two introductory sessions and screenings prior to the start of the program at the Yarmouth Town Hall and the Mattacheese Middle School, respectively. She said the program itself has been condensed from eight to six weeks with no loss of content or impact according to AmyRose Sager and Dr. Thomas Sbarra.

Ms. Desroches asked if the Group would like her to audit the CHIP program.

Ms. Jardin said she did not think an audit was necessary. She said she could answer any remaining questions that employers or members had.

Ms. Desroches said the next program would be held in Eastham and asked if the Group wanted her to move forward with that.

The consensus was that Ms. Desroches should move forward with the Eastham program.

There was a discussion about the CHIP contract and the Committee agreed that it should be reviewed.

Rich Bienvenue left the meeting at this time.

Ms. Desroches talked about the Barnstable County Wellness Program. She said the program with Dennis-Yarmouth RSD was off and running this September. She said all of the schools in the system have opted to take advantage of the County's services and every date available has been taken. She said she is in the process of working with Skip Finnell, his principals and the County nurses to schedule staff

appropriately. She said she would be attending a meeting this afternoon with the County to recap this past year's workshop and strategize for upcoming school/town programs.

Ms. Desroches asked if the Group would like her to continue to participate in these programs. She said she knew that questions had arisen at a previous Steering Committee meeting as to the length of time spent on different projects.

Judie Jardin said she thought the questions were brought up because the Committee was concerned about staying within the budgeted amount.

Mr. Whritenour agreed with Ms. Jardin. He said there had been a previous discussion about Ms. Desroches attending health fairs and there had been questions about whether or not it was necessary. He said he had thought most of Ms. Desroches' time would be spent on implementing programs. He questioned if the Group should increase the budgeted amount for Wellness.

There was a brief discussion.

Anne Hart-Davies suggested that each employer have on-call volunteers to discuss wellness with employees at the health fairs.

Ms. Mavro-Flanders suggested that Ms. Desroches map out how she thinks she'll spend her budget.

Ms. Desroches said that the first Family Wellness Night took place at the Barnstable Middle School in Hyannis on Friday, August 13, 2004. She said the vendors and volunteers that offered services were incredible and provided top rate services. She said the attendance was roughly 120 people. She said she was extremely disappointed in the turnout considering the size of the Group, but the vendors were happy with the turnout. She said she was delighted with the attendance of individuals from other towns such as, Dennis, Chatham and Brewster.

Ms. Desroches said people were thrilled with the thought of a future Wellness Night. She said some suggestions were made regarding the time of year, day of the week and time of day.

Ms. Cormier said that Bill Hickey had attended the Wellness Night and had told her he thought it was a great overall effort on Ms. Desroches' part; however, he thought the timing could have been better.

Ms. Desroches welcomed any thoughts on pursuing another event of this type.

Ms. Desroches said the next "Get Up and Get Going" Walking Program would take place during the month of October. She said participants would be asked to add a little more mileage this year and walk a mile a day or 31 miles minimum for the month. She said she would like to start walking groups with incentives throughout the year. She asked for the Group's outlook on this endeavor.

The Committee thought offering incentives was a great idea.

Anne Hart-Davies said that she would look into getting pedometers to use as incentives.

Deanna Desroches left the meeting at this time.

Warrant Summaries for August and September:

The Steering Committee reviewed the August and September Warrant Summaries.

Noreen Mavro-Flanders moved acceptance of the August Warrant Summary with expenses totaling \$9,152,060.25.

Motion

Bob Canevazzi seconded the motion.

The vote in favor of the motion was unanimous.

Noreen Mavro-Flanders moved acceptance of the September Warrant Summary with expenses totaling \$7,077,942.91.

Motion

Bob Canevazzi seconded the motion.

The vote in favor of the motion was unanimous.

BCBSMA Level Monthly Payment:

Anne Hart-Davies reviewed a BCBSMA analysis of the Level Monthly Payment for CCMHG. She said the original renewal proposal had been for \$5.4 million, and the Board had voted to approve \$5.2 million. She said the underwriter has since done an analysis, which shows a BCBSMA proposed Level Monthly Payment of \$5,205,000.

There was a discussion.

Noreen Mavro-Flanders moved to stay at the \$5.2 million for the BCBSMA Level Monthly Payment, as voted previously.

Motion

Bob Canevazzi seconded the motion.

The vote in favor of the motion was unanimous.

PHC Level Monthly Payment:

Carol Cormier said that Bill Hickey had informed her that PHC was temporarily withdrawing the request to increase the PHC Level Monthly Payment for CCMHG. She said it might be discussed at a future date.

Letter to State Auditor:

Ms. Cormier said at the last meeting, the Steering Committee had asked her to write a letter to the state auditor requesting a review of the state mandates. She said the Group received a letter of due diligence from the state auditor's office and she also spoke with a gentleman from the auditor's office on the phone. She said it seemed as if they had not had a request for a review of this nature until this time. She said she answered questions and expects that there will be additional communications.

Tiered-network plans workshop:

Carol Cormier said that the Minuteman Nashoba Health Group (MNHG) and West Suburban Health Group (WSHG) co-sponsored a workshop on tiered-network plans on Thursday, August 12, 2004 at the Tower Hill Botanical Gardens in Boylston. She said if anyone was interested, she could email copies of the presentations. She mentioned that Maggie Downey attended the meeting on behalf of the CCMHG.

Other Business:

It was confirmed that the next Steering Committee meeting was scheduled for Thursday, September 23, 2004 at 9:00 a.m. at the Tisbury Senior Center on Martha's Vineyard.

There was no other business. Bob Whritenour adjourned the meeting at 12:35 p.m.