

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

**STEERING COMMITTEE**

Wednesday, September 19, 2012 10:30 AM  
Martha's Vineyard Regional Authority Building, Edgartown, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on Wednesday, September 19, 2012 at the Martha's Vineyard Regional Authority Building, Airport Business Park, Edgartown, MA.

The following people attended the meeting:

**Committee Members Present:**

A. Francis ("Skip") Finnell, Chair  
Noreen Mavro-Flanders, Board Chair  
Erin Orcutt  
Gerry Panuczak  
Heather Harper

Dennis-Yarmouth RSD  
County of Dukes County  
Cape Cod Regional THS  
Town of Chatham  
Town of Falmouth

**Guests Present:**

Richard Bienvenue  
James Weiss  
Amy Tierney  
Kathy Logue  
Melanie Becker  
Judie Jardin  
Sharon Jackson  
Lauren Thomas  
Suzanne Donahue  
Bill Hickey  
Fred Winer  
Robert Anderson  
Carol Cormier  
Karen Carpenter

CCMHG Treasurer  
Martha's Vineyard RSD – Dukes County  
Martha's Vineyard RSD  
Town of West Tisbury  
Town of Chilmark  
Town of Aquinnah  
Town of Oak Bluffs  
Martha's Vineyard RTA  
Blue Cross Blue Shield of MA (BCBS)  
Harvard Pilgrim Health Plan (HPHC)  
Tufts Health Plan (THP)  
Fallon Community Health Plan (FCHP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 10:50 a.m.

**Approval of the Minutes of the July 25, 2012 meeting:**

Gerry Panuczak motioned to approve the minutes of the July 25, 2012 meeting.

Motion

Noreen Mavro-Flanders seconded the motion. The motion passed by a unanimous vote.

**Approval of the September 2012 Warrant:**

Carol Cormier reviewed the September 2012 Warrant summary.

Noreen Mavro-Flanders made a motion to approve the Warrant as presented.

Motion

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

Noreen Mavro-Flanders noted that the Steering Committee receives and reviews the full warrant prior to approving it at the meetings.

**Treasurer's Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through May 31, 2012 (unaudited figures). He said that the total operating cash was \$21.7M which was up slightly from this time last year. He said that the Unreserved Trust Fund Balance was \$19.1M as of June 30, 2012 and said this was down by approximately \$1M from last year, which was partly due to the distribution of \$1.6M of Retiree Drug Subsidy money to the employers. He reported assets at \$35.9M and liabilities of \$16.7M. Mr. Bienvenue noted that there was a recent increase of high cost claims.

Mr. Bienvenue noted that the Medicare Part D receivables will be updated once the final numbers are known.

In response to a question about member assessments, Mr. Bienvenue said that Monomoy RSD was behind in payments due to not knowing the process for payment. He said that he met with the district representative and said the issue will be resolved. He said that \$1.5M is due CCMHG.

Mr. Bienvenue said that he met with Erin Orcutt and Skip Finnell to review the CCMHG accounting procedures and safeguards in place. He said that they were satisfied with the processes in place. Mr. Bienvenue said that he will be contacting the GBS IT consultant about the proposed accounting software specifics to see if it is something that would work with the GBS system and processes.

Mr. Finnell asked Mr. Bienvenue to confirm with Mr. Fraher, the CCMHG independent financial auditor that he will be ready to present the draft audit at the November meeting.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through August 2012 and said the expense-to-funding ratio for health plans was 103.4% and for dental was 79.2%. Ms. Cormier said that some of the claims costs may be attributable to the plan design changes made for July 1, 2012. She said that members may have had elective medical procedures just prior to the plan changes.

myMedicationAdvisor®- Carol Cormier said that the program savings are exceeding projections. She said that the total net savings is \$347,646 through June.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through July 2012. She said that for the FY12 policy, ten members had exceeded the policy deductible with total claims of \$3.93M. Ms. Carpenter said that the Aggregating Specific Deductible has been applied, and that \$194,053 is expected to be eligible for reimbursement to CCMHG for this policy period to date. Ms. Carpenter said that \$12,269.18 was owed to the HM Insurance, the reinsurer for policy year FY11. She said that the amount owed was due to claims adjustments and said that the GBS records also indicate the same credit due.

**Senior Plan Rates for CY13:**

Tufts Health Plan – Fred Winer said that the Tufts Medicare HMO Prime rate is increasing to \$240, up from \$226 and there are no benefit changes to the plan. He said that the service area is expanding to include the Bristol and Plymouth Counties, pending CMS approval.

Mr. Winer said that the Tufts Medicare Supplement with PDP Plus plan is increasing to \$333 from \$323. He said that he would like to clarify that the the first \$500 of the \$1,700 hearing aid benefit is covered in full and then 80% of the next \$1,500 is covered up to \$1,700 every two years. He said that the benefit charts will be updated to reflect the clarification. Mr. Winer said that CMS made adjustments to the Part D Rx catastrophic coverage benefit.

**Discussion about potential Medex plan rider for certain medications:**

Carol Cormier said that it was brought to her attention through member complaints that erectile dysfunction medications are not covered under the Medex plan. She said that a rider was added to the plan several years ago excluding these types of drugs from the plan. She said that when the drugs are covered, they are provided on a limited basis of 4 pills per month. She said all the other plans CCMHG offers cover this class of medications.

There was a discussion.

Noreen Mavro-Flanders made a motion to remove the Medex rider excluding erectile dysfunction drugs from coverage thereby adding the drug coverage to Medex effective October 1, 2012.

Heather Harper seconded the motion. The motion passed by unanimous vote.

Motion
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**Two-person plan costs versus costs for larger families:**

Carol Cormier said that the topic of adding a 2-person rating tier to the CCMHG health plans comes up on occasion, most recently at the last CCMHG Board meeting. She said that in response to the questions at that meeting, she asked BCBS and HPHC to run reports utilizing the CCMHG claims data from the most recent two years.

William Hickey said that people often think that a 2-person plan would cost less than a larger family plan. He said that the average cost per member is higher for 2-person plans since they tend to be older in age and have higher claims costs. He said that this remains the case after reviewing the CCMHG's data as well as data from other municipal clients..

Skip Finnell asked to add this item to the Board agenda and said he would like to add frequently asked questions about this to the CCMHG website.

Suzanne Donahue reviewed the BCBS data and said that the bottom line is that the subscriber and spouse plan would be a higher cost than that of the family plan.

Carol Cormier said that she would put together a presentation with the data from BCBS and HPHC for the Board meeting.

**Dependent Eligibility Audit Update – HMS Employer Solutions:**

Carol Cormier said that the introductory letters from the employers are being sent to subscribers of family plans to notify their employees of the upcoming audit and introduce them to HMS. Ms. Cormier said that the first HMS verification letter is scheduled to be sent to the subscribers on September 28<sup>th</sup>. She said that the HMS programming hours went over the allotted time and that CCMHG may be charged an additional \$600 for that service. She also said that there were more dependents than represented in the RFP and that would add to the cost of the audit.

**Unfair Labor Practice suits (ULPs) - update:**

Erin Orcutt said that Cape Cod Tech has an offer on the table that has not been answered yet.

There were no other updates to report.

**EyeMed Proposals for FY14:**

Carol Cormier reviewed the following four options provided by Stan Staiger, EyeMed Account Executive:

Option 1 – Keep existing plan as is – rate increase of 12%, a increase of \$10.44;

Option 2 – Keep existing plan and move from a 24 month to 12 month frame frequency – rate increase of 24%, an increase of 21.24;

Option 3 – Eliminate the exam benefit and keep material benefits as is – rate decrease of -14% or -\$12.12; and

Option 4 – Eliminate the exam benefit, keep materials as is, move from a 24 month to a 12 month frame frequency – rate decrease of less than 1% or \$0.48.

Ms. Cormier said that in response to questions asked at a previous meeting, Mr. Staiger said that CCMHG can offer two plans, one with an eye exam and one without. Ms. Cormier said that if two plans are offered, the group would be limited to the combination of Option 1 and 3 or Option 2 and 4. She said that he also sent a list of Chatham area participating providers as requested. Ms. Cormier said that only Option 1 allows the group to retain the same group number.

There was a discussion about the options and whether or not to offer the vision plan without an exam since the health plans now provide an annual exam.

Gerry Panuczak suggested modifying the current plan to try to increase enrollment and asked the Committee to consider Option 4.

The Committee agreed and asked Carol Cormier to add the item to the Steering Committee meeting prior to the next Board meeting and to send the information to the Board prior to the meeting.

**Website Redesign – Update:**

Karen Carpenter said that she is working with the web designer, sending materials to upload and coordinating where the content should be located. Ms. Carpenter said that the homepage of the current website has a paragraph from the old CCMHG Mission Statement on it and she proposed updating the information. She proposed a combination of the old mission statement and language taken from the new Strategic Plan.

The Committee edited the statement to be used on the new website homepage. Noreen Mavro-Flanders asked that it be emailed to the full Steering Committee for comments and then post the final copy on the site.

Carol Cormier said that the current webmaster's contract expired on September 6, 2012. She said that she proposed dividing the yearly fee by 12 months for a monthly fee of \$125 to maintain the current website until the new site is developed and the Committee decides how they want to proceed. She said in addition to the monthly fee, CCMHG is paying a \$30 monthly fee to the webmaster for use of her personal computer.

Skip Finnell said that he would like to request proposals from the current webmaster and from colewebdev regarding maintenance of the website.

There was a discussion, and Noreen Mavro-Flanders suggested asking Karen Carpenter to consider submitting a proposal to maintain the new website.

**Other Business:**

Skip Finnell said that the Martha's Vineyard Wellness Needs study that will be performed by a third party contractor should be available at the next Committee meeting. He said that he is looking forward to

reviewing the side-by-side comparison of what was proposed, budgeted and spent for wellness for each of the two years.

Fallon Community Health Plan – Carol Cormier introduced Rob Anderson to the committee. Rob Anderson distributed a handout and said that he is the FCHP Account Executive for other JPG's. Mr. Anderson said that he is attending today's meeting to learn about how CCMHG operates so that he and FCHP may be able to plan their business with the needs of the Joint Purchase Groups in mind.

The next Steering Committee meeting was scheduled to be held prior to the Board meeting at 8:30 a.m. on October 24<sup>th</sup> at COMM Fire District. Additional meetings were scheduled for November 28 and December 19<sup>th</sup>, both to be held at the Sandwich Municipal Office Building, Sandwich, MA at 9:00 a.m.

Subsequently a Steering Committee meeting was scheduled for 10/18/12 at 2:30 PM at Sandwich Municipal Office Bldg., 16 Jan Sebastian Drive.

There was no other business.

Erin Orcutt moved to adjourn.

Motion

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

Chair Skip Finnell adjourned the meeting at 1:10 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*