

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

STEERING COMMITTEE

Thursday, September 23, 2004, 9:30 a.m.
Tisbury Senior Center, Town of Tisbury

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Thursday, September 23, 2004 at the Tisbury Senior Center on Martha’s Vineyard. The following people attended the meeting.

Committee Members Present:

Robert Whritenour, Chairman	Town of Falmouth
Jeff Cannon	Town of Barnstable
Maggie Downey	Barnstable County
Robert Canevazzi	Town of Dennis
Francis “Skip” Finnell	Dennis-Yarmouth Regional School District
Judie Jardin	Dukes County
Noreen Mavro-Flanders	Dukes County
David Withrow	Town of Orleans

Guests Present:

Richard D. Bienvenue, C.P.A.	Treasurer
Jocelyn Broadley	Martha’s Vineyard Regional School District
Dawn Feinsmith	Martha’s Vineyard Regional School District
Michelle Gosson	Up Island Regional School District
Anne Hart-Davies	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Anne Boisvert	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Joelle Carlberg	Group Benefits Strategies (GBS)

Chairman Bob Whritenour called the meeting to order at 9:30 a.m.

Noreen Mavro-Flanders introduced Jocelyn Broadley, Dawn Feinsmith and Michelle Gosson.

Mr. Whritenour welcomed them to the meeting.

Approval of the minutes of the August 26, 2004 meeting:

Skip Finnell moved approval of the minutes of the August 26, 2004 meeting as written.

Noreen Mavro-Flanders seconded the motion.

Motion

The motion passed by unanimous vote.

Treasurer’s Report:

FY03 Independent Auditor's Report

Rich Bienvenue distributed the final auditor's report for FY03. He said the auditor, Bill Fraher, issued an unqualified opinion. He said there was no adjustment to the fund balance. He said the fund balance that was recorded has remained.

Status of FY04 Audit

Rich Bienvenue said the FY04 audit was underway and nearly completed. He said there should be a draft for the October 27th Board meeting. He said Bill Fraher would get into more detail for the FY04 audit, including visiting GBS. He said he was pleased to announce that the Group is back on schedule with the audits.

Anne Hart-Davies asked if the issue with GASB34 and retirees would affect this trust.

Mr. Bienvenue said it could affect individual employers, but not the trust.

Financial Statements

Treasurer Richard Bienvenue reviewed the financial statements of August 31, 2004 (unaudited figures) in detail. He reported a fund balance of \$14.5 million.

Mr. Bienvenue said there was a decrease in cash position since the beginning of the year. He said there was \$19 million in operating cash as of August 31, 2004, after the transfer to Rockland Trust.

Investment Committee Report:

Rich Bienvenue said that he met with Rockland Trust representatives yesterday. He said he has model investment policies that he would give to Jeff Cannon and Wally Lundstrom to review. He said benchmarks would be part of the Investment Policy.

There was a discussion.

Noreen Mavro-Flanders asked for copies of the information that Mr. Bienvenue received from Rockland Trust.

Mr. Bienvenue said he would provide the information to the entire Steering Committee.

Warrant Summary for October 2004:

The Steering Committee reviewed the October 2004 Warrant Summary.

Skip Finnell moved acceptance of the October Warrant Summary with expenses totaling \$7,086,384.86.

David Withrow seconded the motion.

Motion

The vote in favor of the motion was unanimous.

Group Benefits Strategies Reports:

BCBSMA Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for two months into the first quarter of FY05, actual BCBSMA paid claims totaled \$9,939,118 and the CCMHG has a credit balance of approximately \$466K. She said for the fourth quarter of FY04, the Group owed BCBSMA approximately \$1.7 million.

HPHC Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for two months into the first quarter of FY05, actual HPHC paid claims totaled \$2,339,989 and the CCMHG has a debit balance of approximately \$179K. She said for the fourth quarter of FY04, the Group had a debit balance of approximately \$354K.

Funding Rate Analysis by Plan for FY04 -

Carol Cormier reviewed the Funding Rate Analysis Report for the Health and Dental plans through August 2004. She said that overall there was a funding surplus for the health plans of approximately \$1,084,118. She said the health plan expenses were 92.4% of the overall funding as of August 31, 2004.

Ms. Cormier said that as of two months into FY05, the contributory dental plan expenses were 94.3% of the overall funding for the plan resulting in a funding surplus of \$26,249.

Stop Loss Reports -

FY04 Policy Period

Joelle Carlberg reviewed the 7/03-6/04 policy report with claims paid through July. She said that there were eight claimants with claims exceeding the specific deductible of \$150K for active plans and two claimants with claims exceeding the specific deductible of \$50K for the Carveout A plan. She said total claims were \$1,836,338, an increase of over \$83K from the prior month. She said excess claims totaled \$536,338. She said that \$493,170 of the aggregating specific deductible had been met. She said the total outstanding amount was \$43,168. She said \$6,830 of this would be reviewed and applied to the remainder of the aggregating specific deductible, leaving an outstanding reimbursement amount of \$36,338. She said that there were 31 claimants with claims between 50-100% of the specific deductible (\$150K) for the active plans with claims totaling approximately \$2,874,705, an increase of close to \$280K from the prior month. She said there was one claimant with claims between 50-100% of the deductible for the Carveout A plan with claims totaling \$40,188.

Benefit Administrators Meeting -

Carol Cormier said that Ruth Lynch, Manager of Enrollment and Billing at GBS, had requested a Benefit Administrators meeting to review administrative guidelines and procedures. She said this would be in addition to the Wellness meeting for Benefit Administrators, at which there would be a CHIP presentation including a meal. She said Deanna Desroches was in the process of scheduling the Wellness meeting with the CHIP representatives. She said Ms. Desroches is looking for a facility with a cooking kitchen that is not being used on a weekday.

Skip Finnell suggested looking into Upper Cape Cod Regional Technical School as a possible location. He also suggested getting the students involved.

There was a discussion about having an all day Benefit Administrators meeting, including administrative review in the morning and wellness in the afternoon with the date to be determined (within the first couple weeks of November).

There was a suggestion that the Group send a Mandatory meeting notice to all Benefit Administrators and their supervisors informing them of the meeting and explaining the importance of it.

Maggie Downey mentioned that Barnstable County would be making a job announcement within the next couple of weeks for a new Benefit Administrator. She said the job would be part-time, approximately 24 hours per week. She said if the Group knew of anyone that may be interested, to please let her know. She said Mona Walco, who recently retired, used to be the Benefit Coordinator for the County. She said the County could use a review of administrative procedures.

Carol Cormier told Ms. Downey to contact GBS about setting up a meeting to review administrative procedures. She said Joelle Carlberg and Ruth Lynch could meet with the County and provide a thorough review of procedures.

At this time, Skip Finnell asked Carol Cormier what she would recommend for a percentage for budget purposes.

Ms. Cormier said she would recommend 12-15%; however, the increase would probably be closer to 10%. She said it is still too early in the fiscal year to make a solid recommendation.

Wellness Coordinator's Report (in written form):

Carol Cormier called attention to the Memo from Deanna Desroches that was included in the meeting packet. She said the Committee had previously asked Ms. Desroches to include a Memo in each packet in order to provide the Committee with an update on Wellness Initiatives.

Maggie Downey mentioned that the first screening for the CHIP program would be held today from 3:00pm-6:00pm at the Yarmouth Town Hall Hearing Room.

Skip Finnell said that he has gotten positive feedback from DYRSD employees on the CHIP introductory sessions.

Bob Whritenour asked how the Wellness Committee was going.

Ms. Downey said the Wellness Committee hasn't met recently. She said that Deanna Desroches has met with both her and Beverly Haley individually, but they haven't had a chance to meet as a Committee.

Mr. Whritenour said his understanding is that Ms. Desroches is looking to the Steering Committee for a little more direction than what has been provided.

Judie Jardin said there had been a meeting on Wellness in August. She said she had attended this meeting, because she felt the island should be represented. She said she would volunteer to serve on the Committee, but there is the issue of paying for boat transportation, which could be problematic.

There was a discussion.

Skip Finnell suggested that Ms. Downey Chair the Wellness Committee. He said maybe the Committee could meet in person the first month and then try teleconferencing the next.

Ms. Downey said she would be willing to serve as the Chair of the Wellness Committee. She said she recognized the fact that there should be more structure around the Wellness. She said it might make sense to have the Wellness Committee meet after the Steering Committee meetings, that way Ms. Jardin is already on the mainland.

There was a discussion.

It was agreed that Maggie Downey, Beverly Haley and Judie Jardin would serve on the Wellness Committee and Deanna Desroches would continue to act as the Wellness Consultant, but get direction from the Wellness Committee as opposed to the Steering Committee.

Mr. Whritenour said that he liked the idea of Ms. Desroches submitting a written report to the Steering Committee each month. He said she provides an excellent report.

Review of contract with Cape Healthy Lifestyles

The Steering Committee reviewed the contract with Cape Healthy Lifestyles.

Noreen Mavro-Flanders moved to renew the current contract with Cape Healthy Lifestyles for one year (10/04-9/05).

Motion

David Withrow seconded the motion. The vote in favor of the motion was unanimous.

Carol Cormier said she would send a letter to CHIP in regards to the contract renewal.

Ms. Cormier said that the West Suburban Health Group (WSHG) just hired a Wellness Consultant. She said Deanna Desroches and the new WSHG consultant could benefit from sharing information and ideas.

Discussion of The Abacus Group proposal:

The Steering Committee reviewed the proposal from The Abacus Group.

Ms. Cormier reviewed the Key Contractual Terms of the proposal.

Ms. Cormier said that Abacus has given CCMHG a price concession based on the size of the group. She said she has seen a demonstration of the Abacus program and it has a lot to offer.

Ms. Cormier said that as stated at the last meeting, GBS established another company named Prescription Benefit Services (PBS) because a number of clients were interested in purchasing prescription drugs from Canada. She said that GBS president, Jack Sharry, did not want to jeopardize GBS if there were a legal challenge. She said the role that PBS plays removes the client from direct contracts and dealings with the Canadian vendors. She said PBS has a service contract with The Abacus Group, and receives a small percentage of the fee charged to the Group. She said there is currently no service contract between PBS and CanaRx.

Skip Finnell asked if GBS could provide a written disclosure of the fee structure between PBS and The Abacus Group.

Carol Cormier said she would provide the written disclosure. She also mentioned that CCMHG could choose to have contracts directly with the Canadian vendor and Abacus.

David Withrow questioned if there was any information that purchasing prescription drugs from Canada was legal.

Carol Cormier said that the Food & Drug Administration (FDA) released a statement about three to four weeks ago, saying 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.

Skip Finnell mentioned that the *Cape Cod Times* had done an editorial in addition to the article on September 8th titled, "Cape towns weigh Canadian Rx", which was included in the meeting packet.

There was a discussion.

Bob Whritenour said The Abacus Group seemed to have comprehensive management and a lot of value. He said the proposal is costly; however, the costs end up being a percentage of the overall savings. He said he supports the concept of having a more comprehensive management of prescription costs.

Bob Canevazzi said he is not a supporter of Canadian prescription drug purchasing, but he does feel that The Abacus Group has provided an outstanding proposal. He questioned whether CCMHG should consider contracting with Abacus, but not necessarily with a Canadian drug vendor.

Carol Cormier spoke about MyHealthMaximizer.com, a web-based program, which is a great additional tool that can reduce the use of medications.

Noreen Mavro-Flanders asked if Abacus would visit each governmental unit in order to educate members of the program.

Ms. Cormier said Abacus could do regional meetings, but it would not be possible to visit all 51 units.

She said she agreed that it was important to educate members in person, because mailings were not as effective. She mentioned that Abacus had visited Cape Cod to meet with City of Worcester retirees living on the Cape and about 26 retirees attended the meeting.

Bill Hickey said that the City of Somerville recently began the Canadian prescription drug program and Abacus did a great job educating members.

David Withrow asked if there were any GBS clients that were dealing directly with the Canadian vendor.

Ms. Cormier said that the City of Springfield and City of Boston were dealing directly with Canadian vendors. She mentioned that The Abacus Group requires the Canadian Rx vendors to use U.S. National Data Codes (NDC). She said that this is the only way that true price comparisons can be made.

Anne Hart-Davies mentioned that the health plans would require The Abacus Group to sign a Business Associate Agreement prior to releasing data to them.

Ms. Cormier said there would be a meeting with a Canadian vendor, CanaRx, on Monday, September 27, 2004 at 9:30 a.m. at the Falmouth Town Hall. She said CanaRx is the likely vendor for the state of Illinois, so there is some concern that they will need to ramp up.

The health plans talked about the questions that members have about the program.

There was a discussion.

Carol Cormier said there are three Canadian drug vendors that are currently being used or considered by GBS clients, including Canusa, CanaRx and Total Care Pharmacy. She said CCMHG has already met with Canusa and will meet with CanaRx on Monday the 27th. She said the City of Boston went with Total Care Pharmacy.

Noreen Mavro-Flanders said the Group should have Abacus get the data from the health plans and run the numbers through the vendors to determine savings.

David Withrow agreed and said it would be nice to see the savings from all vendors.

The Committee agreed to include Abacus as a topic on the next Board meeting agenda.

Ms. Mavro-Flanders asked that the project initiation fee of \$20K be pulled from the pricing section of the Abacus proposal.

Skip Finnell asked Carol Cormier to provide a side-by-side view of features of the different Canadian vendors.

The Committee agreed to make a recommendation on the Canadian vendor and The Abacus Group at the October Steering Committee meeting. The Committee also agreed to ask The Abacus Group to make a presentation at the October Board meeting.

Discussion of October Board meeting agenda:

Bob Whritenour said the following should be included as agenda items at the October Board Meeting:

- *Audit Distribution*
- *Election of officers and Steering Committee*
- *Benefit Administrators Meeting Notification*
- *Progress Report on CHIP under Wellness Committee Report*
- *Investment Committee Report*

Carol Cormier said she would send a series of emails to the Board members to inform them of the Canadian drug issue and the need for a vote at the October Board meeting.

Health Plan Reports:

Harvard Pilgrim Health Care

Mr. Hickey stated that the NCQA (National Committee for Quality Assurance) just recently named HPHC as the number one health plan in member satisfaction and quality of care in America. He said HPHC was the first health plan to receive this elite distinction for Massachusetts, New Hampshire and Maine. He said last year, HPHC was in the NCQA top ten. He said the top 10% of data included health plans such as, BCBSMA, HPHC, Tufts, Fallon, Health New England, etc.

Mr. Hickey said that the preliminary work had been done on the SAS70 audit, which covers the fourth quarter of FY04 and the first quarter of FY05. He said it should be ready for distribution June 1st.

Blue Cross Blue Shield

Anne Hart-Davies talked about the BCBSMA promotion of *Living Health Naturally* and distributed a handout on the program. She said there was additional information on this on the BCBSMA website (www.bcbsma.com).

Ms. Hart-Davies distributed the BCBSMA Annual Report to the Committee. She said this was also available in an electronic format.

Ms. Hart-Davies said that Pam Santin, the BCSBMA Wellness Coordinator, has met with Deanna Desroches. She said Ms. Santin gave Ms. Desroches the health risk assessment report.

Ms. Hart-Davies said she would bring July amendments to the Benefit Descriptions to the meeting on Monday.

Delta Dental

Anne Boisvert provided Carol Cormier with the Delta Dental Voluntary plan contract for the new Enhanced product. She asked that the contract be reviewed, signed and then returned to her attention. She said the changes were included in Attachment A.

Ms. Boisvert said that she and Ruth Lynch had recently revised the listing of Delta Dental sub-locations.

Ms. Boisvert said Delta Dental would be doing an SAS70 audit sometime in 2005.

Other Business:

It was confirmed that the next Board meeting was scheduled for Wednesday, October 27, 2004 at 9:30 a.m. at the COMM Fire District in Centerville. A Steering Committee meeting will precede the Board meeting at 8:30 a.m.

The following Steering Committee meetings were also scheduled:

Tuesday, November 23, 2004 at 9:00 a.m. at the DYRSD Admin. Bldg. in South Yarmouth
Thursday, December 16, 2004 at 9:00 a.m. at the DYRSD Admin. Bldg. in South Yarmouth

There was no other business. Bob Whritenour adjourned the meeting at 11:45 a.m.

*Prepared by Joelle Carlberg
Group Benefits Strategies*