

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

**Board Meeting**

Wednesday, October 1, 2014, 10:00 AM  
Barnstable Town Hall, Barnstable, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 1, 2014 at 10:00 AM at the Barnstable Town Hall, Barnstable, MA. The following people attended the meeting:

**Board Members and Alternates Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Debra Blanchette	Town of Barnstable
Laura Scroggins	Town of Barnstable
Marie Buckner	Town of Sandwich
Susan Wallen	Nauset Regional School District
Gerry Panuczak	Town of Chatham
Deborah Heemsoth	Town of Dennis
Robert Howard	Bourne Recreation Authority
Lisa Vitale	Town of Brewster
Judy Sprague	COMM Fire District
Melanie Becker	County of Dukes County
Dave Withrow	Town of Orleans
Kathleen Isernio	Monomoy Regional School District
Mary McIssac	Town of Harwich
Joan Plante	Town of Eastham
Cynthia Slade	Town of Truro
Karen Scichilone	Cape Cod Lighthouse Charter School
Amanda Winn	No. Sagamore Water District
Diane Midura	Town of Wellfleet
Teresa Johnson	Sandwich Water District

**Guests Present:**

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Jason Lily	Rockland Trust Investments
Linda Loiselle	The Abacus Group
Debb Jardin	The Abacus Group
Beverly Haley	Dennis Yarmouth RSD
Sarah Gorozyca	Mashpee Water District
Elizabeth Deck	Cape Cod Collaborative
Michelle Lacasse	Barnstable County
Nancy Cushing	Barnstable County
William Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Nina Conroy	Delta Dental Plan of Mass.
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies (GBS)

Karen Carpenter

Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:10 a.m.

**Election of Officers and Steering Committee for CY2014:**

Ms. Mavro-Flanders said the Steering Committee is making a recommendation to nominate and approve the election of the officers and Steering Committee members are as follows:

Board Chair – Noreen Mavro-Flanders, County of Dukes County;  
Board Vice-Chair – Gerry Panuczak; Town of Chatham

**Steering Committee:**

Chair – Francis “Skip” Finnell, Dennis Yarmouth RSD,  
Noreen Mavro-Flanders, County of Dukes County,  
Margaret Downey, Barnstable County,  
Debra Blanchette, Town of Barnstable,  
Marie Buckner, Town of Sandwich,  
Gerry Panuczak, Town of Chatham,  
Heather Harper, Town of Falmouth,  
Erin Orcutt, Cape Cod Reg. Voc-Tech School,  
Joyce Mason, Town of Mashpee,  
Susan Wallen, Nauset RSD, SC Alternate.

Dave Withrow moved to nominate and elect the slate of Board Officers and Steering Committee members.

Judy Sprague seconded the motion. The motion passed by unanimous vote.

Motion

**Approval of the Minutes of the July 23, 2014 meeting:**

Judy Sprague motioned to approve the minutes of the July 23, 2014 meeting.

Motion

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

**Investment Committee and Manager’s Report:**

Gerry Panuczak said that the Investment Committee will be making a recommendation following the Rockland Trust report presented by Jason Lily.

Jason Lily said that the third quarter report was not available yet, but said the Investment Committee reviewed the current Investment Policy. He said that asset classes were re-evaluated. Mr. Lily said 3 fixed income funds and have been added to the Income & Growth portfolio and 2 funds have been added to the Balanced portfolio.

Mr. Lily said that the combined portfolio performance results was a gain of approximately \$1.39M through September 29, 2014.

Gerry Panuczak said that Rockland Trust re-evaluates and rebalances the CCMHG funds on a regular basis to obtain the best performance. He said that in the Investment Policy, Appendix A, Table 2 the asset classes are listed. He said the Investment Committee is recommending that the class named “Bond Mutual Funds” be renamed “Domestic Bond Mutual Funds” and that “International Bond Funds” and “Emerging Markets Bond

Fund” be added to the list. He said the recommendation was presented to and reviewed by the Steering Committee as a recommendation to the Board.

Skip Finnell motioned to approve changes to the Investment Policy, Appendix A, Table 2, specifically changing “Bond Mutual Funds” to “Domestic Bond Mutual Funds” and adding “International Bond Funds” and “Emerging Markets Bond Funds” to the list of asset classes.

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

Mr. Panuczak said the Committee may come back later with a recommendation pertaining to Table 3.

#### **Treasurer’s Report:**

Treasurer, Rich Bienvenue reviewed the Financial Statements through August 2014 (unaudited). He said that the Net Income Loss YTD was -\$1.9M. He said that when CCMHG set its rates for FY14, it planned on using \$9.9M from the fund balance to pay for FY14 expenses. Mr. Bienvenue reviewed the cash flow projection for the first quarter. He said if the current claims expense continues, he expects the utilization of fund balance to be close to \$10M.

Mr. Bienvenue said that the FY14 Financial Audit is underway and said he was expecting the draft audit to be ready during mid-October.

#### **Wellness Committee Report:**

Mainland Wellness Programs- Deanna Desroches reviewed the FY14 wellness program update report. She said that the Anti-smoking Program has 10 members participating and an 89% success rate in Eastham. She said she is hoping to run the next program in Falmouth. Ms. Desroches said several biometric screenings are scheduled, including the Town of Mashpee, the Town of Falmouth, including the Police Dept., and the Sandwich and Monomoy schools. She said the Couch to 5K program participants hit their 5 mile goal. Ms. Desroches said she will be announcing the Maintain Don’t Gain program mid-October and said the goal will be to maintain or stay within 2 pounds of your current weight through the holiday season. She said she is working on the October edition of the wellness newsletter and will be distributing it on the 15<sup>th</sup>.

#### **Steering Committee Report:**

Skip Finnell, Steering Committee (SC) Chair, said that the items on the Board agenda are the items with which the Steering Committee has been dealing. He said that he wanted to add that the SC wants to review the Strategic Plan and asked for volunteers. He said Debra Blanchette, Noreen Mavro-Flanders and Marie Buckner have reviewed it and said that the rest of the Wellness Committee will be looking at it as well. Mr. Finnell said that the Strategic Plan is located on the CCMHG website at [www.ccmhg.com](http://www.ccmhg.com). He said to contact him with any suggestions.

#### **The Abacus Group Report:**

*Good Health Gateway® Diabetes Rewards program report* – Ms. Loiselle reviewed the report through August 31, 2014. She said that there are 1,270 CCMHG members diagnosed with diabetes. She said 40 of identified diabetics were enrolled with 50% of those compliant with all care elements of the program. She said that estimated savings for the year was \$414,888. She said that the estimated member co-pays waived was \$124,814 and the total diabetes medication cost was \$1,095,510 at the end of the 12-month period. Ms. Loiselle noted that the medication costs are claims costs, not program costs.

Ms. Loiselle reviewed the promotional activities for the Diabetes Rewards program including attending health fairs, targeted mailings such as welcome kits and congratulations/regret letters in addition to in and out-bound phone calls.

Linda Loiselle said that if the Board votes to implement the EGWP plans, those members will not be eligible to participate in the Diabetes Rewards and myMedicationAdvisor® programs. She reviewed the participation analysis and samples of letters that would be mailed to participating members. Ms. Loiselle said that the retirees currently participating in the Diabetes Rewards program will no longer be eligible as of December 31, 2014. She said those participating in the CanaRx program will have their last scripts filled in December and could receive a 90 day supply.

### **GBS Reports:**

Noreen Mavro-Flanders said that the GBS reports were emailed out to the Board.

*Funding Rate Analysis* - Carol Cormier said that the FY14 health plans' expense-to-funding ratio at the end of June was 96.8%. She said the FY15 claims and administration expenses through August exceeded the funding by \$952,481 which is an expense-to-funding ratio of 104.3%. She said the HPHC claims were high in July. Ms. Cormier said that the dental plans' expense-to-funding ratio was 101.6% through August.

*MA Municipal Reinsurance Arrangement (MMRA)*- Carol Cormier said that the MMRA is up and running for the CCMHG FY15 reinsurance effective July 1, 2014. She said that the \$500K Aggregating Specific Deductible has been eliminated in the new policy.

There was a brief discussion about the lag in payment of claims and the health plan representatives said that the claims are paid electronically.

### **Senior Plan Renewals for CY2015 and vote on changing Medex, Medicare Enhance, and Managed Blue for Seniors to Medicare Part D plans including discussion of transition of plans:**

Noreen Mavro-Flanders said that the Steering Committee (SC) and Board have been reviewing information regarding moving the Medex, Managed Blue for Seniors, and Medicare Enhance senior plans to EGWP plans. She said the SC voted at the las SC meeting to make a recommendation to the Board to move the plans to EGWP plans for January 1, 2015.

Carol Cormier reviewed the fully insured senior plan rates for CY15 and noted that the Managed Blue for Senior s plan currently does not have Part D built in. Ms. Cormier said the plan rate without incorporating Part D for CY15 will increase by 3.5% to \$408.55 per month. She said if the Board votes to incorporate Part D into the plan, the rate will drop to \$294.78 or -25.3%. Ms. Cormier noted that there are only 17 members enrolled in the Managed Blue for Seniors plan. Ms. Cormier said that the prescription formulary for the EGWP plan does not cover folic acid and vitamin D or lifestyle drugs such as Viagra and Cialis. She noted that vitamin D and folic acid supplements are available over the counter. Ms. Cormier said that the Tufts senior plans cover the lifestyle drugs. Ms. Cormier said that the EGWP plans are not eligible for the RDS program, but said the savings are realized through the lower rates. She said the EGWP plans help to reduce the employer's OPEB liability.

Debra Blanchette made a motion to move the Managed Blue for Seniors plan to an EGWP and to approve the insured senior plans rates as presented.

Motion
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Skip Finnell seconded the motion. The motion passed by unanimous vote.

Carol Cormier reviewed the CY15 senior rate packet for the BCBS Medex and HP Medicare Enhance self-funded plans. Ms. Cormier said that these plans are now RDS eligible and said that the subsidy averages \$1.3M to \$1.5M each year. She said if the Board votes to move the plans to Part D plans, the savings would

be realized through lower rates and would no longer be RDS eligible. Ms. Cormier said CCMHG would still receive the RDS runoff.

Ms. Cormier said that the medical services will be self-funded, but the prescription portion of the plan would be fully insured. Ms. Cormier said BCBS and HPHC propose a \$0 increase to their administrative fees for CY15. She said the administrative fees will be added to the rates.

Ms. Cormier reviewed the Medex projections and said that the monthly funding for the status quo Medex 3 plan is \$1,143,897 versus \$839,724 for the Medex 2 Part D plan. Ms. Cormier said that the savings to move to the Part D plan is projected to be \$3.65M or -26.6%.

Ms. Cormier reviewed the Medicare Enhance projections and said that the monthly funding for the status quo Medicare Enhance plan is \$207,453 versus \$165,468 for the Medicare Enhance Part D plan. She said the savings to move to the Part D plan is projected to be \$503.8K or -10.4% in CY15.

Ms. Cormier asked each of the health plan representatives to explain their plans, but noted that there will be no changes to the current benefits.

Bill Hickey said that HPHC partners with Coventry First Health for the Part D plan. He said the prescription co-pays will remain the same, but said members can receive a 90 day supply at the retail setting. He said the formulary disruption will be minimal. Mr. Hickey said when HPHC receives an enrollment form for Medicare Enhance, they will coordinate the information with Coventry. He said members will need to obtain new prescriptions for mail orders. Mr. Hickey said that there may be some tier changes of the prescriptions with the new formulary. He said that for members that are currently enrolled in Medicare Enhance and not making a change, they will be moved to the Part D plan electronically. Mr. Hickey said that members do not need to sign up for Part D, it is included in the CCMHG Medicare Enhance plan. He said members would continue to use the same pharmacies.

Bill Rowbottom said that the current Medex 3 plan will be named Medex 2 and the prescription coverage will be managed by Blue Medicare RX. He said there will be no changes to the medical portion of the plan. Mr. Rowbottom said that CVS Caremark will be the new Prescription Benefits Manager for mail order prescriptions, replacing Express Scripts. He said that members will need to obtain new prescriptions from their physicians. Mr. Rowbottom said that BCBS offers a "Fast Start" program to help members with the prescription transition. He said once a member receives their prescription card, they can contact CVS Caremark and CVS will call all of the member's physicians to obtain new prescriptions. Mr. Rowbottom said that communication to benefits administrators as well as the retirees is important.

Carol Cormier asked each of the health plan representatives to put together a "Brain Shark" presentation that would be posted on the CCMHG website.

Linda Loiselle said that the Abacus Group will have a presence at the senior health fairs.

Gerry Panuczak said that the Steering Committee voted to make a recommendation to the Board to move to the EGWP plans for CY15.

Carol Cormier said that health plans are required by CMS to send a 21-day letter to the retirees and said that they cannot be sent to a PO Box address. She said GBS will send lists to the employers requesting a physical address and the date of retirement of the retiree. Ms. Cormier said sending Medicare Credible Coverage letters will no longer be required to retirees on the Part D plans. She noted that the letters will still need to be sent to Medicare eligible active employees and spouses age 65 or older.

Fred Winer said that the Part D plans are required to follow CMS rules and regulations.

Gerry Panuczak said that a CCMHG Benefits Administrator's Meeting is scheduled on October 8, 2014 at COMM. He said further administrative instructions will be discussed at that time.

Skip Finnell made a motion to move the Medex 3 and Medicare Enhance plans to EGWP plans and approve the Medex 2 plan rate of \$303.04 and Medicare Enhance plan rate of \$289.28 effective January 1, 2015.

Motion

Debra Blanchette seconded the motion. The motion passed by unanimous vote with no further discussion.

**Transgender surgery and other related services:**

Gerry Panuczak called attention to the MA Division of Insurance (DOI) Bulletin of June 20, 2014 regarding transgender surgery and treatment. He said the DOI concludes that excluding certain types of treatment from coverage will be considered prohibited sex discrimination. He said that BCBSMA will begin to include the coverage on renewal for all groups including self-funded groups. Mr. Panuczak said that Bill Hickey informed the Steering Committee that Harvard Pilgrim will give self-funded clients the option of whether or not to include the transgender surgery.

Debra Blanchette said that the health plans say the cost increase to add the coverage will be very minimal and will not impact the rates.

Debra Blanchette moved to approve adding medically necessary transgender surgery and related treatments to the Harvard Pilgrim plans on July 1, 2015.

Motion

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

**Health Plan Reports:**

*Tufts Health Plan senior plans* – Fred Winer said that THP has been ranked #1 Health Plan in the country by the National Committee for Quality Assurance (NCQA).

*Harvard Pilgrim Health Care* – Bill Hickey encouraged attendance at the Benefit Administrative Meeting. He said that he has flyers available with information about preventative screenings and said to contact him if anyone would like to order additional flyers.

*Blue Cross Blue Shield of MA* – Bill Rowbottom said that BCBS will be adding the coverage for transgender services effective July 1, 2015. He encouraged attendance at the October 8<sup>th</sup> Benefit Administrator's meeting.

**Other Business:**

Skip Finnell said the preliminary rate discussion for the FY16 rates will be held at the January 21, 2015 Steering Committee at the Sandwich Town Hall at 9:00 a.m. He said there are SC meetings scheduled on November 12 and December 17<sup>th</sup> at the Sandwich Town Hall. Mr. Finnell said that the FY16 rates will be voted on at the January 28, 2015 Board Meeting following the Steering Committee Meeting. He said the Steering Committee will meet at 9:00 a.m. and the Board will meet at 10:00 a.m. at COMM Fire District.

Skip Finnell moved to adjourn the meeting.

Debra Blanchette seconded the motion. The motion passed by unanimous vote.

Gerry Panuczak adjourned the meeting at 11:53 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*