

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

Steering Committee Meeting
Wednesday, October 1, 2014, 9:00 AM
Barnstable Town Hall, Barnstable, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 1, 2014 at 9:00 AM at Barnstable Town Hall, Barnstable, MA. The following people attended the meeting:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair	Dennis Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Gerry Panuczak	Town of Chatham
Debra Blanchette	Town of Barnstable
Marie Buckner	Town of Sandwich
Heather Harper	Town of Falmouth
Susan Wallen	Nauset Regional School District

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Melanie Becker	Town of Chilmark
Linda Loiselle	The Abacus Group
Debb Jardin	The Abacus Group
William Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:15 AM.

1. Approval of the Minutes of the September 17, 2014 meeting:

Deb Blanchette noted several typographical errors in the draft minutes.

Carol Cormier said that Deanna Desroches had previously notified her that the Kick Butts program referred to in the minutes on page 2 was held in Eastham and not in Falmouth.

Gerry Panuczak motioned to approve the minutes with the changes noted.

Motion

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

2. Treasurer’s comments:

Treasurer Richard Bienvenue, CPA said that in his report to the Board his main focus will be on the current and projected status of the Fund Balance. He said that when the CCMHG set the FY14 rates, it had expected to reduce the Fund Balance by about \$10 million, and, he said, it appears that the Group is now on track for that reduction.

3. Investment Committee report:

Gerry Panuczak , Investment Committee Chair, said the Committee met last week. He said the last Quarter was not great and that the Group lost money mainly because of poor performance of the equity funds. He said in spite of this the CCMHG is still ahead. Mr. Panuczak said the CCMHG's portfolios over-perform in down markets and under-perform in up markets because of the diversification.

Mr. Panuczak said that if the fund balance is reduced as expected in FY15, it may still not be necessary to draw down money from the investments, but he said the Group would probably have to do so in FY16. He said the Committee is looking into creating a third fund that would be more liquid and more conservative in nature. He said one model being considered is to invest the amount or a percentage of the amount over \$13 million of investment income for investment in the new fund.

Rich Bienvenue said the two portfolios are long-term, and he said the Group is not a long-term investor now.

Skip Finnell said that the possible third fund would have lower earnings.

Gerry Panuczak said Jason Lily, CCMHG's Rockland Trust investment manager, explained that with the current funds there are good times and bad times to withdraw money; however, with the new fund there would be no bad time to withdraw. He said the Committee hopes to have its strategy ready to bring to the Steering Committee and Board in January.

Mr. Panuczak said that Rockland Trust rebalances funds periodically for better risk-adjusted returns. He said this time Rockland is eliminating some funds and adding some funds. He said in the Investment Policy, Appendix A, Table 2 the asset classes are listed. He said the 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 Committee may come back later with a recommendation pertaining to Table 3.

Noreen Mavro-Flanders 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

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

4. PCORI Fees:

Carol Cormier said that CCMHG received an invoice from the IRS for fees for late filing, late payment, and interest for the FY13 plan year fees. She said that the regulations indicated CCMHG paid on time and that GBS had this reviewed by legal counsel. She said this has happened to two other joint purchase groups. She said that Treasurer Rich Bienvenue will have to pursue this with the IRS.

Richard Bienvenue said the Group should probably pay the late fees and then protest.

Noreen Mavro-Flanders asked if the CCMHG should pay the FY14 fees now even though it is believed they are not due until July 31, 2015.

Rich Bienvenue said that he agreed with that.

Carol Cormier said she will send Mr. Bienvenue the member counts for FY14 so that he can file and pay PCORI the FY14 fees.

Other Business:

Strategic Plan - Skip Finnell said within the next couple of months he wants the Steering Committee to re-visit the Strategic Plan which expires in 2014.

Noreen Mavro-Flanders and Deb Blanchette volunteered to work with Mr. Finnell on this project.

Marie Buckner said that the Wellness Committee should have input and said their next meeting is December 11.

Noreen Mavro-Flanders pointed out that the CCMHG did not do Goal 1.A.2. of the current Strategic Plan.

Heather Harper said that she thought the Board members should be given the opportunity to give ideas on the plan and on what the CCMHG's priorities should be.

It was agreed that GBS will send the current Strategic Plan to the Board members and that they will be told that it is on the CCMHG website.

Next meetings – The following meetings were scheduled:

- Steering Committee on November 12, December 17, and January 21 all at 9:00 AM at Sandwich Town Hall.
- Steering Committee on January 28, 2015 at 9 AM, location to be determined.
- Board meeting on January 28, 2015 at 10 AM, location to be determined.

There was a discussion about having two meetings on the Vineyard next year. June 16 and 17 were suggested as tentative dates.

There was no other business.

Skip Finnell adjourned the meeting at 9:52 AM.

*Prepared by Carol Cormier
Group Benefits Strategie*