

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

Board Meeting

Wednesday, October 9, 2013, 10:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 9, 2013 at 10:00 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Board Members 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
Gerry Panuczak	Town of Chatham
Pam Hudson	Town of Provincetown
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Lisa Vitale	Town of Brewster
Irene Wright	Town of Yarmouth
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Susan Stoltz	Barnstable Fire District
Deborah Heemsoth	Town of Dennis
James Weiss	Martha’s Vineyard RSD
Nancy Cushing	Barnstable County
Maggie Downey	Barnstable County
Heather Harper	Town of Falmouth
Robert Howard	Bourne Recreation Authority
Joyce Mason	Town of Mashpee
Mary McIssac	Town of Harwich
Erin Orcutt	Cape Cod Regional THS
Dave Withrow	Town of Orleans
Judy Sprague	COMM Fire District
Beverly Haley	Dennis-Yarmouth RSD

Guests Present:

Rich Bienvenue	Treasurer, CCMHG
Deanna Desroches	CCMHG Wellness Consultant
Jason Lily	Rockland Trust Investments
Kate Bruster	Monomoy Regional School District
Denise Coleman	Town of Falmouth
Scott Starbard	Falmouth Firefighter
Ryan Gavin	Falmouth Firefighter
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Rowbottom	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)

Carol Cormier
Karen Carpenter

Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 11:45 a.m.

Approval of the Minutes of the July 24, 2013 meeting:

Jim Weiss motioned to approve the minutes of July 24, 2013 meeting.

Motion

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

Investment Manager’s Report:

Gerry Panuczak, Investment Committee Chair, said that the investment returns were good for quarter ended September 30, 2013. He said the investment portfolios perform a little better than the benchmarks when the market is low and a little lower than the benchmarks when the market is doing well. He asked Jason Lily to expand on this during his report.

Jason Lily from Rockland Trust distributed and reviewed the CCMHG Investment Report for quarter ending September 30, 2013. He said that there was a 2.5% increase in returns for the quarter. He said there was an investment gain of \$334,105 for quarter ending September 30, 2013. He said that all the asset funds are in compliance with the CCMHG’s Investment Policy.

Mr. Lily said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 4.44% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 9.30%. He said Portfolio#1 and Portfolio #2 underperformed the benchmark slightly for the year. He said that the diversification of the funds held back a better return and said that the government shutdown also had an effect on the market.

Noreen Mavro-Flanders thanked Mr. Lily for his report.

Treasurer’s Report:

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through June 30, 2013. He reported a Total Fund Balance at year-end of \$23,848,753, up by almost \$3 million from the prior year. Mr. Bienvenue said at the time the Board set the FY14 health plan rates, they expected \$10M of the fund balance surplus to be utilized. He said that the claims experience has been favorable to date and said that could be partially due to the plan design changes made in FY13.

Mr. Bienvenue distributed canned reports printed from Xero, the new accounting software he will be using and generating reports from going forward. He said the software system is web-based and has the ability to link directly to the bank accounts. Mr. Bienvenue said that he is going to work on receiving the member payments electronically. He said that he will continue to work with the Steering Committee to determine which reports are needed and will customize those reports to produce the information to meet the needs of the Committee.

Mr. Bienvenue said that the draft financial audit should be ready for the December meeting.

Proposed amendment to the Joint Purchase Agreement, Article 4:

Noreen Mavro-Flanders said that a recent vacancy on the Steering Committee prompted a review of Article 4, the Administration section of the Joint Purchase Agreement (JPA). She said that a reading of a proposed amendment was heard at the last Board meeting and time allowed for each unit to consider.

Skip Finnell made a motion to accept as presented the Steering Committee’s recommendation to approve amending Article 4 to create one alternate Steering Committee member who will be authorized to vote in the absences of any one Steering Committee member

Motion

Pam Hudson seconded the motion.

The motion passed by a unanimous vote.

Election of Officers and Steering Committee for CY2014:

Noreen Mavro-Flanders said that an email was sent to the Board to see if anyone was interested in being nominated to serve in elected positions. Ms. Flanders said that no responses were received. She asked if there were any nominations from the floor. There were no nominations.

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.

Jim Weiss moved to nominate and elect the slate of Board Officers and Steering Committee members.

Motion

Dave Withrow seconded the motion. The motion passed by unanimous vote.

Noreen Mavro-Flanders said that an email was sent to the Board asking if anyone was interested in being nominated to serve as the Alternate Steering Committee member. She said that Susan Wallen, Nauset RSD sent a letter of interest. Ms. Mavro-Flanders asked if there were any other nominations. There were no other nominations.

Gerry Panuczak made a motion to nominate and elect Susan Wallen to serve as the Alternate Steering Committee member.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Wellness Committee Report:

Deanna Desroches, Wellness Consultant to the mainland, reviewed the current wellness programs to include *Kick Butts*, a smoking cessation program. She said the program is scheduled to begin on January 8, 2014 in the Town of Eastham. She said that two informational sessions are planned, one at the Town of Brewster Town Hall on October 29th and one at the Charles Central School in mid-November. Ms. Desroches said that she thought the CCMHG smoking cessation program has the highest success rate in the country.

Ms. Desroches said that the Wellness Committee met with Dr. Flaherty and Sue Bjork about revamping the HIP program. She said she will update the Board as more information becomes available. Ms. Desroches said that upcoming programs include *Your Health Matters*, Biometric screenings, Healthy Me and Chi Gong. Ms. Desroches said that the *Healthy Me*® program combines fitness and nutrition components. She said that there will be two *Walk It Off* programs, one for retirees and one for the active employees.

Ms. Desroches said that similar programs are being conducted on Martha's Vineyard (MV). She said that Krystle Rose, Wellness Consultant for MV, has recommended to the Steering Committee to purchase Biometric screening equipment versus renting the equipment. She said that the purchase would save equipment rental and nurse costs.

Noreen Mavro-Flanders said that each machine would cost approximately \$1,700 but said the cost would be paid out of the wellness budget. Ms. Mavro-Flanders said that the Wellness Committee has researched several options including borrowing the Barnstable County equipment. She said that the Committee found out that borrowing the equipment is not an option.

Skip Finnell asked the Wellness Committee chair to send an email outlining the costs and said the decision would be made at the Steering Committee level. Mr. Finnell said that Ms. Rose is doing well bringing wellness programs on MV including lectures on tickborn illness.

Deanna Desroches said that the lectures may be brought to the mainland as well.

Steering Committee Report:

Skip Finnell, Steering Committee Chair, said that he would not be giving a separate report since most of the topics are agenda items and will be discussed during the meeting.

CY14 Senior plan rates:

Noreen Mavro-Flanders said that the Board did not approve changing the Medex and Medicare Enhance plans to Medicare Part D plans for this year but did approve changing the renewal date for retiree plans to January 1. She said that the Board also agreed to either hold or lower the rates of the Medex and Medicare Enhance rates through December 31, 2014.

Carol Cormier reviewed the CY14 senior plan rate exhibit. She said that the rates shown in black font on the exhibit are fully insured plans, and CMS (Center for Medicare Services) approved those rates. She said the Tufts Medicare Preferred HMO plan rate increased by 5%, but she said it is still one of the two lowest cost CCMHG senior plans. Ms. Cormier said that the Tufts Medicare Preferred Supplement plan rate decreased by -4.5%. Ms. Cormier said that the Medex funding rates were higher than its expenses in FY13. She said the Committee is recommending a -4.9% decrease to the Medex plan for January 1, 2014. Ms. Cormier said that the HPHC Medicare Enhance funding rates ran higher than its expenses, but said the Board voted to not increase its rate for CY14. Ms. Cormier said that the Medicare HMO Blue plan rate decreased -18/8% and the Managed Blue for Seniors plan rate was held at \$394.73.

Skip Finnell made a motion to approve the senior plan rates as presented effective January 1, 2014.

Jim Weiss seconded the motion. The motion passed by unanimous vote.

Motion

Bill Rowbottom said that all of the senior health fairs have been scheduled and said that the schedule was distributed at the CCMHG Benefits Administrator's meeting. He said that the schedule was also sent out by email and has been uploaded onto the CCMHG website at www.ccmhg.com.

Update on reinsurance pooling arrangement:

Noreen Mavro-Flanders said that she and Skip Finnell, along with representatives from MNHG and WSHG met with Gallagher Benefits Services and Group Benefits Strategies to review information on a possible reinsurance alternative. She said this is in response to reluctance on the part of reinsurance carriers to bid for municipal stop loss policies.

Carol Cormier said that the older reinsurance pooling model that was presented at a previous Board meeting has been replaced with a new one. She said under the previous model an insurance company was serving as the pool manager as well as providing coverage at highest of three claim levels. She said that this locked the pool participants into one carrier. Ms. Cormier said under the new proposed model the pool manager would be Artex Risk Solutions which is a wholly owned subsidiary of Gallagher with no ties to any insurance company. Ms. Cormier said that the small advisory committee made up of representatives from three large Joint Purchase Groups will be attending another meeting on October 24th. She said that the pooling arrangement manager will be flying in from CA to attend the meeting. Ms. Cormier said that a minimum of three JPGs is required to form the pool and said that July 1, 2014 is the expected effective date. Ms. Cormier said that more information should be available at the January Board meeting.

Skip Finnell clarified that it is just the reinsurance portion of the business that is being discussed. He said that a timeline should be available in January. He asked if anyone had any questions.

There were no questions.

GBS Reports:

Carol Cormier said that the GBS reports were emailed to the Board prior to the meeting.

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with year-end data through August 2013 and said the expense-to-funding ratio for health plans was 94.1% and for dental was 99.8%.

Section 125 Voluntary Plan update – Carol Cormier said that employers are required to maintain a Section 125 cafeteria plan offering employees who are ineligible for their group health insurance access to individual market coverage using pre-tax contributions. She said that state governments are no longer allowed to provide these plans to employers. Ms. Cormier said that voluntary plans will be available through Mosaic Health Insurance Exchange and said that municipal employers are eligible to obtain these plans at the rates and terms extended to the the GIC through its contract with Mosaic.

Ms. Cormier said that an email was sent to municipalities by someone at the ANF stating that voluntary plans do not need to be provided by employers. She said that she contacted ANF and was told that the email was sent in error, but said that a review of federal law is underway and it may turn out that employers will not need be required to offer Section 125 plans to non-benefit eligible employees. Ms. Cormier said that she was told that a clarification could take weeks.

In response to a question, Ms. Cormier said that it is up to each unit to decide whether to contact Mosaic and sign up or not. She said it is unsettled at this point.

The Office for Administration and Finance announced at a later date that:
Non- benefit eligible employees will no longer be able to enroll in a Section 125, non-contributory plan through Mosaic Health Insurance Exchange or the Health Connector for health insurance as of January 1, 2014.

For an employee currently enrolled in a Section 125, non-contributory plan, through the Health Connector, the S. 125 plan will be available through the end of the employee's plan year in 2014.

Stop Loss Reports – Karen Carpenter reviewed the FY13 stop loss reports of claims through August. She said there are 13 claimants that have exceeded the specific deductible with excess claims of \$1.6M. She said reimbursements of \$1.1M have been received.

Health Plan Reports:

Tufts Health Plan – Fred Winer said that no changes were made to the Tufts Medicare Supplement Plan benefits. He said that the Tufts Medicare HMO plan members can receive a \$90 allowance for eyewear purchased at any provider. He said that members can receive up to \$150 reimbursement when utilizing an EyeMed provider. Mr. Winer said that new hearing aid discounts have been added to the Tufts Medicare HMO plan. He said that Tufts has partnered with HCS and members will continue to receive a \$500 hearing aid allowance every three years. He said that new discounts of up to 60% are now available through HCS along with free batteries and a 3-year warranty. He said that the information will be included in the enrollment packets.

Harvard Pilgrim Health Care – Bill Hickey said that for the 10th year in a row, HPHC is the #1 health plan in America according to the annual ranking of health plans by the National Committee for Quality Assurance (NCQA). Mr. Hickey reviewed a report regarding emergency room (ER) visits and ambulance costs. He said that he ran the report based on questions asked at the September Steering Committee. Mr. Hickey said that comparing FY13 to FY12, ambulance costs decreased by 14%. He said most resulted in ER visits or in-patient stays. Mr. Hickey said there were 2 MedFlights in each of the years. Mr. Hickey reviewed the ER utilization and said that there was a 26% decrease in ER visits in FY13 over FY12. He said that 17% of those visits were non-emergent, and 19% were PCP-treatable. Mr. Hickey said he would send the report to GBS.

Blue Cross Blue Shield – Suzanne Donahue distributed information regarding treatment estimates prior to a member's upcoming treatment or medical procedure. She said effective October 1st, BCBS members can request an estimate online or by calling a number on their ID card. Ms. Donahue said that BCBS of Mass. was named the #3 health plan by the NCQA among the nation's private plans. She said BCBS was rated highest among large group plans. Ms. Donahue said coming in 2014, *ahealthyme* will be expanded to include health assessments, wellness workshops, very good apps and interactive tools for members. She also noted that changes to the pharmacy formulary program will be implemented in 2014. Ms. Donahue also distributed information regarding the flu season and flu shots. She said to contact her to schedule a flu shot clinic or members can contact a participating pharmacy to receive their shots.

Other Business:

The next Board meeting was scheduled for January 22, 2014 at 10 AM at COMM Fire District.

The following Steering Committee meetings were scheduled:

- Steering Committee, Nov. 20 at 9:00 AM at Sandwich Town Hall; and
- Steering Committee, Dec. 18 at 9:00 AM at Sandwich Town Hall.

Scott Starbard, a Falmouth firefighter, said that he noticed that the July 24th Board meeting minutes implied that the Ch. 41, Section 111F claims processing issue was mainly due to a lack of knowledge on the firefighter's part regarding the process. He said that is not entirely true. He said that two invoices are now being collected from the third party administrator (TPA). He said that the Town of Falmouth proposed using a card with the TPA's information on it to be submitted at the time of service. He said that they are still trying to resolve the issues.

There was a discussion about the Governor's bill to change retiree contributions and other features of Other Post Employment Benefits (OPEB).

Noreen Mavro-Flanders said that the next OPEB bill hearing is scheduled for October 31, 2013 at 10 AM in Gardner, MA.

There was no other business.

Skip Finnell motioned to adjourn the meeting.

Motion

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

Noreen Mavro-Flanders adjourned the meeting at 11:55 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*