

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

STEERING COMMITTEE

Wednesday, October 19, 2005, 9:00 a.m.
Dennis Yarmouth Regional School District Administration Building
So. Yarmouth, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 19, 2005 at the Dennis Yarmouth Regional School District Administration Building, So. Yarmouth. The following people attended the meeting.

Committee Members Present:

Robert Whritenour, Chairman	Town of Falmouth
Jeff Cannon	Town of Barnstable
Robert Canevazzi	Town of Dennis
Francis “Skip” Finnell	Dennis Yarmouth RSD
Judie Jardin	Dukes County, retirees
Noreen Mavro-Flanders, Board Chair	Dukes County
David Withrow	Town of Orleans
Marie Buckner	Town of Sandwich

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Anne Hart-Davies	Blue Cross Blue Shield of MA (BCBSMA)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)

Chairman, Robert Whritenour called the meeting to order at 9:12 a.m.

Minutes of the Steering Committee meeting of July 27, 2005:

Noreen Mavro-Flanders moved to accept the minutes of the September 21, 2005 meeting as written.

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

Motion

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the September 30, 2005 financial reports (unaudited figures). He said that at the end of the first quarter of FY06 the financials were looking good. He reported an uncommitted fund balance of \$16,993,867 for health and \$564,482 for dental.

Mr. Bienvenue said that he had been carrying \$5,171 in outstanding checks but has now closed them out to “Other Revenue”. He said that there was another \$4,000 that he had closed out.

Rich Bienvenue reminded the Committee of the \$45,608 which he thought the Group owes HPHC. He said he has reclassified this amount on the financials as “disputable claims receivable”.

Mr. Bienvenue noted the \$15K per month payable to PBS for the alternative prescription purchasing program claims account.

Regarding his Cash Flow Analysis, Rich Bienvenue said that he projects that there will be a close-to-break-even settle-up with BCBS for the second quarter and a \$450K debit balance with HPHC.

Mr. Bienvenue said he projects the group will have a 6% Return on Investments over the course of the year. He also said he thinks that the Group is on target to use approximately \$4 million of the uncommitted fund balance as planned.

Skip Finnell asked if this means that the projections are the same now as they were when the rates for FY06 were set.

Mr. Bienvenue responded affirmatively.

There was a discussion about the impact of the Medicare Part D retiree drug subsidy that may be received towards the end of calendar year 2006.

Warrant Summary of October 2005:

Skip Finnell moved acceptance of the October 2005 Warrant Summary.

Motion

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

Wellness Committee Report:

Judie Jardin said the Wellness Committee had recently met in Sandwich with Drs. Sbarra and Flaherty, and with Sue Bourque, the Barnstable County nutritionist who will be trained as a CHIP facilitator. She said that roles and responsibilities were discussed and that Maggie Downey had sent a draft of the Roles and Responsibilities for the Steering Committee to review. Ms. Jardin said that the latest version of this document should be put on hold because not all comments of those who had reviewed the document had been incorporated.

Judie Jardin said that there will be two CHIP programs with the first one starting in January and held in Falmouth. She said starting in January ties in with the Barnstable County's fiscal year. Ms. Jardin said that the Wellness Coordinator's contract runs on a different time period than the CHIP programs. She suggested that the timing of the County contract for CHIP facilitation, the Cape Healthy Lifestyles and the Wellness Coordinator's contracts should run on the same timeframe.

Bob Whritenour thanked the Wellness Committee for doing the Roles and Responsibilities document for the CHIP programs. He said that a few members of the Steering Committee and Wellness Committee met with Dr. Sbarra and Dr. Flaherty in Falmouth on October 6th, after the Wellness Committee had met with the doctors.

Carol Cormier said that at the October 6th meeting there was a discussion about the long-term tracking of outcomes from the CHIP program. She said that she had asked BCBS and HPHC if they could assist with data to do this. She said that HPHC had responded affirmatively and that she expected that BCBS would do so also.

Bob Whritenour said that it is important to develop a methodology to measure and articulate the value of the wellness programs the CCMHG offers.

Carol Cormier said that the health plans track Return on Investment (ROI) for Disease Management programs and perhaps the same approach could be taken with the CHIP program.

Anne Hart-Davies said she would look into methodology for tracking ROI for the disease management programs to see if it would be applicable to CHIP.

Judie Jardin said that the Wellness Committee also discussed hiring an independent consultant to review the CCMHG's approaches to wellness programming.

It was agreed that the Wellness Coordinator's contract would be discussed at the next Steering Committee meeting.

Skip Finnell moved to extend the current Wellness Coordinator's contract under the existing terms until a the Steering Committee has a chance to agree on a successor contract.

Motion

Judie Jardin seconded the motion. The motion passed by unanimous vote.

Ms. Jardin noted that the new federal mileage reimbursement rate is \$0.485 per mile.

Carol Cormier noted that at the October 6th meeting in Falmouth the participants discussed using the *myHealthMaximizer*® and *HeartAge*® features of the *myMedicationAdvisor*® website to support the CHIP and other wellness programs.

Anne Hart-Davies said that BCBS is doing cooking demonstrations for healthy cooking and said that the BCBS person in charge of this will contact Deanna Desroches.

Judie Jardin said that Deanna Desroches would present her monthly invoice to the Committee prior to submitting it to GBS to put on the Warrant. She said this would enable the Committee to get a better handle on how Ms. Desroches's time is divided across projects.

***MyMedicationAdvisor*® (MMA):**

Heidi Steinitz, PhD., the Abacus Group/*myMedicationAdvisor*, gave the Committee a brief overview of why MMA was recommending that the CCMHG waive member co-pays for ten generic prescription drugs for Blue Cross Blue Shield plans. She said that these drugs could replace certain high cost brand name drugs. She said that if the switch rate were only 1-2%, the co-pay waiver would be offset by savings. She said the classes of drugs were hormone replacement therapy, calcium channel blockers, statins, and drugs for urinary urgency. She said that Harvard Pilgrim is not able to administer the waived co-pays but BCBS is able to do so.

Anne Hart-Davies said that the Committee should be aware that if it makes the decision to go forward with the co-pay waiver it would be moving from a three-tier co-pay formulary to a four-tier formulary. She said that would change the Subscriber Certificates and the agreements between BCBS and CCMHG.

Bob Canevazzi asked how frequently would the list of drugs be reviewed and possibly changed.

Dr. Steinitz said that the review would be done once a year.

Carol Cormier said that no changes should be made to the senior plans until July 1, 2006 because of the applications for the Retiree Drug Subsidy which was based on Rx claims and Rx benefits from January 1, 2006 – June 30, 2006. Ms. Cormier said that with Rx co-pays of \$5/\$15/\$30 on most BCBS plans, there is already a substantial difference between the generic co-pay and the Tier 2 and Tier 3 co-pays. She said that she thought if the same intensity of effort at educating members were employed with the current co-pay structure as is proposed for the generic co-pay waiver program, then there would be a likelihood of some switching to generics.

Jeff Cannon asked how this would work relative to the physician.

Heidi Steinitz said that this program would encourage patients to talk with their physicians about therapeutic alternative medications. She gave examples to explain the differences between generic equivalents and generic therapeutic alternatives. She said because of the mandatory generics prescribing

law in Massachusetts, there is already a large generic utilization rate. She said this law refers to generic equivalent medications. She said the proposed program deals with generic therapeutic alternative medications.

Jeff Cannon asked if there was leverage with physicians that was not being applied by the health plans.

Anne Hart-Davies said that Express Scripts does reach out to the doctors.

Heidi Steinitz said that *myMedicationAdvisor* (MMA) is developing a physician intervention program.

There was a discussion about Ms. Hart-Davies' comments about changing to a 4-tier formulary and changing the agreements between CCMHG and BCBS.

Bob Canevazzi said that if the group decided to adopt the proposed program, it should be rolled out with the understanding of labor that this could be changed in the future if the program is not working as planned.

Heidi Steinitz said that she doesn't care so much if the CCMHG has a zero co-pay generic drug program but just wants to make sure the CCMHG has a generic program.

There was a discussion about why HPHC was unable to do a no co-pay Rx program.

Bill Hickey explained that Med Impact, HPHC's pharmacy benefit manager, that cannot accommodate a 4-tier program at this time.

Bob Whritenour said that he was not interested in amending the Subscriber Certificates with BCBS. He said that the difference between a \$5 co-pay and a \$0 co-pay does not seem worth it. He said he agreed that what is needed is an educational campaign.

Heidi Steinitz said that the average savings of a medication that has been switched to a generic for a 30-day supply is \$67. Heidi Steinitz explained the education program and said that MMA would do targeted mailings to members who use specific drugs.

Bob Whritenour asked Dr. Steinitz if the brands proposed for switching were on the third co-pay tier.

Dr. Steinitz said that some of them were on the third tier.

Bob Whritenour asked if there was a difference in the methodology used by BCBS to determine which medications should be on the third tier and methodology that The Abacus Group has used in selecting the medications for switching.

Anne Hart-Davies and Heidi Steinitz agreed that the two organizations would use similar methods.

Bob Whritenour said that perhaps BCBS should put the ten proposed brand name drugs on the third tier then?

Carol Cormier suggested that CCMHG seriously consider raising the prescription drug co-pays for the Harvard Pilgrim plans to the same levels as the BCBS plans. She said that this would create better incentives for members to use generics.

Bill Hickey said that 90% of HPHC's clients have higher prescription drug co-pays than CCMHG.

Skip Finnell said that there should be a big educational program to promote generic alternatives but that he thought the Group should take under advisement the recommendation to eliminate the generic co-pays for ten medications.

Jeff Cannon said that this should be kept as an open issue.

Heidi Steinitz said that if the CCMHG wants to do a generic alternative promotional program, MMA will do it but she said that there is not much evidence of success without a co-pay waiver. She said she would provide information on an educational program and some ideas for incentives.

Bob Whritenour said that he invites more thought on how the Group can do a \$0 co-pay program without changing the BCBS contracts.

Carol Cormier said that the DVD explaining the Canadian prescription drug purchasing program is ready and she asked whether Prescription Benefits Services (PBS) should send DVD copies to some of the Board members who would then contact the Cable TV managers and request that it be aired or PBS should send the DVDs directly to the Cable companies.

It was agreed that PBS should send the DVDs to the Steering Committee members.

Bob Whritenour asked that PBS compose a note to give to the Cable TV managers explaining the content and for how long the DVD runs.

Heidi Steinitz said that MMA would like to try out its new physician intervention program with the CCMHG and said she would need contacts at the hospitals for outreach to physicians.

Jeff Cannon asked whether The Abacus Group/MMA is reaching its financial goals.

Dr. Steinitz said that the company was in the black.

Dr. Steinitz left the meeting at this time.

Anne Hart-Davies said she had to leave the meeting but wanted to let the Committee know that she had rates for incorporating the BCBSMA Prescription Drug Plan with Medicare Part D into the CCMHG's current health plans. She said for a benefit design with the \$5/\$15/\$30 co-pays, the premium would be \$162 per member per month for 2006. She said that last year's comparable program costs were \$130 per member per month.

Noreen Mavro-Flanders told Ms. Hart-Davies about a situation in which Express Scripts had sent by mail double the requested days supply.

Ms. Hart-Davies said she had not heard of this ever occurring.

Ms. Hart-Davies left the meeting at this time.

Discussion about a CCMHG website:

Bob Whritenour said that the topic of a website had come up at a smaller group meeting.

Carol Cormier said that the Minuteman Nashoba Health Group has had a website for several years.

Noreen Mavro-Flanders said she liked the idea of a website particularly with links to the health plan websites.

Rich Bienvenue said the website could also link to QuickBooks.

Bob Whritenour asked if the group should go to the commercial marketplace to find a web designer or go internally. He said he raised the topic today to gauge the level of interest. He said that the next step is probably for each Committee member to talk within his/her own organization to determine if there would be resource available for this project.

Medicare Part D Update:

Carol Cormier reviewed the status of the applications for the Retiree Drug Subsidy due October 31st.

Bill Hickey said that HPHC would produce and mail letters of creditable coverage before November 15th to all members who will be 65 by January 1, 2006. He said that HPHC would mail letters of creditable coverage on an ongoing basis to all HPHC members about to turn 65 and to those changing health plans.

Carol Cormier said that BCBS would not be doing letters of creditable coverage now or ongoing. She said that she would discuss with Anne Hart-Davies whether BCBS would provide mailing labels to the employers.

Health Plan Reports:

Bill Hickey said that HPHC members would get a letter regarding the change in administration of the breast prosthesis benefit. He said that there would be no limits going forward from January 1, 2006.

Mr. Hickey said that HPHC would be changing the names of the prescription drug tiers to Tier 1, Tier 2 and Tier 3. He said this is because some generics will move to Tier 2 as they have increased in cost.

Other Business:

Carol Cormier said that Prescription Benefits Services (PBS) had put out an extensive RFP for pharmacy benefit management carve-out services. She said that PBS had selected SystemMed as the PBM that it thought offered the best value to clients. She said that SystemMed is a subsidiary of Merck Medco and deals primarily with companies with 15,000 or fewer subscribers. She said that PBS would be holding a second SystemMed seminar in December and asked if the CCMHG Steering Committee would be interested in attending.

The Committee expressed interest in the SystemMed Seminar, and Ms. Cormier said she would ask Anne O'Brien to include the Committee on the list of invitees.

It was agreed that future meetings would include Consumer Directed Health Plan presentations, discussion of early rate increase estimates, use of the Medicare Part D subsidy, and GASB45 funding.

It was agreed that if possible the CDHP presentations would be scheduled for the November Steering Committee meeting. Each health plan would be given ½ hour to review models, how to implement, and Health Reimbursement Accounts (HRA) versus Health Savings Accounts (HSA).

There was no other business.

Chair Bob Whritenour adjourned the meeting at 12:05 p.m.

*Prepared by Carol Cormier
Group Benefits Strategies*