

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

**Board Meeting**

Wednesday, October 24, 2012, 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 24, 2012 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
Marie Buckner	Town of Sandwich
Laura Scroggins	Town of Barnstable
Gerry Panuczak	Town of Chatham
Maggie Downey	Barnstable County
Erin Orcutt	Cape Cod Regional THS
Linda O’Brien	Town of Provincetown
Judy Sprague	COMM Fire District
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Lisa Vitale	Town of Brewster
Robert Howard	Bourne Recreation Authority
Susan Milne	Town of Yarmouth
Renie Dumont	Nauset Regional School District
Heather Harper	Town of Falmouth
Mary McIsaac	Town of Harwich
Kathleen Iernio	Monomoy Regional School District
Irene Wright	Town of Yarmouth
Nancy Ward	Bourne Water District
Robert Cecile	Barnstable Fire District
Cynthia Slade	Town of Truro
Leanne Gray	Mashpee Water District

**Guests Present:**

Rich Bienvenue	Treasurer, CCMHG
Tom Mayo	Town of Mashpee
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Nina Conroy	Delta Dental of MA
Linda Loiselle	Abacus Employer Solutions
Debb Jardin	Abacus Employer Solutions
Kevin Walsh	Prescription Benefit Services
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:07 a.m.

**Approval of the Minutes of the July 25, 2012 meeting:**

Skip Finnell motioned to approve the minutes of July 25, 2012 meeting.

Motion

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

**Election of Officers and Steering Committee CY2013:**

Noreen Mavro-Flanders said that an email was sent out 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.

Ms. Mavro-Flanders said the Steering Committee is making a recommendation to nominate and approve the election of the officers and 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 – Noreen Mavro-Flanders, County of Dukes County,
- Margaret Downey, Barnstable County,
- Debra Blanchette, Town of Barnstable,
- Francis “Skip” Finnell, Dennis Yarmouth RSD,
- Marie Buckner, Town of Sandwich,
- Gerry Panuczak, Town of Chatham,
- Heather Harper, Town of Falmouth,
- Sue Milne, Town of Yarmouth,
- Erin Orcutt, Cape Cod Reg. Voc-Tech School.

Skip Finnell recognized the time that the Steering Committee members put in and the work that it takes to address the issues of CCMHG. He thanked all of the members for their contributions.

Laura Scroggins moved to nominate the slate of Steering Committee members.

Motion

Robert Cecile seconded the motion. The motion passed by unanimous vote.

Erin Orcutt made a motion to nominate Noreen Mavro-Flanders as Board Chair and Gerry Panuczak as the Board Vice-Chair.

Motion

Heather Harper seconded the motion. The motion passed by unanimous vote.

Noreen Mavro-Flanders thanked Marie Buckner for her contributions as the Board Vice-Chair over the last year.

There were no other nominations.

Skip Finnell moved to close nominations.

Motion

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

**Investment Report:**

Gerry Panuczak, Investment Committee Chair, said that there was a significant gain in investment income in the first quarter of FY13. He said that the portfolio balance is \$12.2M and said that the Investment Committee may be making a recommendation to put some of the investment gain into a safe account that may be accessible should the group need to access the cash.

Jason Lily from Rockland Trust said that there was a gain on returns of \$424K over the last 3 months. He said that all the asset funds are in compliance with the CCMHG Investment Policy.

Jason Lily distributed and reviewed the report on investments with data ending 09/30/12 and said that the economy seems to be improving. He said that the Central Banks are lifting the global economy. He said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 11.34% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 17.63%. He said Portfolio#1 outperformed the benchmark slightly, while Portfolio #2 underperformed the benchmark for the year.

Noreen Mavro-Flanders thanked Mr. Lily for attending the meeting, and Mr. Lily left the meeting.

**Treasurer's Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through August 31, 2012 (unaudited figures). He said that the total operating cash was \$18.6M which was down slightly from this time last year. He said that the Unreserved Fund Balance was \$19.6M as of August 31, 2012 and said the current year increase is \$664K. Mr. Bienvenue said that FY12 was close to a break-even year, in spite of the distribution of \$1.6M of Retiree Drug Subsidy money to the employers. He noted that \$6M from Fund Balance was expected to be used towards the FY12 rates. He reported assets at \$31.5M and liabilities of \$11.8M. Mr. Bienvenue noted that there was a recent increase of high cost claims.

Mr. Bienvenue said that he is working on implementing a new web-based accounting system that will improve internal controls. He said that the name of the software is Xero and said that there is no additional cost to add a read view.

**Abacus Employer Health Solutions – Linda Loiselle:**

*myMedicationAdvisor® Report* – Linda Loiselle reviewed the report and said that the CanaRx program is doing very well. She said the projected savings through December 2012 is \$325K and said that the savings through September is already at \$506K. Ms. Loiselle said that Abacus sends out a mailing to subscribers each quarter, when the new medication lists are released. She noted that Abacus also submits an article to be published in the wellness newsletter each quarter.

*Diabetes Rewards Program Report* – Linda Loiselle reviewed the diabetes program report for the period of September 1, 2011 to August 31, 2012 and said that there is a total of 414 participants. She said that this is 33% of the enrollment goal and said that 42% of those are compliant with their diabetes care activities. Ms. Loiselle said that the program promotional activities are listed at the bottom of the report and noted that representatives from Abacus made 65 visits to the CCMHG municipalities during Open Enrollment. She said that the visits resulted in the addition of approximately 100 new enrollees.

**Wellness Committee Report:**

Maggie Downey said that the wellness quarterly newsletter, "Your Health Matters" will be coming out soon and asked that the employers distribute it to their employees. Ms. Downey said that the Wellness Committee is hoping to hire a Martha's Vineyard (MV) consultant to start on January 1, 2013 and said that the consultants will be attending the Board meetings. She said that Deborah Heemsoth resigned from the Wellness Committee and said if anyone was interested in volunteering, to let her know.

Skip Finnell said that the Wellness Committee works very hard to bring quality programs to the members of CCMHG. He said that the Steering Committee renewed the Cape's Wellness Consultant's contract for 2013 and encouraged the Board members to think about volunteering.

Noreen Mavro-Flanders said that the person that is chosen to be the MV Wellness Consultant will be working on wellness issues that pertain especially to the island, such as Lyme disease.

**Steering Committee Report:**

Skip Finnell said in addition to working on the items listed on the agenda, the Steering Committee researched information about Gap Insurance coverage.

Carol Cormier said that Gap Insurance is an Indemnity insurance product that would cover member's out-of-pocket medical expenses, such as the deductibles and co-pays. She said that most Gap Insurance plans target health plans with very high deductibles, but said that there is a mini-gap plan available through Colonial Life Insurance that some of the CCMHG employers are offering on a voluntary basis that seems to be a good fit. For the CCMHG's plan designs. She said that other companies may offer this type of plan. Ms. Cormier said that CCMHG is not endorsing the gap plans as a group, but employers can look into this at the local level if they wish.

Noreen Mavro-Flanders said that Aflac also offers a similar plan.

**Shingles Vaccine coverage for Medex issue:**

Carol Cormier said that there have been several complaints made by Medex members that the plan does not cover the shingles vaccine. She said that the Steering Committee has been working with BCBS to see what could be done. Ms. Cormier said that BCBS can add a rider to the policy that would cover the vaccine effective January 1, 2013 when prescribed and received in a physician's office. Ms. Cormier noted that all of the active plans and the HPHC and Tufts senior plans already cover the vaccine.

Skip Finnell said that the Steering Committee is recommending adding a rider to the policy effective January 1, 2013 to cover the vaccine.

Mary McIssac made a motion to approve adding the shingles vaccine rider to the BCBS Medex plan effective January 1, 2013.

Motion

Dawn Rickman seconded the motion. The motion passed by unanimous vote.

**GBS Reports:**

Carol Cormier said that the GBS reports were emailed to the Board prior to the meeting. She said there is an excess of \$545,884 of funding over expenses as of September 30, 2012. Ms. Cormier reviewed the Funding Rate Analysis for the year ended June 30, 2012 and said that the funding exceeded expenses by \$968,985. She said that the HPHC HMO was underfunded by \$1.75M, but noted that the funding of the other plans covered that plan.

Ms. Cormier said that the rate setting schedule will be similar to last year and said that the Steering Committee will be reviewing new ways to offer prescription coverage on the two self-funded senior plans.

**Proposed revision to the CCMHG Mission Statement:**

Noreen Mavro-Flanders said that while working on revising the CCMHG website, it was discovered that the Mission Statement needed to be revised to be in alignment with the new Strategic Plan that the Board voted to adopt. She said that the Steering Committee is recommending adoption of the proposed changes to the CCMHG Mission Statement as written on the exhibit in the meeting packet.

Skip Finnell made a motion to approve the proposed CCMHG Mission Statement.

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

Motion

**Senior Plan Renewal CY2013:**

*Tufts Health Plan* – Fred Winer, Account Executive for the senior plan products, said that the Medicare Preferred HMO Prime premium will be increasing from \$226 to \$240 for CY13. He said that Tufts is continuing to work on adding physicians to the network in the Cape area and said that the Counties of Bristol and Plymouth have been added to the service area. Mr. Winer said that the Medicare Supplement Plan with PDP Plus premium will be increasing from \$323 to \$333 for CY13. Mr. Winer clarified the hearing aid benefit for the Medicare Supplement plan and said that the first \$500 is covered in full, and then 80% of the next \$1,500 is covered up to a total of \$1,700 every two years.

*Blue Cross Blue Shield* – Suzanne Donahue, Account Executive for BCBS, said that the Medicare HMO Blue plan premium will be decreasing from \$326.88 to \$303.82 effective January 1, 2013. She said that there are some changes to member cost-sharing and the Skilled Nursing Facility out-of-pocket (OOP) maximum. She said that the \$1,000 OOP maximum has been removed and said that days 21-44 will now have a \$100 per day co-pay. Ms. Donahue said that the Urgent Care services will be covered worldwide. She said that the co-pay for diagnostic high-tech imaging will be \$100 per day and the fitness benefit increased to \$300 per calendar year and will include COA sites.

**Two-person health plan contracts:**

Noreen Mavro-Flanders said that there was a request by an employer at a previous Board meeting for the Steering Committee to consider adding a 2-person contract for health insurance. She said that the health plans ran claims reports for the Committee to review and said that a summary of the reports is included in the meeting packet.

Carol Cormier said that CCMHG now has a single parent/single child rating tier for BCBS plans and can enroll a single parent and single child as 2 individuals on Harvard Pilgrim plans. She said that employers and members frequently request a 2-person/spouses contract and said that in most instances the cost of adding another tier would result in a higher rate for this type of 2-person contract than for the family plan because 2-person couples in municipal employment are mostly older couples. Ms. Cormier noted that the average age of couples that are municipal employees is over 50 years of age and they incur higher claims on average than younger couples with children. Ms. Cormier reviewed the report and said that this is the case for CCMHG as well, with the exception of a slight decrease in the HPHC 2-person average cost per contract for 2012. She said that the data does not support adding a separate rate for a 2-person contract at this time.

**Vote on recommendation to the Board regarding EyeMed renewal options:**

Skip Finnell said that the EyeMed vision plan executive met with the Steering Committee to discuss the options available to CCMHG. Mr. Finnell said that four options were reviewed. He said the medical plans currently offer eye exams to its members, so the Committee reviewed a vision plan option that would not include an eye exam. He said the current plan's frame allowance is once every two years and said that another option would be a frame allowance once each year. He said the Steering committee is recommending Option 4 which eliminates the eye exam and increases the frame allowance to once every year rather than once every two years.

After discussion, Mr. Finnell made a motion to approve the Steering Committee's recommendation for Option #4 as described on the packet exhibit and said that the contract is a 4-year term with proposed rates holding for the duration of the contract. He said there is a rate decrease of less than 1 percent.

Laura Scroggins seconded the motion. The motion passed by unanimous vote.

Motion
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There was a discussion regarding the senior plans and whether or not all of the plans covered eye exams.

Skip Finnell said that the Steering Committee will review the senior plan eye exam coverage and will add this to the February Board meeting and report on their findings.

**Dependent Eligibility Audit – status report:**

Noreen Mavro-Flanders briefly reviewed the status of the Dependent Eligibility Audit being conducted by HMS and said that a new state law requires an eligibility audit be performed once every two years.

Carol Cormier said that the first letter was mailed to family plan subscribers on September 28, 2012 and said that the audit was based on August 30, 2012 enrollments. Ms. Cormier said that of the 10,309 dependents enrolled, 2,779 have been verified as of October 23, 2012.

Skip Finnell made a motion to approve the Steering Committee's recommendation to the Board to affirm that all CCMHG employers will agree to the terms and rules of the audit and will term dependents found ineligible effective on January 1, 2013, the date the Board agreed to.

Motion
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Gerry Panuczak seconded the motion.

Skip Finnell said that should the employee submit documentation to support eligibility, the employers will be able to re-instate termed dependents within 60-days of the termination.

Carol Cormier said that at the end of the audit, the employers will receive a list of the dependents that were not verified as eligible. Ms. Cormier said that HMS will not terminate any dependents and said that the employers will need to send the termination forms to GBS using the current process. She said that all employers should be requiring the same verification documents going forward for all new hires, adds, etc.

A vote was taken on the motion and passed by unanimous vote.

**CCMHG website redesign status report:**

Karen Carpenter said that the redesign is almost complete and said that she would send the link to the Board and Steering Committee members for their review prior to authorizing the launch of the site. She said that the website redesign proposal included the cost of hosting the website for one year and also a maintenance training session. Ms. Carpenter said that colewebdev said that they would maintain and make updates to the website until after the training session, or they could maintain the site for an hourly or monthly fee. Ms. Carpenter said that the current webmaster has agreed to maintain the site for a monthly fee of \$125 and \$30 for use of her personal computer.

Noreen Mavro-Flanders said that the Steering Committee asked Karen Carpenter to submit a proposal to maintain the website through GBS after it is launched.

**Health Plan Reports:**

Harvard Pilgrim Health Care – Bill Hickey said that HPHC has been working on programs to keep in compliance with the health care reform. He said that they are also working on tiered network and cost sharing programs such as offering member savings on MRI's at free-standing clinics. Mr. Hickey said that the annual preventative exam is at no cost to the member under the Affordable Care Act (ACA). He said that he wanted to clarify that certain diagnostic lab work performed at the annual visit may be subject to the deductible and a co-pay. Mr. Hickey said that only the annual preventative lab work defined by the ACA is covered at no cost. He said that he brought explanatory flyers for Board members. He said electronic copies are also available. Mr. Hickey said that an HPHC explanation of benefits (EOB) is sent to members which explains how much of the bill the member will be responsible for and suggested waiting for the EOB before paying a physician or hospital bill. He said member services should be called if a member believes they received a bill for a service that they believe to be preventative.

Blue Cross Blue Shield – Medicare HMO Blue – Suzanne Donahue said that the BCBS preventative service exhibit in the packet is not the correct one and said that she will send an updated one. Ms. Donahue reviewed the BCBS/CCMHG updates. She said that BCBS will provide the flu shot on-site for 20 or more employees. Ms. Donahue said that to better help members with common chronic conditions, BCBS will be administering their Disease Management programs in-house effective January 1, 2013. She said that affected members will be contacted by BCBS. Ms. Donahue said that the prescription drug formulary will also be updated on January 1<sup>st</sup>. Ms. Donahue said that BCBS will be expanding coverage for colorectal services effective July 1, 2013 on the Blue Care Elect Preferred PPO plan to match the Network Blue NE benefit that currently does not have a restriction on age or frequency.

Ms. Donahue said that new state mandates include expanding coverage for cleft palate and lip treatment for children age 18 or younger, hearing aid benefit for children under age 21, and expanded women’s prevention services, and a requirement for group health plans to provide a Summary of Benefits and Coverage (SBC) to members, all effective on July 1, 2013 for CCMHG. She said that for self-funded accounts, BCBS will provide the SBCs to the employers for distribution to the employees.

Ms. Donahue said that the Steering Committee reviewed an old rider on the Medex plan excluding coverage for erectile dysfunction prescriptions and voted to remove the rider.

Delta Dental of MA – Nina Conroy clarified that dependents are covered to age 19 unless a full time student. She said full time students are covered on the dental plans until age 23. Ms. Conroy said that certifications will be going out in August and dependents will be removed from coverage if they are not received by September 30. Ms. Conroy said that the dental benefits are provided on a calendar year.

**Other Business:**

There was no other business.

Skip Finnell made a motion to adjourn.

Motion
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Marie Buckner seconded the motion. Noreen Mavro-Flanders adjourned the meeting at 12:10 p.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*