

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

Board Meeting

Wednesday, October 26, 2005, 9:15 a.m.
COMM Fire District Building
Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 26, 2005 at the Centerville, Osterville, Marstons Mills Fire District Building, Centerville, MA. The following people attended the meeting:

Committee Members Present:

Noreen Mavro-Flanders, Board Chair	Dukes County
Jeff Cannon	Town of Barnstable
Maggie Downey	Barnstable County
Robert Howard	Bourne Recreation Authority
Wendy Cahoon	Town of Brewster
Karen Scichilone	Cape Cod Lighthouse Charter School
Robert Sanborn	Cape Cod Reg. Tech School
Beth Fletcher	Town of Chatham
Beverly Haley	Dennis Yarmouth RSD
Peter Bettencourt	Town of Edgartown/Dukes County
Thomas Connolly	Town of Mashpee
Karen Walden	Mashpee Water District
Marcia Templeton	Nauset RSD
David Withrow	Town of Orleans
Barbara Manning	Upper Cape Cod Reg. Voc Tech School
Dawn Rickman	Town of Wellfleet
Walfred Lundstrom	Town of Yarmouth

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Jan Hagberg	Town of Sandwich
Michele LaCasse	Barnstable County
Katherine Milligan	Town of Mashpee
Sue Milne	Town of Yarmouth
William Hickey	Harvard Pilgrim Health Care
Anne Hart-Davies	Blue Cross Blue Shield of MA
Bill Rowbottom	Blue Cross Blue Shield of MA
Jeff Smith	Rockland Trust
Jason Lilly	Rockland Trust
Debra Thibodeau	Rockland Trust
Wendy Barker	Rockland Trust
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders called the meeting to order at 9:43 a.m.

Minutes of the Board meeting of July 27, 2005:

Dawn Rickman moved to accept the minutes of the July 27, 2005 meeting as written.

Motion

Karen Walden seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Rich Bienvenue reviewed the financial statements of September 30, 2005 (unaudited figures). He stated that as of the first quarter, CCMHG is where it is expected to be financially. He said that on an accrual basis, the Group is a bit ahead of projections. He reported a Total Fund Balance of \$17,558,349.

Rich Bienvenue reviewed the Historical Cash Analysis and his Cash Flow Projections. He stated that the cash flow actuals for the Trust Fund for the first quarter is a net outflow of \$1.1 million for July, \$2 million for August and \$633,000 for the month of September. He said that going forward, for each month in which there are no settlement payments with BCBS and HPHC, he projects about a \$85,000 gain in the ending balance. Mr. Bienvenue also stated that the cash and investment projection was down to \$22 million compared to the July figure of \$25 million; however, he said the group would still end up just about on target.

Mr. Bienvenue asked if there were any questions. There were none.

Rockland Trust Report:

Jeff Smith, Rockland Trust, introduced the team from Rockland Trust. He stated that the book of business at the Cape was growing nicely.

Mr. Smith stated that the investment portfolio was conservative but with an element of real growth. He said that the portfolio is diversified over a wide variety of asset classes.

According to Mr. Smith, the aggregate performance for 2005 YTD was over benchmark by 2.24%. He commented that these were spectacular results. Mr. Smith further commented that FAM value is not performing vs. Benchmark and may be removed by the next meeting of the Board. Jeff Smith said that the FAM Value was also not performing vs. its peer group, which further reflected the need for it to be removed from the portfolio.

Mr. Smith responded to questions from the Board.

Steering Committee Report:

Noreen Mavro-Flanders reviewed the Steering Committee Report. She said that the Committee approved a change to the Incurred But Not Reported (IBNR) calculation as recommended by the auditor based on actual run-out claims data.

Ms. Mavro-Flanders referred to the report stating that both BCBS and HPHC had asked for increases in the monthly deposits.

Ms. Mavro-Flanders said that the bank had been switched from Banknorth to Cape Cod Five.

Rich Bienvenue said that banking books should be sent out this week and the Island should get theirs by next week. He further stated that the effective date should be after 11/15/05.

Noreen Mavro-Flanders explained the reported Wellness updates and asked Maggie Downey to go into further detail when she spoke on her agenda item.

Ms. Mavro-Flanders advised that the Steering Committee had approved the GBS contract to perform the services of Account Manager for the filing for the Medicare Part D subsidy.

Ms. Mavro-Flanders said that the Steering Committee had also approved the request from the Town of Dennis for a special enrollment period.

Noreen Mavro-Flanders explained PBS, Prescription Benefit Services and how Abacus put together a DVD for the local television stations to explain the *myMedicationAdvisor* program.

Jeff Cannon asked when the DVD's would be ready for distribution and airing.

Carol Cormier responded that the DVDs would be ready in a week or so but PBS would like the Board representatives to help out by contacting the local television stations. She advised that the local stations would probably be more responsive to the local communities than to PBS.

Wellness Committee Report:

Maggie Downey stated that the first Coronary Health Improvement Project (CHIP) program for this policy year would be in Falmouth with a January start date. She pointed out that the program is open to everyone and is focusing on improving health. CHIP participants and their employers will receive a stipend, which will act as an incentive. Ms. Downey stated that the amount of the stipend has not been determined at this time.

Maggie Downey said that the Sandwich area will host one of three family wellness nights. She said that other wellness programs will include Eating Essentials and a Walking program. She said that the Wellness Committee wants feedback on whether or not to have another Wellness Meeting for Benefit Administrators as well as Union Heads and Town Managers.

There was a discussion.

Marsha Templeton asked if Maggie had any idea how the employers are using the CHIP stipends.

Rich Bienvenue said that it should be placed in a general fund under the miscellaneous category.

Thomas Connolly asked if the participants needed to be enrolled in one of the health plans offered by the employer to take part in the CHIP programs.

Ms. Downey stated that they do need to be enrolled in a health plan sponsored by the CCMHG.

Ms. Downey asked for any suggestions from the group in order to make the program work better.

Noreen Mavro-Flanders asked Ms. Downey to explain that the Barnstable County would be paying for the CHIP facilitator so that the group understood this.

Maggie Downey elaborated stating that the County is offering Sue Bourque to partner with Cape Healthy Lifestyles to facilitate the CHIP program. She stated that Barnstable County would not charge CCMHG for this service.

Sue Milne asked if the programs take place at night.

Maggie Downey stated that they are offered at night but that they are also looking into having some of them take place during lunchtime or possibly early morning. She said it would depend on attendance commitments.

Sue Milne stated that some people might want to bring their children if it is offered at night.

Maggie Downey explained that the Committee is looking into other options as well.

Maggie Downey said the next CHIP program is going to be in Falmouth and then at Dennis Yarmouth RSD.

Bob Sanborn asked what the attendance requirements were in order for CHIP to come to Cape Cod Tech.

Ms. Downey said they are looking at tailoring this because of all of the costs involved for the doctors. She said the minimum class size is 25.

Carol Cormier advised that ideally employers should look to identify at least 30 participants because of attrition. She said payment to Cape Healthy Lifestyles would be based on a minimum of 30 participants per class.

PBS/The Abacus Group proposal

Noreen Mavro-Flanders explained to the Board that the Steering Committee had a lot of discussion pertaining to a proposal from PBS and The Abacus Group. She said that the proposal was explained in a letter in the Board packet. She said that the proposal was to waive co-pays for certain generic drugs that are often suitable therapeutic alternatives to expensive brand name drugs. She said that the CCMHG's health plans already have low generic copays. She asked if the Board feels going from a \$5.00 copay to zero copay would make much of a difference to individuals.

Marsha Templeton said she did not think it would make any difference.

Noreen Mavro-Flanders advised that the Abacus Group gave an example of a case where it did make a difference, but said the details of that case were not necessarily similar to the CCMHG's situation.

Noreen Mavro-Flanders asked that the Board read the insert in the packet, which was supplied by the Abacus Group, and then contact Carol Cormier if they have any suggestions.

Peter Bettencourt stated that there appeared to be a page missing in the handout.

Carol Cormier said she would send the complete document by email.

Noreen Mavro-Flanders told the Board that Peter Bettencourt is retiring and everyone expressed their well wishes for Peter.

Medicare Part D and Adopting MGL Ch. 32B, Section 18:

Carol Cormier explained the status of filing for the Retiree Drug Subsidy associated with Medicare Part D. She said that she did not expect that the CCMHG would receive the subsidy until late in 2007 for drug claims paid between January 1 and June 30, 2006. She stated that BCBS had notified GBS at the end of September that it would not be doing the actuarial work for Joint Purchase Groups like CCMHG, so the Steering Committee agreed to contract with Milliman, in Wisconsin. She said that BCBSMA had a discounted fee arrangement with Milliman.

Carol Cormier stated that GBS has entered all of the necessary data thus far so Noreen Flanders can now submit the application, which is the last step.

Ms. Cormier explained that the responsibility of each CCMHG employer is to make sure that all of the Medicare eligible covered employees and retirees receive the letter of creditable coverage. She said that Harvard Pilgrim will send the letters for the employers but BCBSMA will not do so.

Ms. Cormier said that Milliman has confirmed that all of the current plans are creditable so the letters should tell individuals that their current plan is either as good as or better than the Medicare Part D

on average so they do not need to purchase Part D. She stated that the only exception to this would be people who qualify for the Part D low-income government full subsidy. She said that in those cases, the individuals would probably be better off picking up Part D.

There was a brief discussion.

Carol Cormier stated that HPHC will be sending letters of creditable coverage for CCMHG employers, and that Lisa Trombly will be sending labels for the BCBS enrollees by Friday so that the employers can do the mailings.

Karen Scichilone said that if the letters are to be sent out by 11/15/05 and GBS is identifying the eligible individuals by providing labels then what else would the employers have to do. She further asked about those who are not on employer health plans.

Carol Cormier stated that HPHC is to send the letters out and GBS will be identifying those who are age 64 or older but that anyone else who would qualify would still need to be identified by the employer without violating HIPAA standards. She said that these categories are people who have End Stage Renal Disease or are Social Security disabled.

Robert Sanborn said an employee approached him after receiving a letter about Medicare Part D that confused him. Mr. Sanborn wanted to know how to respond to situations like that.

Carol Cormier said that it is best to let them know that the plan they are currently on is as good as or better than what is offered through Part D unless the individual falls under an established poverty limit. She said that she believes low-income individuals have received a mailing from the government about this.

Beverly Haley wanted to know if the enrollment forms could be used to identify individuals since they are asked about Medicare parts A and B.

Carol Cormier stated yes.

Maggie Downey asked if the letters must be sent each fall of every year.

Carol Cormier said that is correct. She also said that employers must notify employees and retirees that are covered when they first become eligible for Part D. She asked Bill Hickey to comment on this.

Bill Hickey, HPHC, advised that HPHC would send letters of creditable coverage 60-90 days prior to the 65th birthday and also on an annual basis.

Carol Cormier asked Anne Hart-Davies to comment also.

Anne Hart-Davies, BCBS, stated that their legal team said this is not a health plan requirement but an employer requirement.

Thomas Connolly wanted to know what the penalties and legal requirements for sending the letters out would be.

Carol Cormier stated that there are legal requirements to send the letters but that she is not sure about the penalties for failing to comply. She stated that each employer is to make its best effort.

Thomas Connolly asked if a record had to be kept of who was receiving the letters.

Carol Cormier responded that it is probably a good idea to do so.

Bill Hickey, HPHC, said that HPHC will not keep any records of whom they are sending the letters to and that they would not be providing any documentation to clients.

Carol Cormier wanted to know if each letter has an individual name on it or if the letters are generic.

Bill Hickey said he was not sure how they are addressed.

Carol Cormier stated that notification of when an employee retires should be sent to GBS on an ongoing basis. She further stated that it would be best to identify Medicare eligible retirees on active employee plans and segregate them with a separate group number. She said it is the only way for the health plans to report claims separately on this population.

Maggie Downey asked which municipalities have adopted Section 18.

Carol Cormier responded that Sandwich, Barnstable County and Dukes County were the only ones of which she is aware. She said most have not.

Beth Fletcher asked if there would be significant Part B premium+ penalties for those who choose to adopt Section 18.

Ms. Cormier explained the penalties and said that most groups have found that they still saved money by adopting Section 18.

Carol offered to send the groups the Walpole information on adopting Section 18.

Sue Milne asked if someone buys Medicare Part D does the group then get the money or does it go to the employee.

Carol Cormier explained first that you cannot tell a retiree that they cannot enroll in Medicare Part D but you can explain to them that what they have is equal or better. She then stated that in filing for the Retiree Drug Subsidy retiree lists are submitted to the government. She said that retirees who enroll in Part D will get kicked off the list. She said the Group may not file for a subsidy for a retiree who has enrolled in Part D. When the money does come in, it goes to the CCMHG trust fund. She said that the Board will have to decide what to do with the money. This is something that would need to be further discussed. Some of the options are to lower premiums or give it back to the employers based on a distribution formula that would have to be developed by an actuary.

Noreen Mavro-Flanders asked what was happening with regard to the Barnstable County Retirement System setting up a funding mechanism for GASB45.

Wally Lundstrom said that no decisions had been made yet.

Dave Withrow suggested that a formal request be submitted to Barnstable County Retirement System.

Wally Lundstrom said that the next County Retirement System investment meeting would be held on 11/10 or 11/11 and that it could be brought up then for discussion.

Dave Withrow asked if a letter could be written to the County Administrator requesting that this topic be pursued.

Dave Withrow motioned to see if a vote could be made to request a letter to be composed to move the GASB45 funding project forward.

Motion

Wally Lundstrom seconded the motion.

The motion was approved by unanimous vote.

GBS Reports:

Carol Cormier advised that the Funding Rate Analysis report, the BCBSMA Level Monthly Report, and the HPHC Level Monthly Report were all enclosed in packet for review.

Carol Cormier explained that there are 16 claimants on the excess stop loss claims report. If amounts are approved, \$591,332 is expected in reimbursements. Carol Cormier reported that the reinsurer is getting very picky about issues of eligibility for benefits.

David Withrow asked if there was any language in the contract to clarify this.

Carol Cormier responded that the language in Chapter 32B is not clear and that is the problem.

Healthcare Reports:

Blue Cross Blue Shield of MA

Anne Hart-Davies handed out the September bulletin. She explained what is new with BCBSMA. She said that there are website updates and that they are starting a new Quit Smoking campaign. She also stated that she would be at the Benefit Administrator meeting on Wednesday, November 3, 2005. She will be handing out new handbooks at that time and has brought some to this meeting for anyone who is interested.

Beverly Haley asked if Weight Watchers is available through CCMHG BCBS plans.

Anne Hart-Davies said that it is not. She said that CCMHG did not adopt the rider.

Karen Walden asked if chiropractic services are available.

Anne Hart-Davies explained that it is only available for the traditional indemnity and PPO plans. She further said that it is not of cost significance.

Karen Walden said that she knows of a lot of people who think chiropractic services are cheaper and more preferred than physical therapy.

Ms. Hart-Davies said that the service per visit is usually cheaper for chiropractic than for P.T. but that most medical providers believe physical therapy services are better and most doctors will refer patients to physical therapy over chiropractic.

Karen Walden asked if the group is willing to look into having chiropractic services offered on the EPO plans.

Carol Cormier and Noreen Mavro-Flanders both agreed that this issue has been brought up and discussed in the past and that it can be brought up again.

Karen Walden asked about riders that may be available.

Anne Hart-Davies explained that there are three choices of riders: 12, 20, or unlimited chiropractic visits.

Carol Cormier said that the unlimited should not be considered.

Anne Hart-Davies agreed and said that the 12 and 20 visits are the typical benefits.

Harvard Pilgrim Health Care

Bill Hickey said that HPHC has no changes planned in the course of the next year other than more administrative enhancements and a new enhanced member packet and a new ID card. The new ID card will not have the Primary Care Physician (PCP) name on it.

Mr. Hickey said that HPHC has a robust website and that flyers are available for employers to hand out to employees to get them to use the website. He says everyone will find it very useful. He further stated that there are a lot of programs to be taken advantage of by employees if they are alerted and aware of them.

Preliminary discussion about FY07 rates:

Carol Cormier stated that CCMHG in setting its FY06 rates planned to have about \$4 million of fund balance used to cover expenses. She said that Rich Bienvenue's reports indicated that it is likely that the \$4M will be used.

Ms. Cormier said that she asked the health plans to submit preliminary projections of rates .by mid-December and that there would be information provided at the January Board Meeting. She said that health care trend is still in 14-15% range. She said that it is difficult to say what the CCMHG rates for next year will be without know whether the group will want to use more fund balance or restore fund balance, et cetera. She said other unknowns are the amount of the retiree drug subsidy and what the Board will decide to do with it.

Other Business:

The next Board meeting was scheduled for January 25, 2006 at 9:30 a.m. at the COMM Fire District.

The next Steering Committee meeting will be November 16, 2005 at 9:00 a.m. in Sandwich.

There was no other business.

Dave Withrow motioned to adjourn the meeting.

Motion

Dawn Rickman seconded the motion.

The motion was approved by unanimous vote.

Chair Noreen Mavro-Flanders adjourned the meeting at 11:30 a.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*