

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

**BOARD MEETING**

Wednesday, October 27, 2004 at 9:30 A.M.  
Centerville, Osterville, Marstons Mills Fire District  
Centerville, MA

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 27, 2004 at 9:30 A.M. at the Centerville, Osterville, Marstons Mills Fire District. In attendance were:

**Primary and Alternate Board Members Present:**

Noreen Mavro-Flanders, Chair	Dukes County
Robert Whritenour, Steering Comm. Chair	Falmouth, Town of
Jeffrey Cannon	Barnstable, Town of
Margaret Downey	Barnstable County
Robert Cecil	Barnstable Fire District
Wendy Cahoon	Brewster, Town of
Karen Scichilone	Cape Cod Lighthouse Charter School
Robert Sanborn	Cape Cod Regional Technical School
Paula Ainsworth	Cape Cod Regional Transit Authority
Beth Fletcher	Chatham, Town of
Judy Sprague	COMM Fire District
Agnes Murray	Cotuit Fire District
Sheryl McMahon	Dennis Water District
A. Francis (Skip) Finnell	Dennis Yarmouth Regional School District
Judie Jardin	Dukes County
Joan Plante	Eastham, Town of
Peter Bettencourt	Edgartown, Town of
Verna Lafleur	Hyannis Fire District
Joyce Mason	Mashpee, Town of
Karen Walden	Mashpee Water District
Marcia Templeton	Nauset Regional School District
David Withrow	Orleans, Town of
Jan Hagberg	Sandwich, Town of
Teresa Johnson	Sandwich Water District
Walfred Lundstrom	Yarmouth, Town of

**Guests Present:**

Beryl O’Brien	Brewster, Town of
Mary-Ellen Steeves	Sandwich, Town of
Rene Douglas	Sandwich Water District
Barbara Meehan	Upper Cape Cod Regional Technical School
Irene Wright	Yarmouth, Town of
David Smith	Rockland Trust
Jeffrey Smith	Rockland Trust
Wendy Barker	Rockland Trust
Debra Thibodeau	Rockland Trust
Anne Hart-Davies	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Rowbottom	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Anne-Marie O’Brien	Prescription Benefits Services (PBS)
Carol Cormier	Group Benefits Strategies (GBS)
Joelle Carlberg	Group Benefits Strategies (GBS)

Chair Noreen Mavro-Flanders called the meeting to order at 9:40 a.m.

**Election of Officers and Steering Committee:**

Noreen Mavro-Flanders said that the current Steering Committee members were willing to continue to serve on the Committee. She asked if there was anyone else willing to serve.

There were no nominations.

Skip Finnell moved acceptance of the current slate of Board and Steering Committee members.

Motion

Sheryl McMahon seconded the motion.

The vote in favor of the motion was unanimous.

**Approval of the minutes of the Board meeting of July 21, 2004:**

Bob Whritenour moved approval of the minutes of the July 21<sup>st</sup> Board meeting.

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

Motion

**Treasurer’s Report:**

Noreen Mavro-Flanders said that Treasurer, Rich Bienvenue, was unable to attend the meeting due to a prior commitment. She said he delivered his report, as well as the FY03 audited financial statements. She said the FY04 financial audit was well underway and should be complete in the near future. She said if anyone had questions in regards to the financial statements or audits, they should contact Rich Bienvenue.

**Wellness Committee Report:**

Maggie Downey said that Deanna Desroches was unable to attend the meeting due to a prior commitment.

*Update of CHIP -*

Ms. Downey, member of the Wellness Committee, said the Yarmouthport program was up and running with 22 participants. She said this is the first class that will participate in the six-week session. She said graduation was planned for November 18<sup>th</sup> at the Mattacheese Middle School. She said the Eastham program is set to begin sometime in mid to late January. She said screenings would be held during November and December. She said Ms. Desroches hopes that earlier screenings may attract a larger group. She said the Vineyard would have another program in the spring. She said the Group needs more members participating in these programs.

*Update of Barnstable County Wellness Program -*

Ms. Downey said the program with Dennis-Yarmouth Regional School District was running quite successfully with extremely positive feedback on the whole program. She said the comments have been very favorable for the CCMHG wellness table. She said the county has approved funding for approximately eight programs for school employees per year, which would allow the towns to receive services every few years.

*Update on CCMHG Family Wellness Night -*

Ms. Downey said the first Wellness Night took place in Hyannis on August 13<sup>th</sup> with a turnout of approximately 120 CCMHG members. She said although Ms. Desroches was disappointed with the numbers, the vendors that participated were pleased with the turnout. She said it was a fun-filled night with services provided by all vendors as well as fun for the entire family. She said Red Sox and Bruins tickets were donated by BCBSMA and HPHC and were raffled off to lucky CCMHG members from Brewster and Cotuit Fire District. She said Ms. Desroches did mention that she was impressed that the event drew members from other units besides Barnstable. She said Ms. Desroches hopes to have three Wellness Nights in the upcoming year and would be looking for volunteers to help organize them.

*Update on annual "Get Up and Get Going" Walking Program -*

Ms. Downey said the Walking Program was successfully running in approximately 20 units and would end at the end of this month. She said local vendors had donated prizes including kayak rentals, gift certificates, heart monitors and hydration units. She said Ms. Desroches hopes to have approximately 700 participants.

*Other upcoming wellness initiatives -*

Ms. Downey said that Deanna Desroches was working on the following: February stress management program, March eating essentials program and a three-month walking program in March, April and May.

Ms. Downey said that Ms. Desroches' Wellness Coordinator contract with CCMHG expires effective October 31, 2004. She said the Steering Committee was in the process of negotiating a new contract and should have it finalized at the November Steering Committee meeting.

Ms. Downey said that the Wellness Committee currently consists of herself, Beverly Haley and Judie Jardin. She encouraged anyone who is interested in participating on the Committee to volunteer.

**Steering Committee Report:**

Noreen Mavro-Flanders mentioned that the Steering Committee held its September meeting on Martha's Vineyard. She said a few of the Benefits Administrators on the Vineyard attended the meeting and were pleased with how informative it was. She reminded the Board members that the Steering Committee meetings were open to all, and she encouraged the Board members and any other interested parties to attend.

Bob Whritenour gave a detailed report on what the Steering Committee has covered over the past few months. He thanked the Steering Committee members for their dedication to the Group and said they were an extremely hard working group of individuals. He said the Steering Committee met this morning at 8:30 a.m. and had a lot of material to discuss and he wanted to apologize for the late start of the Board meeting.

Mr. Whritenour said that a lot of the items the Steering Committee has been working on were on the Board meeting agenda. He said there was a new auditing firm that performed the FY03 and FY04 audits. He said the Committee has been working on Canadian prescription drug purchasing and would be making a recommendation to the Board on this topic later in the meeting. He said that as Maggie Downey stated earlier, the Steering Committee would be finalizing the Wellness Coordinator contract at the November meeting.

Mr. Whritenour said the Investment Committee has done a tremendous amount of work. He said the Investment Committee consists of Jeffrey Cannon, Wally Lundstrom and Treasurer, Rich Bienvenue. He said the Investment Committee would welcome any volunteers. He said that Rockland Trust, one of the companies that had responded to the Investment RFP, would give a presentation later in the meeting.

Mr. Whritenour said there hadn't been a meeting on the Vineyard in years and the Steering Committee was happy to have held their September meeting there. He said that as Noreen Mavro-Flanders stated earlier, the Steering Committee is always eager to have people attend the meetings.

Mr. Whritenour thanked GBS for their hard work.

**Investment Committee Report:**

Jeff Cannon introduced himself as the Treasurer of the Town of Barnstable. He said that several years ago, the CCMHG had an Investment Committee, but then there was a drop in the fund balance and the Investment Committee was no longer needed. He said the Investment Committee has since reformed. He talked about the Investment RFP process. He said that there had been ten respondents, which came from pretty notable companies including, Rockland Trust, Bank North, Merrill Lynch, etc.

Mr. Cannon said that the Investment Committee, as well as the Steering Committee, had agreed that Rockland Trust was the best investment firm to service the CCMHG. He said the Rockland Trust

representatives were at this meeting to give a presentation to the Board. He introduced Jeffrey Smith, Senior Vice President of Rockland Trust.

Jeffrey Smith provided an overview of Rockland Trust. He introduced the other Rockland Trust representatives.

David Smith, Senior Vice President and Senior Investment Officer gave a detailed presentation. He said that Rockland Trust gave a presentation to both the Investment Committee and the Steering Committee. He talked about the benchmarks in the portfolio, as the Steering Committee had requested. He thanked the Group for giving Rockland Trust the opportunity to help with their investment strategies. He encouraged the Board members to contact Rockland Trust with any questions or concerns.

The Rockland Trust representatives left the meeting at this time.

#### **Group Benefits Strategies Reports:**

Carol Cormier said that this is the time of year when employers begin to ask her what to use for preliminary budget purposes for the upcoming year. She said prescription drug trends are moderating and are now in the mid to low teens. She mentioned that the Group reduced the rates last year by allocating \$1.3 million of the fund balance to offset projected FY05 expenses. She said Rich Bienvenue projected an increase in cash position and GBS has not completed its cash flow projection as of yet. She said she believes that employers would be safe using 10% for preliminary budget purposes. She said this is an aggregate projection. She said she might not use that aggressive of a percentage for the indemnity plans.

#### BCBSMA Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for the fourth quarter of FY04, actual BCBSMA paid claims totaled \$14,697,116 and the CCMHG had a debit balance at the end of the quarter of approximately \$1.7 million. Ms. Cormier said the new BCBSMA Level Monthly Deposit is \$5.2 million. She said for the first quarter of FY05, actual BCBSMA paid claims totaled \$15,107,286 and the CCMHG had a credit balance of \$511,044.

#### HPHC Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for the fourth quarter of FY04, actual HPHC paid claims totaled \$3,595,220 and the CCMHG had a debit balance of approximately \$353,720. Ms. Cormier said for the first quarter of FY05, actual HPHC paid claims totaled \$3,421,456 and the CCMHG had a debit balance of approximately \$179,956.

#### Funding Rate Analysis by Plan for FY05 -

Carol Cormier reviewed the Funding Rate Analysis Report for the Health and Dental plans through September 2004. She said that overall there was a funding surplus for the health plans of approximately \$1,518,567. She said the health plan expenses were 92.9% of the overall funding as of September 30, 2004 (paid basis).

Ms. Cormier said that at the end of the first quarter of FY05, the contributory dental plan expenses were 91.5% of the overall funding for the plan resulting in a funding surplus of \$58,341 (paid basis).

#### Stop Loss Reports

##### *FY04 Policy Period for Medicare Carveout A Plan*

Ms. Carlberg reviewed the 50-100% report for the Medicare Carveout A plan (\$50K deductible) for the FY04 policy period. She said for claims reviewed through August, there was one claimant with claims between 50-100% of the deductible with claims totaling \$40,188.

##### *FY04 Policy Period*

Joelle Carlberg reviewed the 7/03-6/04 policy report with claims paid through August. She said that there were ten claimants with claims exceeding the specific deductible of \$150K with total claims over \$1.8 million, an increase of over \$38K from the prior month. She said of the ten claimants, two were Carveout A members and the deductible for that plan is \$50K. She said excess claims totaled \$574,367. She said \$500K had been reviewed and applied against the aggregating specific deductible. She said total

outstanding reimbursements were \$74,367. She said that there were 32 claimants with claims between 50-100% of the specific deductible (\$150K) with claims totaling approximately \$2.9 million, an increase of over \$96K from the prior month.

*FY03 Policy Period*

Joelle Carlberg reviewed the 7/02-6/03 policy report with claims paid through December 2003. She said that there were eight claimants with claims exceeding the specific deductible of \$150K with total claims of \$1.7 million. She said of the eight claimants, one was a COA member and the deductible for that plan is \$50K. She said excess claims totaled \$630K. Ms. Carlberg said that the aggregating specific deductible of \$500K had been met. She said total reimbursements were over \$130K and there were no outstanding reimbursements. Ms. Carlberg said that there were 31 claimants with claims between 50-100% of the specific deductible with claims totaling over \$3.3 million. She said that this policy has been reviewed in its entirety and is now complete.

**Alternative prescription drug purchasing programs - The Abacus Group:**

Noreen Mavro-Flanders said that the Steering Committee is recommending to the Board the concept of a prescription drug purchasing program.

Bob Whritenour said that in researching Canadian prescription drug purchasing and hearing a presentation from The Abacus Group, the Steering Committee learned that there are a lot of things involved with managing prescription drug costs. He said there are many elements in The Abacus Group's program that would help to control costs for the Group.

Ms. Cormier said that purchasing prescription drugs from Canada is not a long-term solution, but would probably help in the short-term. She said that the Food & Drug Administration (FDA) released a statement a couple of months ago, saying that they would not go after municipalities for purchasing prescription drugs through Canada as long as the municipality was using vendors known to the FDA, such as the companies that GBS has been dealing with.

Ms. Cormier said that she had emailed the Board members a number of "Briefing Papers" on alternative prescription drug purchasing to review prior to this meeting. She said the Steering Committee had requested a comparison of the two Canadian drug vendors, Canusa and CanaRx. She said the comparison was prepared by Prescription Benefits Services and was in the meeting packet.

Ms. Cormier said that GBS established another company named Prescription Benefit Services (PBS) because a number of clients were interested in purchasing prescription drugs from Canada and GBS president, Jack Sharry, did not want to jeopardize GBS if there were a legal challenge. She said PBS acts as the intermediary between the client and the Canadian vendors. She introduced Anne O'Brien, Assistant Vice President of PBS. She said Ms. O'Brien was formerly employed with the City of Worcester, which was the second Massachusetts municipality to go with a Canadian prescription drug purchasing program.

Anne O'Brien said that essentially, the role that PBS plays removes the client from direct contracts and dealings with the Canadian vendors. She said PBS has a service contract with The Abacus Group, and receives a small percentage of the fee that Abacus charges to the Group. She said PBS currently has a contract with the Canadian vendor, Canusa and is working on a contract with CanaRx. She mentioned that Jack Sharry was going to Canada on Monday, November 1<sup>st</sup> for vendor site visits.

Ms. O'Brien talked about the Canadian prescription drug program that was done in the City of Worcester. She mentioned some of the mistakes that were made in implementing the program with the City of Worcester including introducing the Canadian prescription drugs during open enrollment, which caused a lot of confusion.

Beth Fletcher asked Ms. O'Brien to speak about the legal ramifications involved with implementing a Canadian drug program.

Ms. O'Brien said purchasing drugs from Canada remains illegal. She said that as Ms. Cormier said earlier, the FDA said that they would not go after municipalities that used known vendors. She said the Canadian vendor, CanaRx, received warning letters from the FDA, but nothing came of it. She said Jack Sharry spoke on this issue before the FDA in Washington D.C. and extended an invitation to the FDA, but the FDA did not respond. She pointed out again that CCMHG would not have to contract directly with the Canadian vendors. She said PBS would take that role. She also mentioned that in the City of Worcester, there was a waiver for employees and retirees, which stated that they would not buy the medications and sell them for profit.

Teresa Johnson asked if there were any other MA municipalities, the size of CCMHG that had gone with this type of program.

Ms. Cormier said that the West Suburban Health Group (WSHG) was on board with this program and the WSHG Steering Committee would be recommending this concept to its Board at their November meeting.

Noreen Mavro-Flanders said that their Congressmen's Aide mentioned to the Dukes County Manager that the County should look into purchasing drugs from Canada and she told them that CCMHG was already looking into it.

Ms. Cormier said that in the cities that have gone with the program, the unions have driven the issue because there is either a co-payment waiver or a significant co-payment reduction. She pointed out that the program would be for certain brand name drugs only and would be optional and supplemental to the existing prescription drug programs through the health plans

Anne O'Brien introduced Dr. Michael Follick from The Abacus Group.

Michael Follick thanked the Board for inviting him to attend the meeting. He gave a thorough presentation on Abacus Health Solutions. He explained that Abacus is a group of behavioral scientists and healthcare experts that provide consulting to large employers on health benefit design and management. He talked about the "myMedicationAdvisor" Program. He said the two primary objectives of the program are to help employers simultaneously control pharmacy costs and enhance effectiveness of the pharmacy benefit. He reviewed the features of "myMedicationAdvisor.com".

Dr. Follick talked about "My Health Maximizer", which focuses on physical activity, healthy eating and quitting smoking. He said the website is user-friendly. He mentioned that there is a component of the website called, "heart age". He said it allows members to enter all of their lab values and it translates to a "heart age" or how old your heart is in comparison with your age.

Dr. Follick talked about the ways to implement myMedicationAdvisor and the results that are expected. He said Abacus's tailored messaging is an important feature in educating members. He suggested an approach with unions in order to educate them about the program. He said Abacus would provide onsite presentations. He said the results from the program include members switching to lower cost but equivalent medications, buying from lower cost sites such as Canada, waste less medication through better use, realize fewer adverse events and achieve better health outcomes.

Dr. Follick provided a detailed background of The Abacus Group. He then distributed a proposal to CCMHG.

There was a discussion on possible timeframes for implementing the program.

Dr. Follick said The Abacus Group would need at least two months to do a data analysis for the Group. He said the earliest the program could be implemented would be March 1<sup>st</sup>, but April 1<sup>st</sup> would be more likely.

There was a discussion. Dr. Follick left the meeting at this time.

Bob Whritenour suggested that the Board vote on whether or not to have Abacus perform the data analysis in the amount of \$20K.

Ms. Cormier said using The Abacus Group with a Canadian prescription drug purchasing program provides safeguards and management to the program. She said Abacus requires that the Canadian vendors use the U.S. National Data Codes in order to determine savings. She said Abacus also does a quarterly review of the prescription drug list to make sure that the medications on the list continue to provide a financial advantage to the Group. She said that PBS would review vendor bills, monitor performance of and resolve disputes among the vendors.

Anne O'Brien talked about the fees in the Abacus proposal. She said Abacus sets the fees, and PBS takes a small percentage of those fees. She said the total fees in the Abacus proposal were inclusive of the PBS amount. She said the data analysis is done solely by Abacus, and the entire fee of \$20K would go to Abacus.

Ms. O'Brien talked about the incentives, other than the co-payment savings, that could be offered to members in order to encourage participation.

Ms. Cormier said the outreach to CCMHG members across 51 employers would be beyond challenging, but that would be a job for PBS and Abacus.

There was a discussion.

Mary Ellen Steeves asked how the health plans feel about the Canadian prescription drug purchasing.

Anne Hart-Davies said that she has worked with Abacus on data feeds for the data analyses for the Town of Bellingham and the City of Somerville. She said there were member feeds and data excess feeds. She said there was not a problem with providing the feeds to Abacus, but there might be a fee for BCBSMA to take in feeds from Abacus.

Bill Hickey said that he has worked with Abacus on data feeds for the City of Newton and the City of Somerville. He said the issues are technology. He said Abacus is a very academic group of individuals who are looking for every possible detail of information, which is the only difficulty. He said HPHC was currently working on accepting data from Abacus. He said as far as the HPHC pharmacy program, the Canadian program would have no effect on that. He said the Canadian program simply affords the member another alternative.

Teresa Johnson asked who decides the most cost effective place for a member to get their prescription.

Ms. Cormier said the members decide for themselves. She said there is a website that would be developed for the member to go to, which provides the different buying options and costs.

There was a brief discussion.

Karen Walden moved to approve the concept of the Canadian drug purchasing program and the data analysis to be performed by The Abacus Group in the amount of \$20K.

Motion
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Judie Jardin seconded the motion.

The vote in favor of the motion was unanimous.

**Health Plan Reports:**

BCBSMA -

Anne Hart-Davies talked about the Living Healthy Naturally Program. She said through this program, members could get up to a 30 percent discount nationwide on things such as, acupuncture, pilates, tai chi,

massage therapy, yoga, etc. She said this added no cost to the Group's claims and is a good program to promote.

Ms. Hart-Davies said that the CCMHG Benefits Administrators meeting would be held on Wednesday, November 17<sup>th</sup>. She said it is very important that employers attend this meeting and she encouraged the Board members to send their benefit people.

Ms. Hart-Davies said that if any employers would like her to meet with their Insurance Advisory Committee's (IACs) prior to open enrollment, December and January would be a good time. She said she is often asked to meet with IACs to educate them on the benefits from changing from the indemnity plan to a PPO plan. She said 90% of her clients renew in July, so she would like to get some of these meetings taken care of before getting into the busier part of the year.

#### HPHC -

Mr. Hickey reminded the Group that effective January 1, 2005, HPHC would have a new behavioral health vendor named *PacifiCare Behavioral Health*. He said HPHC's existing agreement with *Value Options* remains in effect until December 31, 2004. He said all parties involved expect that this will be a smooth transition. He said 5,500 providers were solicited to be part of the provider network and more than 85% have signed on at this time. He said there was expected growth in the network.

Mr. Hickey stated that the NCQA (National Committee for Quality Assurance) just recently named HPHC as the number one health plan in both member satisfaction and quality of care in America. He said HPHC was the first health plan to receive this elite distinction for Massachusetts, New Hampshire and Maine.

#### **Benefits Administrators Meeting:**

Joelle Carlberg said that as Anne Hart-Davies mentioned, the annual Benefits Administrators meeting would be held on Wednesday, November 17, 2004 at 9:30 a.m. at the Barnstable Town Hall in Hyannis. She said that the Group had originally planned to have a Benefits Administrators meeting in the morning, with a Wellness meeting/CHIP luncheon in the afternoon. She said unfortunately Deanna Desroches was unable to secure a location with a working kitchen, so the Benefits Administrators meeting would be held on November 17<sup>th</sup> and the Wellness meeting with CHIP luncheon would be held sometime in mid February.

#### **Other Business:**

The following CCMHG Board meetings were scheduled:

Wednesday, January 26, 2005  
 Wednesday, March 23, 2005  
 Wednesday, July 27, 2005  
 Wednesday, October 26, 2005

Carol Cormier said the Board meetings would be held at either 9:00 or 9:30 a.m. depending on whether or not the Steering Committee meets prior to the Board meeting.

Noreen Mavro-Flanders said that GBS recently sent a letter to its clients stating that GBS had formed two new companies. She asked Carol Cormier to speak relative to this.

Ms. Cormier said that all GBS clients should have received the letter from GBS President, Jack Sharry. She said GBS established two companies, GBS Insurance Agency and Prescription Benefits Services (PBS). She said the GBS Insurance Agency was established initially to deal with the GBS clients who did not want to pay or could not pay a consulting fee. She said the GBS Insurance Agency would act as a broker for health, dental, disability, long-term care, etc. She mentioned that GBS itself is strictly a consulting firm and does not receive brokerage fees. She said if any individual towns had optional insurance products that they were looking for quotes on, they should contact GBS Insurance Agency.



She said the other company, PBS, was already discussed earlier in the meeting. She said it was designed to act as the intermediary for clients wishing to go with a Canadian prescription drug purchasing program and to work with employers on improving their pharmacy benefits in general.

There was no other business. Marcia Templeton moved to adjourn the meeting. Beth Fletcher seconded the motion.

Motion
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The motion to adjourn passed by unanimous vote.

Chairman Noreen Mavro-Flanders adjourned the meeting at 12:00 p.m.

*Prepared by Joelle Carlberg  
Group Benefits Strategies*