

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

Steering Committee Meeting
Wednesday, November 12, 2014, 9:00 AM
Sandwich Town Hall, Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, November 12, 2014 at 9:00 AM at Sandwich Town Hall, Sandwich, MA. The following people attended the meeting:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair	Dennis Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Gerry Panuczak	Town of Chatham
Debra Blanchette	Town of Barnstable
Marie Buckner	Town of Sandwich
Joyce Mason	Town of Mashpee
Erin Orcutt	Cape Cod Regional Technical HS

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Mainland Wellness Consultant
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Nina Conroy	Delta Dental
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:01 AM.

Approval of the Minutes of the October 1, 2014 meeting:

Noreen Mavro-Flanders motioned to approve the minutes of October 1, 2014.

Motion

Marie Buckner seconded the motion. Joyce Mason abstained. The motion passed by majority vote.

Treasurer’s comments:

Treasurer Richard Bienvenue, CPA reviewed the financial reports through September 30, 2014 (unaudited figures) and said that the total cash is down approximately \$1M from September 30, 2013. He said that the MMRA reinsurance pool investment, the Collateral, was \$765,157. Mr. Bienvenue said the net loss year-to-date is \$2.3M. He noted that when CCMHG set the FY14 rates, it had expected to reduce the Fund Balance by about \$8 million. Mr. Bienvenue said that the Transitional Reinsurance Program (TRP) fee of \$872K is not yet included on the financial reports. He noted that he will add a separate line item under Claims Costs to capture that expense. Mr. Bienvenue said that the PCORI fees for the first year was about \$20K and year two will be approximately \$40K.

Carol Cormier said that GBS prepared the tax form, IRS 720, for the first year PCORI fee, and the IRS processed the payment incorrectly under the GBS tax ID number. She said the tax ID used on the form was the original CCMHG tax ID. Ms. Cormier said a new ID was obtained when the IRS could not locate the original ID number. She said an amended return will need to be filed requesting a correction.

Erin Orcutt joined the meeting.

Rich Bienvenue said the auditor, Bill Fraher, CPA, should be ready to present the FY14 draft financial audit at the December 17th Steering Committee meeting.

Skip Finnell asked Mr. Bienvenue to invite Mr. Fraher to the December meeting.

There was a discussion about the Affordable Care Act fees.

Debra Blanchette made a motion to accept the Treasurer's report as presented.

Motion

Noreen Mavro-Flanders seconded the motion. The motion passed by unanimous vote.

Investment Committee report:

Gerry Panuczak, Investment Committee Chair, said the portfolio performance for October and November recovered the loss from the months of August and September.

Wellness Committee Report:

Mainland Wellness Programs- Deanna Desroches reviewed the current wellness programs and said that she would email the report to the Committee. She said the Senior Health Fair in the Town of Barnstable was well attended. Ms. Desroches said that over 30 participants out of the more than 75 that attended had their blood pressure checked. She said the Mashpee/Falmouth Health Fair is next week. She said the Eastham Health Fair is being held today.

Ms. Desroches said the *Maintain Don't Gain* Holiday Challenge has begun and will run through the first week in January. She said there are several weigh-ins scheduled throughout the Cape. Ms. Desroches said she is hoping that enough members sign up for the *Kick Butts* program in the Town of Falmouth.

Noreen Mavro-Flanders said that one of the Vineyard employees sent in their CCMHG Incentive card in July and has not received his incentive yet. She said she would give Ms. Desroches the member's information at the end of the meeting.

Vineyard Wellness Programs- Noreen Mavro-Flanders said that the next Wellness Committee meeting is scheduled for November 13th at 11:00 a.m. Ms. Mavro-Flanders said that Ms. Rose, the Vineyard Wellness Consultant, found a Walking Program online through which a member's progress can be tracked. She said there are about 40 participants in the program. Ms. Mavro-Flanders said that the *Maintain Don't Gain* program is beginning this week.

Skip Finnell suggested a *Maintain Don't Gain* competition between the Mainland and the Vineyard.

GBS Reports:

Funding Rate Analysis (FRA) – Carol Cormier reviewed the summary page of the FRA and said that expense-to-funding ratio was 102.6% through September 2014. She said the funding shortfall was \$878K and noted that all of the HPHC plans were underfunded. Ms. Cormier said that the prescription drug trend is running at approximately 9.5% to 12% while the medical trend is considerably lower.

Bill Hickey, HPHC, said that fewer drugs are coming off patents and going generic.

Carol Cormier said she will create an exhibit that will show the impact of the Medex and Medicare Enhance revenues on the active plan rates. She said effective January 1, 2015, when those plans move to EGWP plans, the move may impact the trust fund. Ms. Cormier said it will be important to fund the active plans realistically. She said the ACA fees will also impact the trust fund balance. Ms. Cormier said the 6 months of FY15 Retiree Drug Subsidy reimbursements will be the last RDS money received since the plans will no longer be RDS-eligible.

Rich Bienvenue said about \$6M of RDS was received from 2011 to 2014.

Noreen Mavro-Flanders said last year she cautioned the Committee and Board about the utilization of the surplus.

Level Monthly Deposit Reconciliation - Ms. Cormier said that at the end of the first quarter of FY15 there was a credit of \$372K with BCBS and said \$1.16M was owed to HPHC.

Stop Loss Reports - Karen Carpenter reviewed the Stop Loss Reports for FY15 and said one claimant had exceeded the Specific Deductible of \$300,000 with claims totaling \$346,846. She said that outstanding reimbursements of \$46,846 are due CCMHG. She said two claimants are on the report of 50% with a total paid claims of \$382,814 through September.

Ms. Carpenter reviewed the Stop Loss Reports for FY14 and said five claimants had exceeded the \$300K Specific Deductible with excess claims of \$275,805. She said the Aggregating Specific Deductible of \$500K has not been met and no reimbursements are due.

CCMHG Enrollments November 10, 2015 – Carol Cormier reviewed the CCMHG enrollment counts and noted that the highest enrollment is in the BCBS Blue Care Elect PPO plan.

myMedicationAdvisor® Program Report – Carol Cormier reviewed the myMedicationAdvisor® report through September and said the international buying program script count is exceeding the projections. Ms. Cormier said the alternative buying program is a bit under the expected budget, but said CCMHG is still realizing savings. She said the total net savings was \$711,481 and said there was \$198K in employee copays waived. Ms. Cormier noted that effective January 1, 2015, the Medex and Medicare Enhance plan members would no longer be eligible for this program.

Noreen Mavro-Flanders asked Ms. Cormier if she would ask Abacus to revise the budgeted amounts to account for the lower enrollments resulting from loss of Medex and Medicare Enhance members from the program.

Enrollment Audit Issue – Carol Cormier said that HMS, the enrollment auditing firm hired by CCMHG two years ago, made the employee documents that they collected available online to the CCMHG employers. She said that one of the employers contacted her and said they did not think the former HR person down-loaded the documents and asked if the documents could be retrieved now. Ms. Cormier said she contacted HMS and was told that the cost to restore the site for the one town would be over \$2K, which the town said was too expensive. Ms. Cormier said that they were willing to restore the entire site at a cost. She asked the Committee if this was something for which it would be interested in obtaining a quote.

The Committee asked Ms. Cormier to find out what the cost would be to restore the website.

Plans for the FY16 Rate Development – Carol Cormier asked the Committee for guidance on what types of scenarios it would like her to prepare.

Skip Finnell asked for a report of the expense to funding ratios for the past 5 years.

Noreen Mavro-Flanders said she would like to see a list of all the CCMHG expenses.

Rich Bienvenue said that he has started a spreadsheet listing the expenses and said he would forward it to Carol Cormier. He said in the past the investments and RDS monies would offset some of the expenses.

Carol Cormier asked the health plan representatives to send her the renewals with the November claims at least one week prior to the January 21st Steering Committee meeting. She said the Board meeting is scheduled for January 28th.

Skip Finnell noted that he would not be in attendance for the January Board meeting.

RDS Re-openings – Carol Cormier said that GBS issued an RFP to auditing companies that specialize in RDS application re-openings. She said that from the responses GBS selected Part D Advisors. She said that GBS has met with GBS regarding the services that they would provide to re-open past RDS applications, searching for missed opportunities for reimbursements. She said that Part D Advisors would receive a percentage of whatever recoveries were realized. Ms. Cormier said that occasionally it is found that an overpayment was made. Ms. Cormier said she is not recommending that CCMHG enter into any re-openings at this time but wanted to make the Group aware of this as a future possibility. She said that two GBS clients are going to do the re-openings and she will let CCMHG know about the results.

Suzanne Donahue said that BCBS was audited by Part D Advisors in the past and said that the BC records were close to accurate. She said that most of the errors found were found with Medicare or Express Scripts. She said BCBS may charge a fee if several clients ask for audits.

Bill Hickey said HPHC may charge a fee for the audits as well.

Update on transition to EGWP plans:

Suzanne Donahue said that the Town of Barnstable Senior Health Fair was very well attended and went very well. She said that the retirees seemed to understand the information and presentation. Ms. Donahue said that the majority of BCBS retiree information has been transferred to the Medex 2 plan and will begin to receive plan information next week.

Bill Hickey agreed with Ms. Donahue and said there were a lot of questions asked and answered. He said overall it went very well. He said when GBS sends the enrollments to HPHC, HPHC will in turn send the enrollment to Coventry First Health. Mr. Hickey said the members should have their ID cards for the January 1 renewal.

Affordable Care Act (ACA) Update:

HPID – Carol Cormier said that GBS obtained a Health Plan ID for CCMHG as originally required by the ACA. She said after receiving the HPID, a notice came out from the government stating that there is an indefinite delay in the regulation to acquire an HPID.

Out-of-Pocket (OOP) Maximum Mandate – Carol Cormier reviewed an exhibit she prepared explaining the requirement and OOP maximum limits for CY15. She reviewed the current CCMHG OOP maximums and said that effective July 1, 2015, the Rx co-pays would be counted towards the OOP maximums as required by the ACA. She said that separate medical and prescription OOP maximums are allowed. Ms. Cormier said that OOP maximums are not required on out-of-network services, but said the CCMHG's two PPO plans already have a \$3,000 per member out-of-network OOP maximum.

Suzanne Donahue noted that the BCBS PPO does not cover out-of-network prescriptions, so the cost of adding the prescription copays to an out-of-network OOP maximum is not a big issue

Carol Cormier noted the HPHC report of CY13 OOP Rx costs and member counts. She suggested discussing a plan at the December meeting and asked the health plans for cost impact reports.

Bill Hickey said the levels that are cost neutral based on actuarial benefits would be \$2K/\$4K for medical and to add \$1K/\$2K for Rx. He said, however, that the standard practice would be to move up to the maximum allowed, combining the medical and prescription OOP maximums.

Carol Cormier said the GIC OOP maximums are set at \$5K/\$10K. She said that she will send an email to the units asking if they did not adopt and utilized Sections 21-23. She recommended taking a vote on the OOP maximums at the January meeting.

Cadillac Tax - Carol Cormier said the Cadillac Tax is expected to take effect in 2018 and reviewed an exhibit she created assuming a 7% rate increase to the CCMHG's active employee plans each year. She said the assessment is a 40% tax on amounts above \$10,200 for an Individual plan and \$27,500 for a Family plan. Ms. Cormier recommended a review of the CCMHG benefit designs and programs to reduce the cost increases of the plans and said language could be added to upcoming bargaining agreements that would reach into 2018 to enable employers to deal with the Cadillac tax.

Skip Finnell suggested sending a letter to the Managers and elected officials sometime in May 2015 about this issue.

Joyce Mason said she would notify the Committee of the date of the December Town Manager's meeting. She noted that it is usually held on the 2nd or 3rd Thursday of the month.

Employer Pay or Play - Carol Cormier said GBS is working on producing the employer monthly invoices reports in Excel. She said that GBS would charge a fee for the monthly reports and for historical reports.

Health Plan Reports:

HPHC – Bill Hickey said HPHC continues to work on programs to implement the ACA regulations. He said it is a lot of work and very costly. Mr. Hickey said he is also preparing for the upcoming senior health fairs and renewals.

Tufts Health Plan – Fred Winer did not have anything new to report.

Delta Dental – Nina Conroy said the President of Delta Dental is retiring.

BCBS – Suzanne Donahue said they are working on the CCMHG Medex 2 enrollments to be sure that the members have everything they need for January 1.

Ms. Donahue announced that she would be retiring from BCBS at the end of December. She said it was a joy to work with the CCMHG employers and CCMHG Committee members.

The Committee and GBS thanks Ms. Donahue for her fine service to the CCMHG.

Other Business:

Marie Buckner asked if there was any news on the Town of Bourne's request to join CCMHG.

Carol Cormier said she has not received any communications from the town but said she has claims data and would look at their risk level.

Noreen Mavro-Flanders said she received an email from a firefighter from the Town of Falmouth regarding Ch. 111.F claims. She said she was told that the Falmouth firefighters are filing a suit with the town about work related injury claims that are paid through the CCMHG health trust fund.

There was a discussion.

Suzanne Donahue said she was surprised to hear that since she had worked with Denise Coleman to implement a plan to resolve the 111F issues.

Next meetings – The following meetings were scheduled:

- Steering Committee meeting on December 17 and January 21 at 9:00 AM, Sandwich Town Hall.
- Steering Committee on January 28, 2015 at 9 AM, COMM Fire District.
- Board meeting on January 28, 2015 at 10 AM, COMM Fire District.

There was no other business.

Chair Skip Finnell adjourned the meeting at 11:52 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*