

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

STEERING COMMITTEE

Tuesday, November 23, 2004, 9:00 a.m.
Dennis Yarmouth Regional School District Administration Building

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Tuesday, November 23, 2004 at the Dennis Yarmouth Regional School District Administration Building in So. Yarmouth, MA. The following people attended the meeting.

Committee Members Present:

Robert Whritenour, Chairman	Town of Falmouth
Jeff Cannon	Town of Barnstable
Maggie Downey	Barnstable County
Robert Canevazzi	Town of Dennis
Francis “Skip” Finnell	Dennis-Yarmouth Regional School District
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)
Tom Kowalski	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)

Chairman Bob Whritenour called the meeting to order at 9:15 a.m.

Mr. Whritenour set the next meeting for December 17, 2004 at 8:30 a.m. at Sandwich Town Offices, 16 Jan Sebastian Drive, Sandwich, MA.

Approval of the minutes of the October 27, 2004 meeting:

David Withrow moved approval of the minutes of the October 27, 2004 meeting as written.

Bob Canevazzi seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer’s Report:

Treasurer Richard Bienvenue reviewed the financial statements of October 31, 2004 (unaudited figures). He reported an unreserved fund balance of \$14,407, 146 (Health and Dental). He said that cash is spread over a range of banks. He said that the Citizens Bank Money Market Fund rate had been lowered to 1.1%.

Jeff Cannon said that Sovereign Bank was at the top of the market with a 2.5% rate.

Rich Bienvenue questioned if the Group needs so many banks. He said investment income was up this year compared to last year and that the Group had earned \$100,000 with Rockland Trust investments. He discussed his cash flow projection and said that he expects growth in cash through June 30, 2005 at about \$250-260K per month. He said that net income through October was \$ 3 million.

Rich Bienvenue said that the Rockland Trust fee through October was \$1,519 (30 basis points) and asked if the Group wanted to be billed separately for the fees.

Jeff Cannon said that he thought separate billings were appropriate so the amount would appear on the Warrants.

There was a discussion about whether or not to move a couple of million dollars out of Citizens Bank into Rockland Trust-managed investments.

Rich Bienvenue said he would like to make some phone calls and would like to wait until next month to make decisions.

Bob Whritenour said he thought the Investment Committee should meet and review the issues and rates and that the Steering Committee should authorize the Committee to make the decision.

Jeff Cannon said he wants the CCMHG to maintain a number of money market accounts so money can be moved around based on changing interest rates. He said he'd like to have an account set up at Sovereign Bank.

David Withrow moved to grant Richard Bienvenue, in consultation with the Investment Committee, the authority to invest up to \$2 M and to open up Money Market accounts as the Investment Committee deems appropriate.

Motion

Maggie Downey seconded the motion. The motion passed by unanimous vote.

Bob Canevazzi said he would like a report at the next Steering Committee meeting regarding the actions taken.

Rich Bienvenue said he would add to the cash account information on the financial reports what each account is earning.

BCBS Pharmacy Program presentation:

Anne Hart-Davies introduced Tom Kowalski, BCBSMA Pharmacy Director.

Mr. Kowalski distributed a handout titled "Pharmacy Program Management" and reviewed the handout with the Committee. He said BCBSMA is spending \$1 billion per year on pharmacy benefits which was the amount the entire nation spent on drugs in 1950.

Mr. Kowalski talked about the cost-drivers citing the FDA fast-tracking, direct-to-consumer advertising, and drug company marketing and detailing of physicians. He said that 10% of the drug spend goes to drug company marketing.

Mr. Kowalski said that BCBSMA had reduced pharmacy trend by 40% since 1999. He described BCBS's management programs including a closed formulary, drug utilization review, prior authorization, quality care dosing programs, provider education with counter-detailing and physician prescribing profiles, coordination with BCBSMA's proactive health management and provider pay-for-performance programs, and communications across all parties.

Carol Cormier asked about BCBS Rx trend for 2005 and the generic fill rate.

Mr. Kowalski said that Rx trend is projected around 10-12%. He said that the generic rate is 55% across all lines of BCBSMA business.

Mr. Kowalski talked about the specialty drugs and about the BCBS Rx step therapy program. He said that BCBS will roll out the Rare Conditions Program using specified vendors and/or limited vendor networks.

Bob Whritenour said that it is important to share this information and the health plans' approaches to managing rising drug costs with the membership directly. He asked Mr. Kowalski about BCBS's view on layering additional prescription drug buying options onto the program.

Mr. Kowalski said that it is illegal to import drugs from Canada and that BCBS cannot do that directly. He said BCBS is looking into waiving co-pays for certain generics in disease management programs in order to improve compliance.

Mr. Whritenour thanked Mr. Kowalski for his presentation. Mr. Kowalski left the meeting at this time.

Investment Committee Report:

Jeff Cannon said that Noreen Mavro-Flanders had requested the Committee discuss possible restrictions on investments. He distributed the PERA memo #37/1997 that restricts pension investments to companies that have no more than 15% of their revenue from sale of tobacco.

There was a discussion.

Jeff Cannon moved to adopt the PERA policy #37/1997 and to incorporate the memo into CCMHG's Investment Policy.

Motion

Bob Canevazzi seconded the motion. The motion passed by unanimous vote.

Wellness Committee Report:

Wellness Coordinator's Report - Maggie Downey reviewed Deanna Desroches's report

Coronary Health Improvement Program (CHIP) - Bob Whritenour asked about the status of the contract renewal with Cape Healthy Lifestyles (CHL) for the Coronary Health Improvement Program (CHIP).

Carol Cormier said that Dr. Sbarra had not signed the letter to extend the contract for another year because he was concerned about participation levels. She said he proposed that CHL be paid based on a 35 participant minimum and 50 screening minimum.

Bob Whritenour talked about the meeting the previous week in Orleans with Dr. Sbarra, benefit coordinators and school and public health nurses from the lower Cape to promote the CHIP program that will be held in Eastham in January. He said that CCMHG has to take ownership of this and do more to promote the program.

Dave Withrow said he was disappointed that some towns on the lower Cape were not represented at that meeting.

The Committee brain-stormed ideas for promoting CHIP and getting higher levels of participation in the program. Ideas included allowing employees to take the program on company time, incentives including a 1-month premium holiday for those who complete the program and possibly for their employers, broader dialogue among parties, defining roles and responsibilities, greater outreach to managers to get their support, making screening times more convenient, have people attend the first CHIP class without screenings but requiring the screening to continue with the classes, have Deanna make more personal face-to-face contact with people at various levels in towns and districts including department heads, direct mailing to potential CHIP participants based on zip code of residence rather than just through employers in area of the program site, and using testimonials from CHIP participants.

Maggie Downey said she is not convinced that there is a communication problem. She said she thinks it is a matter of incentives and that the Group should consider holding focus groups to find out what employees are interested in pursuing to help reduce costs and improve health.

Anne Hart-Davies and Bill Hickey said that they would look into finding facilitators for focus groups should the CCMHG decide to do this.

Maggie Downey said that the notices for the Eastham CHIP are scheduled to be sent out next week.

Skip Finnell asked about whether CHIP was addressed at the recent Benefits Administrators meeting at COMM Fire District.

Maggie Downey said that Deanna Desroches did talk about CHIP at the meeting.

Marie Buckner said it is very important to get the Town Managers' buy-in to CHIP because she said that often the benefits administrators are Grade 3 clerks who will take direction from management.

It was agreed that Bob Whritenour and Bob Canevazzi would send emails to their counterparts in towns of Provincetown, Truro, Wellfleet, Eastham, Orleans, Chatham, and Brewster regarding the upcoming CHIP. It was also agreed that they would raise this topic at the December 9th Town Managers meeting.

Bob Whritenour reiterated the importance of a greater role for Deanna Desroches in meeting with employers.

Skip Finnell said that the Steering Committee should put out a written piece that can be delivered to Superintendents, Business Managers and Town Managers. He said it should be a generic piece that can be personalized.

There was a discussion about Dr. Sbarra's contract proposal. It was agreed that Carol Cormier would call Dr. Sbarra and propose that CHL be paid for the Eastham program based on a minimum of 30 participants but with no minimum on screenings and that if the Eastham program does not have good participation, all parties will agree to come back to the table to come up with a better plan.

Wellness Coordinator's Contract -

Maggie Downey said that the contract in the packet incorporated the suggestions from the last Steering Committee meeting. She said that Ms. Desroches would like travel time to be paid at \$25/hour rather than \$20/hour.

There was a discussion.

Skip Finnell moved approval of the Wellness Coordinator's contract as proposed with the \$25/hour for travel time.

Motion

Jeff Cannon seconded the motion. The motion passed by unanimous vote.

Alternative Prescription Drug purchasing update:

Carol Cormier said that she had sent the electronic data request letters for Noreen Mavro-Flanders to sign and send to the health plans and said she understood that this had been done.

Group Benefits Strategies Reports:

BCBS Level Monthly Deposit Quarterly Accounting Report – Carol Cormier said that the CCMHG had a debit balance with BCBSMA of \$413,098 at the end of October 2004, one month into the 2nd quarter.

HPHC Level Monthly Deposit Quarterly Accounting Report – Ms. Cormier said that the CCMHG a \$93,624 debit balance at the end of October 2004.

Funding Rate Analysis by Plan – Ms. Cormier reviewed the report which covered revenues and expenses through October. She said that on a composite basis across all plans, the expenses were 94.9% of funding for health benefits.

FY05 Cash Flow Projection - Ms. Cormier said she would like to have the projection reviewed again before presenting it since the year-end projection was quite different from what Mr. Bienvenue projected.

Stop Loss Reports –

Policy Year 7/04 – 6/05: Carol Cormier said that for the current policy year there were no claims exceeding the policy deductible but that there were four members on active employee plans with claims that were between 50-100% of the deductible and one member on Carveout A with claims that exceeded the 50% level.

Policy Year 7/03 – 6/04: Ms. Cormier said that 10 members had claims exceeding the \$150K deductible with total claims of \$1,888,108 and excess claims of \$588,108. She said that the Aggregating Specific Deductible of \$500K had been met and that there is \$88,108 in outstanding reimbursements. She said that there were 32 members with claims between 50-100% of the deductible with total claims of almost \$3 million.

Health Plan Reports:

BCBSMA report – Anne Hart-Davies said that Barbara Sbrogna, Director of Municipal Business, would like to attend the December Steering Committee meeting to meet the Group and to have an opportunity to hear what the Group would like from BCBSMA.

Bob Whritenour said that he would welcome Ms. Sbrogna at a meeting but did not want it to be billed as an opportunity for the CCMHG to tell BCBS what it wants.

Harvard Pilgrim Health Care (HPHC) Report:

Mr. Hickey said that he had nothing new to report.

Member Appeal:

Carol Cormier and Bill Hickey reviewed the information associated with an HPHC member's appeal without identifying the member.

The Committee deliberated the information, and it was the consensus of the Committee that the burden of proof is on the member to show that HPHC had granted ongoing extra-contractual dental benefits related to a prior disease state. The Committee instructed Ms. Cormier to write to the member to inform him of the Committee's decision.

Other Business:

There was no other business.

Chair, Bob Whritenour, adjourned the meeting at 11:50 a.m.

*Prepared by Carol Cormier
Group Benefits Strategies*