

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

Board Meeting

Wednesday, January 25, 2017, 10:00 AM
Barnstable Town Hall, Hyannis, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 25, 2017 at 10:00 AM at the Barnstable Town Hall, Hyannis, MA. The following people attended the meeting:

Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Larry Azer	Dennis-Yarmouth RSD
Debra Blanchette	Barnstable, Town of
Laura Scroggins	Barnstable, Town of
Nancy Cushing	Barnstable County
Erin Orcutt	Cape Cod Regional THS
Elizabeth Deck	Cape Cod Collaborative
Marie Buckner	Sandwich, Town of
Joan Plante	Eastham, Town of
Denise Coleman	Falmouth, Town of
Susan Wallen	Nauset RSD
Christopher Clark	Harwich, Town of
John Kelly	Orleans, Town of
Lisa Vitale	Brewster, Town of
Robert Howard	Bourne Recreation Authority
Jillian Douglass	Chatham, Town of
Michael Daley	Cotuit Fire District & W. Barnstable Fire Dist.
Rosemary Moriarty	Wellfleet, Town of
Katie Isernio	Monomoy RSD
Kate Bruster	Monomoy RSD
Cynthia Slade	Truro, Town of
Catherine Cabral	Dennis, Town of
Deb Heemsoth	Dennis, Town of
Verna LaFleur	Hyannis Fire District
Jody Hoffmann	Town of Provincetown
Teresa Johnson	Sandwich Water District
Leanne Gray	Mashpee Water District
Nancy Ward	Bourne Water District
Rose Crosby	Upper Cape Tech High School
Jill Beaumont	Upper Care Tech High School

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Krystle Rose	CCMHG Wellness Consultant, MV
Brian Callow	Rockland Trust Investments

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Jeff Morassi
Tara Way
William Cole
Cathy-Lynne Belair
Charles Frazier
Denise LaVallee
Scott Walker
Justyne Morcado
Gabrielle Pitcher
William Rowbottom
Bill Hickey
Fred Winer
Carol Cormier
Karen Carpenter

MA Teachers Association
Barnstable, Town of
Barnstable, Town of
Falmouth, Town of
Eastham Fire Fighters
Mashpee, Town of
Orleans, Town of
Barnstable County
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Group Benefits Strategies (GBS)
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Noreen Mavro-Flanders, Chair, called the meeting to order at 10:09 a.m.

Approval of the minutes of the October 19, 2016 Board meeting:

Christopher Clark moved to approve the minutes of the October 19, 2016 Board meeting as written.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Investment Committee and Investment Manager’s Report:

Deb Blanchette, Investment Committee Chair, said that the Investment Committee meets on a quarterly basis, or as needed. She said the Committee Members are Erin Orcutt, Christopher Clark, Rich Bienvenue and herself. Ms. Blanchette introduced Brian Callow, Rockland Trust Investment Manager for CCMHG.

Brian Callow reported that the CCMHG portfolio return was approximately \$7,396 across the three investment funds from July 1 through December 31, 2016. He reviewed the performances of the three portfolios and noted that CCMHG currently deposits \$100K into the 3rd fund each month. He said that the weightings are in line with the CCMHG’s investment policy. Mr. Callow said the funds are reviewed regularly and re-balanced and managed as required.

Noreen Mavro-Flanders asked Mr. Callow if he would add the asset weightings to page 9, the Benchmark and Peer Review reports instead of on pages 2 and 3. She said that it would be easier to review.

Mr. Callow said that he would do that.

Noreen Mavro-Flanders thanked Mr. Callow, and he left the meeting.

Wellness Committee report:

Mainland Report - Deanna Desroches reviewed the FY17 Wellness report updates. She said she is working on the February edition of the wellness newsletter, *Your Health Matters*. She said that the new Couch to 5K program will begin at the end of February and said that several locations have scheduled Biometric screenings. Ms. Desroches said that the Spring Walking Challenge has been scheduled for the weeks of April 2nd to May 27, 2017. She said the kick off will take place at Marathon Sports in Yarmouth. Ms. Desroches said 317 members weighed in for the Maintain Don’t Gain Holiday Challenge and 268 members weighed out with an overall weight loss of 342.9 pounds.

Ms. Desroches said that the new CCMHG wellness program available through the “aHealthyme” BCBS portal this year became active on January 1st. She said members can take their health assessment, sign up for wellness workshops, look up costs of services, and earn points throughout the year to qualify for cash incentives. Ms. Desroches said that she will have participation numbers sometime in mid-February.

Martha’s Vineyard Report – Krystle Rose reviewed the MV FY17 Wellness report to include the Couch to 5K and Turkey Trot. She said that participants trained for nine weeks with two workouts weekly. Ms. Rose said the Holiday Challenge was a success and noted the grand prize winner lost 13.5 lbs. She said Cooking Classes will be run during February and March, with a focus on a healthy heart, savvy snacking, and gluten free and diabetic friendly recipes. Ms. Rose said in March, she will hold two Biometric Screening sessions to include cholesterol, triglycerides and blood glucose testing. She said UV skin screening, blood pressure and oxygen levels will also be provided. Ms. Rose said the Spring Fitness Challenge will begin in May and participants will work one-on-one with a nutritionist and have access to a personal trainer.

Treasurer’s report:

Treasurer, Rich Bienvenue, distributed and reviewed the Management Report with data through November 2016. He reported the fund balance of \$13.57M. He said the balance is exactly where the Fund Balance policy requires it to be, which he said is 8% to 12% of claims expense of the most recent 12 months. Mr. Bienvenue reported a net income of \$89,344.

Mr. Bienvenue said that the FY16 Financial Audit report was distributed to the Board by Group Benefits Strategies. He said that the Steering Committee will be making a rate recommendation later in the meeting with no subsidy included. Mr. Bienvenue said that there are \$1.8M of expenses that are not included in the rate projections, so that in itself will be a small subsidy.

Christopher Clark made a motion to accept the Treasurer’s report.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Steering Committee report:

Skip Finnell, Steering Committee Chair, said that the Committee has been busy working on the FY18 health plan rates and said that the FY16 independent financial audit was completed on a timely basis. He also said that in response to the rise in medical and prescription drug costs, the Committee has spent a lot of time on researching HSA qualified high deductible health plans and plan designs.

Cape Cod Healthcare (CCHC) – Mr. Finnell said the CCMHG health plans are sending utilization data to CCHC for analysis to see if there are areas that CCMHG and CCHC can work together to help control costs.

Mass Municipal Reinsurance Arrangement (MMRA) - Skip Finnell asked Ms. Cormier to discuss this topic. Carol Cormier said that the MMRA is now in its 3rd year with CCMHG, MNHG and WSHG as its participants. She said that all the participants pay the same rates, similar to the way the Joint Purchase Groups work. Ms. Cormier noted that CCMHG has the highest claims cost so far. She said the MMRA was formed because of a dearth of bids in previous years.

myMedicationAdvisor (MMA) program – Carol Cormier said that the increase in prescription drug costs is to a significant degree attributable to Specialty medications. She said that Abacus Health Solutions is working on developing a list of specialty medications that may be included in the MMA program. She noted that one specialty medication prescription saved another group about \$19K for 3 fills. Ms. Cormier said the Committee will be reviewing a proposal from Abacus to split the savings on a percentage basis for payment of the

program. She said that Abacus is proposing this arrangement in addition to the current per subscriber per month fees. .

GBS Reports:

Funding Rate Analysis(FRA) - Ms. Cormier said the summary page of the FRA is included in the packet and said the full analysis will be emailed to the Board. Ms. Cormier said that through December, the paid claims and related expenses were 95.4% of the funding rate revenues. She noted that \$1.7M of the \$3.3M funding surplus was due to reinsurance reimbursements, mostly from events of the prior year. Ms. Cormier also said the additional expense for claims through the myMedicationAdvisor® (MMA) and Diabetes Rewards Programs would increase the expense-to-funding ratio. She said these claims are not included in the FRA report.

Ms. Cormier said that the dental fund is doing well with an expense-to-funding ratio of 90.4%. Ms. Cormier reviewed the Retiree Drug Subsidy history and said that CCMHG no longer receives the subsidy. She said the senior plans are EGWP plans which have lower rates than the RDS-eligible plans and the lower rates benefit both the employers and the retirees.

Correction of out-of-network (OON) Emergency Room (ER) benefit on High Deductible PPO plans:

Garbrielle Pitcher said that to be in compliance with the ACA, the ER OON benefit has to be identical to that of the in-network ER benefit. She referred to the corrected exhibits in the packet.

Noreen Mavro Flanders said that the Steering Committee is making a recommendation to the Board to approve the correction changing the previously approved ER benefit.

Michael Daley made a motion to approve correcting the Out-of-Network Emergency Room benefit to the HPHC and BCBS PPO plans to match the in-network benefit of the High Deductible Health Plans which is “Deductible then covered in full”.

Motion

Christopher Clark seconded the motion. The motion passed by a unanimous vote.

Review of FY18 rate projections and Steering Committee recommendations:

Noreen Mavro-Flanders said that the Steering Committee reviewed the health plans and GBS rate projections. She said the Committee considered all of the information and is recommending Funding Scenario D-2, but with rounded rates as shown in Funding Scenario D-3.

It was noted that there was a typo on the Parent/Child voluntary dental plan rate of \$86, which should be \$84.

Carol Cormier reviewed the claims projections and fees for the low deductible plans. She said that the claims projections do not include claims and other expenses associated with the alternative prescription drug programs and Diabetes Rewards program. She said that the CCMHG has never included these expenses in projections, thereby providing a subsidy from the Fund Balance.

Ms. Cormier said that once the rates for the low deductible plans are approved, she will develop the rates for the HSA-qualified High Deductible Health Plans (HDHPs) applying the claims decrements provided by BCBS and HPHC. She said the claims decrements represent estimated savings in going from the low deductible to high deductible health plans.

Michael Daley made a motion to approve the FY18 health and dental plan rates as amended on Scenario D-3.

Motion

Christopher Clark seconded the motion.

In response to a question, Carol Cormier said the information about the plan design differences was discussed at several prior Steering Committee and Board Meetings as well as at the Manager's Meeting. She said the employers may use MGL Chapter 32B, Sections 21-22, traditional bargaining, 150E coalition bargaining, or informal coalition bargaining if all of the unions agree. Ms. Cormier said she will send out a spreadsheet template to the employers which will calculate the savings once the employer enters in its contribution rates and enrollment numbers. She said there will be a savings of about 2.0% on claims expense. She reviewed the paid claims on page 11 of the exhibit. Ms. Cormier explained the rate projection process and noted that the MMA, Diabetes and ACA fees were not included in the projections. She said that those expenses would add approximately 1.2% to the rates. Ms. Cormier said she will also re-send the comparison of the copays and deductible changes to the Board.

A vote was taken on Mr. Daley's motion and passed unanimously.

Noreen Mavro-Flanders gave a brief overview of what changes the Group Insurance Commission was proposing for FY18.

Presentations on employer responsibilities in offering HSA accounts and high deductible plans:

Garbrielle Pitcher introduced Stephanie Burke and said Ms. Burke would go over the employer's responsibilities on a high level.

Stephanie Burke said the responsibilities would be similar for both HPHC and BCBS and asked Bill Hickey to jump in if she spoke about something that may differ with HPHC.

Ms. Burke said the required paperwork includes completing a CDH Notice of New Business and ASC amendment by April 1st. She said this will allow the communication of claims data between the health plans and the HSA Administrator. Ms. Burke said communication to the employees is important and suggested beginning during the open enrollment period. She said the health plans will provide webinars, videos and meetings with Q&A sessions.

Ms. Burke said that the employees that enroll will need to meet the HSA eligibility guidelines set by the IRS. She said that employees who enroll cannot be enrolled in any part of Medicare or Medicaid or be enrolled in a full purpose FSA or have other health insurance coverage. She said the eligibility requirements only apply to the account holder. She said if the employee becomes ineligible while being enrolled, she will no longer be eligible to contribute to the HSA account, but will still be eligible to remain on the health plan. Ms. Burke explained that the HSA account always belongs to the employee and noted that once the employer contributes money into the account, that it becomes the employee's money.

Ms. Burke said that the employers will need to notify their payroll department or company that they will be adding an HSA account and making contributions to it. She recommended building in the maximum contributions into the payroll system. She said the data will need to go to the HSA Administrator, Health Equity. Ms. Burke noted that the HSA contributions are calculated on a calendar year and that each employer will negotiate how and when the employer will make its deposit(s). She said the current administrative fee payable to Health Equity is \$2.75 per subscriber and said the fee could be charged to the employee. Ms. Burke said the HSA contributions are pre-tax when they are made and tax-free when they are used for approved medical expenses.

There was a brief question and answer period.

Noreen Mavro-Flanders thanked Ms. Burke for the presentation.

Skip Finnell said that the Board still needed to vote on the HSA qualified high deductible plan rates for FY18. He referred to the exhibit with page 27 noted on the bottom and said that the rounded rates to the right of the calculations were recommended by the Steering Committee. He said the expected savings for each of the plans was noted under the highlighted full rates.

Skip Finnell made a motion to approve the HSA qualified high deductible health plan rates as shown on the exhibit and rounded to the nearest dollar.

Motion

Christopher Clark seconded the motion. The motion passed with a unanimous vote.

Educational meetings for employers and employees on high deductible health plans with HSAs:

Bill Rowbottom said that the Steering Committee discussed and agreed that regional employee educational meetings should be held. He asked the employers to contact him if they would like to host a meeting. Mr. Rowbottom said that the employer meeting is scheduled for March 2, 2017 at COMM Fire District. He said enrollment into the plans is usually low in the first year.

Health Plan Reports:

The health plan account executives did not have anything to add, but Bill Hickey thanked Mr. Rowbottom for taking the lead on coordinating the meetings. He also thanked Ms. Burke and her team.

Other Business:

Noreen Mavro-Flanders said the next Steering Committee meetings were scheduled for February 16th, March 16th, both to be held at 9:00 a.m. at the Sandwich Town Hall, Sandwich, MA. She said there will be a Board Meeting held on April 12th at 10:00 a.m. with a Steering Committee meeting at 9:00 a.m. to be held at COMM Fire District.

There was no other business.

Christopher Clark moved to adjourn the meeting.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Chair Noreen Mavro-Flanders adjourned the meeting at 12:05 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*