

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

Board Meeting

Wednesday, February 10, 2016, 10:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, February 10, 2016 at 10:00 AM at the COMM Fire District, Centerville, 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
Gerry Panuczak, Board Vice Chair	Chatham, Town of
Debra Blanchette	Barnstable, Town of
Laura Scroggins	Barnstable, Town of
Nancy Cushing	Barnstable County
Marie Buckner	Sandwich, Town of
Joan Plante	Eastham, Town of
Heather Harper	Falmouth, Town of
Denise Coleman	Falmouth, Town of
Susan Wallen	Nauset RSD
Christopher Clark	Harwich, Town of
Amy Bullock	Harwich, Town of
John Kelly	Orleans, Town of
Lisa Vitale	Brewster, Town of
Judy Sprague	COMM Fire District
Michael Daley	Cotuit Fire District & W. Barnstable Fire Dist.
Robert Howard	Bourne Recreation Authority
Marge McGloin	Provincetown, Town of
Melanie Becker	County of Dukes County
Katie Isernio	Monomoy RSD
Deb Heemsoth	Dennis, Town of
Erin Orcutt	Cape Cod Regional Technical HS
Verna LaFleur	Hyannis Fire District
Nancy Ward	Bourne Water District
Larry Azer	Dennis-Yarmouth RSD
Karen Scichilone	Cape Cod Lighthouse Charter School
Sheryl McMahan	Dennis Water District
Leanne Gray	Mashpee Water District
Cynthia Slade	Truro, Town of
Rosemary Moriarty	Wellfleet, Town of
Rose Crosby	Upper Cape Reg. Voc-Tech High School
Jill Beaumont	Upper Cape Reg. Voc-Tech High School
Jennifer Kelson	Buzzards Bay Water District
Rosemary Costa	Veterans Services of Cape Cod

Guests Present:

Jason Lily	Rockland Trust Investments
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CCMHG Board meeting, 02/10/16

Mary Casali
Linda Loiselle
Tara Way
Beth Deck
Brian Carlson
Kate Bruster
Denise LaVallee
Paul J. Medeiros
Terry Rogers
Chris Kelley
Tanya Chakmakian
William Rowbottom
Bill Hickey
Fred Winer
Nina Conroy
Kate Sharry
Carol Cormier

Cape Cod Healthy Connections
The Abacus Group
Barnstable, Town of
Cape Cod Collaborative
Town of Wellfleet
Monomoy RSD
Mashpee, Town of
Hyannis Fire/PFFM
Falmouth Fire Dept.
Barnstable Police
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Delta Dental of Massachusetts
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:04 a.m.

Approval of the minutes of the October 21, 2015 Board meeting:

Christopher Clark moved to approve the minutes of the October 21, 2015 Board meeting as written.

Motion

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

Investment Committee and Manager's Report:

Gerry Panuczak, Investment Committee Chair, said that the markets are in turmoil so far this year. He said that the three portfolios are down a bit for 2015. He said the third highly liquid fund recently set up is at \$1.12 million and the goal is to get it to \$2 million. He said that \$100K is deposited into this fund each month.

Jason Lily, Rockland Trust, introduced new team members. He said that the S&P500 was down about 10% so far this year. He said that CCMHG's core bond and stock positions have done well and lost a lot less than the S&P500. He said that the downside protection is working well. He reviewed the handout report. Mr. Lily said he expects low single digit returns in the stock market. He said he doesn't think it is going to be a great year but it should be a positive year.

Melanie Becker said that since the CCMHG Board is going to vote on rates at this meeting, she would like to know the expectations for investment returns.

Mr. Lily responded that he was moderately optimistic.

Ms. Mavro-Flanders asked Mr. Lily if he is suggesting changes to Fund 2.

Mr. Lily said he was not and pointed out that the most recent quarter's performance makes up for earlier losses in the year.

Mr. Lily left the meeting.

Treasurer's report:

Noreen Mavro-Flanders explained that the Treasurer, Rich Bienvenue, was not able to attend the meeting. She said that the last report he presented to the Steering Committee with data through November was the last report available.

Wellness Program report:

Mary Casali, Cape Cod Healthy Connections, reviewed the report dated 2/3/16. She said the next edition of the Newsletter will come out later in the month. She reviewed the status of biometric screening programs, the 5K *Walk It Off* program, the *Incentive Program*, *Maintain Don't Gain*, *Spring Walking Challenge*, and *Couch to 5K* program. She said that 322 members joined the *Maintain Don't Gain* program over the holidays and 286 (76%) of those members weighed out. She said there was an aggregate weight loss of 285.5 lbs.

Steering Committee report:

Skip Finnell said that the Steering Committee has amended its plans to meet with state legislators. He said instead of a meeting there will be a one-on-one reach-out. He asked that anyone interested contact him.

Mr. Finnell said that the Committee decided to delay the meeting with Managers scheduled for March 4th. He said that this will take place in the Fall.

John Kelly suggested having the meeting with Managers in the spring. He said that elected Boards are looking for plans from CCMHG to keep health care costs down.

Mr. Finnell said that the Committee approved renewing the contract with GBS. He said that the Committee is reviewing the Joint Purchase Agreement and that changes will probably be recommended to the Board within the next couple of months.

Skip Finnell said the Committee is interested in seeking an auditor for Retiree Drug Subsidy (RDS) application re-opening audits. He said the auditors are typically paid on a contingency basis. He said this will come up for a Board vote later in the agenda.

Skip Finnell said that the following meetings have been scheduled:

- March 17, 9:00 AM Steering Committee meeting at Sandwich Town Hall.

The Steering Committee meeting was subsequently rescheduled for March 21 at 9 AM at Sandwich Town Hall.

- April 13, 2016, Steering Committee at 9 AM and Board meeting at 10 AM. *Location to be determined.*

Noreen Mavro-Flanders said that there will be a Steering Committee vacancy which will be filled at the next Board meeting. She said Maggie Downey, Barnstable County's representative, is leaving the Board and Steering Committee at the end of March. She said that Ms. Downey has served on the CCMHG Board and Steering Committee for nearly twenty years and has been Chair of the Wellness Committee for many years as well. She said she has done a wonderful job. She said Ms. Downey will continue to be on the Wellness Committee.

Ms. Mavro-Flanders said that the Steering Committee (SC) has been considering a policy that when there is a vacancy, the alternate SC member would be moved to fill the vacancy and a new alternate SC member would be elected by the Board. She said this may be brought up at the next Board meeting.

The Abacus Group reports:

Linda Loiselle said that Abacus is working on preparing the CY16 budget for the *My Medication Advisor*® (MMA) program. She reviewed the MMA financial report for calendar year 2015. She reported total net savings of \$789,273. She said participating members saved an estimated total of \$182,017 in waived Rx co-pays.

Ms. Loiselle reviewed the report on participation, compliance, and savings for the *Good Health Gateway*® *Diabetes Incentive Rewards program* for September through November 2015. She said that they have identified 744 CCMHG members as having diabetes and that 343 are participating in the program. She said of those participating, 158 are compliant with program requirements. She said that \$246.8K was paid in claims through the program, and there was \$69.4K in savings.

Ms. Loiselle explained that Abacus has been doing more with text messaging and phoning program participants. She said a satisfaction survey will go out next month. Ms. Loiselle said that Abacus has launched a Facebook page for Good Health Gateway®.

GBS Reports:

Carol Cormier said that the GBS reports had been emailed to Board members. She said that through December the paid claims and related expenses were 94.7% of the funding rate revenues. She said that all of the plans were adequately funded except for Blue Care Elect Preferred PPO which was 2.2% underfunded.

Ms. Cormier said that for FY15 the CCMHG had 15 members who had claims exceeding the reinsurance specific deductible of \$300K. She said total claims were almost \$6.2 million and that the Group has received almost \$1.6 million in reinsurance reimbursements with another \$89K due to the Group. She said that for FY16 so far there are four members with claims exceeding \$300K with total claims of almost \$1.5 million. She said there have been no reimbursements at this point.

Retiree Drug Subsidy (RDS) applications – re-opening audits:

Skip Finnell said that the Steering Committee is recommending soliciting quotes for RDS re-opening audits.

Carol Cormier called attention to exhibits in the Board packet and explained that RDS Plan Sponsors may, for the purpose of auditing, open RDS applications that have been reconciled and closed. She said that GBS is aware of a number of Plan Sponsors that have done this and it was found that the plan sponsors had not received the full amount of subsidy that was due to them. She said that since the auditors work on a contingency basis and since the findings have been favoring the plan sponsor, the risk is small.

Christopher Clark moved to authorize the Steering Committee to procure and enter into an agreement with a RDS auditor to do the audits.

Motion

Melanie Becker seconded the motion. The motion passed by unanimous vote.

FY17 Funding Rates for Active Employee Plans:

Noreen Mavro-Flanders asked Carol Cormier to explain the rate development process.

Ms. Cormier explained that the health plans project claims from the CCMHG's historical claims data and GBS does separate independent projections and builds rates using the GBS claims projections and separately using the health plan projections. She said that the Steering Committee (SC) reviews the various rates and funding scenarios. She said she presented the rates with and without the ACA fees and the claims expense from the My Medication Advisor and Diabetes Rewards programs. She said the expenses for these programs were

CCMHG Board meeting, 02/10/16

projected at about \$2 million in total. She said at the January 28th SC meeting, the Committee decided to use rates without those fees and claims, and use money from fund balance to fund those expenses not included in the rates. She said that the Committee looked at many funding scenarios, and it came down to three possible scenarios which were sent to the Board:

Scenario D-2, an 11.1% composite increase and annualized funding projected at \$142,198,668;
Scenario F-3, a 10% composite increase and annualized funding projected at \$140,864,808; and
Scenario G-3, a 9.8% composite increase and annualized funding projected at \$140,571,324.

Skip Finnell said that Rich Bienvenue's projections for FY16 year-end fund balance is at 8-10% of claims of the prior 12 months which, he said, is at the lower end of the Fund Balance target range.

Mr. Finnell said that the Steering Committee met before the Board meeting and, by majority vote rather than unanimous vote, recommends Scenario G-3. He said he and Ms. Mavro-Flanders believe that it is a time to be more conservative in order to avoid future rate spikes.

John Kelly asked if there will be plan design changes to mitigate future increases.

Skip Finnell said that the Steering Committee will be looking at plan design changes for FY18.

Marge McGloin asked if a Committee member who voted in favor of recommending G-3 could explain to the Board why they want to go with the lowest funding option.

Heather Harper said she thinks the CCMHG may need to take on a bit more risk in order to remain attractive when compared with the GIC. She said she would urge units to plan for higher rate increases next year.

Deb Blanchette said she thinks plan design changes will help control FY18 rate increases.

Christopher Clark said the GIC rates don't present a true picture of their costs because the state is subsidizing them. He said that towns are coming out of the GIC.

Fred Winer gave an update on the GIC. He said that there will not be any large benefit changes this year. He said state retirees may have to pay more in their contributions to health plans. He said that rates and benefits will be approved on March 2.

Kate Sharry mentioned that she will be meeting with Lt. Governor Polito and will discuss these issues and the lack of a level playing field for GIC and municipalities and joint purchase groups.

Skip Finnell moved adoption of FY17 Funding Scenario G-3.

Motion

Christopher Clark seconded the motion. The motion passed by majority vote with Ms. Mavro-Flanders voting against the motion.

Health Plan Reports:

Nina Conroy, Delta Dental, said she had nothing to report.

Bill Hickey, Harvard Pilgrim, thanked Bill Rowbottom for once again managing the health fair scheduling. He said that HPHC plan members who have lost their 1099-C forms can now print a new one from the HPHC website or call member services for a new one.

Bill Rowbottom, BCBS, asked Ms. Cormier about EyeMed's participation at health fairs.

CCMHG Board meeting, 02/10/16

Ms. Cormier said she spoke with the EyeMed Account Executive about this and that EyeMed would be more flexible now that the health fairs are more regionalized.

Other Business:

There was no other business.

Noreen Mavro-Flanders reminded the Board that the next meeting will be held on April 13.

Skip Finnell moved to adjourn.

Deb Blanchette seconded the motion. The motion passed by unanimous vote.

Chair Noreen Mavro-Flanders adjourned the meeting at 11:28 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*