

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

Board Meeting

Wednesday, October 19, 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, October 19, 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
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
Paul Hilton	Cape Cod Collaborative
Elizabeth Deck	Cape Cod Collaborative
Karen Scichilone	Cape Cod Lighthouse Charter School
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
Susan Laak	Barnstable Fire District
Lisa Vitale	Brewster, Town of
Robert Howard	Bourne Recreation Authority
Jill Goldsmith	Chatham, Town of
Michael Daley	Cotuit Fire District & W. Barnstable Fire Dist.
Rosemary Moriarty	Wellfleet, Town of
Kate Bruster	Monomoy RSD
Maureen Thomas	Truro, Town of
Deb Heemsoth	Dennis, Town of
Judy Sprague	COMM Fire District
Verna LaFleur	Hyannis Fire District
Jody Hoffmann	Town of Provincetown
Leanne Gray	Mashpee Water District
Bob Whritenour	County of Dukes County
Rosemarie Costa	Veterans Services
Jennifer Kelson	Buzzards Bay Water District
Rose Crosby	Upper Cape Tech High School
Jill Beaumont	Upper Care Tech High School

Guests Present:

Rich Bienvenue	CCMHG Treasurer
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Deanna Desroches	CCMHG Wellness Consultant, mainland
Mary Casali	Cape Cod Healthy Connections
Brian Callow	Rockland Trust Investments
Jeff Morassi	MA Teachers Association
R.W. Henson	COMM Fire District
Ryan Gavin	Town of Falmouth Firefighter
Giovanna Venditti	Nauset RSD
Catherine Cabral	Dennis, Town of
Tara Way	Barnstable, Town of
Denise LaVallee	Mashpee, Town of
Myra Suchenicz	Orleans, Town of
Cathy Doane	Orleans, Town of
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
William Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:15 a.m.

Election of Officers and Steering Committee:

Ms. Mavro-Flanders said the Steering Committee is making a recommendation to nominate and approve the election of the officers. She said the following are recommended:

Board Chair – Noreen Mavro-Flanders, County of Dukes County;

Board Vice-Chair – Marie Buckner, Town of Sandwich, replacing a vacancy left by Gerry Panuczak

Steering Committee:

Francis “Skip” Finnell, Dennis Yarmouth RSD,
Noreen Mavro-Flanders, County of Dukes County,
Debra Blanchette, Town of Barnstable,
Marie Buckner, Town of Sandwich,
Erin Orcutt, Cape Cod Reg. Voc-Tech School,
Susan Wallen, Nauset RSD,
John Kelly, Town of Orleans
Christopher Clark, Town of Harwich,
Denise Coleman, Town of Falmouth,
Vacant, SC Alternate

Skip Finnell made a motion to approve the Steering Committee’s recommendations for officers and Steering Committee.

Motion

Christopher Clark seconded the motion.

Marie Buckner nominated Deborah Heemsoth, Town of Dennis for the Steering Committee Alternate position.

Christopher Clark seconded the motion.

Motion

Ms. Heemsoth introduced herself and explained why she wanted to serve on the Committee.

Ms. Mavro-Flanders asked if there were any other nominations. There were none.

Votes were taken on both motions and passed unanimously.

Approval of the minutes of the July 27, 2016 Board meeting:

Christopher Clark moved to approve the minutes of the July 27, 2016 Board meeting as written.

Judy Sprague seconded the motion. The motion passed by unanimous vote.

Investment Committee and Investment Manager's Report:

Noreen Mavro-Flanders said that Debra Blanchette has served on the Investment Committee and has agreed to fill the position of Investment Committee Chair, replacing the vacancy left by Gerry Panuczak.

Deb Blanchette said that the Investment Committee last met on October 5th and said she, Rich Bienvenue, and Christopher Clark met with Brian Callow, Rockland Trust Investment Manager for CCMHG. She noted that Mr. Callow took over from Jason Lily who is no longer with Rockland Trust. She said the Committee reviewed the CCMHG portfolio and said that there is a balance of approximately \$14M across the 3 investment funds. Ms. Blanchette said that \$100K per month is deposited into Fund #3, the more liquid fund, and will continue until the fund reaches a balance of \$2M. She said this fund was created in case there is a need to liquidate funds for cash flow purposes. Ms. Blanchette introduced Brian Callow.

Brian Callow reviewed each of the Investment Funds and said the funds are reviewed regularly and re-balanced and managed as required. He said that the diversification of the funds is working well and will continue to be reviewed. Mr. Callow noted that the market fluctuates during election times, but said over time, whomever is elected doesn't seem to make a long term difference historically.

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

Treasurer's report:

Treasurer, Rich Bienvenue, distributed and reviewed the Management Report with data through August 31, 2016 and said the FY16 financial audit should be finalized in November. Mr. Bienvenue reported the fund balance of \$13.68M. 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 loss of \$186,333.

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

Motion

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

Wellness Committee report:

Deanna Desroches reviewed the highlights of the FY16 Wellness Year-end report. She said her goal is to create a culture of wellness and to increase participation in the programs. She noted that 971 employees participated in the programs out of a total of over 10,000 subscribers. Ms. Desroches said that 63% of those who signed up for the Couch to 5K completed the program and are continuing to walk on their own. She said the Biometric screenings in 17 of the units serviced 338 members. Ms. Desroches said 37 members were referred for hearing tests, 25 to their doctors for blood pressure, 23 for UV skin damage, and 19 cholesterol referrals and 19 bone density referrals were made. Ms. Desroches said that eye screenings will be added this

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year. Ms. Desroches said that the wellness newsletter, *Your Health Matters*, is approaching the 6th year distribution mark. Ms. Desroches said 328 members weighed in for the Maintain Don't Gain Holiday Challenge and 250 members weighed out with a 76% weight retention and an overall weight loss of 285 pounds.

Ms. Desroches said that programs for this year that the Committee is looking at include a summer step challenge, biking program and fitness challenge.

Ms. Desroches said a new CCMHG wellness program will be available through the "aHealthyme" BCBS portal this year. 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 a mobile phone App will also be available.

In response to a question, Gabrielle Pitcher said that BCBS can offer incentives, but cannot make screenings mandatory.

Carol Cormier said that municipalities can't make wellness programs mandatory or change the employer contribution rate based on participation in wellness programs.

Bill Hickey said that PCPs are contacted by HPHC when members are late in scheduling their annual physical appointments.

Noreen Mavro-Flanders reviewed the Martha's Vineyard wellness programs and said that they parallel the Mainland programs and include the Walker Tracker Challenge and a Fitness Challenge, this year focusing on the teachers.

GBS Reports:

Carol Cormier said that the year-end GBS reports were emailed to Board members. She said that the summary page is in the packet, and she reviewed it. Ms. Cormier said through July the paid claims and related expenses were 98.8% of the funding rate revenues. She said that the dental fund is doing well. Ms. Cormier said the additional expense for claims through the myMedicationAdvisor® (MMA) and Diabetes Rewards Programs would put the expense-to-funding ratio well above 100%.

Ms. Cormier said that the FY16 stop loss reports had 22 members with excess claims of \$3M, and noted that half the amount was received in reimbursements to date. She said \$1.5M of reimbursements are due CCMHG.

Abacus Reports:

Linda Loiselle reviewed the Annual Diabetes report through August 31, 2016. She said that 47% of eligible members are enrolled and 46% of those are meeting the guidelines of the program and receiving their medication and supplies for free. Ms. Loiselle said that the CCMHG enrollment and compliance is higher than the book of business average. Ms. Loiselle reported estimated savings to the group in the amount of \$267,750 for the 12-month period from September 2015 through August 2016. She said that Abacus supports the wellness efforts of CCMHG and reviewed the promotional efforts made by Abacus, including a total of 635 in and out-bound calls, text messaging, newsletters and health fair attendance.

Ms. Loiselle said that 75% of the members who took the last survey reported feeling healthier and said it was easier to manage their diabetes because of the program. She said another survey will be sent out in January of 2017. Ms. Loiselle said that electronic newsletters are now being sent to those members who said they would like to receive them.

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Ms. Loiselle said that Abacus has partnered with “glooko”, a unified diabetes management system, a remote patient monitoring system. She said she can present more about this program at another meeting.

myMedicationAdvisor® Program report (MMA) - Linda Loiselle reviewed the report with calendar year data through September 2016 and said that there was a total of 1,661 CanaRx Scripts filled and 562 alternate buying scripts filled. She reported estimated net savings to the group for the nine months of \$702,865 and estimated employee savings of \$105,280.

Noreen Mavro-Flanders encouraged the Board members and Benefit Administrators to promote both the Diabetes Rewards and MMA programs to their employees.

Steering Committee report:

Skip Finnell, Steering Committee Chair, said that most of the agenda items cover what the Steering Committee has been working on, with the exception of the following:

September Manager & Superintendent’s Meeting – Mr. Finnell said the purpose of the meeting was to inform everyone what CCMHG is working on regarding ways to address the rise in medical and prescription costs. He said plan design changes and the impact of the Affordable Care Act and GIC influence was also discussed. He said the proposals will be discussed and voted on later in today’s meeting.

Cape Cod Healthcare (CCHC) – Mr. Finnell said CCMHG is 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 said that for FY17, the MMRA changed reinsurance carriers from Berkley Insurance to Trans America Insurance Co.

CY17 Senior Plan Rates:

Skip Finnell referred to the Senior Plan Rate exhibit in the meeting packet and said the Steering Committee reviewed and discussed the proposed rates. He said that the Steering Committee is recommending the rates as described on the exhibit.

Christopher Clark made a motion to approve the rates as recommended by the Steering Committee.

Motion

Michael Daley seconded the motion.

Carol Cormier asked Fred Winer, Tufts Senior Health Plan Account Executive, to explain the reasons for the insured plan rate increases.

Fred Winer explained that part of the increase was due to the Affordable Care Act revenue reductions. He said in addition requirements for EGWP plans, which will result in a \$19 increase pmpm. Mr. Winer said that the United States is the only country that does not regulate prescription drug prices and allows pharmaceutical companies to advertise directly to consumers. Mr. Winer noted that for the Tufts senior plans, CVS Caremark is the PBM for mailorder service.

Garbrielle Pitcher said that the prescription drug costs is the main reason for the Blue Medicare Rx PDP rate increase. She said the reimbursements to the health plans have also decreased.

Carol Cormier asked Ms. Pitcher to see if BCBS would round down the Medicare HMO Blue and Managed Blue for Senior rates to the nearest whole dollar.

Bill Hickey said the HPHC Medicare Enhance Aetna PDP rates were impacted by the federal government. He said that the medical claims rate, a self funded rate, is based on the CCMHG experience.

Susan Wallen asked Ms. Cormier to send out a list of the reasons for the rate increases so the employers could include it in their open enrollment materials to the retirees.

Bill Rowbottom said the senior fairs are all planned and the dates, times and locations will be listed on the CCMHG website at www.ccmhg.com.

A vote on Mr. Clark's motion to approve senior plan rates as presented was taken and passed unanimously.

Vote on proposed amendments to the Joint Purchase Agreement:

Noreen Mavro-Flanders said that the 1st reading of the proposed amendments was presented to the Board and reviewed in detail at the July 27, 2016 meeting. She said the Board members were asked to review the proposed amendments with their respective Boards. Ms. Mavro-Flanders said that in accordance with the Joint Purchase Agreement, this is the 2nd reading and said she would entertain a motion.

Christopher Clark made a motion to approve the proposed amendments to the Joint Purchase Group as written.

Michael Daley seconded the motion. The motion passed by a unanimous vote.

Motion

Carol Cormier said that the Board representatives have authorization to sign the amended Joint Purchase Agreement and may do that if they have their copy here today. She said GBS will email a copy to the full Board and asked that it be executed and returned to Group Benefits Strategies.

Vote on Steering Committee proposals for plan design changes to current plans and addition of HSA-qualified plans for FY18:

Skip Finnell said that the Steering Committee is making a recommendation to the Board to change the current CCMHG deductible plan deductibles and copays and to add a new lower cost health plan design to its offerings. He referred to the exhibits included in the meeting packet. He said the Committee is recommending making changes to the deductible and copays of the current health plans to bring them more in line to the level of the GIC's Benchmark plans. Mr. Finnell said that there have been several meetings with speakers from BCBS and HPHC held to review and discuss information about the changes proposed.

Carol Cormier said that making the change to the current plans will have an approximate savings impact of 2%. 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 email the summary of bargaining options as written by Attorney Kevin Feeley to the Board.

Bob Whritenour asked if the Board is going to vote changes to the plans to be more like the GIC plans, why shouldn't the employers join the GIC?

Carol Cormier said that some reasons include the geographic limits of Cape Cod and that the GIC does not offer BCBS plans. She said CCMHG has not accepted provider tiering into its plans while tiering is an integral part of the GIC plans. She said another reason is that the employers of CCMHG get to vote on changes and on what happens with CCMHG; whereas, municipal employers that join the GIC have no voice in decisions.

Carol Cormier said that there is also no transparency of the GIC funding and spending. She said that CCMHG met with Lt. Governor Karen Polito about the municipal constraints in comparison to the GIC. She said

ongoing communications were encouraged. Ms. Cormier said she will speak to Kate Sharry about contacting the Lt. Governor for an update.

Ms. Cormier said if the plan design change proposals are approved today and once the FY18 rates have been approved, she will send employers a series of spreadsheets to calculate Total Savings which is the basis for determining the mitigation fund under Ch. 32B, S. 21-22.

Christopher Clark made a motion to approve bringing the current benchmark plan deductibles and co-pays up to the level of the GIC plans to the extent described on the exhibit.

Motion

Michael Daley seconded the motion. The motion passed by a unanimous vote.

Skip Finnell said the Steering Committee looked at several plan design options in efforts to provide a lower cost health plan and is making a recommendation to the Board to approve adding HMO and PPO Health Savings Account (HSA)- qualified high deductible health plans, with a mandated employer contribution to each member's HSA account in the amount of 50% of the deductible, and utilization of the health plans preferred HSA vendors. He noted that the Steering Committee changed the out-of-pocket (OOP) maximum to lower amounts than had been previously presented. He said the recommended OOP maximums are now \$5,000 per Individual and \$10,000 per family.

Christopher Clark made a motion to approve the Steering Committee's recommendations effective July 1, 2017.

Motion

Michael Daley seconded the motion.

There was a discussion and questions asked about how and when the employers would contribute to the HSA accounts.

Carol Cormier said that the HSA accounts have many positive features, and it will be up to each governmental entity to either add the HSA-qualified plans as an option or replace the current plans depending on their unit's needs. In addition, she said it will be up to the employers through collective bargaining to determining the scheduling of the contributions into the HSAs. She said it could be one lump sum at the beginning, for example or , quarterly, or monthly contributions, or another schedule.

John Kelly said the premiums of the HSA-qualified plans will be lower, and the savings will benefit both the employee and the employer.

Bill Hickey said that the member will fill out the HSA form and fill in whether or not they want money to be contributed by payroll deduction to the HSA account or not. He said the employer will work directly with the HSA vendor.

Carol Cormier said there will be employee and employer education sessions similar to those held when the deductible plans were offered.

A vote was taken on the motion and passed by a majority vote of 29 in favor and 3 opposed. The Towns of Truro and Provincetown and Veterans' Services were opposed.

Health Plan Reports:

The health plan account executives did not have anything to add.

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Other Business:

Noreen Mavro-Flanders said the next Steering Committee meetings were scheduled for November 16th and December 14th, both at 9:00 a.m. at the Sandwich Town Hall, Sandwich, MA. She said the Board will be contacted when the next Board meeting is scheduled.

There was no other business.

Christopher Clark moved to adjourn the meeting.

Motion

Michael Daley seconded the motion. The motion passed by unanimous vote.

Chair Noreen Mavro-Flanders adjourned the meeting at 12:20 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*