

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

Steering Committee Meeting
Wednesday, August 26, 2015, 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, August 26, 2015 at 9:00 AM at Sandwich Town Hall, Sandwich, MA. The following people attended:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair
Noreen Mavro-Flanders, Board Chair
Gerry Panuczak, Board Vice Chair
Debra Blanchette
Marie Buckner
Margaret Downey
Erin Orcutt
Susan Wallen
Christopher Clark (alternate)

Dennis Yarmouth RSD
Dukes County
Chatham, Town of
Barnstable, Town of
Sandwich, Town of
Barnstable County
Cape Cod Reg. Technical High School
Nauset RSD
Town of Harwich

Guests Present:

Deanna Desroches
Mari Cassali
Melanie Becker
Teresa Johnson
Katelyn Bruster
David Withrow
Marge McGloin
Lisa Vitale
Joan Plante
Victoria Finlay
Jan Hagberg
Mimi Sparr
Bill Jennings
Tara Way
Michael Daley (2)
Michael Dalmau
Paul J. Medeiros
Michael Evaul
Greg Almonte
Ryan Edwards
Michael B. Simmons
Peter Halliday
Don Campbell
Wayne Mayo
Charles Frazier
William R. Piltzecker
Scott Starbard
Terry Rogers

CCMHG Wellness Coordinator (mainland)
Wellness Coordinator’s assistant
Dukes County
Sandwich Water District
Monomoy Regional School District
Town of Orleans
Town of Provincetown
Town of Brewster
Town of Eastham
Town of Eastham
Town of Sandwich
Town of Sandwich
Town of Sandwich
Town of Barnstable
Cotuit Fire District & W. Barnstable Fire District
Hyannis Fire District
Hyannis Fire District
Mashpee Fire Dept.
Yarmouth Fire Dept.
Harwich Fire Dept.
COMM Fire District
Sandwich Fire Dept.
Sandwich Fire Dept.
Dennis Fire Dept.
Eastham Fire Dept.
Eastham Fire Dept.
Falmouth Fire Dept.
Falmouth Fire Dept.

Chris Kelley
Garbrielle Pitcher
Bill Rowbottom
Terry Fleming
William Hickey
Lauren Hurley
Fred Winer
Nina Conroy
Carol Cormier
Karen Carpenter

Barnstable Police Dept.
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan
Delta Dental of Mass.
Group Benefits Strategies (GBS)
Group Benefits Strategies

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:10 AM.

Approval of minutes of the July 29, 2015 Steering Committee meetings:

Noreen Mavro-Flanders moved to approve the minutes of the July 29th meeting.

Motion

Gerry Panuczack seconded the motion. The motion passed by majority vote. Chris Clark abstained.

Treasurer's update:

Skip Finnell said that Treasurer Rich Bienvenue notified him that he would not be able to attend the meeting. He said that Mr. Bienvenue said that there was nothing remarkable about the July financials to report and that he would email the financials to the Committee once he has received the September warrant that provides the July claims data.

Investment Sub-Committee report:

Investment subcommittee Chair, Gerry Panuczak, said that the stock market lost 7% of value over the last few days. He said that CCMHG's investments are highly diversified which somewhat insulates the Group from the impact of market fluctuations. He said the group's Investment Manager is positive about the the future and will continue to rebalance the portfolios. He said the third new fund now has approximately \$400K and the sub-committee is looking to get to about \$1 million invested and available.

Wellness report:

Deanna Desroches said the *Kick Butts* program will launch on Sept. 30 at Cape Cod Tech. She said the August Newsletter has been published. She reviewed other programs including the *Couch to 5K* in Brewster with participation from several other units and the *Walk-It-Off* in Orleans which will start on 9/8. Regarding the wellness screening incentive program she said that LMR is in the process of distributing the incentives that will go back to 7/1/15. She said that there will be a *Maintain Don't Gain* campaign again around the winter holidays.

Skip Finnell asked if any of the wellness program results can be quantified.

Maggie Downey said that the Committee will work with the carriers to see what can be done.

Noreen Mavro-Flanders said that the Vineyard's Wellness Coordinator has been out because of a family illness and that the Vineyard did not spend all of its FY15 budget. She said the Vineyard Wellness Committee is requesting the same budget for FY16 as for FY15. She mentioned the tick-

bourne illness problem on the Vineyard and said that money will be devoted to this awareness program.

Marie Buckner moved to approve the level-funded wellness budget for the Vineyard for FY16.

Motion

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

Group Benefits Strategies (GBS) reports:

Funding Rate Analysis (FRA) - Carol Cormier reviewed the FRA for the month of July and said that claims ran lower than expected. She said the ratio of expenses to funding was 86.1%; whereas, at FY15 year-end it had been 104%. She said that conclusions cannot be drawn from one month of data.

Noreen Mavro-Flanders pointed out that the underfunding in FY15 was intentional in order to bring the fund balance down into the targeted range.

Ms. Cormier said that the dental funding exceeded expenses in July.

Carol Cormier reviewed reports from The Abacus Group including new reports on MMA, Alternative Savings Program, and Diabetes Rewards program claims. She said the total claims in July for these programs was \$118,304. Later she reviewed the standard reports from Abacus.

Ms. Cormier reviewed the *Level Monthly Deposit reconciliation reports* for July and said the Group had a credit balance with BCBS and HPHC.

ACA - Affordability:

Carol Cormier said that CCMHG should add a high deductible/low rate plan to its menu of offerings in order to assure that the Group has a plan that meets the ACA's affordability standard for all eligible employees. She said that in order for employers to avoid surcharges for "unaffordable" plans, it must show that it offers a plan that meets the affordability requirements of the ACA. She said she has asked BCBS and HPHC to propose some plan designs and estimated pricing for such a plan.

She said employers pay surcharges when employees do not have an affordable option as defined by ACA and then seek coverage and receive subsidies through the healthcare exchange.

There was a discussion and a consensus that the Committee will consider adding a high deductible plan for 7/1/16.

Point of Service plan (POS) presentations:

Skip Finnell said that GBS has advised CCMHG that several of its plans will be impacted by the ACA's excise tax on high cost health plans (Cadillac Tax). He said the Committee has been working to come up with ideas to address this issue and offer employers options. He said a summary is included in the meeting packet. He asked Carol Cormier to explain why the Steering Committee has been looking at options and is considering recommending to the Board the addition of POS plans.

Carol Cormier said that since early in the year the Steering Committee has been considering the possibility of adding the GIC's most recent plan design changes which included replacing the PPO

plans to POS plans for members who live within the health plan service areas. She said subsequently legal counsel advised that the change from PPO to POS is not eligible for Ch. 32B, S. 21-23 bargaining. She said since learning this and being aware that the impact on cost of the other GIC changes was quite small, there has been less interest in making those changes across the board for FY17. Ms. Cormier said that the Cadillac Tax, will go into effect in 2018. She said for employer sponsored self-funded plans it is a tax on employers for plans that exceed price thresholds established by the ACA. Ms. Cormier explained that as the Cadillac Tax regulations are currently written, the CCMHG's Master Health Plus plan and the PPOs, especially the BCBS PPO, would be subject to the tax in 2018. She said that making co-pay changes within reasonable levels would probably not, on its own, lower the rates sufficiently. She said that the POS plans offer in network and out-of-network benefits as do the PPOs; however, she said the POS is built on the HMO platform. She said the Steering Committee is considering recommending that CCMHG add the POS plans as options and let each participating employer, while fulfilling its bargaining obligations if applicable, decide if it wishes to add the POS plans. She said the pricing of the POS plans is lower than PPO plan pricing, especially in the case of BCBS plans, primarily because of the way BCBS pays providers. She said this will be explained in presentations to follow.

Bill Hickey, Harvard Pilgrim Health Care (HPHC), reviewed the HPHC POS and compared features to the PPO plan. He projected on screen and distributed a comparison chart and a display of participating hospitals in New England.

Mr. Hickey said the following features are the same for the HPHC PPO and POS: (1) both plans have in-network and out-of-network benefits and that the level of in-network benefits are better than out-of-network; (2) the NE provider network covering MA, CT, RI, NH, and ME is the same for both plans; (3) HPHC pays providers the same regardless of plan type; (4) all preventive care is covered with no member cost share; (5) emergency and urgent care is covered anywhere and as "in-network" for both PPO and POS.

Mr. Hickey said the following features differ between PPO and POS plans: (1) PPO has a nationwide provider network, and POS has NE-wide provider network, (2) PPO does not require referrals to specialists, and POS does require referrals except for certain specialties, (3) members must live in the HPHC NE service area in order to be eligible for the POS plan while the PPO does not have a residency requirement other than in the US. He said the POS plan can be designed with any plan design and cost-share features that the CCMHG decides on and can be designed with the same features as the PPO.

Mr. Hickey said that if a POS member moves out of the NE service area, that is a qualifying event, and the member must select another plan, i.e. a PPO plan. He said an early retiree would have to have his or her primary residence in New England in order to be eligible for the POS plan.

In response to a question, Ms. Cormier said that MA governmental employers are required to offer a PPO or traditional indemnity plan to cover eligible employees and former employees who live outside the health plan's local service area.

There were questions about the HMO/POS referral process.

Mr. Hickey said that the referral issue is between the member and the PCP. He said generally PCPs refer to specialists in the provider group in which the PCP participates or with whom they are

familiar. He said if a member wants a referral to a particular specialist, he/she should request the physician by name. Mr. Hickey said that a member may change PCPs at any time.

Michael Dalmau asked Mr. Hickey to add a column listing HMO features to the chart he distributed.

Carol Cormier noted that the out-of-network utilization on both the HPHC and BCBS PPOs is very low.

Bill Hickey said for the CCMHG the HPHC PPO's out-of-network utilization is less than 2%.

Terry Fleming, Blue Cross Blue Shield, reviewed the features of the BCBS POS plan, referred to as "Blue Choice".

Ms. Fleming said that the POS is like an HMO with the ability to go out-of-network for services. She noted that the same similarities and differences as reviewed for the HPHC plan apply to the BCBS POS and PPO plans with the exception of how providers are paid. Ms. Fleming said that BCBS pays providers differently depending upon the plan type of the member. She said almost all providers who are on the PPO are also on the HMO/POS network in NE. She said that if a member who is in the middle of care for one or more conditions moves from the PPO to the POS, he or she will have to let his/her PCP know that referrals will be needed.

Garbrielle Pitcher, BCBSMA, said that fewer than 1% of BCBS PPO members are using out-of-network services now. She said that the price differential between the PPO and POS plan is about 6% if the benefits and plan design features are the same.

Carol Cormier said that the Steering Committee wants to give employers options to reduce their expenses and reduce their liability under the Cadillac Tax. She said the GIC no longer permits people who live inside the health plan service area to join the PPO plans. She said that this is not the approach the Steering Committee is pursuing at this time.

Beverly Haley asked if the Committee was still considering adding chiropractic benefits to the HMOs.

Skip Finnell said at this time the Committee is looking to give employers options and that plan design changes including chiropractic would probably be considered later. Mr. Finnell said he has been told that the GIC is not talking about the Cadillac Tax.

Review of Possible Plan Design Changes for FY17:

Skip Finnell said now is the time to take a vote on whether or not the Committee will propose any plan design changes for FY17.

Erin Orcutt moved to recommend to the Board that CCMHG add BCBS and HPHC Point of Service (POS) plans effective 7/1/16 and that it not adopt any of the previously proposed plan design changes for FY17. She furthered motioned to pursue with BCBS and HPHC information about a high deductible plan as discussed.

Motion

Christopher Clark seconded the motion.

There was a discussion about timing of adding a high deductible plan. There was a consensus favoring July 1, 2016.

Ms. Orcutt's motion passed by majority vote with Maggie Downey opposed because she wished to add a limited chiropractic benefit and enhance the fitness benefits for the HMOs and POSs for 7/1/16 to create incentives for PPO members to move to these plans.

Carol Cormier said that employers should review their contribution strategies. She said contributing the same percentage to all plans does not create the proper incentives. She said that employers can create incentives through the contribution strategy for employees to choose the more cost effective plans. Ms. Cormier said that this would be subject to Ch. 150E collective bargaining.

Meeting with Cape Cod Healthcare (CCHC):

Deb Blanchette said that she just learned that CCHC President & CEO Mike Lauf will be able to attend the CCMHG Board meeting on October 21. She said he would like guidance on what he should present.

Skip Finnell asked that this item be added to the next Steering Committee agenda.

Discussion of the State's funding of health insurance through the GIC:

Carol Cormier said that Heather Harper asked that this item be on the agenda.

Skip Finnell said that Ms. Harper would like a members of CCMHG to speak with legislators about the GIC and it non-transparent funding and the unlevel playing field.

Erin Orcutt suggested that CCMHG could speak with the legislators at a meeting of the Cape Superintendents. She said legislators or their assistants attend the meetings.

Noreen Mavro-Flanders said that the CCMHG should focus on one good point with the legislators.

Christopher Clark suggested that the topics be the GIC funding and what the GIC is doing about the Cadillac Tax.

Skip Finnell asked Ms. Orcutt to find a good date in October.

Ms. Orcutt agreed and said she would try for Oct. 30. She said that Cape Cod Tech would host the meeting.

Erin Orcutt, Christopher Clark and Gerry Panuczak offered to attend as a sub-committee.

Skip Finnell said that Ms. Harper will want to attend as well.

Health Plan Reports:

Harvard Pilgrim – Bill Hickey said he had nothing to report other than that AETNA has taken over Coventry Health, HPHC's Part D plan provider. He said that he has submitted the proposed Medicare Enhance plan rate for CY16.

Blue Cross Blue Shield – Bill Rowbottom suggested that the CCMHG hold regional health fairs for the senior plan renewals.

Garbrielle Pitcher said that BCBS will have the proposed CY16 Senior Plan rates before the next Steering Committee meeting.

Delta Dental – Nina Conroy said she had nothing new to report.

Other Business:

Noreen Mavro-Flanders thanked Group Benefits Strategies for the information and hosting the webinar on the ACA Employer Reporting.

Next meetings – Skip Finnell said the next Steering Committee meeting is at 10 AM on Sept. 16 on Martha’s Vineyard. He said that there are Steering Committee and Board meetings at COMM Fire District on October 21 at 9 and 10 AM respectively.

Mr. Finnell set Steering Committee meetings for Nov. 19 and Dec. 16, both at 9 AM at Sandwich Town Hall, subject to confirmation of availability.

There was no other business.

Christopher Clark moved to adjourn.

Motion

Erin Orcutt seconded the motion. The motioned passed by unanimous vote.

Chair Skip Finnell adjourned the meeting at 11:45 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*