

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

Steering Committee Meeting

Thursday, January 19, 2017, 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 Thursday, January 19, 2017 at 9:00 AM at the Sandwich Town Hall, Sandwich, MA. The following people attended:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair
Noreen Mavro-Flanders, Board Chair
Denise Coleman
Erin Orcutt
Christopher Clark
Marie Buckner
Deb Heemsoth
Debra Blanchette
John Kelly
Susan Wallen

Dennis-Yarmouth RSD
County of Dukes County
Town of Falmouth
Cape Cod Technical High School
Town of Harwich
Town of Sandwich
Town of Dennis
Town of Barnstable
Town of Orleans
Nauset RSD

Guests Present:

Rich Bienvenue
Lisa Vitale
Jody Hoffmann
Josee Cardinal Young
Mike Dalmau
Paul Medeiros
Eric Diamond
Ryan Edwards
Ryan Gavin
Shane Clark
Peter Halliday
Larry Machado
Jeff Morassi
Gabrielle Pitcher
William Rowbottom
William Hickey
Fred Winer
Nina Conroy
Carol Cormier
Karen Carpenter

CCMHG Treasurer
Town of Brewster
Town of Provincetown
Town of Provincetown
Hyannis Fire District
Hyannis Fire District
Harwich Fire District
Harwich Fire District
Falmouth Fire District
Cotuit Fire District
Sandwich Fire District
Sandwich Fire District
MA Teachers Association
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
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:08 AM.

Approval of minutes of the December 14, 2016 Steering Committee meeting:

Noreen Mavro-Flanders made a motion to approve the December 14, 2016 meeting minutes as written.

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

Motion

Investment Committee Report:

Debra Blanchette said that as of December 14, 2016, the investment balance was \$14,565,312. She said for the past 12 months, Fund #1, the income and growth fund, is up by 5.74%, Fund #2, the balanced fund, is up 6.91%, and Fund #3, the bond account, is up 1.14%. She said that the Brian Callow, Rockland Trust fund manager, will give a full report at the next Board meeting.

Christopher Clark joined the meeting.

Skip Finnell noted that the January 25th Steering Committee and Board meetings will be held at the Barnstable Town Hall.

Treasurer's Update:

Rich Bienvenue said that he updated the Fund Balance Analysis through November 2016. He referred to the exhibit and said that the ending trust fund balance is \$13,572,881, in the middle of the fund policy range. Mr. Bienvenue said there was a \$450K loss for the past 5 months and noted that \$300K of the loss was attributed to the dental fund.

Noreen Mavro-Flanders made a motion to accept the Treasurer's report.

Motion

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

Wellness Program reports:

Noreen Mavro-Flanders said that the Mainland Wellness report was in the packet for the Committee's review, and said that Ms. Desroches will report at the January 25th Board Meeting.

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the summary page of the Funding Rate Analysis with data through December 2016. She said that for the health plans the expense-to-funding ratio on a paid claims basis was 95.4%. She said there was a surplus of funding over expenses in the amount of \$3.3M and noted that \$1.3M of the surplus was due to reinsurance reimbursements received. Ms. Cormier said that the dental funding is doing well with an expense-to-funding ratio of 90.4% and an excess of funding over expenses in the amount of \$303,672K.

Reinsurance reports - Carol Cormier said there was nothing new to report since the last meeting.

PPO plan design with regard to the Emergency Room (ER) benefit:

Carol Cormier said that the PPO out-of-network (OON) ER benefit on the HSA qualified high deductible plans currently state "Deductible, then 20% coinsurance". She said Garbrielle Pitcher said that the OON ER benefit for ER visits cannot be different than that of the in-network benefit per the Affordable Care Act (ACA). Ms. Cormier referred to the Dept. of Health and Human Services exhibit in the packet. Ms. Cormier said that the Committee will need to vote on the change to read the same as the in-network benefit "Deductible, then CIF (covered in full)".

Christopher Clark made a motion to change the HPHC and BCBS Emergency Room Out-Of-Network benefit to "Deductible, then CIF".

Noreen Mavro-Flanders seconded the motion. The motion passed by a unanimous vote.

Motion

Employer educational programs about high deductible plans and Health Savings Accounts (HSAs)- Carol Cormier said that she will put the comparison documents and a summary email together for the employers and will send it to the Steering Committee for approval, prior to sending it out.

Bill Hickey said that an educational presentation about the responsibility of employers and how the plans work could be conducted at the Board Meeting.

Bill Rowbottom suggested holding a Benefits Administrator's meeting for the HR and payroll administrators.

The Committee agreed with Mr. Rowbottom and also asked that the high level presentation that Mr. Hickey discussed be presented at the next Board Meeting.

Carol Cormier said the Committee will be reviewing the preliminary rate projections today. She said if new scenarios are requested, the Committee will vote on a recommendation to the Board at the next meeting. Ms. Cormier said that once the Board votes on the rates, she will send the employers a spreadsheet to calculate the savings between the current plan rates and the rates for the plans with plan design changes to bring them closer to the current plan design of the GIC's Benchmark plan. She said that the employers will only need to plug in their enrollment numbers and contribution rates and the Excel file will calculate the Total Gross Savings.

Ms. Cormier asked if the next Steering Committee meeting could be rescheduled from 2/15 to 2/16 since Mike Follick from Abacus Health Solutions cannot make the 2/15 meeting.

The Steering Committee agreed to change the meeting to February 16, 2017.

Carol Cormier said she would send an email out about the change and it would be updated on the CCMHG website as well.

Update on the Group Insurance Commission (GIC):

Carol Cormier said that she received a copy of the GIC presentation done by Mercer regarding potential changes that the new GIC Director, Roberta Herman is proposing for FY18. Ms. Cormier noted that the peer groups that Mercer compared the data to, that they were mostly mid-western and western states, not New England states. Ms. Cormier said that there is a GIC meeting today to present the proposed changes, which include increasing the deductibles and some copays, tiering changes and retiree plan changes, including moving remaining plans to EGWP plans.

Paul Medeiros said that most of the western states noted in the Mercer presentation are “right to work” states with lower incomes and cost of living than the NE states.

In addition to the changes she mentioned above, Ms. Cormier said that new enrollees will not be allowed to enroll into the most popular GIC plans, Tufts Navigator (the GIC Benchmark plan), Harvard Pilgrim Independence, and Fallon SelectCare. Ms. Cormier said it will be interesting to see if the Towns of Hingham and Haverhill, which signed on with the GIC for 7/1/17 prior to the proposed changes, will be exempted from the enrollment restriction.

In response to a question, Ms. Cormier said that GBS has not heard back from the Lt. Governor, Karen Polito since their last meeting.

Update on project with Cape Cod Healthcare (CCHC):

Garbrielle Pitcher said she had a conference call regarding the format of the data that BC was sending to CCHC and it was agreed that CCHC would work with the BCBS formatting. She said BCBS will send CCHC claims and enrollment information.

Bill Hickey said that the claims information is going through Optum and both HP and CCHC's IT teams are working together. He said both files have been tested and moving forward.

Preliminary FY18 rate projections:

Carol Cormier said she recently found out that the HSA qualified high deductible plans can have a single parent/single child (SP/SC) rating tier, but that the plan design for SP/SC will be the same as the family plan design. She said she wanted to clarify this because it may not have been explained clearly at prior meetings.

Ms. Cormier reviewed the FY18 rate projections packet, including administrative fees from the health and dental plans, and Group Benefits Strategies that she built into the rates. She asked HP and Delta Dental to see if they could lower their administrative fee increases to 2%.

Ms. Cormier said that she built in a 15% reinsurance increase into the rates and pooled out claims exceeding the \$300K specific deductible.

Ms. Cormier said that she created an exhibit to show the alternative prescription program claims costs and ACA fees separately and noted that, following past practice, the Funding Scenarios did not include these costs. She said that Committee could choose to recommend adding the costs to the funding scenarios or not.

Ms. Cormier reviewed the projections for each plan and said that projected claims were reduced 2% for BCBS plans and 1.5% for Harvard Pilgrim plans to account for the changes in plan design that go into effect 7/1/17.

Ms. Cormier reviewed the following funding scenarios based on December 2016 enrollments:

Current Scenario – requires total funding of \$143,750,688 for the medical and dental plans.

Scenario A – the lower of the GBS and health plan projections with a 8.9% composite funding increase.

Scenario B - the health plan projections with a 10.6% composite increase.

Scenario C – GBS projections, except Master Health Plus at the BCBS 4.2% for a 11.% composite increase.

Ms. Cormier said she does not recommend a decrease in the HP PPO rate.

Scenario D – an alternate scenario with the HP PPO increase of 8.5% and a composite increase of 10.8%.

Ms. Cormier noted that the Treasurer is projecting the fund balance to be at the low end of the fund balance policy's target range. She also said that the alternative prescription drug programs are not included in the rates.

Christopher Clark made a motion to recommend to the Board the adoption of Funding Scenario D, but with the Master Health Plan rate increase adjusted to 8.5% and rounding of the rates to the nearest whole dollar.

Erin Orcutt seconded the motion.

Motion

There was a discussion.

A vote was taken and passed by a majority vote of 7 to 2. John Kelly and Marie Buckner were opposed.

Carol Cormier said that it is important for the employers to review their contribution strategies. She suggested a strategy of contributing a percentage to the lowest cost plan and using that fixed dollar amount to contribute to the other plans.

FY18 Dental Plan projections - Ms. Cormier reviewed the FY18 projected voluntary and contributory dental plan rates.

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Christopher Clark made a motion to recommend adding \$1 to the current Individual dental plan rates and \$2 to the Single Parent/Single Child and Family plan rates.

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

Motion

HSA qualified high deductible plan projections – Carol Cormier said she used the health plan projections and compared them to the regular deductible plans. She said the Committee has to consider whether or not to have two or three rating tiers. She noted that the HSA administrative fee is not included in the rates in the exhibit. She said that she can take Scenario D claims numbers and re-do the high deductible/HSA rate sheet and bump the rate up by 2%.

Christopher Clark made a motion to recommend three rating tiers, Individual, Single Parent/Single Child, Family, and Scenario D as a basis to determine the high deductible plan rates.

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

Motion

Health Plan reports:

Delta Dental – Nina Conroy said that Delta Dental is working on their provider networks and adding a limited network plan. She said that one dental office on the has decided to not renew its contract with Delta, which means that Delta will pay on an allowable cost schedule, and members who have services done in that office may be balance billed. She said that 48 members on the voluntary plan and 77 on the contributory plan are affected.

Tufts Health Plan – Fred Winer said there was nothing new to report.

BCBS – Bill Rowbottom said that BCBS will be increasing its representation at the health fairs from one representative to two.

Carol Cormier said that she heard that BCBS has a account education line that can be dedicated to answer members' questions for a specific time period requested. She asked if CCMHG would be eligible to utilize that service for the HSA-qualified high deductible plans.

Bill Rowbottom said he would check on that and said that there are webinars available, too.

PHPC - Bill Hickey said he is working to coordinate the same types of communications.

Carol Cormier asked what information will be presented at the Board meeting regarding the Health Savings Accounts (HSAs).

Garb Pitcher said that Stephanie Burke will be doing a presentation

Other Business:

There was no other business.

Christopher Clark made a motion to adjourn.

Motion

Erin Orcutt seconded the motion.

Chair Skip Finnell adjourned the meeting at 11:55 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*