

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

Steering Committee Meeting

Thursday, January 28, 2016, 10:00 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 28, 2016 at 10:00 AM at the Sandwich Town Hall, Sandwich, MA.
The following people attended:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair
Gerry Panuczak, Board Vice Chair
Debra Blanchette
Marie Buckner
Erin Orcutt
Susan Wallen
Christopher Clark (alternate)
Maggie Downey
Heather Harper

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

Guests Present:

Richard Bienvenue, CPA
Deanna Desroches
Charles Frazier
Tanya Chakmakian
William Hickey
Fred Winer
Nina Conroy
Carol Cormier
Karen Carpenter

Treasurer, CCMHG
Wellness Consultant
Town of Eastham Fire Dept.
Blue Cross Blue Shield of MA (BCBSMA)
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 10:01 AM.

Approval of minutes of the November 19, 2015 Steering Committee meeting:
Christopher Clark moved to approve the minutes of the November 19th meeting.

Motion

Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

Acceptance of notes of the December 16, 2015 Steering Committee meeting:
The Steering Committee accepted the the notes of the December 16th meeting.

Treasurer's Report:

Treasurer, Rich Bienvenue, distributed the Management Report with data through November 30, 2015 and reviewed the Income Statement. He said to contact him with any questions on the full report. Rich Bienvenue reported the year-to-date surplus of \$140K and said that the FY16 planned use of \$4.8M has not been utilized yet. He said he expects the utilization to begin in December due to the health plan settle-up amount. Mr. Bienvenue noted that a loss has been reported each month of FY16 with the exception of September.

Mr. Bienvenue reviewed the Cash Flow Projection for June 2016 and said he expects the fund balance to be within the policy range of 8% to 10%. He reviewed his Analysis of Fund Balance report and said the fund balance surplus was earned through the investment earnings and Retiree Drug Subsidy (RDS) receipts. Mr. Bienvenue said he is not expecting the investments to increase in the near future and noted that the RDS income is done. Mr. Bienvenue said he does not recommend utilization of fund balance to supplement the FY17 rates.

Heather Harper made a motion to accept the Treasurer's report.

Motion

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

Investment Committee Report:

Gerry Panuczak said the next Investment Committee meeting will be held on February 8th at 10:00 AM at the Yarmouth Town Hall. He invited the Steering Committee members to attend. Mr. Panuczak said that the combined investment accounts earned just under 1% in December 2015. He reported a loss of just under 2% for the fiscal year. Mr. Panuczak said that the Rockland Trust advisor is expecting a rebound due to the election year.

Wellness Committee Report:

Deanna Desroches, the Wellness Consultant, said that the next edition of the newsletter is due out in February. Ms. Desroches reviewed the current wellness programs including the *Biometric Screenings, Maintain Don't Gain, Incentive Program* and the *Couch to 5K Program*. She said a total of 286 participants of the *Maintain Don't Gain* program weighed out and they lost a total of 285 pounds over the 6-week program. She said the *Spring Walking Challenge* dates have been set and said the kick-off walk will be held on April 23rd at Marathon Sports.

Maggie Downey said she would like to send out a reminder to the employers of CCMHG to send in their wellness grant applications. She said she would send an email to Karen Carpenter to forward to the group. Ms. Downey said Deanna Desroches is proposing a 2-year consulting contract, rather than renewing every year. Ms. Downey asked if the Committee would like to continue with receiving a budget each year or move to one every two years.

The Committee said they are fine with a 2-year consulting contract, but said they would like to continue to receive and consider the wellness budget each year.

Ms. Downey said that effective March 31st, she will no longer be representing Barnstable County on the CCMHG Board or Steering Committee. She said that Mary McIsaac will be appointed as the County's Board representative. Ms. Downey said she would like to remain as a member of the Wellness Committee if the Steering Committee had no objections.

The Committee said they would like Ms. Downey to remain on the Wellness Committee and thanked her for her good work on the Board and Steering Committee.

Update on meeting with the legislators and the March Manager's Meeting:

Erin Orcutt said that she brought up the current CCMHG goals and initiatives regarding the rising health care costs at the recent Superintendents meeting with state legislators. She said there was very little interest from the legislators and noted that there was a comment of "Just join the GIC". Ms. Orcutt said the discussion turned to the pros of joining the GIC.

Carol Cormier said she wondered if the legislators were familiar with the CCMHG.

There was a discussion.

Skip Finnell suggested two alternative approaches, either don't react to the comment or put together educational information.

Heather Harper said she was discouraged that Governor Baker didn't include healthcare costs in his address to the state.

Christopher Clark said he understood that Governor Baker is not in favor of subsidizing the GIC. He noted that Dolores Mitchell is retiring shortly.

Rich Bienvenue suggested reaching out to the Cape legislators on a one-on-one basis prior to holding any meetings.

It was suggested that the Steering Committee members work in groups of two to meet with the legislators and to utilize the CCMHG Fact Sheet and other information.

Skip Finnell asked Christopher Clark and Erin Orcutt to work together to assemble a list of contacts and to make a recommendation to the Steering Committee on a plan of action.

There was a discussion about the timing of the proposed meeting with Managers on March 4th. It was decided that the meeting should be moved back to the early fall. It was decided to wait to send the letter cancelling the Manager's Meeting until after the next Steering Committee Meeting on February 10th.

GBS Reports:

Funding Rate Analysis - Carol Cormier said the GBS reports are in the packets for the Committee to review and said that the expense-to-funding ratio through December 2015 was 94.7%. She said there was an excess of funding in the amount of \$3.6M but noted that \$1M of that amount was from reinsurance reimbursements from events of the previous year. Ms. Cormier said that the dental funding is doing well.

Reinsurance reports - Karen Cormier reviewed the FY16 stop loss reports with data through December and noted there was no change to the FY15 reports. Carol Cormier said that 52 of the CCMHG members accounted for \$13.6M of the FY16 claims total.

Website Maintenance Proposal - Carol Cormier said that the CCMHG GBS website contract expired on November 30, 2015. She said the previous contract was for \$1,650 and that GBS is proposing an increase to \$1,800 for the new contract.

Heather Harper made a motion to approve the renewal of the GBS website contract in the amount of \$1,800.

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

Motion

Possible RDS Re-openings – Carol Cormier said that she had previously mentioned the possibility of re-opening the RDS applications in order to audit the data. She said a few of the GBS clients have received additional subsidy money through the audits which have been done by auditors selected through an RFP process. Ms. Cormier said that most RDS auditors work on a contingency basis and do not charge unless additional subsidy is received. She said that she would find out how far back the openings can go and noted that the RFP could be prepared by GBS.

Erin Orcutt made a motion to make a recommendation to the Board to re-open the RDS filings.

Heather Harper seconded the motion. The motion passed by unanimous vote.

Motion

FY17 Preliminary Rate Projections:

Dental Rate Projections – Carol Cormier reviewed the contributory dental rate projections and said that Delta Dental is projecting a 1.8% rate decrease, while the GBS projection is a 1.3% increase. She reviewed the voluntary dental rate projection and said Delta Dental is projecting a 2.0% decrease and the GBS projection is a 0.6% increase. Ms. Cormier said she is recommending a 0% increase to both plans.

Erin Orcutt made a motion to recommend to the Board to level fund both dental plans.

Motion

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

FY17 Health Plan Projections – Carol Cormier reviewed the comparison of carrier administrative costs for FY17 and said that BCBS and Delta Dental propose no change in the current fees. She said HPHC proposed a 1.2% fee increase.

Bill Hickey said that the increase this year is most likely due to the Affordable Care Act (ACA) requirements. He said all of the health plans have had to implement new systems to accommodate the requirements. He noted that the CCMHG fee increase was originally going to be higher at 3%, but said he worked at getting a reduction for the group.

Ms. Cormier reviewed the calculations of FY17 claims and funding factors for the Alternative Rx and Diabetes Rewards claims, as well as the ACA estimated fees. She said in prior years she has shown the rate factors for the ACA fees and the Alternative Rx and Diabetes Rewards claims, but the CCMHG chose not to include those in the rates. She said she created scenarios with and without these fees and claims.

Ms. Cormier reviewed rates develop using the the carrier and GBS projections for each of the plans and then reviewed the following scenarios as compared to the current funding scenario:

Scenario A: the health plan projections with a composite increase of 12.5%.

Scenario B: the GBS plan projections with a composite increase of 10.3%.

Scenario C-1: an alternative scenario blending the plan increases and not including the ACA and alternative drug program expenses with a composite increase of 10.4% to the health plans and a 0% increase to the dental plans.

Scenario C-2: the same as C-1 with the ACA and alternative drug program costs included with a composite of 11.9% increase.

Scenario D: an alternative scenario of C-2 with the Master Health Plus and the Blue Care Elect PPO increase of 12%, no ACA fees, with a composite increase of 11.1%.

In response to a question, Tanya Chakmakian said that the ACA fees may be extended to additional years due to the Cadillac Tax delay.

Skip Finnell said he is in favor of rating the plans to stand on their own without subsidies.

There was a discussion as to whether or not the ACA fees and alternative drug program costs should be included into the rates. It was noted again that these expenses were not included in the past.

Carol Cormier said that the increase shown on Scenario D is a little higher than the others and would accomplish adding about 50% of the fees to the rates.

Erin Orcutt left the meeting.

Christopher Clark suggested a scenario with a composite increase of 11% with the Master Health Plus and Blue Care Elect plans increasing by 12.5%, the Network Blue and HPHC EPO plans increasing by 10% and the HPHC PPO plan increasing by 11%.

The Committee asked that the rates be rounded down to the next dollar.

Carol Cormier noted that the Medicare plans would not be changing until January 2017 and said that may offset some of the claims costs.

Heather Harper said that she is not adverse to utilization of some fund balance to draw the rates down to 10% or just below 10%.

The Committee asked Ms. Cormier to create the following scenarios for the next Steering Committee meeting:

- A composite increase of 10%, similar to Scenario D, and rates rounded down.
- Scenario D utilizing some surplus to bring the composite to 9.9%.

Marie Buckner said that Scenario C-1 is close to 10% and may just need to have the rates rounded.

Review of Joint Purchase Agreement:

Skip Finnell tabled this item but said that he would bring it up at the Board meeting so that they would be aware of the Committee's intentions to amend the agreement.

Health Plan Reports:

Blue Cross Blue Shield – Tanya Chakmakian distributed and reviewed information about a new BCBS feature called “Telehealth” that is optional to its self-funded clients. She said that *Telehealth* enables members and their families to have a medical or behavioral health visit with a physician using a computer, tablet or mobile device. She said the fee to the group would be \$0.50 per BCBS subscriber per month and said that would come to approximately \$31K for the year for CCMHG.

Ms. Chakmakian said that the feature may save on unnecessary ER visits and the cost of the visit is less than what the PCP visit cost would be.

Bill Hickey and Fred Winer said that HPHC and Tufts respectively will be implementing a similar feature soon.

There was a discussion.

Christopher Clark said he would prefer to introduce the Telehealth feature to the full Board as an addition that could be used to offset a benefit that may not be available in the future.

The Committee agreed with Mr. Clark's suggestion.

Carol Cormier said that BCBS is having an issue with claims that were processed on a member level since November. She said that their aggregate claims data is correct. Skip Finnell mentioned the letter that CCMHG sent to Andrew Dreyfus, BCBS CEO, about the reinsurance fee charged to the reinsurance pool broker to obtain the claims information. He told her that CCMHG has not received a reply.

Harvard Pilgrim Health Plan – Bill Hickey said he did not have anything to report.

Delta Dental – Nina Conroy said some of the health fairs have been booked and said that additional regional fairs are being organized.

Other Business:

Susan Wallen said one of her employee's college student is having an issue obtaining a waiver from their school to waive the student coverage. She said the school has told her employee that the CCMHG coverage is not credible since it only covers the out-of-state student in emergencies.

Tanya Chakmakian said that colleges are tightening their restrictions.

The next Steering Committee meeting date was noted as February 10th at 9:00 a.m. at the COMM Fire District, Centerville, MA.

There was no other business.

Gerry Panuczak moved to adjourn.

Motion

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

Chair Skip Finnell adjourned the meeting at 12:47 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*