

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

**Steering Committee Meeting**  
Wednesday, February 25, 2015, 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 Wednesday, February 25, 2015 at 10:00 AM at Sandwich Town Hall, Sandwich, MA. The following people attended the meeting:

**Steering Committee Members Present:**

Skip Finnell, Steering Committee Chair	Dennis Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Debra Blanchette	Town of Barnstable
Marie Buckner	Town of Sandwich
Erin Orcutt	Cape Cod Regional THS
Susan Wallen	Nauset RSD
Heather Harper	Town of Falmouth

**Guests Present:**

Katie Iernio	Monomoy RSD
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care
Nina Conroy	Delta Dental
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 10:06 AM.

**Approval of the Minutes of the February 4, 2015 meeting:**

Marie Buckner motioned to approve the minutes of February 4, 2015.

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

**Treasurer’s Report:**

Skip Finnell said Richard Bienvenue, CPA was unable to attend the meeting. He said that the report in the packet is through December 31, 2014 (unaudited figures) and said that is the same report the Treasurer reported on at the Board meeting on February 4, 2015. He said the group subsidized the FY15 rates with \$8M of the trust fund surplus and said Mr. Bienvenue expects \$6.6M of the \$8M will be used by June 30, 2015.

**Investment Committee Report:**

Debra Blanchette said there was nothing new to report.

Skip Finnell asked that the updated Investment Policy be added to the CCMHG website.

**Wellness Committee Report:**

Marie Buckner said the *Couch to 5K* program has been delayed due to the snow storms. She said the report Deanna Desroches prepared is in the meeting packet. Ms. Buckner said the Committee will be holding a Wellness Meeting for the Benefits Administrators on March 13, 2015.

Noreen Mavro-Flanders said there is nothing to add regarding wellness on Martha's Vineyard that wasn't presented at the recent Board meeting.

**GBS Reports:**

Funding Rate Analysis (FRA) – Carol Cormier reviewed the summary page of the FRA and said that the expense-to-funding ratio was 100.2% through January 2015, which she said was down half a percent from the prior month. Ms. Cormier said the Blue Care Elect PPO plan was underfunded by \$1.7M. She said the overall funding shortfall was \$898K.

Level Monthly Deposit Reconciliation - Ms. Cormier said \$13,334K was due BCBS for the 2<sup>nd</sup> quarter of FY15. She said there was a ~\$543K credit balance with HPHC.

Stop Loss Reports - Karen Carpenter reviewed the Stop Loss Reports for FY15 and said three claimants had exceeded the Specific Deductible of \$300,000 with claims totaling \$1.43M. She said that there is total reimbursements of \$532,514 due CCMHG. She said 14 claimants are on the report of 50% with total paid claims of \$2.69M through December.

Ms. Carpenter reviewed the Stop Loss Reports for FY14 and said five claimants had exceeded the \$300K Specific Deductible with excess claims of \$271,374. She said the Aggregating Specific Deductible of \$500K has not been met, and no reimbursements are due.

**Abacus proposed Diabetes Rewards Program fees for 7/1/15:**

Carol Cormier said the current fees charged by Abacus to administer the Diabetes Rewards Program is \$1.12 pc/pm. She said effective July 1, 2015, Abacus is proposing to increase the fee to \$1.16 pc/pm. Ms. Cormier noted that this is the first increase to the fee since the inception of the program in 2009.

Erin Orcutt asked Ms. Cormier to inquire if the fee could be a multi-year rate.

Noreen Mavro-Flanders asked the health plans if they offer diabetes programs.

Bill Hickey said both HPHC and BCBS offer Disease Management programs for members with diabetes. He said the programs are not incentive based. Mr. Hickey said the incentives contribute to the success of the Abacus program.

Bill Rowbottom said in addition to the Disease Management program, BCBS members can choose to have a health coach. He said BCBS contacts each member and said opting for a coach is voluntary.

Skip Finnell asked if Carol Cormier would ask for a multi-year fee from Abacus prior to the Committee voting on the proposed fee increase.

**Affordable Care Act:**

Out-of-Pocket OOP Maximum (as required by the ACA) – Carol Cormier said she drafted a letter that could be used by the employers of CCMHG to notify the unions of the prescription drug OOP maximum benefit that

has been added to the health plans. She asked the Committee for their comments prior to emailing the suggested letter to the Board.

The Committee asked that the sentence “There has been a Medical OOP Max on the plans since July 2012” be moved to the second sentence of the first paragraph.

Cadillac Tax - Carol Cormier said she updated the Cadillac Tax exhibit that was previously distributed to include the FY16 health plan rates. She reviewed the tax implications to the Master Health Plus, Blue Care Elect PPO and HPHC PPO plans. Ms. Cormier said she does not know yet whether or not the Cadillac tax would be avoided if the plan designs were changed to those of the GIC Benchmark plan,. She suggested eliminating the MHP plan and adding POS plans for members living in the service area. She said the PPO could be maintained for members living out-of-area.

. Ms. Cormier said these changes would allow employers to use Ch. 32B, Sections 21 and 22 to bargain the changes. There was a discussion about the plan design options and how the Cadillac Tax does not address the geographical variations in health care costs across the US.

**Review of GIC FY16 plan design changes:**

Carol Cormier reviewed an exhibit showing the GIC vs. CCMHG plan designs effective July 1, 2015. Ms. Cormier said that the GIC plan benefits have tiered provider networks, and CCMHG’s plans do not. She said when making changes up to the GIC benchmark plan level, MA Health Reform stipulates that plans without network tiering may use Section 21-2 2 to bargain up to the middle tier copay of the GIC’s benchmark plan.

Ms. Cormier said the CCMHG Inpatient copay is currently at the FY16 middle GIC copay tier, so that cannot be increased using Sections 21-22. She said the Deductible, Outpatient, Specialist and Rx copays could be increased. She said she will ask the health plans for the pricing of a POS plan and claims decrements for each feature fo the GIC plan design changes for July 2016. Ms. Cormier suggested adding this topic to the agenda for the Manager’s Meeting. She said confirmation of adopting Sections 21 to 23 will need to be obtained from each unit before the Board takes any actions

Ms. Cormier said the GIC is scheduled to vote on its rates on March 4, 2015.

Noreen Mavro-Flanders said she read an article from *The Voice* regarding the GIC rates and plan design changes. She said she would like to write to the GIC as a concerned citizen requesting information on their funding rates versus claims incurred and paid.

**Discussion about agenda for the March 25<sup>th</sup> Manager’s meeting:**

Erin Orcutt said she would like to address the PPO plan designs first and possibly “reward” the HMO plan members for good claims experience.

Carol Cormier cautioned that the rate differentials between the PPO and EPO plans would be smaller, and that would reduce the incentive to join the lower cost plans, especially where the employer’s contribution percentage is high.

Bill Rowbottom said some members enroll into the BCBS PPO plan because it offers a chiropractic benefit. He said he has heard members state that fact at the health fairs.

Carol Cormier asked for a utilization report on chiropractic services.

Ms. Cormier said she will put together ideas for the structure of the Manager’s meeting and send it to the Committee.

Skip Finnell said he would like Bill Hickey and Gabrielle Pitcher to present at the 3/25 meeting on the health plan industry standards and trends.

There was a discussion about a low response to the invitation to the Manager's Meeting.

Carol Cormier said she will send another email to the Board.

Skip Finnell asked Joyce Mason and Erin Orcutt to resend the invitations to the Managers and Superintendents.

**Monomoy RSD enrollment and billing issue:**

Skip Finnell asked Carol Cormier to briefly describe the issue.

Ms. Cormier said Monomoy wanted to terminate an employee's family' health plan coverage effective June 2013. She said GBS informed Monomoy that it needed the termination form but has no record of receiving the form until December of 2014. Ms. Cormier said the member was listed on the district's invoice each month.

Skip Finnell said in addition, an email from Karen Quinlivan at GBS was sent to the district stating that the dental termination form was received and processed, but not the medical form.

Katie Isernio said she does not want to point fingers and said there was a disconnect for which the district is being charged \$24K. She said she wrote to Carol Cormier and received a reply from Ruth Lynch rather than Ms. Cormier.

Ms. Cormier said she forwarded the letter to Ms. Lynch, who is the manager of Enrollment and Billing at GBS for resolution. She said in hindsight she should have let Ms. Isernio know that she forwarded the issue on to Ms. Lynch.

Deb Blanchette said the email from Ms. Quinlivan was sent to the district in April 2014 and the termination form was not sent to GBS until December 2014.

Ms. Cormier said that there were fixed costs for the plans that were paid and she said that as recently as November there were claims on the plan.

Noreen Mavro-Flanders said she sees a copy of a termination form dated May 20, 2013 and wonders why when the charge's family plan continued to appear on the invoices, that the form was not re-faxed or a phone call made. She said 1 ½ years is a long time to not take additional action.

Heather Harper asked if the payment of \$24K was withheld from the district's payment to CCMHG.

Ms. Isernio said yes, just last month. Ms. Isernio said there was an obvious disconnect and asked the Committee to consider giving the district a break.

Susan Wallen said she handles benefits and reconciles her invoices on a monthly basis and works with GBS on any discrepancies that may occur. She stressed the importance of checking the monthly invoices.

Heather Harper said she appreciates the spirit in which Ms. Isernio has made her request to the Committee, however she said she is concerned about setting a precedent.

Erin Orcutt agreed with Ms. Harper.

Marie Buckner said errors have happened in most of the districts from time to time but said the units are responsible for resolving those errors.

The Committee agreed to take no action regarding this matter.

Ms. Isernio thanked the Committee for its time and consideration of the matter.

**Health Plan Reports:**

Blue Cross Blue Shield – Gabrielle Pitcher said the BCBS analysis of data provided by Anthem indicates that approximately 375,000 of the BCBSMA PPO members were accessed illegally in the cyber-attack.

She said the personal information accessed included: first name, last name, subscriber ID, gender, city, state, zip code, and date of birth. Ms. Pitcher said only a small fraction had their Social Security Numbers accessed. She noted that credit card, medical, and financial information was not accessed for any of BCBSMA members.

Ms. Pitcher said the impacted members' information was in Anthem's databases because the members used their BCBS health insurance in Anthem's states back to 2004. She said they also have some impacted members due to a partnership BCBSMA had with Anthem to administer the Medicare Part D prescription drug program, Blue Medicare Rx, from 2006 through 2009. Ms. Pitcher said that was prior to CCMHG's change to Medex II and the Medicare Part D plan.

Ms. Pitcher said BCBS is working on identifying those impacted and will notify the group first and then the member.

Bill Rowbottom said BCBS is diligently working on this and said if a member is identified, Anthem is offering 2-years of credit protection coverage.

Delta Dental – Nina Conroy said that through one of Delta Dental's recent internal audits, they identified adjusted claims that were not appropriately carried to the CCMHG invoice. She said this was due to an interface discrepancy in their systems. Ms. Conroy said that the discrepancy impacted only voided claims that resulted from voided provider checks. She said CCMHG will be receiving a refund that represents these credits on the mid-March invoice. Ms. Conroy said the estimated refund is \$1,771.70 for the voluntary plan and \$4,805.03 for the contributory plan. She said they have solidified their interface process to ensure the issue has been resolved. Ms. Conroy said she notified GBS of the credit.

Harvard Pilgrim Health Care – Bill Hickey said that HPHC has transitioned from the Private Health Care Systems network as its out-of-area PPO provider network to the United Health Care network known as Optum. He said the transition is now complete, and PPO members have the Optum logo on their cards.

Mr. Hickey also said that HPHC is making necessary system updates to satisfy the ACA employer reporting requirement for their insured business coming up in 2016. He said HPHC is discussing how to obtain the dependent social security numbers. Mr. Hickey said HPHC may be able to provide its self-funded clients with the data they are required to give to the IRS. He said there may be a fee charged.

Carol Cormier asked Mr. Hickey to keep her up to date on their progress.

Skip Finnell asked to keep this item as an ongoing agenda topic.

**Other Business:**

Bill Rowbottom said the employers have been sending in their health fair dates and said he appreciates the Board's support regarding the regional health fairs.

The Committee thanked Mr. Rowbottom for his efforts in coordinating the fairs.

It was noted that the next Steering Committee meeting is scheduled for March 18<sup>th</sup>, at 9:00 AM at Sandwich Town Hall, Sandwich, MA

There was no other business

Susan Wallen motioned to adjourn the meeting.

Motion
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Marie Buckner seconded the motion. The motion passed by unanimous vote.

Chair Skip Finnell adjourned the meeting at 12:12 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*