

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

Steering Committee Meeting
Monday, May 16, 2016, 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 Monday, May 16, 2016 at 9:00 AM at the Sandwich Town Hall, Sandwich, MA. The following people attended:

Steering Committee Members Present:

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

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Carol Forgione	Nauset RSD
Richard Zaccaro	Life Benefits Consulting (LBC)
Kevin Petite	Life Benefits Consulting (LBC)
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:00 AM.

Approval of minutes of the March 23, 2016 and April 26, 2016 Steering Committee meeting:

Noreen Mavro-Flanders made a motion to approve the March 23, 2016 meeting minutes.

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

Motion

Noreen Mavro-Flanders made a motion to approve the April 26, 2016 meeting minutes.

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

Motion

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the financial reports (unaudited) through March 31, 2016 and said there was a loss of \$843,594 through the end of March. Mr. Bienvenue reviewed the income statement and said that there was a net loss of \$2.4M in 2014, a net loss of \$3.18M in 2015 and said he is projecting the loss to increase by the end of fiscal year 2016. Mr. Bienvenue reported a Fund Balance of \$19,506,672.

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

Motion

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

Proposed Level Monthly Deposits (LMD) for FY17:

Harvard Pilgrim Health Care (HPHC) – Carol Cormier said that the HPHC LMDs have exceeded the claims for several quarterly settlements. She said HPHC is recommending a reduction to the payment from \$2,876,000 to \$2,854,000.

Noreen Mavro-Flanders made a motion to approve the new HPHC LMD as presented.

Motion

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

Blue Cross Blue Shield (BCBS) – Carol Cormier said the BCBS claims have exceeded the LMDs for several quarters. She said BCBS is proposing a 9.7% increase from \$7,258,000 to \$7,956,200.

Christopher Clark made a motion to approve the BCBS LMD as proposed.

Motion

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

Life Benefits Consulting (LBC) & Teladoc – Kevin Petite, CEO:

Carol Cormier introduced Kevin Petite, CEO of LBC and Dick Zaccaro, LBC.

Kevin Petite said that LBC is a leading expert in marketing medical benefits. He said the company is not a health insurer, he said the company provides enhancements to employers’ current benefits. Mr. Petite said their mission is to bring a balance to peoples lives by offering workplace solutions such as teleheath. He said Teladoc is the first and largest telehealth program and said that the physicians are all Board Certified. Mr. Petite said that Teladoc addresses the rising health care costs while providing access to quality medical care 24/7, 365 days a week.

Mr. Petite summarized the video presentation because the audio was not loud enough. He said members will have access to a doctor when they cannot get in to see their own doctor. Mr. Petite said the program also helps to lower emergency room utilization because members can use Teladoc for non-emergency, urgent, and night time issues. He said the program is not designed to replace the primary care physician (PCP) and patients can send the Teladoc documentation of the visit to their PCP. Mr. Petite said that the average wait time for a doctor to return a call is 3 minutes, and it can be either a phone call or video conference. Mr. Petite reviewed three case studies and the savings and said the program can be tailored to meet the needs of each client.

There was a discussion and Skip Finnell thanked Mr. Petite and Mr. Zaccaro for their presentation.

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the expense-to-funding ratio through April 2016 was 99.2%. She reminded the Committee that the data on the report was on a paid claims basis. She said there was a surplus of funding in the amount of \$877,919. Ms. Cormier said that the dental funding is doing well with excess of funding in the amount of \$270K.

Reinsurance reports - Ms. Carpenter reviewed the FY15 stop loss reports and said there were 15 members with claims exceeding the deductible with total excess claims of \$1.7M. She said reimbursements of \$1.64M have been received and there are outstanding reimbursements due in the amount of \$89,612. Ms. Carpenter said the FY16 reports were not included in the packet and said she would send them to the Committee.

MMRA Update:

Carol Cormier said that the MMRA Board met last week. She said there was a discussion about Gallagher and Artex not being pleased with Berkley Insurance company's reimbursement processing for certain cases. She said that Tracey May sent out a RFQ and Berkley's quote was the highest of those received at a 14% increase. She said Mr. May negotiated them down to 9%, while there were other quotes received at a increase of 4% and 7%. Ms. Cormier said the MMRA Board gave Mr. May approval to go back to HCC insurance see if HCC would make its quote firm and final. She said if this did not happen, Mr. May would go to Transamerica which provided a firm quote with a 7.9% increase. Ms. Cormier noted that she build a 15% reinsurance increase into the FY17 health plan rates.

Noreen Mavro-Flanders said that HCC also required less of a collateral amount.

Carol Cormier said the Board also discussed the possibility of looking for new members to join the MMRA for 2018. She said that Gallagher will be review data from other groups.

John Kelly joined the meeting.

Marie Buckner asked if the reinsurance carriers were still reluctant to quote for municipal business.

Carol Cormier said that was the case last year and noted that 4 quotes were received for the MMRA because of the low risk and large size of total enrollment.

Communicating with Cape Cod Healthcare (CCHC):

Skip Finnell said he was encouraged by the results of the May 4th meeting with Michael Lauf and Chris Brown, Cape Cod Healthcare.

Carol Cormier said that CCHC wants to support CCMHG by educating the teachers about opioid addiction.

There was a discussion about the programs that are available within CCMHG.

Carol Cormier said CCHC offered to look at the utilization of CCMHG members at Cape Cod Health Care facilities.

Christopher Clark said they want to look at the 14 highest cost services and said it may be of a benefit to CCMHG.

Christopher Clark made a motion to authorize sending CCHC the CCMHG data to complete an analysis.

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

Motion

Health Plan Presentations:

Carol Cormier said that other JPGs are looking at their plan designs to contain costs with the least possible impact to their employees. She said it is a new world and employers need to keep pace and work harder to control costs. She noted that it would be unlikely that the employers would be able to utilize Ch. 32B, Sections 21-22 to make these more progressive types of changes. She said traditional bargaining processes would be required.

Harvard Pilgrim Health Care (HPHC) – Bill Hickey distributed a spreadsheet and reviewed several plan design options to include higher deductibles, 4-tier prescription co-pays, limited networks, coinsurance and high deductible HSA plans. He compared the plan designs to the CCMHG HMO plan on a high level and gave the savings percentages for each change.

Mr. Hickey said that CCMHG has an open prescription formulary while all of the HPHC fully insured plans have a closed formulary. He said an open formulary means that the plan will cover the costs of drugs that may not be covered on a closed formulary list. He said drugs that are not FDA-approved and other FDA-approved drugs that are prescribed for other purposes than what they are approved for are covered through an open formulary.

Mr. Hickey said that the out-of-pocket (OOP) maximums shown on the exhibit combine both medical and Rx costs and is indicated by the “X-Accum” column title. Mr. Hickey said that increasing the deductible and adding a 4th Rx tier have the largest impact on rate savings. He said that the plan designs that tier hospitals and physicians and the limited network plans would not work for CCMHG since CCHC is in the third and highest cost-share tier with most health plan organizations.

Mr. Hickey reviewed the HPHC Best Buy HSA plan with deductibles and said that once the upfront deductible is satisfied, the member would not have out-of-pocket expenses for the rest of that plan year. He said the HSA is a cash account owned by the member and funded by either the employee, the employer or both and it is tax free. He said the employer typically funds one half of the deductible to the HSA. Mr. Hickey said if the funds are not used, they roll over into the following year. He said that HPHC partners with Health Equity to administer the HSA accounts, but said employers can use any bank or other qualified organization to administer the HSA. He noted that HPHC has HSA-qualified PPO designs too.

Carol Cormier suggested adding a new plan design one year and then transitioning all members to that plan design over a 2 to 3-year timeframe. She said another option would be to add the new plan design and let each employer bargain it in at its own pace. Ms. Cormier asked Mr. Hickey if he would add a closed formulary option to the HSA plan design and indicate the additional savings. She also asked to add the WSHG Benchmark plan to the chart because it is the closest design to the Group Insurance Commission’s plan design.

Blue Cross Blue Shield - Gabrielle Pitcher said that she did several plan design options for both the HMO and PPO plans. She reviewed a HMO GIC-like plan, using the middle tier, as well as plan design options raising the deductibles and OOP maximums. Ms. Pitcher said that BCBS can customize the 4-tier prescription copays to the needs of CCMHG. She said she will find out if BCBS can do a no-copay with deductible and HSA plan design.

Both Garb Pitcher and Bill Hickey said the savings depicted on their exhibits are based on today’s rates.

Carol Cormier said that each employer would determine its own has contributions and administer its own HSA deductions.

Bill Hickey said the HSA is typically administered through payroll deductions.

There was a discussion.

John Kelly said he would favor transitioning the new plan designs by educating and adding the plans one year.

Christopher Clark said he favored a two-year transition to the has-qualified plans with no copays for both HPHC and BCBS.

Carol Cormier said she will do an exhibit of the the current plan design and the HSA plan design savings for a unit with a 50/50 contribution split and a unit with a 75/25 contribution split.

Skip Finnell suggested a conference call with Leo Peloquin to include Marie Buckner, John Kelly and Christopher Clark if they are available.

Mr. Finnell suggested having an HSA presentation at the next CCMHG Board meeting.

Marie Buckner suggested asking an independent company to present to the Board how HSA accounts work.

Susan Wallen said she would contact Cafeteria Plan Advisors for their availability. She said she would bring preliminary HSA information to the June 15th Steering Committee Meeting.

It was noted that the Steering Committee meeting location on the meeting notice was not correct, but the agenda and the webpage had the correct location. It was agreed that the meeting minutes would need to be re-voted at the next meeting.

Planning for fall meeting with Managers:

Christopher Clark said he will ask the Managers if they want a separate meeting or if they would like CCMHG to speak at the June 9, 2016 or July 14, 2016 meeting in Chatham.

Communicating with State Legislators:

Christopher Clark asked for assistance with putting together a fact sheet of the pros and cons of the CCMHG versus the GIC. He said he would like to show the issues that face CCMHG and potential solutions for each.

Proposed amendments to the Joint Purchase Agreement:

Carol Cormier said that the Steering Committee agreed at the last meeting to give a final review of the proposed amendments and to put together a recommendation for the Board to consider at its July meeting. She said the July meeting would be the first reading. Ms. Cormier distributed copies of the updated version of the Agreement. She asked the Committee members to review the copies and to send Ms. Cormier their questions and/or comments. Ms. Cormier said she want to change the porportionate share to 1 month and figure out what the amount would be.

Other Business:

The Committee agreed to add the following items to the next Committee Agenda:

- * Place the JPA amendments topic at the top of the next Committee agenda and to remind the Committee to review it and send any comments to Carol Cormier.
- * HP Telehealth as the 2nd item

The Committee agreed that lunch would be ordered in at the next meeting.

There was no other business.

Marie Buckner made a motion to adjourn. Deb Blanchette seconded the motion.

Chair Skip Finnell adjourned the meeting at 12:20 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*