

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

Steering Committee Meeting
Wednesday, June 3, 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, June 3, 2015 at 9:00 AM at Sandwich Town Hall, Sandwich, MA. The following people attended:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair	Dennis Yarmouth RSD
Debra Blanchette	Barnstable, Town of
Margaret Downey	Barnstable County
Erin Orcutt	Cape Cod Regional Technical HS
Gerry Panuczak	Town of Chatham
Marie Buckner	Sandwich, Town of
Heather Harper	Falmouth, Town of
Susan Wallen	Nauset RSD

Guests Present:

Rich Bienvenue	Treasurer, CCMHG
Deanna Desroches	CCMHG Wellness Consultant (Mainland)
Peter Halliday	Sandwich, Town of
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care
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 9:05 AM. He said that the meeting will need to conclude by 11:00 AM because the room is going to be used for another function.

Approval of minutes of the May 20, 2015 Steering Committee meetings:

Erin Orcutt moved to approve the minutes of the May 20th meeting.

Motion

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

Treasurer’s update:

Treasurer Rich Bienvenue, CPA distributed the Management Report with the financials through April 30, 2015. He reviewed the combined Income Statement for the Trust (health) and Dental funds. He said that the Fund Balance at the end of April was \$22,630,316 down over \$5.3 million from the same time last year. He said he expects the fund balance to be around \$19 million at the end of the fiscal year, FY15. . Mr. Bienvenue said the CCMHG expects to use about \$4.8 million from the Fund Balance in FY16.

Heather Harper motioned to accept the Treasurer’s report as presented.

Motion

Deb Blanchette seconded the motion. The motion passed by a unanimous vote.

Strategic Plan:

Heather Harper distributed the revised draft of the proposed Strategic Plan based on the suggestions made at the prior meeting.

Susan Wallen joined the meeting.

Carol Cormier asked Ms. Harper to explain the difference between the 1st and 3rd bullet under the second goal. She said they seem similar in context.

Ms. Harper agreed with Ms. Cormier and said she would combine the two bullets into one.

Marie Buckner suggested adding “and *to help* stabilize” to the last sentence of the first paragraph.

The Steering Committee agreed with Ms. Buckner and also revised Goal #5 by adding “practices and” after “policies and”.

The Commiee also agreed to replace “Approved June 3, 2015” with “Draft proposed June 3, 2015”.

Skip Finnell asked Ms. Harper to send the revised Strategic Plan to the Steering Committee prior to the next Board Meeting. He noted that the Strategic Plan will be in “Proposed” form when meeting with Cape Cod Healthcare.

Report of subcommittee on possible meeting with Cape Cod Healthcare:

Deb Blanchette said that she worked with her contact and scheduled a meeting on June 24, 2015 at 10:00 a.m. with several key members of Cape Cod Healthcare (CCHC). She said the subcommittee scheduled a meeting on June 12th at 9:00 a.m. to discuss their strategy for the meeting.

Bill Hickey said that HPHC contracts with Cape Cod Hospital and Falmouth Hospital as institutions. He said hospitals are paid different rates depending on their locations. Mr. Hickey said the physician services are not related to the provider contracts, with the exception of the in-house positions.

Carol Cormier said 33.3% of CCMHG’s inpatient and outpatient medical expenses through HPHC is going to CCHC.

Heather Harper said the subcommittee is interested to start a dialog with leaders of CCHC to identify areas of mutual interest to improve the quality and efficiency of healthcare for working families on Cape Cod. She said identifying ways to be efficient in health care spending is understanding the structural fiscal challenges of the municipalities and the demographic issues.

Bill Hickey said tiered plan’s out-of-pocket costs are what drives members to be better consumers.

Carol Cormier said this was discussed at previous meetings when looking at plan design changes. She said the Committee thought that the tiered network plans would not work well for Cape residents because of the lack of alternatives on the Cape and Island.

Maggie Downey said that the costs will then be shifted to the employees, who will then need to take a half day off work to go to appointments off Cape, rather than two hours.

Deb Blanchette said she would send an email out with the date, time and location of the next subcommittee meeting and the meeting with CCHC.

Wellness program reports:

Wellness Budget Proposal for FY16 – Maggie Downey said the FY16 proposed budget is now level funded to the FY15 budget as requested by the Steering Committee.

Deanna Desroches reviewed the revised budget and said that the total amount budgeted is \$199,555.

There was a discussion.

Erin Orcutt made a motion to accept the revised FY16 budget as presented and to make a recommendation to the Board to approve it.

Motion

Deb Blanchette seconded the motion. The motion passed by unanimous vote.

Ms. Desroches reviewed an article about the CCMHG smoking cessation program that was printed in the *Barnstable Patriot*. She said she would send the article to GBS for distribution to the Steering Committee.

GBS reports:

Carol Cormier said that there were no changes to the GBS reports since the last meeting two weeks ago. She noted that the expense-to-funding ratio as of April 30 was 102.1% for health plans and 93.3% for dental.

HPHC Level Monthly Deposit proposal – Bill Hickey said the current LMD is \$2,777,000. He said HPHC is proposing an increase of the LMD to \$2,876,000 based on projected costs.

There was a discussion and the Steering Committee asked Mr. Hickey to lower the proposed amount to \$2,850,000 based on the consistent credit balances over the past two quarters.

Mr. Hickey said he didn't think there would be an issue with the counter proposal.

Gerry Panuczak made a motion to approve the LMD amount of \$2,850,000.

Motion

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

BCBS Level Monthly Deposit proposal – Carol Cormier said the BCBS LMD proposal is broken out by plan and said the current LMD for the active plans is \$7,196,500 and does not include the Medex plan. She said the Medex plan is on a calendar plan year. Ms. Cormier said BCBS is proposing an increase to \$7,500,000 and stated that this seemed reasonable since the BCBS plans have been significantly underfunded with the current LMD.

Erin Orcutt made a motion to approve the increase of the LMD to \$7,500,000 as proposed.

Motion

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

It was noted that both LMD increases would be effective on July 1, 2015.

Ms. Cormier said she would send emails to Bill Hickey and Gabrielle Pitcher confirming the approved LMDs.

MA Municipal Reinsurance Arrangement (MMRA) report:

Skip Finnell said Noreen Mavro-Flanders, Carol Cormier and he attended the MMRA Board meeting on May 21st. He said Marc Waldman, Board Chair of the West Suburban Health Group (WSHG), was elected as Chair of the MMRA Board. Mr. Finnell said they reviewed two financial reports.

Carol Cormier said that Artex, which manages the Captive arrangement, provided the quarterly report through March 2015. She said that Berkley Insurance provided a report through April 2015. She said the report assumes use of all of the funds. She said the actual fund balance is \$3.3M and said the collateral belongs to each of the three participating JPGs. Ms. Cormier said that the premium increase for FY16 is going to be about 12% and said the renewal paperwork is expected to arrive within the next few days.

Ms. Cormier said the Board discussed that BCBS charges significant fees to provide the reinsurance data to the reinsurance brokers and carriers. She said it was agreed that the MMRA will send BCBS a letter addressing this issue. Ms. Cormier noted that none of the other health plan carriers charge a fee for the information. She said BCBS should be providing this information as a client service.

The Steering Committee agreed that a letter should be sent to BCBS from the MMRA and participating entities.

Possible Plan Design Changes for FY17:

After a review of the exhibit of the changes proposed, Maggie Downey suggested adding the suggestions that were made at the last Steering Committee Meeting. She said they included adding a chiropractic benefit and a higher fitness benefit to the HMO plans as an incentive. Ms. Downey said those on the PPO may then consider a move to the HMO plan.

Carol Cormier said that any of the plan design changes under consideration may be made utilizing Sections 21 and 22 of Chapter 32B.

There was a discussion about whether or not changing the PPO to a POS plan could be bargained using Sections 21-22.

Maggie Downey mentioned that Barnstable County provided Weight Watchers® at work utilizing their CCMHG Wellness Grant.

There was a discussion about eliminating the Master Health Plus plan.

Susan Wallen made a motion to recommend to the Board to eliminate the Indemnity Plan.

Maggie Downey seconded the motion.

Marie Buckner said the Indemnity plan is overfunded and is helping to supplement the other health plans. Ms. Buckner said she believes that the traditional bargaining process is required to eliminate the plan. She said she didn't think the new sections applied in this case and said she would not support the motion.

Carol Cormier said the group can eliminate the plan, but said the employers that have continued offering Master Health Plus would have to bargain the change using Ch. 150E.

Bill Rowbottom said approximately 15 of the CCMHG members who are enrolled in Master Health Plus with whom he spoke, said they would consider moving to the PPO.

There was a discussion.

Maggie Downey said that based on what Ms. Buckner said, she suggests sending a letter to each unit that still offers Master Health Plus to notify them of the financial implications of the Cadillac Tax if they continue to offer the plan. She said the letter would be informational to be sure they are aware that the unit will be responsible to pay the tax.

Susan Wallen withdrew her motion.

Maggie Downey suggested adding an action item to the exhibit regarding sending a letter to the units who offer the Master Health Plus plan.

Carol Cormier said the GIC (Group Insurance Commission) changed the Tufts Navigator Benchmark Plan from a PPO platform to a POS platform. She spoke about an email written by Atty. Paul Mulkern.

Erin Orcutt asked Ms. Cormier if she would ask legal counsel for an opinion as to whether or not offering the PPO to out-of-area retirees only and offering POS plans to in-area employees and retirees is bargainable under Ch. 32B, S. 21-22 or requires using Ch. 150E.

Health Plan Reports:

There were no health plan reports.

Other Business:

It was noted that the next Steering Committee was scheduled for July 9, 2015 at the Sandwich Town Hall at 9:00 a.m.

Skip Finnell said that Joyce Mason is retiring which will result in a Steering Committee vacancy. He suggested having Susan Wallen, the Alternate Steering Committee member, move to a full member status and soliciting for a new Alternate member. He asked to add this item to the next agenda.

Susan Wallen said she is willing to become a full status member.

There was no other business.

CCMHG Steering Committee Meeting Minutes, June 3, 2015

Gerry Panuczak moved to adjourn the meeting.

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

Chair Skip Finnell adjourned the meeting at 11:02 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*