

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

Steering Committee Meeting
Thursday, June 8, 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, June 8, 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	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	Dukes County
Christopher Clark	Town of Harwich
Marie Buckner	Town of Sandwich
John Kelly	Town of Orleans

Guests Present:

Rich Bienvenue	CCMHG Treasurer
William Hickey	Harvard Pilgrim Health Care (HPHC)
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
William Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Jody Hoffman	Town of Provincetown
Carol Cormier	Group Benefits Strategies (GBS)
Dan Craig	Group Benefits Strategies (GBS)
Chris Nunnally	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:05 AM.

Approval of minutes of the April 12, 2017 meeting and the notes of the May 11, 2017 meeting:

Chris Clark said that the May 11th Meeting Notes should say “April 12” and not “March 15” under Approval of Minutes. Mr. Clark moved approval of the April 12th Meeting Minutes and the May 11th Meeting Notes with his amendment.

Motion

John Kelly seconded the motion. The motion passed by unanimous vote.

Treasurers report:

Treasurer Rich Bienvenue, CPA distributed the April 30, 2017 financial statements (unaudited). He said Total Assets have declined as expected. He reviewed the Balance Sheet. He reported a Fund Balance of \$10,824,904. He said the Fund Balance three years ago on April 30, 2014 was \$25,316,348.

There was a discussion about the FY17 audit.

John Kelly asked how long Bill Fraher, CPA has been doing the audits.

Mr. Bienvenue said he thought that Mr. Fraher has been doing the audits for more than 10 years.

It was subsequently found that Mr. Fraher has been doing the CCMHG audits since FY03.

Mr. Kelly said that it is good practice to change auditors every few years to insure independence.

Skip Finnell suggested giving Mr. Fraher a one-year contract and looking for another auditor for FY18.

John Kelly said he thought there was enough time to do a proposal solicitation.

Chris Clark said he agrees that the auditor should be changed periodically. He said that this implies nothing negative about Mr. Fraher but that it is just good business practice. He suggested holding a special meeting solely for the purpose of interviewing auditing firms.

Skip Finnell and Noreen Mavro-Flanders said they favored keeping Bill Fraher, CPA on for the FY17 audit and making a change for FY18.

Ms. Buckner, Mr. Kelly and Mr. Clark said they favored a solicitation for proposals for the FY17 audit.

Skip Finnell asked Mr. Bienvenue to solicit proposals.

Rich Bienvenue said he thought four to five firms should be sufficient.

Skip Finnell set a meeting date to interview auditors for June 28 at 9 AM at Sandwich Town Hall.

Rich Bienvenue said he has been following up with governmental units that owe money to CCMHG.

Investment Committee Report:

Chris Clark said the Investment Committee will meet on July 13th and will re-evaluate the practice of putting \$100K into the third investment fund every month.

Wellness program report:

Mainland Wellness report –

Skip Finnell said that Deanna Desroches presented and reviewed the proposed mainland budget at the May 11th meeting.

Marie Buckner said that the Steering Committee asked the Wellness Committee to look at expanding programs to new areas and expanding programs already out there.

Skip Finnell asked about the nutrition and stress programs. He said he would like to talk about the Mainland wellness budget at the July 19th Board meeting.

Chris Clark made a motion to approve the FY18 mainland wellness budget as presented.

Motion

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

Martha's Vineyard Wellness report -

Noreen Mavro-Flanders reviewed the Vineyard's FY17 wellness budget and the FY18 proposed budget.

Skip Finnell asked that Krystle Rose, the Vineyard Wellness Coordinator, attend the July Board meeting if possible.

Chris Clark made a motion to accept the proposed Martha's Vineyard FY18 Wellness Budget as presented.

Motion

John Kelly seconded the motion. The motion passed by unanimous vote.

GBS Reports:

Funding Rate Analysis (FRA) – Carol Cormier reviewed the FRA report through April 2017. Ms. Cormier reported an expense-to-funding ratio of 98.5% on a paid claims basis and an excess of rate funding over major expenses of \$1.8M. Ms. Cormier said the dental plans were running well at an expense-to-funding ratio of 92.9%.

Reinsurance reports – Karen Carpenter reviewed the *FY16 excess claims report* with claims updated through May 7, 2017. She said that there were 21 claimants who exceeded the \$300K specific deductible with total claims of \$9.48 million and excess claims of \$3.18 million. She said CCMHG has received \$2.58 million in reinsurance reimbursements and is owed an additional \$598,412.

Ms. Carpenter reviewed the *FY17 excess claims report* with updates through May 10, 2017. She said that there were 14 members with claims exceeding the deductible. She reported total claims of \$5.97 million and excess claims of \$1.77 million. She said \$662,585 has been received in reimbursements.

GBS contract proposal – Carol Cormier said that the current three-year contract expires on June 30, 2017. She said the proposal for a new three-year contract does not have many changes. She highlighted the changes. Ms. Cormier said that GBS is proposing a 2% increase for each year in fees for health and dental plan consulting and central benefits administration. She said the proposal for COBRA administration fees is a one cent per subscriber increase and that the fees for the vision plan will not change from the current amount over the three-year period.

Chris Clark said that GBS does an outstanding job and moved to approve of the contract as presented with praise and gratitude.

Motion

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

Alternative Rx purchasing program –

Carol Cormier said that the Committee heard from Chris Collins of CanaRx at the last meeting but was not able to vote on this issue since the meeting had not been posted properly. She said that the Committee had also heard a presentation from Abacus/PBS on April 12th in which Abacus representatives presented their value proposition. She said that Abacus had made some changes and additions to the information about them on a comparison of services exhibit that she had prepared.

There was discussion.

John Kelly made a motion to recommend to the Board that it initiate a 90-day prior notice of contract termination to PBS/Abacus and to recommend that services for the CanaRx program be provided directly by CanaRx as soon as possible and practical.

Motion

Chris Clark seconded the motion.

The Steering Committee asked Ms. Cormier to request that Chris Collins attend the July 19th Board meeting.

Bill Rowbottom said he spoke with Chris Collins at a health fair for a municipality not in CCMHG and said Mr. Collins assured him CanaRx representatives will attend all the CCMHG health fairs.

The vote on Mr. Kelly’s motion was unanimous.

Carol Cormier said that the vote on terminating the PBS/Abacus contract does not involve the Diabetes Rewards program. She said that program is under a separate agreement with Abacus. She said she thinks there is one more year left on that contract.

Consilium proposal:

Carol Cormier said that Tracey May of Gallagher invited representatives of Consilium to a Mass. Municipal Reinsurance Arrangement (MMRA) meeting to explain their services which Mr. May said could save money on claims paid for Out-of Network (OON) services. She said Consilium negotiates with OON providers to bring the charges down. Ms. Cormier said the MMRA Board voted to go ahead with the program but when she received the proposed agreement, she said she had questions. She said she sent questions to Consilium and they responded. She said she asked Harvard Pilgrim for a report of OON claims and will ask BCBS for the same. Ms. Cormier said that she would like to know to what extent the health plans negotiate claims for OON services.

Bill Hickey and Gabrielle Pitcher explained in general how Harvard Pilgrim and BCBSMA respectively deal with OON claims.

John Kelly motioned to table the discussion of the Consilium contract until more information is provided by BCBSMA and HPHC.

Motion

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

Routine Eye Exam benefit on HSA-qualified High Deductible Health Plans:

Carol Cormier said that on the BCBS HDHP the routine eye exam is considered a preventive care service and therefore is not subject to the deductible; whereas, on the Harvard Pilgrim HDHP the routine eye exam is not considered preventive and is subject to the deductible.

Bill Hickey, Harvard Pilgrim, said the routine eye exam is not an “essential health benefit” under the Affordable Care Act. He said that Harvard Pilgrim can add this to the plan if the CCMHG wishes.

Gabrielle Pitcher said that BCBS has a different interpretation than Harvard Pilgrim.

Chris Clark said that he thinks both plans should be the same.

There was a discussion.

Chris Clark motioned to have the annual routine eye exam covered in full by the Harvard Pilgrim HDHP and not be subject to the deductible as is the case with the BCBS HDHP.

Motion

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

Open enrollment updates:

Carol Cormier called attention to a list of health fair attendance provided by Bill Rowbottom. She said she was surprised at how low most of the turn-outs were.

Bill Rowbottom said he was also surprised by low turn-out, especially since many of the CCMHG units are adding the new HSA-qualified plans.

Marie Buckner said in Sandwich they had IAC and PEC meetings to talk about the plans so the unions had been educated and for that reason may not have gone to the health fairs.

July Board meeting agenda:

Skip Finnell said that in addition to the usual items, he would like to have (1) HSA-qualified HDHP enrollment numbers, (2) wellness budgets, (3) discussion and vote on the alternative Rx program service provider, (4) health fair attendance, and (5) discussion about annual managers’ meetings on the agenda.

Health Plan Reports:

Bill Hickey, Harvard Pilgrim, said he had nothing new to report.

Garbrielle Pitcher, BCBSMA, said that BCBS is looking at the PPO Rx formulary.

Other Business:

There was no other business.

Christopher Clark motioned to adjourn the meeting.

Motion

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

Skip Finnell adjourned the meeting at 11:33 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*