

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

Steering Committee Meeting
Thursday, July 9, 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 Thursday, July 9, 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
Noreen Mavro-Flanders, Board Chair	Dukes County
Gerry Panuczak, Board Vice Chair	Chatham, Town of
Debra Blanchette	Barnstable, Town of
Margaret Downey	Barnstable County
Erin Orcutt	Cape Cod Regional Technical HS
Marie Buckner	Sandwich, Town of
Heather Harper	Falmouth, Town of
Susan Wallen	Nauset RSD

Guests Present:

Richard Bienvenue, CPA	Treasurer, CCMHG
Christopher Clark	Harwich, Town of
Denise Coleman	Falmouth, Town of
Michael B. Simons	COMM Fire District
H. W. Henson	COMM Fire District
Michael Evaul	Mashpee Fire Dept.
Chris Shuta	Mashpee Fire Dept.
Peter Halliday	Sandwich Fire Dept.
Don Campbell	Sandwich Fire Dept.
Wayne Conlon	Dennis Fire Dept.
Charles Frazier	Eastham Fire Dept.
Scott Starbard	Falmouth Fire Dept.
Terry Rogers	Falmouth Fire Dept.
Michael Dalmau	Hyannis Fire District
Paul J. Medeiros	Hyannis Fire District
Leo Peloquin	Attorney
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Kate Sharry	Group Benefits Strategies (GBS)
Carol Cormier	Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:02 AM.

Approval of minutes of the June 3, 2015 Steering Committee meetings:

Erin Orcutt moved to approve the minutes of the June 3rd meeting.

Motion

Marie Buckner seconded the motion. The motion passed by majority vote. Noreen Mavro-Flanders abstained.

Treasurer's update:

Treasurer Rich Bienvenue, CPA distributed the Management Report with the financials through May 31, 2015. He called attention to the month-by-month Income Statement, noting that May was a bad month with claims running high and a loss of over \$2 million. He said that the year-to-date loss was \$5.2 million. Mr. Bienvenue reviewed the Balance Sheet and said that Total Equity was \$20.5 million at the end of May which was within the target range of the Investment Policy.

Mr. Bienvenue said he has spoken with the independent auditor and expects the audit will be completed earlier than in recent years.

Susan Wallen motioned to accept the Treasurer's report as presented.

Motion

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

Wellness Program Report:

Maggie Downey, Wellness Committee Chair, distributed Deanna Desroches's report. She said that CCMHG is starting the new year of programs and cited several successes from the prior year. She asked the Blue Cross Blue Shield (BCBS) and Harvard Pilgrim (HPHC) representatives if their companies would be willing to fund the printing and mailing of the Incentive Program postcards again.

Bill Hickey, HPHC, and Gabrielle Pitcher, BCBS, said they they would provide the funding as they have in past years.

GBS reports:

Carol Cormier reviewed the Funding Rate Analysis report with data through May. She said the expense-to-funding ratio was 103.4%, up from 102.1% at the end of April. She said there is a funding shortfall of almost \$4 million on a paid basis. She said the dental plans were doing well with an expense-to-funding ratio of 94.7% and a funding surplus of \$278K.

Ms. Cormier reviewed the Level Monthly Deposit (LMD) reports for BCBS and HPHC through May and said that the LMDs fell short of expenses for both plans.

Carol Cormier reviewed the stop loss reports with reimbursement information as of June 2, 2015. She said for the *FY15 policy period* there were ten claimants exceeding the \$300K specific deductible with total claims of \$4.26M and excess claims of \$1.26M. She said that the CCMHG has received \$570,564 in reimbursements and that there is \$686K outstanding. For the *FY14 policy period* Ms. Cormier said that there were six claimants exceeding the \$300K specific deductible; however, she said that on the FY14 policy the CCMHG had to pay the first \$500K in excess claims before being eligible to receive reimbursements. She said that there were only \$276K in excess claims, and therefore, CCMHG was not eligible for reimbursements.

Ms. Cormier reviewed the report provided by The Abacus Group on the Diabetes Care Rewards Program.

Strategic Plan:

Heather Harper reviewed the second revision of the proposed Strategic Plan. She said she thought this was the third reading. Ms. Harper read the proposed Strategic Plan.

Erin Orcutt moved to recommend the Strategic Plan as presented to the Board.

Motion

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

Report on meeting with Cape Cod Healthcare (CCHC):

Heather Harper, chair of the working group communications with CCHC, said that the reach-out to CCHC was initiated following the March 25th meeting with Managers. She said that the participants in the working group are Skip Finnell, Deb Blanchette, Gerry Panuczak, Christopher Clark, Patrick Murphy, Carol Cormier and herself. She said that on June 24 the group met with members of the CCHC leadership team, specifically Michael Lauf, President and CEO, Jack Lipomi, Sr. Vice President of Managed Care, and Chris Brown, Vice President of Special Projects and Health Systems Integration.

Ms. Harper and Mr. Finnell said that they thought the meeting was worthwhile and that CCHC is interested in partnering with CCMHG on projects to promote affordable health care for Cape Cod residents.

Skip Finnell said that CCHC is going to get back to CCMHG with some ideas in the fall. He said that Michael Lauf may attend the October 21st CCMHG Board meeting.

Steering Committee (SC) Vacancy:

Skip Finnell said that Joyce Mason's retirement from Town of Mashpee will leave a vacancy on the Committee. He said that the scenario that's been discussed is that the SC would recommend to the Board that Susan Wallen, the Alternate SC member, be nominated to fill the vacancy left by Ms. Mason and that Christopher Clark, Town Manager, Harwich, would be recommended to fill the Alternate SC member seat. He said that nominations from the floor would also be accepted.

Chris Clark reviewed his relevant background including his position as a MIIA Trust Board member.

Erin Orcutt moved to recommend to the Board that Susan Wallen fill the vacant Steering Committee position and that Christopher Clark fill the Alternate Steering Committee position.

Motion

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

Health Plan Reports:

Garbrielle Pitcher, Blue Cross Blue Shield (BCBSMA), said she had no updates.

Bill Rowbottom, BCBSMA, said he thought the health fairs went very well and all were pleased with the consolidation. He said that there was a decrease in Master Health Plus enrollments, at least in part the result of the discussions BCBSMA representatives had with members of the plan.

Carol Cormier said that she had circulated a draft letter to the fifteen CCMHG employers who are still offering Master Health Plus letting them know that the plan would be seriously impacted by the Cadillac Tax based on how that provision of the law is currently written.

There was a discussion.

Noreen Mavro-Flanders asked for an editorial change, splitting a paragraph into two paragraphs.

Noreen Mavro-Flanders moved to recommend to the Board that the letter be sent to the 15 employers.

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

Motion

Bill Hickey, Harvard Pilgrim Health Care (HPHC), said he had nothing to report. He thanked Bill Rowbottom for his work on setting up the health fairs.

Fred Winer, Tufts Health Plan Senior Products, said that Tufts is establishing a member web portal which will eliminate much paper for items required by CMS.

There was a brief discussion of the Affordable Care Act employer reporting.

Rich Bienvenue referred to software that would assist employers in meeting reporting requirements. He offered his services to assist employers in reviewing the capabilities of this software.

Attorney Leo Peloquin arrived.

Review of possible plan design changes and other actions under consideration and employer obligations pertaining to plan design changes:

Skip Finnell asked Carol Cormier to review the items under consideration by the Committee.

Ms. Cormier reviewed the plan design changes and reductions in claims as estimated by BCBS and HPHC that had been discussed at previous meetings. She said since the June meeting she has learned that certain of the plan design changes may not be eligible for Ch. 32B, Section 21-22 bargaining, specifically adding limits on chiropractic visits and changing the PPO plans to POS plans for employees living in the service area. She said that the remaining items that are definitely eligible for S. 21-22 bargaining are estimated to result in about 2.5% savings. She said that Attorney Peloquin will discuss the employer bargaining requirements.

Attorney Leo Peloquin reviewed Ch.32B, S. 21-23. He referred to litigation reviews that occurred after the use of these Sections in 2011. He said all cases of unfair labor practices were settled. He said that employers should adopt Ch. S. 21-23 prior to the CCMHG's Board vote on plan design changes. He said that the changes adding visit limits and changing the PPOs to POS plans probably require Ch. 150E bargaining. He said that employers could combine the S.21-23 and 150E bargaining if agreed to by the unions.

Attorney Peloquin said that soon the employers should send out notices to the union presidents letting them know that plan design changes are being contemplated. He also suggested that employers should check language in their PEC agreements.

Skip Finnell asked Atty. Peloquin to prepare a timetable for the employers' bargaining obligations.

Atty. Peloquin agreed to prepare the timetable based on the language of the law.

Noreen Mavro-Flanders said that the Committee should consider that it may not be worth making the changes this year.

Paul Medeiros said that mandating the PPO to POS change would be very problematic.

Ms. Cormier said that potential change seems to be off the table now.

Michael Dalmau, Hyannis Fire District, said he understood that CCMHG had to negotiate to keep costs under control. He spoke of the growing presence and costs of Cape Cod Healthcare and affiliated businesses. He said that the cost shifting of the plan design changes hurts the employees.

Gerry Panuczak said perhaps it would be best to add the POS this year and leave the rest for next year when more is known about the Cadillac Tax.

H. W. Henson, Centerville Osterville Marstons Mills (COMM) Fire District, spoke on behalf of waiting a year to consider making changes.

There was further discussion about the plan design changes eligible for Ch.32B, S. 21-22 bargaining.

Gerry Panuczak said that the information that the PPO to POS change would have to be bargained through Ch.150E led him to re-think what is feasible for FY17.

Mr. Panuczak moved to recommend adoption of the items listed in the first four bullets under "#1" on the handout, i.e. increasing the deductible to \$300/\$900, increasing the Outpatient Surgery copay from \$150 to \$250, the increasing the specialist copay to \$45, and increasing the Mail Order Rx copays to \$25/\$62.50/\$125.

Motion

Maggie Downey seconded the motion.

There was a discussion on Mr. Panuczak's motion.

Noreen Mavro-Flanders asked Mr. Panuczak if he would modify his motion to ask Carol Cormier to research the four items further rather than to recommend their adoption.

Mr. Panuczack agreed to amend his motion as requested by Ms. Mavro-Flanders.

Amended Motion

Erin Orcutt seconded Mr. Panuczak's amended motion.

The motion passed by unanimous vote.

Skip Finnell said that the new information will be reviewed by the Committee on July 29th prior to the Board meeting.

Other Business:

There was no other business.

Chair Skip Finnell adjourned the meeting at 11:40 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*