

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

**Steering Committee Meeting**  
Thursday, July 14, 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 Thursday, July 14, 2016 at 9:00 AM at the Sandwich Town Hall, Sandwich, MA. The following people attended:

**Steering Committee Members Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
Marie Buckner	Sandwich, Town of
Susan Wallen	Nauset RSD
Debra Blanchette	Town of Barnstable
John Kelly	Town of Orleans
Gerry Panuczak	Town of Chatham
Erin Orcutt	Cape Cod Regional THS

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Kevin Feeley, Attorney	Feeley & Brown, PC
Denise Coleman	Town of Falmouth
Bob Whritenour	Town of Oak Bluffs
Peter Johnson-Staub	Town of Yarmouth
Jody Hoffmann	Town of Provincetown
Pat Murphy	Town of Falmouth
Myra Suchenicz	Town of Orleans
Michael Dalman	Hyannis Fire Department
Paul J. Medeiros	Hyannis Fire Department
Eric Diamond	Hyannis Fire Department
Elaine Graves	Town of Edgartown
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Board Chair, called the meeting to order at 9:05 AM.

**Approval of minutes of the June 15, 2016 Steering Committee meeting:**

Noreen Mavro-Flanders said that the paragraph above the last paragraph on page 3 should be removed as it was not accurate.

Erin Orcutt made a motion to approve the June 15, 2016 meeting minutes as amended.

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

Motion

**Proposed budget for Martha’s Vineyard wellness programs:**

Noreen Mavro-Flanders said that the budget was presented and reviewed at the June 15, 2016 Steering Committee meeting, but noted that the item was not listed on the agenda at that meeting. Ms. Mavro-Flanders said that the proposed budget is \$48K, an increase of \$4K over the previous year’s budget. Ms. Mavro-Flanders asked for a motion.

Erin Orcutt said that she will abstain from the vote since she was not in attendance at the June meeting and didn’t see the budget exhibit.

Debra Blanchette made a motion to postpone voting on the budget and asked that a copy of the budget that was reviewed be included in the July 20<sup>th</sup> meeting packet and agenda.

Motion

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

**GBS Reports:**

*Funding Rate Analysis* - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the expense-to-funding ratio through May 2016 was 100.0%. She said there was a surplus of funding in the amount of \$32,660. Ms. Cormier said the Blue Care Elect Preferred plan is underfunded by \$2.9M but noted that the other health plans’ funding made up for that shortfall. Ms. Cormier said that the dental funding is doing well with excess of funding in the amount of \$293K.

**Update on the meeting with Lt. Governor, Karen Polito:**

Noreen Mavro-Flanders said that she, Skip Finnell, Marc Waldman and Dan Morgado, both from WSHG, Kate Sharry and Carol Cormier, met with the Lt. Governor, her staff, and Sean Cronin to discuss the need for GIC rating, pricing and expense transparency; the impact of the Municipal Health Reform, Ch. 32B, S. 21-23; and the need for a new progressive reform agenda. She said the meeting agenda was included as an exhibit in today’s meeting packet. Ms. Mavro-Flanders said the Lt. Governor was very interested and said she would try to obtain GIC funding information and how it works. Ms. Mavro-Flanders said that the Lt. Governor said she wants to meet again and work together with the group to see what new legislation may be needed.

Ms. Mavro-Flanders said the Committee will keep everyone updated on any progress.

**Implementing proposed plan design changes for FY18 – Discussion with Atty. Kevin Feeley:**

Noreen Mavro-Flanders said the Committee has reviewed information about HSA plans with a qualified high deductible health plan and is moving forward with proposing to add that plan design to the CCMHG current health plan offerings. She said the Committee invited Atty. Kevin Feeley to today’s meeting to discuss what CCMHG’s next steps should be with regard to employers’ bargaining obligations and to discuss what each employer will need to do to implement the plans in their unit. Ms. Mavro-Flanders introduced Atty. Kevin Feeley.

Atty. Kevin Feeley said that one of the questions he has been asked was if Ch. 32B, S. 21-22 could be used to implement a high deductible hsa-qualified plan. He said it is his opinion that those sections could not be utilized to add this type of plan, but noted that it does not preclude the employer from implementing the plan through other options.

Atty. Feeley spoke about three options that employers can utilize, specifically MGL Ch.32B Section 19, traditional bargaining through Ch. 150E, or an informal coalition bargaining. Atty. Feeley said that Section 19 is a local option, accepted by the Board of Selectman and requires a written agreement signed by all parties. He said a vote of 50% of the weighted group, the Public Employee Committee (PEC), would be needed. Atty. Feeley said a meeting could be scheduled following seven days notice to the unions. He said with the second

option, traditional bargaining through Ch. 150E, a notice would be sent to the unions saying that effective July 1, 2017, CCMHG will be offering a new plan that is voluntary. Atty. Feeley said the bargaining process would still need to be followed even when the plan is offered on a voluntary basis. He said the third option, which he has utilized in the past, is an informal coalition where all unions are invited and asked if they would like to enter into an informal coalition process. He said all communities are different and noted that some may want to do this approach and others may not. Atty. Feeley said that it has been his experience that employees will want to know what implications the future Cadillac Tax will have on their plan rates.

Carol Cormier said that on July 27<sup>th</sup>, at the CCMHG Board Meeting, an independent HSA administrator will be speaking about HSA accounts.

John Kelly asked if an employer wanted to add the HSA-qualified plan as an option, would they be able to use Section 19 rather than meeting with each union. He also asked how to go about putting together a proposal package that would include a transition period to replace the current plans with the HSA-qualified plans over a 3 to 7 year timeframe. He said the goal is to provide the employees with a good plan while trying to contain costs.

Atty. Feeley said that there may be several paths to take, but suggested introducing the plans as an option for one to two years to educate and show the employees how they work, decide whether or not you will be using S.19, traditional bargaining or informal coalition, and let everyone know what the future intentions are. He said each employer will need to determine what their HSA contribution rate will be and said that CCMHG can make a recommendation to employers based on the information they review.

Bill Hickey said that the employers will need to contribute a minimum of 50% of the deductible to the HSA plan.

Atty. Feeley said that he will send a summary memo of the three processes that he spoke about to the Committee.

Noreen Mavro-Flanders opened the floor for questions from the audience.

In response to a question, Atty. Feeley said that when using Ch. 32B, Sc. 21-22, plan deductibles cannot be set higher than the GIC' benchmark plan's deductible. He also said that the CCMHG is free to add the HSA-qualified plans to its list of health plan offerings and noted that employers would need to bargain in the plans if they want to offer them.

Carol Cormier responded that the previously proposed change from the PPO plan design to the POS plan design was eliminated due to finding out that Ch. 32B, S. 21 – 22 could not be utilized to make the change. She said those sections can only be used for cost sharing plan design changes such as changes to copays, coinsurance, and deductibles and only to the level of the GIC's benchmark plan. Ms. Cormier said the HSA-qualified high deductible plan design the Committee is looking at will save approximately 20% on the premium cost, and once the deductible is satisfied, there will be no co-pays for the member for the remainder of the year with the exception of prescription drug co-pays.

Bill Hickey said that the savings is the differential between the current plan design and the HSA plan design and is based on actuarial results.

Noreen Mavro-Flanders said that it is important that all of the employees and employers know that the CCMHG is a self-funded group. She said this means that CCMHG pays the claims of all its members and the insurance company just administers the plans. Ms. Mavro-Flanders said that the CCMHG's rates are driven by its members claims costs.

Bill Hickey spoke about Health Equity, the HSA Plan Administrator that both HPHC and BCBS use to administer their HSA plans. He said that when an employer chooses to use this HSA plan administrator, their HSA plan will be integrated between the plan and carrier and all of the member information and payment processes will be easily accessible to the member. Mr. Hickey said that the member can choose to pick an investment option or not for its HSA account.

Bill Hickey said that in addition to mailings, there is also a portal that members can use to see their actual claims and to schedule payments. He said it is very efficient.

Noreen Mavro-Flanders said that the mechanics of the high deductible hsa-qualified plan will be explained by Jim Mellen from Cafeteria Plan Advisors at the July 27, 2016 Board meeting.

**Process for reviewing plan design changes with town, school, and other officials:**

Noreen Mavro-Flanders asked the Committee members for their thoughts about holding a Manager's Meeting to review the Board's plans with the officials.

Erin Orcutt said that she would support a September Manager's Meeting with the only topic being the plan design changes. She suggested holding it at the end of the month after school is underway and in the morning and volunteered the Cape Cod Regional Tech High School to host the meeting.

John Kelly said that the plan to offer a hsa-qualified plan for FY18 will require an October 2016 Board vote.

A Manager's Meeting to include breakfast was scheduled on September 29, 2016 from 8:30 AM to 10:30 AM at the Cape Cod Regional Tech High School.

Carol Cormier asked the carriers for additional prescription drug copay information and suggestions for the new plan designs and said she will do a side-by-side grid of the current plans with the HSA-qualified plan design. She explained that during a discussion with the West Suburban Health Group (WSHG), it was found that a 4-tier prescription co-pay structure was not always the most cost advantageous structure. She said she would like to see a couple of options that are available from each health plan.

Noreen Mavro-Flanders said it would also be helpful to show an exhibit of the Cadillac Tax implications.

John Kelly said that the employees should be informed about the pressures on the employers and CCMHG to contain health care costs.

Bob Whritenour spoke about the Cadillac Tax and suggested presenting the options in a simplified way so that employees will see that the HSA plan is maintaining a very similar level of benefits, but is just restructuring the financial piece. He said the employee will not see the GIC benefit plan as beneficial.

Carol Cormier suggested that it would be beneficial if the health plan representatives would be able to do regional meetings with employees about how the HSA plan design works.

**Other Business:**

*Steering Committee vacancy* -Noreen Mavro-Flanders said that Heather Harper resigned from the Steering Committee due to taking a new position with Barnstable County. She said that a communication was sent out to the Board asking if anyone was interested in the position, and one letter of interest was received from Denise Coleman, Town of Falmouth. She said the Steering Committee will make a recommendation at the next meeting.

The Martha’s Vineyard CCMHG Steering Committee Meeting was scheduled for September 20, 2016, time and location to be determined.

Ms. Mavro Flanders said the next Steering Committee meeting will be held on July 20<sup>th</sup> at Sandwich Town Hall at 9 AM.

There was no other business.

Marie Buckner made a motion to adjourn. Erin Orcutt seconded the motion.

Motion
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Board Chair Noreen Mavro-Flanders adjourned the meeting at 11:05 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*