

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

Steering Committee Meeting
Wednesday, July 20, 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 Wednesday, July 20, 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
Noreen Mavro-Flanders, Board Chair
Marie Buckner
Susan Wallen
Debra Blanchette
John Kelly
Erin Orcutt
Christopher Clark

Dennis-Yarmouth RSD
County of Dukes County
Sandwich, Town of
Nauset RSD
Town of Barnstable
Town of Orleans
Cape Cod Regional THS
Town of Harwich

Guests Present:

Richard Bienvenue, CPA
Deanna Desroches
Mary Casali
Maggie Downey
Paula Champagne
Robert Sanborn
Beverly Haley
Denise Coleman
Jody Hoffmann
Jennifer Petit
Michael Dalman
Eric Diamond
Justyne Walorz
Jan Timmons
Joanne Geake
Mimi Spahr
Paul Tilton
Paul Spiro
Kathy Coggeshall
Robin Cherry
Jan Hagberg
Douglas Lapp
Bud Dunham
Ed Childs
Maureen Thomas
Gabrielle Pitcher
Bill Rowbottom
William Hickey
Fred Winer

CCMHG Treasurer
CCMHG Wellness Consultant
Cape Cod Healthy Connection
Barnstable County
Harwich Health Department
Cape Cod Regional THS
Dennis-Yarmouth RSD
Town of Falmouth
Town of Provincetown
Town of Falmouth
Hyannis Fire Department
Hyannis Fire Department
Hyannis Fire Department
Town of Sandwich
Town of Sandwich
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Town of Sandwich
Town of Sandwich
Town of Sandwich
Town of Sandwich
Town of Truro
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan

Kate Sharry
Carol Cormier
Karen Carpenter

Group Benefits Strategies (GBS)
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Skip Finnell, Steering Committee Chair, called the meeting to order at 9:09 AM.

Approval of minutes of the July 14, 2016 Steering Committee meeting:

Noreen Mavro-Flanders made a motion to approve the July 14, 2016 meeting minutes.

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

Motion

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the year-end expense-to-funding ratio through June 2016 was 99.6%. She said there was a surplus of funding in the amount of \$524,144 (paid basis). Ms. Cormier said the Blue Care Elect Preferred plan is underfunded by \$2.83M but noted that the other health plans' funding made up for that shortfall. She noted that there is a total of \$1.58M myMedicationAdvisor® prescription drug claims that are not included on this report. Ms. Cormier said that the dental funding is doing well with excess of funding over expenses in the amount of \$392K.

In response to a question, Rich Bienvenue said that the GBS fees and dental administration fees are currently the only expenses added to the dental funds list of expenses.

Level Monthly Deposit (LMD) reports – Carol Cormier said that for the quarter ending June 30, 2016 the HPHC LMD fell just short of even with expenses of \$9K exceeding the deposits. She said the BCBS expenses were \$3.8M higher than the deposits.

myMedicationAdvisor® report from Abacus Health Solutions – Carol Cormier reviewed the reports and said that the number of international buying program scripts were higher than projected. She said the generic alternative program is on target with the projections. Ms. Cormier reported cumulative net savings of \$467,843 and employee savings of \$71K.

Abacus Diabetes & MMA program total spend report – Carol Cormier reviewed the report and said that the total Diabetes Rewards program claims over the past 12 months was \$1.14M. She said the CanaRx international Rx claims was \$426K and the total Alternative Savings Program claims was \$18K.

GBS Roster Service renewal proposal – Carol Cormier said the GBS Roster and Invoice service agreement expires on June 30, 2016. She said GBS is proposing a renewal at the same fee of \$130 unit per year, or \$7,020 annually if the CCMHG would like to continue to receive the service.

Christopher Clark made a motion to approve the renewal as proposed.

Motion

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

Treasurer's Report:

Treasurer Rich Bienvenue reviewed the financial reports (unaudited) through May 31, 2016 and said there was a one month loss of \$1.176M through the end of May. Mr. Bienvenue reviewed the Health Trust Fund Income Statement and said that there was a net loss through May of \$4.76M and said he is projecting the loss to increase by the end of fiscal year 2016. Mr. Bienvenue reported a Health Trust Fund Balance of \$12,490,196 and said he anticipates a year-end fund balance range of between \$8M to \$12M. He said he will have a preliminary report at the July 27th Board meeting.

Mr. Bienvenue said he spoke with the auditor, Bill Fraher and sent him information to begin the FY16 CCMHG Financial Audit.

Christopher Clark said if the same auditor has been retained for several years, it may be time to use someone different for a couple of years.

Rich Bienvenue said that he will assist whomever the Committee chooses and noted that he was the initial creator of the process since there were not many auditors familiar with JPGs.

In response to a question, Mr. Bienvenue said the reinsurance reimbursements are put into the claims costs account and the reinsurance premium cost is separate.

Christopher Clark suggested taking steps to build up the trust fund balance now that the group is no longer eligible for Medicare Part D reimbursements. He said he is concerned about the rates increasing now that the fund balance is being reduced due to subsidizing past rates.

Rich Bienvenue said the members are incurring costs, so they pay when those costs increase and they have the benefit of the surplus when the claims are lower. He said the claims costs are the group's costs and the rates reflect those costs.

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

Motion

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

Mainland and Vineyard FY17 Wellness Budget Proposals & reports:

Proposed budget for Mainland Wellness Programs – Deanna Desroches reviewed the FY17 proposed wellness budget and said that the FY16 programs were kept under last year's budget. She said that this year's budget includes the aHealthyme Platform, which has a member portal that will track the participants progress. Ms. Desroches said that the aHealthyme program, the Newsletter and the Wellness Incentive Program are programs that are provided to both the Mainland and Martha's Vineyard. Ms. Desroches said the proposed budget for the Committee to consider totals \$196,585.

There was a discussion about the programs and budget.

Erin Orcutt made a motion to approve the Mainland wellness programs and FY17 budget as proposed.

Motion

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

Maggie Downey said that 18 members participated at the Monday night bike ride.

Paula Champagne thanked the Steering Committee for its continued support of the CCMHG wellness programs and initiatives.

Skip Finnell thanked the Wellness Committee members for their work.

Proposed budget for Martha's Vineyard Wellness Programs- Noreen Mavro-Flanders said that the budget was presented and reviewed by Krystle Rose, MV Wellness Consultant, at the June 15, 2016 Steering Committee meeting. Ms. Mavro-Flanders said that the proposed budget is \$48,072, an increase of \$4K over the previous year's budget and includes a \$2 an hour increase for the consultant, who has not received an increase to her fee in the past. She said the increase also includes hiring an additional trainer for the fitness challenge. Ms. Mavro-Flanders said the money budgeted last year for the tick borne program was not used because the

educator did the classes without charging a fee. She noted that a new tick-borne disease was found this year. Ms. Mavro-Flanders said a participant fee of \$75 may be charged to enroll into the fitness challenge this year.

There was a discussion about charging the fee and returning it to those who completed the challenge.

Marie Buckner reminded the Committee that quarterly wellness reports were requested from Ms. Rose.

Noreen Mavro-Flanders made a motion to approve the \$2 per hour increase to Ms. Rose’s rate for a total of \$37 per hour.

Motion

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

Christopher Clark made a motion to approve the FY17 MV wellness budget as presented, including the \$75 fitness challenge fee to be administered and terms set by the MV wellness committee and returned to those that complete the challenge.

Motion

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

Proposed changes to the Joint Purchase Agreement:

Carol Cormier said that she resent the agreement, with and without edits shown to the Steering Committee, along with a summary of the proposed changes. She noted that there were some changes made that were not substantive, but rather editorial. Ms. Cormier briefly reviewed the changes to include setting the quorum at a “majority” for Board and Steering Committee meetings, new proportionate share language, and member units paying as billed, among others. Ms. Cormier noted that approving the JPA requires a first reading, a review period and then the Board would vote at the second meeting/reading.

Noreen Mavro-Flanders asked Ms. Cormier to update Article 12 of the agreement to read “this Article 12”, to have the language be consistent.

Noreen Mavro-Flanders made a motion to recommend to the Board to accept the amendments and approve the amended agreement.

Motion

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

Steering Committee Vacancy:

Skip Finnell said that a vacancy was left with the departure of Heather Harper from the Committee. He said one letter of interest was received in response to a solicitation sent by Carol Cormier. Mr. Finnell said Denise Coleman from the Town of Falmouth sent the letter expressing interest in becoming a member of the Steering Committee.

Erin Orcutt made a motion to make a recommendation to the Board to approve Ms. Coleman as a member of the Steering Committee.

Motion

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

Discussion and decisions about plan design recommendations for proposed HSA-qualified plans:

Carol Cormier 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 that each unit will then be able to decide whether or not to add or replace the current health plans with the HSA-qualified plans at the local level. Ms. Cormier said there was a good discussion about this

at the last Steering Committee meeting at which the Committee invited Atty. Kevin Feeley to speak. Ms. Cormier said that Jim Mellen, from Cafeteria Plan Advisors will be attending the July 27th CCMHG Board meeting to review how HSA accounts work and to answer questions. Ms. Cormier said that unlike the HRA accounts, an HSA account belongs to the employee for life. She said the employee has the option to invest the money or not and said there are governmental requirements associated with the account. She said often the employer contributes to the HAS account and noted that BCBS and HPHC require the employer to contribute at least 50% of the plan deductible to the HAS account each year. She said the money is tax-free going in and tax free going out provided it is used for allowable medical expenses.

Ms. Cormier said that the Committee is looking to finalize the plan design features of the HSA-qualified high deductible plans at today's meeting and to form a recommendation for the Board to consider. She said she would like to start with HPHC, since it was the HPHC plan design that the Committee was most interested in. Ms. Cormier explained that the items highlighted in yellow on the plan design exhibit are for discussion. She said the Committee has agreed to a \$2K Individual and \$4K Family Deductible and that employers will put in at least 50% of the deductible into each account as required by the carriers. Ms. Cormier said that the Committee liked the plan design that did not charge copays for any services after the deductible has been satisfied, with the exception of the prescription drug copays.

In response to a question, Bill Hickey said that when the first claim comes in, HPHC will process it with the deductible to be paid by the member to the provider. He said the member will benefit from the carrier's contracted prices. Mr. Hickey said that the member will receive a bill from the provider and the member will choose to pay the bill from the HSA account or out of pocket. He said that in the latter case, the member may later reimburse himself/herself from the HSA account.

There was a discussion.

Carol Cormier said that some towns incentivise their employees during the first year by making a contribution to the HSA account that is greater than 50%.

Bill Hickey said that it is an underwriting/actuarial rule that the employer is required to contribute at least 50% of the deductible into the members' HSA accounts.

Carol Cormier suggested that an verification form be created that each unit would sign confirming the amount of its contribution to the HSA accounts.

The Steering Committee agreed with Ms. Cormier's suggestion.

There was a discussion about the Cadillac Tax and it was noted that the addition of the HSA plan design would help employers by reducing or eliminating it.

Bill Hickey said he would find out from Underwriting whether or not the units would be required to contribute 50% of the deductible into the early retirees' HSA accounts as well.

Ms. Cormier said the Committee will need to discuss and decide on the prescription drug co-pays and options to include a 3-tier or a 4-tier structure. She said the members will pay contracted prescription drug costs until the deductible is met and then will pay the co-pay amounts. Ms. Cormier said this plan has the effect of helping members shop around and be better purchasers of medical services.

Bill Hickey said inflation will affect the future rates and costs.

Carol Cormier said other options for the Committee to discuss and decide is whether or not to set a 20 visit limit to the chiropractic benefit. She said currently there are no limits on the BCBS plans and currently there is no chiropractic benefit on the HPHC plans.

Noreen Mavro-Flanders said she was not in favor of a 4-tier prescription drug co-pay structure because it would have the greatest impact on the sickest members.

Susan Wallen said the myMedicationAdvisor® program will help members on this plan to receive their maintenance medications at a \$0 member cost.

Carol Cormier agreed with Ms. Wallen, but noted that there are very few specialty drugs available through that program.

There was a discussion about trying to put together an exhibit to show employees what they would save by moving to the HSA-qualified deductible plan design, but it was agreed that it would be difficult to do because of the differing employer contribution to the plan rates and the differing utilization of health care services.

Christopher Clark suggested an exhibit of the cost of a typical hospital stay similar to what is shown on the SBC's.

Bill Hickey said that the SBCs examples are required to be added by the government, but he said they are misleading. He said each member really needs to review their own past experience to determine whether or not the plan would be beneficial to them.

There was a brief discussion about the out-of-pocket (OOP) maximums.

Carol Cormier reviewed the PPO HSA-qualified plan exhibit and said that HPHC has separate out-of-network (OON) deductibles, but noted that the OON utilization is very low.

Christopher Clark made a motion to recommend a 20 visit limit to all chiropractic benefits on the HSA-qualified plans, a 3-tier prescription drug co-pay structure, OOP maximums of \$6,500 Individual / \$13,000 Family as presented to the Board.

Motion

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

Current Deductible Plan Designs – Carol Cormier said that the Steering Committee already voted to recommend to the Board to move the plan design of the existing plans up to the GIC benchmark plan limits for FY18. Ms. Cormier reviewed the exhibit with expected savings, i.e. claims decrements. .

Bill Hickey said that the decrements listed for HPHC are based on their entire book of business and he said he expects the savings to be higher than shown.

Carol Cormier asked the health plans for reports on fitness benefit utilization.

Christopher Clark made a motion to recommend to the Board to approve modifying the existing CCMHG plans to the level of the GIC plans without the enhancements.

Motion

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

Carol Cormier noted that she would follow up with Attorney Kevin Feeley on the summary of his talking points from the July 14th Steering Committee meeting.

Meeting with Managers:

The Managers Meeting was scheduled for September 29, 2016 at 8:30 AM at the Cape Cod Regional Technical High School. The Committee agreed that it would be a one item agenda – the reasons for adding the HSA-qualified high deductible health plans. Carol Cormier was asked to invite Attorney Kevin Feeley to the meeting.

Cape Cod Health Care project:

There was nothing new to report.

Update on the proposed meetings with legislators:

Christopher Clark said there was nothing new to report.

Skip Finnell said that he, Noreen Mavro-Flanders, Carol Cormier, Marc Waldman and Dan Morgado from West Suburban Health Group and Kate Sharry from GBS met with Lt. Governor, Karen Polito and said it was a very good meeting.

Noreen Mavro-Flanders said they discussed the GIC inequities as compared to the Joint Purchase Groups and asked for real GIC financial information about how they are funded and set their rates. She said they also discussed how there is always a one year time lag to make the changes up to those of the GIC benchmark plan because of the lateness of the announcement of their plan design changes. She said the Lt. Governor was surprised at the number and sizes of the JPGs.

Carol Cormier said that the Lt. Governor viewed the group as a working group and said it was a great meeting. Ms. Cormier said that GBS is going to provide the Lt. Governor with additional information about the MA municipalities.

Other Business:

Noreen Mavro-Flanders said a benefits meeting of the changes will need to be planned.

The time of the July 27th Steering Committee Meeting was changed from 9:00 AM to 9:30 AM at COMM Fire District, Centerville, MA.

A Steering Committee Meeting was scheduled for August 30, 2016 at 9:00 AM at the Sandwich Town Hall, Sandwich, MA.

A Board Meeting was scheduled for October 19, 2016 at 10:00 AM at COMM Fire District, Centerville, MA with a Steering Committee Meeting at 9:00 AM, prior to the Board meeting.

Noreen Mavro-Flanders asked that the BCBS Opioid presentation be presented at the October Board Meeting since the July meeting is so full.

Ms. Pitcher said she would send Carol Cormier the presentation slides for review.

Fred Winer, Tufts Health Plan said he is expecting increased rates for the Medicare plans.

Bill Rowbottom, BCBS, said the CCMHG Wellness Incentive cards were mailed out last Wednesday and noted that BCBS paid for the mailing. He said HPHC will be reimbursing BCBS for the mailing to their members.

Mr. Robottom said that Suzanne Donahue has offered the use of her parking lot to the Steering Committee for the Martha's Vineyard September meeting. He said if she is around that she may attend the meeting.

There was no other business.

Christopher Clark made a motion to adjourn. Erin Orcutt seconded the motion.

Motion

Steering Committee Chair, Skip Finnell adjourned the meeting at 12:15 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*