

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

Steering Committee Meeting
Tuesday, August 30, 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 Tuesday, August 30, 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	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
John Kelly	Town of Orleans
Erin Orcutt	Cape Cod Regional THS
Denise Coleman	Town of Falmouth
Christopher Clark, Alternate	Town of Harwich

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Maureen Thomas	Town of Truro
Denise LaValle	Town of Mashpee
Dawn Thayer	Town of Mashpee
Wayne Taylor	Town of Mashpee
Craig Mayen	Town of Mashpee
Jeff Morassi	MA Teachers Association
Michael Dalman	Hyannis Fire Department
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBSMA)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Nina Conroy	Delta Dental of MA
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.

Approval of minutes of the July 27, 2016 Steering Committee meeting:

Noreen Mavro-Flanders made a motion to approve the July 27, 2016 meeting minutes.

Motion

Christopher Clark seconded the motion. The motion passed by a majority vote with Gerry Panuczak abstaining.

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the financial reports (unaudited) through June 30, 2016. He reported a Fund Balance (Health and Dental) of \$15,984,629, a reduction of \$4.17 million from the prior year. Mr. Bienvenue reported a Health Trust Fund Balance of \$13,867,221, a reduction of \$3.38 million from the prior

year. Mr. Bienvenue noted that the loss was due to a planned use of subsidizing the health plan rates with trust fund surplus. He said that the claims payable and reinsurance receivables amounts, as well as the IBNR may need to be adjusted following the financial audit.

Carol Cormier said that two other Joint Purchase Groups hired an actuarial firm to perform a fund balance analysis. She said the analyst is recommending that 10% of *projected* claims, not *past* claims should be the fund balance target.

Mr. Bienvenue said that he would like to transfer the TD Bank RDS account balance to the regular CCMHG bank account. He said the TD Bank account was originally set up for the Retiree Drug Subsidy (RDS) money.

Carol Cormier said that additional Retiree Drug Subsidy money may be received through the re-opening of the past applications. She said this audit is ongoing.

Mr. Bienvenue said that he can transfer the funds and keep the account open until after the RDS application re-openings are complete.

Christopher Clark made a motion to accept the Treasurer's report.

Motion

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

John Kelly joined the meeting.

Christopher Clark said that he would be interested in moving from an alternate member to a full member of the Steering Committee. He said he would also be interested in working on the Investment Committee.

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the expense-to-funding ratio for the month of July 2016 was 95.1%. She said there was a surplus of funding in the amount of \$591,700 (paid basis). Ms. Cormier said the Network Blue plan is underfunded by \$14.6K but noted that the other health plans' funding made up for that shortfall. She noted that the Medex claims reported are medical only, now that the prescription drug plan is fully insured. Ms. Cormier said that the dental plans are underfunded with the expenses exceeding the funding by \$17,986.

Level Monthly Deposit (LMD) reports – Carol Cormier said that for the month of July, 2016 the HPHC LMD deposits exceeded the expenses by \$132,729. She said the BCBS expenses were \$431,332 higher than the deposits.

Reinsurance reports - Ms. Carpenter reviewed the FY16 stop loss reports and said there were 20 members with claims exceeding the \$300K specific deductible with total excess claims of \$2.86M. She said reimbursements of \$1.4M have been received and there are outstanding reimbursements due in the amount of \$1.45M. Ms. Carpenter reviewed the FY15 reports and said the policy year is closed. She said there are reimbursements of \$1,789 due.

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 said Abacus 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 for the month of July was \$106,069. She said the CanaRx international Rx claims amount was \$32K and the total Alternative Savings Program claims was \$755.36.

Plan design for proposed HSA-qualified PPO plans:

Carol Cormier said that the Committee still needs to look at the PPO plans in and out-of-network, Out-Of-Pocket (OOP) maximums for the HSA-qualified high deductible plan design. She said the In-Netowrk and Out-of Network OOP maximums are shown as separate on the current exhibit. Ms. Cormier said she will ask the health plans for their recommendations and suggested that the Committee consider combining them. She said the Committee also needs to decide on the amounts for the 3 co-pay tiers of the retail and mail order prescription drugs (Rx). Ms. Cormier noted that the Committee agreed on the rest of the plan design features as shown on the exhibits.

Christopher Clark said that the intent of his motion had been to approve the Rx co-pay amounts as shown on the exhibits and that there would be a 20 visit limit for the chiropractic benefit.

The Committee agreed with Mr. Clark’s statement.

After a discussion John Kelly made a motion to recommend to the Board to approve a combined medical and prescription in and out-of-network Out-Of-Pocket maximum of \$6,550 for the PPO plans individual contracts and \$13,100 for the family contracts.

Motion

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

Carol Cormier said that both HPHC and BCBS contract with Health Equity for HSA administration services.

It was noted that members that enroll in an HSA qualified high deductible plan would not be eligible to participate in a medical FSA plan, but could participate in a limited purpose FSA such as a child care or dental FSA plan.

Carol Cormier asked the carriers for final decrements based on updated plans design features and assuming all employers contribute up to 50% of the deductible to the employee HSA accounts. . She said if an employer contributes a different amount, they would not have the same plan rate.

Noreen Mavro-Flanders asked if the Board could vote that each employer must contribute 50%.

Bill Hickey explained that the contribution of 50% of the deductible to the HSA accounts was assumed when the underwriters quoted the savings. He said if an employer gives a 75% contribution, the savings would decrease by approximately 3+%. He noted that a 50% contribution is standard.

There was a discussion about the contribution and the HSA administrative fees.

John Kelly made a motion to recommend a 50% of the deductible employer contribution to the HSA, no more, no less, and to include the \$2.75 HSA administrative fee into the HSA-qualified health plan rates.

Motion

Christopher Clark seconded the motion.

Bill Hickey said that the administrative fee could also be built into the contribution or absorbed into the rates.

The Committee favored utilizing the carriers HSA administrator due to the administration ease and added features that would not be available when using an independent administrator.

John Kelly amended his motion to exclude the administrative fee inclusion into the rates until further information regarding its implications were available.

Amended motion

In response to a question, Bill Hickey said that early retirees that are not Medicare eligible would be able to join the HSA-qualified plan. He said the towns can determine if they want to contribute to their HSAs or not.

Noreen Mavro-Flanders said the retirement system would make the retiree health plan deductions in the same way as they do now. She noted that a contract would need to be signed giving that authorization to the retirement system.

A vote was taken on the amended motion and passed unanimously.

A vote was taken on the motion to require a 50% of the deductible contribution by employers be made to the HSAs and passed unanimously.

In response to a question, Mr. Hickey said that current federal contribution limit to the HSA plans is \$3,350 to the individual contracts and \$6,750 to the family contracts. He noted that there is an additional \$1,000 catch-up allowed for individuals aged 55 or older.

The Committee noted that they would like to invite Attorney Kevin Feeley to the Managers Meeting on September 29th.

Wellness Report:

Deanna Desroches reviewed the report dated 8/29/16. She said the August edition of the Newsletter was distributed and the biometric screenings are being scheduled through the end of the year. She spoke about a new vision screening that includes a glaucoma test. She reviewed the status the Couch to 5K and *Walk-It-Off* programs, the *Incentive Program*, *Spring Walking Challenge*, *Weekly Bike Rides* and *Summer Step* programs. She said introductory Tennis Lessons are going to be offered at the Sesuit Tennis Club in Dennis and said there will be four weeks of 1.5 hour lessons for beginners from September 18th to October 9th.

Agenda items and presentation for September 29th meeting with Managers:

Erin Orcutt said that she is planning to organize the meeting and breakfast similar to last year's meeting and is planning on approximately 80 attendees.

Carol Cormier said that the main focus of the meeting is changing the current CCMHG deductible plan design to be closer to the current GIC benchmark plan and the addition of the HSA qualified high deductible plans. She also suggested adding a brief summary of the meeting with the Lieutenant Governor and the meeting with Cape Cod Healthcare.

Noreen Mavro-Flanders suggested a handout depicting the past five years of fund balance and utilization of its surplus to supplement the health plan rates. She said she wants to let the managers know why the Board is making the changes to the health plan designs and adding new plans.

Skip Finnell suggested a short promotion on wellness and why it's important.

Erin Orcutt suggested speaking about the MMA and Diabetes programs and efforts to promote and increase participation.

Carol Cormier suggested speaking about CCMHG's efforts to control claims costs.

John Kelly said he would like to have the Board put together a petition to the legislators to amend Chapter 32B to allow municipalities the same liberty that the GIC has when making plan design changes.

Noreen Mavro-Flanders said that all members of CCMHG have a voice in the decision it makes and said she views that as a positive aspect of belonging to the group.

Carol Cormier said that she does not think that GBS has heard back from the Lt. Governor yet after sending her the information she requested.

Ms. Cormier said she will put together some exhibits for the Committee to review and asked whom they would like to speak on each topic.

Skip Finnell said he would like Atty. Feeley to review the *pros* and *cons* of the employer options for bargaining the plan design changes, similar to what he did at the CCMHG Board meeting.

Noreen Mavro-Flanders said she would like to see a timeline for using Sections 21-22.

There was a discussion about Christopher Clark’s interest in replacing Gerry Panuczak as a full Committee member rather than an alternate.

Noreen Mavro-Flanders made a motion to recommend that Christopher Clark become a full Committee member.

Motion

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

Ms. Mavro-Flanders asked Carol Cormier to email the Board for interest in filling the Alternate Steering Committee member position.

Other Business:

The Committee scheduled Steering Committee meetings on the dates of November 16th and December 14th to be held at the Sandwich Town Hall, Sandwich, MA at 9:00 AM.

Carol Cormier asked John Kelly if there was any news about the closing of the Tri-County Septage Treatment unit.

Mr. Kelly said there are three attorneys reviewing information to find out about the eligibility of the 5 retirees and options for continuing their health insurance. He said he will update as new information becomes available.

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 10:58 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*

