

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

Steering Committee Meeting

Wednesday, September 16, 2015, 10:00 AM
Martha's Vineyard Regional Transit Authority Offices, Edgartown, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on Wednesday, September 16, 2015 at 10:00 AM at Martha's Vineyard Regional Transit Authority Offices, Martha's Vineyard, MA. The following people attended:

Steering Committee Members Present:

Skip Finnell, Steering Committee Chair
Noreen Mavro-Flanders, Board Chair
Gerry Panuczak, Board Vice Chair
Debra Blanchette
Marie Buckner
Erin Orcutt
Susan Wallen
Heather Harper
Christopher Clark (alternate)

Dennis Yarmouth RSD
Dukes County
Chatham, Town of
Barnstable, Town of
Sandwich, Town of
Cape Cod Reg. Technical High School
Nauset RSD
Town of Falmouth
Town of Harwich

Guests Present:

Richard Bienvenue
Deanna Desroches
Melanie Becker
Tim Carroll
Lauren Thomas
Maureen Fitzgerald
Lynn Rebello
Amy Tierney
Matt D'Andrea
Jim Malkim
Joyce Garde
Kevin Johnson
Marilyn Wortman
Garbrielle Pitcher
Bill Rowbottom
William Hickey
Fred Winer
Carol Cormier
Karen Carpenter

CCMHG Treasurer
CCMHG Wellness Coordinator (mainland)
Dukes County
Town of Chilmark
MV Regional Transit Authority
MV Regional School District
MV Regional School District
MV Regional School District
MV Regional School District
Chilmark Fire
Oak Bluffs Water District
Oak Bluffs Water District
Town of Edgartown
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan
Group Benefits Strategies (GBS)
Group Benefits Strategies

Skip Finnell, Steering Committee Chair, called the meeting to order at 10:10 AM and asked everyone to introduce themselves.

Approval of minutes of the August 26, 2015 Steering Committee meetings:

Noreen Mavro-Flanders moved to approve the minutes of the August 26th meeting.

Motion

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

Treasurer’s update:

Treasurer Rich Bienvenue, CPA distributed the Management Report with the financials through July 31, 2015. He said that this is his 3rd year using the new accounting program, and he said he is now able to report historically. Mr. Bienvenue said he reports to the CCMHG Steering Committee (SC) on a monthly basis. He noted that the FY15 financial audit is underway and should be available earlier this year than in past years.

Mr. Bienvenue reviewed the financial reports (unaudited) through July 31, 2015 and said the net income was \$1.168M through July. He said the trust fund balance was \$17.8 million at the end of July which was within the target range of the Investment Policy. Mr. Bienvenue noted that it is anticipated that \$5M of the trust fund balance will be utilized during FY16. He said that could bring the fund balance to \$12.8M or within 8% to 9% of prior 12 months of claims, the low end of the targeted range, by the end of FY16.

Noreen Mavro-Flanders explained the warrant process to the Board and said that all of the CCMHG bills go to Group Benefits Strategies (GBS). She said GBS processes a warrant to the Treasurer, who then makes the necessary payments.

Christopher Clark motioned to accept the Treasurer’s report as presented.

Motion

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

Investment Sub-Committee report:

Investment subcommittee Chair, Gerry Panuczak, said that there was a stock market correction and that the group had a loss in investments of about 7%. He said there are three investment funds, the stock-weighted fund, the bond-weighted fund, and the more conservative liquid fund. He said that the markets have stabilized a bit and noted that the diversification of the funds is helping to offset the losses. Mr. Panuczak said that the international funds are down more than the others.

Rich Bienvenue said that the Committee is targetting a \$2M investment balance for the conservative fund. He said the current balance is now approximately \$500K.

Wellness report:

Deanna Desroches reported on the Mainland wellness programs and said the *Kick Butts* program is scheduled to launch on Sept. 30 at Cape Cod Tech and may need to be canceled due to lack of participation. She said only 4 people have signed up, and she hopes to get 6 more participants over the next two weeks. She said the August Newsletter has been published. She reviewed other programs including the *Couch to 5K* in Brewster with participation from several other units and the *Walk-It-Off* in Orleans which will start on 9/8. Regarding the wellness screening incentive program, she said that the incentive cards were mailed out and the program is retroactive back to July 1, 2015.

Noreen Mavro-Flanders reported on Martha’s Vineyard wellness programs and said Krystle Rose, the MV Wellness Coordinator, was unable to join the meeting due to her Paramedic duties. She reviewed the programs and said that the much needed Tick Seminar was held. She said there is a walking program offered to include tracking on-line. Ms. Mavro-Flanders said that there is going to

be a Fitness Challenge similar to the Firefighter's Fitness Challenge that was run two years ago. She noted that the fitness center gave discounts to the participants and that they are still working out on their own. Ms. Mavro-Flanders said the Vineyard Wellness Committee is looking for another person to join the Committee and said to contact her if anyone is interested.

Group Benefits Strategies (GBS) reports:

Funding Rate Analysis (FRA) - Carol Cormier reviewed the FRA for the month of July and said that claims ran lower than expected. She said the ratio of expenses to funding was 86.1% and noted that the claims data for August was not in yet.

Ms. Cormier reviewed the Retiree Drug Subsidy (RDS) received and said that the retiree plans now incorporate Part D and are therefore no longer RDS eligible. She said the retiree plans will no longer be eligible for RDS reimbursements and said that the employers and retirees are receiving lower rates than they would have if the Medex and Medicare Enhance plans had not been changed to Part D plans. Ms. Cormier noted that the lower rates resulting from the change will also help to lower the employer's OPEB liability.

Ms. Cormier reviewed the *Level Monthly Deposit reconciliation reports* for July and said the Group had a credit balance with BCBS and HPHC.

Stop Loss Reports - Karen Carpenter reviewed the Stop Loss Reports for FY15 and said 14 claimants had exceeded the Specific Deductible of \$300,000 with claims totaling \$5.79M. She said that \$1,154,856 in reinsurance reimbursements were received and said another \$442,774 in reimbursements are due CCMHG. She said 29 claimants are on the report of 50% with total paid claims of \$7.12M through July.

Preliminary CY16 Senior plan rate proposals:

Self-funded plans - Carol Cormier said CCMHG offers two types of senior plans, the two self-funded plans which are the HP Medicare Enhance and BCBS Medex 2, and the fully insured plans, which are the Tufts Medicare Preferred HMO, Tufts Medicare Supplement, BCBS Medicare HMO Blue and Managed Blue for Seniors. Ms. Cormier said the rates for the fully insured plans are set by the health plans. She said the health plans and GBS prepare independent claims projections and rate proposals for the self-funded plans. She said the CCMHG Board sets the self-funded plan rates based on recommendations from the health plans and GBS.

Ms. Cormier referenced the CY16 *HP Medicare Enhance* and *BCBS Medex 2* rate packet. She reviewed the health plan administrative fees and said that BCBS held its CY15 fees for CY16. Ms. Cormier said she asked HPHC to reconsider its 3% fee increase, and HPHC reduced its increase to 1%. Ms. Cormier said the GBS central administrative and consulting fee she used is a blended subscriber rate of \$2.97.

Ms. Cormier said that there is a separate rate for the medical and prescription portions of the plans. She reviewed 2 years of claims data for each of the plans. She said the fully insured Medicare Part D prescription rate for the Blue Medicare RX plan is \$148.85 for CY16. Ms. Cormier said the BCBS projections propose a full rate of \$321.25 for the Medex II with Blue Medicare RX. She said the GBS projection was close at \$329.65.

Ms. Cormier reviewed the HPHC Medicare Enhance projections and said the Medicare Part D Aetna PDP rate is \$139.00 for CY16. She said HPHC projects a full rate of \$283.95 and GBS is projecting a rate of \$280.20.

Ms. Cormier said she is recommending a Medex rate of \$326.00 and the Medicare Enhance plan rate of \$290.00. She noted that the Medex II plan funding is running a little lower than the claims.

Bill Hickey said that Coventry First Health was purchased by Aetna Insurance. He said the mail order pharmacy benefits manager (PBM) will change from Express Scripts to Aetna for Medicare Enhance. Mr. Hickey said the member IDs will remain the same, but the members will receive new ID cards. He said all of the member services telephone numbers will remain the same, and all members will receive a letter explaining the change. Mr. Hickey said in addition, the information will be provided at the senior health fairs.

There was a discussion.

Heather Harper made a motion to recommend to the Board to approve the rates of \$326.00 for the BC Medex II plan and \$290.00 for the HP Medicare Enhance plan as recommended by Ms. Cormier.

Motion

Christopher Clark asked to amend the motion to lower the Medex II rate to \$324.00.

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

Fully-insured plans - Carol Cormier said the *BC Medicare HMO Blue* plan has less than 10 subscribers enrolled. She said the premium is increasing by 12.5% to \$309.67 for CY16.

Garbrielle Pitcher said the increase in premium is due to the increased costs of prescription medications. She said the Emergency Room copay is increasing from \$65 to \$75.

Ms. Cormier said the *Managed Blue for Seniors* plan is increasing by 6.8% to \$314.95.

Fred Winer distributed and reviewed the rates for the Tufts Medicare Preferred HMO plan and Tufts Medicare Preferred Supplement plan. He said the Tufts Medicare HMO plan is increasing by 1.9% to \$267 and the Tufts Medicare Supplement plan rate is increasing by 3% to \$342. For CY16. Mr. Winer reviewed the addition of plan discounts to include adding acupuncture to the wellness reimbursement, “Idiet” to the weight management benefit, and discounts at “Safer at Home” and Jenny Craig foods. He said a new user-friendly web portal has been added to the Tufts website for the senior plan members.

Mr. Winer said Tufts has expanded its Medicare HMO network to include Beth Israel Hospital providers. He said over 500 new PCPs and specialists have been added with locations from Cape Cod to the North Shore area. Mr. Winer said Tufts will be sending out new ID cards to all of its members beginning January 1 due to re-branding.

Noreen Mavro-Flanders made a motion to recommend to the Board to approve the fully-insured senior plan rates as presented.

Motion

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

Remote participation policy –

Skip Finnell said a question regarding remote meeting participation came up because one of the members of the Steering Committee could not be in person at today’s meeting. He said Noreen Mavro-Flanders researched the Open Meeting Laws.

Noreen Mavro-Flanders said that the Board could adopt a policy allowing remote participation at its Board or Steering Committee meetings. She said she does not think it would work at the Board level since there are so many members, but said that the Steering Committee wanted to review the law for consideration at the Steering Committee (SC) level. Ms. Mavro-Flanders said that the Board could set restrictions on its use, such as how often one member could participate remotely. She said only members who are physically present can be counted towards a quorum.

Carol Cormier noted that the Board has already voted to approve an Alternate SC member to be able to vote when a regular SC member is absent.

Heather Harper said this hasn’t been an issue in the past, but if a member had a prolonged issue that they could not attend, the Committee could look at this again, but she said for now she favored not taking action at this time.

The SC agreed with Ms. Harper and took no action on this matter.

Cape Cod Healthcare (CCH) Update –

Carol Cormier said that she and Chris Brown, CCHC Vice President, have communicated, and Mr. Brown requested data to identify how many CCMHG members are using CCHC participating providers. Ms. Cormier said requested that BCBS and HPHC provide reports showing number of members who have designated a CCHC provider as their PCP or otherwise seeing CCHC providers. She said she received the HPHC data and is waiting on the BCBS data. She said she also asked the health plans for utilization reports which will be available at the end of September. Ms. Cormier said she would send the reports to CCHC once available.

Debra Blanchette said that Mr. Lauf, President and CEO of CCHC, confirmed that he will be able to attend the October 21st Board meeting at 10:15 a.m. and will present to the Board.

Skip Finnell asked the SC to consider topics that Mr. Lauf can speak to.

Carol Cormier said that she will put together some items and asked the SC members to send her their ideas.

Christopher Clark said he would like to hear about the CCHC Wellness concepts.

Heather Harper said she would like to ask where CCHC thinks they could align themselves with CCMHG.

Proposed Meeting with legislators -

Erin Orcutt said that she has not made any progress setting up a meeting but said she will set a meeting with the Superintendent Sanborn, Christopher Clark, Deb Blanchette, Gerry Panuczak and Heather Harper towards the end of October.

Noreen Mavro-Flanders briefly explained that the goal of the meeting with legislators is to try to educate them about the difficulties that the Joint Purchase Groups have when trying to make plan design and other changes. She said in order to lower or avoid ACA fees that some changes need to be made and the GIC can just make them without the constraints collective bargaining under which the municipal employers operate.

Other Business:

Christopher Clark asked about having a Point of Service (POS) presentation at the Board meeting similar to the one that was presented at the SC meeting recently.

Bill Hickey said that HPHC would not be able to give firm rates or information.

Carol Cormier said that she has the reduction of the rates by plan designs and said the numbers are based on replacement, not offering the POS as an option.

Marie Buckner said she has a concern adding a POS plan when the difference in the cost of the HMO and PPO plans is so small. She asked the Committee to consider the migration issues that could backfire on the intent of lowering costs. Ms. Buckner also said that if the PPO plan rate is set higher to accommodate the POS plan, then the Cadillac tax will be even higher for the employers if employees don't migrate to the POS plans.

Noreen Mavro-Flanders said that the addition of POS plans was to give the employers an option to help the employers and suggested a presentation of options available.

Marie Buckner asked the Committee to consider adding a high deductible PPO plan instead of a POS plan.

Skip Finnell asked to add this topic to the next SC agenda for further discussion and reconsideration of the prior SC vote to recommend the POS plan to the Board.

Rich Bienvenue said that he has been researching options such as high deductible plans, adding HSAs with incentives for one year.

Carol Cormier noted that HSAs are counted towards the Cadillac Tax.

Christopher Clark asked to add the Cadillac Tax to the next agenda.

The Steering Committee set an additional meeting on October 14, 2015 at 9:30 a.m. at the Sandwich Town Hall, Sandwich, MA. He said that there are Steering Committee and Board meetings at COMM Fire District on October 21 at 9:00 and 10:00 AM respectively.

There was no other business.

Christopher Clark moved to adjourn.

Motion

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

Chair Skip Finnell adjourned the meeting at 12:06 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*