

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

**Steering Committee Meeting**  
Tuesday, September 20, 2016, 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 Tuesday, September 20, 2016 at 10:00 AM at the Martha's Vineyard Regional Transit Authority Offices Edgartown, 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
Denise Coleman	Town of Falmouth
Debra Blanchette	Town of Barnstable
Susan Wallen	Nauset RSD
Christopher Clark, Alternate	Town of Harwich

**Guests Present:**

Krystle Rose	CCMHG Wellness Consultant, MV
Bruce Stone	Town of West Tisbury
Kathy Logue	Town of West Tisbury
Jennifer Rand	Town of West Tisbury
Bob Whritenour	Town of Oak Bluffs
Sharon Jackson	Town of Oak Bluffs
Melanie Becker	Town of Chilmark
Joyce Miller	MVRHS Union President
Audra Makuch	MA Teachers Association
Doug DeBettecourt	MVRTE Union President
Lynn Rebello	Martha's Vineyard RSD
Cindy Krauss	Martha's Vineyard Land Bank
Lauren Thomas	Martha's Vineyard RTA
Angie Grant	Martha's Vineyard RTA
Elaine Graves	Town of Edgartown
Pamela Dolby	Town of Edgartown
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 10:10 AM.

**Approval of minutes of the August 30, 2016 Steering Committee meeting:**

Noreen Mavro-Flanders made a motion to approve the August 30, 2016 meeting minutes.

Motion

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

**Treasurer’s Report:**

Skip Finnell said that the treasurer was unable to attend today’s meeting, but sent a preliminary year-end financial report and an email explaining some key points. Mr. Finnell said that the claims payable and reinsurance receivables amounts, as well as the IBNR may need to be adjusted following the financial audit. He said that the CCMHG fund balance of \$15,984,629 is a \$3.38 million dollar reduction from the prior year. Mr. Finnell said that the results for the FY16 plan year are within the expectation based on the planned use of fund balance to supplement the rates. He said the health trust fund balance is near the lower end of the fund balance target based on the fund balance policy. He noted that there most likely will not be an ability to subsidize the FY18 rates with the fund balance.

Noreen Mavro-Flanders said that there was a \$9M loss in FY15 and \$3.9M loss in FY16 due to subsidizing the health plan rates. She said that CCMHG is self-insured and pays the claims that its members incur. Ms. Mavro-Flanders said that people tend to blame the health insurance companies for the increase in rates, but self-insured entities pay the health insurance companies an administrative fee to process the members claims that the group pays.

In response to a question asked about trends, Carol Cormier said that the prescription drug (Rx) trend is currently higher than the medical trend and that RX trend is increasing. She said that the CCMHG is in a very high cost geographic location. Ms. Cormier said the Steering Committee will be recommending some changes to the current plan design features which could help to bring the rates down a bit.

**Investment Committee Report:**

Skip Finnell said that CCMHG Vice Chair, Steering Committee member, and Investment Committee Chair, Gerry Panuczakis no longer with a CCMHG employer. He said that Mr. Panuczak’s departure has left Steering Committee and Investment Committee vacancies. Mr. Finnell said that Debra Blanchette has agreed to assume the position of Investment Committee Chair. He said Christopher Clark would like to move from an Alternate SC member to a full SC member position, therefore creating an alternate SC seat vacancy and that this will require a Board vote. He said Mr. Clark has also volunteered to help on the Investment Committee. Mr. Finnell said that the Steering Committee will be making a recommendation to the Board at the October 19th meeting.

*Other Sub-committee reports* - Skip Finnell asked Krystle Rose, MV Wellness Consultant, to give a brief summary about what is happening with the wellness programs on the Island.

Ms. Rose distributed information about the current programs to include the Couch to 5K, Walker Tracker Challenge, Healthy Lifestyle Practices, and also the upcoming Holiday Maintain Don’t Gain program. She said that she created a health and wellness newsletter with hopes to spread the word about the programs and to give members a better understanding about CCMHG.

Noreen Mavro-Flanders noted that Bob Whritenour will be appointed as the 2<sup>nd</sup> CCMHG Board Delegate for Martha’s Vineyard, replacing Melanie Becker. Ms. Mavro-Flanders said that an alternate member will need to be appointed as well. She thanked Ms. Becker for her service.

**Review of items and exhibits for the September 29<sup>th</sup> meeting with Managers:**

Carol Cormier referred to the exhibit materials included in the meeting packets and said that the focus of the Managers’ Meeting is the Steering Committee’s proposal to the Board to (1) make changes effective 7/1/17 to the current active employee plans to bring the plan design features closer to those of the GIC’s current benchmark plan, and (2) add HSA-qualified high deductible health plans to the CCMHG’s FY18 roster of health plan offerings, requiring each employer to contribute 50% of the plan deductible to the employee’s HSA account.

Ms. Cormier said that the plan that is being proposed will have no copays for medical services after the deductible has been satisfied. She said the prescription copays will be the only copays for which the member will be responsible after meeting the deductible. Ms. Cormier said that the HSA tax advantaged accounts are owned by the employee and can be invested and also passed on to beneficiaries. She said these plans make members better purchasers of medical services.

Ms. Cormier said that it would be up to employers as to whether or not they would offer both types of plans, replace the current plan design with the HSA-qualified plans, or offer only the current plans, i.e. the plans pegged to the GIC benchmark plan. Ms. Cormier said that it is her understanding that outside of Massachusetts, almost all employer groups health plans are HSA-qualified high deductible plans.

There were several questions asked and Bill Hickey, Harvard Pilgrim Health Care (HPHC), summarized how HSA accounts work.

The Committee reviewed the items on the draft agenda for the Managers Meeting and assigned speakers and a time limit for each topic.

Skip Finnell said he wanted to add a time allotment for the Managers and Superintendents to ask questions and have discussion.

Kathy Logue suggested that the Committee may want to include a meeting with Partners in their efforts to control costs.

The Committee agreed with Ms. Logue's suggestion.

Noreen Mavro-Flanders said employer promotion of the MMA and Diabetes Rewards programs to the CCMHG members is another way to reduce costs and also encouraging the employees to attend health fairs to hear what cost saving programs are available to them.

**GBS Reports:**

*Funding Rate Analysis* - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the expense-to-funding ratio through the month of August 2016 was 98.8%. She said the PPO plans were underfunded by 6%. She said there was a surplus of funding in the amount of \$297,336 (paid basis). Ms. Cormier said that the dental plans funding exceeded expenses by \$36,240.

*Level Monthly Deposit (LMD) reports* – Carol Cormier said that for the month of August, 2016 the BCBS expenses exceeded the level monthly payments by \$1,381,118. She said the HPHC expenses were \$470,443 higher than the level monthly deposits.

Ms. Cormier said she received the Medex 2 CY17 renewal and it appears that BCBS is proposing a rate increase of 15%, with includes a prescription increase of 17%. She said she didn't receive the HPHC and Tufts senior plan renewals yet.

**MMRA update for FY17:**

Carol Cormier said that the new reinsurance carrier for FY17 is TransAmerica and noted that the FY14 and FY15 carrier, Berkley Insurance has been slow on reimbursing the group for its excess claims.

**Other Business:**

The Steering Committee asked Gabrielle Pitcher to postpone having the BCBS doctors speak to the Board until the spring due to the plan design proposals and rate setting discussions scheduled for the next two Board meetings.

The Committee scheduled a Steering Committee meeting to follow the Managers Meeting at 11:00 AM on September 29<sup>th</sup> at Cape Cod Tech High School. They asked Ms. Cormier to invite Chris Brown from Cape Cod HealthCare (CCHC) for an update on their intentions regarding partnering with CCMHG to work on cost saving initiatives and to review CCHC’s latest data request.

There was no other business.

Christopher Clark made a motion to adjourn. Debra Blanchette seconded the motion.

Motion
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Steering Committee Chair, Skip Finnell adjourned the meeting at 11:55 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*