

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

Steering Committee Meeting
Wednesday, January 17, 2018 9:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 17, 2018 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
Denise Coleman
Erin Orcutt
Debra Blanchette
Marie Buckner
Deb Heemsoth
Christopher Clark
John Kelly

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

Guests Present:

Rich Bienvenue, CPA
Deanna Desroches
Jody Hoffmann
Jeff Morassi
Mickey Fredericks
Bill Hickey
Bill Rowbottom
Fred Winer
Nina Conroy
Carol Cormier
Chris Nunnally
Karen Carpenter

CCMHG Treasurer
Wellness Consultant, Mainland
Town of Provincetown
MA Teachers Association
Dennis-Yarmouth RSD
Harvard Pilgrim Health Care (HPHC)
Blue Cross Blue Shield of MA (BCBS)
Tufts Health Plan
Delta Dental of MA
Group Benefits Strategies (GBS)
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Skip Finnell, Steering Committee Chair, called the meeting to order at 9:06 AM.

Approval of minutes of the December 13, 2017 meeting:

Marie Buckner made a motion to approve the December 13, 2017 meeting minutes as written.

Motion

Noreen Mavro-Flanders seconded the motion. The motion passed by a majority vote with two abstentions.

FY17 Audit report – Bill Fraher, CPA:

Bill Fraher distributed the draft FY17 audit report and financial summary information. He said CCMHG was close to breaking even at the end of the 2017 fiscal year. Mr. Fraher reviewed the 5-year history and said there was a loss of Cash and Investments of \$5M at the end of June 30, 2017 and noted it was due to the timing of

the claims payable. He reported total Net Assets of \$16,342,998 at the end of June 2017. He said the claims liability decreased due to the run-out of claims being low. Mr. Fraher reported Net Assets of \$16.3M, a decrease of only \$264K over FY16 and said that was due to the planned use of fund balance surplus.

Mr. Fraher said the estimated IBNR for FY17 was \$9.7M and the actual run-out of claims was \$9.2M. He said the goal is to estimate the IBNR as close to the actual claims within a 5% range. He said there was a 2.8% difference. Mr. Fraher said there was a transfer of \$550K of FY15 reinsurance reimbursements to FY17.

Carol Cormier said Artex is willing to do a webinar for the Joint Purchase Group Treasurers and Auditors on the Mass. Municipal Reinsurance Arrangement (MMRA) reporting and accounting .

Erin Orcutt joined the meeting.

Noreen Mavro-Flanders said to contact Ms. Cormier with any questions for Artex to include in their webinar.

Skip Finnell asked Mr. Fraher to add a new line to the audit summary to include the percentage of claims per the CCMHG fund balance policy. He asked if anyone had further questions about the financial audit.

There were no questions.

Christopher Clark made a motion to accept the FY17 Audit Report.

Motion

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

Mr. Fraher said he would send the final audit copy to Mr. Bienvenue. Mr. Fraher left the meeting.

Treasurer’s Report:

Treasurer, Rich Bienvenue said it was the Board’s strategy to use the trust fund surplus to get the Trust Fund balance within the Fund Balance Policy range of 8% to 12% of the most recent 12 months of paid claims. Mr. Bienvenue reported a Fund Balance of \$29,568,810 (health and dental funds) at the end of November 30, 2017 (unaudited figures). He said this is the best start to the year CCMHG has had over the last five years, but said it is only the first 5 months of the year. He said he did not recommend counting on the current surplus. Mr. Bienvenue reviewed the composition of the fund balance and said without the investment income and the Medicare Part D subsidy, the fund balance would be in deficit.

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

Motion

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

Investment Committee report:

Deb Blanchette said the Investment Committee met with Investment Manager Brian Callow, Rockland Trust, and revised Appendix A of the Investment Policy. She said she did not have the policy in Word format and asked Karen Carpenter to forward it to her. She said she would send out the proposed policy changes to the Steering Committee for review. In addition, she said Mr. Callow updated the format of the report to be easier to read and with fewer pages. Ms. Blanchette asked to add Rockland Trust to the next Steering Committee Agenda and said Mr. Callow would explain the changes in detail.

Wellness report:

Deanna Desroches, Mainland Wellness Consultant, reviewed the participation in the current wellness programs to include Biometric Screenings, Couch to 5K, and Walking programs. She said the Wellness Portal

enrollments are up to 359 and include spouses and other members. Ms. Desroches said 11 new Health Risk Assessments were completed.

There was a discussion about obtaining the emails of the entire CCMHG workplace population to provide messaging to increase wellness awareness and program participation.

Chris Nunnally said it would be helpful to have all of the email addresses to promote all of the proposed High Performance Health Plan programs.

Denise Coleman suggested promoting a “Wellness Corner” in common places at worksites to display flyers of all of the programs, the portal, and other wellness items. She offered to pilot the program at the Town of Falmouth to include providing lunch.

Deanna resumed reporting on the upcoming programs to include new programs that may become ongoing programs, such as the 5-week intermediate Yoga program to be held at Cape Light Compact in February.

Noreen Mavro-Flanders reviewed the Martha’s Vineyard Wellness Program report provided by Krystle Rose, MV Wellness Consultant. She said a round table lecture, Coping with Mental Health, is scheduled for today with speaker Howie Marlin, Island Counseling Center.

Ms. Mavro-Flanders said 39 people signed up for the Maintain Don’t Gain holiday challenge. She said 24 were new participants. Of the 39 participants, she said 23 weighed out, with a total loss of 73 lbs and 1 member lost 19.4 lbs. Ms. Mavro-Flanders said one of the new programs was the Mile-a-Day challenge. She said it was a 30-day challenge with 41 members participating.

Ms. Mavro-Flanders said two Biometric Screenings will be held in February and March, and she said the new MV website is up and running.

GBS Reports:

Funding Rate Analysis (FRA) – Carol Cormier reviewed the FRA report through December 2017. Ms. Cormier reported an expense-to-funding ratio of 85.2% on a paid claims basis and an excess of funding from the rates over major expenses of \$11.6M. Ms. Cormier said the dental plans were running well at an expense-to-funding ratio of 90.1%.

Rich Bienvenue said he would send the updated RDS information to Ms. Cormier.

Carol Cormier said the towns of Sandwich, Truro and Provincetown are requesting claims and enrollment data for an analysis. She said she wanted to give the Committee heads-up on any members considering other options for health insurance.

High Performance Health Plans – Chris Nunnally said GBS received the prescription drug (Rx) claims data and will do an RFP on an Rx Carve-out option and will come back with a review and a proposal. He said there was a slight holdup of receiving the carrier data due to a delay in executing a 4-way agreement.

Managers’ Meeting Update:

Erin Orcutt confirmed the Cape Cod Tech High School location for the Managers’ Meeting on Friday, March 23rd at 8:30 AM. She said there will be a continental breakfast rather than a full breakfast. Ms. Orcutt said she has the contact information for the Senators and Town Representatives.

Skip Finnell said GBS is going to invite Lt. Karen Polito to come to the meeting.

It was decided that Carol Cormier, Skip Finnell, Christopher Clark and Noreen Mavro-Flanders would work together following the Board meeting to work on organizing the Managers' Meeting. Mr. Finnell said anyone else who would like to stay is welcome.

John Kelly said he would be unable to attend the January 24th Board meeting.

FY19 Preliminary rate projections:

Carol Cormier reviewed the proposed carrier fees and said the BCBS fee increased by 2%, HPHC by 2.1% and Delta Dental held their fees. She explained how the projections were calculated. Ms. Cormier said she did not include the Diabetes and CanaRx program claims into the claims projection calculations, but noted if added, the projected increases would be about 1% to 1.5%. She said she did include these claims in some of the funding scenarios.

Ms. Cormier said she agrees with the Treasurer's recommendation to use the audited FY17 financial report fund balance for guidance when setting the rates.

Ms. Cormier reviewed the dental exhibits and suggested holding the rates or just increasing the rates by \$1.

Ms. Cormier reviewed the following scenarios:

- Current Scenario – at an annual funding amount of \$148,743,276
- Scenario A – the lower of the GBS and carrier projections with a composite increase of 2.5% for the health plans and a 2.4% funding increase for the dental plans.
- Scenario A2 – same as A, but adding the Diabetes and CanaRx programs, with a composite funding increase of 3.8%.
- Scenario B – the carrier projections with a composite funding increase of 3.2%
- Scenario C – the GBS projections with a composite funding increase of 6.1%.
- Scenario D – an alternative scenario with a composite funding increase of 5.4%.

Ms. Cormier asked if the Committee wanted to include the Diabetes and CanaRx program claims into the rates.

There was a discussion.

John Kelly suggested setting rates at amounts that could sustain the claims over a 3-year time period. He said he would like to try to avoid rates that spike up or down in the following years.

Erin Orcutt asked for a clear statement of why the rates came in much lower than the guidance that was given to use for budgeting purposes in October. She said she would like an explanation of reasons to give to the Board.

John Kelly made a motion to recommend to the Board to increase rates for all of the plans by 7% for FY19, including the Diabetes and CanaRx plans.

Christopher Clark seconded the recommendation.

Marie Buckner said 7% is too high and noted she would not vote in favor of that motion.

Carol Cormier reviewed the 6% Scenario and said a 7% increase would be adding about \$1.5M more funding.

John Kelly said a 6% increase would not help to stabilize the rates over a period of 3 years.

There was a discussion.

Mr. Kelly withdrew his motion and Christopher Clark withdrew his second of the motion.

John Kelly made a motion to recommend increasing each of the plans' rates by 6% and to round the rates.

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

Motion

Christopher Clark made a motion to recommend to the Board to level fund the dental plans at the FY18 rates.

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

Motion

Other Business:

There was a discussion about how to promote the HSA Qualified Health Plans (HSAQs). Suggestions were made about sending the the links from the website and the Town of Falmouth educational session video out to the employees.

Carol Cormier said she would send out the links to the HSA administration information.

Skip Finnell said he would like to urge the employers at the Managers' Meeting to promote the HSAQs.

Bill Hickey asked for a list of the employers that will be offering the HSAQs.

There was no other business.

Erin Orcutt moved to adjourn the meeting.

Motion

Denise Coleman seconded the motion. The motion passed by unanimous vote.

Skip Finnell adjourned the meeting at 12:08M.

*Prepared by Karen Carpenter
Group Benefits Strategies*