

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

Steering Committee Meeting
Wednesday, November 16, 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, November 16, 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
Denise Coleman	Town of Falmouth
Erin Orcutt	Cape Cod Technical High School
Christopher Clark	Town of Harwich
Marie Buckner	Town of Sandwich
Deb Heemsoth	Town of Dennis

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Mary Casali	CCMHG Wellness
Laura Scroggins	Town of Barnstable
Myra Suchenicz	Town of Orleans
Teresa Johnson	Sandwich Water District
Lisa Vitale	Town of Brewster
Jillian Douglass	Town of Brewster
Jody Hoffmann	Town of Provincetown
Kathy Logue	Town of West Tisbury
Maureen Thomas	Town of Truro
Mike Dalmau	Hyannis Fire District
Paul Medeiros	Hyannis Fire District
Eric Diamond	Harwich Fire Department
R.W. Henson	COMM Fire District
Scott Starbard	Falmouth Fire District
Ryan Gavin	Falmouth Fire Department
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
William Hickey	Harvard Pilgrim Health Care (HPHC)
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 October 19, 2016 Steering Committee meeting:

Noreen Mavro-Flanders made a motion to approve the October 19, 2016 meeting minutes as written.

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

Motion

Treasurer’s Update:

Rich Bienvenue said that the auditor, Bill Fraher, may be ready to present a draft copy of the FY16 financial report at the December meeting. He said that he has been reporting the MMRA reinsurance premium under the asset account and will be moving it under expenses. He said he will explain in further detail at the next meeting after reviewing the year end MMRA report.

Mr. Bienvenue reviewed the trust fund balance sheet through September 30, 2016 and reported a fund balance of \$12.14M. He said this is at the lower end of the Fund Balance Policy range. He noted expenses included \$1.392M in reinsurance premiums and additional funding of the pool of \$800K for the new plan year.

Investment Committee Report:

Mr. Bienvenue said that the Investment Committee met with Rockland Trust and discussed the 3rd investment account created to be used for liquidating cash should there be a need. He said CCMHG has a cash account with TD Bank which has an approximate balance of \$4 million dollars. Mr. Bienvenue said there was a discussion about the possibility of transferring that balance into the 3rd investment account. He said the 3rd investment fund currently has a balance of about \$2M. Mr. Bienvenue noted that he had to delay payment of the health plan invoices until additional member’s payments were received.

No action was taken.

Skip Finnell asked Mr. Bienvenue to draft a notice that could be included when sending the next invoices out to the members. He said it should state the necessity of timely payments and include an offer to help explain the payment process to those members who may need it.

Erin Orcutt made a motion to accept the Treasurer’s report.

Motion

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

Wellness Program reports:

Mainland – Deanna Desroches said the wellness newsletter will be distributed at the end of this week. She said that she attended the biometric screening in the Town of Truro and that the attendance at the Barnstable senior health fair was good. Ms. Desroches reviewed the participation and status of the Couch to 5K and 5K walking programs. Ms. Desroches said the Committee scheduled the Spring Walking Challenge from April 2, 2017 to May 27, 2017. She said the tennis lessons were a success at the Sesuit Tennis Club and is looking to offer additional classes in the spring and fall of next year. Ms. Desroches said the Maintain Don’t Gain program is off to a great start with over 85 members weighing in so far. She said the CCMHG Wellness Portal kicks off on January 1, 2017 and will run until June 30, 2017. She said members will earn points for each activity they complete. Ms. Desroches said the activities include taking an on-line health assesment, which also awards a \$25 gift card, a winter nutrition challenge, and workshops. She noted that the portal is through BCBS, but said HPHC members are also eligible to participate. Ms. Desroches said she has contacted Krystle Rose, the Martha’s Vineyard wellness consultant, to discuss the portal.

Martha’s Vineyard – Kathy Logue reviewed the current wellness programs to include the Couch to 5K, biometric screenings, the Fitness Challenge and Maintain Don’t Gain program. She said the flyers for the Maintain Don’t Gain program were distributed last week. Ms. Logue said the Walker Tracker challenge costs rose from \$500 to \$1,500, so the Committee decided to switch to the BCBS walking program. She noted that the wellness assistant to Krystle Rose moved out of state and said there is a challenge of dissemination of the wellness program information to the members. She said the Committee is working on ways to get the word out.

The Steering Committee recognized the good work of the Wellness Committee members and the Consultants.

Skip Finnell asked Ms. Mavro Flanders to contact Bob Whritenour at the Town of Oak Bluffs to see if he would help to communicate the importance of wellness to the Vineyard town managers. Mr. Finnell said he would like to see a list of the managers who were contacted.

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis summary page and said that the expense-to-funding ratio on a paid claims basis through October 2016 was 94.2%. She said there was a surplus of funding over expenses in the amount of \$2.79M and noted that \$1.3M of the surplus was due to reinsurance reimbursements received. Ms. Cormier said that the dental funding is doing well with excess of funding in the amount of \$177K.

Reinsurance reports - Karen Carpenter reviewed the FY16 stop loss reports with data through September and said there were 22 members that exceeded the deductible with excess claims of \$3.06M and expected reimbursements in the amount of \$686,430. She said that reimbursements totalling \$2.28M have been received. Ms. Carpenter said there were 33 members on the 50% report with a claims total of \$6.5M.

Ms. Carpenter reviewed the FY17 stop loss reports and said there were no members with claims exceeding the deductible yet. She reviewed the claims at 50% report and said there are 4 members with a claims total of \$677,091.

Carol Cormier said the current CCMHG health plan deductible and certain co-pays will be changing to be similar to the GIC Benchmark plan levels on July 1, 2017. She said CCMHG employers may use Ch. 32B, Sec. 21 - 22 to bargain these changes. She said she has been receiving calls from the units regarding the savings mitigation spreadsheet and said she will be sending out the template after the FY18 rates are set. Ms. Cormier said she is expecting to receive the health plans projections about January 17th and suggested the Committee schedule a meeting in late January. She said she has the cost analysis spreadsheets available using the FY17 rates if anyone would like a copy.

Ms. Cormier said there will be a discussion later in the meeting, but noted that the addition of the HSA-qualified high deductible plans will require traditional bargaining, Ch. 32B, S. 19 coalition bargaining, or informal coalition bargaining if the unions agree.

MMRA Board Meeting review:

Carol Cormier said the MMRA Board meets twice a year and receives quarterly financial reports. She said the Board reviewed the financials for FY15, FY16, and projections for FY17. She said that premiums for the first two years were not sufficient to cover losses, and so some of the collateral had to be used. She said the losses relative to premiums were high for FY16. She said that CCMHG had many high cost claims and that the pooling of risk benefitted the CCMHG in both years. She said that the MMRA Board discussed the future of the captive and attracting new participants that would be rated on their own experience.

Ms. Cormier said that the Board also heard from Consilium Solutions which Gallagher invited to discuss their out-of-network re-pricing services. She said that Consilium is paid on a contingency basis, i.e. 15% of savings.

MMA Program and specialty drugs:

Carol Cormier said that the cost of specialty drugs is driving up pharmacy spend. She said that most of the specialty drugs are extremely costly. She said that this is mostly the case in the U.S. since we don't have drug pricing regulation and since the U.S. bears the full cost of drug research. Ms. Cormier said currently the Abacus-run My Medication Advisor program offers only a few specialty drugs. Ms. Cormier explained that Abacus is looking into expanding this part of the program but says it will need an on-site full-time pharmacist

and that it will propose a new payment method for clients. She said Abacus will be meeting with representatives of CCMHG and the other joint purchase groups that use its services to discuss this issue.

Preventive Drugs and High Deductible plans:

Ms. Cormier said that Blue Cross includes a preventive drug list on its high deductible plan. She said the drugs on the list are not subject to the deductible but are subject to pharmacy copays. She said that Harvard Pilgrim did not propose a preventive drug list for its high deductible plan. Ms. Cormier said that this could be problematic for a number of reasons and proposed to add a preventive drug list not subject to the deductible to the Harvard Pilgrim high deductible plan. She said that Harvard Pilgrim said this would reduce the savings by 1.5%.

There was a discussion.

Noreen Mavro-Flanders moved to add an approved preventive drug list to the FY18 Harvard Pilgrim high deductible plans with the drugs on the list not being subject to the deductible but taking the pharmacy copays.

Christopher Clark seconded the motion.

Motion

In response to a question Gabrielle Pitcher and Bill Hickey said that the preventive drug lists are updated annually.

There was a vote on Ms. Mavro-Flanders motion. The motion was approved by unanimous vote.

Educational programs for high deductible plans and Health Savings Accounts (HSAs):

Carol Cormier referred to a draft employer survey. She said that in order to know what resources will be needed to educate employers and employees about the new plans and HSAs, the CCMHG will need to know which employers plan to offer the HSA qualified high deductible plans on July 1, 2017. She said the survey was comprised of only five questions and should take only a few minutes to complete.

It was suggested that the survey be done using Survey Monkey and that information about the plans and HSAs be sent to the employers again with the survey and that the CCMHG website be referenced.

In response to a question, Carol Cormier explained that the high deductible plans will not have a single parent/single child enrollment tier.

Mr. Hickey said it will be only Individual and Family enrollments in these plans because the IRS only allows for those two tiers. He said a single parent and single child will enroll as a Family.

On the topic of HSAs Carol Cormier asked for authorization to post the Brainshark presentations from BCBS and the slide presentation from Harvard Pilgrim on the CCMHG website.

The Committee agreed to have the presentations posted on the website.

Michael Dalmau said that employees are confused about the plan benefits for the high deductible plans. He said they need to know that the changes are only to the way services are paid.

Bill Hickey and Gabrielle Pitcher said these issues will be addressed in the educational sessions.

Gabrielle Pitcher said that representatives of Health Equity, the HSA administrator, can attend the educational meetings.

Christopher Clark suggested having a mock meeting with presentations.

The Steering Committee agreed that the trial presentations will happen at the next Steering Committee meeting on December 14th.

Carol Cormier asked the union representatives that have been attending the Steering committee meetings to put together a list of questions that their members have, and said responses will be worked into the December 14th presentations.

Carol Cormier reviewed a revised exhibit of estimated employer and employee savings with the optional high deductible HSA qualified plans. She said she had previously underestimated employee out-of-pocket costs under the current health plans. She said correcting this shows improved savings to employees from going to the HSA-qualified plans.

Rate Setting for FY18:

Carol Cormier said she had asked for the BCBS and HPHC renewals for January 17th but asked Ms. Pitcher and Mr. Hickey to provide them on January 10th.

Ms. Pitcher and Mr. Hickey said they could do that but that the historical claims data would go through November rather than through December.

The following dates for meetings to review and set FY18 rates for active employee plans were established as follows:

- Steering Committee: January 19, 2017 @ 9 AM at Sandwich Town Hall to review initial projections;
- Steering Committee: January 25, 2017 @ 9 AM at COMM Fire Dist. to vote on rate recommendations;
- Board: January 25, 2017 @ 10 AM at COMM Fire Dist. to vote on recommended rates.

It was subsequently learned that COMM Fire Dist. was not available on Jan. 25. The meetings of Jan. 25 will be held at Barnstable Town Hall.

Steering Committee meetings were also set as follows: February 15, 2017 and March 15, 2017, both at 9 AM at Sandwich Town Hall.

Health Plan reports:

The health plan account executives said they had nothing to report.

Other Business:

There was no other business.

Chair Skip Finnell adjourned the meeting at 11:10 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*