

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

Steering Committee Meeting
Thursday, November 18, 2015, 1:00 PM
Sandwich Town Hall, Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Thursday, November 18, 2015 at 1:00 PM 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
Gerry Panuczak, Board Vice Chair
Debra Blanchette
Marie Buckner
Erin Orcutt
Susan Wallen
Christopher Clark (alternate)
Maggie Downey

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

Guests Present:

Richard Bienvenue, CPA
Bill Fraher, CPA
Mary Casali
Charles Frazier
Terry Rogers
Paul Medeiros
Garbrielle Pitcher
William Hickey
Paul Lazar
Nina Conroy
Carol Cormier
Karen Carpenter

Treasurer, CCMHG
Financial Auditor
Wellness Coordinator’s assistant
Town of Eastham Fire Dept.
Town of Falmouth Fire Dept.
Town of Hyannis Fire Dept.
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Harvard Pilgrim Health Care (HPHC)
Delta Dental of Mass.
Group Benefits Strategies (GBS)
Group Benefits Strategies

Skip Finnell, Steering Committee Chair, called the meeting to order at 1:05 PM.

Treasurer’s Report:

Treasurer, Rich Bienvenue, distributed and reviewed the Management Report with data through September 30, 2015. Rich Bienvenue said the aged receivables continues to be a challenge to administer due to the few member units that do not pay their invoices as billed. He said he is working on it and will contact those units. Mr. Bienvenue said that he made an adjustment to the Accounts Payable to account for wellness incentives that were not earned.

Mr. Bienvenue said that the TD Money Market Account for the Medicare Part D Subsidy account will be closed once CMS completes the final reconciliation. In regards to the MMDT account, Mr. Bienvenue said that there is a \$10K balance in the MMDT old investment account and noted that there is no longer any activity on it except for the interest that it earns. He asked the Committee members if they would like to close out the account or use it for something else.

Gerry Panuczak suggested using it for the third investment fund that was recently started.

Mr. Bienvenue reviewed the balance sheet and said the Trust Fund balance was \$19.1M. He noted that the balance will decrease by \$1M following the payment to the IRS for the Transitional Reinsurance Program fee. Mr. Bienvenue said that he will be adding \$100K each month as a payable to account for the 2 month BCBS EGWP billing lag time. He explained that three member units paid their invoices twice and that item is named unallocated member payments. He said that the money will be returned to the units.

Mr. Bienvenue reviewed the cash flow projection report.

Noreen Mavro-Flanders made a motion to accept the Treasurer's report.

Motion

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

Independent auditor's report on the FY15 Financial Statements – Bill Fraher, CPA:

Bill Fraher said that no financial adjustments are necessary to finalize the FY15 audit.

Bill Fraher reviewed key financial information from the FY15 financial statements and compared them to the same information from the past four years. He said that the 13.08% decrease to the cash and investments was a combination of the claims experience and utilization of the fund balance to minimize rate increases and the return of approximately \$1.4M of Retiree Drug Subsidy payments to its members. He said that there was a 9.7% increase in claims liability and the net assets decreased by 21.74%.

Mr. Fraher continued reviewing the audit report and said the health claims expense increased by 2.3% to \$128,699,843. He reported an increase of operating expenses of \$175K due to the new reinsurance policy premium and reclassifications of fixed premiums for other plans being moved there.

There was a brief discussion about the IBNR, and Rich Bienvenue suggested a future discussion about slightly lowering the IBNR.

Mr. Fraher reviewed the Management Letter and said that there were no new material weaknesses noted during the audit. Pertaining to the Separation of Duties comment, he said that as discussed in the prior year and consistent with how MA joint purchase groups typically operate, the Group has responded by placing significant controls over the accounting and financial reporting functions performed by the Group's Treasurer. He noted that several mitigating controls have been implemented including detailed monthly review of financial statements and reports and Steering Committee approval of expenditures as well as monitoring of bank statements by a Board member. He said access to all of the statements and reports has been added.

Rich Bienvenue said that the person who is listed as authorized on the Cape Cod 5 bank account is no longer a Steering Committee member. He said he has notified the bank.

Noreen Mavro-Flanders signed a new authorization form.

Mr. Fraher continued to review the audit report and asked about the increase of stop loss premiums. He said the premiums increased by 50%.

It was subsequently explained that the increase was primarily the result of the elimination of the former \$500K Aggregating Specific Deductible on the new policy.

Noreen Mavro-Flanders said on page 4, at the end of the 3rd paragraph, that the date of 2013 should be 2015. She said on page 6, 4th paragraph the GBS contract expiration date should read 2017, not 2014.

The Steering Committee thanked Mr. Fraher.

Erin Orcutt made a motion to accept the audit report with the corrections.

Motion

Maggie Downey seconded the motion. The motion passed by unanimous vote.

Rich Bienvenue offered to schedule a meeting of the new Steering Committee members to go over the Treasurer's processes and procedures.

Approval of minutes of the October 14, 2015 Steering Committee meeting:

Noreen Mavro-Flanders moved to approve the minutes of the October 14th meeting.

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

Investment Committee Report:

Gerry Panuczak said as reported at the Board Meeting, the investments were down in the last quarter. He said the funds were coming back up a bit in November but are now trending lower. He said the fund managers believe the decrease was a result of the increase in short term rates. Mr. Panuczak said that Rich Bienvenue found that Rockland Trust was undercharging CCMHG basis points for managing the portfolio. He said Rockland Trust was charging 16 basis points rather than 30, which amounted to about a \$43K reduction in fee payments. Mr. Panuczak said that Rockland Trust has agreed that they will not go back and charge the Group, but will begin charging 30 basis points going forward.

Skip Finnell asked Mr. Panuczak to send a copy of the Investment Contract to the Committee.

Bill Fraher suggested obtaining monthly investment statements.

Update on meeting with the state legislators:

Christopher Clark said that the tentative date for the meeting is March 4, 2016 from 8:30 a.m. to 10:30 a.m.. He said letters were sent to the state representatives regarding the impact of the Cadillac Tax on CCMHG and other municipalities. He said the representatives were invited to the March meeting and Mr. Clark distributed a copy of the letter that was sent.

Mr. Clark left the meeting.

Wellness Committee Report:

Mainland report - Mary Casali, the Wellness Coordinator's assistant, reviewed the current wellness programs including the Anti-Smoking Program, Biometric Screenings, Maintain Don't Gain, Incentive Program and the Couch to 5K Program. She said the Anti-Smoking Program was canceled due to lack of participation. Ms. Casali said the "Your Health Matters" 20th edition is scheduled to be distributed at the end of the week. She said the Committee is looking forward to offering an indoor winter walking program at the Hyannis Youth and Community Center in January and February.

Martha's Vineyard report – Noreen Mavro-Flanders said that the Walker Tracker Program challenge is going well. She said that the program is a competition with others throughout the US. Ms. Mavro-Flanders said Krystle Rose monitors the program. Ms. Flanders said the Maintain Don't Gain program weigh-ins are scheduled for this week.

On behalf of Bill Clark, Maggie Downey asked the health plan representatives if their plans cover tick testing. She said Cape Cod Healthcare received a \$20K grant to test 1,000 ticks.

Bill Hickey, HPHC, said that tick testing is not related to diagnosing a member health illness. He said just as plans do not cover the testing of dogs in cases of rabies, they would not cover testing of ticks.

Garbrielle Pitcher, BCBS, agreed with Mr. Hickey and said that it is a Public Health Issue.

GBS Reports:

Carol Cormier said the GBS reports are in the packets for the Committee to review. She said that she previously mentioned that GBS had spoken with the Steering Committee regarding the possible re-opening of the RDS filings for auditing the data. She said a few of the GBS clients have received additional subsidy money through the audits which have been done by Part D Advisors which was selected through an RFP process. Ms. Cormier said that Part D Advisors works on a contingency basis and does not charge unless additional subsidy is received. She said she will have additional information at the next meeting.

Karen Carpenter briefly reviewed the FY15 and FY16 stop loss reports with data through September.

Renewal date for dental plans for Medicare eligible seniors:

Carol Cormier said that in response to a request at the Board meeting regarding a possible change to a January renewal for the Delta Dental plan for Medicare eligible seniors, she emailed the Board members to determine level of interest. Ms. Cormier said that she received only a few replies to her email and those stated it didn't make a difference to them.

Nina Conroy, Delta Dental Account Executive, said it would be very difficult to administer.

The Committee took no action.

BCBS amendment to PPO agreement:

Garbrielle Pitcher said that effective January 1, 2016, BCBS will be expanding its Alternative Quality Contract (AQC) to members in the PPO network. She said this model pays for quality rather than quantity of health care services provided by physicians and hospitals. Ms. Pitcher said that this model continues to save millions of dollars in unnecessary medical costs. She noted that the HMO plans already include this model.

BCBS ACA reporting service:

Carol Cormier said that CCMHG purchased the GBS Roster Service and starting in August employers began to have access to the information needed to complete the ACA reporting requirement. She said BCBS is now offering a report which will go back to January 1 to include a full year of data for a one-time fee of \$5,000. She said that the data will be sent to GBS for all CCMHG members, and GBS will need to separate it by employer. Ms. Cormier said the raw data is not in a user friendly format and referred to a copy of the exhibit in the meeting packet. She said GBS would not charge more than \$1,000 to separate the data. She said beginning in 2016, the employers will continue to receive the data from GBS on a monthly basis and would not need to obtain the data from the health plans. Ms. Cormier said that the report will be delivered by BCBS to GBS by January 15th.

Bill Hickey said that HPHC has been asked to do a similar report for its self-funded clients. He said that there is a copy of the HPHC report in the packets as well. He said that HPHC has current capability to report on

CCMHG as a whole but said the developers are working on being able to split it into separate reports for each employer. He said the cost for HPHC's report is also \$5,000.

Carol Cormier said the BCBS deadline to request the report, which was extended for CCMHG, is tomorrow.

There was a discussion.

Susan Wallen made a motion to request the reports from BCBS and HPHC at a one-time charge of \$5,000 each and up to \$1,000 to GBS to separate the BCBS file, contingent on HPHC's capability to separate the report by employer.

Motion

Noreen Mavro-Flanders seconded the motion. The motion passed by a unanimous vote.

Review of Joint Purchase Agreement:

Carol Cormier asked the Board to consider adding language to the agreement regarding the liability of a withdrawing unit. Ms. Cormier said GBS received the agreements with signatures for Monomoy RSD and Veteran's Services.

Skip Finnell asked to add this item to the next Steering and Board Agendas.

Erin Orcutt said she will communicate with Cape Cod Collaborative about their agreement.

It was noted that the election of officers is coming up in January.

Skip Finnell said if anyone was interested in replacing him as Steering Committee Chair person to contact him.

Health Plan Reports:

Harvard Pilgrim Health Plan – Bill Hickey said effective January 1, 2016, the 90-day mail order prescriptions will be limited to maintenance medications only. He said other prescriptions can still be filled for 90-days, but would need to be filled at a pharmacy location.

Mr. Hickey said the first letter regarding the transition from Coventry First Health to Aetna went out to members and caused some confusion. He said the letter, required by CMS, stated that the member would be losing prescription coverage on January 1 through Coventry, but the letter failed to state that the member would now have coverage through Aetna. Mr. Hickey said a second letter went out to explain this and new ID cards will be mailed.

Paul Lazar spoke to the Committee about how HPHC had prepared the cost and utilization report that was sent to CCMHG and Cape Cod Healthcare (CCHC) and that was discussed at the previous Board meeting. Mr. Lazar also said CCHC does not have rate differentials for patients covered under insured versus self-funded arrangements and does not have risk contracting with Harvard Pilgrim, but has standard payments for CCHC facility services. He said many of the physicians that have admitting privileges with CCHC are also part of the Steward health care network and are paid under HPHC's contract with Steward. He said under those contracts there are differences in payments for physician services provided to insured versus self-funded business.

Blue Cross Blue Shield – Gabrielle Pitcher talked about the credit monitoring services that BCBS is offering on an optional basis. She said employers can choose to participate or not. She said if they do, then the covered members can choose to participate or not. She said BCBS is looking into whether or not this is a taxable benefit for members who did not have a breach of confidentiality. She said that if the member did have a breach, the credit monitoring service is not a taxable benefit.

Delta Dental – Nina Conroy said Delta Dental sends bi-annual preventive dentistry score cards to PPO providers. She said the score cards identify their patients with high risk for dental disease for either cavities or gum disease. Ms. Conroy said the reports assist the dentists who then reach out to their patients. She said the success rate has been a 40% increase in preventive services. Ms. Conroy said the program will be rolled out to all Delta Dental providers including Premier in 2016.

Other Business:

The next Steering Committee meeting date was noted as December 16, 2015 at 9:00 a.m. at the Sandwich Town Hall, Sandwich, MA.

There was no other business.

Erin Orcutt moved to adjourn.

Motion

Noreen Mavro-Flanders seconded the motion. The motioned passed by unanimous vote.

Chair Skip Finnell adjourned the meeting at 3:46 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*