

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

Steering Committee Meeting
Wednesday, December 14, 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, December 14, 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
Noreen Mavro-Flanders, Board Chair
Denise Coleman
Erin Orcutt
Christopher Clark
Marie Buckner
Deb Heemsoth
Debra Blanchette
John Kelly

Dennis-Yarmouth RSD
County of Dukes County
Town of Falmouth
Cape Cod Technical High School
Town of Harwich
Town of Sandwich
Town of Dennis
Town of Barnstable
Town of Orleans

Guests Present:

Rich Bienvenue
Deanna Desroches
Mary Casali
Lisa Vitale
Jillian Douglass
Jody Hoffmann
Kathy Logue
Mike Dalmau
Paul Medeiros
Eric Diamond
Paul Finn
R.W. Henson
Scott Starbard
Ryan Gavin
Mark Mancini
Michael Herrmann
Elaine Graves
Melanie Becker
Trisha Maloney
Brenda Newell
Steve Dion
Stephanie Burke
Garbrielle Pitcher
William Hickey
Fred Winer
Carol Cormier
Karen Carpenter

CCMHG Treasurer
CCMHG Wellness Consultant
CCMHG Wellness
Town of Brewster
Town of Brewster
Town of Provincetown
Town of West Tisbury
Hyannis Fire District
Hyannis Fire District
Harwich Fire District
Harwich Fire District
COMM Fire District
Falmouth Fire District
Falmouth Fire District
Falmouth Police Department
Brewster Fire District
Town of Edgartown
Town of Chilmark
Dennis-Yarmouth RSD
Cape Cod Technical High School
Blue Cross Blue Shield Labor Dept.
Blue Cross Blue Shield CDH
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:07 AM.

Approval of minutes of the November 16, 2016 Steering Committee meeting:

Christopher Clark made a motion to approve the November 16, 2016 meeting minutes as written.

Noreen Mavro-Flanders seconded the motion. John Kelly abstained.

Motion

The motion passed by a majority vote.

Auditor’s report on the FY16 financial statements, Bill Fraher, CPA:

Bill Fraher reviewed key financial information from the FY16 financial statements and compared them to the same information from the past four years. Mr. Fraher said that the cash and investments are down 1.73% mostly due to the timing of the liability of claims and the application of cash assets to claims. He said that there was a 25.9% increase in claims liability and said that the net position decreased by \$3,542,258, down 17.58% from the prior year.

Mr. Fraher continued reviewing the audit report and said the claims increase was due in part to the claims incurred in one year and not reported until the next year (IBNR) and the final quarterly claims settle-up with the health plans. He said that the IBNR is currently 0.9% of last four months of claims. Mr. Fraher said that the fund balance policy states fund balance target of between 8 and 12 percent of claims.

Mr. Fraher spoke about the Mass. Municipal Reinsurance Arrangement (MMRA), the reinsurance captive in which CCMHG participates. He said that in 2015, the reinsurance collateral of \$765K was paid, but booked as an asset, with expectations that it would be coming back to the group. He said another \$700K was considered an expense this year, with expectations that approximately \$500K will be returned, but will remain on deposit. Mr. Fraher said that the \$500K will remain on deposit and recorded as an asset. Mr. Fraher said that it appears that \$700K will be utilized to pay claims, so that amount was moved to a liability.

Carol Cormier said that the MMRA’s aggregate reinsurance is expected to kick in and about \$800K may be received into the captive. She said the previous reinsurance policy, prior to the MMRA, had a \$500K aggregating specific deductible that the MMRA does not have, so the premiums are higher because of that. She said the MMRA had changed to a new carrier, and the program expenses have gone down. She said that the expenses are still not where they need to be. Ms. Cormier said that with any reinsurance policy in some years reinsurance reimbursements exceed the policy premiums and in some years they do not. She said that CCMHG had a lot of high cost claims this year and the Cape and Island is a higher cost area for services than the areas of the other two groups that are participating in the MMRA. In response to a comment from Mr. Fraher, Ms. Cormier said she does not think CCMHG is large enough to go without reinsurance coverage.

Skip Finnell asked that a discussion about the specific deductible amount will be on the next MMRA Agenda.

Noreen Mavro-Flanders made a motion to accept the FY16 audit report.

Motion

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

Treasurer’s Update:

Rich Bienvenue said that the FY16 audited trust fund balance through June 30, 2016 is \$16.607M. He said the medical portion is \$13.48M and the dental portion is \$3.1M. Mr. Bienvenue said that this is the balance that was expected for the year.

Mr. Bienvenue reviewed the trust fund balance sheet through October 31, 2016 and reported a fund balance of \$14,434,664. He said that the TD Bank account money has been transferred to the Operating Account at Cape Cod 5 Cent Savings Bank.

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

Motion

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

Investment Committee Report:

Debra Blanchette said that for the calendar year to date, Fund #1, the income and growth fund, is up by 4.7%, Fund #2, the balanced fund, is up 5.54%, and Fund #3, the bond account, is up 1.09%. She said that the Investment Committee meets with Rockland Trust fund managers on a quarterly basis to review the portfolio and cash flow of the group.

Rich Bienvenue noted that it was the last consensus of the Steering Committee to keep adding \$100K per month to the 3rd fund based on cash flow projections.

Wellness Program reports:

Mainland – Deanna Desroches said she will email the Wellness Program Report to the Steering Committee and will do a brief report in the interest of time. She said that the “ahealthyme” Wellness Portal Kick-Off is scheduled for January 1st and that the scheduling of educational sessions has begun. She said all of the HPHC and BCBS members will receive a letter with login ID's and passcodes scheduled to be mailed out on December 26th. Ms. Desroches said that the giftcards are being obtained by TD Bank at no additional cost or fee. She said the bank waived the normal fee that is attached to the cards.

Ms. Desroches said the “Maintain Don't Gain” program is off to a great start with 321 members, which is up by 21 participants from last year.

Martha's Vineyard – Kathy Logue said that the “Maintain Don't Gain” program on the Vineyard has increased its participation by about 12 additional members this year. She said the current wellness programs include the Couch to 5K, biometric screenings, the Fitness Challenge, and cooking classes. She said the Wellness Committee meets regularly and that Krystle Rose will be meeting with the Board on a quarterly basis.

Skip Finnell said that he would like to set up a meeting or phone meeting with Kathy Logue, Krystle Rose Deanna Desroches, Noreen Mavro-Flanders and himself to discuss ways to improve communications between the Mainland and MV Wellness Committees.

GBS Reports:

Funding Rate Analysis - Carol Cormier reviewed the summary page of the Funding Rate Analysis with data through November 2016. She said that for the health plans the expense-to-funding ratio on a paid claims basis was 94.5%. She said there was a surplus of funding over expenses in the amount of \$3.32M 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 an expense-to-funding ratio of 87.9% and an excess of funding over expenses in the amount of \$177K.

Reinsurance reports - Carol Cormier said there was nothing new to report since the last meeting.

Carol Cormier said that the RDS re-openings have not produced a lot of reimbursements so far and said she thinks that is because of the efficient job of processing the original data.

Noreen Mavro-Flanders said she saw a reimbursement of approximately \$14K to date.

MMA Program and specialty drugs – proposed changes to the contract:

Carol Cormier said that everyone is aware of the high increases in cost of prescription drugs (Rx). She said that within each co-pay tier members pay a fixed co-pay regardless of drug price. Ms. Cormier said that the myMedicationAdvisor® programs helps to keep the Rx costs lower with members switching to alternative lower costing prescriptions through the international buying program and the alternative generic savings program. Ms. Cormier said that Abacus is now looking at adding a program for specialty medications. She noted that another client saved about \$28K from just 3 specialty drug scripts ordered through the program. Ms. Cormier said that in order to implement the program, Abacus is saying that it will need to hire a full-time pharmacist. She said that the chairpersons from CCMHG, WSHG and MNHG met with Abacus to hear about the plan to put this program in place. She said there will be changes to the contract and said that the JPGs now pay based on the number of subscribers and the percentage of participation. Ms. Cormier said the plan is to estimate a baseline of savings of which Abacus/PBS will receive 20% of the savings realized. Ms. Cormier said she does not think that members of a HSA-qualified plan will be eligible to participate in the program until after their deductible is satisfied.. Ms. Cormier asked if any of the other Committee members would like to be included in future meetings about the proposed specialty pharmacy program. John Kelly volunteered.

In response to a question asked by Kathy Logue, Ms. Cormier said she will obtain detailed answers about how the data will be mined and contacting employees.

Ms. Cormier said that she will forward a copy of the new proposed contract once she receives it from Abacus/PBS.

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

Survey – Carol Cormier said that the survey was sent to the Board members using Survey Monkey, but said that some of the members stated that they hadn't received it. She said that Ms. Carpenter sent out hard copies to those employers. Ms. Cormier reviewed the survey results of those who had replied and said that most employers reported that they understood their bargaining obligations. Ms. Cormier said that the majority of employers said that they had adopted Ch. 32B, Sections 21-23, and almost 90% of those responding stated that they are contemplating adding the high deductible HSA qualified plans. Of those that are contemplating adding the plans, Ms. Cormier said that over half are planning to add the plans effective on July 1, 2017. Ms. Cormier said that only 2 units are looking at making changes to their contribution rates. Ms. Cormier said that there is enough information now to be able to begin setting up educational sessions for the employers and employees. Ms. Cormier said that the survey results will be finalized to see where the educational sessions should be scheduled.

Educational program for High Deductible plans and HSAs:

Employee informational sessions – Stephanie Burke, BCBS and Bill Hickey of HPHC, reviewed draft presentations that they proposed using at the employee educational meetings to explain the benefits of the High Deductible plans and explain how the HSAs work.

There were questions asked by the audience and answered by the health plan representatives.

Garbrielle Pitcher said that the BCBS cost estimator on-line will help the members when looking for the lowest cost provider options.

Bill Hickey said that HPHC has a similar tool on their website.

Carol Cormier said that employee and employer educational meetings will be scheduled as necessary and said that the final presentations will be uploaded to the CCMHG website. She said that a preview of the employer presentations will be scheduled for a future Steering Committee meeting.

It was suggested that it may be helpful if the health plan representatives walked the employees through navigating the health plan's cost estimator tools on-line.

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:

There were no health plan reports at this meeting.

Other Business:

Bill Rowbottom said that the senior health fairs went well, but said several retirees expressed that they would like to see a fitness benefit added to the Medex 2 plan.

Skip Finnell asked to add the Medex fitness benefit to the next agenda.

There was no other business.

Chair Skip Finnell adjourned the meeting at 12:05 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*