

CAPE COD MUNICIPAL HEALTH GROUP

STEERING COMMITTEE

Wednesday, February 26, 2014 at 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, February 26, 2014 at Sandwich Town Hall, Sandwich, MA.

The following people attended the meeting:

Committee Members present:

Francis “Skip” Finnell, Chair	Dennis Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	Dukes County
Gerry Panuczak	Town of Chatham
Debra Blanchette	Town of Barnstable
Marie Buckner	Town of Sandwich
Heather Harper	Town of Falmouth
Erin Orcutt	Cape Cod Regional Technical High School
Susan Wallen, SC Alternate	Nauset Regional High School

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Suzanne Donahue	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

Chair Skip Finnell called the meeting to order at 9:06 AM.

Approval of the minutes of the Steering Committee meeting of January 30, 2014:

Noreen Mavro-Flanders moved approval of the minutes of January 30, 2014.

Motion

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

Treasurer's Report:

Treasurer Rich Bienvenue, CPA reviewed the Management Report with data through December 2013 (unaudited figures). He reviewed the Income Statement and Balance Sheet and said the overall fund balance, i.e. health and dental, at the end of December was \$26,938,903. He reviewed the Aged Receivables and noted that two towns never pay as billed. Mr. Bienvenue reviewed the Bank Summary and said that all has been reconciled. He said that he will give access to Xero, the new accounting system, to the Steering Committee members on Friday. Mr. Bienvenue reviewed the Health Trust Fund Balance Sheet and said the fund balance for health alone, without dental, is \$24,115,723.

Mr. Bienvenue reviewed his projections through fiscal year-end. He said he projects that overall cash and investments will be up \$1.5 million since last July 2013 but down \$524K since January 2014. He said that the results are expected to be better than budget overall.

Mr. Bienvenue said that he will present a budget format for FY15 at the next meeting.

Noreen Mavro-Flanders asked Mr. Bienvenue if he will have a budget for each of the different contractors.

Mr. Bienvenue said that he would add that to the budget format.

Heather Harper asked if the budget will be updated regularly.

Mr. Bienvenue responded affirmatively.

Mr. Bienvenue said that he plans to have a meeting to review the Treasurer's procedures as he has done in the past.

Heather Harper and Gerry Panuczak said that they would attend the meeting, and Skip Finnell said possibly he would attend.

Skip Finnell said that it appears the Group may be at the bottom of the Fund Balance range at the end of next year. He asked how the towns and districts were doing financially. He said he is interested in possible Retiree Drug Subsidy (RDS) distributions which he said will be discussed later in the year.

Heather Harper moved to accept the Treasurer's report.

Motion

Marie Buckner seconded the motion. The motion passed by unanimous vote.

Investment Committee Report:

Investment Committee Chair, Gerry Panuczak, said that the investment manager's crystal ball is working well. He said that things have stabilized and that bonds are doing well. He said asset classes that did poorly last year are doing better this year so far. Mr.

Panuczak said the next meeting of the Investment Committee is April 24 at 10 AM at Rockland Trust in West Yarmouth.

Rich Bienvenue left the meeting at this time.

Wellness Program Report:

Deanna Desroches, Wellness Consultant for the mainland, reviewed her report.

Ms. Desroches said that the Wellness Committee has decided to hold the anti-smoking program in Eastham for the eleven employees who signed up for it even though this falls short of the required number of participants.

Ms. Desroches reviewed dates and locations for the following programs: Biometric screenings, Brown Bag Lecture Series, Healthy Me Program, Couch to 5K program, 5K Walk It Off Program, and Spring Walking Challenge.

GBS Reports:

Carol Cormier said that the *Funding Rate Analysis* report shows that the expense-to-funding ratio through January 2014 was 93.0% and that there was a \$5,457,705 excess of funding from rate revenue over major expenses. She said that the dental plans showed an excess of funding of \$348,062 (89.3% expense-to-funding ratio).

Ms. Cormier reviewed the BCBS and HPHC *Level Monthly Deposit Quarterly Accounting Reports*.

Ms. Cormier reviewed the *Reinsurance Reports* for FY13 saying that the CCMHG had 15 members each of whom had individual claims over \$300K. She said their claims totaled \$6,441,973. Ms Cormier said that the CCMHG has received \$1,447,102 in reimbursements. She said this was a slight overpayment and \$5,129 is due back to the reinsurer. She said 5 of the claimants are now deceased.

Ms. Cormier said that no members have exceeded the \$300K reinsurance deductible to date in FY14.

Ms. Cormier said that the agreement between CCMHG and GBS for Retiree Drug Subsidy (RDS) account management expired on June 30, 2013. She presented a proposal with no increase in fees but changing the time periods from fiscal year to calendar year since all senior plans are on a calendar year renewal basis as of January 2014. The fees proposed were \$4,300 for July 2013 – December 2013 and \$8,600 for CY14.

Marie Buckner moved approval of the proposed amendment to Attachment C of the CCMHG/GBS contract.

Motion

Heather Harper seconded the motion. The motion passed by unanimous vote.

Deb Blanchette arrived at the meeting.

Appointment of Board members to the Mass. Municipal Reinsurance Arrangement (MMRA), formerly referred to as the Mass. Municipal Multi-Level Reinsurance Pooling Arrangement (3MLRPA):

Erin Orcutt said she would be willing to serve on the MMRA Board.

Noreen Mavro-Flanders moved to appoint Skip Finnell as the primary Board member and Erin Orcutt as the alternate Board member on the MMRA Board.

Motion

Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

Out-of-Pocket Maximums:

Carol Cormier said she asked Mr. Finnell to place this item on the agenda because the Affordable Care Act (ACA) will require an out of pocket maximum (OOP max) on prescription drug copays and coinsurance starting on July, 1 2015. She said that while the CCMHG plans have OOP maximums, prescription drug expenses paid by the members do not count toward the maximum. She said that she had requested reports from BCBSMA and HPHC so that the group could understand the impact of this change. She said she is still working with the carriers on the report information and format.

The Committee requested to know what the Group Insurance Commission (GIC) OOP maximums are and will be.

Bill Hickey said that the GIC plans to place OOP Maximums of \$5,000 Individual and \$10,000 Family on their plans on 7/1/14 to comply with ACA.

Suzanne Donahue said that the ACA allows for a separate OOP maximum for prescription drugs or a combined maximum. She said the total of the two may not be higher than \$6,350 Individual and \$12,700 Family per year.

It was agreed that this item would be placed on the agenda of the next meeting.

Health and Dental Plan Reports:

BCBSMA - Suzanne Donahue said that at the March 19th Steering Committee meeting Larry Croes, BCBSMA Vice President, will present the Municipal Innovations Award to CCMHG.

Tufts Health Plan – Fred Winer said that there is a battle in Washington over the Medicare Advantage plan cuts proposed.

HPHC – Bill Hickey had nothing new to report.

Delta Dental – Nina Conroy said the Health Fairs start in March with the first regional fair on March 26th in Eastham. She said that Bill Rowbottom of BCBS did all the work to pull the schedule together.

Other Business:

There was no other business.

Marie Buckner moved to adjourn the meeting.

Motion

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

Chair Skip Finnell adjourned the meeting at 10:40 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*