

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

Steering Committee Meeting
Wednesday, December 19, 2018 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, December 19, 2018 at 9:00 AM at Sandwich Town Hall, Sandwich, MA.

The following people attended:

Steering Committee Members Present:

Noreen Mavro-Flanders , Board Chair
Christopher Clark
Denise Coleman
Susan Wallen
Marie Buckner
Erin Orcutt
Debra Blanchette

County of Dukes County
Town of Harwich
Town of Falmouth
Nauset RSD
Town of Sandwich
Cape Cod Regional THS
Town of Barnstable

Guests Present:

Richard Bienvenue
Bill Fraher, CPA
Patty Joyce
Jeff Morassi
Bill Hickey
Bill Rowbottom
Nina Conroy
Carol Cormier
Chris Nunnally
Karen Carpenter

CCMHG Treasurer
Auditor
Abacus Health Solutions
MA Teacher’s Association
Harvard Pilgrim Health Care (HPHC)
Blue Cross Blue Shield of MA (BCBS)
Delta Dental of MA
Gallagher Benefits Services (GBS)
Gallagher Benefits Services (GBS)
Gallagher Benefits Services (GBS)

Steering Committee Chair Skiip Finnell was unable to attend the meeting. Noreen Mavro-Flanders, Board Chair, called the meeting to order at 9:06 AM.

Approval of minutes of the November 14, 2018 meeting:

Marie Buckner moved approval of the November 14th Steering Committee meeting minutes.

Motion

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

Treasurer’s Report:

Treasurer Rich Bienvenue, CPA said he will defer to Bill Fraher for the FY18 financial report. He reviewed the financial reports with data through October 2018 (unaudited figures). Mr. Bienvenue reported a Total Fund Balance on October 31st of \$44.2 million with the health trust fund at \$40.1 million and dental fund balance at \$4.1 million. He said the health trust fund balance was \$12 million above the fund balance target. He said the claims experience is down.

FY18 Audit Report – Bill Fraher, CPA:

Bill Fraher said he is auditing several Joint Purchase Groups this year and said several have had good claims experience in FY18. Mr. Fraher referred to the audit summary pages he prepared across a five-year period. He reported an increase to the Cash and Investments of \$15 million for the year ending June 30, 2018. He said the Net Assets also increased by \$15 million.

Mr. Fraher said the Incurred But Not Reported (IBNR) amount has a \$500,000 cushion built in to be conservative. He said the IBNR as a percentage of claims runout at the end of June was 107.2%. Mr. Fraher reported a 10.9% increase to the Investment Income and noted CCMHG is conservative with its investments. He said the Fund Balance Policy states a target of 8% to 12% of claims and noted CCMHG's fund balance was at 20% at the end of June 2018.

Mr. Fraher said he found no major issues and said the usual management comment regarding Internal Controls is in the Management Letter. He noted the implementation of additional controls made in prior years.

Mr. Fraher said it has not been easy to get a balance of the COBRA account because members pay in advance to GBS frequently. He said GBS sends an invoice to the CCMHG Treasurer and he decreases the liability account and increases the cash account.

Carol Cormier said she would ask Gretchen Grogan at GBS to work with Rich Bienvenue on this. Noreen Mavro-Flanders said on page 4, Cape Cod Light Compact is a fairly new municipality of CCMHG and is not listed as a CCMHG member in the audit report.

Erin Orcutt made a motion to accept the FY18 Financial Audit Report with the addition of Cape Cod Light Compact to list of members in Note 1, page 4.

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

Motion

Wellness Committee Report:

Marie Buckner distributed the Wellness Report provided by Deanna Desroches and said if anyone has any questions to contact Ms. Desroches. She also added that any program she has participated in was great.

GBS reports:

Carol Cormier said there were no updates to the Funding Rate Analysis since the last meeting, but noted that the report reflects the Treasurer's and Auditor's reports.

Karen Carpenter reviewed the stop loss reports with data through November 31, 2018.

Carol Cormier spoke about the sale of GBS to Arthur J. Gallagher & Co. and said she would find out how the contracts would be affected.

The Steering Committee agreed that they would like to hear from representatives of Gallagher regarding how the sale will impact them.

Diabetes Rewards Program report –

Patty Joyce reviewed the Total Purchase report and said the total spend through November of 2018 was \$40,848 of diabetes medications and supplies and that \$about \$541K had been spent in the five months since July 1st. She noted this cost would otherwise be part of the normal carrier claims expense and is not an additional expense to CCMHG.

Town of Sandwich:

Noreen Mavro-Flanders said CCMHG received an official notice of withdrawal from the Town of Sandwich with an effective date of June 30, 2019.

Christopher Clark said he would like to know the withdrawals impact on the fund balance.

Carol Cormier said the rate exhibits will show the impact. She said she is unsure of where the towns consultant obtained the CCMHG composite data. She said the proportionate share of the growth of the fund balance will be impacted. Ms. Cormier said the amount due to Sandwich will not be know until the completion of the FY19 Audit.

Erin Orcutt said there will be a loss when Marie Buckner is no longer part of CCMHG. She said Ms. Buckner has historical knowledge of the group and has been a big contributor to the Board and Steering Committee, not to mention her work on the Wellness Committee.

Noreen Mavro-Flanders and the Committee wished Ms. Buckner well.

Dental Plan RFQ:

Carol Cormier said the Committee held off on making a vote to recommend to the Board until hearing the Division of Insurance's decision regarding the Delta Dental proposed provider pricing. She asked Ms. Conroy to inform the Committee on the status of the DOI's decision.

Nina Conroy said DOI hasn't made a decision yet, but assured the Committee that Delta Dental would continue to receive the current provider pricing. She said they are anticipating a meeting with the DOI in January and said Delta Dental is backed by the Mass. Dental Society on the pricing proposal.

Christopher Clark made a motion to recommend Delta Dental to the Board for the next three-year period with a passive PPO plan and to do a full dental plan enrollment of CCMHG members.

Motion

Susan Wallen seconded the motion. The motion passed by a unanimous vote..

Dependent Eligibility Audit Update:

Carol Cormier said the auditor, HMS, says they will send out the intital letter to subscribers on December 31, 2018. She said GBS has added the surviving spouse category with data from their system. Ms. Cormier said GBS will be terminating the ineligible members and let each employer know. She said she would send an email to the Benefit Administrators

Prescription Drug Carveout:

Carol Cormier said PBIRx has issued the RFP for Rx Carveout, and the Town of Sandwich's data was removed. Ms. Cormier said the Steering Committee will hear a presentation with the RFP results from PBIRx at the January 23rd meeting. She said contracts have been signed with the carriers, and the BCBS claims data has been sent to PBIRx.

Bill Hickey said the HPHC data is scheduled to be released to PBIRx tomorrow. He said HPHC is waiting for the non-disclosure agreement to be signed.

FY20 Rate Setting-approaches:

Carol Cormier said she will show the rate proposals with and without the Town of Sandwich to show the impact of the withdrawal on the claims projections. Ms. Cormier said she will calculate the percentage of adding or not adding the CanaRx, Diabetes Rewards Programs and MyTelemedicine fees to the rates.

Christopher Clark said he would like the Committee to have better guidance on how the rates will run for the next few years, similar to how MIIA does it.

Carol Cormier said CCMHG's rates are based on the claims experience and MIIA rates partially on Community experience and group experience.

Rich Bienvenue said that if the surplus is over the target, the Committee could recommend utilizing one-half of the surplus towards the rates or a premium holiday, etc. He said the other half could be used for the following year.

Erin Orcutt said it would help with OPEB as well.

Marketing CCMHG and its programs – Peter Schofield and Paul Provost, GateHouse Media:

Carol Cormier said Kate Sharry heard from Gatehouse Media yesterday and suggested a review of what Gallagher has to offer by way of marketing services.

Chris Nunnally said he would be meeting with Gallagher's Marketing Department and would find out if they could be a fit for CCMHG.

The Committee agreed to hear from Gallagher.

Other Business:

Nina Conroy said she was very pleased that the Committee would be recommending staying with Delta Dental for the next three years, personally and professionally.

Bill Hickey said the HPHC medical trend is about 5.2% and 11% for Rx for an overall 7.7% trend factor.

Bill Rowbottom said the senior plan members attending the health fairs were happy with the low increases to their plan rates. He asked the Committee to consider sending the CCMHG Contact List around at the Board meeting to be updated.

There was no other business.

Erin Orcutt moved to adjourn the meeting.

Motion

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

Board Chair, Noreen Mavro-Flanders adjourned the meeting at 10:55 AM.

*Minutes prepared by Karen Carpenter
Group Benefits Strategies*