

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

Board Meeting

Wednesday, January 29, 2020, 10:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 29, 2020 at 10:00 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair	Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Lisa Vitale	Town of Brewster
Debra Blanchette	Town of Barnstable
Erin Orcutt	Cape Cod Regional Technical High School
John Kelly	Town of Orleans
Debra Heemsoth	Town of Dennis
Denise Coleman	Town of Falmouth
Susan Wallen	Nauset Regional High School
Bob Whritenour	Town of Oak Bluffs
Robert Howard	Bourne Recreation Authority
Jillian Douglass	Town of Chatham
Judy Sprague	COMM Fire District
Krystal Abrams	COMM Fire District
Jennifer Kelson	Buzzards Bay Water District
Miriam Spencer	Town of Wellfleet
Alexander Williams	Town of Provincetown
Beth Deck	Cape Cod Collaborative
Nancy Cushing	Barnstable County
Tracy Scalia	Town of Mashpee
Leanne Gray	Mashpee Water District
Richard Buffington	Barnstable Fire District
Nancy Ward	Bourne Water District
Susan Laak	Town of Eastham
Amy Bullock	Town of Harwich
Maureen Fruci	North Sagamore Water District
Teresa Johnson	Sandwich Water District
Kathleen Iernio	Monomoy Regional School District

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Brian Callow	Rockland Trust Investments
Barbara Howard	Rockland Trust Investments
Megan Downey	Town of Barnstable
Elise Zarcaro	Town of Provincetown

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Kristi Eldredge
Cindy Richards
Shay Petronelli
Erin Hurd
Laura Scroggins
Bob Kademian, RPh
Garbrielle Pitcher
Julie Scansaroli
Bill Hickey
Nina Conroy
Fred Winer
Carol Cormier
Karen Carpenter
Karen Quinlivan

Town of Orleans
Town of Orleans
Bourne Water District
Town of Barnstable
Town of Barnstable
PBIRx
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Delta Dental of MA
Tufts – Retiree Plans
Gallagher Benefit Services, Inc. (GBS)
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Noreen Mavro-Flanders, Chair, called the meeting to order at 10:02 AM.

Noreen Mavro-Flanders announced the upcoming retirement of Karen Carpenter effective March 13, 2020. She thanked her for her many years of service to the group and wished her the very best in her retirement. Karen Quinlivan from GBS will be taking her place.

Approval of the minutes of the October 23, 2020 Board meeting:

The wrong meeting minutes were in the packet, therefore, vote will need to be postponed until the next Board meeting.

Board Vice Chair Vacancy:

Noreen Mavro-Flanders said the Steering Committee is recommending Erin Orcutt for the Vice Chair vacancy, and Beth Deck expressed interest in the Steering Committee alternate vacancy.

Skip Finnell motioned that that the Board approve Erin Orcutt as Board Vice Chair and Beth Deck as Steering Committee alternate.

Motion

Jillian Douglas seconded the motion. The motion passed by unanimous vote.

Investment Committee and Investment Manager's Report:

Debra Blanchette, Investment Subcommittee Chair, said the Investment Subcommittee is working on developing a Rate Stabilization Policy. The subcommittee will wait to form portfolio management strategies until after one is formed.

Ms. Blanchette introduced Brian Callow and Barbara Howard from Rockland Trust Investments.

Mr. Callow reviewed the calendar year-end results. He first pointed to the Return Seeking Target Allocation as of 12/31, comprised of 55% stock and 45% bond creating a balanced fund. He said these are continually reviewed to compare against market performance and to make sure the fund complies with investment policy. The portfolio can be rebalanced to remain within stated target ranges for both Money Market and Accruals, and Fixed Income and Equities. Returns for FY20 year to date were 5.94% and 17.88% for the prior 12 months. Capital Preservation had a FY20 year-to-date return of 1.05% and 12-month rate of return of 3.51%. These were just slightly lower than Benchmarks for both. The Equity Fund Performance showed returns were higher than benchmarks for FY20 to date and prior 12 months. The same could be said for Fixed Income Fund Performance. Mr. Callow said that the portfolio is in very good condition.

Treasurer's report:

Treasurer, Rich Bienvenue, CPA, reviewed financial reports (unaudited figures) through December 31, 2019. He said there was \$39.3M Total Equity as of 12/31 representing a \$2.6M increase since the beginning of the fiscal year. A target Fund Balance of 8-12% of claims on hand for the prior 12 months would be \$17M. The health fund trust balance is about \$36 million. Mr. Bienvenue said rate setting could utilize the excess fund balance to stabilize rates going forward. Mr. Bienvenue said CCMHG had two of the best three claims years in a row but he urged caution. He indicated that the audit should be finalized at the next Steering Committee meeting. He also said that the proportionate share of the Fund Balance increase due to the Town of Sandwich's withdrawal from CCMHG on June 30, 2019 is calculated to be \$854,193.

Motion

Noreen Mavro-Flanders also said that last year there was a zero percent rate increase and CCMHG also distributed \$6.8M in RDS subsidy back to the governmental units.

Rich Bienvenue said that premium holidays do not help municipal budgets. He said a rate stabilization policy helping to keep yearly rate increases low will help. CCMHG is paying its own claims and the last historical fund balance report showed that it was money from RDS and investments that led to the healthy fund balance and not overpayment of premiums.

Wellness Report:

Mainland Wellness Report - Deanna Desroches said that the Wellness Guides were mailed on January 8th and she has more if any are needed.

Noreen Mavro-Flanders thanked Ms. Desroches for her hard work and great results.

Ms. Desroches said that the guides will not be printed again but will include annual updates. Biometric screenings are ongoing with scheduled screenings at health fairs in Provincetown, Mashpee and Falmouth. If a unit is interested, she asked that it please give one-month advance notice. Work is ongoing for the Spring Couch to 5K Program and walking programs. There were 210 members on the Maintain Don't Gain program, up from 164 last year. There are 604 members registered on the wellness portal and 176 health risk assessments have been completed which will provide great data for next year. Monthly challenges are going well with people are filling up all programs fast.

Martha's Vineyard (MV) Wellness Report –Bob Whritenour thanked Kathy Logue, Noreen Mavro-Flanders and Deanna Desroches for all their hard work and collaboration strengthening technology. He said an RFP for a new Wellness Coordinator was put out, and the deadline for responses is February 14th. The fall senior benefits fair was well attended. There are two prescription drug information sessions planned.

Noreen Mavro-Flanders called attention to a copy of the Wellness Committee Strategic Plan included in the packets. She said a vote is not needed, but the Board could endorse the plan.

Jillian Douglas said that the senior population can benefit from wellness and recommended the strategy to included retirees.

Noreen Mavro-Flanders asked to add "retirees" to sentences in the Wellness Strategic Plan.

Bob Whritenour said that each member unit needs to work harder at the culture of wellness to push the strategy.

Noreen Mavro-Flanders added that time for employees to participate needs to be given as well.

Motion

Skip Finnell motioned to adopt the Wellness Strategic Plan with the amendment to add the language “and retirees”.

Bob Whritenour seconded the motion. The motion passed by unanimous vote.

Steering Committee Report:

Skip Finnell said that the Steering Committee had no further items to discuss.

GBS Reports:

Carol Cormier reviewed the Summary of the *FY20 Funding Rate Analysis report* with data through December (paid claims basis). She said the expense-to-funding ratio was 93.5%. She said that the Harvard Pilgrim High Deductible plan was under-funded due to high claims in December. The estimated Funding Surplus of \$4.8M includes \$2M in reinsurance reimbursements. Dental expense-to-funding ratio was 85.2%.

Ms. Cormier reviewed the CanaRx Utilization and Savings Report through December. For the year there was a 76% savings total of \$586,935 for CCMHG. She said this is a win/win for all and employee utilization should be promoted.

Karen Carpenter reviewed the *Reinsurance reports*. She said the FY20 policy period has six claimants with total claims in excess of the \$300K specific deductible of \$579,970. No reimbursements have been received to date. She said that there are twenty-one claimants on the 50% Report with claims totaling \$4,194,112. She said that there were 20 claimants on the FY19 policy period Excess Claims Report with total claims over \$8.5 million and excess claims over \$2.5 million. She said the CCMHG has received over \$2.3 million in reimbursements for the FY19 policy period with \$208,430 due to the Group. There were 74 claimants on the 50% report with total claims of \$14,740,316.

Diabetes Rewards Program Report:

The report included in the packet was the wrong report. A correct, up to date report will be sent later.

PBIRx Report:

Bob Kademian, RPh offered to do *lunch and learns* for the CCMHG governmental units. The last 6 months of data through December indicated an average per member per month Rx cost of \$122.48. Blue Cross, with two thirds of members, was \$134.89 and Harvard Pilgrim \$96.48 before rebates. Blue Cross increased costs but are giving \$1.96 in guaranteed rebates. Harvard Pilgrim is giving additional Rx rebates.

Noreen Mavro-Flanders said that the MMRA is looking at ways to reduce costs by focusing on, or possibly carving out, specialty drugs. In 2020 specialty drugs could be over 50% of the total Rx spend.

Joint Purchase Agreement – recommended amendments:

Noreen Mavro-Flanders said that the Steering Committee reviews the Joint Purchase Agreement (JPA) periodically and brings recommendations to the Board. She said this is the second reading of the recommended amendments. The recommendation from the Steering Committee was to take out the words “and vote at least 10 days before” in Article 11.

Previous proposed changes to Articles 8, 10, and 11 clarified what happens now with eligibility determinations, rate setting, and notifications regarding changes in levels of coverage.

Skip Finnell motioned to approve the Steering Committee recommendation for the revised Joint Purchase Agreement.

Motion

Miriam Spencer seconded the motion. The motion passed by unanimous vote.

Carol Cormier recommended each governmental unit sign and return the document with the amendments to GBS.

FY21 Recommended Rates for Active Health and Dental Plans:

Noreen Mavro-Flanders asked Carol Cormier to review the FY21 rate packet.

Ms. Cormier explained that the health and dental plans and GBS make independent claims projections and then build rates by adding in the fixed costs, like administrative costs and reinsurance premiums, to the projected claims costs. She said the Steering Committee compares the GBS and health plan projections and various other rating scenarios that GBS creates. She said the projections indicated a need for more than \$145 million to cover costs= health and dental. Four health plan rate scenarios were developed for review.

Scenario A – Lower of two projections, 2.8% increase across the board

Scenario B - Health plan projections, 4.1% increase across the board

Scenario C- GBS projections, 5.2% increase

Scenario D- Highest of two projections for each plan, 6.3% increase

Carol Cormier said the Steering Committee reviewed and discussed the fund balance and recommended a zero percent increase for FY21 since the fund balance well exceeds the target as set by the Fund Balance Policy.

Skip Finnell said that current reserve for health plans is \$36M. That is currently \$19M over the high top of the target band.

Noreen Mavro-Flanders also indicated that a rate stabilization fund would help prevent large increases in rates going forward.

Carol Cormier reviewed the dental plan rate projections from Delta Dental and from GBS showing that both sets of projections indicated negative rate action. She said she recommends holding the rates at the current levels, i.e. 0% rate increase.

Skip Finnell motioned to adopt a zero percentage rate increase for FY21 for both health and dental plans.

Motion

Jillian Douglas seconded the motion. The motion passed by unanimous vote.

Health Plan reports:

Delta Dental - Nina Conroy asked everyone to please inform her of any health fairs scheduled.

BCBSMA – Gabrielle Pitcher introduced Julie Scansaroli, BCBS Account Representative, and asked everyone to schedule health fairs with her. She also said that Blue Cross is adding Acupuncture to its fully insured plans. The benefit would be 12 visits per year at the specialist co-pay. The cost is \$.10 per member per month, and the group would have to opt out of the benefit if it does not want to add it. She said high deductible health plans are removing the deductible from Narcan. BCBSMA is also adding the Smart 90 program through which members can get a 90-day supply of medications at CVS pharmacies at the mail order price. Current 30-day prescriptions would need a new prescription.

Skip Finnell said that the Steering Committee would like to look at more information and asked for authority from the Board to review at the February meeting and make a decision.

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Jillian Douglas motioned to allow the Steering Committee to review available information on the BCBS proposed programs at its February meeting and vote after review.

Motion

John Kelly seconded the motion. The motion passed by unanimous vote.

Harvard Pilgrim – Bill Hickey said he would look into Acupuncture and let the Steering Committee know regarding cost. He said it could be added as a rider if the CCMHG wishes. He said that the transition of Aetna to Silverscripts went well. He also asked to be contacted for upcoming health fairs.

Debra Blanchette asked if there was going to be a weight loss program such as Weight Watchers added to HPHC plans.

Mr. Hickey responded that there are current discount programs but no specific contract.

Next meetings –

Noreen Mavro-Flanders said the next Steering Committee meetings are February 26, 2020 at Barnstable Town Hall and March 25, 2020 at a location to be determined.

Ms. Flanders said that on April 29, 2020 there would be a Steering Committee meeting at 9:00 AM followed by a Board meeting at 10:00 AM.

There was no other business.

The Chair, Noreen Mavro-Flanders, adjourned the meeting at 11:56 PM.

*Prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.*