

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

**Board Meeting**

Wednesday, February 3, 2021 10:00 AM

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, February 3, 2021 at 10:00 AM. 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
Denise Coleman	Town of Falmouth
Erin Orcutt	Cape Cod Regional Technical High School
Susan Wallen	Nauset Regional High School
Bob Whritenour	Town of Oak Bluffs
Robert Rolanti	Barnstable County Retirement
Christine Tetreault	Barnstable County Retirement
Krystal Abrams	COMM Fire District
Alexandra Jackson	COMM Fire District
Raymond Pirrone	Cotuit Fire/ West Barnstable Fire
Erika Correia	Town of Dennis
Deborah Heemsoth	Town of Dennis
Susan Laak	Town of Eastham
T K Menesale	Buzzards Bay Water District
Miriam Spencer	Town of Wellfleet
Elise Zarcaro	Town of Provincetown
Alexander Williams	Town of Provincetown
Beth Deck	Cape Cod Collaborative
Maggie Downey	Cape Light Compact
Nancy Cushing	Barnstable County
Tracy Scalia	Town of Mashpee
Richard Buffington	Barnstable Fire District
Amy Bullock	Town of Harwich
Megan Downey	Town of Chatham
Sheryl McMahon	Dennis Water District
Jennifer Kelson	Bourne Water District
Karen Scichilone	Cape Cod Lighthouse Charter
Michael Macmillan	Monomoy
Ellen Bearse	Monomoy
Maureen Fruci	North Sagamore Water District
John Kelly	Town of Orleans
Darrin Tangeman	Town of Truro
Kelly Sullivan Clark	Town of Truro
Verna Lafleur	Hyannis Fire

*CCMHG Board meeting, 02/03/2021*

Gayle Clark  
Kathy Logue

Upper Cape Regional Voc  
Town of West Tisbury

**Guests Present:**

Rich Bienvenue, CPA  
Deanna Desroches  
Triva Emery  
Brian Callow  
Barbara Howard  
Sarah O'Reilly  
Melanie Becker  
Heather Michaud  
Brian LaValley  
Cynthia Richards  
Pam Bennett  
Jeff Morassi  
Bob Kademian, RPh  
Robert Knowles  
Bernard Edwards  
Julie Scansaroli  
Bill Hickey  
Nina Conroy  
Fred Winer  
Corin Tasso  
Patty Joyce  
Chris Collins  
Carol Cormier  
Joseph Anderson  
Karen Quinlivan

CCMHG Treasurer  
CCMHG Wellness Consultant, Mainland  
CCMHG Wellness Consultant, Vineyard  
Rockland Trust Investments  
Rockland Trust Investments  
Town of Yarmouth  
Town of Chilmark  
Town of Wellfleet  
Town of Eastham  
Town of Orleans  
Town of Tisbury  
Mass Teachers  
PBIRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Blue Cross Blue Shield of MA (BCBSMA)  
Blue Cross Blue Shield of MA (BCBSMA)  
Harvard Pilgrim Health Care (HPHC)  
Delta Dental Plan of MA  
Tufts – Retiree Plans  
Abacus Health Solutions  
Abacus Health Solutions  
CanaRx  
Gallagher Benefit Services, Inc. (GBS)  
Gallagher Benefit Services, Inc. (GBS)  
Gallagher Benefit Services, Inc. (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:04 AM. She said that the meeting was being recorded and asked if there were any objections. There were none.

Ms. Mavro-Flanders asked for a roll call of Board members present who will be voting. The following voting members were present:

Debra Blanchette	Barnstable	Nancy Cushing	Barnstable County
Robert Rolanti	Barnstable County Retirement	Richard Buffington	Barnstable Fire District
Jennifer Kelson	Bourne Water District	Lisa Vitale	Brewster
T K Menesale	Buzzards Bay Water District	Beth Deck	Cape Cod Collaborative
Maggie Downey	Cape Light Compact	Karen Scichilone	Cape Cod Lighthouse Charter
Erin Orcutt	Cape Cod Regional Tech	Krystal Abrams	Comm Fire
Raymond Pirrone	Cotuit Fire	Erika Correia	Dennis
Sheryl McMahon	Dennis Water District	Skip Finnell	Dennis Yarmouth RSD
Susan Laak	Eastham	Denise Coleman	Falmouth
Amy Bullock	Harwich	Tracy Scalia	Mashpee
Michael MacMillan	Monomoy RSD	Susan Wallen	Nauset Schools
Maureen Fruci	North Sagamore Water District	John Kelly	Orleans
Elise Zarcaro	Provincetown	Darrin Tangeman	Truro

*CCMHG Board meeting, 02/03/2021*

Gayle Clark                      Upper Cape Regional Voc Miriam Spencer                      Wellfleet  
Raymond Pirrone              West Barnstable Fire              Noreen Mavro-Flanders Chair/Dukes County  
Robert Whritenour              Oak Bluffs

**Approval of the minutes of the October 21, 2020 Board meeting:**

Skip Finnell motioned to accept the minutes of the October 21, 2020 Board meeting as presented.

Motion
--------

Beth Deck seconded the motion. There was a roll call vote.

Debra Blanchette	yes	Nancy Cushing	yes
Robert Rolanti	yes	Richard Buffington	No response
Jennifer Kelson	yes	Lisa Vitale	yes
T K Menesale	yes	Beth Deck	yes
Maggie Downey	no response	Karen Scichilone	yes
Erin Orcutt	yes	Krystal Abrams	yes
Raymond Pirrone	yes	Erika Correia	yes
Sheryl McMahon	yes	Skip Finnell	yes
Susan Laak	yes	Denise Coleman	yes
Amy Bullock	yes	Tracy Scalia	yes
Michael MacMillan	yes	Susan Wallen	yes
Maureen Fruci	yes	John Kelly	yes
Elise Zarcaro	yes	Darrin Tangeman	yes
Gayle Clark	no response	Miriam Spencer	yes
Raymond Pirrone	yes	Noreen Mavro-Flanders	yes
Robert Whritenour	yes		

The motion passed by majority vote.

**Investment Committee Report and Investment Manager's Report:**

Debra Blanchette, Investment Subcommittee Chair, said that as of 12/21/2020, there was \$19,083,977 in the Rockland Return Seeking account and \$2,319 in the Capital Preservation account. At the last Board meeting, the healthy fund balance was discussed. A plan was developed that beginning December 1, 2020 and over the next three quarters, \$3.4 M was to be moved each quarter into the current Return Seeking account. Ms. Blanchette said the Committee is comfortable with how the account was invested and decided to add to it rather than open a new account. The plan is in motion and funds should be moved shortly.

Debra Blanchette introduced Brian Callow and Barbara Howard from Rockland Trust to provide the Investment Report.

Brian Callow, Rockland Trust, said that rather than go over all information in detail, he would provide a brief overview of current market conditions and quarterly performance. Mr. Callow reviewed the Return Seeking account target allocation and portfolio allocation as of 12/31/2020. Allocation is within compliance with a goal of maintaining strength. The portfolio complies with the Investment Policy. Volatility in the market has increased and has maintained elevation. Interest rates are currently very low. The returns show positive results for both the fiscal year and year to date. The five largest stocks are 23% of the S & P and have returned 56% YTD. The other 495 have gained 11%. One-year rate of return is 9.58% and 5 year is 7.39%.

**Treasurer's report:**

Treasurer, Rich Bienvenue, CPA, reviewed the Unreserved Fund Balance policy. It previously established a fund balance range between 8-12% of prior years' expenses for working capital. Furthermore, the group may maintain additional funds for rate stabilization purposes. An investment pool was established which has had great returns over the years and accounted for a good deal of excess funds in the fund balance. Claims experience over that last few years has been lower than funding, which has also driven up fund balance. A multi-year perspective to examine relevant factors in setting rates considers projected costs, unreserved fund balances, rate structures and the current economic environment with an overall goal of rate stability. Through the rate setting process, the Group will strive to cover 100% of projected costs for the coming year. This can be done through rates or through a combination of rates and use of the Unreserved Fund Balance.

Mr. Bienvenue reviewed financial reports (unaudited figures) through December August 31, 2020. He said there was \$50.2M in the Trust Fund as of 06/30. Current year earnings are \$9.9M. Total equity as of 12/31/20 is \$60.1 M. There has been very good claims experience. The group is in a very good position going into the rate-setting season for the coming year. The FY20 audit is complete. A risk assessment analysis by a sub-committee of the Steering Committee addressed material deficiencies in previous audits and removed it from the FY20 Management letter.

Mr. Bienvenue produced a spreadsheet of Target Fund Balance based on FY20 claims for both health and dental. It examined actual claims over the most recent 12 months, compared them to Actual Fund Balance, and desired power band funding. Using the highest 12% targeted funding amount, health had \$35M in excess and dental had \$6M in excess.

Noreen Mavro-Flanders asked that all units share the copy of the FY20 audit report that was recently released.

**Wellness Reports:**

Mainland Wellness Report – Deanna Desroches, Mainland wellness consultant, said the February edition of Your Health Matters newsletter is in progress. Couch to 5K hybrid program in Harwich town Hall will be beginning on March 18, 2021. An 8-week walking series will start on Sunday mornings with locations alternating between Yarmouth Port and Barnstable village. A retiree program in Yarmouth starts this week on Tuesday and Thursday mornings. The Spring Steps Challenge will begin on April 12, 2021. There are currently 692 members on the wellness portal. The goal is to reach 1,000 members. The Fruit and Veggie challenge wrapped up with 29 of the 45 members successfully completing the challenge. Maintain Don't Gain had 107 members that weighed in and 65 that weighed out. Collectively the group lost 190.55 pounds. Upcoming pilot programs include. Pickleball. Tennis. Beginners Yoga and a dance party. Monthly Challenges coming up are a March Meatless Meal challenge and a Financial Wellness Challenge in April. The monthly blended Wellness lectures have been well received. March will hold a hybrid nutrition workshop and April will focus on financial wellness.

Martha's Vineyard (MV) Wellness Report – Triva Emery, Vineyard wellness consultant, provided her status report as of January. She said she is encouraged with the level of participation in programs. The morning walking group though not officially promoted, is staying steady with a Mon, Wed, Friday 7:30 meet time. The Mindful Movement winter session has 42 registrants, 36 of which are CCMHG members. Most are retired; however, there is a group of EMT's who are joining the weekly practice. A new series, Train your Mind, Open your Heart and Strengthen your Body began with 18 participants and ended with 20. Most have registered for the February session as well. The February focus will be on how adrenal health and blood sugar regulation are affected by the state of the nervous system. March will look at detoxification and gut health with tips and tools to support chronic illness. The May focus will be on tips and tools to support brain health. More and more people are registering for the CSA with Island Grown initiative. Shares are awarded by blind drawing and there are over 80 registrants for February. Community partnerships with the Vineyard Haven and

West Tisbury Library have helped with outreach to members. Currently 305 members participate that previously did not know about programs,

**Steering Committee Report:**

Skip Finnell said that bulk of the work of the Steering Committee is on the Agenda today. The audit was completed and the negative comment on the Management letter was removed. They are beginning to develop a policy that mandates oversight of financials by either the Chairman of the Board or appointed designee. The Steering Committee bid farewell to Gabrielle Pitcher from Blue Cross who retired after many years of dedicated service. The remaining focus has been on rate development.

**GBS Reports:**

Ms. Cormier reviewed the *FY21 Funding Rate Analysis report* with data through December (paid claims basis). The expense-to-funding ratio was 87.6%. All the plans are sufficiently funded. Master Health Plus is no longer actively promoted. The estimated Funding Surplus of \$9,121,980 includes reinsurance from the prior policy year. Dental expense-to-funding ratio was 72.6%.

Karen Quinlivan reviewed the *Reinsurance reports*. She said the FY20 policy period through December 2020 had 30 claimants with total claims in excess of the \$300K specific deductible of \$4,668,100. Total reimbursements of \$4,353,740 have been received to date with \$314,740 outstanding. She said that there are 56 claimants on the 50% Report with claims totaling \$10,987,263. For the FY21 period, there were 4 claimants with total claims in excess of the \$300K specific deductible of \$503,558. Total reimbursements of \$0 have been received to date with \$503,558 outstanding. The 50% Report for FY21 had 17 claimants with total paid claims of \$3,294,437.

**FY22 Rates and recommendations:**

Noreen Mavro-Flanders asked everyone to keep the spreadsheet that Rich Bienvenue, CPA presented earlier in the meeting as well as his financial report. For the last several years, the CCMHG has had Fund Balance levels that have exceeded the target levels set by the CCMHG Fund Balance policy. For the past three years, the CCMHG has left the monthly rates for active employee plans unchanged with the expectation that this would draw down the Fund Balance to within the targeted range. The decrease in fund balance did not happen. Given the cyclical nature of claims experience, holding rates rather than raising them to cover all the costs has its consequences over time. During periods when the Fund Balance has been spent down to desired levels, projected expenses will necessarily need to be fully funded through the rates. If the rates have been suppressed and are unrealistic, that could lead to a significant rate spike. To manage this potential, the Steering Committee is recommending a very modest rate increase for FY22 but is also recommending a one-month Premium Holiday. Premium Holidays reduce the fund balance but do not get the working rates out of synch with reality. A one-month Premium Holiday (paying 11 months versus 12 months) is equivalent to an 8.33% rate reduction on an annualized basis. So if a health plan has a 2% rate increase plus a premium holiday in FY22, this equates to a 6.5% decrease for both the employer and the employee for FY22.

Carol 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. Blue Cross increased administrative charges by 1.5%, Harvard Pilgrim increased by 2% and Delta Dental held at the current rate.

*CCMHG Board meeting, 02/03/2021*

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 \$179,669,724 to cover costs of health and dental. Several health plan rate scenarios were developed for review.

Scenario 1 - Lower of two projections for each health plan, 11.6% composite increase, dental holding the rate.

Scenario 2 - Steering Committee Recommendation, 2.8% composite increase plus a one month premium holiday using \$30,271,043 in Fund Balance, dental holding the rate

Overall expenses would go down 6.5% on premium with this scenario. Health and dental combined would be a composite increase of 2.7%.

Skip Finnell said that there was healthy debate at the Steering Committee level on rates and it was not a unanimous decision but there was a strong majority. The consensus was the rates have not gone up for three years and those in the majority thought that it was important to keep the rates moving without penalizing the government entities or members. The premium holiday is an integral part of that equation. The goal for the premium holiday is for it to occur in the first half of the fiscal year.

Skip Finnell motioned to increase the rates by a composite 2.8% increase for health with no change to dental and a month premium holiday.

Motion
--------

John Kelly seconded the motion.

There was discussion.

Sheryl McMahon asked the Steering Committee to explain the opposition in the prior Steering Committee voting. It was explained that there were 3 abstentions, no opposing votes.

Deb Blanchette said that she originally supported holding the rates the same with no premium holiday but has since put in more thought and agrees with the recommendation.

Erin Orcutt said that she still feels the same and would have preferred a zero percent rate increase for the year.

Carol Cormier said that the recommended scenario puts more money in the pockets of the towns and individual members than just holding the rates.

Sheryl McMahon said that she remembers large premium spikes as well as premium holidays. She believes that the recommendations sends a mixed signal and does not agree with the premium holiday.

Skip Finnell said that one of the things discussed is putting together a press release that addresses the overall premium decrease to educate the towns and employees on the overall impact of the rates.

There was roll call vote.

Debra Blanchette	yes	Nancy Cushing	yes
Robert Rolanti	yes	Richard Buffington	no response
Jennifer Kelson	yes	Lisa Vitale	yes
T K Menesale	yes	Beth Deck	yes
Maggie Downey	yes	Karen Scichilone	yes
Erin Orcutt	no	Krystal Abrams	yes
Raymond Pirrone	yes	Erika Correia	yes
Sheryl McMahon	no	Skip Finnell	yes

## *CCMHG Board meeting, 02/03/2021*

Susan Laak	yes	Denise Coleman	yes
Amy Bullock	yes	Tracy Scalia	yes
Verna Lafleur	no response	Michael MacMillan	yes
Susan Wallen	no	Maureen Fruci	yes
John Kelly	yes	Elise Zarcaro	yes
Darrin Tangeman	yes	Gayle Clark	no response
Miriam Spencer	yes	Raymond Pirrone	yes
Noreen Mavro-Flanders	yes	Robert Whritenour	yes

The motion carried by majority vote with 26 yes votes and three no votes.

### **Diabetes Rewards Program report:**

Patty Joyce presented a report of the Diabetes Care Rewards program through December 31, 2020. There are currently 243 members enrolled with 51% adherent and 66% annual adherence. There were 734 medications obtained with \$19,161 in estimated waived copays and estimated savings to CCMHG of \$75,497. There has been a slight dip in enrollment mainly due to people aging out of the program. Outreach is ongoing with both inbound and outbound calls. Ms. Joyce offered assistance for open enrollment if any group needs information. There is also a one-minute promotional video that she will be sending out for all to review and it can perhaps be uploaded to the CCMHG website. She will also be sending out an employee tool kit to everyone by the end of the week for February Heart month.

Deanna Desroches asked if they could get together after the meeting to discuss a cross promotional program.

### **PBIRx Report:**

Bob Kademian, RPh from PBIRx provided reporting through the month of December. He said that the estimated per member per month costs including rebates were \$123.02 last year and \$125.71 this year. The increase was 2.2%, which was not bad considering drug prices were up 9% in the market this year. Specialty drugs as a percentage of spend increased from 55% to 59%. Blue Cross Rx costs were up 5.9% net of rebates and Harvard Pilgrim costs were down 8% versus last year.

Mr. Kademian said that the Pillar Rx program was discussed at the Steering Committee level. It is a Blue Cross Blue Shield program that takes part of the value for copay cards for specialty medications and uses it for the benefit of the plan. The member still pays the same copay amount for the card but additional savings can be sent back to the group. There is no impact to the member, and the group can save about \$1.2M net of fees.

Noreen Mavro-Flanders asked how the rebates from the health plans were doing.

Mr. Kademian responded that the last of the rebates for the prior plan year should be coming in soon and he can report on the final PMPM costs.

Bill Hickey said that Harvard Pilgrim rebates are calculated on a calendar year basis and 2020 rebates should be available for the July billing.

### **COVID-19 update:**

Harvard Pilgrim - Bill Hickey reviewed the latest Covid-19 report from Harvard Pilgrim as of January 26, 2020. There were 119 positive cases, 1006 potential and 684 negative. There have been 4 inpatient admissions. Total inpatient costs were \$169,687. Total treatment and testing costs were \$ 453,519.

**Health Plan/vendor reports:**

CanaRx\_– Chris Collins said that CCMHG is on track for about \$500,000 in savings. Three things coming this year that will help with that is all three websites are being reformatted so that they are much more up to date as far as utilization. The employees will be able to order refills using the website. They are also adding customer satisfaction roles at CanaRx. Jim Riley will be available to help with mailings, postings and anything that individual units need. Working in conjunction with PBIRx, CCMHG will be getting targeted mailings on a monthly basis.

Delta Dental\_ Nina Conroy had nothing to report.

Tufts- Fred Winer said that the merger has gone through between Harvard Pilgrim and Tufts. Tufts will be overseeing the senior plans. Patty Blake, president of the senior plans division will be taking over the direction of that group.

Blue Cross- Noreen Mavro-Flanders welcomed Bernard Edwards as the new account executive to replace Gabrielle Pitcher. Bernard Edwards introduced himself and said that Bob Knowles would be included in all correspondence for the next several months. He would be providing his contact information as well.

Robert Knowles said he would provide a Covid-19 report as well as the Pillar Rx report for the group to review.

Harvard Pilgrim- William Hickey said that the merger between Harvard Pilgrim and Tufts had been approved on January 1, 2021. Business processes will need to be combined. Heritage products will operate in parallel for some time. There will be no change for several years to come.

**Other business:**

Next meetings –

Skip Finnell said the next Steering Committee meeting date will be on

Tuesday, March 23, 2021 9:00 AM,

The next Board meeting will be

Wednesday, Thursday, April 15, 2021 at 10:00 AM

There was no other business.

Skip Finnell motioned to adjourn the meeting.

Debra Blanchette seconded the motion. There was a roll call vote.

Debra Blanchette	yes	Nancy Cushing	yes
Robert Rolanti	no response	Richard Buffington	no response
Jennifer Kelson	no response	Lisa Vitale	yes
T K Menesale	yes	Beth Deck	yes
Maggie Downey	no response	Karen Scichilone	yes
Erin Orcutt	yes	Krystal Abrams	yes
Raymond Pirrone	yes	Erika Correia	yes
Sheryl McMahon	yes	Skip Finnell	yes
Susan Laak	no response	Denise Coleman	yes
Amy Bullock	yes	Tracy Scalia	yes



*CCMHG Board meeting, 02/03/2021*

Verna Lafleur	no response	Michael MacMillan	yes
Susan Wallen	no response	Maureen Fruci	yes
John Kelly	yes	Elise Zarcaro	yes
Darrin Tangeman	yes	Gayle Clark	no response
Miriam Spencer	yes	Raymond Pirrone	yes
Noreen Mavro-Flanders	yes	Robert Whritenour	yes

The vote passed by majority vote.

The Chair, Noreen Mavro-Flanders, adjourned the meeting at 12:05 P.M.

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