

# MINUTES OF THE CAPE COD MUNICIPAL HEALTH GROUP

## Board Meeting

Wednesday, April 26<sup>th</sup>, 2023, 10:00 AM

Barnstable County Offices  
Mary Pat Flynn Conference Room  
3195 Main St. Barnstable, MA 02630

## DRAFT

## MEETING MINUTES – NO QUORUM

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, April 26<sup>th</sup>, 2023 at 10:00 AM at Barnstable County Offices, Barnstable, MA. The following people attended the meeting:

### Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair  
Debra Blanchette  
Nancy Cushing  
Susy Holmes  
Richard Buffington  
Robert Howard  
Jennifer Kelson  
Lisa Vitale  
R Patrick Murphy  
Alexandra Jackson  
Megan Downey  
Raymond Pirrone  
Deb Heemsoth  
David Flynn  
Susan Lumping  
Joseph Powers  
Tracy Scalia  
Leanne Gray  
Michael MacMillan  
Susan Wallen  
Maureen Fruci  
Cathy Doane  
Theresa Johnson  
Alex Lessin  
Jill Beaumont  
Cameron Scott  
Raymond Pirrone  
Robert Whritenour

Dukes County  
Town of Barnstable  
Barnstable County  
Barnstable County Retirement  
Barnstable Fire  
Bourne Recreation Authority  
Bourne Water District  
Town of Brewster  
Cape Cod Collaborative  
COMM Fire  
Town of Chatham  
Cotuit Fire District  
Town of Dennis  
Dennis Yarmouth RSD  
Town of Falmouth  
Town of Harwich  
Mashpee  
Mashpee Water  
Monomoy RSD  
Nauset RSD  
North Sagamore Water  
Town of Orleans  
Sandwich Water  
Town of Truro  
Upper Cape Cod Voc  
Town of Wellfleet  
West Barnstable Fire District  
Town of Yarmouth

Kathy Logue

West Tisbury

**Guests Present:**

Rich Bienvenue, CPA  
Triva Emery  
Susan McKinney  
Beth Deck  
Molly Stevens  
Christine Ezersky  
Brian Callow  
Bob Kademian, RPh  
Caroline Burnham  
Lauren McCallum  
Patty Joyce  
Jim Riley  
Joseph Anderson  
Marianna Gil

CCMHG Treasurer  
CCMHG Wellness Consultant, Vineyard  
Town of Dennis  
Cape Cod Collaborative  
COMM Fire  
Town of Wellfleet  
Rockland Trust Investments  
PBIRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Harvard Pilgrim Health Care (HPHC)  
Abacus Health Solutions  
CanaRx  
Gallagher Benefit Services, Inc. (GBS)  
Gallagher Benefit Services, Inc. (GBS)

There was no quorum for the meeting, therefore, no votes were held.

Noreen Mavro-Flanders, Board Chair called the meeting to order at 10:10 AM.

**Investment Committee Report:**

Debra Blanchette shared that according to Rockland Trust, the return seeking fund currently holds \$27,374,548. The committee is scheduled to convene in the upcoming month. Other than that, there is no new update to report at this time.

**Investment Managers Report:**

Brian Callow addressed the recent bank failures in response to collapse of both Silicon Valley Bank and Signature Bank. On March 12, it was announced that the FDIC has been granted approval to fully protect all depositors of Silicon Valley Bank and Signature Bank, and that those banks' customers will have access to all of their funds. The Fed, FDIC, and the US Treasury also jointly announced the creation of the Bank Term Funding Program. This program will make funding available to help ensure that banks have the ability to meet the needs of all of their depositors in the future.

Rockland Trust continues to be in a strong financial position as it manages for the long-term by prioritizing sustainable banking practices. Mr. Callow explained that assets invested with Rockland Trust Investment Management Group are not part of the bank's balance sheet nor its lending portfolio. The assets are held in custody at a third party provider, SEI Investments Company. The bank participates in FDIC insurance to the limit available and offers collateralization for deposits above the FDIC limit. Rockland Trust ranks #7 of the top 100 banks in terms of diversified deposit base or 51.5% percentage of deposit less than \$250,000 as a percentage of total deposits. The analysis was measured by the analysts at RBC with Signature Bank listed at #96 and SVB Financial Group #99 all as of 4Q2022. Furthermore, SVB Bank had approximately \$173 billion in deposits spread across 40,000 customers whereas Rockland Trust has approximately \$15 billion in deposits spread across

300,000 customers or 9 times the customers with 10% the average amount of deposits. SVB Bank had 51% total exposure to the volatile Technology sector. Rockland Trust has a much safer, more structurally sound deposit and funding base. The securities portfolio that was exposed to interest rate movements for SVB Bank was 56.7% on their balance sheet whereas Rockland Trust (INDB) had 16.2%. The capital position for Rockland Trust was nearly twice that in percent of SVB Bank.

Mr. Callow reviewed the Rockland Trust packet. Page 3 is the compliance page that shows we are remaining on task to the allocation the group implemented and adhering to the plan that the Finance Committee and Steering Committees feel is the most appropriate manner to manage the funds. The portfolio's performance has been very strong across periods with the two largest parts of the portfolio, core fixed income and core equity dramatically outperforming the market during the market decline throughout 2022. In fact, the two core segments were in the top 10%, maybe top 5% of all strategies during the calendar year 2022. The portfolio was constructed to protect to the downside. Though not ideal to see negative 1-year returns to the portfolio, the portfolio experienced less downside than the market and the peer group – especially in the core asset classes. For the first quarter the performance remained robust on an absolute basis and more challenged relatively as the worst stock performers in 2022 have been the best performers thus far in 2023.

Page 11 of the packet shows the investment grade bond performance for the Bloomberg US Aggregate Index displays what an outlier last year was in terms of bond returns. No year since 1976 (and for decades prior) came close to where investors ended 2022. Low rates (1.5% area) to start the year and then increases of 200 – 300 basis points across the yield curve hit bond prices hard leading to the worst US Treasury bond returns is at least 4 decades. Page 12 shows the impact that the FED's rate increases has on the stock market and expected corporate earnings with the stock market declining over 18% for the calendar year. The difference between the two charts is that stock volatility is clearly shown on page 12 whereas 2022 was such an outlier in the bond market.

It was reemphasized the portfolio remains well constructed and ready for whatever comes next - challenging markets or good news and positive returns.

#### **HPHC Update:**

Lauren McCallum conveyed that on April 17<sup>th</sup>, Point32Health's IT team discovered a cybersecurity ransom incident. As a result, they have taken the necessary precautions and shut down all operations except email while the investigation continues. All parties, including regulators and authorities, have been notified. However, there is currently no timeline for when everything will be up and running again. The good news is that there will be no interruption of coverage for members. HPHC has reached out to provider partners and ensured that they will be paid when the systems are up. For the time being, prior authorizations have been suspended, but prescription drugs are not impacted as they utilize Optum as the PBM. If members need urgent care during this time, they can call a dedicated phone line. If you call member services, they will reroute you to that 800 number. HPHC is committed to complying with the laws of privacy and will notify the group and members as required if anyone's information was compromised during the investigation. A workaround has been drafted for new enrollees. For new hires to obtain an ID card, a paper enrollment will need to be completed and sent to HPHC. They will then enroll with a temporary ID that starts with P3 and an eligibility letter will be included in the new member packet. If a member needs urgent care before their card arrives, HPHC can provide a temporary ID card. HPHC hopes everything will be up and running by 7/1 for annual enrollment processing.

Starting July 1<sup>st</sup>, 2023, HPHC is bringing behavioral health services in-house. While building their own network of behavioral health providers, the existing United network will remain in place. This means that members will experience no disruption, except for the normal changes that may occur such as a provider leaving a practice. However, one major difference in leaving Optum will be the care management for behavioral health.

The public health emergency for COVID will be ending on May 11<sup>th</sup>. Starting May 12<sup>th</sup>, over-the-counter at home COVID tests will no longer be covered. For fully insured groups, the state of Massachusetts is mandating the continuation of coverage for testing done by providers, treatments, vaccinations, etc. However, since CCMHG is self-funded, they can do as they please. Usually, CCMHG follows state mandates, but if no action is taken, the status quo will remain except for over-the-counter tests. CCMHG Steering Committee took no action and the benefit going forward defaulted to the Massachusetts state mandate.

### **Treasurer's Report:**

Treasurer Richard Bienvenue, CPA reviewed the financial reports of February 28<sup>th</sup>, 2023 (unaudited figures). He reports that everything is on target for a good year-end. The fund balance through February 28<sup>th</sup> is slightly over \$47M. Mr. Bienvenue expects a slight improvement in March and overall the year is on course with what was projected. He was pleased communities are staying on top of billing with only two that have outstanding balance issues. Other issue is some entities have overpaid from the premium holiday and received credits. The dental fund continues to run well and no increase for FY24 is a good strategy.

Noreen Mavro-Flanders said the latest audit has been posted online.

### **GBS Reports:**

Joseph Anderson reviewed the FY23 Funding Rate Analysis (FRA) report with data through March 31<sup>st</sup>, 2023 (paid claims basis). March utilization was high and might be attributed to an increase in core utilization, as there were not a lot of large claimants as seen on the stop loss summary. The estimated funding surplus is over \$4M, which is great news and showcases the group is tracking well. Dental expense-to-funding ratio was 83% and continues to perform well. No changes to last fiscal year's stop loss report since last month.

Mr. Anderson said the FY23 period through March 2023 has 2 claimants with total claims in excess of the \$400k specific deductible of \$240k. Last fiscal year through March 2022, there were 9 claimants with total claims in excess of the \$400K specific deductible of \$675k. He mentioned that there is more utilization that is not reflected in the large payments but can be seen in the loss ratio. This could be due to severe illnesses during the winter months and a backlog of deferred surgeries from COVID. He also shared that the FY23 50% Report has 26 claimants with an updated total paid claim of \$8.7M.

Michael MacMillan highlighted that while the number of claims has increased, the number of large claimants has decreased. This may be due to many large claimants only starting out.

Mr. Anderson noted that in the process of setting rates for stop loss. Current claims experience suggests that increases might not be dramatic. He pointed out that because CCMHG is pooled with WSHG and Minuteman, there is better stop loss carrier market access due to the law of large numbers. Mr. Anderson also mentioned that he plans to provide an update on the stop loss during the July Board meeting.

### **Wellness Reports:**

Noreen Mavro-Flanders said that Deanna Desroches, Mainland wellness consultant, is not present but her report is in the packet.

Martha's Vineyard (MV) Wellness Report – Triva Emery provided an update on current programming. There is an introduction to golf and pickle ball clinics happening in April. Also, an HSA hybrid information session is scheduled with over 35 people registered. Walking and hiking programs are also in the works. Some of the ongoing programs like adaptive and chair yoga are doing great. However, some of the mindfulness programs are ending as the weather starts to allow more outdoor activities but committed to bringing them back in the fall. Also developing fly fishing and kayak programs for the summer. Finally, couch to 5k program has been doing amazingly well as had people go from never running two years ago to running the Boston marathon this year.

Noreen Mavro-Flanders reminded the Board that it is budget season for the wellness committee. The process will come to the Steering Committee in July. Kathy Logue said that Martha's Vineyard has been blossoming with its wellness efforts and hopes to increase the budget 15 to 20%.

#### **Steering Committee Report:**

Michael MacMillan said the Steering Committee met before the Board Meeting and did not have enough members present to establish a quorum. During the last meeting, the Steering Committee did successfully vote in Michael MacMillan as the new vice chair. Today discussed the legal standing and liability in case anything were to happen at a wellness event. Mr. MacMillan said Gallagher provided some helpful advice that joint purchasing groups like CCMHG are not typically targeted, which puts minds at ease that the risk is low. To further mitigate any potential risks, counsel representing CCMHG will be drawing up waivers for all future wellness program participants. Additionally, the Steering Committee received an update from HPHC which was also shared with the Board.

Patrick Murphy inquired about the rates of CCMHG in comparison to other JPGs. In response, Noreen Mavro-Flanders said that Cape Cod hospital rates are actually higher than the rest of the state, which explains why funding rates are different. Joe Anderson chimed in with a comparison of hospital prices, noting that Martha's Vineyard rates are at the top, whereas Falmouth and Cape Cod are positioned 5th and 6th, respectively. So shows higher costs plus being self-funded, so ultimately leads to higher rates.

Mr. Anderson said he would create a comparative chart that will include with the GIC, two to three JPGs, and some large stand-alone entities. He mentioned that it would not be feasible to compare all the groups, but he will be using the BCBS benchmark rates and plan design as a proxy for the State. He also explained that HPHC does not cover the entire state like BCBS, so while it can be included, it may not accurately reflect the group as a whole. He pointed out that on the other side of the bridge, reviewing apples to apples, rates fall within a 10% range.

Noreen Mavro-Flanders pointed out that if you go across the bridge, hospitals such as Beth Israel are half of the cost. Michael MacMillan requested to review the comparison at the next meeting.

#### **PBIRx Report:**

Bob Kademian, RPh from PBIRx provided reporting through February. He said that overall pharmacy plan costs have increased by 9% through February, which is good. The Traditional plan cost is up by 8.5%, while Specialty is



up by 10.5%. It is expected that March costs will be higher. PillarRx is doing a great job in helping to keep costs down. BCBS costs are up 5.5% over last year, while HPHC has increased by 21% over last year.

The first biosimilar for Humira has come out but not yet at a great discount. Mr. Kademian expects six to seven biosimilars by August. Each of them is inter-changeable with Humira, which means the pharmacist can enter a change for Humira without needing the prescribing doctor's permission. But the others will require permission. Back on January 1<sup>st</sup>, Skyrizi and Rinvoq changed, so they will no longer be available through CanaRx at a discount. PBIRx is continuing to audit claims each year and CCMHG received \$130k more this year from audits than from last year. PBIRx is doing webinars with pharmacy tips on how to get more out of pharmacy without paying more. These webinars will be happening on May 8<sup>th</sup> in the morning, May 17<sup>th</sup> midday, and May 18<sup>th</sup> in the late afternoon. CanaRx and Abacus will also be joining the 20-minute sessions.

### **Health Plan/Vendor Reports:**

CanaRx- Jim Riley said that CCMHG's savings for the most recent quarter were over \$100k and trending towards \$400k savings over the year. There have been nine events attended by CanaRx over the last few weeks for CCMHG open enrollment sessions, and the postcards have received really positive feedback. Mr. Riley mentioned that he hopes he can improve tracking of enrollment in future meetings.

Noreen Mavro-Flanders said she is looking for someone who could do a testimonial for the program. She thought it would add more authenticity and provide a strong endorsement to be added to a future postcard.

Blue Cross – Caroline Burnham shared that BCBS will be following MA guidelines as related to COVID-19 upon the COVID-19 public health emergency ending. Starting May 12<sup>th</sup> COVID-19 diagnostic tests ordered by providers, vaccinations, and treatments will remain no cost to members. However, it is important to note that the original policy for OTC COVID kits return and they will no longer be covered. That being said, members can still use their FSA/HSA dollars to cover the costs. Additionally, Ms. Burnham mentioned that the PillarRx program has seen great success since it was launched in October of last year. To date, the program has enrolled 30 members utilizing 80 medications, resulting in an impressive \$215k in savings.

Delta Dental – Nina Conroy said the health fairs have been going really well. Everyone is happy the calendar year max has been increased. However, Ms. Conroy did mention that she would like to see better coordination of the health fairs in the future. She also suggested some type of distribution list to ensure that all vendors are properly notified.

### **Other Business:**

The next Steering Committee meetings will be held May 24<sup>th</sup>, June 21<sup>st</sup>, and July 26<sup>th</sup>. The next Board meeting is July 26<sup>th</sup>.

Noreen Mavro-Flanders expressed her disappointment with PinnacleCare's postcards to launch the program to the retiree population. She felt that the postcards had too many SunLife references and disclaimers, but lacked information about CCMHG and the services provided by PinnacleCare.

Kathy Logue said she was excited about PinnacleCare launching for the senior population but was frustrated that they did not attend the annual enrollment health fairs.

There was no other business

The Board Chair, Noreen Mavro-Flanders adjourned the meeting at 11:26 AM.

---

*Minutes prepared by Marianna Gil  
Gallagher Benefit Services, Inc.*