

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

Board Meeting

Wednesday July 20, 2022 10:00 AM
Barnstable Town Hall
367 Main St, 2nd Floor Hearing Room
Hyannis, MA 02601

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 20, 2022 at 10:00 AM at Barnstable Town Hall, Hyannis 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
Debra Blanchette	Town of Barnstable
Justyna Marczak	Barnstable County
Robert Howard	Bourne Recreation Authority
Jennifer Kelson	Bourne Water District
Lisa Vitale	Town of Brewster
Jean Garvey	Buzzards Bay Water District
Beth Deck	Cape Cod Collaborative
Krystal Abrams	COMM Fire
Raymond Pirrone	Cotuit Fire District
Laurie Barr	Town of Eastham
Amy Bullock	Town of Harwich
TK Menesale	Hyannis Fire
Tracy Scalia	Town of Mashpee
Leanne Gray	Mashpee Water District
Michael MacMillan	Monomoy RSD
Susan Wallen	Nauset RSD
Alex Lessin	Town of Truro
Cameron Scott	Town of Wellfleet
Raymond Pirrone	West Barnstable Fire District
Robert Whritenour	Town of Yarmouth

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Triva Emery	CCMHG Wellness Consultant, Vineyard
Alexandra Jackson	COMM Fire
Susan Checklick	Town of Mashpee
Maya Golding	Town Of Eastham
Brian Callow	Rockland Trust Investments

Barbara Howard
Bob Kademian, RPh
Robert Knowles
Julie Scansaroli
Lauren McCallum
Nina Conroy
Patty Joyce
Eric Andrews
Chris Collins
Jim Riley
Carol Cormier
Joseph Anderson
Marianna Gil
Karen Quinlivan

Rockland Trust Investments
PBIRx
Blue Cross Blue Shield of MA (BCBSMA)
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
Delta Dental Plan of MA
Abacus Health Solutions
Abacus Health Solutions
CanaRx
CanaRx
Gallagher Benefit Services, Inc. (GBS) (retired)
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Approval of the minutes of the April 5, 2022 Board meeting minutes:

Skip Finnell motioned to accept the minutes of the April 5, 2022 Board meeting as presented.

Motion

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

Noreen Mavro-Flanders asked Carol Cormier to step forward. She presented to her on behalf of the group several gifts thanking her for her 31 years of dedicated service to the group. She thanked her for her advocacy, advice and friendship to the group.

Ms. Cormier said she was the beneficiary of the relationship and is sad to be losing her relationship with the group. She said it has been a pleasure and an honor serving the group.

Investment Committee Report and Investment Manager's Report:

Debra Blanchette, Investment Subcommittee Chair, said that the Investment subcommittee of the Steering Committee consisting of herself, Rich Bienvenue and Erin Orcutt met with Brian Callow and Barbara Howard of Rockland Trust on April 28 to do an in depth review of the portfolio and discuss whether or not to continue moving funds into the return seeking account as has been done in the past. The decision was to hold off and stay the course to see what happens with the market. The topic will be revisited in the fall. There is currently over \$25M in the portfolio. She introduced Brian Callow to present his report through June.

Brian Callow, said that it has been 2 ½ years since the group had met in person. He provided a brief overview of current market conditions and quarterly performance. Mr. Callow reviewed the Return Seeking Account target allocation and portfolio allocation as of 06/30/2022. The portfolio allocation is within compliance with a goal of maintaining strength. The portfolio complies with the Investment Policy. Fiscal year/quarter to date returns were -7.28%. One year returns were -5.83%. It has been a tough year so far with benchmark down almost 10%. The goal is diversification for protection of the portfolio. The Fed is combatting inflation with interest rates. Interest rates are up and bond prices are down. The stock market is down 20% year to date. There has not been a rush out of the markets. Inflation is up but the Fed will be looking for it to ebb. Bonds have been down as well as stocks but there is usually a recovery a full year later.

Alex Lessin asked the thought process for the Investment Committee to hold investment movement.

Debra Blanchette said that fund balance, claims experience, cash flow are all factors.

Rich Bienvenue said that the Investment Committee talks about this every time they meet. The goal is to not invest in anything that is not long term. The goal is 3-5 years.

Treasurer's report:

Treasurer Richard Bienvenue, CPA reviewed the financial reports of April 30, 2022 (unaudited figures). Cash is down quite a bit because there was a premium holiday in the month of December which had a \$12M effect on the group's financial position. The holiday had a troublesome impact on many of the member units in that many have credits. He would like to help to resolve those so that the books can be cleaned up. He would encourage units to contact him. Many paid December in error and some didn't pay but had retroactive enrollments. The return for the first ten months of the year is a negative \$18M including the premium holiday. Trust fund balance is intentionally being drawn down. Rates were underfunded to use some of the excess surplus. The current surplus is \$41.5M or 25% of claims. The policy of 8-12% of claims would enable the group to consider a rate stabilization fund for the excess. The reason for surplus typically has been RDS returns in the past and the good returns of the Investment Fund. The Dental Fund has a fund balance of \$7.36M. There have not been premium increases for three years. There is a proposal to increase benefit levels because of that healthy fund balance.

GBS Reports:

Joseph Anderson reviewed the *FY22 Funding Rate Analysis (FRA) report* with data through May 31, 2022 (paid claims basis). The composite expense-to-funding ratio was 111.3%. This was anticipated because of the Premium Holiday in December and the underfunded rates. The estimated Funding Deficit was \$14,223,162 for the prior 11 months. Vigilance is warranted but the group has a healthy balance. Dental expense-to-funding ratio was 89.9%.

Karen Quinlivan reviewed the *Reinsurance reports*. She said the FY21 policy period through May 2022 had 25 claimants with total claims in excess of the \$300K specific deductible of \$4,307,080. Total reimbursements of \$4,279,275.32 have been received to date with outstanding reimbursements due of \$70,236. She said that there are 62 claimants on the 50% Report with claims totaling \$12,163,678. For the FY22 period through May there were 15 claimants with total claims in excess of the \$400K specific deductible of \$1,536,960. Total reimbursements of \$0 have been received to date with an outstanding reimbursement balance due of \$1,536,960. She said that there are 42 claimants on the 50% Report with claims totaling \$11,572,115.

Noreen Mavro-Flanders said that Stop Loss is facilitated through the Massachusetts Municipal Reinsurance Arrangement (MMRA). It would be a good idea for Board members to become familiar with the arrangement. Skip Finnell is the Board representation for CCMHG and he will be stepping down in October and the CCMHG will need a new representative.

Wellness Reports:

Martha's Vineyard (MV) Wellness Report – Triva Emery, was unable to attend the meeting but programming is going well.

Mainland Wellness Report – Deanna Desroches, Mainland wellness consultant, said the Couch to 5K program will be offered in the spring of 2023. There is a lot of waling going on. Saturday morning walks in Yarmouth ended on May 21st but are ongoing in Yarmouth on Tuesday and Thursday mornings. The Spring Steps challenged ended and the Summer Steps Challenge enrollment is now open. Walking on Saturday mornings will resume in Yarmouth on September 10th. There will be hiking for eight weeks at various locations on the Cape on Sunday mornings in October. The Wellness Portal has 758 members registered. Upcoming programs include Strength Training, Pilates, Yoga, Financial Wellness, and Learn to Cook. Benefits Fairs were quite

successful in the spring and there were 149 member biometric screenings. Mental Health will be a focus going forward and there will be monthly programming aimed at stress reduction.

Noreen Mavro-Flanders said that the Steering Committee approved the FY23 Mainland and Vineyard wellness budgets giving each consultant a \$5 hourly increase.

Steering Committee Report including vacancies:

Noreen Mavro-Flanders said that there have been a number of personnel changes that have led to vacancies at the Steering Committee level. Denise Coleman has left Falmouth and gone to Dartmouth. Elise Zarcaro has gone to Bourne and they are not a member of CCMHG. Skip Finnell will be stepping down in October. History and stability is leaving and that needs to be built back up. There is a need for people to step up. Deb Blanchette is retiring and the town has agreed for her to represent for a period of time. Right now there are two vacancies. One person has stepped forward at this time. Laurie Barr from Eastham introduced herself as the Board representative and Human Resources Director for the Town of Eastham. She would like to play an active role as well. Michael MacMillan, Board delegate from the Monomoy RSD introduced himself and said that he has been working in finance for Monomoy and would like to serve on the Steering Committee going forward.

Skip Finnell motioned to name Laurie Barr and Michael McMillan to serve on the CCMHG Steering Committee for the remainder of this year and a general election vote will take place in October.

Motion

Debra Blanchette seconded the motion. The motion passed by unanimous vote.

Delta Dental plan report and proposal to change the annual benefit maximum:

Joe Anderson said that there has been a lot of feedback in regards to the dental plan having an annual maximum of \$1,000. It has been that way for about 20 years. The marketplace is closer to \$1,500. Delta Dental examined utilization for the last three years. Utilization has been steady and predictable. The cost at the next renewal would be \$800,000 additional at the next renewal to increase the benefit. The fund balance in the dental fund can afford the increase. The increase would be for the next renewal.

Skip Finnell said the Steering Committee is recommending to the Board that the benefit max increase to \$1,500 for contributory and voluntary dental effective 07/01/2023.

Motion

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

Affordable Care Act “Affordability mandate” and recommendation:

There was prior discussion regarding CCMHG offering and affordable plan option to help member units avoid penalties for not meeting the affordability definition under ACA. Blue Cross designed a plan that could be offered by member units to meet the criteria and units could bargain to offer the plan.

Joe Anderson said that the hurdle to offering the plan is that a minimum value has to be met. If the plan is offered off anniversary, any member charges that would be reset at open enrollment would negate the minimum value qualification on the plan. It would be better to offer the plan at open enrollment next year.

Skip Finnell said that CCMHG can offer the plan and each respective member unit can decide whether they want to offer it and decide on whether to bargain it.

Skip Finnell motioned to adopt an affordable plan under ACA effective 07/01/2023.

Motion

Debra Blanchette seconded the motion. The motion passed by unanimous vote.

BCBS Pillar Rx program:

As part of the annual RFP for the prescription drug program that PBIRx did, the proposal from Blue Cross had the Pillar Rx overlaid on the existing plan for an additional savings of \$1.2M. There would be 173 members impacted. They would enroll in the plan coupon program and receive their drugs from the exact same source as before as part of Pillar Rx. Legal counsel was consulted regarding members that might not enroll in the plan. If a member does not enroll, there would be a 30% copay for the cost of the drug. PillarRx has the ability to accept a retroactive enrollment for the program and reimburse any costs a member may experience. Legal counsel said that the fact that there is remediation would not require bargaining. Copays under the program are actually lower than previously without the program.

Noreen Mavro-Flanders said that the Board voted to move forward at the last meeting with Pillar Rx. This is just a clarification for the Board on the question of bargaining.

PBIRx report:

Bob Kademian, RPh from PBIRx provided reporting through the month of April. He said that the combined estimated per member per month prescription drug costs including Rx rebates were \$129.96 last year and \$152.08 this year. The increase was 17.01%. Traditional drug costs were up 8.56% while specialty med costs were up 23.21%. Blue Cross Rx costs were up 14.95% net of rebates, and Harvard Pilgrim costs were up 25.69% versus last year. Increased utilization of specialty drugs is what is driving costs. One of the components of the BlueCross program is to utilize the PillarRx program with the potential for \$1.2M in savings.

Abacus report on Diabetes Care Rewards Program:

Patty Joyce presented a report of the Diabetes Care Rewards program through April 30, 2022. There are currently 248 of eligible members enrolled with 56% adherent and 44% annual adherence. There were 1,327 medications obtained with \$28,796 in estimated waived copays and estimated savings to CCMHG of \$130,553. There have been \$112,168 in rebates. Outreach is ongoing with both inbound and outbound calls as well as a texting platform that has been working well. There have been registration incentives and quarterly flyers to reach non-registered members. On demand webinars have proven to be a great success as well.

Noreen Mavro-Flanders said that the next meeting will be on September 21, 2022 at the Martha's Vineyard Transit Authority. Members are encouraged to attend and asked to let Karen Quinlivan know of planned attendance. Everyone usually takes the Island Queen from Falmouth Heights.

The next Board Meeting will be at Barnstable Town Hall on October 19, 2022 at 10:00 AM.

Pinnacle Care update:

Joseph Anderson said that Michael Hurley is on paternity leave.

Karen Quinlivan said that there have been 9 reported engagements since the program started on May 1st. An eligibility file was provided to Pinnacle and a postcard mailing will be going out to let people know about the program.

Health Plan/vendor reports:

Harvard Pilgrim – Lauren McCallum introduced herself as Bill Hickey’s replacement. The PBM will be changing to Optum for Point 32 Health as of 01/01/2023. Optum will be the specialty provider going forward as well. A Travel benefit is offered for the fully insured population in response to the change in state and federal laws pertaining to abortion. Members that need to travel more than 100 miles to receive covered benefits can receive benefits up to \$2,500 or \$5,000 annually. It can be retroactive for self-funded groups to June 1st or can be elected for a future date.

Noreen Mavro-Flanders asked for information to discuss at a future meeting.

Blue Cross – Robert Knowles said that they have a travel rider as well. The financial impact is very minor. Budgeting will not be impacted. There is a webinar on their website. The PBM will change on 01/01/2023 to CVS Caremark. There will be formulary changes that will be communicated in advance.

Tufts -Fred Winer said that Tufts will change to Optum for the PBM as of 01/01/2023. Nothing will be changing for the senior side for several years.

CanaRx- Jim Riley said that the savings for the group is slightly decreased. This year the trend is projecting savings of \$465,000 this year. Analysis reveals that there is an additional \$2M in savings for the group. Strategies are being implemented find out why people may have stopped going to CanaRx and working to incentivize them back. Better communications are being developed for Benefit Administrators to use to drive utilization as well.

Other business:

There was no other business

Skip Finnell motioned to adjourn.

Motion

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

The Board Chair, Noreen Mavro-Flanders adjourned the meeting at 12:15 PM.

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