

# MINUTES OF THE CAPE COD MUNICIPAL HEALTH GROUP

**Board Meeting**  
Wednesday, July 26<sup>th</sup>, 2023, 10:00 AM

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

## MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 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  
Susy Holmes  
Richard Buffington  
Robert Howard  
Paul Moriarty  
Lisa Vitale  
Erin Orcutt  
R Patrick Murphy  
Molly Stevens  
Megan Downey  
Raymond Pirrone  
Susan McKinney  
David Flynn  
Laurie Barr  
TK Menesale  
Michael MacMillan  
Susan Wallen  
Kimberly Newman  
Katie Buckley  
Jill Beaumont  
Wendy Saunders  
Alex Williams  
Raymond Pirrone  
Robert Whritenour

Dukes County  
Town of Barnstable  
Barnstable County Retirement  
Barnstable Fire  
Bourne Recreation Authority  
Bourne Water District  
Town of Brewster  
Cape Cod Collaborative  
Cape Cod Regional Tech  
COMM Fire  
Town of Chatham  
Cotuit Fire District  
Town of Dennis  
Dennis Yarmouth RSD  
Town of Eastham  
Hyannis Fire District  
Monomoy RSD  
Nauset RSD  
Town of Orleans  
Town of Provincetown  
Upper Cape Cod Voc  
Veterans Services  
Town of Wellfleet  
West Barnstable Fire District  
Town of Yarmouth

**Guests Present:**

Rich Bienvenue, CPA  
Deanna Desroches  
Eric Diamond  
Brian Callow  
Bob Kademian, RPh  
Caroline Burnham  
Lauren McCallum  
Fred Winer  
Patty Joyce  
Jim Riley  
Karen Quinlivan

CCMHG Treasurer  
CCMHG Wellness Consultant, Mainland  
Hyannis Fire  
Rockland Trust Investments  
PBIRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan  
Abacus Health Solutions  
CanaRx  
Gallagher Benefit Services, Inc. (GBS)

Noreen Mavro- Flanders, Board Chair called the meeting to order at 10:08 AM.

**Approval of the minutes of the February 8, 2023 Board meeting minutes and meeting notes of April 26, 2023:**

Robert Whritenour motioned to accept the minutes of the February 8, 2023 Board Meeting.

Motion

Deb Blanchette seconded the motion.

The motion passed by unanimous consent.

Laurie Barr motioned to accept the notes of the April 26, 2023 Board Meeting.

Motion

Bob Whritenour seconded the motion.

The motion passed by unanimous consent.

**Investment Committee Report:**

Debra Blanchette shared that excess funds are being placed in the capital preservation fund to take advantage of short-term increased interest rates. Excess funds of approximately \$8M are sitting at Cape Cod 5 and could be moved to a money market account to earn 5% instead of 1%. Total assets under management are \$27M.

**Investment Managers Report:**

Brian Callow addressed the recent progress of investments as of June 30, 2023.

Mr. Callow reviewed the Rockland Trust packet. The compliance page shows we are remaining on task with 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 breakdown is shown between capital preservation and return-seeking, with the current return-seeking value of \$27,498,539 and the return-seeking at \$2,432. If funds are sitting on the sidelines right now, they can be used for some short-term investments. A money market account is usually short-term treasury securities and is close to 5% right now. Returns for the quarter are 2.51% and 8.98% for the year to date. This is slightly under the benchmark due to the concentration of the portfolio.

Core equity and core bonds make up about 60% of the portfolio. Inflation is coming down to 3%. All markets are covered by 4% now on Fixed Income, so there is some protection there in case the Feds raise rates. Price to earnings rate has been 16.79% for the last 25 years. The top 10 stocks are at 31.7% right now. CCMHG does not bet on just 10 stocks. Diversification is important and the returns have been good.

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

Treasurer Richard Bienvenue, CPA reviewed the financial reports of May 31, 2023 (unaudited figures). He reports that everything is on target for a good year-end. The fund balance through May 31 is slightly over \$43.2M. Mr. Bienvenue expects an end to the fiscal year that essentially brings the group to a break even. It looks like performance for this year was better than anticipated when the group set rates. The fund balance is well over the target, sitting at 30%. The dental fund retained earnings of \$7.7M at the beginning of the year and \$652,639 through May. The surplus is the reason why the annual benefit maximum was increased and benefits will continue to be looked at.

Noreen Mavro-Flanders said the operating expenses for dental in the last 11 months were \$643,000 and a net income of \$650,000. The fund balance is very high and should be looked at in terms of reducing costs or increasing benefits. Dental benefits can be reviewed at a future meeting, with perhaps representation from Delta addressing the group's concerns.

### **GBS Reports:**

Karen Quinlivan reviewed the FY23 Funding Rate Analysis (FRA) report with data through June 30, 2023 (paid claims basis). June had Harvard Pilgrim claims reported, however, it is felt that these are still understated as Harvard Pilgrim is still catching up with backload. A \$1.6M pharmacy rebate was applied to Blue Cross claims. Medex claims are consistently over 100%, which may be a factor in the upcoming senior rate renewal. The expense-to-funding ratio is 95.2%, with an estimated funding surplus of \$7,345,430. The dental expense-to-funding ratio was 83% and continues to perform well.

Ms. Quinlivan reviewed the reinsurance reports. She said the FY22 policy period through June 2023 had 23 claimants with total claims in excess of the \$400K specific deductible of \$3,192,710.75. Total reimbursements of \$3,147,710.75 have been received to date with outstanding reimbursements due of \$44,653.57. She said 43 claimants on the 50% report with claims totaling \$12,195,809.61. For the FY23 period through June, 9 claimants are in excess of \$1,149,779.27, with total reimbursements of \$791,371.24, leaving a balance due the group of \$358,408.03. There were 43 claimants at the 50% level with updated total paid claims of \$11,886,239.95. Each reporting period compared to 1 year prior shows the group is doing better in FY23 than FY22.

Noreen Mavro-Flanders said there have been no reimbursements from Garden State, so that may be something to look at on the renewal of the reinsurance contract next year if the trend continues.

### **Wellness Reports:**

Noreen Mavro-Flanders asked Deanna Desroches, Mainland wellness consultant, to review her Mainland budget for FY24.

Ms. Desroches highlighted increased Healthy Connections, stress reduction pilot programs, and athletic programs. The new portal will be more user-friendly and requires a budget increase. There were some reductions, such as Couch to 5K, the newsletter, travel, and walking programs. The total budget of \$374,428.00 was recommended for approval by the Steering committee.

Mainland Wellness Report:

Blue Cross Blue Shield presented a listing of modifiable risks that impact the group. The top health risks for the groups are an unhealthy BMI, poor exercise habits, poor nutrition, and stress. Programs are in line with where they need to be for the group. Programs are now going to be done hybridly through Cape Cod 5. Weekly hikes will begin again in the fall. They are looking for other places to hold programs that can accommodate larger numbers of people. Currently, 798 members are on the portal, and new users are added weekly. There will be four annual challenges on the portal. A workshop on Healthy Boundaries will begin in August and Essential Oils in October. Learn to play Pickleball will be offered again in the fall. Biometric screenings are anticipated for the fall if the schools want to participate.

Erin Orcutt motioned to accept the Mainland Wellness Budget for FY24 of \$374,428.00.

Motion

Laurie Barr seconded the motion.

The motion passed by unanimous consent.

Martha's Vineyard (MV) Wellness Report – Triva Emery was unable to attend the meeting

Noreen Mavro-Flanders reviewed the Vineyard Wellness budget for FY24. There is an increase in the consultant salary of 28%. New programs account for another 38% increase. There is an overall increase of 31%.

Erin Orcutt had an issue with an itemization of \$5,000 for transportation costs to meetings on the mainland. Ms. Orcutt said that costs should fall to the respective municipal units.

There was discussion.

It was asked if the Steering Committee could have the authority to approve the budget or get an explanation on the line item.

Noreen Mavro-Flanders suggested approval of the budget minus \$5,000 for now pending clarification.

Erin Orcutt also asked for mainland and vineyard budgets to mirror each other in the future. It is difficult to establish parity when they are so different.

Michael MacMillan asked for these to be prepared earlier in the fiscal year.

Laurie Barr motioned to accept the Vineyard Budget for FY24 of \$94,398.00 minus the disputed \$5,000 transportation amount for a total of \$89,398.00.

Motion

Robert Whritenour seconded the motion.

The motion passed by majority consent. Five votes were opposed by Megan Downy, Alexandra Jackson, Debra Blanchette, Erin Orcutt, and Michael MacMillan.

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

Erin Orcutt said the Steering Committee met and reviewed a report on industry trends that can drive costs, etc. Wellness budgets have been discussed as well. Modifiable risks seemed to reinforce that the Wellness programs are on target for risks that impact the member population.

#### **PBIRx Report:**

Bob Kademian, RPh from PBIRx provided reporting through May 31, with data only including Blue Cross due to the Harvard Pilgrim report lag. He said that overall pharmacy plan costs have increased by 8.12% through May net of rebates. The Traditional plan cost is up by 15.93%, while Specialty is up by 6.83%. Traditional drugs have gone up significantly due to the increased use of obesity drugs. 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 interchangeable 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. Coupons through programs like Pillar Rx should help reduce costs as well. It remains to be seen how costs will be impacted.

#### **Abacus Good Health Gateway Dashboard Report:**

Patty Joyce presented the dashboard report of the Diabetes Care Rewards program through April 30, 2023. Currently, 243 members are enrolled of the 766 eligible members based on diagnosis. There are 56% adherent in the program and receiving zero copays by connecting with their doctor and meeting program requirements. 104 members identified as high risk enrolled in the program and of those 49% are adherent. There were 1,120 medications obtained with \$27,673 in estimated waived copays and estimated rebates back to CCMHG of \$138,722.02. There were 30 newly enrolled members in the last quarter. 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, plus webinars to keep members informed. Abacus is launching an updated weight loss program in January 2024. More info is available as the launch approaches.

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

CanRx - Jim Riley said that savings for the most recent quarter were over \$218k and trending towards \$437k savings over the year. The postcards have received positive feedback, and June's enrollment and script counts have been the second-highest for the year. Mr. Riley also presented the medication breakdown and cost for the medications filled. A webinar has been created for benefit administrators as well to explain the program.

Harvard Pilgrim - Lauren McCallum said that enrollment is back to normal as of June 7<sup>th</sup>. Temporary IDs have now been assigned Harvard Pilgrim IDs. Claims are being processed, and the majority of the backlog has been adjudicated. There are still some claims that can come through the system. Behavioral Health integration will take place on November 1. As the date gets closer, more information will be coming regarding member notification, etc.

Blue Cross - Caroline Burnham said that the cost share program through Pillar Rx has 116 members enrolled. 36 medications are being utilized and YTD savings are \$519,000. Since implementation, the savings have been over \$700,000.

Tufts – Fred Winer said everything is going well and he had nothing new to report.

**Other Business:**

The next Steering Committee meetings will be held on September 20<sup>th</sup> at the Vineyard. The next Board meeting is October 25<sup>th</sup>.

There was no other business.

The Board Chair, Noreen Mavro-Flanders adjourned the meeting at 11:45 AM.

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*Minutes prepared by Karen Quinlivan  
Gallagher Benefit Services, Inc.*