



# MINUTES OF THE CAPE COD MUNICIPAL HEALTH GROUP

## Board Meeting

Wednesday, October 16, 2024, 10:00 AM

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

## MEETING NOTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 24<sup>th</sup>, 2024, at 10:00 AM at Barnstable County Offices, Barnstable, MA. The following people attended the meeting:

### Board Members and Alternates Present:

Robert Whritenour, Board Chair  
Gareth Markwell  
Justyna Marczak  
Susy Holmes  
Robert Howard  
Kristen Noel  
Lisa Vitale  
R Patrick Murphy  
Michelle Gallucci  
Erin Orcutt  
Molly Stevens  
Megan Downey  
Raymond Pirrone  
David Flynn  
Laurie Barr  
Susan Lumping  
Joseph Powers  
TK Menesale  
Leanne Gray  
Michael MacMillan  
Susan Wallen  
Maureen Fruci  
Mark Riel  
Katie Buckley  
Teresa Johnson

Town of Yarmouth  
Town of Barnstable  
Barnstable County  
Barnstable County Retirement  
Bourne Rec Auth  
Bourne Water District  
Town of Brewster  
Cape Cod Collaborative  
Cape Cod Lighthouse Charter  
Cape Cod Reg Tech  
COMM Fire  
Town of Chatham  
Cotuit Fire  
Dennis Yarmouth RSD  
Town of Eastham  
Town of Falmouth  
Town of Harwich  
Hyannis Fire District  
Mashpee Water  
Monomoy RSD  
Nauset RSD  
North Sagamore Water  
Town of Orleans  
Town of Provincetown  
Sandwich Water



Alex Lessin  
Jill Beaumont  
Wendy Saunders  
Raymond Pirrone  
Robert Whritenour  
Noreen Mavro Flanders  
Kathy Logue

Town of Truro  
Upper Cape Cod Voc  
Veterans Services  
West Barnstable Fire  
Yarmouth  
Dukes County  
Dukes County

**Guests Present:**

Rich Bienvenue, CPA  
Deanna Desroches  
Triva Emery  
Brian Callow  
Debra Watson  
Beth Kaeka  
Janette Andrews  
Tatiana Santos  
Bob Kademian, RPh  
Caroline Burnham  
Lauren McCallum  
Sarah McCormick  
Chery Begnal  
Jim Riley  
Lauren McCallum  
Sarah McCormick  
Patty Joyce  
Joe Anderson  
Karen Quinlivan  
Patrick Flattery

CCMHG Treasurer  
CCMHG Wellness Consultant, (Mainland)  
CCMHG Wellness Consultant, (Vineyard)  
Rockland Trust Investments  
Town of Barnstable  
Dukes County  
Dukes County  
Town of Brewster  
PBIRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Harvard Pilgrim Health Care (HPHC)  
Delta Dental  
Point 32 Health (Tufts)  
CanaRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Delta Dental  
Abacus  
Gallagher Benefit Services, Inc. (GBS)  
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Robert Whritenour, Board Chair called the meeting to order at 10:10 AM.

Bob Whritenour started by acknowledging the long-time contribution and support of one of the founding members, Noreen Mavro-Flanders. She is retiring after a long and valued tenure of leadership to the group. Her leadership has been a consistent and invaluable part of the group. The organization will not be able to replace her easily.

**Approval of the notes of April 24<sup>th</sup>, minutes of April 30<sup>th</sup> and minutes of the July 24,**

Motion

**2024 Board meeting minutes:**

Noreen Mavro-Flanders noted that Triva Emery was not included on the list of attendees for April 24<sup>th</sup>.

Alex Lessin motioned to accept the notes and minutes of April 24<sup>th</sup>, April 30<sup>th</sup> and July 24<sup>th</sup>, 2024, Board Meetings with the correction that Noreen Mavro-Flanders noted.



Michael MacMillan seconded the motion.

The motion passed by unanimous consent.

**Annual Election of Officers:**

Bob Whritenour said that all are encouraged to attend meetings and volunteer to participate on the Steering Committee. The list of current Steering Committee members was listed as:

Erin Orcutt Steering Committee Chair	Cape Cod Reg Tech
Michael MacMillan, Vice Chair	Monomoy
Debra Watson	Barnstable
Bob Whritenour	Yarmouth
Susan Wallen	Nauset
Laurie Barr	Eastham
Dave Flynn	DYRSD
TK Menesale	Hyannis Fire
Megan Downey	Chatham (alternate)

Kathy Logue from West Tisbury is being added as a replacement for Noreen Mavro-Flanders. Justyna Marczak from Barnstable County expressed interest in the other available alternate position.

**Approval of the Steering Committee slate of participants**

Motion

Joseph Powers motioned to accept the listed Steering Committee members.

Katie Buckley seconded the motion.

The motion passed by unanimous consent.

Current Board Officers were stated as Robert Whritenour, Board Chair and Erin Orcutt Vice Chair. Both offered to help transition if anyone else wished to step forward.

**Approval of the Board Officers.**

Motion

Michael MacMillan motioned to accept the current Board Officers.

Susy Holmes seconded the motion.

The motion passed by unanimous consent.

**Wellness Reports:**

Kathy Logue briefly provided an update on the Vineyard Wellness programs. Fall and winter activities are ramping up. They are working on creating programs that work on sunseting their role in people’s wellness journey so they can become independent. There are programs that started with her and have spun off on their own. Bob



Whritenour said that Michael Macmillan and Kathy Logue worked on standardization of the budget to be in line with the mainland.

Deanna Desroches, Mainland wellness consultant, presented her report. Programs are being added in Falmouth. Email lists for retirees are being obtained to get the newsletter out to them. The quarterly newsletter was released. There will be a retirement planning workshop. It is hybrid and open to everyone however it is Barnstable County Retirement that will be presenting so it is applicable to the mainland. Dukes County has a different system. Many workshops are wrapping up but will be presented again in the spring. There are almost 200 members on the portal and there have been 100 health assessments. There are 280 members actively participating in a program. The retiree benefits fair is upcoming. Pinnacle Care came out and there were workshops to present the program as a reminder to groups. Sixteen of fifty-three units participated, and it is a benefit that needs to be promoted within the group.

### **Investment Committee Report:**

Debra Watson said that as of September 30th there is a balance of \$43,186,769 in the investment fund. That is comprised of two funds. The Investment Committee approved the movement of \$10 million to the capital preservation fund to take advantage of interest rates last October. There have been no other changes made. She introduced Brian Callow from Rockland Trust.

### **Investment Managers Report:**

Brian Callow addressed the recent progress of investments as of September 30th, 2024.

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 \$32,554,161 and the capital preservation at \$10,632,608. 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 just under to 5% right now. Returns for the quarter are 5.60% year to date. This is slightly over the benchmark. The one-year rate of return is 18.11%. Cash is earning higher than the bond market right now. Inflation is coming down. The fed is aiming for 2% inflation. Rates will drop slowly, and the stock market is very high compared to the average. Price to earnings rate has been 16.79% for the last 25 years. As of September 30, it is 21.52%. That is overrated. CMHG does not bet on just 10 top stocks. Diversification is important and the returns have been good.

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

Treasurer Richard Bienvenue, CPA reviewed the financial reports of June 30, 2024 (unaudited figures). The fund balance through June 30 is \$50.5 M. Earnings through June were just over \$6.5 million. The intent was to spend down some of the fund balance, but the result was positive earnings with most of that due to investment returns. The surplus has grown due to the tremendous performance of that fund. A power band of 8-12 % of claims should be maintained for working capital and anything above that can be used for rate stabilization. The group is



currently sitting at 29%. The rates for this year were subsidized but the returns have been very good. The increase for the year is misleading because prescription rebates have become material and are now being reported on an accrual basis to report during the time received instead of during the next fiscal year. The group is at a break even. The investments and prescription rebates drove the return for the year. There was a slight loss in truth. The dental fund surplus has been high, but the increased benefit maximum and enhancements should start to show impact. The Aged Receivables report now shows details that may help members see what might be owed now. It has been cleaned up considerably. He asked members to make sure that they are paying monthly invoices on time.

### **GBS Reports:**

Joe Anderson reviewed the FY25 Funding Rate Analysis (FRA) report with data through August 31, 2024 (paid claims basis). The expense-to-funding ratio is 96.6%, with an estimated funding surplus of \$966,618. Medicare claims have been increasing for the past year, but those increases were reflected in their rates with only two-months in.

The dental expense-to-funding ratio was 112.6% reflecting higher usage with a funding deficit of \$141,828.

Ms. Quinlivan reviewed the reinsurance reports. She said the FY24 policy period through August, 2024 had 13 claimants with total claims in excess of the \$400K specific deductible of \$1,758,410.09. Total reimbursements of \$0 have been received to date but there will be over \$700,000 that will post shortly. She said 54 claimants were on the 50% report with claims totaling \$14,451,287.67. For the FY25 period through August there are no members that have hit the excess or 50% reporting levels yet.

### **Steering Committee Report:**

Erin Orcutt said that the Steering Committee met in September on the Vineyard. Most activity has been on the senior renewal which is the subject of today's meeting.

### **CY26 Senior Renewal Proposal:**

Bob Whritenour said that there have been substantial increases that have become apparent because of legislation which will impact the rates. It creates a spike for the next year and has been discussed in detail at the Steering Committee level. Users of high-cost specialty and more expensive drugs will see an overall decrease in costs, but the savings are spread over the entire population. The majority will see an increase in premium to cover those costs. The Steering Committee recommended a subsidy of just over \$1million for the current year to blunt the impact of the cost increase. There is going to be a significant increase regardless.

Joe Anderson said that health insurance changes frequently. He asked Patrick Flattery to briefly speak on the Inflation Reduction Function as it impacts this year's renewal.

Mr. Flattery said that in the current phase 1, catastrophic coverage for drug costs is at an \$8,000 threshold. The out-of-pocket costs are capped at that amount. Starting in 2025, that amount drops down to \$2,000. The Delta will be moved to the carriers. In 2024, CMS reimburses 80% of the drug costs to the carriers and they pay 20%. In 2025, the carriers will pay 60% of costs above the threshold. They will pass those costs through to the entire population. There will be many more members that will now reach the maximum threshold. Premiums will go up but there is a corresponding savings in out-of-pocket costs.



Joe Anderson reviewed the fully insured rates which the carriers provide on Medicare HMO Blue, Managed Blue for Seniors, Tufts Medicare Supplement with the PDP Plus and Tufts Preferred HMO. Managed Blue for Seniors increased 27.7% to \$523.60. Managed Blue for Seniors increased 16.4% to \$460.69. Tufts Medicare Preferred HMO increased 6.9% to \$403.00. With the consolidation of Point 32 Health, the Tufts Medicare Supplement with PDP will be eliminated and moved to the Harvard Pilgrim Medicare Enhanced plan. Those rates are fixed.

The Medex and Harvard Pilgrim Medicare Enhanced plan are self-insured on the medical side and those plans have flexibility in terms of rate subsidy. Because of the drug plan increases on top of the medical trend increase, Blue Cross needed to be priced at \$473.00 for an increase of 17.1% and Harvard Pilgrim Medicare Enhance \$457.00 for an increase of 15.4%. That is an extreme shock for financially vulnerable populations.

Mr. Anderson took the group through the typical calculation for Blue Cross Medex. The same calculation is done for Harvard Pilgrim Medicare Enhance. The Steering Committee looked at four different funding scenarios to decide how much of the trust balance that they wanted to use to try and soften the impact. The Steering Committee recommended option 3 which would bring Medex down to \$455.00 and Medicare Enhance down to \$440.00. It uses over \$1 million of fund balance and sets the group up for a multiyear plan and process on these rates.

There was discussion on the rating process that the carriers undertook. Aetna did underwriting at the group level whereas Blue Cross increased a standard amount across the block of business with the same plan design. Traditionally the Medicare plans have always contributed to fund balance. At this time, the trust can be used to help balance that. The individual carriers have one-page docs on the Inflation Reduction Act that can be used by units to explain the Inflation Reduction Act and explain increases.

Michael MacMillan volunteered to draft a communication from the Board to communicate the rate increases and how they were handled in light of the Inflation Reduction Act.

Alex Lessin motioned to approve option 3 with the Medex Rate at \$455.00 and Harvard Pilgrim Medicare Enhance at \$ 440.00.

Motion

Kathy Logue seconded the motion.

The motion passed by unanimous vote.

### **PBIRx Report:**

Bob Kademian, RPh from PBIRx provided reporting through July 31. He said that overall pharmacy plan costs have increased by 8.79% through July net of rebates. The traditional plan cost is up by 22.34%, while specialty is up by 15.28%. Traditional has outpaced specialty because of weight loss drugs. In 2022 there was a doubling of what clients spent on weight loss drugs. In 2023 it doubled again and in 2024 it may repeat. Rebates are high on specialty drugs like Humira and decrease the net cost to the plan. This may impact whether certain medications are covered going forward in formularies as opposed to biosimilars. The first generic for a GLP-1 medication has just come out as a generic for Victoza. Others should follow. There will be upcoming webinars this fall on pharmacy benefit opportunities with participation by CanaRx and Good Health Gateway to increase awareness on available programs. Renewal with the carriers will request for flexibility on addressing weight loss drug costs.

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



Harvard Pilgrim - Lauren McCallum said that Harvard Pilgrim presented the Good Measures Weight Loss program in July for consideration. At the time the Steering Committee thought it would be a good program to add. Total cost is \$361 per engaged member per year.

Noreen Mavro-Flanders motioned to add the Good Measure Weight Loss Program.

Motion

Michael MacMillan seconded the motion.

The motion passed by unanimous vote.

Blue Cross - Caroline Burnham said that the Pillar Rx program has saved \$1.7 million for the group since inception and \$613,000 so far this plan year. She reminded everyone that the MY Blue app can allow members to download ID cards and access benefits. If any units need materials for open enrollment, please reach out.

CanaRx – Jim Riley said that the group has saved \$42,000 so far this year. There is potential for increased projected annual savings. They have broken it down by unit and plan to reach out to each unit to share the numbers and devise a strategy to reach more members. There are 662 members that are paying thousands of dollars out of pocket for medications they could be getting from CanaRx. Strategy is to reach out to units to see if a plan can be developed to increase participation. Postcards can be individualized to each member unit because many members identify with their unit, not CCMHG. The incentives would also increase from \$25 to \$50 to be in line with other incentives out there these days.

Abacus - Patty Joyce presented the dashboard report of the Diabetes Care Rewards program through September 30<sup>th</sup>, 2024. There are 39% adherent in the program and receiving zero copays by connecting with their doctor and meeting program requirements. There are 41 new enrollees this year. There have been \$283,000 in rebates back to the group. 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 launched an updated weight loss program in January 2024 and has a new app.

Delta Dental – Sarah McCormick said she will be at the health fairs coming and if anyone needs materials, please let her know. There is a new refreshed portal for the plan as well. Materials will be coming on it shortly.

**Other Business:**

The next Steering Committee meetings will be held on Wednesday, November 20<sup>th</sup> and December 18<sup>th</sup>., January 29<sup>th</sup> and February 5<sup>th</sup>. All will be virtual except for the February 5<sup>th</sup> rate setting Steering Committee meeting at Barnstable County. Board meetings will be held on February 5<sup>th</sup>, April 16<sup>th</sup>, July 23<sup>rd</sup> at Barnstable County Offices.

There was no other business.

Erin Orcutt motioned to adjourn

Bob Whritenour seconded the motion.

The Board Chair, Bob Whritenour adjourned the meeting at 12:430 PM.



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