

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

**Board Meeting**

Wednesday October 19, 2022 10:00 AM  
Cape Light Compact  
261 Whites Path # 4  
South Yarmouth, MA 02664

**MEETING NOTES**

(No quorum)

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 19, 2022 at 10:00 AM at Cape Light Compact 261 Whites Path # 4 South Yarmouth, MA, 02664. The following people attended the meeting:

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

Noreen Mavro-Flanders, Board Chair, called the meeting to order at 10:20 A.M.

**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
Susy Holmes	Barnstable County Retirement
Lisa Vitale	Town of Brewster
R Patrick Murphy	Cape Cod Collaborative
Erin Orcutt	Cape Cod Regional Tech
Krystal Abrams	COMM Fire
Megan Downey	Town of Chatham
Laurie Barr	Town of Eastham
TK Menesale	Hyannis Fire
Tracy Scalia	Town of Mashpee
Michael MacMillan	Monomoy RSD
Susan Wallen	Nauset RSD
Cameron Scott	Town of Wellfleet
Robert Whritenour	Town of Yarmouth

**Guests Present:**

Rich Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Beth Deck	Cape Cod Collaborative
Alexandra Jackson	COMM Fire
Sarah Piebes	Town Of Brewster

Brian Callow  
Bob Kademian, RPh  
Carli Burnham  
Lauren McCallum  
Nina Conroy  
Patty Joyce  
Chris Collins  
Carol Cormier  
Joseph Anderson  
Marianna Gil  
Karen Quinlivan

Rockland Trust Investments  
PBIRx  
Blue Cross Blue Shield of MA (BCBSMA)  
Harvard Pilgrim Health Care (HPHC)  
Delta Dental Plan of MA  
Abacus Health Solutions  
CanaRx  
Gallagher Benefit Services, Inc. (GBS) (retired)  
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### **Investment Committee Report and Investment Manager's Report:**

Debra Blanchette, Investment Subcommittee Chair, said there was nothing new to report, and she introduced Brian Callow to present his report through September.

Brian Callow 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 09/30/2022. 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 -4.05%. One year returns were -9.50%. So far, it has been a tough year with benchmark down almost 14%. The goal is diversification for the protection of the portfolio. Investment is for the long term, so the 1-year return is not indicative of the long-term goal. Stock analysts look out two years, so stocks can actually climb in a period like this. We will see negative returns but also compound interest. Inflation is up, but the Fed will be looking for it to ebb. People are sitting out of the market right now waiting for the bottom. The average price to earnings index over the last 25 years has been 16.8%. Quality is important in a portfolio. Rebalancing and being strategic allow for good performance.

Mr. Callow congratulated Skip Finnell on his retirement and thanked him for his many years of service.

There was a question of whether bond rates were going to double.

Mr. Callow did not see that happening.

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

Treasurer Richard Bienvenue, CPA said that the year ending June 30, 2022 was on a positive note. Fund balance was used to subsidize rates and spend down surplus but it was expected. The fund balance at the end of June was \$47.2M. That represents 27% of claims costs. The fund balance policy provides for working capital and rate stabilization. Mr. Bienvenue reviewed the financial reports of August 31, 2022 (unaudited figures). Several things to note are rates are not set until the winter so the performance will be tracked until then. A big part of the fund balance is the drop in the investment pool that has taken a hit with market performance, however it is managed on the long term. As long as that money is not needed for working capital, it can be managed for long-term growth. The audit for FY22 has been scheduled. There will be two adjustments, one for incurred but not reported claims (IBNR) and one for unused reinsurance premiums. The report through August shows a positive trend. Mr. Bienvenue reminded member units to pay as billed on monthly invoices. If there are questions, contact Gallagher or himself to resolve issues. Many times those issues are due to retroactive enrollments or those that still need to be processed. Small amounts can add up over time and late payment issues can become a problem. He asked member units to review the accounts receivable list to see any items over 30 days.

**GBS Reports:**

Joseph Anderson reviewed the *FY23 Funding Rate Analysis (FRA) report* with data through August 31, 2022 (paid claims basis). The composite expense-to-funding ratio was 87.6%. The estimated Funding Surplus was \$3,152,627 for the prior 2 months. There were \$1.6M in reinsurance payments mostly from the prior fiscal year. Dental expense-to-funding ratio was 86.6% with an estimated funding surplus of \$141,640. The maximum benefit will be raised to \$1,500 effective July 1, 2023 and performance and fund balance can support it.

Karen Quinlivan reviewed the *Reinsurance reports*. She said the FY22 policy period through August 2022 had 23 claimants with total claims in excess of the \$400K specific deductible of \$3,167,062. Total reimbursements of \$1,638,402 have been received to date with outstanding reimbursements due of \$1,528,660. She said there are 44 claimants on the 50% Report with claims totaling \$12,017,179. For the FY23 period through August no claimants were showing on the excess or 50% report yet.

**CY23 Renewal Rates:**

Rates could not be voted on due to the lack of a quorum, therefore a CCMHG Board meeting will be scheduled for immediately following the Steering Committee at 10:00 A.M. at Barnstable County offices 3195 Main St, Barnstable MA. 02630

There was a discussion. The Steering Committee can set the rates in lieu of the Board vote since they are not available to do it. The Board can then ratify the rates at the November meeting.

Skip Finnell said that the rates recommended for approval by the Steering Committee were the carrier-provided fully insured rates plus the Medex Rate and Harvard Pilgrim rates, both at \$380.

**Steering Committee Report:**

Skip Finnell said there was a meeting on the Vineyard on September 21. At the meeting, a member unit wanted the Steering Committee to amend a policy and make an exception on a member's enrollment. The Committee declined to address the issue and leave enrollment guidelines up to the carriers. The Travel Benefit for members that may need to travel more than 100 miles for covered services that may be necessary from states that have banned abortion or gender affirming care was brought up. The group has decided to study the cost impact and benefit from available data to make a future decision.

Noreen Mavro-Flanders said that Skip Finnell has worked long and hard for CCMHG. On behalf of the group, she presented him with a gift from the group of an engraved beach glass globe and a plaque thanking him for his dedicated service of 35 years.

Skip Finnell thanked everyone and said he remembers all his years with great fondness and hopes that the group has success in the future.

Noreen Mavro-Flanders said that listed members of the Steering Committee show two openings for the Steering Committee. The committee has a monthly commitment and asked for any members to notify Karen Quinlivan of interest. She has decided that this is her last year as Board Chair, so other people need to consider stepping forward.

**Wellness Reports:**

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

Mainland Wellness Report – Deanna Desroches, Mainland wellness consultant, said a lot of walking is going on. Saturday morning walks in Yarmouth began on September 10<sup>th</sup> and will continue if there is participation. Hiking began for eight weeks in various locations on October 3<sup>rd</sup>. Each Sunday morning at 9:00 a different location is hiked. The Wellness Portal has 789 members registered. There have been 113 health assessments completed and 110 members will receive gift cards. The next incentive will be to reach 50 points by 12/31/22 to be entered into the \$200 gift card raffle. Upcoming programs include Women’s Self Defense, Dance Cardio, Strength Training, Pilates, Yoga, Financial Wellness, and Learn to Cook. Mental Health will be a focus going forward and there will be monthly programming aimed at stress reduction at Cape Light Compact on the third Wednesday of each month.

**PinnacleCare Report and offer to the Senior Population:**

Karen Quinlivan said that PinnacleCare provided a first-quarter report from PinnacleCare on utilization and said they were pleased with the utilization right out of the gate. The opportunity to add the program for the senior population can be voted on at the next meeting.

**PBIRx Report:**

Bob Kademian, RPh from PBIRx, provided reporting through the month of August. He said that the combined estimated per member per month prescription drug costs, including Rx rebates, were \$124.19 last year and \$141.83 this year. The increase was 14.21%. Traditional drug costs were up 3.64%, while specialty med costs were up 10.10%. Blue Cross Rx costs were up 15.06% net of rebates, and Harvard Pilgrim costs were up 25.69% versus last year. Increased utilization of specialty drugs is what is driving costs. Over the previous three years, CCMHG costs have increased by an average of 8%, with Blue Cross at 11.5% and Harvard Pilgrim at 2.5%. That is not a bad increase considering utilization. The Pillar Rx program will help with those specialty medication costs going forward. CanaRx programs might help as well.

**Health Plan / Vendor Reports:**

Delta Dental - Nina Conroy said that Delta Dental has a new Tele dentistry program named Teledentistry.com, that members can access a consultation with a dentist after hours, on weekends, and away on vacation. This service provides members with a list of dentists in their current area and is free to the member with no copays.

Michael Macmillan asked about question 2 on the current Mass ballot.

Joe Anderson said that similar to health insurance, DOI would regulate the amount of money that the carriers must spend on dental care to 83%. Carriers will be incentivized to not increase premiums to increase profits. This increases accessibility and affordability. This would create more administrative work and the marketplace in MA is already very competitive. CCMHG is self-insured. They pay 7.6% of total paid claims for administration. They are well within the guidelines.

Blue Cross – Carli Burnham said that the PBM will change on 01/01/2023 to CVS Caremark. There will be formulary changes that will be communicated in advance. Letters are going out in November. New ID cards will go out in December and mail order members will need to call CVS Caremark directly to get credit card information uploaded. Senior renewal support is available to all and please reach out to Julie Scansaroli for materials etc.

Harvard Pilgrim – Lauren McCallum said the PBM will change to Optum for Point32Health as of 01/01/2023. Optum will be the specialty provider going forward as well. It was formerly CVS. Letters will be going out in November to all members. Members affected by the annual formulary changes will also receive additional letters.

Tufts - Fred Winer could not make the meeting for Tufts and he asked Lauren to provide an update on the senior plans. Tufts will be moving to Optum as well for the PBM on 01/01/2023. It should be a smooth transition with all receiving new cards, but everything should transfer over fine.

CanaRx- Chris Collins said that the savings for the group is at \$377,000 and on track to be about \$450,000 for the year. That is down 10% from the prior year. Analysis reveals there is an additional \$2.8M in savings for the group. Quarterly communications can go out to members. CanaRx would like to work with member units to see which approach would work best to try and increase utilization.

**Other business:**

Next meetings were set for Wednesday, November 16, 2022 at Barnstable County offices and the Board Rate setting will be set for Wednesday, February 1, 2023 at 10:00 A.M.

There was no other business

The Board Chair, Noreen Mavro-Flanders adjourned the meeting at 12:10 PM.

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