

MINUTES OF THE CAPE COD MUNICIPAL HEALTH GROUP

Board Meeting

Wednesday, October 25th, 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, October 25th, 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
Justyna Marczak
Susy Holmes
Richard Buffington
Robert Howard
Lisa Vitale
R Patrick Murphy
Erin Orcutt
Megan Downey
Raymond Pirrone
Susan McKinney
David Flynn
Laurie Barr
Susan Lumping
TK Menesale
Tracy Scalia
Leanne Gray
Michael MacMillan
Susan Wallen
Maureen Fruci
Teresa Johnson
Alex Lessin
Wendy Saunders
Christine Ezersky
Raymond Pirrone
Robert Whritenour

Dukes County
Town of Barnstable
Barnstable County
Barnstable County Retirement
Barnstable Fire
Bourne Recreation Authority
Town of Brewster
Cape Cod Collaborative
Cape Cod Regional Tech
Town of Chatham
Cotuit Fire District
Town of Dennis
Dennis Yarmouth RSD
Town of Eastham
Town of Falmouth
Hyannis Fire District
Town of Mashpee
Mashpee Water
Monomoy RSD
Nauset RSD
North Sagamore Water
Sandwich Water
Town of Truro
Veterans Services
Town of Wellfleet
West Barnstable Fire District
Town of Yarmouth

Jill Beaumont
Kathy Logue
Liana Surdut

Upper Cape Cod Voc
Dukes County
Town of Orleans

Guests Present:

Rich Bienvenue, CPA
Deanna Desroches
Eric Diamond
Cindy Richards
Gareth Markwell
Pam Bennett
Brian Callow
Bob Kademian, RPh
Caroline Burnham
Lauren McCallum
Jim Riley
Joseph Anderson
Karen Quinlivan

CCMHG Treasurer
CCMHG Wellness Consultant, Mainland
Harwich Fire
Town of Orleans
Town of Barnstable
Town of Tisbury
Rockland Trust Investments
PBIRx
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care (HPHC)
CanaRx
Gallagher Benefit Services, Inc. (GBS)
Gallagher Benefit Services, Inc. (GBS)

Noreen Mavro- Flanders, Board Chair called the meeting to order at 10:13 AM.

Approval of the minutes of the July 26, 2023 Board meeting minutes:

Kathy Logue motioned to accept the minutes of the July 26, 2023 Board Meeting.

Motion

Bob Whritenour seconded the motion.

The motion passed by unanimous consent.

PBIRx Report:

Bob Kademian, RPh from PBIRx provided reporting through June 30. He said that overall pharmacy plan costs have increased by 5.84% through June net of rebates. The Traditional plan cost is up by 14.28, while Specialty is up by 9.93%. Traditional drugs have gone up significantly due to the increased use of weight loss drugs. Blue Cross increased by 2.76%, and Harvard Pilgrim increased by 16.98%. Data through September for the new plan year has increased by 11.48%, with traditional up 23.37% and specialty up 17.86%. Blue Cross is down 3.09%, while Harvard Pilgrim is up 61.83%. The first biosimilars for Humira have come out, but not yet at a great discount. How costs will be impacted remains to be seen.

CanaRx Report:

Jim Riley said that savings for the most recent quarter were over \$317k and trending towards \$423k savings over the year. The average percentage discount across the board is 77.22% and the average employee savings is \$125.06. Online enrollment went live on October 5th. The next postcard will highlight enrollment. A finalized

Benefit Administrators presentation has been created and is now available. There have also been 7 or 8 new medications added to the formulary. They will be included in the targeted campaigns as well. Mr. Riley reviewed screenshots of the online enrollment portal for all to see.

Election of Board Officers and Steering Committee:

Noreen Mavro-Flanders said that when the process was undertaken last year, she indicated that if elected Board Chair, she would only do it for one more year. She would remain on the Steering Committee if allowed for one more year. At the Steering Committee meeting, Ms. Mavro-Flanders nominated Bob Whritenour to be the Board Chair. He has previously been Board Chair as well as Steering Committee Chair. He has a history that will help to bring the group forward.

Erin Orcutt, Steering Committee Chair nominated Bob Whritenour to be the Board Chair and the current Steering Committee members to continue. Those members are:

| |
|--------|
| Motion |
|--------|

| | |
|-----------------------|-------------------------|
| Erin Orcutt | Cape Cods Regional Tech |
| Bob Whritenour | Yarmouth |
| Michael MacMillan | Monomoy |
| Deb Blanchette | Barnstable |
| Susan Wallen | Nauset RSD |
| Laurie Barr | Eastham |
| David Flynn | DYRSD |
| TK Menesale | Hyannis Fire |
| Noreen Mavro-Flanders | Dukes County |

Debra Blanchette seconded the motion.

Ms. Mavro-Flanders said there is an open position for an alternate on the Steering Committee.

Ms. Megan Downey from Chatham said she would like to participate.

Ms. Orcutt amended her motion to include Ms. Downey.

The motion passed by unanimous consent.

Ms. Mavro-Flanders then handed over the chair to Robert Whritenour.

Investment Committee Report:

Debra Blanchette shared that excess funds of \$10M were placed in the capital preservation fund to take advantage of short-term increased interest rates. Total assets are \$37,695,300.

Investment Managers Report:

Brian Callow addressed the recent progress of investments as of September 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 \$27,641,784 and the capital preservation at \$10,053,516. 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 -1.36% year to date. This is slightly under the benchmark due to the fed rate dragging it down. The one-year rate of return is 12.03%. Core equity and core bonds make up about 60% of the portfolio. Inflation is coming down to 3.8%. All markets are covered by 4% now on Fixed Income, so there is some protection there in case the Fed raises rates. Price to earnings ratio has been 16.79% for the last 25 years. As of September 30, it is 17.83%. The top 10 stocks are earning higher. CMHG does not bet on just 10 top stocks. Diversification is important and the returns have been good.

Alex Lessin asked what the target is.

Mr. Callow said years ago when the interest rates were where they were, 8% was a goal. In the last few years, 5% may have been a goal. If things stabilize, perhaps the group can get back to an 8% goal.

Treasurer's Report:

Treasurer Richard Bienvenue, CPA reviewed the financial reports of August 31, 2023 (unaudited figures). The fund balance through August 31 is \$46.8M. Mr. Bienvenue said the recent increases in interest rates are why the excess cash was moved to the capital preservation fund to take advantage of a 5% return. It is difficult to project two months into the year, but through September, it looks like a slight loss. Investments took a slight loss through September. The claims payment issue with Harvard Pilgrim also had some claims paid from FY23 in FY24. The audit will be wrapping up for FY23 soon. IBNR will be estimated then. The group will be on track for a December completion. An aged receivables report now shows details that may help members see what might be owed now. It has been cleaned up considerably. Some large credits refer to the premium holiday, where payments may have been submitted regardless.

GBS Reports:

Karen Quinlivan reviewed the FY23 Funding Rate Analysis (FRA) report with data through September 30, 2023 (paid claims basis). Harvard Pilgrim claims were reported in FY24 for those incurred actually in FY23, so the report so far has HPHC running high. The expense-to-funding ratio is 110.9%, with an estimated funding deficit of \$4,357,950. The dental expense-to-funding ratio was 95% and continues to perform well, with a surplus of \$81,386.

Kathy Logue asked how long it would take to see the impact of raising the benefit maximum.

Joe Anderson said it would take most of the year.

Ms. Quinlivan reviewed the reinsurance reports. She said the FY23 policy period through August 2023 had 12 claimants with total claims in excess of the \$400K specific deductible of \$1,611,663.47. Total reimbursements of \$791,371.24 have been received to date with outstanding reimbursements due of \$820,292.23. She said 53

claimants on the 50% report with claims totaling \$14,451,287.67. For the FY24 period through August, no members are in excess or at 50%.

Steering Committee Report:

Erin Orcutt said that there was a successful Steering Committee meeting on Martha's Vineyard in September to include those units that don't usually get to participate. The MMRA met in September. Senior rates will be reviewed, and Delta Dental has been a subject of discussion for three or four meetings. Nina Conroy has retired and new representation has not been present at meetings. Communication will be sent to request more representation and review of current benefits for the Cape. A concern was also expressed for the representation of member units at meetings, especially those larger units. A request was made for a concerted effort on attendance.

CY25 Senior Rate Plan Projections:

Joseph Anderson said that both carriers saw an increase in spend for that last calendar year. This is not Cape-specific but across the board. Weight loss and specialty drugs are accounting for increased costs. Carrier administrative costs increased by 2% for Blue Cross and Harvard Pilgrim. GBS fees also increased 2%. Medex claims increased from 2021 to 2022 by 6.5%. A 4% annualized trend was used. Blue Cross arrived at a recommended rate of \$411.25 for an 8.2% increase and GBS a rate of \$412.03 for an 8.4% increase. A recommendation of \$404.00 or 6.3% was placed. Harvard Pilgrim claims increased by 9.1%, and rates were calculated with HPHC recommending \$405.04 and GBS at \$404.07. A recommendation of \$404.00 was also populated for a 6.3% increase. The prior year rate was \$380.00. The Steering Committee felt that the average increase of 2% over the last 5 years meant that a stair-step approach could perhaps be used instead of a 6.3% increase.

Robert Whritenour said that the Steering Committee adopted scenario C, which raised the Medex 2 rate to \$404 and the Harvard Pilgrim Medicare Enhanced rate to \$396.00. It respected the previous year's performance for both plans and subsidizes them proportionally.

Noreen Mavro-Flanders motioned to accept the rates of \$404 for Medex 2 and \$396.00 for Harvard Pilgrim Medicare Enhanced. Debra Blanchette seconded the motion.

Motion

The motion passed by unanimous consent

The fully insured rates were reviewed for BCBS Medicare HMO Blue, Managed Blue for Seniors, Tufts Medicare HMO, and Medicare Supplement with PDP. They have increases of 0%, 4.8%, 3.5% and 1.6% respectively. Those rates include the health and Rx. The rates cannot be adjusted.

Noreen Mavro-Flanders motioned to accept the fully insured rates as presented.

Motion

Erin Orcutt seconded the motion.

The motion passed by unanimous consent

Wellness Reports:

Bob Whritenour asked Deanna Desroches, Mainland wellness consultant, to review her Mainland budget for FY24.

Ms. Desroches said a quarterly newsletter will be published in January. A first-time home buyer workshop was presented on September 12th. A hybrid retirement workshop was held on October 23rd. They will all be held at the Cape Cod 5 location in Hyannis and will all be hybrid going forward. Walking is continuing in Yarmouth and Hyannis. Pilot programs are ongoing in Breathwork, Zumba, line dancing, and interval training. 6,895 members registered on the portal, with 86 actively using the platform. The next online challenge will be Stress Less. Monthly challenges include Dream Boards, Yin Yoga, Unplugged, Tranquility, Sound Bath Essential Oils, and Quantum Healing. Athletic programs in Pickleball, Pilates, Paddleboard, and Pound Cardio are ongoing. Professional development workshops for benefits administrators are held on the second Tuesday of each month. These are virtual and last 30 minutes, with 15 minutes for questions.

Triva Emery was unable to attend the meeting but included her Vineyard report in the packet. Kathy Logue provided a quick update. Retiree participation has increased tremendously. The Give It a Try initiative is encouraging many to participate and try something new. The same people can't again participate in the same program to allow space for newcomers. The senior fair will be on November 15th. Health Navigator by Pinnacle Care will be attending.

Erin Orcutt expressed concern about the Trail and Ales initiative in that alcohol consumption would not fit with a wellness initiative focus.

Abacus Good Health Gateway Annual Report:

Patty Joyce was unable to attend the meeting due to illness. Her annual report was included in the packet for review.

Bob Whritenour said that this is a critical program for the population and encouraged those who have members with the disease to participate.

Health Plan/Vendor Reports:

Blue Cross - Caroline Burnham said it is cold and flu season, so please get your flu shot. It is also at the end of the year, so remember to use the fitness benefit. It is \$150 for fitness and \$150 for weight loss. Reimbursement is through March of 2024. If anyone needs materials for health fairs, please let her know

Harvard Pilgrim - Lauren McCallum said that starting November 1st, they are transitioning to insourcing behavioral health. They will no longer be contracting with Optum to provide behavioral health. New ID cards will be going out to eliminate their phone number. Those in current care will still use the United Behavioral Health Network. A navigation team can be used to find a new provider if needed.

Other Business:

The next Steering Committee meetings will be held on Wednesday, December 6th and Wednesday, January 31st at 9:00 AM. The next Board meeting is Wednesday, February 7th at 10:00 AM. That will be rate setting and a quorum will be important.

There was no other business.

Laurie Barr motioned to adjourn.

Motion

Erin Orcutt seconded the motion.

The Board Chair, Bob Whritenour adjourned the meeting by unanimous consent at 12:05 PM.

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