

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

Steering Committee Meeting
Wednesday, January 27, 2021, 9:00 AM

Virtual Meeting by Remote Participation

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on January 27, 2021 at 9:00 AM. Attendance was by online remote participation. The following people attended the meeting:

Steering Committee members present:

A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Erin Orcutt	Cape Cod Regional Technical High School
Debra Blanchette	Town of Barnstable
Deborah Heemsoth	Town of Dennis
Denise Coleman	Town of Falmouth
Susan Wallen	Nauset Regional School District
Bob Whritenour	Dukes County/Town of Oak Bluffs
Beth Deck	Cape Cod Collaborative

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant (Mainland)
Cathy Doane	Town of Orleans
Susan Broderick	Town of Brewster
Bernard Edwards	Blue Cross Blue Shield of MA (BCBSMA)
Julie Scansaroli	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan- Senior Products
Nina Conroy	Delta Dental Plan of Mass.
Chris Collins	CanaRx
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 9:01 AM. He said that the meeting was being recorded and asked if there were any objections. There were none.

Mr. Finnell asked for a roll call of Steering Committee members who will be voting. The following voting members were present:

A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Debra Blanchette	Town of Barnstable
Erin Orcutt	Cape Cod Reg. Tech High School
Deborah Heemsoth	Town of Dennis

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Denise Coleman
Susan Wallen
Bob Whritenour
Beth Deck

Town of Falmouth
Nauset Regional School District
Dukes County/Town of Oak Bluffs
Cape Cod Collaborative

Approval of Minutes of the January 13, 2021 Steering Committee Meeting:

Noreen Mavro-Flanders motioned to approve the minutes with minor spelling corrections.

Motion

Deb Blanchette seconded the motion.

There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Yes
Erin Orcutt	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Robert Whritenour	Yes
Beth Deck	Yes

The motion passed by unanimous vote.

Treasurer's report:

Treasurer Richard Bienvenue, CPA reviewed the financial reports of December 31, 2020 (unaudited figures). He said that the trust fund balance (health and dental) was at \$50.2 million at the end of June after audit adjustments. Six-month earnings through December were just under \$10M with an ending fund balance of \$60.1M. He said that the 8-12% trust fund balance target power band represents a maximum of \$16M; therefore, the amount above may be used for rate stabilization and rate subsidy.

Noreen Mavro-Flanders motioned to accept the Treasurer's report.

Motion

Debra Blanchette seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Yes
Erin Orcutt	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Robert Whritenour	Yes
Beth Deck	Yes

The motion passed by unanimous vote.

Investment Subcommittee update:

Debra Blanchette had nothing new to report. She wanted to confirm with Rich Bienvenue that money was sent to Rockland Trust as planned.

Rich Bienvenue confirmed it would be happening in the coming week.

Financial Oversight:

Skip Finnell said that volunteers are needed to draft a policy for presentation at the next Steering Committee or Board Meeting outlining what Noreen Mavro-Flanders does for reconciliation control procedures.

Noreen Mavro-Flanders volunteered to draft her procedures. Erin Orcutt, Rich Bienvenue, and Skip Finnell also offered to participate.

GBS Reports:

Carol Cormier reviewed the Funding Rate Analysis (FRA) with data through December 2020. She said that for the health plans, the 5-month Expense-to-Funding ratio was 87.6% and that funding from the rates was \$9,121,980 above the major expenses on a paid claims basis. She said that there was about \$2.25 million in reinsurance reimbursements from claims of prior years represented in the report.

Ms. Cormier said that the Dental FRA showed an expense-to-funding ratio through October of 72.6% generating a dental plan funding surplus of \$833,228.

Karen Quinlivan reviewed the reinsurance reports based on claims paid through November 2020. For the FY20 policy period she said that there were 30 claimants with claims exceeding the \$300K specific deductible. Total claims for these members were \$13,875,763. Excess claims were \$4,668,100, of which \$4,353,740 has been reimbursed with \$314,360 still due to CCMHG. For the same period, there were 56 claimants who had claims between 50% and 100% of the \$300K specific deductible (50% Report). These claims totaled \$10,987,263.

Ms. Quinlivan said for the FY21 policy period there were 4 claimants exceeding the specific deductible through December with total claims of \$2,003,558 and with no reimbursements to date. There were 17 claimants on the 50% Report with total claims of \$3,294,437.

Wellness Report:

Mainland Wellness – Deanna Desroches, Mainland Wellness Consultant, provided an update. The Couch to 5K Program has secured Harwich for the next program beginning on March 16, 2021. Another 8-week retiree walking program will be starting in March with four walks in Barnstable Village and four in Yarmouth Port. The Spring Steps Challenge will start in April. The wellness portal has approximately 700 members at this time. The Maintain Don't Gain Challenge had 107 members participate with over 190 pounds lost. Pilot programs in development include learn to play programs in Pickle Ball and Tennis as well as Hatha Yoga and an outside dance party in April. There will be a 21 Meatless Meal Challenge in March. A Financial Wellness Workshop was recently attended by 30 members with positive feedback.

Debra Blanchette said that Deanna is doing a wonderful job during this difficult time.

FY22 Preliminary Rate Projections:

Skip Finnell said that when looking at rates projected for the coming year compared to what the group is charging for the current year, there is a big gap. There have been no rate increases for two years. This needs to be kept in mind to avoid any possible large rate increases in the near future.

Carol Cormier reviewed the proposed health and dental plan administrative fee increases: BCBSMA 1.5%, HPHC 2.0%, and Delta Dental at 0% increase. She compared carrier and GBS projections, noting that GBS

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used trends that were similar to the health plan trends that they built into their projections. Ms. Cormier reviewed the projections for each health plan. The current rates have annualized funding based on December, 2020 enrollments of \$173,556,660.

Three FY22 possible funding scenarios were illustrated for health plans:

Scenario A2- the lower of two projections: an 11.6% composite increase in funding;

Scenario E- current scenario: a 4.5% composite increase in funding;

Scenario F- current scenario: a 2.8 % composite increase in funding;

Each scenario also adds a one-month premium holiday.

Carol Cormier said that the CCMHG will have to decide how much of the excess fund balance it wants to use to reduce FY22 rates. She said that in addition to reducing projected rates, the CCMHG could consider a one-month Premium Holiday which would reduce annual finding from rates by 8.33%. She said with a Premium Holiday the rates remain a bit more realistic and chance of big rate spikes in future years is reduced. There was much discussion on overall goals and objectives.

Erin Orcutt asked for another A-3 scenario with a 1% increase and no premium holiday.

Cathy Doane asked for a current scenario G with a 1% increase and no premium holiday.

Noreen Mavro-Flanders said that the rates have to increase some or there be will bad press in the coming years when the rates go up.

Debra Blanchette said she would rather see the rate go up somewhat and see no premium holiday.

Carol Cormier said that education to the Board and to employees is an important factor for a rate increase plus premium holiday. Units would actually be paying less with a premium holiday, specifically the 8.33% less.

Noreen Mavro-Flanders motioned to accept Scenario F as written for a 2.8% composite increase with rates rounded to the nearest whole dollar and with a Premium Holiday for a total drawdown on the fund balance of approx. \$30,270,896.

Motion

Denise Coleman seconded the motion.

There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Abstain
Erin Orcutt	Abstain
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Abstain
Robert Whritenour	Yes
Beth Deck	Yes

The motion carried by majority vote.

Erin Orcutt wanted it to be noted that three members abstained from this vote because they were not comfortable but will proceed with the recommendation of the Steering Committee.

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Noreen Mavro-Flanders said that the votes would be communicated to the Board as majority and not unanimous. She also said that she would like the Premium Holiday to be earlier rather than later.

Consensus after discussion was that October or November would be the best months for the Premium Holiday if approved by the Board.

Carol Cormier reviewed the dental plan rate projections. She said dental rate projections indicated a Delta calculation of a 9.1% rate decrease and a GBS calculation of a decrease of 5.2%. Ms. Cormier said her recommendation is to hold the rates at a zero percentage increase and have a one-month Premium Holiday for the dental plans.

Noreen Mavro-Flanders motioned to have a zero percentage increase for dental rates with a one-month Premium Holiday.

Motion

Bob Whritenour seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Yes
Erin Orcutt	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Robert Whritenour	Yes
Beth Deck	Yes

The motion passed by unanimous vote.

Health and Dental Plan reports:

Harvard Pilgrim – Bill Hickey said he had nothing new to update. He would report to the Board on the merger with Tufts Health Plan at the next Board meeting and provide a Covid Report.

Tufts Senior Plans - Fred Winer had nothing new to report.

CanRx- Chris Collins said that the group is on track for saving approximately \$500,000 this year. They also stand ready to do virtual meetings for open enrollment.

Other Business:

There was no other business.

The tentative Steering Committee meeting for February 3, 2021 at 9:00 AM was cancelled. The next virtual meeting will be held on Tuesday, March 23, 2021 at 9:00 AM.

Noreen Mavro-Flanders moved to adjourn the meeting.

Motion

Beth Deck seconded the motion. There was a roll call vote as follows:

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Yes

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Erin Orcutt	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Robert Whritenour	No answer
Beth Deck	Yes

The motion to adjourn was approved by majority vote.

Chair Skip Finnell adjourned the meeting at 11:14 AM.

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