

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

**Steering Committee Meeting**  
Tuesday, January 25, 2022, 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 25, 2022 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, Board Vice-Chair	Cape Cod Reg. Tech. High School
Debra Blanchette	Town of Barnstable
Deborah Heemsoth	Town of Dennis
Denise Coleman	Town of Falmouth
Susan Wallen	Nauset RSD
Elise Zarcaro	Town of Provincetown
Robert Whritenour	Town of Yarmouth
Beth Deck	Cape Cod Collaborative

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Tony Roselli, CCMHG Auditor	Roselli, Clark and Assoc., CPA’s
Michael MacMillan	Monomoy RSD
Deanna Desroches	CCMHG Wellness Consultant (Mainland)
Bernard Edwards	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Dave Sirowich	PBIRx
Bob Kademian, RPh	PBIRx
Patty Joyce	Abacus Health Solutions
Chris Collins	CanaRx
Jim Riley	CanaRx
Nina Conroy	Delta Dental
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 9:02 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
Erin Orcutt, Board Vice- Chair	Cape Cod Reg. Tech High School

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Debra Blanchette  
Deborah Heemsoth  
Denise Coleman  
Susan Wallen  
Elise Zarcaro  
Robert Whritenour  
Beth Deck (*alternate*)

Town of Barnstable  
Town of Dennis  
Town of Falmouth  
Nauset RSD  
Town of Provincetown  
Town of Yarmouth  
Cape Cod Collaborative

**Approval of Minutes of the December 14, 2021 Steering Committee Meeting:**

Noreen Mavro-Flanders motioned to approve the minutes as presented.

Motion
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Elise Zarcaro seconded the motion.

There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Debra Blanchette	Yes
Deborah Heemsoth	Yes
Denise Coleman	Abstain
Susan Wallen	Yes
Elise Zarcaro	Yes
Bob Whritenour	Yes

The motion passed by majority vote.

**PBIRX Update:**

David Sirowich and Bob Kademian gave a brief update on the market analysis RFP. Mr. Sirowich said that they looked at contracts with the current carriers for the pharmacy benefit plan as well as direct contracts with PBMs. The other intent through that process was to look at PBMs to see if they can offer an alternate funding program. They asked the carriers what types of programs they may have for specialty medications which would be similar to the program offered through OptiMed. Under the OptiMed program the members are engaged and they seek out full reimbursement, so 100% funding for those medications. Some very competitive proposals were received from several Pharmacy Benefit Managers. There are also savings if the group moves to a direct PBM basis, and includes alternate funding vendors. PBIRx is going to request best and final offers from all the vendors so that they can go through everything in greater detail in February. They will have the numbers and analysis so that the best educated decision can be made.

A decision was made to schedule a Steering Committee meeting on Tuesday, March 1, 2022 at 9:00 to go over the RFP results.

**Treasurer's report:**

Treasurer Richard Bienvenue, CPA reviewed the financial reports of November 30, 2021 (unaudited figures). The Audit for June 30, 2021 is completed. The earnings through November were \$1.2M. Of that amount, almost \$400,000 is investment earnings, and the market is currently hitting a downturn. At this point, the group is essentially at a break-even. The second half of the year is likely to have some increased claims costs. Fund balance is at \$59.5M and the group already had a Premium Holiday in December which has a value of about \$12M of fund balance use. That puts the fund balance at \$47.5M., which is 32.5 % of the claims costs. Right now there is roughly \$27 million in the investment pool. The breakdown is about \$20M in cash and the

rest for working investment capital. The Fund Balance Policy has an 8% to 12% power band. The group has also added in recent years the idea of maintaining additional surplus for rate stabilization. The high end of the power band is \$17.5M.

Skip Finnell asked Mr. Bienvenue to clarify the position at the end of December. Activity through November is a break-even, and the December premium holiday will drop the fund balance another 8%?

Mr. Bienvenue answered in the affirmative. The group would still be \$30M over the power band.

Erin Orcutt motioned to accept the Treasurer's report.

Motion
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Denise Coleman seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Debra Blanchette	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Elise Zarcaro	Yes
Bob Whritenour	Yes

The motion passed by unanimous vote.

### **GBS Reports:**

Carol Cormier reviewed the FY22 Funding Rate Analysis (FRA) with data through December 2021. She reminded the Committee that since December was a Premium Holiday month there was no rate revenue shown on the FRA for active employee plans and dental plans. For the health plans, the 6-month Expense-to-Funding ratio was 115.1%, and funding from the rates was \$9,578,007 below the major expenses on a paid claims basis. The Dental FRA showed an expense-to-funding ratio through December of 93.4.7%, generating a dental funding surplus for the four months of \$170,672.

Karen Quinlivan reviewed the FY21 reinsurance reports based on claims paid through December, 2021. She said that there were 25 claimants with claims exceeding the \$300K specific deductible. Total claims for these members were \$11,851,475. Excess claims were \$4,351,475, of which \$4,374,469 has been reimbursed with \$22,995 in a credit overpayment to CCMHG. For the same period, there were 61 claimants who had claims between 50% and 100% of the \$300K specific deductible (50% Report). These claims totaled \$11,980,996.

Ms. Quinlivan said that the specific deductible for FY22 is \$400,000. She said for the FY22 policy period there was 1 claimant with claims exceeding the deductible. Total claims for this member were \$600,143. Excess claims were \$200,143. There have been no reimbursements to date. For the same period, there were 19 claimants who had claims between 50% and 100% of the \$400K specific deductible (50% Report). These claims totaled \$4,804,254.

Carol Cormier said that Gallagher has presented a new format financial management report which was shown to the Committee at the previous meeting. It provides a lot of information but did not focus on the information presented in the FRA, so it was decided that the group would continue to receive the FRA as well as the new Gallagher reports. The new report came through with revenue showing for the month of December. Ms. Cormier said that we went back to them and mentioned that you had a premium holiday (PH), and so there

should be no rate revenue shown for December for plans subject to the PH, but the response was that they would continue to show December premium because you subsidized out of a different source, i.e. the fund balance.

Skip Finnell asked what that means. What revenue did the group get during December?

Ms. Cormier responded that the group got none due to the premium holiday.

Mr. Finnell said that he is not okay with the Gallagher report because it is showing unreal numbers. He asked what the rest of the Steering thought about it.

All were in agreement that because of the premium holiday, they wanted to see the actual cash activity reflected in the report.

Ms. Cormier responded that she would go back to Gallagher and indicate the group's wishes.

**FY23 renewals and rate calculations:**

Carol Cormier said that each year the health and dental plan provide their rate projections and the Gallagher Auburn Office does independent projections. She said she integrates all the projections into the packet sent to the Committee. She reviewed the packet starting with the proposed health and dental plan administrative fee increases: BCBSMA 3.0%, HPHC 2.0%, and Delta Dental at 5% increase. She said that spoke with Nina Conroy at Delta and Ms. Conroy went back to the underwriters and argued for the group and got the administrative fee increase down to 3%. She reviewed other fixed costs and then compared carrier and GBS claims projections, noting that GBS used trends that were similar to the health plan trends. Ms. Cormier reviewed the projections for each health plan. The current rates have annualized funding based on November, 2021 enrollments of \$140,178,888.

Three FY23 possible funding scenarios were illustrated for health plans:

Scenario A-1: the lower of two projections: a 10.5% composite increase in funding;

Scenario A-2: the lower of two projections with HPHC PPO rates 8% higher than HMO: a 12% composite increase in funding;

Scenario B: health plan projections w HPHC PPO 8% higher: a 13.9 % composite increase in funding;

Scenario C: a 6% increase on all plans: a 6% composite increase in funding

The same rating exercise for dental plans resulted in a -8.63% and -10.2% Delta to GBS comparison for the contributory plan. The rates could be left the same, no increase. The voluntary plan resulted in a -12.3% to -13.2% rate comparison. Another option would be a dental plan FY23 premium holiday but there is concern that dental costs will rise as we come out of the pandemic.

Carol Cormier said that over the past several years the CCMHG has held rates to minimal increases and had a Premium Holiday which is worth an 8.33% decrease in annual funding. She reminded the group that the reinsurance deductible went up to \$400,000. The CCMHG will have to decide how much of the excess Fund Balance it wants to use to reduce FY23 rates. She said that in addition to or instead of reducing projected rates, the CCMHG could consider a one-month Premium Holiday again which would reduce annual finding from rates by 8.33%. She said with a Premium Holiday the rates remain a bit more realistic and the chance of big rate spikes in future years is reduced. There was discussion on overall goals and objectives.

Erin Orcutt motioned to have Carol Cormier do a rate projection illustration for a 3% increase in funding for discussion and vote at the next Steering Committee meeting.

Motion
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Robert Whritenout seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Debra Blanchette	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Elise Zarcaro	Yes
Bob Whritenour	Yes

The motion passed by unanimous vote.

#### **Approval of FY21 Audit Report:**

Noreen Mavro Flanders motioned to approve the acceptance of the FY21 audit report.

Motion
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Erin Orcutt seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Debra Blanchette	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Elise Zarcaro	Yes
Bob Whritenour	Yes

The motion passed by unanimous vote.

#### **Update on RFP for Expert Medical Advice and Medical Bill Negotiation Services:**

Carol Cormier reported that Gallagher issued the advertisements for the RFP on January 18. There have been three inquiries and requests for the RFP. Proposals will be due back by February 17<sup>th</sup>. Proposals will have to be analyzed and put together to bring them forward. It will probably be March before the group will see the results

#### **MyTelemedicine Proposals:**

Ms. Cormier said that MyTelemedicine has proposed a couple of new optional services. There is behavioral health virtual counseling service with licensed psychologists and psychiatrists. There would be no PEPM fee for the first year. There is a \$100 per person member fee for ongoing therapy visits and a \$210 initial evaluation fee and then \$100 follow up costs to the member so it is not free to the member. Another service is a telemedicine consultation service for pets called Golexi.

There was discussion. The group as a whole thought that pet care falls out of the scope of benefits for the group. There was consideration of the telehealth benefits that are provided currently from the carriers in regards to behavioral health. The carriers are going to provide reports in regards to Telehealth specific to Behavioral Health in order to make a more informed decision. .

#### **Health Plan Reports:**

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Blue Cross- Bernard Edwards provided recent Covid reports that indicate cases have gone up in December. Current confirmed case numbers stood at 112 and suspected cases at 200.

Harvard Pilgrim- Bill Hickey provided a Covid Report showing that through December Covid has cost the group \$1.456 million. Of that \$825,974 was for testing and \$630,000 was for treatment. The other news is in regards to the Covid Test kits. HPHC is partnering with Rite Aid and Walgreen so members can obtain test kits with no out of pocket expense at those pharmacies. Easy and free access to at-home kits should decrease the level of lab-based testing.

Delta Dental – Nina Conroy said that Delta Dental will be introducing the Teledentistry program next month. Information for everyone will be available soon. It allows members to Zoom with a dentist and obtain a recommendation on what they need to do. If members don't have a dentist in the area they can also provide them with names of participating dentists in their area. People actually go to the emergency room when they are in dental pain, so this will cut down on that. Teledentistry is at no cost to the groups.

CanaRx – Jim Riley said that savings through December were \$489,000. It was about \$70,000 less than 2020. Utilization will be looked at because there is still potential for another \$1,000,000 in savings.

**Other Business:**

The next Steering Committee meetings are scheduled for Wednesday, February 2, 2022 at 9:00 AM

The next Board Meeting will be held on Wednesday, February 2, at 10:00 AM.

There was no other business.

Bob Whritenour motioned to adjourn the meeting.

Motion
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Noreen Mavro-Flanders seconded the motion. There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Debra Blanchette	Yes
Deborah Heemsoth	Yes
Denise Coleman	Yes
Susan Wallen	Yes
Elise Zarcaro	Yes
Bob Whritenour	Yes

The motion passed by unanimous vote.

Chair, Skip Finnell, adjourned the meeting at 11:04 AM.

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