

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

Steering Committee Meeting
Wednesday, February 26, 2020, 9:00 AM
Barnstable Town Hall, 2nd floor meeting room
Hyannis, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, February 26, 2020 at 9:00 AM at Barnstable Town Hall, 2nd floor meeting room, Hyannis, MA. 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
Debra Blanchette	Town of Barnstable
Denise Coleman	Town of Falmouth
Susan Wallen	Nauset Regional School District
Bob Whritenour	Town of Oak Bluffs
Erin Orcutt	Cape Cod Regional Technical High School
John Kelly	Town of Orleans
Beth Deck	Cape Cod Collaborative

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
Bill Fraher, CPA	CCMHG Independent Auditor
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
Julie Scansaroli	Blue Cross Blue Shield of MA (BSBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Nina Conroy	Delta Dental Plan of Mass.
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Carpenter	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 a.m.

Approval of January 22 and January 29, 2020 meeting minutes:

Noreen Mavro-Flanders made a motion to accept the minutes dated January 22, 2020.

Erin Orcutt seconded the motion. The motion passed by majority vote with one abstention.

Noreen Mavro-Flanders motioned to accept the minutes dated January 29, 2020.

Debra Blanchette seconded the motion. The motion passed by majority vote with one abstention.

Motion

Bob Whritenour and Susan Wallen joined the meeting.

Delta Dental exception request:

Gallagher Benefit Services and the CCMHG Board were asked to grant an exception for Delta Dental adult dependents that were missed for reinstatement effective 07/01/2019 because the subscriber did not submit the required paperwork.

Carol Cormier said that despite employer notice and extension of an enrollment deadline, one subscriber did not enroll a dependent.

Skip Finnell said that the chairs established a previous precedent in which the Committee elected not to grant exceptions, especially since the deadline for enrollment had been extended for all.

The Committee agreed with Mr. Finnell.

Susan Wallen indicated that the District would probably be paying the one claim for the dependent in question.

Wellness program report:

Deanna Desroches provided a Wellness Program update. The March edition of the newsletter is in progress. Screenings have been scheduled for health benefit fairs with Chatham, CCRTHS and Barnstable. There was a successful event in Mashpee with 19 members in attendance. The next event for *Couch to 5K* will be held in August on the Outer Cape. Town of Dennis will begin a walking program at the CC Rail Trail beginning April 7th and running for 8 weeks. *Maintain Don't Gain* had 208 members participate, up from 164 last year with 144.7 total pounds lost. 604 members have registered on the wellness portal and 176 Health Risk Assessments have been completed. Yoga I is ongoing and the March "Happiness Challenge will task members with happiness goals/tasks. Another Pilates class will be offered in April and another Yoga class will begin in May. A 4-week lunch and learn nutrition class is scheduled in Provincetown in May.

Skip Finnell asked if any thought should be given to contagious diseases and if the group should offer employers sources for information.

Bob Whritenour said that Mass. Dept. of Public Health is publishing info.

Noreen Mavro-Flanders asked if information could be added to our website. Deanna Desroches will provide information for publication to the website or a direct link to Mass. Dept. of Public Health or the CDC will be added.

Ms. Desroches brought up an issue where a member retiree that was mailed \$125 in incentive gift cards indicated that he never received them and requested reissue. Follow up indicated that the cards were cashed on 05/03 and 05/04.

Erin Orcutt said that reissuing the cards would set a precedent and recommended not reissuing gift cards.

John Kelly made a motion to deny reissue of the gift cards.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Bob Whritenour said he reissued an RFP for a Martha's Vineyard Wellness Coordinator. He has received responses and will be conducting interviews next week (3/2). The profile for the position has been redefined and there is renewed enthusiasm.

Skip Finnell asked if the group had adopted the Wellness Strategic Plan and if there would be a defined number of members on the Wellness Committees. He asked if five members could be named for the Mainland and five for the Vineyard.

PBRIX:

Carol Cormier said that Bob Kademian is sick and was not be able to attend the meeting and provide updates.

Investment Committee: Debra Blanchette said the committee is waiting for more information on a Rate Stabilization Policy before developing investment strategies for those funds moving forward.

Rate Stabilization:

A copy of the Minuteman Nashoba Health Group (MNHG) policy on Rate Stabilization was provided to the Committee for review.

Carol Cormier said that MNHG dealt with Rate Stabilization in its Fund Balance Policy.

Rich Bienvenue suggested a modification of the CCMHG Fund Balance Policy to maintain 8-12% of the prior 12-month claims for operating purposes, and set aside an additional amount of up to 10% for rate stabilization. This is similar to the existing policy and provides flexibility.

John Kelly said that the whole discussion began because the fund balance was high. Perhaps the policy should state that the group is establishing a multi-year approach to address Rate Stabilization.

Bob Whritenour suggested clarifying amounts. Perhaps 8-12% for short-term stabilization and an additional amount for multi-year stabilization for a long term second layer of protection.

Erin Orcutt said she agreed with everything that Mrs. Kelley and Whritenour said and agreed to volunteer to meet with Rich Bienvenue and the Investment Committee to discuss. If the goal is to maintain a rate increase of no more than 4%, guidelines for Fund Balance target band can be suggested as well as recommendation on funding and distribution.

Noreen Mavro-Flanders requested that the Committee create a draft policy and bring back suggestions to the Steering Committee for consideration at the next meeting.

Erin Orcutt requested the MNHG document in Word for use at their meeting.

FY19 Audit Exit Interview:

Bill Fraher said that the audit went well even though it was held up by a delay in receiving the September 30, 2019 quarterly report from MMRA. He said that once received and compared to GBS's reinsurance reports, it made no sense. He said that the IBNR estimate was way too high. The report was revised increasing the fund balance from \$550,000 to \$1.4 million. Mr. Fraher believed that the problem in the MMRA reporting would be an isolated occurrence due to office and personnel changes at Artex.

Carol Cormier said that Artex has made changes to its reports based on suggestions from Noreen Mavro-Flanders.

Bill Fraher suggested that going forward Artex should look at GBS reinsurance reports for paid claims and outstanding reimbursements and reconcile with reports from Sheila Kaye. He also said he would like to know the formula Artex will use for calculating IBNR.

Erin Orcutt said it might be appropriate for the Chairperson of the Board to set an expectation as to when reconciliations should be completed and delivered.

Carol Cormier said she would like Rich Bienvenue and Bill Fraher to attend the next MMRA meeting with Mike Madden from Artex in attendance.

Skip Finnell asked Carol Cormier to set it up for the next MMRA meeting agenda.

Mr. Fraher continued the FY19 audit review. He said Cash and Investments increased \$11.5 million from 2018. Claims Liability, primarily IBNR increased \$2.8 million due to runout. Net Assets increased \$9 million even after the Retiree Drug Subsidy (RDS) distribution to member units of \$6 million. Participant Contributions increased \$7.4 million. Health Claims Administration and Fixed Premium Expenses increased \$6.2 million. Total Other Operating Expenses increased approximately \$800,000. Total increase in Net Assets was \$8,952,847.00.

Erin Orcutt suggested parameters when considering numbers for next year.

Bill Fraher said that a footnote could give general parameters on the audit.

Erin Orcutt pointed out a need for a date correction on the Audit Management Letter. It referred to 2018 and should state June 30, 2019.

In regards to the significant control deficiency noted in the Management Letter, internal controls mitigate risk but it creates conflict in a small organizations.

Rich Bienvenue said that he brought up discussion about the control deficiency years ago but takes issue with the comment. He said that two people look at transactions and that he does not handle cash. He said that Noreen Mavro-Flanders has access to the banking statements and spreadsheets with all transactions including deposits and transfers for the month. She validates all expenses as legitimate expenses for the group. He said she might start to match against the Warrant as well as bank statements to make sure all match up. Mr. Bienvenue said the details of all transactions are available for anyone to review online in the accounting system.

Bill Fraher said there are two options. The first would be to look at auditing practices. The second is to create a formal response to the Management Letter but said he is reluctant to remove comments.

John Kelly wondered from a cost of doing business standpoint what the cost of hiring a second treasurer would be and how that would be different from Ms. Mavro-Flanders' voluntary functions.

Bob Whritenour asked if the CCMHG were to pay someone to do a monthly reconciliation would that mitigate risk.

There was discussion regarding responsibilities for an assistant treasurer's role. There are approximately 200 deposits per month based on GBS invoices. It is estimated that disbursement and transaction reconciliations would take approximately 1 hour per month.

Bill Fraher suggested that documented procedures and controls be developed. If the group does not believe a member of the Board should be providing the review, then it should establish review criteria.

Rich Bienvenue said that sub groups could review procedures and document processes, and then determine what reconciliation is necessary each month.

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Skip Finnell recommended an Ad Hoc Audit Committee with recommendations from the auditor to document procedures and recommend internal controls.

Erin Orcutt, Noreen Mavro-Flanders, and Beth Deck volunteered to meet on the issue.

Noreen Mavro-Flanders moved to accept the FY19 audit report as presented with corrections as noted.

Bob Whritenour seconded the motion. The motion passed by unanimous vote.

Motion

Noreen Mavro-Flanders motioned to pay Town of Sandwich \$854,193.00 as its proportionate share of the Fund Balance increase between June 30, 2018 and June 30, 2019 based on audited financial statements as specified in the CCMHG Joint Purchase Agreement, Article 12.

Motion

Bob Whritenour seconded the motion. The motion passed by unanimous vote.
Bill Fraher left the meeting.

Treasurers Report:

Rich Bienvenue said he had nothing new to report since the previously reported December figures.

GBS Reports:

Carol Cormier reviewed the *Funding Rate Analysis (FRA)* with data through January 31, 2020 and reported an Expense to Funding Ratio of 94.6%. She said the Harvard Pilgrim EPO is underfunded and that \$2.4 million in reinsurance from FY19 is included, contributing to an estimated Funding Surplus of \$4,673,067. The Dental FRA has an Expense to Funding Ratio of 84.4% with a \$537,851 Funding Surplus.

Carol Cormier requested approval and signature of an updated Business Associate Agreement (BAA). She said this is a standard agreement that describes how Gallagher Benefit Services deals with PHI (Protected Health Information). Discussion regarding the agreement raised questions about indemnification for the group and a hold harmless provision.

Rich Bienvenue pointed to the address on page 7 for the group and indicated it should not be the Orleans address.

Skip Finnell said that the governing laws indicated in item 16 on page 8 should be Massachusetts not Illinois.

Erin Orcutt asked if a legal opinion could be obtained prior to signature.

It was agreed that the Group would request Atty. Leo Peloquin to provide an opinion and report to his perspective and any recommended amendments to Board Chair Noreen Mavro-Flanders.

Karen Carpenter reviewed Excess reinsurance reports noting FY20 Total Paid Claims of \$3,203,236 for members exceeding the \$300K deductible through January 2020. She said Excess Claims, i.e. claims above the deductible, were \$1,103,236.31. Total Outstanding Reimbursements to date were \$803,002. The 50% Report included 29 claimants with Total Paid Claims of \$6,036,945.

The FY19 Excess reinsurance report included Total Paid Claims of 8,516,536 with Excess Claims of \$2,611,910. Total Outstanding Reimbursements were \$115,801. The 50% Report included Total Paid Claims of \$14,359,709 with 72 claimants. The FY19 report contained one claimant that still has a pending reimbursement of approximately \$22,000 denied by the reinsurance carrier because they are waiting for a detailed payment ledger from the member's auto insurance carrier.

Discussion took place regarding whether the group has the right to withhold benefits to a member if they do not comply with such requests. It was decided to get a legal opinion on how to proceed with the employee.

Cost Saving Programs: Carol Cormier reviewed the following topics:

The MMRA has engaged with OptiMed Health Partners to identify possible test cases that may benefit from cost saving measures in regards to expensive specialty drug medications. OptiMed has identified two possible test cases, one in West Suburban Health Group and one in Minuteman Nashoba Health Group. Once the MMRA participants have experience with OptiMed, they can review experience and discuss possibilities to expand the program.

CanaRx utilization can be better encouraged.

Post Age 65 Benefits with Medicare can be looked at in terms of an employer buying into Medicare for retirees 65 and older who do not qualify for Medicare. She said that this would be a large undertaking for a group like CCMHG, but the group should be aware of it.

The possibility of Rx carve-out can be revisited.

The policies of the Joint Purchase Agreement should be reviewed regularly. It may be a good idea to look specifically at policies regarding withdrawing units and perhaps see what other groups do.

Erin Orcutt asked for a copy of the most recent Joint Purchase Agreement for review.

Skip Finnell asked how the group could drive participation in the HSA qualified plans.

Carol Cormier mentioned that the CCMHG employers contribute 50% of the deductible to the HSA accounts. The employers cannot legally contribute more to the HSAs but they could give a one-time taxable stipend to members to encourage participation. She said employee education is the key to expanding participation in these health plans. Ms. Cormier said that GBS has been working with Retiree First and their subsidiary Labor First that can work with members to promote HSAs.

Skip Finnell asked if they could be invited to a meeting.

Julie Scansaroli of Blue Cross said that Blue Cross could set up one-on-one sessions to educate on the HSAs.

Skip Finnell suggested that Benefits Fairs are approaching and the Administrators could remain afterwards for education.

Carol Cormier indicated she would look at how many employers currently offer HSA plans.

Health Plan Reports:

Garbrielle Pitcher reported Blue Cross is adding 12 annual visits for Acupuncture at the specialist copay. It will cost approximately 10 cents per member per month. She said that since CCMHG is a self-funded group, it would need to opt out if it does not wish to have this benefit.

Motion

There was a discussion.

Motion

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Erin Orcutt motioned to add Acupuncture as a benefit as described by Ms. Pitcher.

Noreen Mavro Flanders seconded the motion. The motion passed by unanimous vote.

Ms. Pitcher said Blue Cross also added the Smart 90 Program providing a 90-day supply of maintenance medication from a retail CVS pharmacy at the cost of mail order.

Noreen Mavro-Flanders motioned to accept the Smart 90 benefit.

Motion

John Kelly seconded the motion. The motion passed by unanimous vote.

Bill Hickey reported that Harvard Pilgrim could add Acupuncture for an estimated cost of 13 cents per member per month regardless of participation. No action was taken at this time.

Nina Conroy said that Delta Dental found that utilization of non-participating providers had not increased. Through January, there was a small increase in claims but no loss of providers.

Other Business:

Noreen Mavro-Flanders thanked Karen Carpenter from GBS for her many years of dedicated service to the CCMHG and wished her the very best for a long and happy retirement.

The meeting was adjourned at 12:10 PM

*Minutes prepared by Karen Quinlivan
Gallagher Benefit Services*