

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

Steering Committee Meeting
Wednesday, September 22, 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 September 22, 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, Board Vice-Chair	Cape Cod Reg. Tech. High School
Debra Blanchette	Town of Barnstable
Susan Wallen	Nauset RSD
Beth Deck	Cape Cod Collaborative

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant (Mainland)
Bernard Edwards	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.
Bob Kademian, RPh	PBIRx
David Sirowich	PBIRx
Patty Joyce	Abacus Health Solutions
Chris Collins	CanaRx
Jim Riley	CanaRx
Michael Hurley	Pinnacle Care
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 9:05 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	Cape Cod Reg. Tech High School
Susan Wallen	Nauset Schools
Beth Deck	Cape Cod Collaborative

Approval of Minutes of the July 27, 2021 Steering Committee Meeting:

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

Motion

Susan Wallen seconded the motion.

There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Erin Orcutt	Yes
Susan Wallen	Yes
Beth Deck	Yes

The motion passed by unanimous vote.

Debra Blanchette, voting member, joined the meeting at this time.

Treasurer's report:

Treasurer Richard Bienvenue, CPA reviewed the financial reports of June 30, 2021 (unaudited figures). The Trust Fund has \$41.3M in cash, and the total investment balance is \$27,398. He said that the trust fund Net Income through June is \$8.3M, with total Equity at \$58.6M. This is the fourth year in a row with a substantial surplus. The Income Statement shows member premiums stable after Sandwich's withdrawal. Claims experience is a combination of Sandwich leaving and decreased claims from Covid. The net income of \$8.3M had \$3.4M came from investment income. Mr. Bienvenue said that good stewardship of the Investment Committee and Rockland Trust over the last 5 years has resulted in income of over \$6.5M. The Group is in a good position going into the on-month Premium Holiday in December. He said the Dental Fund also had strong performance with the Fund Balance at over \$7.2M. Mr. Bienvenue has contacted the auditor to begin the FY21 audit.

Skip Finnell asked if on the Balance Sheet the amount due to (from) claims administrators was correct in terms of the heading language.

Rich Bienvenue responded that he would correct the parentheses to surround the word (from).

Mr. Finnell also asked if IBNR will go down.

Mr. Bienvenue responded that it depends on the runout reports. There may not be high level claims but accelerating claims at the end of the year.

Mr. Finnell pointed to page 2 of the Income Statement and said that reinsurance premiums appear to be 4% now, not 1%.

Carol Cormier asked where the collateral, i.e. the non-premium funding is recorded. It is about 50% of the premium.

Rich responded it is booked on the Balance Sheet under the investment and reinsurance pool. Reinsurance refunds net against the premiums.

Mr. Finnell also asked about how investment advisory fees are calculated.

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Rich Bienvenue said they are paid 30 basis points management fee based on the average monthly balance on the investment statement.

Debra Blanchette motioned to approve the Treasurer's report as presented.

Motion

Erin Orcutt seconded the motion.

There was a roll call vote.

Skip Finnell	Yes
Noreen Mavro-Flanders	Yes
Debra Blanchette	Yes
Erin Orcutt	Yes
Susan Wallen	Yes
Beth Deck	Yes

The motion passed by unanimous vote.

GBS Reports:

Carol Cormier reviewed the FY22 Funding Rate Analysis (FRA) with data through July 2021. She began by saying that three years ago Group Benefit Strategies was acquired by Gallagher, a global company. There has been a transition period towards doing things the Gallagher way. One of the items on that transition list is reporting. The Funding Rate Analysis (FRA) has been done since the beginning of the CCMHG, and the value of the report is to tell how the rates held against the actual costs by looking at rate revenue vs. major costs. It is not a perfect report for audit or accounting purposes but has been a useful method of analysis for many years. Gallagher has produced new financial reports. They contain the same information but are much more complex to read in many ways. The plan is for the rest of the year to continue to produce the older reports in addition to the new Gallagher reports. Over the next six months, the reports will continue to be evaluated to meet the needs of the municipal market and the CCMHG.

Skip Finnell said that he initially had a reaction to the new reports and had a discussion with Carol Cormier. He appreciated the response and willingness to work with the group in a transition period.

Carol Cormier said that CCMHG is a very important client, and its feedback means a lot so Gallagher appreciates their comments.

Ms. Cormier said that for the health plans, the 1-month Expense-to-Funding ratio was 98.2% and that funding from the rates was \$224,186 above the major expenses on a paid claims basis.

Ms. Cormier said that the Dental FRA showed an expense-to-funding ratio through May of 95.1% generating a dental funding surplus of \$25,456.

Skip Finnell said that the result is not bad considering that the group seriously underfunded the program for the year because of its large Fund Balance.

Ms. Cormier then reviewed the Gallagher reports on a plan by plan basis and compared them to the GBS reports. One of the differences is reinsurance and how it is reported. GBS always reported reinsurance in the month that it was actually paid to the group. Gallagher puts the reinsurance costs in when they are identified. Again, these reports will be produced in tandem for a while with the ability for comparison.

Karen Quinlivan reviewed the FY21 reinsurance reports based on claims paid through July, 2021. She said that there were 25 claimants with claims exceeding the \$300K specific deductible. Total claims for these members were \$11,815,387. Excess claims were \$4,315,386, of which \$1,521,413 has been reimbursed with \$2,793,973 still due to CCMHG. For the same period, there were 57 claimants who had claims between 50% and 100% of the \$300K specific deductible (50% Report). These claims totaled \$11,216,341.

Ms. Quinlivan said for the FY22 policy period there were no members reported in excess of the specific deductible or at the 50% reporting level yet.

Noreen Mavro-Flanders asked what the delay was in payment on some of the larger claims.

Ms. Quinlivan responded that the reinsurer had requested detailed claims reports from Blue Cross, and they were just received after multiple requests. It is anticipated that reimbursements will be coming soon.

Ms. Mavro-Flanders asked Bernard Edward of Blue Cross if he could look into the matter and see that these requests are fulfilled in a timely manner.

Mr. Edwards responded that he would research the matter.

Wellness Program Reports:

Martha's Vineyard (MV) Wellness Report – Triva Emery, Vineyard wellness consultant, provided her status report as of September. It was a successful summer with lots of outdoor initiatives. August brought the continuation of those programs and the introduction of some new ones. October will bring both Mindful Movement and a Monday evening Mental Health Series. Both programs will be delivered by Zoom. The focus will be on essential skills for managing stress, change and transition in life. There will be a Soup Series locally televised on MVTv which will be uploaded to the BeWell-MV website as well. Local chefs will share their favorite recipes, demonstrating and instructing participants through cooking the soups at home. Local farms will donate produce for Soup Starter Packages for those members who wish to receive them. Ms. Emery is also in discussions with farms to offer discounted produce. The Walk and Run program is ongoing. There are programs on fly fishing, kayaking, stand-up paddle boarding, building emergency safety kits, and chess club. Plans are ongoing for an online safety program.

Noreen Mavro-Flanders thanked Triva Emery and commented on the welcome changes to the wellness program on Martha's Vineyard from previous years.

Mainland Wellness Report – Deanna Desroches, Mainland wellness consultant, said the October edition of *Your Health Matters* newsletter is in progress. Couch to 5K hybrid program is continuing weekly runs on Saturday mornings. A spring program is planned for Barnstable and Harwich. An evening program may be started due to interest from teachers. There will be another Fall Hiking series across the Cape in October that will last eight weeks. There are currently 749 members on the wellness portal. So far, 63 members have reached 100 points during FY21 and were mailed \$35 gift cards. There are 110 members that completed Health Assessments and will receive \$25 gift cards. There is a Learn to Play Pickleball refresher program on 09/28 and 09/30 in Dennis. The Intro to Weight Training/Total Body Workout for Beginners class on Monday nights at Cape Light Compact filled up as did a Saturday morning class. There are ongoing programs such as Learn to Play Tennis, Hatha Yoga, Chair Yoga, injury prevention, and online safety.

Benefits Administrators Meeting:

There was discussion regarding a Benefits Administrators meeting for CCMHG to promote awareness and need to promote the OptiMed Program as well as discuss the Premium Holiday, senior renewal rates and the

Pinnacle Care Program that is being considered. A decision was made to schedule after the next Board meeting on October 20, 2021.

PBIRx report and proposals:

Bob Kademian, RPh from PBIRx provided reporting through the month of July. He said that the estimated per member per month costs including rebates were \$125.49 last year and \$130.56 this year. The increase was 4.4%. Traditional drug costs were up 1.51% while specialty med costs were up 5.89%. Blue Cross Rx costs were up 7.67% net of rebates, and Harvard Pilgrim costs were down 5.55% versus last year. Blue Cross prescriptions were down but the cost of specialty meds and cost per prescription drove numbers. Harvard Pilgrim was the opposite with more prescriptions but lower costs.

David Sirowich said that the current PBM contracts are up for renewal. The Blue Cross contract expires on 06/30/2022 and the Harvard Pilgrim/Point 32 Health contract renews annually. Right now PBIRx does not have pricing for BCBSMA after July 1st. PBIRx is asking to do a market analysis RFP and review contract offers to confirm optimal terms available to CCMHG. They would also review the contract offer from Blue Cross from July 1, 2021 moving forward and also request pricing that Harvard Pilgrim provides on an annual basis to do market analysis. It would be best to determine if pricing is competitive with other PBMs in the marketplace. This would also be a good time to open up discussion on proposals regarding specialty drugs for the OptiMed program. The current program is running on a voluntary basis. The current contract has exclusivity regarding specialty pharmacies for Blue Cross and Harvard Pilgrim. A market analysis can be done to include vendor's capabilities to integrate with specialty drug alternative funding programs. The analysis can also include evaluation of OptiMed pricing. PBIRx would like to present results to the Steering Committee and the Board.

There were no concerns expressed regarding the approach so the process will move forward.

MMRA update:

Carol Cormier said that the MMRA Board met in September and went over the usual quarterly financial reports with Artex, the captive manager. The Board then reviewed programs that might help the MMRA save money. She reminded everybody that the MMRA is comprised of three municipal joint purchase groups (JPGs) that are pooling high cost claims risk into one pool. Last year the OptiMed program was adopted at the suggestion of the MMRA's managing general underwriter, Kismet Risk Management, but it was not able to be implemented on a proactive basis due to ASO contracts and PBM requirements. A reactive voluntary program was adopted that has not had a big effect.

Ms. Cormier said that *Pinnacle Care* is a program that gets people through difficult diagnoses and procedures by giving them advisors and healthcare navigations solutions along the way. It is a program that is very useful to the member as well as the Group to help with reducing costs. Slides included in the meeting packet were presented to the MMRA and it was decided that each of the joint purchase groups would follow up and present to their Boards. Since there was not going to be full attendance today, it was thought that the presentations would take place at the Board meeting in October. Pinnacle Care is a healthcare navigation service. Their main dedication is to the members. They have personal health advisors that provide high-touch support. Savings accrue to the plan sponsor by assessing the correct diagnosis, realizing better health outcomes and reducing wasteful medical spend. They have 20 years of experience and partner with over 130 centers of excellence. They currently work with 29 Mass. municipalities. Most of those are in other joint purchase groups as well as the cities of Worcester, Fall River, Lynn and Attleboro. The member experience consists of a member referral to a health advisor consultation. Medical records are then collected and reviewed. Medical Director recommendations can identify the best specialists for diagnosis confirmation and treatment. In-person appointments are facilitated with speed, and any additional needs are identified and met. Employer reporting is done to analyze engagement utilization, expedited appointments, change in provider diagnosis and/or treatment, avoidance of surgery and member satisfaction to complete an ROI analysis. They guarantee

a 1:1 ROI. The average is 3:1. The current quoted price is \$2.70 per enrollee. A family of six would be considered one enrollee. The group can decide whether it wants it available just to the active employee plans or if it could be made available to senior plans as well.

OptiMed has not had a lot of participation and savings have not been what was anticipated. Part of the problem is direct contact with the individual members and recognition by the member of the validity of OptiMed as an endorsed program. A plan needs to be created to increase participation.

There was discussion regarding the best way to encourage attendance at the October Board meeting given the importance of the topics at hand. The consensus was that an email would be sent out asking managers to encourage benefit administrators to attend at least a portion of the meeting

Health Plan Reports:

Blue Cross- Bernard Edwards provided an updated Covid report. Confirmed Covid cases increased from 26 to 38 in August. There were no hospitalizations.

Harvard Pilgrim- Bill Hickey said the PBM for the combined *Point 32 Health* organization will be changing to Optum as of 01/01/2023. Optum will be the specialty medication provider as well.

CanRx – Jim Riley said that data is trending at \$22,000 per month in savings and \$500,000 annual savings. There are possibly \$2M in additional savings that could be achieved.

Tufts- Fred Winer said he was going to retire in August but has since decided to work part-time and retain only the GBS joint purchase groups as clients.

Abacus- Patty Joyce said that the annual report is in progress, and they would like to report at the October or November meeting. There was a notice regarding World Heart Month that went out to all Benefit Administrators.

Other Business:

There was no other business.

Chair Skip Finnell adjourned the meeting at 11:06AM.

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