

MINUTES OF THE CAPE COD MUNICIPAL HEALTH GROUP

Steering Committee Meeting
Wednesday, October 25, 2023, 9:00 AM

Mary Pat Flynn Conference Room
3195 Main St Barnstable MA 02630

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on October 25th, 2023 at 9:00 A.M. at the Mary Pat Flynn Conference Room 3195 Main St, Barnstable MA 02630,

Steering Committee members present:

Erin Orcutt, Steering Committee Chair
Noreen Mavro-Flanders, Board Chair
Robert Whritenour
Debra Blanchette
Susan Wallen
Laurie Barr
David Flynn
TK Menesale

Cape Cod Regional Tech
Duke County
Town of Yarmouth
Town of Barnstable
Nauset RSD
Town of Eastham
Dennis Yarmouth RSD
Hyannis Fire District

Guests Present:

Rich Bienvenue, CPA
Eric Diamond
Caroline Burnham
Lauren McCallum
Joseph Anderson
Karen Quinlivan

CCMHG Treasurer
Harwich Fire
Blue Cross Blue Shield of MA (BCBSMA)
Harvard Pilgrim Health Care
Gallagher Benefit Services Inc. (GBS)
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Erin Orcutt, Steering Committee Chair called the meeting to order at 9:07 A.M.

Ms. Orcutt asked for a roll call of Steering Committee members present. The following voting members were present:

Erin Orcutt, Steering Committee Chair
Noreen Mavro-Flanders, Board Chair
Bob Whritenour

Cape Cod Regional Tech
Dukes County
Town of Yarmouth

Debra Blanchette
Susan Wallen
Laurie Barr
TK Menesale
David Flynn

Town of Barnstable
Nauset RSD
Town of Eastham
Hyannis Fire District
Dennis Yarmouth RSD

Approval of Minutes of the September 20, 2023 Steering Committee Meeting:

Noreen Mavro-Flanders motioned to approve the minutes of September 20, 2023 with correction for Laurie Barr on the attendance list.

Motion

Laurie Barr seconded the motion.

The motion passed by Majority vote. TH Menesale abstained.

Treasurers Report:

Rich Bienvenue was unable to attend the meeting, however, his report on the financial position as of August 31, 2023 (unaudited figures) was included in the packet for review.

GBS Reports:

Joseph Anderson reviewed the FY24 Funding Rate Analysis (FRA) report with data through September 30, 2023 (paid claims basis). The composite expense-to-funding ratio was 110.9%. The estimated Funding deficit was \$4,357,950. Harvard Pilgrim has now settled out, but those claims did come through this year for those encounters that were actually incurred in the prior fiscal year during the processing freeze, so those numbers are high. Looking at the senior plans, Medex has been running higher at 98.5% and Harvard Pilgrim at 120.5%. Adjustment for the backlog brings it closer to 100%. Nothing is unexpected. Dental is running at 95% with an expense-to-funding surplus of \$81,386.

Karen Quinlivan reviewed the stop loss for the FY23 policy period through August 2023. There were 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 an outstanding amount due of \$820,292.23. She said there are 53 claimants on the 50% Report with claims totaling \$14,451,287.67. For the FY24 period through August, there was one member at 50% at about \$200,000.

Steering Committee Members and Board Recommendations:

Noreen Mavro-Flanders nominated Bob Whritenour for Board Chair. He has had the role before and has the most history of anyone else there.

Motion

Erin Orcutt seconded the motion.

The motion passed by unanimous vote.

CY24 Senior Rate Renewal Proposals:

Joe Anderson said that the senior rate renewals came in a lot hotter than they have in the past. The medical piece has increased, as well as the drug piece. An increase will be warranted to have adequate funding moving forward. The carrier administrative charge increased by the usual 2%, and the GBS fee increased by 2%. Medex experience showed that claims were up 6.5% for FY23 over FY22. Trend of 4% was used. The Blue Cross calculation recommended a rate of \$411.25 and the GBS calculation resulted in a rate of \$412.03.

The PDP rate increased 6.8% due to the increased use of specialty medications and weight loss drugs on the horizon. The current Medex rate is \$380.00. A recommended increase would be 6.3% to \$404.00. This could stair step the required funding increase and utilize the health of the trust. Harvard Pilgrim had the issue with claims processing, therefore, the last two months of FY23 were replaced with the first two months of FY24 because the backlog was processed later. It reflected a claims increase of 9.1% for FY23 over FY22. The Harvard Pilgrim calculated rate came to \$405.04 and the GBS calculated rate \$404.07. The current rate is \$380. A recommendation was made for a rate of \$404.00. A five-year history of rate increases was reviewed. The recommendation for rates of \$404 for both carriers would put \$400,000 of the trust at risk.

The fully insured rates were reviewed with the carrier rates they set. Managed Blue increased by 4.8% to 395.67, Tufts Medicare PDP increased by 3.5% to 476.00, and Tufts Medicare Preferred HMO increased by 1.6% to \$377.00. Medicare HMO Blue stayed the same at \$410.03.

Noreen Mavro-Flanders motioned to set both the Medex and Harvard Pilgrim Rates at \$404.00 since the Medicare population did not have the opportunity to take advantage of the premium holiday.

Motion

Bob Whritenour seconded the motion, but Harvard Pilgrim sits better than Medex, so perhaps they have more of a break.

There was discussion.

Joe Anderson said that it is reasonable to expect that there will be increases in the next few years.

The recommendation for Medex of \$404 and Harvard Pilgrim Medicare Enhanced at \$396 would use an additional amount of trust of \$76,000.

Noreen Mavro-Flanders withdrew her motion and Bob Whritenour withdrew his second.

Noreen Mavro-Flanders motioned to set the CY24 Medex rate at \$404 and the Harvard Pilgrim Medicare Enhanced rate at \$396.00.

Motion

Bob Whritenour seconded the motion.

The motion passed by unanimous consent.

Other Business:

Susan Wallen said that she would like to revisit the issue of Delta Dental. Many of the dentists are pulling out of the network. The current contract was presented as having lower costs for the group, but the reimbursements are low to the dentists. Many subcontract their billing services out. The reimbursement does not cover administrative costs. Many dentists are making members pay upfront and submit for reimbursement, but the member is getting the contractual amount reimbursed, which is not what they paid in total upfront. Voluntary plans in particular do not make it worth the benefit.

Bob Whritenour said that it would benefit the group to ask Delta Dental to provide a listing of dentists in the network and those who have departed to get to the bottom of issues.

Joe Anderson said they could compare that in a disruption report to others in the industry.

Noreen Mavro-Flanders asked if any other groups have Delta Dental.

Joe Anderson said that a group in western MA has Blue Cross but none others.

Lauren McCallum said that in 2024 a dental and vision benefit will be offered.

Joe Anderson asked Blue Cross and Harvard Pilgrim to put together an analysis of what could be offered to the group. He would also draft communication to Delta for a presence at meetings going forward.

The next Steering Committee Meetings were set for 9:00 a.m. on December 6th and January 31st at Barnstable County offices.

There was no other business.

Noreen Mavro-Flanders motioned to adjourn the meeting.

Motion

Debra Blanchette seconded the motion.

Chair, Erin Orcutt, adjourned the meeting by unanimous consent at 10:55 AM.

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