

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

Steering Committee Meeting
Wednesday, September 19, 2019, 10:00 AM
Martha's Vineyard Regional Transit Authority Bldg.
Edgartown, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on Thursday, September, 2019 at 10:00 AM at the Martha's Vineyard Regional Transit Authority, Edgartown, 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
Christopher Clark	Town of Harwich
Denise Coleman	Town of Falmouth
Susan Wallen	Nauset Regional School District
Bob Whritenour	Town of Oak Bluffs

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant, Mainland
Melanie Becker	Town of Chilmark
Kathy Logue	Town of West Tisbury
Lauren Thomas	Martha's Vineyard Transit Authority
Patty Joyce	Abacus Health Solutions
Dave Sirowich	PBIRx
Jeffrey Beane	MyTelemedicine
Garbrielle Pitcher	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Carpenter	Gallagher Benefit Services, Inc. (GBS)

Skip Finnell, Steering Committee Chair, called the meeting to order at 10:10 a.m. He called for introductions around the room.

Approval of the minutes of the June, 2019 Board meetings:

Noreen Mavro-Flanders moved to approve the minutes of the June 26, 2019 Steering Committee meeting.

Motion

Christopher Clark seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Rich Bienvenue, CPA reviewed the FY19 year-end financials (unaudited figures). He said it was a very good year and the Group ended in a strong position with a health plan Trust Fund Balance of \$33.5 million, an increase of about \$5.4 million over the prior year. He said in the Spring CCMHG returned the remaining Retiree Drug Subsidy of over \$6.4 million to the eligible participating governmental units. He said that Town of Sandwich withdrew as of July 1, 2019. He said that the town will be entitled to about 8% of the fund balance increase between June 30, 2018 and June 30, 2019. He said that the FY20 rates were set at the FY19 levels.

Skip Finnell said that the possibility of a Premium Holiday will be considered once there is more data.

Rich Bienvenue said the current Fund Balance Policy's target is 8 to 12% of paid claims based on paid claims of the most recent 12 months. He spoke about a possible Rate Stabilization Policy to have in case of a rate spike. He said he could put aside a certain percentage, perhaps 5% of the fund balance, to be available for rate stabilization.

Skip Finnell said he'd like to get a sense of how employers feel about the best way to deal with Fund Balance surpluses and deficits.

Susan Wallen said her district favors lower premiums rather than Premium Holidays to reduce the fund balance.

Carol Cormier said that impact of this decision on employees and employers will be influenced by the contribution percentages which vary widely across the CCMHG employers.

Rich Bienvenue said the auditor is about 50% through the audit.

There was a brief discussion about receivables.

Chris Clark moved to accept the Treasurer's FY19 Year-end report.

Motion

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

Skip Finnell set the next Steering Committee meetings:

- October 23 at 9:00 AM at COMM Fire District immediately preceding the 10 AM Board meeting, and
- November 19 at 9:00 AM at Cape Light Compact.

Wellness Program Report:

Deanna Desroches, Wellness Consultant, reviewed the report and providing status of each program under ten program areas.

Noreen Mavro-Flanders said that she, Deanna Desroches, and others from the Vineyard and the Cape Wellness Committees met to review a Wellness program Strategic Plan for the Cape and Vineyard and will review it at the next meeting.

GBS Reports:

Carol Cormier reviewed the FY19 *Funding Rate Analysis (FRA)* year-end Summary and said that the expense-to-funding ratio was 88% as had been shown at the last meeting. She reviewed the FY20 FRA for July 2019 and said that the expense-to-funding ratio was 97%. She noted that Town of Sandwich withdrew effective June 30 but that run-out claims will continue to be paid for the town's members for a few months. She said

that about \$533K in run-out claims for Sandwich was included in the report. She also noted that the CCMHG did not raise funding rates for FY20.

Karen Carpenter reviewed the *Reinsurance Reports*. She said that to date for the *FY19 policy period* 20 claimants have exceeded the stop loss deductible of \$300K with claims totaling more than \$8.4 million. She said that CCMHG has received \$1.016 million in reimbursements to date with almost \$1.5 million still due to the CCMHG. She said that there were 74 claimants with claims between \$150K and \$300K with claims totaling almost \$14.7 million.

Ms. Carpenter reviewed the *FY18 reinsurance policy* data. She said 21 claimants had claims exceeding the \$300K deductible with total claims of over \$9.6 million. She said the CCMHG received almost \$3.63 million in reinsurance reimbursements.

Carol Cormier reviewed the proposed Gallagher Website Maintenance Agreement for Dec. 1, 2019 through Nov. 30, 2020 saying that the fee has not increased.

Christopher Clark moved to approve the proposed Website Maintenance Agreement for an annual fee of \$1,890.

Motion

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

Ms. Cormier reviewed the proposed Roster Service Agreement for July 2019 through June 2020 with a 5% increase in the annual fee. She noted that the fee had not increased in the previous year.

Noreen Mavro-Flanders moved to approve the Roster Service Agreement with an annual fee of \$8,505.

Christopher Clark seconded the motion. The motion passed by unanimous vote.

Motion

Harvard Pilgrim Health Care - Update on Upcoming Changes:

Bill Hickey said that there will be three changes. First, he said that effective January 1, 2020 the Pharmacy Benefits Manager for the active employee plans, i.e. HMO and PPO, will change from MedImpact to OptumRx. He said Harvard Pilgrim will continue to determine the Rx formulary, pre-authorizations, etc. He said there will be no network disruptions. He said members will receive new ID cards with both CCMHG and OptumRx logos on the cards. He said that those using mail order will get a mailing in December and that the transition will be smooth with assistance from OptumRx.

The second change, Mr. Hickey said, is that Aetna acquired CVS. He said that Aetna has been the Medicare Part D provider for the Harvard Pilgrim Medicare Enhance plan. He said the CY20 pharmacy benefit for Medicare Enhance will be provided by "Aetna powered by CVS". He said that there will be no changes to the pharmacy network or the formulary, but that new ID cards would be sent in November.

The third change that Mr. Hickey talked about was the announcement that an agreement has been signed by Harvard Pilgrim and Tufts Health Plan to merge and form a new company. He said that this will be thoroughly reviewed by state and federal regulators which could take considerable time. Mr. Hickey said that the FY21 renewal will be business as usual since nothing can happen until regulators give their approval for the merger. He said all contracts will remain in place and will be honored until they run out.

PBIRx report:

David Sirowich, PBIRx, distributed and reviewed Rx cost and utilization reports comparing July and August of 2018 with the same time period in 2019. The per member per month cost for BCBS was down and was up

for Harvard Pilgrim. He said that for BCBS and HPHC combined, specialty Rx costs were 70% of pharmacy spend in July 2019 and 55% in August. For BCBS Specialty Rx accounted for almost 86% of Rx spend in July and almost 50% in August. For HPHC, specialty was 37% in July and 45% in August. He said Harvoni was the highest cost drug but it has a 99% cure rate for Hepatitis C.

Mr. Sirowich reviewed the CCMHG Clinical Analysis for July and August for BCBS and for HPHC, showing top disease states and utilization of certain high cost specialty drugs.

Mr. Sirowich noted the reports on CanaRx utilization and costs for April through June 2019 and talked about the proposed Marketing Plan for CanaRx.

EyeMed Contract Renewal Proposal:

Carol Cormier said that Caitlin Marron, EyeMed Account Executive, proposed an “early renewal” that would lock in current rates for four years. Ms. Cormier said that if CCMHG renews with EyeMed before December 31st, it will get a four-year rate guarantee at the current rates. She said that there would be an additional benefit, the Freedom Pass that allows members to get any frame at Sears Optical and Target Optical at no out-of-pocket cost. She said the renewal also comes with ContactsDirect.com booster which gives members \$20 when they order contact lenses on ContactsDirect.com. She said this is in addition to the network contact lens allowance and free shipping.

Bob Whritenour moved to recommend to the Board that it accept the EyeMed early renewal proposal.

Chris Clark seconded the motion. The motion passed by unanimous vote.

Motion

MyTelemedicine:

Jeff Beane said that the participation rate is well below where they wanted it to be. He talked about efforts being launched to get the word out about the program and get members enrolled. He said he will attend health fairs, flu clinics, etc. and that there will be emails sent to benefits administrators every two weeks for distribution to employees. He said he will also send monthly flyers for distribution by emails.

Senior Plan renewals:

Carol Cormier distributed and reviewed the rate calculations for the medical claims factors for Medex 2 and for Medicare Enhance plans. She said the carrier projections and the Gallagher projections were very close. She reviewed the proposed fully insured rates for the Blue MedicareRx Medicare Part D Plan and for the Aetna Medicare Part D Plan. She said the projected rate for Medex with Blue MedicareRx was \$373 (1.4% increase) and for Medicare Enhance with Aetna PDP was \$370 (0% increase).

Bob Whritenour moved to recommend to the Board a CY20 monthly rate for Medex of \$373 and for Medicare Enhance of \$370.

Motion

Christopher Clark seconded the motion. The motion passed by unanimous vote.

Ms. Cormier reviewed the fully insured CY20 senior plan rates proposed by Tufts Health Plan. She said the rates are \$327 Tufts Medicare Prime HMO (3.1% increase) and \$398 for Tufts Medicare Preferred Supplement with PDP Plus (1.3% increase).

Dental Plan issues:

Carol Cormier said that Nina Conroy, Delta Dental Account Executive, was unable to attend the meeting due to a death in her family.

Ms. Cormier said that Delta's new provider reimbursement program was approved by the Division of Insurance and endorsed by the Mass. Dental Association. She said that some dentists, not many, are not accepting the new payments and are leaving the network. She said that Ms. Conroy will speak to this at the next meeting.

Conflict of Interest – Ethics Commission ruling:

Carol Cormier said the Ethics Commission (EC) is not changing its position. She distributed a legal opinion letter from Atty. Leo Peloquin. She said it has been affirmed by the EC that there is a conflict of interest on the part of joint purchase group (JPG) Board members who get their insurance through the JPG. She said that the member would have to submit a Disclosure Form to the appointing authority. If the appointing authority approves and determines that the conflict is not sufficient to interfere with the employee's carrying out of duties, then the appointed employee may serve and vote on JPG Board and committees.

Skip Finnell asked that the legal opinion letter be distributed to the Board and that each governmental unit and Board member will be responsible for complying.

Firefighters Cancer Care coverage:

Carol Cormier referred to an email received by Ray Pirrone, Board representative for Cotuit Fire District and West Barnstable Fire District. She said he is asking for clarification on the CCMHG's position on responsibility to pay medical claims for cancers associated with a firefighters duties.

Christopher Clark said it is generally covered through the health insurance rather than through IOD insurance.

The carriers explained how they dealt with this issue. It was agreed to put it on the October Board meeting agenda.

Other Business:

Garbrielle Pitcher said that BCBS and Southcoast Health are in negotiations over a new contract. She said that there have been articles in the paper about this. She said BCBS has set up a website for members to visit for information.

There was no other business.

Skip Finnell thanked the Martha's Vineyard Regional Transit Authority for sponsoring the meeting. He adjourned the meeting at 12:15 PM

*Minutes prepared by Carol Cormier
Gallagher Benefits Services*