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c/o GBS, 11 Midstate Drive, Suite 200, Auburn, Massachusetts 01501, (508) 832-0490 [www.ccmhg.com](http://www.ccmhg.com)

November 12, 2015

Dear Manager/Administrator/Executive Secretary:

On March 25, 2015 the Cape Cod Municipal Health Group (CCMHG) hosted a meeting for municipal and school managers to update you on the status of CCMHG, its benefit plans and financial position. We also wanted to inform you about current and impending government programs and health marketplace issues that will impact employer, employee, and retiree costs. These include Affordable Care Act programs and fees, one of which is the so-called Cadillac Tax, fast rising pharmacy trend, and the impact of the non-competitive healthcare market on the Cape and Vineyard.

At the March meeting we talked about the likelihood of making plan design changes for July 1, 2016 and explained that we wanted to give employers advanced notice of this possibility and why we thought it was necessary. After study and increasing awareness of many uncertainties regarding how the Cadillac Tax will be implemented in 2018, we are writing to inform you that the CCMHG has decided not to take any actions to change plan design for FY17. Changes will need to be made for FY18, but we did not want employers to have to face changes two years in a row. We will closely watch what develops with regard to the Cadillac Tax, drug cost trends, and the GIC.

In the meantime our fund balance is healthy, and programs are running well. We have started a dialogue with Cape Cod Healthcare to explore possible joint projects to hold down costs and improve wellness of our covered members. We are also reaching out to local legislators to discuss the non-level playing field that exists between groups like CCMHG and the GIC.

CCMHG will be hosting another Managers' meeting in March 2016 (date to be determined). This time we will not have to spend time explaining what we've been doing to maintain and grow our programs and keep costs down, but rather we will be able to spend more time listening to managers' concerns and trying to come up with solutions together. We will let you know the specifics of this meeting once they have been established. We hope you will plan on attending to provide your input.

Sincerely yours,

A handwritten signature in black ink that reads "Noreen Mavro-Flanders".

Noreen Mavro-Flanders  
Board Chair

A handwritten signature in black ink that reads "Skip Finnell" with a stylized flourish at the end.

Francis "Skip" Finnell  
Steering Committee Chair