

Greater Tompkins County Municipal Health Insurance Consortium
Audit and Finance Committee
March 24, 2015
3:00 p.m.
Old Jail Conference Room

Agenda

1. Call to Order Thayer
2. Approve Minutes of January 22, 2015 Meeting
3. Executive Director's Report Barber
 - a. BMI Claims Audit update
 - b. Recertification Process Update
 - c. New Member Checklist
 - d. Municipal Cooperative Agreement Review
4. Resolution to recommend accepting Town of Willett's application Barber
5. Financial Update Locey
6. Discussion and Review: Bronze Metal Level Plan Locey
7. Next Agenda Items
8. Adjournment

Next meeting: April 28, 2015 – 3 p.m.

have asked if this Committee or the Board would like anything official from them. The other municipalities that are not involved in the collective bargaining process are three-quarters of the way through the process as is the City of Cortland for its employees that are not in a collective bargaining group. He said May 1st is the date the benefit clerks would certify to Excellus which dependents have not been .

Mr. Barber clarified that ineligible dependents have never been allowed to be covered; therefore, a benefit is not being taken away. The Consortium is doing what the State Department of Financial of Services asked for it to do which is to verify that it is operating in accordance with its contracts and benefits plans. He said the questions that have been asked by bargaining units such as costs to members and protection and privacy of members' information are valid and need to be answered and he hopes the amended timeline will provide adequate time to get those answers. He noted that from the six municipalities that have completed the process there have been several people identified as ineligible they and have been removed from the program.

Mr. Locey recommended benefit clerks provide a summary report containing information such as how many contracts there are, how many were verified, how many were removed before the amnesty period, how many were removed after, and if were there appeals. There was consensus that this information would be useful; Mr. Barber will follow-up on gathering this data.

It was MOVED by Mr. Thayer, seconded by Mr. Morey. A voice vote resulted as follows: Ayes – 4, Noes – 0, Abstentions – 1 (Cook), Excused – 1 (Salton), Absent – 1 (Weatherby).

RESOLVED, further, That the verification process will begin on November 1, 2014 with an amnesty period until February 28, 2015 **for those participants without the additional collective bargaining step** for the removal of any ineligible spouse and/or dependents without penalty and therefore eligible for COBRA,

RESOLVED, further, That for those participants and contracts with the additional collective bargaining step, the amnesty period for those contracts covered by the impact bargaining process, the amnesty period will continue until two (2) months after the collective bargaining process on dependent certification has been ratified, and

RESOLVED, further That any ineligible covered lives discovered after February 28, 2015, **or two months after impact bargaining ratification for those affected contracts** may be subject to reimbursement of premium paid by the employer since the change in status or January 1, 2011 whichever is later and the ineligible person will not be eligible for COBRA.

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RESOLUTION NO. 002-2015 - RECOMMENDATION OF TEMPLATE LANGUAGE FOR MUNICIPALITIES JOINING THE CONSORTIUM

Mr. Barber said whenever a municipality wishes to express interest in joining the Consortium there are required actions that are outlined in the Municipal Cooperative Agreement (MCA). This resolution provides specific template language for the municipality to adopt that is from the MCA so that the interested municipality's board knows that what is required by their membership. It was suggested that municipalities joining the Consortium be provided with a checklist of steps that must be taken by a municipality joining. It was also stated that there

needs to be a conversation about process and about crediting of deductibles, particularly when a municipality joins mid-year. Mr. Locey said the Blues need to be aware the Consortium wants the crediting of deductibles.

It was MOVED by Mrs. Shawley, seconded by Mr. Cook, and unanimously adopted by voice vote by members present.

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors recommends the following template language be included in resolutions adopted by municipalities joining the Consortium:

“RESOLVED, That the municipality's Board hereby directs the Mayor/Supervisor to sign the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Municipal Cooperative Agreement (MCA), submit copies of financial information required by the GTCMHIC (up to two years of State Comptroller AUD reports), supply contract population data of all employees/retirees eligible to be covered by the Consortium and benefit plan for each, and comply with the dependent verification requirements of the GTCMHIC,

RESOLVED, further, That the municipality's Board hereby directs the Supervisor/Mayor to inquire if a Surplus Reserve payment is required before coverage can begin and if so forward a voucher to this Board for that amount and the terms of the Surplus Reserve Funds return.”

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Pre-Audit Planning Discussion and Engagement Letter

Mr. Mickelson distributed copies of the engagement letter for CDLM's audit of the Consortium's financial statements for activities for the year ending December 31, 2014. He said the primary focus is to make sure there are no material misstatements in the Consortium's financial statements and the Consortium was in compliance with all laws and regulations. They will do confirmation of all payments that were received from participating parties, conduct testing, and relying on actuarial statements and documents from Mr. Locey's office. He said claims liability is the significant estimate at the end of the audit to determine the actual performance for the plan for the year. They will also address concerns with the New York State Department of Financial Services and will provide clarity on what the Department would like to see. An audit process overview was distributed and Ms. Theusen and she reviewed the contents of the document, stating they will try to focus what they consider to be the risky areas. Not only will they send out confirmation to parties as far as the revenue streams but will also take a detailed look at the Consortium's policies and procedures to see that they are being followed, conduct walk-thrus of the cash disbursement cycle, conduct inquiries of management, and will also compare the JURAT report to what they find. At the end of the process they will present a draft report to the Committee and Board and will document management's response to any audit findings.

Mr. Barber said during the audit with the Department of Financial Services Mr. Mickelson was in attendance quite often and provided a very clear third-party opinion that was very helpful to the Consortium; Mr. Mickelson went above and beyond was necessary and it was appreciated.

Review of Municipal Cooperative Agreement

Mr. Cook said one thing that that come to light as the Consortium grows and requests are made from regulatory units is that there may be a conflict with the MCA that restricts the Consortium's ability to function. Section A.3 of the MCA requires that participants bring their entire group into the Consortium unless there is a decision by the Board to allow a member to exclude a group. He said groups that are operating within a municipality may not share the same goals or philosophies and may not appreciate the importance of the Consortium or share the core values of the Consortium. He said when that arises the Consortium and municipalities are restricted in what they can do about it because of the Expulsion provisions in the MCA. In that provision the removal of a municipal government states it must be of the entire member and all employees thereunder. He said this could present a situation where in a particular municipality the majority of employee groups are in sync with the philosophies and core values of the Consortium but there may be another group that is not. By only being able to remove the municipality as a whole it sets up an inherent unfairness. He believes the group that shares the Consortium values is being punished with financial hardship when it is necessary to purchase health insurance outside the Consortium. Mr. Cook asked if there should be discussion of the removal of a group or a subgroup of a municipality to allow for flexibility to be fair moving forward.

Mr. Locey said the reason this was originally put in the MCA was to prevent adverse risk selection in the industry. He said there needs to be a lot of people across a broad demographic to make it effective and one specific demographic can be very good or very bad. The initial language attempted to make sure that when people came into the Consortium that the Consortium wasn't being selected against. He said it is not a requirement but the language does not state that a municipality will be expelled if all groups are not in the Consortium. Mr. Cook said perhaps the Expulsion provision is what needs to be addressed

Mr. Cook said the Consortium works in a complex environment with multiple bargaining groups who share different viewpoints and even in the labor world there are times when different labor groups don't agree. Because the Consortium is not a party to the contractual liability through the bargaining units a municipality would have to carve out that group and work to provide the required coverage outside the Consortium.

Following discussion, Ms. Drake questioned if the Consortium were an insurance company like Excellus for example, if same situation would be occurring with the recertification process. It was noted that there is a precedent for allowing a municipality in without a bargaining group but there is no way to expel a group without removing the entire municipality. Mr. Locey mentioned there is a provision that allows a risk assessment to be charged if a municipality isn't doing something other members are doing.

It was agreed this could be added as a topic for discussion when the Municipal Cooperative Agreement is reviewed in the Spring.

Financial Update

Mr. Locey electronically distributed a financial report prior to the meeting. In terms of budget versus actual the Consortium is 3.35% below budget on income year-to-date and 2% below budget for both medical and prescription drug claims. He said \$4.7 million had been budgeted for net income for the year and the Consortium finished the year with a little over \$4.3

million. He pointed out the annual expense versus budgeted drug and medical claims and said in aggregate it has been 1.3% for the four years below budget.

Mr. Locey said that at this point things look good in terms of financial result. They are receiving final financial information in for the year and will be getting out additional information in the next few days. He said for both 2012 and 2013 the aid claims and incurred claims are within less than one percent. He said they are showing a 7% rate for the IBNR; therefore, he thinks there is no reason to move from the 12% level.

Mr. Locey will provide Affordable Care Act accrual information for the Patient Centered Outcomes Research Institute fee to Ms. Theusen.

Next Meeting Agenda Items

The February 24, 2015 was canceled. The next meeting will be March 24th at 3 p.m.

At the next meeting the Committee will discuss the Municipal Cooperative Agreement and a draft new member checklist.

Adjournment

The meeting adjourned at 2:50 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

New Member Application Checklist

After your municipality has determined that they would like to join the GTCMHIC you will need to do the following:

1. Send to the Consortium Clerk consortium@twcny.rr.com a certified resolution from your Town Board directing the Chief Executive Officer to sign the Municipal Cooperative Agreement (suggested text to that resolution attached. This document is due 2 weeks before the Board meeting when your application will be considered
 - a. Your municipality's coverage will begin no sooner than the beginning of 2nd month after Application is accepted by Board resolution.
2. At least 3 weeks advance of the Consortium Board meeting, please send 2 most recent years of your municipality's AUD report that you file with the NY State Comptrollers Office
3. At least 2 weeks before the Board meeting when your application will be considered send an email or letter requesting the Consortium Board of Directors to waive the Surplus Reserve payment which amounts to 5% of the expected annual premium
4. At least 3 weeks advance of the Consortium Board meeting, please contact Beth Miller at Excellus (bmiller@bcbscnny.org) to provide her with the names of employees and retirees and dependents that will be receiving Consortium supplied Health Insurance. Please copy the Consortium Clerk on this communication.
5. Your municipality will need to certify that all dependents are eligible before coverage can begin. You can contact the Consortium Executive Director for assistance in performing this operation. The Dependent Eligibility certification should be sent to the Consortium Executive Director



Municipalities building a
stable insurance future.

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RESOLUTION NO. – 2015 - ACCEPTANCE OF APPLICATION BY THE TOWN OF WILLETT TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Willett has submitted an official resolution authorizing the Town of Willett to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Willett has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Willett as the 17th municipal participant, with health insurance coverage beginning _____, 2015,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro-rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly.

Greater Tompkins County Municipal Health Insurance Consortium
2015 Standard Platinum Plan Benefit Option

Plan Benefit and Cost Sharing Highlights		GTCMHIC Standard Bronze Plan		Current Town of Ithaca - PPO Plan	
		In-Network	Out-of-Network	In-Network	Out-of-Network
Cost Sharing	Deductible	\$3,500 Combined In-Network and Out-of Network	Out-of Network	\$0	\$250
		\$7,000 Combined In-Network and Out-of Network		\$0	\$750
Out-of-Pocket Maximum <i>(Medical Plan Coinsurance and Copayments)</i>	Individual	\$6,350 Combined In-Network and Out-of Network		N/A	\$1,000
	Family	\$12,700 Combined In-Network and Out-of Network		N/A	\$3,000
Out-of-Pocket Maximum <i>(Rx Plan Copayments)</i>	Individual	\$6,350	Not Applicable	N/A	N/A
	Family	\$12,700	Not Applicable	N/A	N/A
Annual Maximum		Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Maximum		Unlimited	Unlimited	Unlimited	Unlimited
Preventive Health Care Services		In-Network	Out-of-Network	In-Network	Out-of-Network
Well Child Visits		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Adult Routine Physical Exams		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Adult Immunizations		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Mammography		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Pap Smears		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Routine Gynecological Exams		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Prostrate Cancer Screenings		20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Colonoscopies		Preventive Screenings Covered in Full	40% After Deductible	Preventive Screenings Covered in Full	20% After Deductible
Family Planning Services		Covered In Full	40% After Deductible	Covered In Full	20% After Deductible

Greater Tompkins County Municipal Health Insurance Consortium
2015 Standard Platinum Plan Benefit Option

Plan Benefit and Cost Sharing Highlights	GTCMHIC Standard Bronze Plan		Current Town of Ithaca - PPO Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Physician Office Services				
Diagnostic Office Visits	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Diagnostic X-Rays	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Diagnostic Laboratory and Pathology	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Allergy Tests	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Allergy Injections	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Chemotherapy	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Radiation Therapy	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Maternity Services				
Prenatal Services	Covered In Full	40% After Deductible	Covered In Full	20% After Deductible
Hospital Care for Mother (includes delivery)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Newborn Nursery Care	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Prescription Drug Benefits				
	In-Network	Out-of-Network	In-Network	Out-of-Network
	Tier 1 \$5	Not Covered	Tier 1 \$5	Not Covered
	Tier 2 \$35	Not Covered	Tier 2 \$20	Not Covered
	Tier 3 \$70	Not Covered	Tier 3 \$35	Not Covered
	Tier 1 \$10	Not Covered	Tier 1 \$10	Not Covered
	Tier 2 \$70	Not Covered	Tier 2 \$40	Not Covered
	Tier 3 \$140	Not Covered	Tier 3 \$70	Not Covered
Retail Pharmacy (limited to a 30-day supply)				
	Tier 1 \$5	Not Covered	Tier 1 \$5	Not Covered
	Tier 2 \$35	Not Covered	Tier 2 \$20	Not Covered
	Tier 3 \$70	Not Covered	Tier 3 \$35	Not Covered
	Tier 1 \$10	Not Covered	Tier 1 \$10	Not Covered
	Tier 2 \$70	Not Covered	Tier 2 \$40	Not Covered
Mail-Order Pharmacy (limited to a 90-day supply)				
	Tier 3 \$140	Not Covered	Tier 3 \$70	Not Covered

Greater Tompkins County Municipal Health Insurance Consortium
2015 Standard Platinum Plan Benefit Option

Plan Benefit and Cost Sharing Highlights	GTCMHIC Standard Bronze Plan		Current Town of Ithaca - PPO Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Inpatient Hospital Benefits				
Hospital Benefits (unlimited days)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Physician Visits in the Hospital	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Inpatient Physical Rehabilitation (60-day limit)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Surgery (Physician's Fee)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Anesthesia	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Emergency Care	In-Network	Out-of-Network	In-Network	Out-of-Network
Emergency Room Care	20% After Deductible	40% After Deductible	\$35 Copay	\$35 Copay
Freestanding Urgent Care Center	20% After Deductible	40% After Deductible	\$25 Copay	20% After Deductible
Ambulance	20% After Deductible	40% After Deductible	\$10 Copay	\$20 Copay
Outpatient Hospital Benefits	In-Network	Out-of-Network	In-Network	Out-of-Network
Diagnostic X-Rays	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Diagnostic Laboratory and Pathology	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Surgical Care Facility Fee	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Chemotherapy	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Radiation Therapy	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Mental Health and Chemical Dependence	In-Network	Out-of-Network	In-Network	Out-of-Network
Inpatient Mental Health Care (unlimited days)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Outpatient Mental Health Care (unlimited visits)	20% After Deductible	40% After Deductible	\$10 Copay Per Visit	20% After Deductible
Inpatient Chemical Dependence	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Outpatient Chemical Dependence	20% After Deductible	40% After Deductible	\$10 Copay Per Visit	20% After Deductible

Greater Tompkins County Municipal Health Insurance Consortium
2015 Standard Platinum Plan Benefit Option

Plan Benefit and Cost Sharing Highlights	GTCMHIC Standard Bronze Plan		Current Town of Ithaca - PPO Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Other Services				
Diabetic Insulin and Supplies	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Skilled Nursing Facility (limited to 200 days/year)	20% After Deductible	40% After Deductible	Covered In Full (110 days)	20% After Deductible
Home Care (limited to 40 visits per year)	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Hospice Care	20% After Deductible	40% After Deductible	Covered In Full	20% After Deductible
Outpatient Therapy (45 visits per condition/lifetime) (physical, speech, and occupational)	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Durable Medical Equipment	20% After Deductible	40% After Deductible	20% Coinsurance	20% After Deductible
External Prosthetics	20% After Deductible	40% After Deductible	20% Coinsurance	20% After Deductible
Chiropractic Care	20% After Deductible	40% After Deductible	\$10 Copay	20% After Deductible
Acupuncture (10 Visits Per Calendar Year Combined In/Out Network)	Not Covered	Not Covered	50% Coinsurance	Not Covered
Hearing Aids (Age <19 single purchase once every 3 years)	20% After Deductible	40% After Deductible	Not Covered	Not Covered
Vision Benefits	In-Network	Out-of-Network	In-Network	Out-of-Network
Adult Routine Vision Exam (one per year)	Not Covered	Not Covered	Not Covered	Not Covered
Adult Diagnostic Vision Exam	20% After Deductible	40% After Deductible	\$10 PCP / \$10 Spec Copay	20% After Deductible
Adult Eyewear	Not Covered	Not Covered	Not Covered	Not Covered
Pediatric Routine Vision Exam (one per year)	Not Covered	Not Covered	\$10 PCP / \$10 Spec Copay	20% After Deductible
Pediatric Eyewear	Not Covered	Not Covered	\$60 Annual Allowance	\$60 Annual Allowance

Greater Tompkins County Municipal Health Insurance Consortium
2015 Standard Platinum Plan Benefit Option

Plan Benefit and Cost Sharing Highlights	GTCMHC Standard Bronze Plan		Current Town of Ithaca - PPO Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Dental Benefits				
Adult Dental Care	Not Covered	Not Covered	Not Covered	Not Covered
Pediatric Dental: Preventive and Routine	Not Covered	Not Covered	Not Covered	Not Covered
Pediatric Major Dental Care and Medical Ortho	Not Covered	Not Covered	Not Covered	Not Covered
Accidental Dental - Outpatient Surgery (accidental injury to sound, natural teeth and for care due to congenital disease or anomaly.)	20% After Deductible	40% After Deductible	Not Covered	Not Covered
Monthly Premium Rates	Individual	Family	Individual	Family
2015 Fiscal Year - Tompkins County	\$315.26	\$819.68	\$780.19	\$1,689.19
Wellness Plan Included	YES		NO	
Health Savings Account Eligible	NO		NO	
Employer Annual Contribution (Assumes 80%)	Individual	\$3,026.50		\$7,489.82
	Family	\$7,868.93		\$16,216.22
Employee Annual Contribution (Assumes 20%)	Individual	\$756.62		\$1,872.46
	Family	\$1,967.23		\$4,054.06