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MINUTES
Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
March 7, 2013 – Noon
Old Jail Conference Room

Approved
11/7/2013

Present:

Municipal Representatives: 9 members

Mack Cook, City of Cortland; Betty Conger, Village of Groton (excused at 1:15 p.m.); Judy Drake, Town of Ithaca; Schelley Michell Nunn, City of Ithaca (excused at 1:00 p.m.); Jennifer Case, Town of Dryden; Laura Shawley, Town of Danby; Don Barber, Town of Caroline; Brooke Jobin, Tompkins County; Herb Masser, Town of Enfield

Municipal Representative via Proxy: 1 member

Mary Mills, Village of Cayuga Heights

Union Representatives: 4 members

Chantalise DeMarco, County White Collar-CSEA; Michael Thomas, City of Ithaca Admin. Unit President – CSEA 1000; John Licitra, Town of Ithaca Teamsters; Bradley Berggren, Town of Danby Highway

Union Representative via Proxy: 4

George Apgar, President; Ithaca Professional Fire Fighters Assoc. and Ithaca Area Fire Fighters #73 (2); Jim Bower, Town of Ithaca DPW – Bolton Point; Patty VandeBogart, TC3 Staff Unit

Others in attendance:

Travis Turner, Cayuga Area Physicians Alliance; Beth Miller, Excellus; Theresa Lyzcko, Tompkins County Health Promotion Program

Call to Order

Ms. DeMarco called the meeting to order at 12:08 p.m.

Overview of Tompkins County Wellness Programs

Theresa Lyzcko, Director, Tompkins County Health Promotion Program, said the County currently reimburses employees for fitness facility memberships or weight management programs. The County used to have a Wellness Committee that met regularly and made decisions about programs and conducted different programs throughout the year that had to do with cardio disease risk reduction, and weight management/nutrition. It was decided to limit programs to these because the County has health insurance that provides other services and benefits to employees and cardiovascular and chronic disease was one of the higher costs for health insurance plans. Over the years there were physical fitness campaigns of which some were funded by worksite grants. Ms. Lyzcko said these programs were very time intensive for employees to manage.

Ms. Lyzcko said the County has approximately 750 employees and there is no way any one fitness program can work for everyone because of the many different types of jobs people have and the different work sites. She said there also needs to be “buy-in” from the top, meaning that the top levels of management have to support and encourage the programs which can lead to many issues, including worksite, supervisory, and union issues.

Most recently the County participated in an online Excellus program that required staff to organize leaders at each worksite to encourage employees to participate and collect or enter data into a computer. She said the County continues to reimburse for health club memberships and have expanded it to include yoga and tai chi. Ms. Lyzcko distributed a copy of the Wellness Committee’s reimbursement form and stated the terms for reimbursement require that an employee participate for six months continuously or one year and must prepay. The Committee will reimburse \$100 for six months and \$200 for one year. She stated the income is taxable; however, with a physician’s statement that the activity is medically necessary the employee can receive the reimbursement without being taxed. She quoted the following statistics for reimbursement over the last three years:

In 2010, 75 employees participated with a total reimbursement of \$13,000;
In 2011, 92 employees participated with a total reimbursement of \$15,000; and
In 2012, 84 employees participated with a total reimbursement of \$15,000

She stated there have not been any recent efforts to inform employees about this; however, Ms. Jobin said this is something that could be included in the new employee orientation packet.

Ms. Nunn asked if there is any way to measure the results. Ms. Lyzcko said wellness efforts are long-term and although there is nothing to show the Program’s results, wellness types of activities have shown through research to avoid costs.

Consultant Update

Ms. DeMarco said Mr. Locey is unable to attend but has communicated the following items:

They are sending a request for updated information to the employers relative to the Request for Proposals (RFPs) for Flexible Spending Account (FSA) administration and Employee Assistance Programs (EAP) and hope to have information for the next meeting. They will also contact each of the vendors to have them update their quotations. In terms of the Medicare Supplement Plan, they are continuing to work on this benefit plan. However, with the significant amount of time and effort they have had to dedicate to the audit being conducted by the New York State Department of Financial Services, they have not been able to put as much time into this as they had hoped and will work to bring a meaningful update to the next meeting.

Update from Board of Directors

Mr. Barber said the Board has not met since December; however, many activities have been taking place. He reported the auditor has gone back to New York City and is no longer on-site. The remaining questions are being worked on being responded to and he expects an exit interview to be held in April. He reported one of the findings they have communicated relates to the inability of this Committee to attain a quorum at meetings. He said this will be included in the final findings and consideration should be given as to how to address this. He said it has always been the Consortium’s goal for labor to have a meaningful role and asked for discussion by the Committee on how to respond to this finding.

Mr. Barber reported he, along with Liz Karns, and Travis Turner met to discuss Clinical Integration last week. He said although gradual, the process is up and running. He also reported on the ProAct prescription benefit cards and said the Executive Committee met and asked that ProAct send a letter to all members instead of reissuing new cards. The Board still needs to make a decision about the private sector advertising through the public sector.

Mr. Barber said 95% of the Consortium's cost go toward claims and the cost of the Consortium is going up by 9% each year. Claims are the result of the interaction with the physicians and the employees. Through Clinical Integration the physicians are doing their part and the employers and employees need to work on their part - healthy lifestyles. He said he is looking for venues to have discussions with employees and the Consortium about how everyone can work together to manage claims. He said the cost of claims is going up much faster than the Property Tax Cap and governments cannot sustain these increases. Mr. Barber said there are places across the country that have worked together and have bent the cost curve. He asked members to give consideration to this and suggest possible venues to begin discussions. *Ms. DeMarco asked Mr. Barber to share information from other communities where this has worked.*

Ms. Nunn said she would like to have a conversation about the procedural process with this Committee and how things get decided and determined and negotiated in terms of contracts and what expectations are moving forward.

Health Care Reform Overview

Ms. Miller provided an overview of the Health Care Reform legislation which is complex and continually changing. Health Care Reform legislation was signed into law in March 2010 and is over 900 pages. As of 2014 all persons need to have some form of health insurance or a penalty will be imposed. The following are pointed noted in the overview:

- Main purpose is to cover the uninsured
- HCR requires market reform (i.e. exchanges). Health insurance is now considered a commodity
- Some provisions were effective immediately
- Major reforms are in 2014
- Federal legislation includes coverage of dependents to age 26
- Lifetime major medical limit of \$1 million was removed

Ms. Nunn was excused at 1:00 p.m.

Large employers do not have to change anything. Large employers still make the three same decisions (choose plan design, decide who is covered, what is the contribution level). However, there are rules and regulations surrounding these three decisions.

- a. Who is covered? All full-time employees (employees working 30 hours or more) must be covered.
- b. Plan Design - minimum coverage (essential benefits) must be offered. These include prescription drug, labs, hospitalization.
- c. Employer contribution - the lowest plan being offered cannot cost an employee more than 9.5% of a single individual's income.

2014 Benefit and Coverage Changes:

- No exclusions for pre-existing conditions (addition of adults, pre-existing removed from children in 2013)

- Coverage for clinical trials (continues to lack definition and requirements)
- Coverage for obesity-related services (effective date and details are unknown)
- New employees cannot wait more than 90 days to start coverage

There are four types of Exchange Health Insurance Products:

- Platinum - insurer pays 90%, customer pays 10%
- Gold - insurer pays 80%, customer pays 20%
- Silver - insurer pays 70%, customer pays 30% (this is the new standard plan)
- Bronze - insurer pays 60%, customer pays 40%

Ms. Miller said Excellus will be part of the three types exchanges: federal (they run the entire program), state-operated, and a partnership where exchanges are run by the federal and state governments. Employers of 25 and under can get tax credits if approved for them; groups 50 and under can move to the Exchanges or stay within their current plan. She noted that the Consortium's plan is above a Platinum plan.

She encouraged Committee members to visit and review information that is available on the websites: <https://www.excellusbcbs.com/wps/portal/xl/our/hpr/healthreform/> and http://www.healthcarereform.ny.gov/health_insurance_exchange/

Ms. Conger was excused at 1:15 p.m.

Ms. Miller reviewed taxes associated with health care reform, noting that in order to offer credits the legislation had to include taxes or assessments. Taxes include:

- Patient-Centered Outcomes Research Tax - \$1 per covered life for policy and plan years ending between 10/1/11 and 9/10/12;
- Transitional Reinsurance Program Fee - estimated fee for 2014 is \$5.255 per enrollee per month;
- Health Insurance Excise Tax - this tax will not apply to the Consortium;
- Exchange "user fee" 3.5% of premium; can be passed on to the consumer; and
- Cadillac Tax - 40% on annual value of costs that exceed this threshold. This is the area where wellness discussions are valuable.

Ms. Miller said as a large group employer there is nothing the Consortium needs to do. She gave praise to the forward thinking in pulling the Consortium together when it did as it is in a much better place.

Approval of Minutes

Approval of the minutes from June, July, August, October, December, 2012, and January 7, 2013 meetings were deferred due to lack of quorum.

Discussion of Alternate Representative to the Board of Directors

This item was deferred.

New Business

Ms. DeMarco said the Governor's proposed budget contains a pilot project to allow for a private hospital to operate in this State which has never happened before and said this is something that needs to continue to be watched.

Old Business

There was no old business.

Adjournment

The meeting adjourned at 1:23 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk