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Approved

## MINUTES

### Greater Tompkins County Municipal Health Insurance Consortium Joint Committee on Plan Structure and Design June 12, 2014 – 1:30 p.m. Rice Conference Room, Health Department

#### ***Present:***

#### ***Municipal Representatives: 10 members***

Judy Drake, Town of Ithaca; Michael Murphy, Village of Dryden; Brooke Jobin, Tompkins County; Schelley Michell Nunn (arrived at 1:39 p.m.); City of Ithaca; Laura Shawley, Town of Danby; Jennifer Case, Town of Dryden; Betty Conger, Village of Groton; Carissa Parlato, Town of Ulysses, Cindy Whittaker, Town of Caroline (excused at 1:55 p.m.); Mack Cook, City of Cortland

#### ***Municipal Representative via Proxy: 1***

Ruth Hopkins, Town of Lansing

#### ***Union Representatives: 12 members***

Scott Weatherby, TC3 Staff Unit CSEA Vice President; John Licitra, Town of Ithaca, DPW – Teamsters; Olivia Hersey, TC3 PAA; Matthew Skeval, Tompkins County Road Patrol; Doug Perine (arrived at 2:10 p.m.), Tompkins County White Collar Unit President; Phil Van Wormer, TC3 CSEA Admin Unit #8901-01; Tim Farrell, City of Ithaca DPW Unit; Steve Wright, Tompkins County Blue Collar Unit; James Bower, IUOE Local 158, District 832 Bolton Point; Tim Logue, City of Ithaca Executive Unit; Scott Ochs, TC3 Faculty Association; Bradley Berggren, Town of Danby Highway

#### ***Others in attendance:***

Steve Locey, Judy Taber, Locey & Cahill; Margaret Gannon and Chuck Guild, CSEA Health Benefits Department; Beth Miller and Matthew Losty, Excellus BCBS

#### **Call to Order**

Mr. Weatherby, Chair, called the meeting to order at 1:37 p.m.

#### **Changes to the Agenda**

The Flex Spending Account and Employee Assistance Program updates were withdrawn from the agenda. Due to time constraints the Excellus Utilization Report was not presented.

#### **Chair's Report**

Mr. Weatherby said labor representatives met prior to this meeting and would like to address certain issues with regard to the resolution on the agenda. He said there appears to be a misunderstanding as to whether the Affordable Care Act requires the Consortium to have metal plans. Mr. Locey said there is mandate that the Consortium have these plans; the Consortium is mandated to have certain levels of benefit through the State and Federal

government but the metal plans being presented are additional options that would be added to the menu of existing health plan options through the Consortium.

Ms. Hersey made the following statement:

“The Consortium and/or their consultant(s) should NOT limit or dictate the health insurance plan(s) which all collective bargaining units have a mandated right to bargain for. Health Insurance is a mandatory subject of bargaining and it will not be changed in any way unless it is done through the collective bargaining process.

“The Consortium and/or their consultant(s) should provide the municipalities and labor unions with the mechanism to get the plans that the members need; the function of the Consortium and/or their consultant(s) in the collective bargaining process is to provide information and costs.

“The Affordable Care Act does NOT require the consortium to provide the four metal categories. The metal categories should only be created for what is needed in as many variations as is needed through the collective bargaining process or by the municipalities for non-union employees.”

Ms. Nunn arrived at this time.

Mr. Locey stated that adding an additional option does not change anyone’s current health plan, ability to bargain, or current or future collective bargaining agreements. The resolution only adds another plan option and is no different than adding an additional prescription drug option. He stressed the plan option contained within the resolution will not change any current benefit plan and does not alter any collective bargaining agreement. If anyone has a plan that has been collectively bargained for it remains until a decision is made to change it. He said the plans are options and may show up at the bargaining table; however, they will show up whether they are made available through the Consortium or through an outside source. He said any municipality may leave the Consortium and obtain any plan through an insurance company.

Ms. Hersey said the language in the resolution: “one standard plan be made available at the platinum metal level as defined by the Affordable Care Act” suggests all of the current Platinum plans are not in existence. Mr. Locey said there currently are no Platinum plans available as all of the plans exceed the Platinum level.

Ms. Gannon said the 98% actuarial plans that are in the Consortium contain rich benefits and are not subjecting the units to go to a 90% which could be a decrease in benefits. She said by approving this, a “can of worms” will be opened for the bargaining process. Mr. Locey stated the purpose of this Committee is to approve additional plan designs that can be made available, it is not to collectively bargain. He cannot prevent any employer or labor group from bringing any option to the table; however, if an option is not available through the Consortium it cannot be brought forward. He stressed the collective bargaining process is outside of the Consortium’s purview. He said the Committee was not created to create a roadblock to making plans available or to stop the collective bargaining process. He said he attempted to clarify the intent of the resolution by adding the following Whereas:

“Whereas, the addition of one or more metal levels of coverage will not diminish, alter, or eliminate any current medical or prescription drug plans offered by the Consortium nor will the

addition of such plans supersede or preempt the collective bargaining rights of any labor organization associated with any Participating Municipality within the Consortium, and”

Mrs. Shawley stated that there are many insured people in the Consortium that are not covered by any collective bargaining agreement and there needs to be plan options made available to those municipalities.

Mr. Locey said the reason they do not want multiple plans at the base Platinum level is because there really is no difference in those plans. He said when you manipulate a co-pay to lower it you have to raise something else to make it fit within the definition of the Affordable Care Act for a Platinum plan because it has to meet the actuarial value of a 90% plan. Mr. Locey distributed copies of a revised resolution.

Mr. Farrell asked if members would receive a side-by-side comparison. Mr. Locey said he provided a comparison with two of the County plans. He said if any labor group or employer is interested in a particular plan he can provide a side-by-side comparison that can be used to evaluate a plan with their current plan. There are over 40 different plans that exist within the Consortium and it would be impossible to prepare a comparison for each plan.

Mr. Logue said the Affordable Care Act makes the Platinum plan in the context of three other metals look like it is the best plan. He said he during the collective bargaining process there may be labor groups that think that the Platinum plan would be good without understanding that their benefits are currently Platinum Plus and that accepting the Platinum plan would be accepting a reduction in benefits.

Mr. Locey said he expects other metal level plans to be brought to the bargaining table as well and the intent behind bringing this plan forward is because the Consortium is a more efficient way to provide benefits, to make sure that inside the Consortium all of the options that can be made available are made available. He said there are three municipalities within the County that have plans far below the Platinum level that have been unable to join the Consortium because there is not a plan for them.

Ms. Whittaker was excused at this time.

Mr. Weatherby spoke to the first Resolved in the Resolution and questioned if there would still be a 98% Platinum plan. Mr. Locey clarified that there currently is no Platinum plan in the Consortium. The current 98% plan is a Classic Blue Indemnity plan and is not defined as a metal level plan. It will remain as an available plan within the Consortium.

Ms. Jobin said in looking at the different health plan options that are listed for all of the municipalities in the Consortium she questioned if at the present time if management or a bargaining unit can bring forth any of the plans that are on included in the list. Mr. Locey said yes. If they wanted to bring an outside plan that is not currently available within the Consortium it would stall the collective bargaining process and a plan would have to be presented to this Committee and approved by the Board of Directors. If this Committee does not recommend a plan the Board can still take it under consideration.

Mr. Perine arrived at this time.

Ms. Jobin also asked whether a municipality could create its own plan and present to the State for approval. Mr. Locey said this could happen and if an employer did not want to look at this plan they could look at options to alter benefit and lower premium a little without going all of

the way down to this level. He noted there are employers that want to look at the Platinum level.

Mr. Weatherby asked Ms. Jobin if the County is currently negotiating for a plan that is not currently in the Consortium. Ms. Jobin said she could not answer that question. Mr. Weatherby asked if an employer can negotiate for a plan that is not available in the Consortium. Mr. Locey said an employer can negotiate for any plan that is in or outside the Consortium; however, if the plan were not available within the Consortium the employer would need to leave the Consortium.

Mr. Locey said there are employers within the Consortium that are looking at the Affordable Care Act and the metal level plans that are on the Blue Cross Blue Shield website for Tompkins County because everyone is looking to save money.

Mr. Cook said if the Consortium does not offer plans at different price points the Consortium will not grow and will be hard pressed to maintain the membership that currently exists within the Consortium.

Mr. Wright asked what municipalities are not currently able to join the Consortium and was told the Village of Lansing and the Town of Newfield have high deductible health plans and are not able to join because there is not a compatible plan. Mr. Cook said there are also municipalities in Cortland County that are unable to join. If plans are not brought into the Consortium it could potentially result in the defragmentation of the Consortium.

Ms. Hersey asked what municipalities need which plan. She still believes the Consortium should only create the plans that are needed to suit the needs of the municipalities and the collective bargaining process and should not just create plans. Mr. Locey said there is at least one employer that is interested in offering a Platinum plan. There are two municipalities that are currently not in the Consortium that would be interested in a Bronze or Silver plan. There are also municipalities outside the Consortium that may be interested in joining with one of the other metal levels. Mr. Locey said there is a need.

A question was asked as to why the Committee isn't being asked to consider a Bronze or Silver plan. Mr. Locey said for several months the Committee has been presented with information on all the plans and recommends the Consortium adopt a standard plan at each of the metal levels. Mr. Locey was then asked why the Committee couldn't consider those plans first.

Mr. Murphy said there appears to be a need and said by not approving this he sees it as an attempt to prevent management from having an option. Ms. Hersey said the plans that currently exist cannot be changed unless done so through a collective bargaining process and the Consortium should only create a plan when they are needed and creating a menu of plans defeats the collective bargaining process.

Ms. Drake responded to the question of why the Committee is not looking at all of the metal level plans at this meeting and said she told Mr. Locey that the Committee was having a hard time tackling all of the plans and suggested only the Platinum plan be presented at this meeting. She said the Town of Ithaca would like to look at a Platinum plan but cannot do so unless it is included in the menu of plan options. She also said some of the decisions about whether other plans should be brought in will not necessarily be labor or employer driven as there are strategic decisions the Board of Directors will need to make about plan offerings.

Ms. Parlato said the Town of Ulysses is concerned about rising costs and would be interested in seeing options for all of the metal levels. Others also expressed an interest in seeing different plan options.

Mr. Ochs said language contained in the resolution is important and instead of recommending one Platinum plan it should state something to the effect that a platinum plan is being offered in addition to the plans that exist.

Mr. Wright said emotions are high during this discussion and wanted to address the feelings of union members. He stated it has taken a long time to get to where they are at with bargaining for the betterment of all individuals and noted that there are members of groups that follow what bargaining units have negotiated. He said they have had to fight for years for the benefits employees have and questions why employees are always being asked to accept less.

Mr. Locey said it is not the job of this Committee to fix collective bargaining issues within each municipality; its purpose is to help the Consortium operate by being the vetting organization for plan designs.

Mr. Logue said this is a very sensitive topic for people who do not get paid as much as the private sector and stated the benefit package is why many do this aside from their civic pride and making the community a better place. He said when management goes after benefit packages and cannot offer pay raises its tough for employees.

It was MOVED by Ms. Drake, seconded by Mrs. Shawley, to approve the resolution with the suggested wording change in the first Resolved.

Mr. Weatherby opposed taking action on this resolution and stated he would like an opportunity to meet with labor representatives and CSEA attorneys to discuss this. Mr. Locey said the Board of Directors meets next week and a delay by one month would delay action by the Board until August.

It was MOVED by Mr. Logue, seconded by Mr. Ochs, to Table the resolution to the next meeting.

Mr. Ochs Called the Question.

A vote on the motion to Table to the next meeting resulted as follows: Ayes -11 (Hersey, Weatherby, Skeval, Farrell, Vanwormer, Logue, Perine, Licitra, Ochs, Berggren, and Wright); Noes – 11 (Bower, Conger, Cook, Murphy, Shawley, Drake, Case, Jobin, Parlato, Nunn, Hopkins). MOTION FAILED.

A vote on the motion to approve the resolution resulted as follows: Ayes – 11 (Shawley, Conger, Drake, Bower, Jobin, Parlato, Cook, Murphy, Nunn, Licitra, and Hopkins); Noes – 11 (Wright, Weatherby, Berggren, Hersey, Ochs, Farrell, Logue, Vanwormer, Case, Perine, and Skeval). RESOLUTION FAILED.

**RESOLUTION NO. - RECOMMENDATION TO ADD THE STANDARD PLATINUM PLAN METAL LEVEL OPTION CONSISTENT WITH THE PROVISIONS OF THE AFFORDABLE CARE ACT**

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium is a self-insured municipal cooperative health benefit plan operating pursuant to Article 47 of the New York State Health Insurance Law, and

WHEREAS, the Municipal Cooperative Agreement of the Greater Tompkins County Municipal Health Insurance Consortium authorized the creation of the Joint Committee on Plan Structure and Design, a joint labor and management committee, and

WHEREAS, the Joint Committee on Plan Structure and Design's principle function is to review and provide guidance to the Consortium Board of Directors on matters concerning the benefit plans offered by the Consortium to the Participating Municipalities, and

WHEREAS, the Joint Committee on Plan Structure and Design has reviewed standard benefit plan options consistent with the four metal levels of coverage as defined by the Affordable Care Act, Platinum, Gold, Silver, and Bronze, and

WHEREAS, several Participating Municipalities in the Consortium are seeking plan designs consistent with the metal levels of coverage as defined by the Affordable Care Act, now therefore be it

"Resolved, That the Joint Committee on Plan Structure and Design recommends to the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors, to add the Greater Tompkins County Municipal Health Insurance Consortium Standard Platinum Plan as summarized in the June 12, 2014 benefit grid and as defined by the Affordable Care Act, hereinafter referred to as the "Platinum Plan,"

RESOLVED, further, that the "Platinum Plan" will have an Actuarial Value as defined by the Affordable Care Act equal to an overall plan benefit for the average participant of 90%,

RESOLVED, further, that the rating and underwriting department at Excellus BlueCross BlueShield or an independent actuarial firm will certify the Actuarial Value of the aforementioned plan prior to its approval by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium,

RESOLVED, further, that the aforementioned plan design is recommended for inclusion in the Greater Tompkins County Municipal Health Insurance Consortium's available benefit plan menu to be effective as soon as practicable.

There was consensus that a revised resolution would be included on the next agenda.

#### **Approval of Minutes of June 12, 2014**

It was MOVED by Mr. Weatherby, seconded by Ms. Conger, to approve the minutes of April 3, 2014. A voice vote resulted as follows: Ayes - 21, Noes - 1 (Cook). MINUTES APPROVED.

It was MOVED by Mr. Weatherby, seconded by Ms. Drake, to approve the minutes of May 1, 2014. A voice vote resulted as follows: Ayes - 21, Abstentions - 1 (Hersey). MINUTES APPROVED.

**New Business**

There was no new business.

**Old Business**

There was no old business.

**Next Meeting**

The next meeting will be July 10<sup>th</sup> due to the 4<sup>th</sup> of July holiday.

**Adjournment**

The meeting adjourned at 3:20 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk