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## MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium  
Joint Committee on Plan Structure and Design  
January 10, 2013 – Noon  
Old Jail Conference Room**

**Approved  
11/7/2013**

***Present:***

***Municipal Representatives: 8 members***

Mack Cook, City of Cortland; Jeff Brockway, Town of Groton; Mary Mills, Village of Cayuga Heights; Judy Drake, Town of Ithaca; Schelley Michell Nunn, City of Ithaca (arrived at 12:17 p.m.); Laura Shawley, Town of Danby; Irene Weiser, Town of Caroline; Brooke Jobin, Tompkins County

***Municipal Representative via Proxy: 2 members***

Jennifer Case, Town of Dryden; Betty Conger, Village of Groton

***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; Matthew Skeval; Tompkins County Road Patrol

***Union Representative via Proxy: 3***

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

***Others in attendance:***

Steve Locey, Locey & Cahill; Sharon Dovi, TC3; Beth Miller, Excellus; Leslie Musowitz, City of Ithaca Wellness Program

### **Call to Order**

Ms. DeMarco called the meeting to order at 12:07 p.m.

### **Update from Board of Directors December 20, 2012 Meeting**

#### **Flu Clinics**

Mr. Locey followed up on items discussed at the last meeting. He reported on flu clinics held in Cayuga County and said they have been working directly through the County's Health Department. The Department secures the vaccine, some of which is free and the remainder is purchased and the Consortium reimburses the Department for every vaccine that is used to inoculate anyone covered under the Consortium's health plan. Their clinics are held a couple of times a year and are open to the spouses, employees, and their dependents. To his knowledge, the Department does not charge the Consortium any additional fee for their time inoculating. Their participation rate was in the range of 60 to 65%. The cost of each vaccine was approximately \$10 to \$15. He said this does save the Consortium money because an office visit charge is avoided. In cases where vaccines are administered by a pharmacy there is a small administrative fee but it is much less than an office visit charge. Mr. Locey said the cost doesn't get allocated out to the various participants; it is absorbed into the paid claims budget.

Ms. Drake said the Town of Ithaca contracts with Cayuga Medical Center; they bring the vaccine to the site. Ms Dovi said at TC3 the Health Center secures the vaccine and offers the vaccine to students and staff.

Ms. DeMarco said she would like to explore options, including the TC3 Nursing Program.

#### Medicare Supplement

Mr. Locey distributed a document showing medical paid claims and covered lives by age band by month paid from the beginning of the Consortium to December 2012. He said the children age zero to age one tend to be a higher cost due to premature, low birth weights, multiple births, etc. The costs from ages 50 to 64 spike up in overall costs. He noted that in looking at the over 65 age population it is a good size portion of the group; however it is unknown how many how many over age 65 who aren't taking it because they cannot afford it. In reviewing the document showing the average cost per covered life based on the different age bands the noted costs are accelerated in the covered lives, particularly in the 50-54 and 65+ age groups. He explained the average cost per month for the different age groups which showed the Consortium's cost for medical claims for the 65+ age group drops off substantially due to Medicare becoming the primary payer.

Mr. Locey noted that work that still needs to be done including a carve out of those people who are still actively working and who are over age 65 because their medical expenses would be showing primary under the health plan. This will have a small impact on the overall average. In terms of claims versus percentages of covered lives he noted that the young dependents account for 19% of the claims and are approximately 30% of the population. Ages 25-44 account for 17% of claims and are 21% of the population; ages 45-64 account for 54% of the claims and only 35% of the population; and the age 65+ category account for 9% of the claims and are 12% of the population.

Mr. Locey distributed a copy of the benefit designs and rates and noted that the 2013 rates range on an individual basis from a low of \$433 to the average of \$550-\$560 on a per life basis. When looking at the claims data he said predominantly on a covered life basis the 45-64 age group is close to the average in terms of the individual rate. If the rate for the over 65 population were to be set at a lower amount the difference of what the Consortium is collecting would need spread amongst the other members. He said one of the biggest questions is how can the Consortium offer coverage to those who cannot afford it and don't have it while restricting or accounting for those who do have the coverage who would also like the lower cost plan.

Ms. DeMarco asked if the Consortium were to offer medical coverage only what the impact would be on people who are currently getting prescription drugs. Mr. Locey did not have data on prescription drug costs but stated the active population is clearly subsidizing the retiree population. He said for the Consortium to offer a lower cost medical plan it would have to increase the prescription drug rate or eliminate that coverage for those people. He said a request has been made for that data from Express Scripts and will present it when it becomes available.

Mr. Cook suggested exploring individual employers offering a supplement. Mr. Locey said this was discussed at the last meeting and this is an option; however, in the end the loss in revenue needs to be offset with a reduction in claims expense.

It was noted through the discussion that the amount of the premium paid by each of the different employers varies greatly. Mr. Cook described a scenario of the City of Cortland's costs

versus the Medicare supplement and prescription drug supplement and what it would cost the City to make the Consortium whole.

It was agreed this item would be on the next agenda for continued discussion that will include data from the prescription drug costs.

### **Update from Board of Directors**

Ms. DeMarco distributed copies of Don Barber, Chair of the Board of Directors, State of the Consortium address and reported the State audit is still in process.

### **Report on Prescription Drug Manager Transition to ProAct**

Mr. Locey distributed copies of the welcome packet that was sent to members by ProAct. He explained the history of the RFP (Request for Proposals) process and the decision to change the prescription benefit manager to ProAct. He said ProAct is owned by Kinney Drug which is a New York based employee-owned corporation. One of the things offered by ProAct was to provide the Kinney value card as part of the identification card, which would give members a discount in a Kinney store. When the identification cards were distributed a lot of concern was raised because many people thought they had to purchase prescriptions from a Kinney Drug store and there was also concern over whether the Consortium was promoting one pharmacy over another. He provided copies of an e-mail in which he offered three options for the Board of Directors to take to address the situation and said the Board of Directors will be looking at this:

1. Leave situation alone and handle call/complaints on a case by case basis;
2. Do not reissue identification cards; have ProAct sent out a clarification letter to members; or
3. Have ProAct issue new identification cards without the Kinney Pharmacy Value Card on the back.

Ms. DeMarco said there are some employees who have experienced problems which have caused some interruption in the process in addition to concern over the Consortium promoting a pharmacy which has led to a perception that business is being diverted from local business.

Ms. Nunn said she thinks there is a legitimate concern about the Consortium promoting a particular company but believes that reissuing new cards would lead to another level of confusion. She said the City has been working individually with people communicating and re-emphasizing that people do not have to obtain prescriptions from Kinney Drug. Ms. Nunn suggested redesigning the card and sending out new cards in 2014. Ms. Miller suggested a clarification letter could be sent out that provided an option for a new card to be issued if any member would like one.

Mr. Locey said ProAct is willing to do whatever the Consortium would like but there needs to be a well thought out discussion before they are given direction. He will update the Committee on what direction the Board takes.

### **Sharing of Wellness Information**

Ms. Miller distributed information on the Blue 356 program and will provide additional information on the programs reported to the Committee by Jennifer Stuckert of Interactive Health Solutions. She also spoke of the Excellus website and the information and resources

that are available to members. She said various information and brochures promoting wellness are available for employers; if anyone is interested they should contact to her.

Ms. Nunn asked for clarification as to what direction this Committee is attempting to go in with respect to wellness activities. Ms. DeMarco said she would like this Committee to see what the larger employers are doing and discuss how the Consortium can provide some of the smaller employers with opportunities they may not have. She expects employers to continue offering wellness programs that are currently in place.

Mr. Cook shared information he received at the New York State Conference of Mayors. He said a growing trend in New York is a concept of using biometrics to be able to reduce the contribution rate on an individual level and there are municipalities experiencing a great success in reducing claims by using this model.

Ms. Miller will provide information on this through Interactive Health Solutions and said it also identifies those who are at risk as well as though who are potentially at risk. She said Blue Cross uses this and explained the initial test is done by a fasting blood draw. She said employers receive numbers but do not receive any medical information. This provides employers an aggregate number to show where the risk is and where to target wellness programs. Mr. Cook said cities to the east of Tompkins County have worked with collective bargaining groups to bring this concept in and have been successful. Participation is not mandatory but it is presented as an opportunity for members to reduce premium costs.

This will be discussed at the May meeting when there is discussion of the Consortium's utilization data.

### **Approval of Minutes**

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

### **Discussion of Alternate Representative to the Board of Directors**

This item was deferred.

### **Old Business**

There was no old business.

### **New Business**

There was no new business.

### **Adjournment**

The meeting adjourned at 1:26 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk