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stable insurance future.

MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
May 7, 2015 – 1:30 p.m.**

Approved

Present:

Municipal Representatives: 8 members

Judy Drake, Town of Ithaca and Board of Directors Chair; Betty Conger, Village of Groton; Schelley Michell Nunn, City of Ithaca; Herb Masser, Town of Enfield Jennifer Case, Town of Dryden; Laura Shawley, Town of Danby; Ruth Hopkins, Town of Lansing (arrived at 1:45 p.m.); Carissa Parlato, Town of Ulysses

Municipal Representative via Proxy: 2

Mack Cook, City of Cortland (Proxy – Judy Drake); Michael Murphy, Village of Dryden – (Proxy – Laura Shawley)

Union Representatives: 7 members

Tim Farrell, City of Ithaca DPW; Olivia Hersey, TC3 Professional Admin. Association; Tim Logue, City Executive Unit; Phil VanWormer, City of Ithaca Admin. Unit (arrived at 1:50 p.m.); Jon Munson, Town of Ithaca Teamsters; Steve Wright, Tompkins County CSEA Blue Collar; Derek Reynolds, City of Cortland Firefighters

Union Representatives via Proxy: 6

Scott Weatherby, TC3 Staff Unit (Proxy – Steve Wright); James Bower, IUOE Local 158, District 832 Bolton Point (Proxy – Jon Munson); Benjamin Locke, City of Cortland Police (Proxy – Derek Reynolds); Tom McCall – City of Cortland Wastewater (Proxy – Derek Reynolds); Larry Chase, TC3 Faculty Association (Proxy – Olivia Hersey); Tim Arnold, Town of Dryden DPW Teamsters (Proxy – Jen Case)

Two proxy forms were submitted designating Mr. Weatherby as the proxy; however, he was not in attendance. Those proxies were for Joe Call, City of Cortland CSEA and Jerry Wright, Village of Cayuga Heights Police

Others in attendance:

Don Barber, Executive Director; Judy Taber, Locey & Cahill; Matt Losty, Excellus; Ted Schiele, Tompkins County Health Department and member of the Owing Your Own Health Committee; Sharon Dovi, TC3 Human Resources

Call to Order

Mrs. Shawley, Vice Chair, called the meeting to order at 1:37 p.m.

Approval of Minutes of February 5, 2015 and April 2, 2015

It was MOVED by Ms. Hersey, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to approve the minutes of the February 5 and April 2, 2015 meetings as submitted. MINUTES APPROVED.

Chair's Report

Mrs. Shawley said one item of business the Committee needs to take up is the selection of a third labor representative to the Board of Directors.

It was MOVED by Mr. Wright, seconded by Mr. Reynolds, to nominate Olivia Hersey as the third labor representative to the Board of Directors. Mr. Bower was nominated by Mr. Munson. Mr. Barber noted municipal representatives do not participate in this election. He also stated Jim Bower has expressed interest in the position but was unable to attend the meeting. A vote by show of hands by labor was conducted at this time. Olivia Hersey received 10 votes; Jim Bower received 3 votes for being the third labor representative to the Board of Directors. Ms. Hersey was selected.

Report from the Executive Director

Mr. Barber distributed copies of the 2014 Annual Report for the Consortium. He reported a benefit clerk recognition event was held this week to thank them for their work and to provide them with information about the Consortium.

Bronze Plan

Mr. Barber said the Committee has been discussing the Bronze metal level plan at recent meetings and has looked at deductibles, co-pays, and the different levers the Consortium is able to work with. As a result of those discussions it was forwarded to the Audit and Finance Committee where it was discussed and no issues were brought forward. The Plan is scheduled to go to the Board of Directors this month for approval and following approval it will be presented to the Department of Financial Services for review.

Ms. Taber said the Bronze Plan has an Actuarial Value (AV) of 62% and is based on the Affordable Care Act plans that are offered in the marketplace for consumers or small groups. By having an AV of 62% it means the plan will cover on average 62% of the medical expenses incurred by the covered person. All of the plans have a maximum out-of-pocket amount that is to be paid before all expenses are covered at 100%. All metal plans cover preventive care services as defined in the ACA (Affordable Care Act) at 100% with no deductible and no out-of-pocket costs to a member. Ms. Taber said what differentiates plans are deductibles, co-pays and co-insurance amounts. All in and out of network services are covered but are covered at different levels. This is an additional option that will be available to municipalities to offer to employees. The Bronze Plan is the lowest level plan offered and has the lowest premium. All of the plans cover prescription drug with a relatively small co-pay.

The advantage to the Consortium of having this plan is that it would be an affordable option for those employees who have lower salaries and higher contribution rates but would cover their health care needs. Mr. Barber said starting in 2016 everyone has to have some level of health insurance coverage. This would provide an affordable alternative for employees who are working part-time and who are not covered under a collective bargaining unit and is an opportunity for both employer and employee to comply with the ACA.

Ms. Nunn said this plan could be attractive for an individual who does not have a lot of health issues as it would be a less expensive plan.

Ms. Dovi said TC3 has many adjunct faculty who would like to have this plan offered because the plans currently offered are not affordable to most part-time workers. Ms. Drake said there are municipalities that would like to consider joining the Consortium but are unable to because there currently is no plan offered that meets their needs. By making this plan available as an option within the Consortium's plan offerings there are municipalities that could become a participant in the Consortium.

It was MOVED by Ms. Drake, seconded by Ms. Conger, to approve adding the Bronze Metal Level Plan to the Consortium's menu of benefit plan offerings. By a vote by show of hands the Bronze Plan was approved by a vote of 12 in favor and 11 opposed. MOTION CARRIED.

Introduction of Gold and Silver Metal Level Plans

Ms. Taber said the Platinum Plan which was approved has an AV of 90%; the Bronze Plan has an AV of 62%. The Gold and Silver plans fall between those levels with the Gold having an AV of 80% and the Silver Plan has an AV of 70%. She distributed information showing the differences between the Gold and Silver Plans. These would also be additional plan options that would be available to employers.

In response to a question by Mr. Reynolds, Ms. Taber said each plan uses a three-tier prescription model. She will provide information on what the plan would look like using the different tier models that currently exist within the Consortium.

Presentation of Health Management Report by Excellus

Mr. Losty reviewed the Health Management Report for the period January 2, 2014 thru December 31, 2014 and paid through March 31, 2015.

During the review the following points were noted in changes from 2013:

- The average number of contracts was 2,270 in 2014 (0% change)
- The average number of members was 5,015 (-1%)
- The plan cost was up 2%
- The member cost was up 5%
- The total cost was up 1%
- The cost per contract per year was up 2%
- The plan cost per member per month was up by 3%
- The total cost per member per year was up 3%

Over the past four years, the plan cost per contract has increased by an average of 3% per year, which is well below healthcare trends of 7-9% annually.

The Consortium vs. a comparison population showed a plan cost per contract per year being 24% higher. This was 30% in 2012, so the plan is slowly getting closer to the comparison. The member cost per contract per year was 31% lower. Pharmacy plan costs increased from \$1,337 to \$12,421. Mr. Losty said there has been a shift from inpatient services to outpatient facilities, an increase driven by high claim activity: blood clotting treatments and injections for cancer treatment. There was also an increase in flu and shingles vaccines.

Mr. Losty reviewed cost distributions:

During the period 11% had claims of \$0; the comparison population was 17%. 4% of the population had claims greater than \$25,000; the comparison population was 4%. It was noted that 17% of members incurred 77% of the plan costs. The general rule is that 20% of the members incur 80% of the costs.

The number of members with \$0 is total costs: 576. Of those 62% were male, the average age was 35.9, 40% were subscribers and the average months on the plan within the period was 9.8. The number of members with greater than \$25,000 in plan costs was 154. Of those 52% were male, the average age was 52.7 years, and 56% were subscribers. The average months on the plan within the period was 11.6.

Mr. Losty reviewed utilization over prior year:

Inpatient admissions were 76 (1% decrease);

Average length of stay was 4.8 days (4% decrease);

Physician office visits were 4,624 (1% decrease);

Emergency room visits was 227 (5% increase)

Urgent Care visits were 2975, an increase from 2317 in 2013

There were 181 potentially avoidable emergency room visits with a potential savings of \$288,998.

Ms. Hersey questioned what change there has been in potentially avoidable emergency visits was from 2013. Mr. Losty noted that the potentially avoidable costs over the four-year period have declined substantially. He reviewed highlights and recommendations contained in the report:

- Plan Costs for the 2014 calendar year rose by 2%. Costs have been below trend each year for the past four years.
- Member cost share is substantially less than members in a similar industry. Slight increase to member cost share will assist in keeping plan costs down. The Platinum plan will be more closely aligned with comparison population.
- Emergency room utilization is 16% below the comparison for minor illness diagnoses, an suggests cost-effective consumer choices within the Consortium population.
- Promotion or urgent care centers, education, and benefit design, can all help to reduce minor illnesses in the emergency room.
- Consider Blue4U, a health awareness and preventive care program in which members complete a health profile and receive a worksite health evaluation. Participants will receive a personalized health report and have access to a private health management website.
- Consider the benefits of Excellus pharmacy benefit management.

Presentation by the Owing Your Own Health Committee

This item was deferred to the next meeting.

New Business

There was no new business.

Old Business

Ms. Hersey asked for a report on the status of the Recertification Process. Mr. Barber said all of the towns and villages are complete. The City of Ithaca and the County are still working to complete their process. He expects the Board will extend the deadline. The City of Cortland has a couple of outstanding employees to complete the process.

Next Meeting Agenda Items

Discussion of Silver and Gold Metal Level plans
Presentation by Owning Your Own Health Committee
Discussion of membership and addressing the quorum issue

Adjournment

The meeting adjourned at 2:55 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk