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## MINUTES

### Greater Tompkins County Municipal Health Insurance Consortium Joint Committee on Plan Structure and Design June 4, 2015 – 1:30 p.m.

Approved

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

#### ***Municipal Representatives: 9 members***

Judy Drake, Town of Ithaca and Board of Directors Chair; Betty Conger, Village of Groton; Carissa Parlato, Town of Ulysses; Joan Mangione, Village of Cayuga Heights; Mike Murphy, Village of Dryden; Schelley Michell Nunn, City of Ithaca (arrived at 1:37 p.m.); Cindy Whittaker, Town of Caroline; Laura Shawley, Town of Danby; Jennifer Case, Town of Dryden

#### ***Municipal Representative via Proxy: 4***

Mack Cook, City of Cortland (Proxy – Judy Drake); Genevieve Suits, Village of Homer (Proxy – Judy Drake); Ruth Hopkins, Town of Lansing (Proxy – Betty Conger); Ann Rider – Town of Enfield

#### ***Union Representatives: 5 members***

Scott Weatherby, Chair, TC3 Staff Unit; Tim Farrell, City of Ithaca DPW; Olivia Hersey, TC3 Professional Admin. Association; Jon Munson, Town of Ithaca Teamsters; Brad Berggren, Town of Danby Highway

#### ***Union Representatives via Proxy: 4***

Doug Perine, Tompkins County White Collar (Proxy – Scott Weatherby); James Bower, IUOE Local 158, District 832 Bolton Point (Proxy – Scott Weatherby); Tim Logue, City of Ithaca Executive Unit (Proxy – Scott Weatherby); Phil Vanwormer, City of Ithaca Admin. Unit (Proxy – Olivia Hersey)

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

Don Barber, Executive Director; Steve Locey and Judy Taber, Locey & Cahill; Ted Schiele, Tompkins County Health Department and member of the Owing Your Own Health Committee; Sharon Dovi, TC3 Human Resources; Ashley Masucci and Julie Fish, ProAct

#### **Call to Order**

Mr. Weatherby, Chair, called the meeting to order at 1:34 p.m.

#### **Approval of Minutes of May 7, 2015**

This item was deferred until there was quorum (after Chair's Report).

### **Chair's Report**

Mr. Weatherby said he received a request that the Committee consider meeting bi-monthly. Following discussion it was the consensus of those present that the Committee continue with its existing schedule and to cancel a meeting if there is a lack of business. Ms. Hersey also asked that the Committee also be respectful of when meeting dates fall near holidays.

### **Report from the Board of Directors**

Ms. Drake reported at last week's Board of Directors meeting the external auditors presented a report on the 2014 Audit and the Consortium is in good financial shape. The Board adopted the Bronze metal level plan after having a good discussion. Excellus also presented the Utilization Report that was previously presented to this Committee.

### **Joint Committee Organization Discussion**

#### Board of Directors Labor Alternates

Mr. Weatherby said he continues to look for alternates to the Board of Directors for each Labor seat.

#### Proxy Policy

Mr. Weatherby read from the current bylaws relating to proxy votes:

"Members who are unable to attend meetings may submit a completed proxy form or e-mail the Consortium's Administrative Clerk prior to the meeting. If notifying by e-mail the member must provide the date of the meeting they will not be attending and the individual to whom they are designating as the proxy."

Following a brief discussion there was consensus that members should not be permitted to file one proxy form that could be used for an entire year. It was reiterated that proxies can be designated in an e-mail and submitted up until the start of the meeting. It was reaffirmed that prior to each meeting members must file a new proxy form.

#### Joint Committee Membership

Mr. Weatherby he continues to work on improving attendance; however, there are some labor groups that will not attend Committee meetings. Ms. Hersey suggested the management representatives of those groups be asked to encourage participation by their groups. Ms. Nunn said there are two groups in the City of Ithaca that do not recognize the Consortium. Mr. Locey spoke of discussions that are taking place by the Board of Directors through the review of the Municipal Cooperative Agreement concerning members being able to participate in meetings by electronic methods. He stated there may present opportunities in the future for Consortium committees to utilize technologies to participate in meetings as well.

### **Approval of Minutes of May 7, 2015**

It was MOVED by Ms. Hersey, seconded by Ms. Conger, and unanimously adopted by voice vote by members present, to approve the minutes of the May 7, 2015 meeting as submitted. MINUTES APPROVED.

### **Report from the Executive Director**

Mr. Barber said he has been meeting with municipal employers since the beginning of the year to talk about the Consortium. He distributed and presented information contained in a Power Point presentation that he will be using to introduce the Consortium to labor groups and asked the Committee to provide feedback on any other items they felt should be discussed.

Following the presentation to the Committee Mr. Barber asked if there would be interest by labor in receiving the presentation. Ms. Hersey said she doesn't believe there would be great interest by labor in being presented with the information; their primary concern is to know the benefits exist when they need them. Ms. Dovi agreed and said perhaps presenting the information prior to negotiations would generate a better response. Mr. Murphy said he believes people generally only want to know if they are receiving good benefits at a good price and would not be interested in reading or hearing a lot of information. He suggested and there was agreement, that smaller amounts of information being circulated three to four times a year that shows how the Consortium is saving members money and what they can do to control costs would be more effective.

Mr. Locey spoke of the importance of everyone having the same information to avoid confusion and misunderstandings. Ms. Shawley said she found the information Mr. Barber provided on why the Consortium was formed to be very interesting and informative and suggested this information accompany short snippets of other useful information such as how utilizing urgent care facilities is much less costly than emergency rooms.

Mr. Barber encouraged members to attend the June 12 educational retreat that will be focused on benefit plan design.

He reported on changes that have been approved to the Municipal Cooperative Agreement that include defining the service area for the Consortium to be the contiguous counties to Tompkins, allowing for real-time electronic participation in meetings, creation of a Secretary position, and an amendment to the Alternative Dispute Resolution clause to not only include participating municipalities but also the Directors and committee members. The Board also agreed to continue the Recertification process for those who have not completed it until October 15<sup>th</sup>.

Mr. Barber distributed copies of the Consortium's 2014 Annual Report and commented on the finances for the first four months. Revenues are almost \$13 million for the first four months which is 99.5% of what was expected and expenses are at \$9.9 million which is 81% of what was budgeted.

### **Continued Discussion of Gold and Silver Metal Level Plans**

Mr. Locey said one item that was raised at the last meeting related to the drug benefit and what effect the drug plan would have on the actuarial value. He explained there is a good variance among groups but the average prescription drug co-pay at a retail pharmacy would be \$10/\$25/\$40. When the Gold plan was created a co-pay structure was created at \$5/\$35/\$70. He noted that in each of the Gold, Silver, and Bronze plans the prescription co-pay at the Tier I level is \$5 across-the-board and this was done because the cost sharing in other areas was significantly increased. One area where they wanted to give some relief was in the area of generic medications which represents approximately 80% of the drugs purchased. He said brand name co-pays could be manipulated slightly and it would not have a huge impact on a plan's actuarial value.

Mr. Locey said the actuarial value of the current Gold metal level plan is 82.4% which is slightly above the high level for the range; therefore any further, manipulation would likely have to accompany a change in some of the other areas such as co-pays or deductibles to balance out that change. He also Locey and Cahill has worked with Excellus to develop the plans on a regional basis for their municipal clients to standardize plans to the greatest extent possible.

Mr. Locey reviewed the components of the actuarial value calculator and said the deductible, out-of-pocket maximum, and co-insurance are the areas that impact the actuarial value the most. A plan having an actuarial value of 82.4% would mean the member would average paying 17.6% for their cost of care.

Ms. Hersey asked for clarification as to why the Gold plan family out-of-pocket maximum is \$9,000 and the Silver plan is \$6,000. Mr. Locey said predominantly it is because of the deductible which is the most significant thing in the benefit plan; each person who is in the Silver plan, for example, would need to meet \$800 more in expenses before anything is paid.

Ms. Hersey suggested the areas of office visits and diagnostics be highlighted on the document because she thinks are the areas people will start out using insurance for.

Mr. Locey reviewed various scenarios and the impacts changes would have on the actuarial value of a plan. He spoke of the importance in having conversations about health insurance and the impacts it can have on jobs, salaries, and municipal governments.

Mr. Barber asked Mr. Locey to bring the Excel program to the next meeting and to demonstrate the impact changes have on the actuarial value. In response to Ms. Hersey he said medical claims represent 70% of the Consortium's expenses and prescription drug claims represent 30% in the active population. The numbers are close to the opposite with the Medicare-aged people covered under a plan.

### **Presentation by the Owning Your Own Health Committee**

Mr. Barber said the Committee has a very diverse group of members and discusses wellness programs and what the Consortium as a health insurance company can do to then support an employer/employee program. The Vision that the Committee has adopted is "a community that values and practices preventative healthcare and to promote health and prevent disease". In doing that the Committee has considered a number of wellness program strategies such as competitions, biometric screenings, and health coaching. Mr. Barber said the metal level plans that the Consortium has been approving contain a wellness component; however, the Consortium Board of Directors has not yet adopted a wellness component.

He stated Excellus has a Blue4U program and many years ago that program was rolled out to this Committee. There has also been discussion with Ignite Health about a bio-metric screening program. In all cases being considered there is a biometric screening program that measures cholesterol, glucose, blood pressure, and body mass index and determines if someone is at low, medium, or high risk for chronic disease. There is also a health coaching component that is available to help people work through those issues and can also help people establish personal goals. Mr. Barber distributed a copy of a draft survey and said the Committee is looking for feedback on what members envision a wellness program to look like and what would make a program attractive to them. He asked members to review and comment on the draft survey that will be forwarded to benefit clerks for distribution to employees. He stressed the survey is confidential; the purpose is for the Committee to get an idea of what knowledge of wellness exists and how receptive members would be.

Ms. Hersey said some people may feel this type of program would be too intrusive and may not be comfortable with this. Mr. Barber said any wellness program that is rolled out has to come from within the person and would not be mandatory. There are some programs that offer financial incentives to participate in wellness programs but that is not being considered by the Consortium at this time. He said it would be left to the individual's own discretion as to who the information is shared with. Ms. Nunn said there may be a perception by some employees that the data could be used against them. Mr. Barber said the Consortium's claims are looked at as an aggregate and the process behind wellness is not to make money for the Consortium, it is to having a healthier population.

**New Business**

There was no new business.

**Old Business**

There was no old business.

**Next Meeting Agenda Items**

Mr. Locey will walk the Committee through an exercise using the actuarial value calculator.

The July meeting was canceled due to the 4<sup>th</sup> of July Holiday. The next meeting will be August 6<sup>th</sup>.

**Adjournment**

The meeting adjourned at 2:55 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk