GREATER
TOMPKINS COUNTY MUNICIPAL
HEALTH INSURANCE CONSORTIUM

Municipalities building a
stable insurance future.

125 East Court Street
Ithaca, NY 14850
607-274-5590
INFO: HinsConsor@tompkins-co.org
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AGENDA

Revised

Board of Directors Meeting

October 22, 2009 5:30-7:30pm - Town of Ithaca Board Room

215 North Tioga St. Ithaca

1. Approve October 9, 2009 minutes
2. Steve Thayer and CFO resolution (VOTE)
3. Prescription Drug TPA ranking and decision (VOTE)
4. Status of Contract negotiations with Excellus and time line for coming to agreement
5. Proposal for Ancillary benefits
6. Benefit plan - authorization by Board (VOTE)
7. Time line for RFP's for Stop Loss and Surety insurance
8. New State Law Allowing Health Benefits for "Children" of Up to 29 years old

Next meetings

November 19, 2009 5:30-7:30pm Public Library

December 17, 2009 5:30-7:30pm Public Library

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Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors Minutes
October 9, 2009 Noon
Village of Cayuga Heights - Village Hall

Agenda****

1. Approval of 2010 Budget (vote)

2. Approval of PPO Plan (vote)

3. Approval of Indemnity Benefit Plans (vote)

Welcome and Review Agenda
Interim Chair Don Barber called the meeting to order at 5:35pm.
Present:
City of Ithaca - Carolyn Peterson, County of Tompkins - Anita Fitzpatrick, Town of Caroline - Don Barber, Town of Danby - Laura Shawley, Town of Dryden - Mary Ann Sumner, Town of Enfield - Herb Masser (excused), Town of Groton - Glenn Morey, Town of Ithaca - Judith Drake, Town of Ulysses - Richard Coogan, Village of Cayuga Heights - Jim Gilmore, Village of Dryden - Charles Becker, Village of Groton - Elizabeth T. Conger, Village of Trumansburg - A. Martin Petrovic
Absent:
None
Guests::
Locey & Cahill - Steve Locey, Locey & Cahill - David M Sanders, County Administration - Joe Mareane, Jackie Kippola, County Finance - David Squires, TC3 - Sharon Dovi, CSEA - Margaret Lloyd, County Blue Collar - Chris Parker

1. Approval of 2010 Budget (vote)
The Greater Tompkins County Municipal Health Insurance Consortium Board of Directors, reviewed and questioned with great detail the 2010 budget at the September 24th meeting. Several questions arose concerning cost and expense over the first three months, while the reserves were developing.

The Internal Coordinator line-item was questioned, not as a need, but at what capacity. Mr. Locey provided a hypothetical situation. If a municipality received three phones calls from their retirees about a particular issue or concern, the municipally would than contact the Internal Coordinator who would either provide the appropriate information or contact either the (Third Party Administrator) TPA Excellus BCBS or the Consortium Consultant in order to ensure that their issues are resolved.

Approval of 2010 Budget
Motioned by Judy Drake
Second by Richard Coogan
Carried Unanimously

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MEMORANDUM

DATE: OCTOBER 22, 2009

TO: THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM BOARD OF DIRECTORS

FROM: LOCEY & CAHILL, LLC

RE: CONSORTIUM'S CHIEF FISCAL OFFICER

This memo is in follow-up to our recent Board Meetings and discussions with John Powers of Hancock & Estabrook, LLP, Attorney to the Consortium, regarding the election of the Chief Financial Officer. After discussing this matter and reviewing applicable law, we have developed a revision to the Agreement which we collectively feel meets the needs of the Consortium's Board of Directors and is compliant with the Laws and Regulation of the State of New York.

The current language is found on Page 7, Section G of the May 14, 2009 Draft of the Agreement as follows:

1. At the Annual Meeting, the Board shall elect from its Directors a Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary, who shall serve for a term of one (1) year or until their Successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.

The revised version is below as it will appear in the Agreement:

1. At the Annual Meeting, the Board shall elect Officers from its Directors to include a Chairperson, Vice Chairperson, and Secretary. The Board must also elect a Chief Fiscal Officer who must be the Chief Financial Officer of one of the Participating Municipalities. The Chief Fiscal Officer will also be considered an Officer, but will only have voting rights if they are the voting Director of a Participant as defined in Section C of this Agreement. All Officers shall serve for a term of one (1) year or until their Successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.

We respectfully submit the above for consideration by the Board of Directors and as always, we are available to address any questions you may have relative to this issue.

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AUTHORIZATION TO EXECUTE AN AGREEMENT WITH MEDCO FOR THE PROVISIONS OF PHARMACY BENEFITS MANAGER

3

Whereas, the Health Benefits Steering Committee analyzed nine proposals for the provision of pharmacy benefits manager for the Greater Tompkins County Municipal Health Insurance Consortium, and

Whereas, the committee weighed the following considerations,

- Transparent Based Prescription Drug Pricing;
- Rebate Arrangements;
- Administrative Fees;
- Contract Terms and Conditions;
- Pharmacy Network Size and Location (Local and National);
- Customer Service Capabilities;
- References;
- Administrative Support/Reporting; and
- Compliance with State and Federal Laws and Regulations; and

Whereas, the committee carefully weighed the proposal of Medco, and deemed it to be in the best interest of the Consortium,

NOW, therefore be it resolved, upon recommendation of the Health Benefits Steering Committee, that the Consortium Chair execute an agreement with Medco for the provision of pharmacy benefits manager for the period of January 1, 2010 through December 31, 2010, with the option to renew for 2 additional one-year terms.

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

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Benefit Type	Benefit Description	
WHO IS COVERED		
Type of Premium Tiers • individual • family	**2-Tier (Individual and Family)**	
Dependent Coverage • Age to which dependents covered • Age to which students covered	**Dependent to 19th Birthday** **Student to 25th Birthday**	
Domestic Partner	**Covered**	
WAITING PERIODS Pre-Existing Condition Waiting Period	**No – waived**	
Pre-Certification	**Not Required**	
COST SHARING EXPENSES		
Deductible Individual / Family	**Group Specific**	**When services are rendered by an Out of Network Provider, member is responsible for difference between in-network Allowed Amount and the Out of Network provider charge.**
Deductible Carry-Over Y/N	**Yes**	
Coinsurance	**20% of Allowed Amount**	
Annual Out-of-Pocket Maximum (excludes deductible, and co-payments)	**Group Specific**	
Lifetime Benefit Maximum	**Group Specific**	
Benefit Type	**Benefit Description**	
BASIC COVERAGE	***In Network***	***Out of Network***
Inpatient Hospital Services • Inpt. Adm. for mastectomy must be covered for as long as attending physician deems medically necessary) (365 days per Calendar Year)	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Acute Mental Health Care Includes Partial Hospital 3:1 days. (Mandate: 30 days per calendar year, coverage equal to Inpatient Hospital Services)	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Acute Mental Health Care Mandated for Biologically based Mental Illness & Children with Serious Emotional Disturbances	**Coverage is inclusive with Inpatient Hospital Services.**	

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

Benefit Type	Benefit Description	
BASIC COVERAGE (Con't)	*In Network*	*Out of Network*
Residential Treatment	**Not Covered**	**Not Covered**
Inpatient Detoxification (7 days per Calendar Year)	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Skilled Nursing Facility	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Inpatient Physical Rehabilitation	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Inpatient Chemical Dependence and Abuse Rehabilitation (49 days per Calendar Year)	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Inpatient Maternity Care (Mandated, 48 hrs regular delivery, 96 for c-section; one home care visit covered in full, not subject to any other home care visit limitations)	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Newborn Nursery Care	**Deductible/Coinsurance**	**Deductible/Coinsurance** - Member responsible for difference between Provider Charge and Allowed Amount
Internal Prosthetics	**Included in inpatient services**	
MEDICAL/SURGICAL COVERAGE	*In Network*	*Out of Network*
Surgical Care including Surgicenters/Freestanding	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Pre-admission/Pre-Operative Testing (Mandated benefit; same as inpatient)	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Diagnostic Imaging, Diagnostic Testing, X-ray, CAT, MRI	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Diagnostic Laboratory and Pathology	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Radiation Therapy and Chemotherapy	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Hemodialysis	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Routine Mammogram	**Covered in Full**	**Covered in full – Member responsible for difference between Provider Charge and Allowed Amount**
Cervical Cytology (Pap Smear, does not include exam)	**Covered in Full**	**Covered in full – Member responsible for difference between Provider Charge and Allowed Amount**
Chemical Dependency (Mandated 60 visits, includes 20 family visits; should be on par with inpatient)	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

Benefit Type	Benefit Description	
Physical Therapy/Respiratory Therapy	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Surgery/Assistant Surgeon	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
MEDICAL/SURGICAL COVERAGE (Con't)	***In Network***	***Out of Network***
Cardiac Rehabilitation	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Home Health Care	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Hospice Care (Includes 5 bereavement counseling visits) (210 visits per Calendar Year)	**Covered in Full**	**80% – Member responsible for difference between Provider Charge and Allowed Amount**
Emergency Room	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Ambulance	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Urgent Care	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
MAJOR MEDICAL COVEAGE	***In Network***	***Out of Network***
Inpatient Hospital – Additional Days	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Skilled Nursing – Additional Days	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Elective Sterilization	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Surgery – IP Physician	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Surgery – OP Physician	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Consultation - Inpatient	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Anesthesia	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Additional Surgical Opinion (mandate)	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
In Hospital Medical Care	**Deductible/Coinsurance**	**Deductible/Coinsurance – Member responsible for difference between Provider Charge and Allowed Amount**
Emergency Care	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Adult Routine Physical 1 Per Calendar Year	**Covered in Full**	**Not Covered**

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

Benefit Type	Benefit Description	
X-rays	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Lab Tests	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Maternity	Deductible/Coinsurance	Deductible/Coinsurance – Member responsible for difference between Provider Charge and Allowed Amount
In-Hospital Physician Visits (IHM for mastectomy must be covered for as long as attending physician deems medically necessary)	Deductible/Coinsurance	Deductible/Coinsurance – Member responsible for difference between Provider Charge and Allowed Amount
Skilled Nursing Care	Deductible/Coinsurance	Deductible/Coinsurance – Member responsible for difference between Provider Charge and Allowed Amount
MAJOR MEDICAL COVERAGE (Con't)	*In Network*	*Out of Network*
Well Child Visits and Immunizations (mandated visits/immunizations full coverage)	**Covered in full**	**Covered in full**
Adult Immunizations	**Covered in full**	**Not Covered**
Cervical Cancer Screen	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Chemotherapy	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Office Visits	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Chiropractic Visits	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Eye Exams - Diagnostic	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Hearing Evaluations Routine	**Not Covered**	**Not Covered**
Hearing Aids	**Not Covered**	**Not Covered**
Durable Medical Equipment	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Prosthetics	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Medical Supplies – including Diabetic Equipment and Supplies	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Office Consultations	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Home Care 325 Visit Max	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Prostate Cancer Screenings (Mandated if office visits covered; coverage must be equal to office visits)	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount
Routine GYN Visits including Pap Smear (Mandated; same as other basic physician services; co-payment allowed on PPO)	**Covered In Full, including Lab**	Covered in full – Member responsible for difference between Provider Charge and Allowed Amount
Diagnostic GYN Visits	Deductible/Coinsurance	Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

MAJOR MEDICAL COVERAGE (Con't)	*In Network*	*Out of Network*
Speech Therapy	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Allergy Testing and Treatment (Injections are inclusive)	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Mental Health Care (Federal Mandate – Unique financial limits not imposed on other benefits prohibited. NYS Mandate – 20 visits per calendar year combined with physician, coverage equal to diagnostic office visit.)	**Deductible/Coinsurance**	**Deductible/Coinsurance - Member responsible for difference between Provider Charge and Allowed Amount**
Mental Health Care Mandated for Biologically based Mental Illness & Children with Serious Emotional Disturbances	**Coverage is equivalent to Diagnostic Office visits.**	
Prescription Drugs (If Rx covered, enteral nutrition mandated; coverage must be equal to all other drugs; certain formulas capped at $2,500 annually.)	**Covered – see RX options**	**Not covered**
EXCLUSIONS:		
Acupuncture	**Excluded**	
Blood products	**Excluded**	
Certification Examinations	**Excluded**	
Cosmetic Services	**Excluded**	
Custodial Care	**Excluded**	
Dental (non-accidental services)	**Excluded**	
Developmental Delay	**Excluded**	
Experimental and Investigational Services	**Excluded**	
Free Care	**Excluded**	
Hypnosis/Biofeedback	**Excluded**	
Military Service-Connected Conditions	**Excluded**	
No-Fault Automobile Insurance	**Excluded**	
Nutritional Therapy	**Excluded**	
Private Duty Nursing	**Excluded**	
Reproductive Procedures	**Excluded**	
Reversal of elective sterilization	**Excluded**	
Routine Care of the Feet	**Excluded**	
Self-Help Diagnosis, Training, and Treatment	**Excluded**	
Smoking Cessation Programs	**Excluded**	
Transsexual Surgery and Related Services	**Excluded**	
Weight Loss Services	**Excluded**	

Note: This benefit grid provides a summary of benefits only and does not, nor is it intended to, replace the legal contract.

*Payments for all out-of-network benefits are based on participating provider allowances. Any difference between the allowance and the out-of-network provider's actual charge is the responsibility of the member, in addition to any applicable deductible, copayment or coinsurance amounts.

The Greater Tompkins County Municipal Health Insurance Consortium
Comprehensive and High Deductible Health Plans

Consortium Options Available

	Major Medical Deductibles	
Consortium Plan Options	**Individual**	**Family**
Deductible Plan 1 (Current Plan)	$500.00	$1,500.00
Deductible Plan 2	$1,300.00	$2,600.00
Deductible Plan 3	$2,000.00	$4,000.00
Deductible Plan 4	$2,600.00	$5,200.00
Deductible Plan 5	$5,000.00	$10,000.00

	Out of Pocket Maximums (Includes Deductible)	
Consortium Plan Options	**Individual**	**Family**
Out –of-Pocket Plan 1 (Current Plan)	$2,500.00	$7,500.00
Out –of-Pocket Plan 2	$3,000.00	$6,000.00
Out –of-Pocket Plan 3	$4,000.00	$8,000.00
Out –of-Pocket Plan 4	$5,000.00	$10,000.00
Out –of-Pocket Plan 4	$5,000.00	$10,000.00

Consortium Plan Options	**Lifetime Maximums**
Lifetime Maximum Plan 1 (Current Plan)	$1,000,000
Lifetime Maximum Plan 2 (Current Plan)	$2,000,000
Lifetime Maximum Plan 3	Unlimited

Retail and Mail Pharmacy Benefit

Consortium Plan Option	**Tier I**	**Tier II**	**Tier III**
3-Tier Plan (Current Plan)	Ded./Coins.	Ded./Coins.	Ded./Coins.

* ***Note – Deductible Plan Options 2 through 5 are eligible for Health Savings Accounts***

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MEMORANDUM

DATE: OCTOBER 19, 2009

TO: JOE MAREANE, COUNTY ADMINISTRATOR
COUNTY OF TOMPKINS

FROM: LOCEY & CAHILL, LLC

RE: NEW YORK STATE MANDATE – "DEPENDENTS TO AGE 29"

As you may already be aware, on July 29, 2009 New York State Governor David A. Patterson signed into Law a Bill (copy attached). This Law has two distinct provisions:

1. The first is the "make available" provision which requires "every insurer issuing a policy pursuant to this section that provides coverage for dependent children must make available and, if requested by the policy holder, extend coverage under the policy to an unmarried child through age twenty-nine, without regard to financial dependence who is not insured by or eligible for coverage under an employer sponsored health benefit plan covering them as an employee or member whether insured or self-insured and who lives, or resides in New York State or the service area of the insurer."

2. The second aspect requires every group health insurance policy to offer continuation of coverage via a "young adult option" to all eligible "dependents." This is a "COBRA-like" extension for those who qualify.

This particular Law goes into effect on September 1, 2009 and is applicable to all contracts issued, renewed, modified, altered, or amended on or after such date. As a result, ***the effective date of this mandate would be January 1, 2010 for the County of Tompkins***.

It is important to note that the Regulations for this Law have not been developed at this point. However, guidance is provided below relative to each aspect for your reference and review.

"MAKE AVAILABLE RIDER OPTION"

1. ***Is this coverage going to be automatically added to each employer's medical insurance plan?*** Based on our review of information to date, the answer to this question is ***NO***. This State Mandate is considered a "make available" Mandate which means that insurance companies have to offer it, but it is the Policyholder's (employer's) decision whether or not to add the benefit to their plan.

   Since the County is going to be part of a Consortium effective January 1, 2010, this decision could be made a bit more complex depending on the Consortium's position on this new benefit. As you are aware, the Consortium Board of Directors is responsible for deciding which plans of benefit will be offered. Each employer (District or Municipality) has the right to offer benefits above and beyond those offered through the Consortium at their own cost. As a result, the decision of the County could be impacted by the decision of the Board of Directors.

2. ***Who would qualify for this benefit?***
This Law defines a "dependent child" as an unmarried child through the age of twenty-nine of an employee or member insured under a group policy, regardless of financial dependence, who is not insured by or eligible for coverage under any employee health benefit plan as an employee or member, whether insured or self-insured, and who live, works or resides in New York State or the service area of the insurer and who is not covered under Title XVIII of the United States Social Security Act (Medicare).

Clearly this definition is very broad and does not require the "dependent child" to reside with or be financially dependent on the parent or parents. The Law does preclude "dependent children" who either currently have or have access to employer sponsored medical care coverage and those who qualify for Medicare. The difficult part for employers will be the verification of the status of the "dependent child" as it relates to their access to medical care insurance. Our opinion is that employers should be vigilant in verifying this information and this will require an investment of time and money to complete.

3. ***What will the cost be for this coverage?***
The answer to this question is quite unclear at this point in time. The legislation clearly states that "an employer shall not be required to pay all or part of the cost of coverage for a dependent child provided pursuant to this subsection."

As you know, the true cost of any insurance plan provided on a self-funded or self-insured basis is not the premium charged for the coverage. Rather, it is the actual claims paid for the coverage and the related "overhead" expenses necessary to provide the coverage in question. As a result, we feel it is a bit misleading to suggest that the employer will not be required to pay all or part of the cost for the coverage. If any person covered under this Law has medical care expenses that exceed the premium charged for this coverage, everyone, including the employer, will share in that expense.

It is also unclear as to how this premium will be charged. We are not sure if this will create a special class of family plan or if the premium will be charged for each covered life which is included in this new State Mandate.

The underlying assumption to this coverage is that this is a fairly low risk low cost demographic group. However, since these "dependents" have not been covered, we have no real data to evaluate as to the cost impact we can expect with this new coverage.

4. ***If we decide to add this coverage, how will premiums be collected?***
This is an area which is very unclear at this point in time. The legislation states that a premium could be charged no more frequently than monthly. We are not sure if the premium could be collected through payroll deduction. However, if it can, we believe it would have to be collected on an after tax basis. If it cannot be collected via payroll deduction, employers are facing the prospect of managing a billing and accounts receivable process which will cost both time and money.

5. ***Will these "dependents" be eligible for COBRA continuation of benefits?***
Based on updated information from the New York State Insurance Department, these dependents would not qualify for COBRA after their coverage was terminated under this provision.

6. ***What is Locey & Cahill, LLC's recommendation?***
We are recommending that the County of Tompkins only comply with the "young adult option" and not adopt the "make available rider option." It is our professional opinion that there is not enough information about the potential cost impact of this new benefit to make a decision relative to the "make available rider option." As a result, we are advising our Clients to comply with the "young adult option" and wait and see what further guidance is produced by the New York State Insurance Department, your insurance carrier, and your Consortium before you make a decision on the "make available rider option."

The "young adult option" is not a choice as all employers have to comply with this legislation. Again, the effective date for the County is January 1, 2010 for this provision as well. Excellus BCBS has issued their enrollment form for this coverage and we have attached it for your reference and review.

"YOUNG ADULT OPTION"

1. ***Is this coverage going to be automatically added to each employer's medical insurance plan?***
Based on our review of information to date, the answer to this question is ***YES***. This provision applies to all fully insured group health insurance policies which includes coverage for dependents delivered in the State of New York. This provision does not apply to self-insured health plans.

2. ***Who would qualify for this benefit?***
This Law defines a "dependent child" as an unmarried child through the age of twenty-nine of an employee or member insured under a group policy, regardless of financial dependence, who is not insured by or eligible for coverage under any employee health benefit plan as an employee or member, whether insured or self-insured, and who live, works or resides in New York State or the service area of the insurer and who is not covered under Title XVIII of the United States Social Security Act (Medicare).

   Clearly this definition is very broad and does not require the "dependent child" to reside with or be financially dependent on the parent or parents. The Law does preclude "dependent children" who either currently have or have access to employer sponsored medical care coverage and those who qualify for Medicare. The difficult part for employers will be the verification of the status of the "dependent child" as it relates to their access to medical care insurance. Our opinion is that employers should be vigilant in verifying this information and this will require an investment of time and money to complete.

3. ***What will the cost be for this coverage?***
The New York State Insurance Department has opined that the cost of the coverage may not exceed 100% of the single premium rate. As a result, we are recommending that employers charge the full individual or single premium rate for this coverage.

4. ***How do we enroll qualifying dependents?***
The enrollment is going to be very similar to COBRA in that you will need to establish a separate group or sub-group for the tracking of these enrollees. In addition, they need to submit the attached form along with their first month's premium in order to effectuate coverage. It will be up to the employer to verify the information if they so choose. The insurance company is going to rely upon the employer to determine who is eligible to be covered.

5. *When can these qualifying individuals elect coverage?*
Based on updated information from the New York State Insurance Department, these dependents could enroll as follows beginning on January 1, 2010:

   A. **When You Would Otherwise Age Off a Policy**
   If you are currently covered under a parent's group policy, you may enroll within 60 days of the date that your coverage would otherwise end due to reaching the maximum age for dependent coverage. Coverage will be retroactive to the date that your coverage would otherwise have terminated.

   B. **When You Experience a Change in Circumstances**
   You may enroll within 60 days of newly meeting the eligibility requirements. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment. Examples of changes in circumstance would be a young adult moving back to New York State after living outside the state or losing health insurance coverage sponsored by an employer.

   C. **During an Annual 30-Day Open Enrollment Period**
   Your parent's insurer will have an annual 30-day open enrollment period. If you meet the eligibility requirements, you may elect coverage during this period. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment.

   D. **During the Initial 12-Month Open Enrollment Period**
   There is an initial 12-month open enrollment period, which should run for 12 months following the first renewal of the health insurance policy or contract on or after September 1, 2009. If you meet the eligibility requirements during this initial 12-month open enrollment period, you may enroll during this time. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment.

6. *Will these "dependents" be eligible for COBRA continuation of benefits?*
Based on updated information from the New York State Insurance Department, these dependents would not qualify for COBRA after their coverage was terminated under this provision.

7. *What is Locey & Cahill, LLC's recommendation?*
We are recommending that our Clients only comply with the "young adult option" by enrolling eligible persons as required and charging them 100% of the individual premium rate. We are also advising Clients to be as diligent as possible in verifying employment and insurance information for these individuals. It is further our opinion that these individuals should be given their own policy under your "COBRA group" or a separate group for tracking purposes.

Please keep in mind that the above information is provided as the professional opinion of Locey & Cahill, LLC and is not intended to be a legal opinion of the issues surrounding this new legislation. We encourage each employer to discuss this matter with their own legal counsel to ensure they are fully compliant with this new provision, especially those with collective bargaining agreements.

In closing, as you can see, we have a number of issues which remain unclear about the implementation of this State Mandate. We will continue to follow this situation and provide more detail as it is made available. In the meantime, please do not hesitate to call us should you have any questions regarding this information or should you require assistance of any kind.

Excellus
A nonprofit independent licensee of the BlueCross BlueShield Association

Young Adult Dependent Though Age 29 Certification Form

1- Subscriber and Dependent Information

SUBSCRIBER'S LAST NAME	SUBSCRIBER'S FIRST NAME	INITIAL	IDENTIFICATION NUMBER

DEPENDENT'S LAST NAME	DEPENDENT'S FIRST NAME	INITIAL	DEPENDENT'S DATE OF BIRTH
			____/____/____ mm dd yyyy

DEPENDENT'S STREET ADDRESS	DEPENDENT'S CITY, STATE, ZIP CODE	DEPENDENT'S SOCIAL SECURITY #

2- Does the dependent have any other insurance coverage?

☐ YES, please answer the following, a) Type of Coverage: ☐ Medical and/or ☐ Dental

b) Other Insurance Carrier ID #:

c) Effective Date of Other Insurance Coverage: ____/____/____ (mm dd yyyy)

d) Other Insurance Company:

- ☐ Excellus BlueCross BlueShield
- ☐ Other BlueCross BlueShield Plan, indicate plan name:
- ☐ Other Carrier, indicate plan name:

☐ NO, please answer the following,
Is the dependent eligible for health insurance through his/her employer? ☐ Yes ☐ No

3- Is the dependent married?

☐ NO, continue to question #4

☐ YES, please indicate marriage date: ____/____/____ (mm dd yyyy)

4- Does the dependent live, work, or reside in New York State?

☐ YES

☐ NO

5- Signature and Date

I certify that the information submitted is accurate to the best of my knowledge.

DEPENDENT SIGNATURE: _____ **DATE:** _____

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed $5,000 and the stated value of the claim for each such violation. I have thoroughly read, understand and agree to comply with the terms of the release.

Please ensure that all sections are complete, signed, and dated prior to returning. Failure to supply all of the required information may result in delayed processing and/or subsequent return or denial of this request.

Please return completed form to:

Excellus BlueCross BlueShield
P.O. Box 22999
Rochester, NY 14692