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Board of Directors MINUTES November 19, 2009 Tompkins County Library Board Room

Agenda****

1. Approval of minutes
2. Adopt policy to comply with age 29 requirement - VOTE
3. Designation of Banking Institutions - VOTE
4. Designation of Banking Institutions for a Letter of Credit - VOTE
5. Update on Application to NYSID
6. Update policy to satisfy reserve requirements for NYSID
7. Select CPA - VOTE
8. Select Stop-Loss Insurance provider
9. Actuarial Opinion
10. Review ancillary benefits proposals
11. Update from Medco regarding Prescription Drugs TPA
12. Update on Excellus Contract negotiations and roll-out plans
13. Discuss task assignments for current Steering Committee
14. Discuss scope of work and potential member for soon to be formed Advisory Committee

****Disclaimer: While these items have been discussed, NONE of them have been voted on or finalized. All plans are in the DRAFT phase.*

Welcome and Review Agenda

Chair Don Barber called the meeting to order at 5:30pm.

Consortium Members:
County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

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, Town of Ithaca - Judith Drake, Town of Ulysses - Richard Coogan, Village of Cayuga Heights - Jim Gilmore, Village of Dryden - Charles Becker, Village of Groton - Charles V. Rankin, Village of Trumansburg - A. Martin Petrovic

Union:

CSEA - Chantalise Demarco, Ithaca Paid Fire Fighters Association & Chief - Greg Stevenson, TC3 Professional Administration Association - Darlene Finn

Absent:

Town of Groton

In attendance:

Locey & Cahill - Steve Locey, Locey & Cahill - David M Sanders, County Administrator - Joe Mareane, County Finance - David Squires, City of Ithaca - Steve Thayer, Finger Lakes Management Associates - Jed Constanz, Cayuga Medical Center - Travis Turner

1. Approval of minutes

Minutes October 9, 2009

Motion: Richard Coogan

Second: Judy Drake

Carried: unanimous

Minutes October 29, 2009

Motion: Richard Coogan

Second: Judy Drake

Carried: unanimous

2. Adopt policy to comply with age 29 requirement - VOTE

New York State recently amended its health insurance laws in order to permit young adult children under the age of 30 of covered parents to continue group coverage pursuant on several conditions (unmarried, NYS residents, who do not have medical insurance of their own, or Medicare, and are under the age of 30, regardless of financial dependence) Under the new law, premiums will be paid for by families, not employers, and would cost less because coverage is under group policies rather than individual policies.

Mr. Locey outlined two critical areas within this law:

Make Available Requirement

The new law requires insurers that offer group health policies with dependent coverage to offer sponsoring employers a coverage option under which the unmarried child of a participant would be covered through age 29, regardless of whether the child is financially dependent on the parent. Prior to enactment of this law, there was no minimum age to which group health policies were required to cover dependent children, and most policies ended such coverage when the child reached age 19, or age 23 if a full-time college student. Under the new law, New York insurers must make this option available to employers, but employers are not required to offer this coverage option as part of their plans.

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Mr. Locey stated that this area is still a little gray and requires additional guidance from the NYS Insurance Department.

Young Adult Option

The new law also provides that, even if an employer does not offer the coverage option described above, the insurer must still permit a dependent child to elect continued coverage under a parent's group health policy through age 29. The cost of the continued coverage cannot exceed the cost of the single premium rate. For purposes of this "young adult option," a "dependent child" means an unmarried child living or working in New York who is not eligible for coverage under any other group health plan or Medicare. Mr. Locey described this option as COBRA-like extension.

3. Designation of Banking Institutions – VOTE

Mr. David Squires discussed the recommended banking institutions which included, Tompkins Trust and JP Morgan Chase Bank

Motion: Judy Drake

Second: Jim Gilmore

Carried: unanimous

4. Designation of Banking Institutions for a Letter of Credit - VOTE

Mr. Squires presented the finalists for a Letter of Credit in Tompkins Trust or JP Morgan Chase Bank. There were several issues which needed addressing, including what type of entity the consortium falls under. Due to these issues, it was explained that JP Morgan Chase Bank would be the provider.

Carried: unanimous

5. Update on Application to NYSID

Mr. Locey described the initial comments provided by the NYSID. There were eight areas of concern or correction, most of which were changing definitions and/or terms. The concerns were:

Voting Rights/ Board of Directors

Could create one voting union representative position, but the details need to get worked out.

Weighted Voting Model

Mr. Locey again, stated that we are working with the State on this creative concept, which he believes is a direct result of Article 47, which allows partners of differing size to join together. The County and City make up 85% of the employees and therefore the financial investment of the consortium. Without a Weighted Voting Model implemented the smaller municipalities, making up only 15% of the overall investment and employees can dictate policy. This could compromise the ability to entice larger municipalities to partner with smaller ones within Article 47. The NYSID has now approved of this provision.

<http://www.tompkins-co.org/pubinfo/health/weightedvoting.pdf>

Mr. Locey concluded that our differences are based upon fiscal stability and long-term partnerships. Remember we are the first to explore this option there are areas, which need to be changed, creative ideas to ensure "fairness" and stability. Mr. Locey reminded the Committee that over 98% of the documents reviewed by the state have been approved.

<http://www.tompkins-co.org/pubinfo/health/weightedvoting.pdf>

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6. Adopt policy to satisfy reserve requirements for NYSID

Mr. Locey is hopeful that with current Actuarial Statements, letter of credit and BCBS willingness to guarantee claims run-out from six to 24 months will allow the Consortium's reserve requirements to be decreased from 25% to at the most 17% and perhaps even lower. This would give the Consortium flexibility with immediate cash flow.

7. Select CPA - VOTE

Mr. Squires, County Finance, presented two RFP's, noted that one of the proposals has Article 47 experience, experience with Health Consortiums, and works with the local TST BOCES Health Consortium. It is recommended to retain the CPA services of Ciaschi, Dietershagen, Little, Michaelson, and Company.

Motion: Judy Drake

Second: Charles V. Rankin

Carried: unanimous

8. Select Stop-Loss Insurance provider

Mr. Locey provided an update on the proposed Stop-Loss Insurance details. There are some good proposals that have yet to be received and analyzed. Mr. Locey is confident that with the cost, there will be a considerable pool of applicants and the ability to select a high quality provider. Details will be provided as they develop.

9. Actuarial Opinion

Mr. Locey provided a letter by Damon R. Hacker from Armory Associates, LLC, Actuarial Consulting Group, which outlined their satisfaction with the Consortiums loss reserves, actuarial liabilities and related item. Upon the actuarial examination of the plans, they concluded that the premium equivalent rates are sound and adequate, with sufficient provisions of claims and expenses. That claims and contingency reserves will be developed and maintained in sufficient amounts, requested stop-loss insurance coverage is sufficient to protect the consortium from larger claims, administration service arrangements have been tested by due diligence, impact on costs of any plan modification have been contemplated and many other conditions, not cited, have been considered.

10. Review Ancillary benefits proposal

Mr. Locey began by announcing the concept of collaboration with CSEA to provide an array of ancillary benefits which include; dental, vision, legal assistance. Life Insurance and Accidental Death and Dismemberment or non-occupational disability benefits plans are being arranged with the brokerage of Haylor, Freyer & Coon. The consortium's ability to provide ancillary benefits makes it possible for municipalities with teamsters to join and provide "Same or equal to benefits."

Currently there is hope that we might be able to initiate a partnership with CSEA and utilize their Employee Benefit Fund for these benefits. We are awaiting CSEA premium costs and enrollment requirements.

Consortium members requiring Ancillary benefits for its employees include the Town of Caroline, Village of Cayuga Heights and the Town of Dryden. The Town of Ithaca has been working on a plan to provide ancillary benefits on their own, prior to the Consortium's formation, they have provided support and information to the Consortium with their Life and AD&D information.

11. Update from Medco regarding Prescription Drugs TPA

Mr. Locey reported that Medco has been getting data from Excellus and Informed Rx to ensure a seamless transition. Open enrollment will be held with the County next Wednesday. Medco will send

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out a letter to all new members informing them of the changes and procedures to help support the transition. Mr. Locey announce that the Rx plan is a easier transition since the programs are electronic and the participant only has to receive and use their new card.

12. Update on Excellus Contract negotiations and roll-out plans

Mr. Locey reported that the redline version of the Agreement, as been with Excellus BCBS and we are awaiting their formal response. Excellus has been conducting open enrollments with Beth Miller, and they will support the transition.

13. Discuss task assignments for current Steering Committee

BOD's requested a list of Steering Committee members.

14. Discuss scope of work and potential member for soon to be formed Advisory Committee

Mr. Barber initiated an open conversation of possible "Leg Work" which could be accomplished by an Advisory Committee. Possible tasks discussed include: wellness, grant funding, support in comprehensive planning, the RFP process, medical TPA, stop-loss insurance, the development of an overall Rules of Operation beyond the MCA, and a possible standardized practice for retirees. Mr. Barber concluded with a request for the BOD to develop agenda items and think about qualified individuals who might support the Advisory Committee agenda.

Adjournment

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