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AGENDA

Joint Committee on Plan Structure and Design

September 5, 2013 – Noon
Old Jail Conference Room

1. Welcome

2. Consultant Updates:
 - a. Flex Spending Accounts
 - b. Employee Assistance Program
 - c. Medicare SupplementSteve Locey

3. Affordable Care Act

4. Discussion and Proposal to Amend Quorum Requirement

5. New Business

6. Old Business

7. Approval of Minutes:
 - a. June 7, 2012
 - b. July 5, 2012
 - c. August 23, 2012
 - d. October 4, 2012
 - e. December 6, 2012
 - f. January 10, 2013
 - g. March 7, 2013
 - h. May 2, 2013
 - i. June 6, 2013
 - j. August 1, 2013Beth Miller

Next Meeting: October 3, 2013



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MINUTES

Greater Tompkins County Municipal Health Insurance Consortium Joint Committee on Plan Structure and Design August 1, 2013 – Noon Old Jail Conference Room

draft

Present:

Municipal Representatives: 9 members

Joan Mangione, Village of Cayuga Heights; Betty Conger, Village of Groton; Judy Drake, Town of Ithaca; Schelley Michell Nunn, City of Ithaca; Jennifer Case, Town of Dryden; Irene Weiser, Town of Caroline; Ruth Hopkins, Town of Lansing; Brooke Jobin, Tompkins County; Herb Masser, Town of Enfield

Municipal Representative via Proxy: 3 member

Jeff Brockway, Town of Groton; Marsha Georgia, Town of Ulysses; Mack Cook, City of Cortland

Union Representatives: 4 members

Chantalise DeMarco, County White Collar-CSEA; Jim Bower, Bolton Point Water Unit – IUOE; Bradley Berggren, Town of Danby Highway; Officer Jerry Wright, Cayuga Heights PBA

Union Representative via Proxy: 1

Paul Sandy, City of Cortland Police

Others in attendance:

Steve Locey, Locey & Cahill; Don Barber, Chair, Board of Directors; Ken Foresti, Excellus; Sharon Dovi, Tomkins Cortland Community College

Call to Order

Ms. DeMarco called the meeting to order at 12:05 p.m.

Consultant Updates

Employee Assistance Program

Mr. Locey said with regard to the Employee Assistance Program they have several municipalities that are providing that program and are all currently using Family and Children's Services of Ithaca, some on an hour and some on a per visit basis. Because of the low dollar amount involved he suggested including this under the umbrella of the Consortium so that the individual municipalities would not have to pay directly for the service. Instead, it would be rolled into the Consortium benefit plan as part of the benefits of being in the Consortium. The bills would come to the Consortium through a direct contract with the Consortium. It would be pulled out of the individual municipalities budgets and put into the Consortium budget. He said it is such a small dollar amount that he thinks this would be more efficient financially and administratively.

Mr. Locey said if there was an eight visit limit it would be \$68,000 annually to offer it to the entire Consortium. He stated the overwhelming majority of the money going into the Consortium from a premium perspective is the large employers who all already offer the

program. The bills would then directly come to the Consortium. He said it would also alleviate some of the issues of nervousness by employees being concerned over the myth of having reports come directly to the employer. Employers would still be able to receive utilization reports.

Ms. Nunn said each year the City looks at what they will do the following year based on utilization and asked how that would happen under this proposal. Mr. Locey said there would have to be one common global limit for all municipalities. The City currently has a total limit of 150 hours and if they go below that they still pay for that level but if they go above it they pay a premium rate. Each year Ms. Nunn said she is able to look at that to determine the level for the next year and questioned how a decision would be made on what the global level would be. Mr. Locey said on a Consortium level they do not look at each individual municipality's experience versus another municipality within the Consortium when they are setting the budget. They look at it globally and would expect this to be set in a similar way and that the program would be set up with some limitations and on a per person usage basis. There could be a year where one municipality would go over but it would be likely that another would be under in usage. He said he wouldn't expect there to be a big fluctuation given the size of the population. He also stated he would envision it to be folded into the budget currently being paid for health insurance rates and not budgeted for separately. The reporting would come into the Consortium but could be broken down by employer.

Ms. Jobin said if the Consortium were to move in this direction she would be interested in reviewing what the utilization is on a six-month basis. She stated that the County just dropped its hours back and that if the cost were leveled for all participants the utilization should be monitored to ensure we are not paying in excess. Mr. Locey said he would like to see the contract set up in a way that the Consortium would only be paying for the hours it uses and that monies not used would stay with the Consortium. If this were to happen he would also like to see more consistency with care, particularly with mental health care.

Ms. Jobin noted EAP is a program that is in place for all employees and family members regardless of whether or not they have health insurance coverage.

Ms. Nunn asked if under the new program whether she would be able to tell how much the City is being charged so that she can compare that to what they are paying now. Ms. DeMarco said the City would not be charged anything, it would be included as a benefit that would impact the premium equivalent rate. Mr. Locey said it would be approximately \$1.80 per contract per month.

Although it would be a small cost, concern was expressed for the impact this would have on employees and retirees. Ms. Nunn said up to this point this has been paid for through the City's operating budget and has had no effect on the employee but this proposal would be different as employees are impacted financially by the premium. Mr. Locey agreed with this statement, however, it could be billed out pro rata by entity. Ms. Drake noted that if it were built into the premium those employees who do not pay for health insurance would be receiving a benefit they would not be paying for.

At the next meeting Mr. Locey will provide a plan that includes the benefit cost, the overall cost of the plan, and a plan for reporting, payment, oversight, and review. A new request for proposals will not be issued; he will contact responders from the previous RFP to get confirmation on if this can be done and will find out what the hourly cost would be.

Flexible Spending Accounts

Mr. Locey said he would like to present a proposal at the next meeting to set up a contract in 2014 with a provider who could offer the best pricing as the preferred vendor of the Consortium and if any employer wanted to have access to the contract they could and take advantage of the pricing.

Ms. Drake said there needs to be thought given to how the funds coming in from the employees would be handled.

Mr. Locey said it would be very difficult to get every employer to buy into both of these programs and he thinks it would be a good idea to get things started by using one of the current vendors and seeing which other entities would like to participate. He said in terms of the accounting it would still be employer-based and the Consortium would only be offering a contracted rate that would hopefully be better than an entity could get by itself in the market.

Proposal to Amend Quorum Requirements

Ms. DeMarco asked that members review the proposal to amend the quorum requirement to 5 municipal members and 10 labor representatives (15 total). Presently the number of members needed for quorum is 23.

Mr. Locey reviewed the history behind the creation of this Committee and said when the application for the Certificate of Authority was first submitted to the State a Municipal Cooperative Agreement was submitted for the State's review. That agreement had representation from all of the municipalities but did not have voting union representation included. Article 47 requires union participation but it is not defined other than to say there must be union representation on the board. The State came back and said there must be union representation with voting rights from all unions. The Consortium responded that there are several more unions than municipalities and it would not be practical for each to have voting rights. The State then said if a reasonable model could be presented that everyone agrees to they would accept it.

Mr. Barber said the Joint Committee that existed under Article 47 in Westchester County was used as a model and was not a requirement. Ms. DeMarco said one thing that wasn't considered was the addition of one municipality with six labor representatives and how that could impact the ratios for the Committee. There are two voting labor representatives on the Board of Directors; however, this Committee has a voting representative from each bargaining contract. Mr. Locey further explained that the Chair of this Committee has to be a union representative and automatically gets a seat on the Board of Directors. The second voting union representative to the Board has to be collectively selected by the bargaining units. This Committee has no direct governance over the Board of Directors but it does offer an opportunity for all of the municipalities and labor groups to get together and make recommendations to the Board. It was also to be a conduit for sharing information and ideas and for developing a collective working relationship between all of the parties.

Mr. Locey said at the next meeting he would like to begin looking at the different types of plans that are available as well as the rate differentials and adding to or amending the list of options that are available to the Consortium. This is the right venue to do that and perhaps if people hear the Committee is discussing benefit changes that would encourage better attendance.

Mr. Barber said one of the union representatives to the Board of Directors sent him a letter stating he is no longer going to participate on the Board because of personal and bargaining unit issues with the Consortium. He said this Committee may not be well-served by this decision and suggested the Committee consider whether that individual's membership on the Board of Directors should continue.

Affordable Care Act

Ms. DeMarco said Beth Miller asked that a reminder be provided that there will be clerk training on September 9th at 8:30 a.m. at the Town of Ithaca and each municipality should be represented at that training.

Mr. Locey said the employer requirement to offer coverage has been delayed to January 1, 2015. With regard to notices about the exchanges, he said they will have to go out in September. The New York State website is now up and active for the health exchanges and he will place a link on the Consortium's website.

He asked that members let Locey & Cahill know if any assistance is needed in answering questions and they will provide any support that is needed in terms of the Consortium's benefits and rates versus what the exchanges will look like. He advised members download the checklists that are on the website to make sure they have done everything they should have.

New Business

Mr. Locey said he will have a menu of new benefit options available for review at the next meeting.

Old Business

There was no old business. Mr. Lictra asked if there is any new information on a Medicare supplement program. Mr. Locey said this will be placed on the agenda again next month and will continue to be under discussion as options are being considered for the Consortium.

Approval of Minutes

Approval of minutes of August 2, 2013 was deferred due to lack of quorum.

Adjournment

The meeting adjourned at 1:05 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk