



Municipalities building a  
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## AGENDA

### Joint Committee on Plan Structure and Design

### September 1, 2016 - 1:30 P.M.

Rice Conference Room, Tompkins County Health Department

1. Welcome
2. Changes to the Agenda
3. Approval of August 4, 2016 Minutes (1:35)
4. Chair's Report (1:40) Phil VanWormer
5. Executive Director Report (1:45) Don Barber
  - a. Newsletter
  - b. Logo
  - c. Municipal Interest in Joining Consortium
  - d. Update on Prescription Drug Manager Selection Process
6. CanaRx presentation (1:55) Meghan Feeley
7. Amendment to Bylaws: Proxies (2:15) Phil VanWormer
8. 2017 Budget Process and Status (2:25) Don Barber
9. Next Meeting Agenda (2:35)
10. Adjournment (2:40)

Next Meeting: October 6, 2016



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## MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium  
Joint Committee on Plan Structure and Design  
August 4, 2016 – 1:30 p.m.  
Rice Conference Room, Health Department**

draft

***Present:***

***Municipal Representatives: 10 members***

Judy Drake, Town of Ithaca and Board of Directors Chair; Schelley Michel Nunn, City of Ithaca; Eric Snow, Town of Virgil; Laura Shawley, (Vice Chair) Town of Danby (arrived at 1:41 p.m.); Amy Guerreri, Tompkins County (arrived at 1:35 p.m.); Charmagne Rumgay, Town of Lansing; Jennifer Case, Town of Dryden (arrived at 1:36 p.m.); Carissa Parlato, Town of Ulysses (arrived at 1:39 p.m.); Michael Murphy, Village of Dryden; Joan Mangione, Village of Cayuga Heights

***Municipal Representative via Proxy: 2***

Betty Conger, Village of Groton (Proxy – Charmagne Rumgay); Tom Brown, Town of Truxton (Proxy – Eric Snow)

***Union Representatives: 5 members***

Phil VanWormer, City of Ithaca Admin. Unit; Olivia Hersey, TC3 Professional Admin. Assoc. Unit; Doug Perine, Tompkins County CSEA White Collar President; Jeanne Grace, City of Ithaca Exec. Assoc.; Jon Munson, Town of Ithaca Teamsters

***Union Representatives via Proxy: 6***

Teresa Viza, TC Library Staff Unit (Proxy – P. VanWormer); Tim Arnold, Town of Dryden DPW (Proxy – J. Case); Kate DeVoe, TC Library Professional Staff Unit (Proxy – P. VanWormer); Tim Farrell, City of Ithaca DPW (Proxy – Jeanne Grace); James Bower, Bolton Point-UAW Local 2300 (Proxy – P. VanWormer); Jim Seeley, Town of Danby Highway (Proxy – P. VanWormer)

***Others in attendance:***

Don Barber, Executive Director; Steve Locey, Locey & Cahill; Meghan Feeley, ProAct; Ted Schiele, Chair, Owing Your Own Health Committee; Meghan Feeley, ProAct; Sharon Dovi, TC3

**Call to Order**

Mr. VanWormer, Chair, called the meeting to order at 1:32 p.m.

**Approval of Minutes of July 7, 2016**

It was MOVED by Ms. Hersey, seconded by Mr. Perine, and unanimously adopted by voice vote by members present, to approve the minutes of July 7, 2016 as submitted. MINUTES APPROVED.

**Board of Director's Report**

Ms. Drake, Chair, reported the Board of Directors met on July 28 and discussed the Prescription Drug Manager Request for Proposals. The Review Committee is reviewing the four

responses that were received and the Board of Directors is expected to take action at its September meeting. An update will be provided to this Committee at the next meeting. Ms. Drake said Mr. Locey provided the Board with an introduction to the 2017 budget and first projections for 2017 is a 5% premium rate increase with increases of 5-8% in years 2018-2020.

Ms. Guerreri arrived at this time.

### **Chair's Report**

Mrs. Shawley said Mr. VanWormer, Chair, reported resolution recommending by this Committee establishing the actuarial value targets was adopted by the Board of Directors.

### **Executive Director Report**

Mr. Barber also spoke of the 2017 budget and noted that for the Metal Level Plans whatever the actuarial values are reduced by that percentage will be subtracted from the premium rate increase that is adopted. He also reported Mr. Locey has increased the pharmaceutical claims amount for 2016 by \$1.8 million because of the increased costs that occurring. With that kind of increase the Board is looking at a premium rate increase that is higher than what was anticipated last year. He said the Audit and Finance Committee has been discussing increased prescription drug costs and he will share that information with this Committee at the next meeting. There are a number of factors of which the largest is the cost of specialty drugs and another is the lack of oversight on the pharmacy industry which has allowed the costs to get out of control.

Mr. Barber reported the Owing Your Own Health Committee has set up flu clinics and information has been posted on the website. Benefit Clerks will be sent information to share with employees. The Committee has also been looking at CanaRx for dispensing prescription drugs as a way to manage costs. CanaRx dispenses drugs through a Canadian pharmacy and does not have the same pricing structure that exists in the United States. At the present time the County and TC3 offer employees use of this program but it is not offered to all Consortium members. The Committee is exploring whether it would be advisable to bring a recommendation forward to the Board of Directors to extend the program to all Consortium members.

Ms. Parlato arrived at this time.

Mr. Barber said he is working on the next issue of the Consortium newsletter. One of the features will be explaining the actuarial values that were discussed and recommended by this Committee. There will also be an article on out-of-network services because there have been a lot of out-of-network claims that have come through and have resulted in a lot of questions and requests for appeal. There will also be information included in the newsletter on smoking cessation. He welcomed suggestions for other newsletter topics.

Mr. Barber reported a number of suggestions have made to refine the logo design and a final design proposal is near completion.

Ms. Grace and Mrs. Shawley arrived at this time.

Mr. Barber said there are presently seven municipalities that have expressed interest in joining the Consortium and at this time three have passed resolutions. The next step in the process is a review of the financial statements by the Consortium Treasurer and Chief Financial Officer. All municipalities are small and have no labor contracts.

Lastly, he announced there are opening for alternates representatives for Ms. Hersey and Mr. Bower when they cannot attend Board meetings. There is no process outlined for how those appointments are made; therefore, he asked anyone who is interested to let Ms. Hersey and Mr. Bower know.

### **Pending Benefit Changes within Metal Level Plans**

Mr. Locey said at the last meeting this Committee recommended target actuarial values that were subsequently approved by the Board of Directors. Those targets were based off of Metal Level Plan design changes that were reviewed and adjusted by this Committee. He reviewed the proposed plan models to achieve the actuarial values that have been adopted. A summary of the changes are as follows:

#### **Platinum Plan**

Actuarial Value target – 91.13%

Out-of-network out-of-pocket maximum would increase from \$2,000/\$6,000 to \$4,000/\$12,000 (this is not a part of the actuarial value calculation; it is a requirement of Excellus BlueCross Blue Shield that the out-of-pocket maximum for out-of-network has to be two times as much as the in-network);

Diagnostic Laboratory copay – Increase from zero copay to \$25 copay;

Pharmacy Benefit copay – lowering the copay for generics: Tier I - \$10 to \$5; Tier II - \$30 to \$35; and Tier III non-preferred brand name drugs - \$50 to \$70; and

Mr. Locey asked if members received any feedback on the proposed plan designs since the last meeting and members had not received any.

#### **Gold Plan**

Actuarial Value target – 79.47%

In-network deductible for an individual – increase from \$500 to \$1,300;

In-network deductible for a family – increase from \$1,500 to \$2,600;

Deductible aggregation – change from individual to family aggregate (this is a requirement by Excellus for all of its Gold, Silver, and Bronze plans);

Out-of-Network deductible – changed to a separate deductible (\$2,600/\$5,200) and is twice the in-network deductible;

Family out-of-pocket maximum – Reduced for in-network from \$9,000 to \$6,000 (includes the deductible);

Diagnostic Laboratory copay – Increase from zero copay to \$25 copay;

Out-of-network out-of-pocket maximum would increase to be two times as much as the in-network;

Primary Care Physician, Specialist, and Chiropractor copays changed from \$25/\$40/\$40 copays to 20% coinsurance for in-network; Diagnostic copay increased from zero copay to 20% coinsurance; and

Plan now qualifies as a high deductible health plan and eligible for health savings account

#### **Silver Plan**

Actuarial Value target – 70.69%

In-network deductible for an individual – increase from \$1,300 to \$1,800;

In-network deductible for a family – increase from \$2,600 to \$3,600;

Out-of-network deductible – changed to a separate deductible (\$3,600/\$7,200) and is twice the in-network deductible;

In-network/out-of-pocket maximum – change from \$3,000/\$6,000 to \$6,000/\$12,000;

Out-of-network out-of-pocket maximum - added at \$12,000 individual and \$24,000 family;

Diagnostic lab, in-network coinsurance – increase from 20% to 30% coinsurance; and

Out-of-network coinsurance – increase from 40% to 50%

Silver Plan

Actuarial Value target – 61.23%

In-network deductible for an individual – increase from \$3,500 to \$6,550;

In-network deductible for a family – increase from \$7,000 to \$13,100;

Deductible aggregation – change from individual to family aggregate (this is a requirement by Excellus for all of its Gold, Silver, and Bronze plans;)

Out-of-Network deductible – increased from \$13,100/\$26,200;

In-network out-of-pocket maximum – increased from \$6,350/\$12,700 to \$6,550/\$13,100;

Family out-of-pocket maximum – Changed to twice the in-network maximum

Chiropractor, Diagnostic Lab, In-network co-insurance reduced from 20%/20%/40% to zero

It was MOVED by Mr. Murphy, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present, to recommend adoption approve the changes to benefits contained within the Consortium's the Metal Level Plans.

**Discussion of Bylaws – Proxies**

Mr. Barber read the following section of the Committee's bylaws:

5. All Joint Committee actions shall be by a majority vote of a quorum which is defined as one-quarter of the municipal membership and one-quarter of the union membership. This requirement shall be reviewed annually.

6. 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.

Ms. Pottorff said she has advised members to designate another committee member as their proxy when they are unable to attend a meeting; however, it is not specified who can act as a proxy on a member's behalf. She said she has no preference on who can be permitted to act as a proxy, only that a policy exist to direct someone to when a question arises. Mr. Locey recommended the proxy be someone who is a member of the Committee or who is eligible to be a member of the Committee.

Ms. Grace questioned how Ms. Pottorff would know if the person being designated as a proxy is eligible and it was recommended that the bargaining group or municipality of the person being designated be identified. Following a question it was agreed draft language was be included in the next agenda for consideration.

**Adjournment**

The meeting adjourned at 2:19 p.m.