



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

AGENDA Joint Committee on Plan Structure and Design June 1, 2017 - 1:30 P.M.

Rice Conference Room, Tompkins County Health Department

1. Welcome
2. Changes to the Agenda
3. Approval of May 4, 2017 Minutes (1:35)
4. Chair's Report (1:37) Olivia Hersey
5. Board of Directors Chair Report (1:40) Judy Drake
6. Executive Director Report (1:45) Don Barber
 - a. CanaRx
 - b. Other Committee activities
 - c. Retreat
7. Consultant Report (2:00) Steve Locey
8. Implications of Telemedicine Program to Consortium (2:05) Steve Locey
9. Election of 3rd Labor Representative on Board of Directors & Alternate Director (2:20)
10. Labor Representatives to Owning Your Own Health Committee (2:25)
11. Next Meeting Agenda (2:30)
12. Adjournment (2:30)

Next Meeting: July 6, 2017



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

Draft

MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
May 4, 2017, 2016 – 1:30 p.m.
Rice Conference Room, Health Department**

Present:

Municipal Representatives: 9 members

Judy Drake, Town of Ithaca and Board of Directors Chair; Betty Conger, Village of Groton; Eric Snow, Town of Virgil; Charmagne Rungay, Town of Lansing; Jeff Walker, Village of Cayuga Heights; Mack Cook, City of Cortland; Carissa Parlato, Town of Ulysses (arrived at 1:35 p.m.); Schelley Michell-Nunn; Bud Shattuck, Village of Union Springs

Municipal Representative via Proxy: 2

Tom Brown, Town of Truxton (Proxy – Eric Snow); Alvin Doty, Town of Willet (Proxy – Judy Drake);

Union Representatives: 4 members

Tim Farrell, City of Ithaca DPW Unit; Jim Bower, Bolton Point Water Unit – UAW Local 2300; Jon Munson, Town of Ithaca Teamsters; Olivia Hersey, TC3 Professional Admin. Assoc. Unit; Phil VanWormer (City of Ithaca Admin. Unit)

Union Representatives via Proxy: 3

Jerry Wright, Village of Cayuga Heights Police (Proxy – Phil VanWormer); Teresa Viza, TC Library Staff Unit; Kate Devo, TC Library Professional Staff Unit (Proxy – Phil VanWormer)

Others in attendance:

Don Barber, Executive Director; Steve Locey, Locey and Cahill; Ted Schiele, Owning Your Own Health Committee Chair; Beth Miller, Matt Losty, Dr. Lockwood, Excellus

Call to Order

Mr. VanWormer, Chair, called the meeting to order at 1:30 p.m.

Changes to the Agenda

There were no additions or deletions to the agenda.

Approval of Minutes of April 6, 2017

It was MOVED by Ms. Hersey, seconded by Ms. Rungay, and unanimously adopted by voice vote by members present, to approve the minutes of the April 6, 2017 meeting as submitted. MINUTES APPROVED.

Chair's Report

Mr. VanWormer said this will be the last meeting of this Committee that he will Chair.

Executive Director Report

Mr. Barber encouraged members to attend the retreat that will be held on May 10th at 9 a.m. He reported on activities of the Audit and Finance Committee and said annual financial report was finished and submitted to the State. The Consortium's annual report for 2016 is complete and copies are available. The Owing Your Own Health Committee has been working on a number of things including flu clinic planning and a resolution on a healthy meeting policy.

Consultant's Report

Mr. Locey reviewed the 1st quarter financial results and said year-to-date the Consortium is over budget. For 2017 revenue is showing the Consortium is above budget on premium because it had an additional 2% in covered lives due to the additional municipalities and some Stop Loss reimbursement received this year that was related to last year. Mr. Locey reported year-to-date revenues are up 3%. With regard to expense, medical claims are 2.26% below budget and prescription drug claims are 9% below budget with total expenses being 5% below budget. Net income is \$431,000 for the first three months of 2017.

Mr. Locey reviewed charts showing the Consortium's expenses and called attention to the exhibit showing 94.6% of each dollar going to pay claims. He said this shows the Consortium is extremely efficient as the Affordable Care Act holds the standard at 85%. Although it is still early in the year he said the Consortium is doing well and he is cautiously optimistic for another positive year that will produce only a modest increase for 2018.

CanaRx

Mr. Barber reported on the rollout of CanaRx and stated a letter to the Consortium's members to alert all members about the CanaRx opportunity has been drafted and approved. Once documents that will go along with the letter have been pulled together a meeting will take place with all of benefits clerks so they are aware of what is happening. In late May/early June ProAct will be contacting all of the subscribers who are using a medication that can be purchased through CanaRx. The start-up date is set for July 1st.

Excellus Utilization Report

Mr. Losty reviewed current year (2016) information compared to prior year (2015) and a comparison of the Consortium vs. an industry based on a large sample of clients representing approximately 119,000 members. Highlights of his report are included below and the full report is posted on the Consortium's website:

	<u>Prior</u>	<u>Current</u>	<u>% Change</u>
Average Contracts	2,301	2,322	+1%
Average Member	5,021	5,063	+1%
Plan Cost	\$20,975,637	\$23,937,884	+14%
Member Cost	\$ 846,805	\$ 964,482	+14%
Total Cost	\$25,139,712	\$29,141,382	+16%

Plan Cost per Contract per Year	\$ 9,116	\$ 10,3090	+13%
Plan Cost per Member per Month	\$ 348	\$ 394	+13%
Total Cost per Member per Year	\$ 5,007	\$ 5,756	+15%

	<u>2016</u>	<u>2015</u>	<u>Current vs Comparison</u>
Plan Cost per Contract per year	\$10,309	\$8,740	18% higher
Plan Cost per Member per Month	\$ 394	\$ 326	21% higher
Total Cost per Member per Year	\$ 5,756	\$4,419	30% higher
Percent Member Cost Share	4%	7%	less
Member Cost per Contract per Year	\$ 415	\$ 634	34% lower
Members per Contract	2.2	2.2	similar

The plan cost per contract increase is so dramatic because claim expense for 2015 was abnormally low. When plotting annual plan cost per contract since inception, 2016 data falls in where expected.

There was a 29% increase in inpatient plan costs over 2015. Yet the Consortium’s inpatient numbers were 7% lower than the comparison population. Mr. Losty also said more members received outpatient care. Typical out of network care was to treat mental health and substance abuse and dialysis. 707 individuals used non-participating providers with total claim cost of \$1M. In-network providers cost to our plan was 48% less than billed charges. Other medical claims utilization review highlights

- o 10% of members had no cost (this means most members are entering the health care system)
- o 2127 or 43% of our covered lives received annual physicals
- o 21% of members account of 80% of plan costs
- o There was an increase in high cost claimants of which half are forecasted to continue into 2017
- o Office visits increased by 4% compared to 2015 and were 18% higher than comparison population
- o The number of Urgent care visits was unchanged from 2015 yet 74% higher than comparison population
- o ER visits increased by 19% and was 1% lower than the comparison population
- o Approximately 115 members were added in 2017. Over 400 members have enrolled in the metal-level plans
- o Claims cost increase over 2015 were driven by a return to normal of high cost claims and increase of hospital admissions. 2016 usage numbers were similar to 2013 and 2014 data
- o Recommendations: “Choosing Wisely” – Consider sharing cards with employees, which list the top five questions to ask a doctor before any test, treatment, or procedure; and Telemedicine which anticipates a decrease in costs, expanding access to health care, and an increase in employee productivity, and represents significant overall savings to both employer and member.

There was a discussion of what costs could have potentially been avoided by members using an urgent care center versus an emergency room. There were 55 ER low acuity (potentially avoidable) visits at a cost of \$1,316 per ER visit versus \$272 for an urgent care center. Ms. Miller reported the Excellus website has been redesigned and encouraged members to visit the page.

Election of Chair

Mr. VanWormer opened the floor for nominations of Chair. It was MOVED by Mr. Shattuck, seconded by Mr. VanWormer, and unanimously adopted by voice vote by members present, to appoint Olivia Hersey as Chair of the Joint Committee on Plan Structure and Design. MOTION CARRIED.

Next Meeting Agenda

The following items were suggested for inclusion on the next agenda:

Selection of 3rd Labor Representative to the Board of Directors and alternate; and
Discussion, utilization data, and possible resolution on Telemedicine program

Adjournment

The meeting adjourned at 2:48 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk