



## 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 July 6, 2017 - 1:30 P.M.

Rice Conference Room, Tompkins County Health Department

1. Welcome
2. Changes to the Agenda
3. Approval of June 1, 2017 Minutes (1:35)
4. Chair's Report (1:37) Olivia Hersey
5. Executive Director Report (1:40) Don Barber
  - a. CanaRx
  - b. Other Committee activities
6. Telemedicine Program (1:50) Steve Locey
7. Adjusting Gold Plan to Remain High Deductible Plan (2:00) Steve Locey
8. Analysis of 2016 Utilization Data (2:05) Steve Locey
9. Excellus Website Tutorial (please bring your smart phone) (2:10) Beth Miller
10. Election of 3<sup>rd</sup> Labor Representative on Board of Directors & Alternate Director (2:20)
11. Labor Representatives to Owning Your Own Health Committee (2:25)
12. Next Meeting Agenda (2:30)
13. Adjournment (2:30)

Next Meeting: August 3, 2017



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# Draft

### MINUTES – **DRAFT**

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

#### **Present:**

#### ***Municipal Representatives: 12 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; Carissa Parlato, Town of Ulysses; Schelley Michell-Nunn (arrived at 1:40 p.m.); Bud Shattuck, Village of Union Springs; Laura Shawley, Town of Danby; Jennifer Case, Town of Dryden; Michael Murphy, Village of Dryden; Mark Witmer, Town of Caroline

#### ***Municipal Representative via Proxy: 3***

Tom Brown, Town of Truxton (Proxy – Eric Snow); Alvin Doty, Town of Willet (Proxy – Judy Drake); Mack Cook, City of Cortland (Proxy – Laura Shawley)

#### ***Union Representatives: 6 members***

Tim Farrell, City of Ithaca DPW Unit; Jon Munson, Town of Ithaca Teamsters; Olivia Hersey, TC3 Professional Admin. Assoc. Unit; Doug Perine, Tompkins County White Collar President; Jeanne Grace, City of Ithaca Executive Unit; Town of Dryden DPW Teamsters

#### **Union Representatives via Proxy: 2**

Jim Bower, Bolton Point Water Unit – UAW Local 2300 (Proxy – Olivia Hersey); Jerry Wright, Village of Cayuga Heights Police (Proxy – Olivia Hersey)

#### ***Others in attendance:***

Don Barber, Executive Director; Steve Locey, Locey and Cahill; Beth Miller, Excellus; Megan Feeley, ProAct

#### **Call to Order**

Ms. Hersey, 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 May 4, 2017**

It was MOVED by Ms. Drake, seconded by Ms. Conger, and unanimously adopted by voice vote by members present, to approve the minutes of the May 4, 2017 meeting as submitted. MINUTES APPROVED.

Mr. Murphy arrived at this time.

### **Chair's Report**

Ms. Hersey said in an effort to get more labor attendance at meetings she has sent e-mails to labor representatives asking for feedback on ideas for changes that could help achieve this. She asked management representatives to speak with their labor representatives about this as it will be important to have participation when selecting a 3<sup>rd</sup> labor representative and alternate to the Board of Directors.

### **Board of Directors Chair Report**

Ms. Drake reported the Board met on May 25<sup>th</sup> and actions included: appointing Ms. Hersey to the Audit and Finance Committee, accepted the external audit report which has been posted on the Consortium's website, received a report on medical and prescription drug utilization, and approved a contract for the prescription drug claims audit. The Board also created a subcommittee for the purpose of exploring the governance structure of the Consortium as it continues to get larger. She invited any member to join the Committee if interested.

### **Executive Director Report**

Mr. Barber reported the Board also adopted a Healthy Meeting Policy that says after an hour everyone should stand up and stretch and if food is brought it should be something that is healthy. He reported on CanaRx and said a letter has been sent to all subscribers and retirees from the Consortium announcing it is an available option. Another letter from ProAct will be going out today to subscribers who are taking a prescription that would qualify under the CanaRx formulary inviting them to consider this option and providing them with the enrollment information. He said he has been contacted by a number of County retirees expressing interest and asking for assurance that they would be notified if they were taking a medication that qualified.

Ms. Mitchell-Nunn arrived at this time.

Mr. Barber reported the Owing Your Own Health Committee has been working on marketing ideas for things such as the upcoming flu clinics and is looking at having a new webpage look that would be specific to the Consortium as opposed to Tompkins County since half of the members now are from outside Tompkins County. The webpage would also be structured to be mobile-friendly. The Committee is also talking about doing videos as a way to provide information and instruction to members on various topics, and will be discussing plans for the Fall flu clinics and the Blue4You program.

Mr. Barber reported the Audit and Finance Committee is preparing for another audit of prescription drug claims for the last two years and is finishing the Excellus claims audit process. He noted the improvement in the communication that took place during this audit and how much better of a process it was this time. At the next meeting the Committee will begin discussion of the 2018 budget.

Mr. Barber spoke of the newly-created Governance Structure Committee and said because of how the Municipal Cooperative Agreement is structured and Article 47 is written labor has a role to play in the process. He will keep members informed as this progresses and invited anyone with ideas to bring them forward. Lastly, he reported on the May 10<sup>th</sup> educational retreat and said it is available on the Consortium's website. Ms. Drake commented on Dr. Stallone's presentation on the work of the Cayuga Area Plan at the retreat and encouraged members to view that segment of the video. Mr. Barber said ProAct brought a clinical pharmacist who also provided some very useful information.

### **Consultant's Report**

Mr. Locey distributed the 1<sup>st</sup> quarter financial results for 2017.

Mr. Witmer arrived at this time.

Mr. Locey said the Consortium is over budget on revenue by \$433,000 due to premium income from additional members and Stop Loss recoveries (\$167,000). Medical claims are 7.7% below budget and prescription drug claims are under budget by 11%. In total the Consortium is approximately \$1.3 million below budget on expenses which provides a \$1.1 million income at a time when a \$600,000 loss was predicted. He said he is anticipating a very modest growth in premium in 2018 and likely below the original projection of 7%.

Mr. Locey distributed a document showing where Consortium funds are spent and noted of all money coming into the program is from premiums and approximately 93.2% is going to pay the benefits of members and only 6.8% is being used to pay for everything else: Admin. Fees – 2.87%; Stop Loss – 1.93%; Taxes - .8%; Professional Services - .77%; Insurance/Internal Fees - .24%; and Ancillary Benefits - .36%

Mr. Locey said when the actuarial values were run for 2017 it was noted that all of the plans were within the defined actuarial value ranges. After that was done, the Internal Revenue Service issued a letter stating for a health plan to qualify as high deductible that there needs to be an individual deductible of at least \$1,350 and a family deductible of at least \$2,700. The Consortium's Gold Metal Level Plan that was set up last year to not only meet the actuarial value but to also make it eligible for a Health Savings Account as a high deductible health plan does not meet those thresholds. The Consortium's Gold Plan currently has an individual deductible of \$1,300 and a family deductible of \$2,600. The letter states that to maintain the Health Savings Account in 2018 the deductible level for an individual will need to be raised by \$50 and the deductible level for a family by \$100. Mr. Locey said the differential based on the actuarial value calculator is ¼%. This will be discussed by the Audit and Finance Committee. Mr. Locey said he would like feedback on raising the deductible to allow individuals or employers to continue to use and add to their Health Savings account in 2018.

Mr. Barber will be contacting the two employers in the Consortium that have the Gold Metal Level Plan and confirm that it is important for them to have the Health Savings Account attached to their plan and if it is the Consortium will need to do something to bring it into compliance. Ms. Parlato said having a Health Savings Plan is important to the Town of Ulysses.

Mr. Shattuck said the letter states that it is an inflation adjustment and asked if it should be assumed that it will be adjusted again next year. Mr. Locey said if no other changes are being made as a result of the actuarial value there is a likelihood that small increases to that deductible could continue to be seen every year to keep it eligible for the Health Savings Account. Mr. Shattuck suggested looking at raising the levels by \$100 and \$200 now to avoid a potential increase in 2018. Mr. Locey said that can be looked at and information can be provided to show what the historical increases have been.

Mr. Murphy asked Mr. Locey if he could look into the two impacted groups and see how many subscribers get to the deductible of \$1,300. Mr. Locey said the average spend per covered life in the Consortium is approximately \$6,000 per person per year and slightly above \$12,000 per contract.

### Telemedicine

Mr. Locey distributed a memorandum concerning Telemedicine and the potential impact on the Consortium. This program is being marketed as a potential cost-saving measure for the Plan based on the utilization in 2016 of \$119 for an office visit, \$272 for an Urgent Care visit, \$1,316 for an Emergency Room – Low Acuity visit, and \$1,420 for all other Emergency Room visits. The Plan would pay a \$40 fee plus an administrative fee for access to the program for visits that could be done over the telephone. He said there are aspects of the program that are being evaluated and the following questions are being looked at:

1. Did this program reduce the cost of providing health insurance to members?
2. How many office visits, urgent care visits, emergency room visits were avoided?
3. Were there any issues from a continuity of care perspective or quality of care perspective?
4. Did the telemedicine visit lead to an office visit, urgent care visit, or emergency room visit anyway?

He said it is important that if the Consortium were to offer Telemedicine that people who use the program pass information they receive through the program back to their primary care physician to make sure that their total care is treated properly. Once information is received to answer these questions he will report back to the Committee. It was stated that Guthrie now has a Telemedicine program and Cayuga Medical Center may be in the process of rolling a program out.

Ms. Miller reported a high-level discussion took place yesterday with Cayuga Medical Center about them becoming a Tier I level in front of the Excellus Live providers so they would be the first access that people would see. Those discussions are ongoing and data is being gathered. She said having the marketing piece of the program in place before it starts is key to getting the program set up.

Ms. Miller was asked by Mr. Barber if Excellus would be able to identify from the utilization report how many subscribers would have been able to utilize the Telemedicine program last year. Ms. Miller will ask Mr. Losty and Mr. Foresti of Excellus to look into this.

### **Election of 3<sup>rd</sup> Labor Representative to the Board of Directors and Alternate**

Ms. Hersey said the 3<sup>rd</sup> Labor Representative on the Board of Directors has become vacant since she has replaced Mr. VanWormer and asked if there was interest by any labor member to fill that vacancy or to be an alternate for any Director who is unable to attend a meeting. No member expressed interest in serving in either capacity at this time; Ms. Hersey will continue to reach out to members and this will be included on the agenda for the next meeting.

### **Owning Your Own Health Committee**

Mr. Barber said the Committee meets the third Wednesday of each month at 3:30 p.m. and talks about wellness issues, organizing the annual flu clinic, marketing and letting subscribers know about new initiatives. Ms. Hersey asked if there is interest by any labor representative to serve on this Committee and said she was contacted by Jim Bower who offered to serve. Mr. Munson said he would consider serving. This will be included as an agenda topic for the next meeting.

### **Next Meeting Agenda**

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

Claims and expenses;  
Gold Metal Level Plan Deductible;  
Selection of 3<sup>rd</sup> Labor Representative to the Board of Directors and alternate;  
Website Overview – Excellus and ProAct;  
Discussion, utilization data, and possible resolution on Telemedicine program; and  
Labor representatives to Owning Your Own Health Committee

### **New Business**

Mr. Locey reported last week he met with legislative leaders in Albany about the Community Rating Law in New York State. He explained that prior to the Affordable Care Act in New York State if a municipal or private employer employed less than 50 people and bought health insurance it had to purchase community rated health insurance for its employees. Every employer would pay the same rate for the same policy from an insurance company. When the ACA was adopted it changed the definition of small employer from those with less than 50 employees to those with less than 100. For the last couple of years there has been a moratorium on municipal employers having to purchase community rated insurance if they employed between 51-100 employees. That moratorium will run out at the next of next year. The meeting was to find out whether Legislators planned to roll the 100 back to 50 and it was clear there is no intention to do that. Mr. Locey said a request was made to extend the current rule for one more year 2019 and he thinks that is likely to happen. He will be sending a letter to members asking that they reach out to their Legislative leaders and said that if the requirement for municipalities entities was waived it would give more options to the Consortium other than Article 47.

### **Adjournment**

The meeting adjourned at 2:48 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk