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MINUTES

Greater Tompkins County Municipal Health Insurance Consortium Joint Committee on Plan Structure and Design July 7, 2016 – 1:30 p.m.

Approved

Department of Emergency Response Conference Room, Health Department

Present:

Municipal Representatives: 14 members

Judy Drake, Town of Ithaca and Board of Directors Chair; Michael Murphy, Village of Dryden; Carissa Parlato, Town of Ulysses; Schelley Michell Nunn, City of Ithaca; Eric Snow, Town of Virgil; Charmagne Rungay, Town of Lansing; Betty Conger, Village of Groton; Brooke Jobin, Amy Guerreri, Tompkins County; Mack Cook, City of Cortland (excused at 2:30 p.m.); Mark Witmer, Town of Caroline; Genevieve Suits, Village of Homer; Laura Shawley, Town of Danby, Jennifer Case, Town of Dryden; Joan Mangione, Village of Cayuga Heights

Municipal Representative via Proxy: 2

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

Union Representatives: 11 members

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

Union Representatives via Proxy: 4

James Bower, Bolton Point-UAW Local 2300 (Proxy – Jon Munson); Teresa Viza, TC Library Staff Unit (Proxy – Jon Munson); Jason Thayer, TC3 Staff Unit (Proxy – Sam Merrill); Jerry Wright, Village of Cayuga Heights Police (Proxy – Phil VanWormer)

Others in attendance:

Don Barber, Executive Director; Steve Locey, Locey & Cahill; Beth Miller, Excellus; Sharon Dovi, TC3 Human Resources; Ted Schiele, Chair, Owing Your Own Health Committee; Sam Merrill (Proxy for Jason Thayer)

Call to Order

Mr. VanWormer, Chair, called the meeting to order at 1:36 p.m.

Approval of Minutes of June 2, 2016

It was MOVED by Ms. Hersey, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present, to approve the minutes of the June 2, 2016 meeting as submitted. MINUTES APPROVED.

Chair's Report

Mr. VanWormer thanked Mrs. Shawley for chairing the June meeting in his absence.

Executive Director Report

Mr. Barber reported the Owning Your Own Health Committee has been looking into options for the Consortium with CanaRx and said he will update the Committee as information is gathered. The Audit and Finance Committee has been working on development of the 2017 budget and is working on a prediction model for pharmaceutical claims to address claims running higher than budgeted. He invited members to attend the Board of Directors meeting at the end of this month.

Establishing the Actuarial Value Target for Metal Level Plans

Mr. Locey distributed a document for each of the Metal Level Plans showing the current actuarial value and options for benefits changes to bring the actuarial value into the acceptable range. He reviewed the five options for changes to the Platinum Plan, responded to questions on various components contained in the options, and developed a sixth option based on suggestions from members. Information he provided included the following points:

- The current contract count for Metal Level Plans out of the Consortium's 2,400 total contracts is as follows: Platinum – 57 Gold – 2, Silver – 5, Bronze – 12;
- The actuarial value is developed using a national database; therefore, as the number of contracts increases there is no impact on the actuarial value;
- Excellus has a requirement that the out-of-network out-of-pocket maximum has to be two times the in-network;
- 80% of the prescription drugs dispensed in the Consortium are generic; and
- To qualify for a Health Savings Account the individual deductible cannot be less than \$1,300

Ms. Hersey cautioned that there could be an adverse effect in changing the primary and specialist copays and said if people do not go to a doctor early when there is a problem they are likely to face much higher costs later. Mr. VanWormer said he understands and appreciates Ms. Hersey expressing this concern but in order to get a plan within the acceptable actuarial value target range there has to be some diminishment of benefit.

Mr. VanWormer said the task for the Committee at this meeting is to make a recommendation for an actuarial value target; the specific benefit options do not need to be decided at this meeting. Mr. Murphy said it would be difficult to decide on a target without including a recommendation of what benefit options would be included in conjunction with the target.

There was a lengthy discussion on the Platinum Plan. Based on suggestions a sixth option was developed that reached an actuarial value of 91.13%. The plan option developed included the following benefit changes:

Increased Out-of-Network Out-of-Pocket Maximums from
Individual: \$2,000 to \$4,000
Family: \$6,000 to \$12,000
Increased Diagnostic Lab copay from \$0 to \$25;
Changed Pharmacy Copayments:
Tier I: \$10 to \$ 5

Tier 2: \$30 to \$35
Tier 3: \$50 to \$70

Mr. Cook was excused at this time.

Mr. Locey said he believes this plan option would avoid the need to have changes made next year. He called attention to the Deductible Aggregation benefit option and said "Aggregation" is not a part of the calculator in terms of the actuarial value but it makes a difference for families in how they access the benefit. Individual Aggregation means no one will get charged more than the individual deductible or out-of-pocket maximum. If it is Family Aggregation and one person goes over the individual out-of-pocket maximum they continue going until they meet the Family Aggregation amount. Ms. Miller will look into this to see confirm this is correct. Following the meeting Ms. Miller submitted clarifying information that can be found at the end of these minutes.

Ms. Hersey said she does not like to see any one person being extremely disadvantaged because they are not well; others agreed with this point-of view. Mr. Murphy said if people are going to be encouraged to see their doctors there should be a copay for primary physician care. Mr. Locey said the average standard office visit usually costs \$120.

Mr. Murphy asked if someone could have a high deductible and copay at the same time. Mr. Locey said he would have to look into that. He said everyone who has looked at the Consortium has a high-deductible health plan that includes a Health Savings Account.

Ms. Miller explained a health plan business model includes employers funding some of the account or giving employees an option to start saving money for health expenses. Mr. Murphy described this model of having high deductibles being for individuals who are healthy or who cannot afford a large insurance premium along with a health savings plan. As funds in that plan would rollover from year-to-year the member would be saving on high premium costs and wouldn't be impacted by medical expenses as greatly because there would be funds in the health savings account. Mr. Locey noted that some employers are contributing to employee Health Savings Accounts.

Ms. Suits said while she understands the concerns expressed in providing the proper coverage there are those employees who are healthy and who would like to have the least amount deducted from their paychecks as possible. Ms. Murphy said he sees the Gold and Silver plans being for families that would use more often and the Silver and Bronze plans being for healthier individuals who would have more in their paychecks.

Mr. Barber said Metal Level Plans were introduced only four years ago and up until that time people had community-rated PPO plans. Whenever the employer and groups moved to high deductible plans there was typically a significant savings in premium. At that time an agreement was made and most of the employers are seeding the Health Savings Accounts. In many cases the amount they are seeding exceeds the deductible account.

RECOMMENDATION BY THE JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN TO THE GTCMHIC BOARD OF DIRECTORS ON BENEFIT PLAN CHANGES TO MAINTAIN ACTUARIAL VALUES OF METAL LEVEL PLANS

It was MOVED by Ms. Drake, seconded by Mr. Murphy, and unanimously adopted by voice vote by members present, to approve the following resolution.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Board of Directors pursuant to Resolutions No. 016-2014 and No. 014-2015 adopted the GTCMHIC Standard Platinum, Gold, Silver, and Bronze Plans adding said plans to the available benefit plan menu, and

WHEREAS, the GTCMHIC standard metal level plans, Platinum, Gold, Silver, and Bronze, are designed to maintain an actuarial value (AV) of 90%, 80%, 70% and 60%, respectively on an annual basis within an acceptable deviation of + or – 2%, and

WHEREAS, each year, the AV is calculated by the Consortium's medical plan administrator and/or plan consultant using the AV Calculator developed by the Centers for Medicare & Medicaid Services (CMS) Center for Consumer Information & Insurance Oversight (CCIIO) which was implemented in accordance with the Patient Protection and Affordable Care Act (ACA). If, in any given year, such calculator is no longer available or in use, the Consortium will have an independent Actuary develop the AV of these health insurance plans. In either case, it is the intent that the result of the AV calculation will represent an empirical estimate of the AV calculated in a manner that provides a close approximation to the actual average spending by a wide range of consumers in a standard population, and

WHEREAS, the GTCMHIC Joint Committee on Plan Structure and Design, at the July 7, 2016 meeting, has the opportunity to provide the Audit and Finance Committee with recommended plan design changes necessary to maintain the target AV of the GTCMHIC Standard Platinum, Gold, Silver, and Bronze Plans for the 2017 Plan Year, and

WHEREAS, the Joint Committee on Plan Structure and Design has received information and benefit options for plan changes to attain the necessary Actuarial Value (AV) and the Committee is in an informed position to recommend benefit changes for each metal level plan necessary to maintain each plan's AV for the 2017 Plan Year, now therefore be it

RESOLVED, That the Joint Committee on Benefit Plan Design recommends to the GTCMHIC Board of Directors to establish target Actuarial Values for the Platinum, Gold, Silver, and Bronze Benefit Plans of 91.13%, 79.47%, 70.69% and 61.23% respectively.

* * * * *

Following a lengthy discussion with good participation by Committee members, plan options included below for each of the Metal Level Plans were developed and will be considered at the next meeting.

Joint Committee on Plan Structure and Design
July 7, 2016

Greater Tompkins County Municipal Health Insurance Consortium
2016 Standard Metal Level Plans and 2017 Joint Committee Recommended Plan Options

Benefit Description	Platinum Plan		Gold Plan		Silver Plan		Bronze Plan		
	2016 Plan	2017 Plan	2016 Plan	2017 Plan	2016 Plan	2017 Plan	2016 Plan	2017 Plan	
Actuarial Value	92.60%	91.13%	84.17%	79.47%	79.23%	70.69%	67.92%	61.23%	
In-Network Deductible	Individual	\$0.00	\$0.00	\$500.00	\$1,300.00	\$1,300.00	\$1,800.00	\$3,500.00	\$6,550.00
	Family	\$0.00	\$0.00	\$1,500.00	\$2,600.00	\$2,600.00	\$3,600.00	\$7,000.00	\$13,100.00
Deductible Aggregation	Individual	Individual	Individual	Family Aggregate	Family Aggregate	Family Aggregate	Individual	Family Aggregate	
Out-of-Network Deductible	Individual	\$500.00	\$500.00	Included w/ In-Network	\$2,600.00	Included w/ In-Network	\$3,600.00	Included w/ In-Network	\$13,100.00
	Family	\$1,500.00	\$1,500.00		\$5,200.00		\$7,200.00		\$26,200.00
Out-of-Pocket Maximum Aggregation	Individual	Individual	Individual	Family Aggregate	Family Aggregate	Family Aggregate	Individual	Family Aggregate	
In-Network Out-of-Pocket Maximum <i>Includes Rx Copayments</i>	Individual	\$2,000.00	\$2,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$6,000.00	\$6,350.00	\$6,550.00
	Family	\$6,000.00	\$6,000.00	\$9,000.00	\$6,000.00	\$6,000.00	\$12,000.00	\$12,700.00	\$13,100.00
Out-of-Network Out-of-Pocket Maximum	Individual	\$2,000.00	\$4,000.00	Included w/ In-Network	\$6,000.00	Included w/ In-Network	\$12,000.00	Included w/ In-Network	\$13,100.00
	Family	\$6,000.00	\$12,000.00		\$12,000.00		\$24,000.00		\$26,200.00
Primary Care Physician Copay	\$15.00	\$15.00	\$25.00	n/a	n/a	n/a	n/a	n/a	
Specialist Copay	\$25.00	\$25.00	\$40.00	n/a	n/a	n/a	n/a	n/a	
Chiropractor Copay	\$25.00	\$25.00	\$40.00	n/a	n/a	n/a	n/a	n/a	
Diagnostic Lab Copay	\$0.00	\$25.00	\$0.00	20.00%	20.00%	20.00%	30.00%	20.00%	0.00%
In-Network Coinsurance	0.00%	0.00%	20.00%	20.00%	20.00%	30.00%	20.00%	0.00%	
Out-of-Network Coinsurance	20.00%	20.00%	40.00%	40.00%	40.00%	50.00%	40.00%	0.00%	
Pharmacy Copayments Retail (30 Day Supply) <i>Subject to Deductible for all plans except the Platinum Plan</i>	Tier 1	\$10.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
	Tier 2	\$30.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
	Tier 3	\$50.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00	\$70.00
High Deductible Health Plan	No	No	No	Yes	Yes	Yes	Yes	Yes	
Health Savings Account Eligible.	No	No	No	Yes	Yes	Yes	Yes	Yes	
Premium Rates	Individual	\$556.97	\$576.63	\$500.89	\$502.39	\$415.67	\$400.96	\$324.72	\$319.23
	Family	\$1,448.13	\$1,499.25	\$1,302.30	\$1,306.21	\$1,080.74	\$1,042.48	\$844.26	\$829.99
	% Change	n/a	3.53%	n/a	0.30%	n/a	-3.54%	n/a	-1.69%

* 2017 Plan Year Benefits are as recommended by the GTCMHC Joint Committee on Plan Structure and Design which were approved at the July 7, 2016 meeting.

Prepared By: Locey and Cahill, LLC

7/22/2016

Following the meeting Ms. Miller submitted the clarifications below to questions raised.

Regulations that must be followed regarding two times for out-of-pocket (OOP) and Family Aggregate.

1. Platinum (option 6) will mirror option 5 with the following changes: OOP \$4,000/\$12,000 Prescription drug at \$5/\$35/\$70;
2. Gold - Option 1 must remain as is with the family aggregate. The plan qualifies as HDHP and can be coupled with an HSA.
Gold - Option 3 with lower deductible of \$1,000/\$3,000 with Individual Aggregation does Not qualify as a High Deductible Health Plan;
3. Silver - Option 1 must remain as is with the family aggregate;
4. Bronze- Option 1 must remain as is with the family aggregate;

Next Meeting Agenda

At the next meeting the Committee will recommend changes in benefits to Platinum, Gold, Silver, and Bronze Metal Level Plans.

Adjournment

The meeting adjourned at 3:05 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk