GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
Municipalities building a stable insurance future.
125 E. Court Street
Ithaca, New York 14850
607-274-5590
Consortium@tompkins-co.org
www.tompkinscountyny.gov/hconsortium

MINUTES
Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
November 3, 2016 – 1:30 p.m.
Rice Conference Room, Health Department

Approved

Present:
Municipal Representatives: 9 members
Judy Drake, Town of Ithaca and Board of Directors Chair; Charmagne Rumgay, Town of Lansing; Betty Conger, Village of Groton; Eric Snow, Town of Virgil; Michael Murphy, Village of Dryden; Joan Mangione, Village of Cayuga Heights; Carissa Parlato, Town of Ulysses; Schelley Michell Nunn, City of Ithaca; Brooke Jobin, Tompkins County

Municipal Representative via Proxy: 3
Tom Brown, Town of Truxton (Proxy – Eric Snow); Laura Shawley, Town of Danby (Proxy – Judy Drake); Jennifer Case, Town of Dryden (Proxy – Judy Drake)

Union Representatives: 5 members
Phil VanWormer, City of Ithaca Admin. Unit; James Bower, Bolton Point-UAW Local 2300; Doug Perine, Tompkins County White Collar President; Tim Arnold, Town of Dryden DPW; David Flaten, TC3 Faculty Association

Union Representatives via Proxy: 4
Olivia Hersey, TC3 Professional Admin. Assoc. Unit (Proxy – Phil VanWormer); Teresa Viza, TC Library Staff Unit (Proxy – Phil VanWormer); Kate DeVoe, TC Library Professional Staff Unit (Proxy – Phil VanWormer); Jeanne Grace, City of Ithaca Exec. Assoc. Jeanne Grace, City of Ithaca Exec. Assoc.

Others in attendance:
Don Barber, Executive Director; Meghan Feeley, Michael Larca, David Shryver, ProAct (via conference call); Beth Miller, Excellus (via conference call); Sharon Dovi, TC3; Joe Scotti, CanaRx; Bud Shattuck, Village of Union Springs

Call to Order

Mr. VanWormer, Chair, called the meeting to order at 1:33 p.m.

Approval of Minutes of October 6, 2016

It was MOVED by Mr. Bower, seconded by Mr. Arnold, and unanimously adopted by voice vote by members present, to approve the minutes of October 6, 2016 as submitted. MINUTES APPROVED.

Chair's Report

Mr. VanWormer said with the additional municipalities joining the Consortium there will be an additional Labor representative on the Board of Directors in January and encouraged

members of labor to consider serving. As the newest labor representative on the Board Mr. Bower said he hasn't found serving on the Board to require a lot of time but has found it to be very informative.

Executive Director Report

Mr. Barber reported the Audit and Finance Committee met and received a financial update through September 30th. The Consortium is on budget for expenditure and revenues. He noted, however, that the budget was increased for prescription spend by $2 million. He also said the Committee is looking at Stop Loss insurance and possibly adjusting the current $400,000 deductible level. The Owning Your Own Health Committee has been discussing collaboration with other municipalities and entities across the State on wellness initiatives and also continued discussion of the CanaRx program that will be discussed later in the meeting.

Mr. Barber provided an update on municipalities joining the Consortium and said since the Board approved the addition of six municipalities at its last meeting the Towns of Aurelius and Montezuma are working their way through the process which would bring the total to eight municipalities joining the Consortium on January 1, 2017. They are all small employers with Metal Level Plans.

He reported on the work of the Prescription Drug Manager Request for Proposals Review Committee and said there were five responses to the RFP. After a review the selection was narrowed down to ProAct and Excellus. Following a detailed review process the Committee is recommending the Consortium continue with ProAct as the Prescription Drug Manager for the upcoming year with an option to renew for two additional years. Ms. Drake thanked the members of the Committee for their work and said a lot of work went into the process and making a difficult decision.

Mr. Barber said the Blue4U program is a benefit that is attached to Metal Level Plans. It involves a blood draw to inform someone of their numbers and how they relate to their health. When this was rolled out there were two members who signed up from Cortland County and two from Tompkins County. Enrollment in the program is done annually; the next enrollment will be in the Spring of 2017.

Specialty Drug Co-Pay Assistance

Mr. Barber said members have been provided with information that was discussed at last month's meeting regarding the impact pharmaceuticals have on the Consortium's total claims spend and how specialty drugs fit in. For the first six months of 2016 specialty drugs accounted for 46% of the total drug spend which is for only 80 people who are using those drugs. It is estimated that by 2020 Specialty will match the Rx other spend. He said talking about strategic ways to address this now is a good idea and there are some options of which some were discussed at the last meeting and questions were raised. He reviewed those questions and responses that have been prepared as follows:

What strategies are available to help patients if a 4th tier at 20% copay for the 30% of Specialty drugs that have no copay assistance available? A cap on the member copay could be in placed with the 20%. In addition, manufactures have other cost sharing programs but if we put a cap then the member would responsible for up to that cap no matter the copay assistance found by Noble. As an aside, some specialty medications on the CanaRx Specialty Drug Assistance formulary have zero copay.

If the 4 tier for Specialty drugs with 20% copay and $250 max were created, how would this affect premium equivalent rates? What would be effect of other copay levels on premium? This question has not yet been answered. He will be working with Mr. Locey to develop this effect on premium for subsequent discussions.

Ms. Drake questioned if the $250 max would be on an annual or per prescription basis. Mr. Barber said that is a decision that would need to be made; he will ask Mr. Locey to figure it both ways. Mr. Schryver said ProAct encourages this to be $250 per prescription after the copay assistance as this would allow the Consortium to take advantage of the full amount of the copay assistance. This would result in a secondary copay being applied after the copay assistance adjustment. He said a lot of value would be lost in doing it on an annual basis. In response to whether a specific annual maximum out-of-pocket could be placed solely on specialty drugs Mr. Schryver said he would need to look into that further.

Mr. Murphy said currently members are paying in the range of $50-$70 for specialty medications and under this scenario that amount would increase to $250. He questioned where that number originated and Mr. Barber said that was the amount ProAct used as an example and an amount they have used. He noted this is not about putting the onus on the member but about taking risk away from the Consortium. The rebate opportunity would allow for another source of revenue to offset the cost of medications as opposed to the Consortium paying the full cost of specialty medications. In response to who would help members find copay assistance Mr. Schryver said Noble Health is the Specialty Pharmacy used by ProAct and it would do all of the work involved in finding a member this assistance.

Mr. Barber noted that in order for this to happen a fourth prescription drug tier would need to be created and negotiated with bargaining units. For the Metal Level Plans it may be a strategy that could be used in subsequent years to keep actuarial values in line. He said he asked ProAct if there is a minimum number of covered lives that would need to be in this and was told there is not a minimum.

Ms. Drake said currently there is not a requirement in benefit plans for specialty drugs to be purchased separately and questioned whether there would be two parts to this, the first being a change in plan designs to state that specialty drugs have to be purchased through a specialty pharmacy and secondarily to create another option that would have a fourth tier. Mr. Schryver said this could be an interim step and said there could be savings although much smaller. He further stated that although there is some savings to using the specialty pharmacy the real savings comes from building in the fourth tier which allows the 20% cost to the member to be offset. He said they discourage putting the 20% cost share in place without making Noble Pharmacy mandatory because in order for this plan design change to keep the drugs affordable members would need to find copay assistance. If using the Noble Pharmacy was not mandatory members would be left to try to find copay assistance and they need help to navigate that process.

Mr. Barber said the last question that was raised at the last meeting was related to the statement “if the drug is a $5 copay with a maximum of $10,000, the manufacturer will ONLY pick up to $10,000”; it was clarified that the Consortium would be responsible to pick up the remaining cost once the manufacturer’s cap is met. Mr. Larca estimated 85-90% of the drugs have copay assistance available.

Mr. Murphy summarized his interpretation of the discussion and said prescriptions could be run through Noble now but if it was mandated 70% of the drugs they have could be run

through assistance programs with manufacturers and the Consortium would benefit immensely. If this was not done there could still be a maximum set at $250 for the patient and if a patient went to another specialty pharmacy such as Accredo there is not automatic rebate the responsibility to find an assistance would fall on the patient and some would be less able to pursue that. If members were mandated to go through Noble first and they could fill the prescription the Consortium would receive a real benefit and less cost and the patient will not only be able to get the medication the next day but will do so at a lesser cost. Another benefit would be that the patient would get other ancillary supplies, refill reminders, and counseling at no charge with Noble. Mr. Shryver confirmed this interpretation was correct.

CanaRx

Mr. Barber provided members with information, including "Talking Points" relating to CanaRx and framing it in a way for those who have not been a part of the discussions to understand. He presented the information as a way to begin outreach to members and said although the information can be compiled the Consortium will need the assistance of many groups to bring information forward and to get employees to learn about CanaRx. The Owning Your Own Health Committee is trying to gather as much information as possible in order to answer any question that may come up as it plans to move forward with asking the Board of Directors to consider moving to CanaRx once there has been outreach to members. One suggested method of outreach was to conduct a webinar in January. Ms. Jobin shared methods that were used when the County began using CanaRx and said e-mails were sent to employees, posters were put up, and information sessions were held at targeted locations.

Ms. Drake said the Board of Directors will need to approve this in order for payment to come through the Consortium but also questioned whether this would need to be negotiated although it is voluntary. Ms. Nunn and Perine suggested running it strictly as a voluntary program and by doing so they did not feel it would need to be negotiated. Mr. Barber said the newsletter is being used to inform members and can continue to be an option for communicating information about this to employees on this. He commented that he was contacted by a retiree about how that population will be informed of this and that will have to be considered when developing strategies for moving this forward.

Mr. Murphy referred to the potential savings to the Consortium of $1.6 million and questioned what incentive there would be to an employee to use CanaRx. Mr. Barber said employees are directly impacted because money that could be used to negotiate for salary increases is going instead toward the cost of health care and by having a lower spend for health insurance would increase what is available to use toward negotiations for salary increases. This is in addition to a zero copay for prescription medications.

Ms. Drake said the Owning Your Own Health Committee passed a resolution stating it recommends CanaRx and asked if there was support by this Committee or doing the same.

It was MOVED by Mr. Murphy, seconded by Mr. Bower, and unanimously adopted by voice vote by members present, to forward a recommendation to the Board of Directors that the Joint Committee on Plan Structure and Design supports the CanaRx program to be made available through the Consortium. MOTION CARRIED.

Appointment of Labor Representative to Board of Directors

It was MOVED by Ms. Michell Nunn, seconded by Mr. Farrell, and unanimously adopted by voice vote by members present, to select Doug Perine to be the 4th Labor representative to serve on the Board of Directors effective January 1, 2017. MOTION CARRIED.

Mr. Barber commented that once the municipal membership reaches 28 it will trigger another labor representative (5th) on the Board of Directors.

Next Meeting Agenda Items

The following items were brought forward for the December meeting agenda:

Continued discussion on Specialty Drug plan options
Report from Board of Directors

Adjournment

The meeting adjourned at 2:40 p.m.