



## Greater Tompkins County Municipal Health Insurance Consortium

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

Approved

### MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium  
Joint Committee on Plan Structure and Design  
August 3, 2017 – 1:30 p.m.  
Rice Conference Room, Health Department**

***Present:***

***Municipal Representatives: 9 members***

Bud Shattuck, Village of Union Springs; Eric Snow, Town of Virgil; Jeff Walker, Village of Cayuga Heights; Schelley Michell-Nunn, City of Ithaca; Jennifer Case, Town of Dryden (arrived at 1:38 p.m.); Stephen Estes, Tompkins County; Mark Witmer, Town of Caroline; Judy Drake, Town of Ithaca; Betty Conger, Village of Groton (excused at 2:10 p.m.)

***Municipal Representative via Proxy: 1***

Charmagne Rumgay, Town of Lansing (Proxy – Betty Conger)

***Union Representatives: 6 members***

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

**Union Representatives via Proxy: 2**

Theresa Viza, Tompkins County Library Staff Unit (Proxy – Olivia Hersey); Jim Bower – Bolton Point Water Unit

***Others in attendance:***

Steve Locey, Locey and Cahill; Beth Miller, Excellus; Ted Schiele, Owning Your Own Health Committee Chair; Corey Prashaw, ProAct; Sharon Dovi, TC3

**Call to Order**

Ms. Hersey, Chair, called the meeting to order at 1:30 p.m.

**Changes to the Agenda**

An appointment to the Owning Your Own Health Committee was added to the agenda.

**Approval of Minutes of June 1 and July 6, 2017**

It was MOVED by Ms. Conger, seconded by Mr. Farrell, and unanimously adopted by voice vote by members present, to approve the minutes of the June 1 and July 6, 2017 meetings as submitted. MINUTES APPROVED.

### **Chair's Report**

Ms. Hersey reported the Governance Structure Committee met in July and will meet in a few weeks to review results of a survey conducted of the Board of Directors. At the last Board of Directors meeting a number of resolutions were adopted relating to vendor contracts and the Board adopted a resolution that was brought forward by the Owning Your Own Health Committee approving the fall flu clinics. She reported the Board reviewed budget information for 2018 and is looking at a five percent increase in rates.

### **Board of Directors Chair and Executive Director Report**

Ms. Drake reported the Board appointed new members to the Owning Your Own Health Committee, extended the contract with Locey & Cahill, and approved a resolution to conclude the medical claims audit. She called attention to an item contained within that resolution that asks Excellus to establish a protocol for chiropractic care and reviewing for medical necessity that will become effective January 1, 2018. Mr. Locey said if a claim is denied due to medical necessity a member always has the right to appeal outside the Consortium through New York State Department of Financial Services and that judgment would be binding on both Excellus and the patient.

Ms. Hersey said if a provider continues to provide care without following through on the medical necessity requirements the patient will be held harmless. Mr. Locey clarified that the Chiropractor will have to pre-certify the care and once that is initially approved there will be 20 approved visits. After the 20 visits the Chiropractor will have to send information to Excellus to review for medical necessity. If the Chiropractor does not follow the protocol Excellus will not pay for those claims and the patient will be held harmless. He said medical necessity has always been a gray area but typically it will depend on diagnosis and circumstance.

Ms. Drake reported BMI is beginning the prescription drug claims audit and said the Towns of Newfield and Homer have expressed interest in joining the Consortium in 2018. Mr. Locey added the Town of Owasco has also expressed interest.

Ms. Drake reported on behalf of Mr. Barber who was unable to attend and said there were three subscribers added to the CanaRX program in June and four in July. In July there were 643 members with 1,781 prescriptions that are eligible for the program. Mr. Prashaw is gathering information on how many subscribers are eligible by employer. The Owning Your Own Health Committee is scheduling the September flu clinics and information will soon be made available. Members will still be able to receive the vaccine at pharmacies and at their physician's office. There has been a good response to the Governance Structure Committee's survey that will inform the Committee of how Directors feel about the current structure and possible alternative structures. The Website Committee is also working on changes to the Consortium's website. She said at this time it is unlikely the Consortium will be moving forward with Tele-Medicine; however, Cayuga Area Physicians are looking at developing a Tele-Medicine Program that may be an option for the Consortium at a later time.

### **2018 Preliminary Budget Information**

Mr. Locey distributed a preliminary budget and a memorandum dated July 20, 2017 explaining the recommendation. He explained revenues are primarily made up of medical plan premiums that are paid into the program. Other revenue includes interest income, Stop Loss reimbursement, and prescription drug rebates. The bulk of the expenses are for medical and prescription drug claims. Other expenses include the Excellus Admin. Fee, Stop Loss insurance premium, NYS Graduate Medical Fee tax, and other small support services and insurances. He said the Consortium is having better-than-expected results for the first six months of this year and

the Consortium has been looking to spend down some of the fund balance and has resulted in the recommended increase in rates for 2018 of 5%. He explained that after paying all of its expenses whatever premium is left over stays within the Consortium and this is one of the biggest benefits to being in the Consortium. Historically, any municipality that was in the community-rated environment would not have this benefit as the insurance company would have retained them. When the Consortium has excess funds they are put into a reserve fund to help cover some kind of liability of exposure or it goes into an unencumbered fund balance that can be used to mitigate future rate increases. Mr. Locey reviewed the various reserve funds that are required and the two additional reserves established to protect the Consortium in the event of claims that are higher than expected.

In response to Ms. Nunn who asked how the Consortium's increases compared to the industry Mr. Locey said the average saved by larger employers is 8-9% and the average saved by small employers is 14-15%. He said they are gathering information to show what the small municipalities are saving and provided an analysis for the Village of Homer. In the first year the Village saved 3%, in the second year 14%, in the third year 25%, and the Village will save more next year. They will be working on developing a modeling to show estimates of what the savings have been for the larger municipalities.

**Adjusting Gold Plan to Remain a High Deductible Plan**

**RESOLUTION NO. - 2017 – APPROVAL OF ADJUSTMENT TO THE GOLD METAL LEVEL PLAN MINIMUM DEDUCTIBLE AMOUNTS**

MOVED by Mr. Witmer, seconded by Mr. Farrell, and unanimously adopted by voice vote by members present. Mr. Locey noted this will result in a slight change in the actuarial value.

WHEREAS, the Internal Revenue Service recently issued new limits for 2018 for high deductible plans for Health Savings Accounts (HSAs) for maximum out-of-pocket expenses, and

WHEREAS, in order to now qualify for a high-deductible health plan Gold Metal Level Plan, the minimum deductible for single coverage must be increased from \$1,300 to \$1,350 and from \$2,600 to \$2,700 for family, and

WHEREAS, the two Participating Consortium employers enrolled in the Gold Metal Level Plan wish to continue to offer the option of a Health Savings Account to their employees and retirees, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design and the Audit and Finance Committee, That the Board of Directors authorizes an adjustment to increase the minimum deductible for single coverage from \$1,300 to \$1,350 and to increase the minimum deductible from \$2,600 to \$2,700 for family coverage, effective January 1, 2018.

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**Election of 3rd Labor Representative on Board of Directors & Alternate Director**

No interest was expressed in serving as the 3<sup>rd</sup> Labor Representative on the Board of Directors, therefore, this was deferred to the next meeting.

**Labor Representative to Owing Your Own Health Committee**

Mr. Nelson volunteered to serve as a labor representative on the Owing Your Own Health Committee. He later withdrew due to a scheduling conflict.

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**ProAct Website Tutorial**

Mr. Prashaw provided members with a demonstration of the ProAct website and how to access prescription drug information.

**Next Meeting Agenda**

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

Selection of 3<sup>rd</sup> Labor Representative to the Board of Directors and alternate

**Adjournment**

The meeting adjourned at 2:28 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk