

Greater Tompkins County Municipal Health Insurance Consortium Metal Level Plan Overview

While the Consortium still maintains several traditional Indemnity and Preferred Provider Organization (“PPO”) plans, the goal of the group is to work toward a more streamlined and modern benefit plan structure that will adapt to changes in the health insurance and medical care marketplaces. Several years ago, the Consortium adopted four (4) plan models designed to move toward this more efficient model. These plans were designed based on the plan structures outlined in the Patient Protection and Affordable Care Act (“ACA”).

The ACA required health insurance carriers to offer plans to individuals and small employers which were based on a pre-determined Actuarial Value (“AV”). The AV of a health insurance plan represents the percentage of an average person’s medical care costs which are paid by the health insurance plan. As an example, if a plan has an AV of 80% it tells us that the average covered member should expect 80% of their medical care costs to be paid by their insurance plan each year. This means the covered member would be responsible for approximately 20% of their medical care costs for the year.

As stated earlier, the Consortium currently has four (4) such plan models:

1. Platinum Preferred Provider Organization Plan (90% AV)
2. Gold High Deductible Health Plan (80% AV)
3. Silver High Deductible Health Plan (70% AV)
4. Bronze High Deductible Health Plan (60% AV)

To assist covered members with some of their out-of-pocket costs, employers who offer the Platinum PPO Plan could offer employees a Flexible Spending Account (“FSA”) Plan. This type of plan allows employees to move money from their salary on a pre-tax basis to an account which can be used to pay for unreimbursed medical care expenses as allowed by the IRS. Similarly, covered members in a High Deductible Health Plan (“HDHP”) may open a Health Savings Account (“HSA”). An HSA is an account set-up by and owned by the covered member which is funded with pre-tax dollars which can be used to pay for qualified medical expenses as allowed by the IRS.

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It is important to keep in mind that these plans are structured based on their AV which allows the plans to periodically modify the benefits to ensure the AV stays within its predefined range. Each plan has a set AV with a standard deviation of +/-2% with rounding. This structure allows the plan to maintain its AV with modest benefit changes which ultimately slows the premium growth. To put this into perspective, the chart below provides the average premium rate increases by plan model since the inception of the Consortium:

<i>Fiscal Year</i>	<i>Traditional Indemnity & PPO Plans</i>	<i>Platinum PPO Plan</i>	<i>Gold HDHP</i>	<i>Silver HDHP</i>	<i>Bronze HDHP</i>
<i>2011</i>	9.50%	n/a	n/a	n/a	n/a
<i>2012</i>	9.50%	n/a	n/a	n/a	n/a
<i>2013</i>	9.00%	n/a	n/a	n/a	n/a
<i>2014</i>	8.00%	n/a	n/a	n/a	n/a
<i>2015</i>	5.00%	5.00%	n/a	n/a	n/a
<i>2016</i>	3.00%	3.00%	3.00%	3.00%	3.00%
<i>2017</i>	5.00%	3.53%	0.30%	-3.54%	-1.69%
<i>2018</i>	4.00%	4.00%	3.74%	4.00%	4.00%
<i>2019</i>	5.00%	5.00%	5.00%	3.47%	5.00%
<i>2020</i>	5.00%	5.00%	4.48%	5.00%	5.00%
<i>2021</i>	5.00%	5.00%	3.82%	4.06%	3.96%
<i>Avg. Increases</i>	6.18%	4.36%	3.39%	2.67%	3.21%
<i>5-Yr Average</i>	4.80%	4.51%	3.47%	2.60%	3.25%

As you will note in the above, over the past 5-years, the metal level plans have seen their premiums grow at a slower pace as compared to the traditional Indemnity and PPO plans.

The process each year is quite simple:

1. The first step is analyzing each AV with that year’s AV Calculator issued by the Centers of Medicare and Medicaid Services. This process is conducted currently by Excellus BlueCross BlueShield and Locey & Cahill, LLC in the months of March and April each year.
2. If the AV of the plan is within its defined level, no benefit changes are necessary for that year. However, if the AV is outside the plan’s range, benefit changes will be made to ensure the plan is within its predetermined AV. This process is a collaborative effort of the Joint Committee on Plan Structure and Design. This committee reviews the plans based on the AV calculator to arrive at a recommended level of benefits which they pass on to the Consortium’s Board of Directors. This process occurs on an as needed basis in the months of May, June, July, and August each year.

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3. The last step in the process is the approval of any benefit changes by the Consortium's Board of Directors at the September meeting. Once approved any benefit changes would be publicized to the employers and covered members. This information would be shared starting in September and continue through the end of the year with any changes taking effect on the plan's renewal date of January 1st.

If benefit changes are necessary, the premium rate increase for that plan will be adjusted to take into consideration the change in the AV. This part of the process slows the growth of the premium and recognizes the impact periodic and modest changes to the benefits plans have on the cost of the programs.

We have attached to this memo a summary of the current Platinum PPO Plan, Gold HDHP, Silver HDHP, and Bronze HDHP for your reference and review. Please let us know if you have any questions about these plans or if we can provide assistance of any kind. Thank You.

**Greater Tompkins County Municipal Health Insurance Consortium Standard Metal Level Plans
2021 Medical and Prescription Drug Benefit Options and Rates**

Benefit Plan Description		Platinum		Gold		Silver		Bronze	
		In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible <i>(Must be Met Before Benefits Pay)</i>	Individual	n/a	\$500.00	\$1,500.00	\$2,250.00	\$2,500.00	\$3,750.00	\$7,000.00	\$10,500.00
	Family	n/a	\$1,500.00	\$3,000.00	\$4,500.00	\$5,000.00	\$7,500.00	\$14,000.00	\$21,000.00
Out-of-Pocket Maximum <i>(includes all deductible, coinsurance amounts, and copayment amounts)</i>	Individual	\$2,000.00	\$3,000.00	\$3,500.00	\$5,250.00	\$6,000.00	\$9,000.00	\$7,000.00	\$10,500.00
	Family	\$6,000.00	\$9,000.00	\$7,000.00	\$10,500.00	\$12,000.00	\$18,000.00	\$14,000.00	\$21,000.00
Inpatient Hospital Patient Cost Sharing		\$250.00	Deductible then 20% Coinsurance	Deductible then 20% Coinsurance	Deductible then 40% Coinsurance	Deductible then 30% Coinsurance	Deductible then 50% Coinsurance	Deductible then 0% Coinsurance	Deductible then 0% Coinsurance
Emergency Room Patient Cost Sharing		\$150.00	\$150.00	Deductible then 20% Coinsurance	\$1,500 Deductible then 20% Coinsurance	Deductible then 30% Coinsurance	\$2,200 Deductible then 30% Coinsurance	Deductible then 0% Coinsurance	\$6,650 Deductible then 0% Coinsurance
Office Visit Patient Cost Sharing	Primary Care Physician	\$15.00	Deductible then 20% Coinsurance	Deductible then 20% Coinsurance	Deductible then 40% Coinsurance	Deductible then 30% Coinsurance	Deductible then 50% Coinsurance	Deductible then 0% Coinsurance	Deductible then 0% Coinsurance
	Specialist	\$25.00	Deductible then 20% Coinsurance	Deductible then 20% Coinsurance	Deductible then 40% Coinsurance	Deductible then 30% Coinsurance	Deductible then 50% Coinsurance	Deductible then 0% Coinsurance	Deductible then 0% Coinsurance
Diagnostic Lab and X-Ray Patient Cost Sharing		\$25.00	Deductible then 20% Coinsurance	Deductible then 20% Coinsurance	Deductible then 40% Coinsurance	Deductible then 30% Coinsurance	Deductible then 50% Coinsurance	Deductible then 0% Coinsurance	Deductible then 0% Coinsurance
Retail Pharmacy Patient Cost Sharing	Tier 1	\$5.00	Not Covered	Deductible then \$5.00 Copayment	Not Covered	Deductible then \$5.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Tier 2	\$35.00	Not Covered	Deductible then \$35.00 Copayment	Not Covered	Deductible then \$35.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Tier 3	\$70.00	Not Covered	Deductible then \$70.00 Copayment	Not Covered	Deductible then \$70.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Days Supply Limit	30 Days Per Fill	Not Covered	30 Days Per Fill	Not Covered	30 Days Per Fill	Not Covered	30 Days Per Fill	Not Covered
Mail-Order Pharmacy Patient Cost Sharing	Tier 1	\$10.00	Not Covered	Deductible then \$10.00 Copayment	Not Covered	Deductible then \$10.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Tier 2	\$70.00	Not Covered	Deductible then \$70.00 Copayment	Not Covered	Deductible then \$70.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Tier 3	\$140.00	Not Covered	Deductible then \$140.00 Copayment	Not Covered	Deductible then \$140.00 Copayment	Not Covered	Deductible then Covered In Full	Not Covered
	Days Supply Limit	90 Days Per Fill	Not Covered	90 Days Per Fill	Not Covered	90 Days Per Fill	Not Covered	90 Days Per Fill	Not Covered
2021 Premium Rates		Individual	\$694.22	Individual	\$593.60	Individual	\$471.44	Individual	\$380.52
		Family	\$1,804.99	Family	\$1,543.34	Family	\$1,225.71	Family	\$989.35