



## Greater Tompkins County Municipal Health Insurance Consortium

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

### MINUTES – APPROVED

#### Greater Tompkins County Municipal Health Insurance Consortium

#### Joint Committee on Plan Structure and Design

April 5, 2018 – 1:30 p.m.

Rice Conference Room, Health Department

#### ***Present:***

##### ***Municipal Representatives: 12 members***

Judy Drake, Town of Ithaca and Board of Directors Chair; Bud Shattuck, Village of Union Springs; Eric Snow, Town of Virgil; Carissa Parlato, Town of Ulysses; Charmagne Rumgay, Town of Lansing; Laura Shawley, Town of Danby; Schelley Michell-Nunn, City of Ithaca; Jeff Walker, Village of Cayuga Heights; Ann Rider, Town of Enfield (arrived at 1:37 p.m.); Mark Witmer, Town of Caroline; Mack Cook, City of Cortland; Kevin Williams, Town of Homer (arrived at 1:39 p.m.)

##### ***Municipal Representative via Proxy: 4***

Betty Conger, Village of Groton (Proxy – Charmagne Rumgay); Jennifer Case, Town of Dryden (Proxy – Judy Drake); Doug Perine, Tompkins County White Collar; Jon Munson Sandy Doty, Town of Willet (Proxy – Judy Drake); Tom Brown, Town of Truxton (Proxy – Eric Snow)

##### ***Union Representatives: 4 members***

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

##### ***Union Representatives via Proxy: 4***

Jim Bower, Bolton Point Water Unit (Proxy – Olivia Hersey); Theresa Viza, Tompkins County Library Staff Unit (Proxy – Olivia Hersey); Jeanne Grace, City of Ithaca Executive Unit (Proxy – Tim Farrell); Tim Arnold, Town of Dryden DPW Teamsters (Proxy – Jen Case)

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

Don Barber, Executive Director; Ted Schiele, Owing Your Own Health Committee Chair; Beth Miller, Excellus; Chuck Guild, CSEA

#### **Call to Order**

Ms. Hersey called the meeting to order at 1:35 p.m.

#### **Changes to the Agenda**

There were no changes to the agenda.

#### **Approval of Minutes of March 1, 2018**

It was MOVED by Mr. Farrell, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present with Ms. Michell Nunn and Mr. Walker abstaining, to approve the minutes of March 1, 2018 as submitted. MINUTES APPROVED.

### **Chair's Report**

Ms. Hersey reported the Board of Directors met since this Committee met last and was introduced to the individual who responded to the Request for Proposals for a Wellness Consultant. The primary topic of today's meeting is to start looking at the actuarial value of Silver Metal Plan.

Ms. Rider arrived at this time.

### **Board of Directors Chair's Report**

Ms. Drake reported at the Board meeting Ann Rider was appointed to the Audit and Finance Committee and the Board heard a status report on the Wellness Consultant RFP. Ms. Drake said the Executive Committee has decided to invite other Consortium Committee Chairs to meetings so there can be more discussion at the Executive Committee level.

Mr. Williams arrived at this time.

Ms. Drake said it was reported that the Consortium's year-end Jurat and reporting to the State is ready. The Board adopted resolutions approving an increase in the Catastrophic Claims Reserve, an online enrollment policy that will require all enrollments to now be done online, and an investment policy that will allow the Chief Fiscal Officer to be able to look at working with an investment firm with some of the Consortium's reserves.

### **Executive Director's Report**

Mr. Barber said much of the activities at the Audit and Finance Committee were reflected in the resolutions Ms. Drake reported on. The Website Committee has continued its work and content is currently being transferred into a draft website that will be released for review and feedback. The Owning Your Health Committee received a response to the Request for Proposals for a Wellness Consultant from Michelle Courtney Berry. Although she is the only applicant she is well qualified and this is her area of work. The Committee is working with her to develop a scope of work and basis for a contract. Mr. Barber reminded the Committee that the annual retreat will be held on April 26<sup>th</sup> at TC3. The focus will be on the utilization reports that are usually given to this Committee but will be presented in greater depth at that time.

### **Financial Update**

Mr. Locey distributed and reviewed a claims expense update through March 18, 2018 for 2016-2018 based on information received from Excellus and ProAct. He said currently claims are .16% below budget and he expects that the Consortium will show a slight net income through the first quarter of the year due to the additional municipalities.

Mr. Locey explained the Consortium's Metal Level Plans were set up to mirror the plans that are available through the Affordable Care Act and the Marketplace and each have an actuarial value. He reviewed what an actuarial value means and said for each plan the Consortium must try to stay within -2% or +2% of an established number that is based on the average amount a plan member will pay for health costs during a year; the actuarial value for the Silver Plan is 70%. When the 2019 calculator was used for the Consortium's plans for next year the only plan that fell outside the range when the current benefits were entered was the Silver Plan. He provided a copy of the calculation that came back with an actuarial value of 72.64%. The Committee needs to have a discussion on what benefit change needs to be made to bring the Plan's actuarial value back into line. He also provided members with a copy of benefits contained within the Metal Level Plans and noted there are currently three entities that have the Silver Plan (County, Town of Preble, Village of Union Springs, and Town of Homer).

Mr. Locey said the Plan is currently set up as a high deductible health plan, is Health Savings Account eligible, and is an in an out-of-network benefit. On the in-network side the plan has a deductible for an individual of \$1,800; after the deductible is met everything is paid based on a percentage or based on a copay for prescriptions. On the out-of-network side the deductible is \$2,600 for single and \$5,200 for family. The individual out-of-pocket maximum is \$6,000 for in-network and \$12,000 for family. He said most things in the Plan outside of prescription drug expenses are paid with a coinsurance of 70% paid by the Plan and 30% paid by the member for in-network and 50% paid by the plan and 50% paid by the member for out-of-network.

Mr. Locey distributed information on seven Silver Plans offered by Excellus, noting that the Consortium offers a single Silver Plan. He called attention to two plans and said they likely can be left out of the discussion as they are HSA eligible. He pointed out differences in the plans are primarily in the areas of deductible and coinsurance and noted that the individual rates for the plans are 30% higher than the Consortium's rates. He said the Consortium has proven to be well-below Excellus in terms of cost to the employer and employees collectively and these are the plans the Consortium is competing with when there are municipalities looking to join.

Mr. Locey stated if the actuarial value for the Plan could be lowered to 70% he believes another change would not be needed for a couple of years. He demonstrated how the calculator works and provided sample outputs to generate discussion and get feedback. He stated other than a change in the deductible there are very few changes that can be made to the Silver or Bronze plans to result in a large enough change in the actuarial value.

During discussion of the scenarios Mr. Shattuck said the Village of Union Springs pays all of the employee's deductible through a contribution to their Health Reimbursement Account (HRA) and he would not object to increasing the deductible by \$400. Ms. Hersey expressed concern for the burden this could place on members who don't have an employer contributing to an HRA in this way. Mr. Locey said a look could be taken at additional data to analyze the potential impact this would have. This scenario of increasing the deductible by \$400 would result in lowering the actuarial value from 72.64% to 71.11%; Mr. Locey said with this adjustment it's likely the Plan would not have to be adjusted again for two years.

Mr. Locey explained the difference between an HRA and an HSA. A Health Reimbursement Account is an arrangement set up by an employer and at year-end the balance returns to the employer; a Health Savings Account is set up by an employer that members can access to pay for out-of-pocket medical costs and the balance remains available to the employee.

With regard to the timing of the process Mr. Locey said the Board will make a decision at its September meeting and this should provide enough time to inform members of any changes. The Committee will continue discussion of increasing the deductible by \$200 or \$400 at the next meeting and Mr. Locey will bring back more information from Excellus on what the average use is. Also, Mr. Barber will reach out to impacted municipalities to gather feedback.

### **New Business**

There was no new business.

### **Next Meeting Agenda**

The following items will be included on the May 3<sup>rd</sup> agenda:

Labor representative to the Owning Your Own Health Committee;  
Continued discussion of the Silver Metal Level plan;  
Follow-up discussion of the opioid presentation;

Joint Committee on Plan Structure and Design  
April 5, 2018

Financial Report; and  
Discussion of information presented at the Retreat

**Adjournment**

The meeting adjourned at 2:45 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk