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125 East Court Street
Ithaca, NY 14850
607-274-5590
INFO: HinsConсор@tompkins-co.org
www.tompkins-co.org

AGENDA

Joint Committee on Plan Structure and Design

August 4, 2011 – Noon

Old Jail Conference Room

1. Welcome

2. Approval of Minutes:
 - January 6, 2011
 - February 3, 2011
 - March 3, 2011
 - April 7, 2011
 - May 5, 2011
 - June 2, 2011
 - July 7, 2011

3. Presentation by Beth McKinney on Cornell Wellness Program

4. Discussion of Quorum

5. Updates from Steve Locey

6. Adoption of Proxy Form

7. Adoption of Bylaws

Next meeting: September 1, 2011

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg



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MINUTES

Greater Tompkins County Municipal Health Insurance Consortium Joint Committee on Plan Structure and Design

July 7, 2011

Old Jail Conference Room

draft

Present:

Municipality Representatives: 8 members

Mary Mills, Village of Cayuga Heights; Don Barber, Town of Caroline; Laura Shawley, Town of Danby
Herb Masser, Town of Enfield; Betty Conger, Village of Groton; B. Jobin, Tompkins County

By Proxy: 2 members

Judy Drake (Joe Slater), Town of Ithaca; M. Sumner (B. McIlroy), Town of Dryden

Union Representative: 10 unit members

Chantalise DeMarco, County White Collar-CSEA; M. Schmidt, TC3 Faculty Association; James Bower,
Bolton Point Water unit – IUOE; Joe Slater, Town of Ithaca DPW Teamsters; George Apgar, President;
Ithaca Professional Fire Fighters Assoc.; Michael Thomas, President; Ithaca City Admin. Unit; J. Slater,
Town of Ithaca DPW Teamsters

By Proxy: 3 members

Mary Portzline (C. DeMarco), CSEA Unit 8908; Dan Tier, III (George Apgar), Chief Officer's Unit;
Darlene Finn (M. Schmidt), TC3 Professional Admin. Assoc.

Others in attendance:

Sharon Dovi, TC3 Human Resources Manager; Steve Locey, Locey and Cahill

Call to Order

Ms. DeMarco called the meeting to order at 12:10 p.m.

Approval of Minutes of January, February, March, April, May, and June Meetings

Due to lack of quorum, minutes were deferred to the next meeting.

Discussion of Quorum

There was a brief discussion of the continuing quorum issue with emphasis on the importance of utilizing the proxy form. Although attendance improved at this meeting, efforts need to continue to increase participation by both municipalities and bargaining units.

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Discussion of CanaRx Presentation

Mr. Locey reported he was informed by the State Insurance Department that a draft response is being reviewed by counsel and they will provide the response to whether the Consortium could enter into a this type of contract. Mr. Barber said if the Consortium could not contract with CanaRx municipalities would have the option of entering into a contract on their own.

Mr. Masser asked how reimbursement would work. Mr. Locey said if the Consortium was in a contract with CanaRx the County would not longer being paying CanaRx directly. All of the bills would come through the Consortium and rates would reflect that; other than the premium there would be no additional cost to a municipality.

Mr. Locey said there are two reports that would come to the Consortium or employer; one is a list of employees and the amount of drugs spent and the other is a list of drugs that were prescribed without employee-identifying information. It was acknowledged that in small municipalities it would be easier to identify employee's prescription usage; however, Ms. Conger noted the information would be confidential; Mr. Locey said there should be systems in place to treat claims information in the same manner as information that is subject to HIPAA is treated.

There was discussion of the potential savings that can be realized by the Consortium contracting with CanaRx. Mr. McIlroy expressed concern for smaller municipalities that may end up paying increased costs by the Consortium going with CanaRx and asked if everything were pooled together whether municipalities would be better off. It was the consensus that the preference would be for the Consortium to contract with CanaRx; however, municipalities could contract and send the bills to the Consortium. Mr. Locey said there would need to be adjustments as this is not currently being done for the County; it was also noted that the County's claim experience is already impacting the premium rate. Mr. Locey will report back when he receives new information.

Discussion of Adding Items (EAP, Flex Spending)

Mr. Locey reported there are some consortiums that have Flex spending included and explained one contract is negotiated for all employers. He said there could be consolidation of administration, but the primary benefit would be a lower administrative fee. Mr. Masser spoke in support of Employee Assistance Programs and said for every dollar invested in an EAP program there is \$4 saved. He is a provider for approximately one dozen EAP programs and said there are several providers in town as well as national providers. He offered to work on this issue if the Consortium moves in this direction.

Ms. Jobin said the County pays approximately \$2,000 quarterly for EAP and cost is based on utilization. The County's EAP program allows eight free visits per issue per family member. Mr. Locey said he will survey members of the Consortium to see what EAP and/or Flex benefits are currently being provided.

Consultant's Report

Mr. Locey distributed a sample of a Medicare Supplement model plan; he has been working with the Blues to try to get claims data but noted data from the medical side is not accurate yet as some of the groups were missing. He reviewed the model plan showing what the standard Medicare benefits are and what a typical PPO looks like under a consortium. He noted that a Medicare supplement only

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pays what Medicare allows; therefore there are some gaps in what is provided in an overall Medicare supplement plan.

Mr. Locey distributed demographic information showing members by relation and age range and a Medicare Over/Under 65 Claims Report. In May, there were 522 covered lives over age 65; the claims data for Medco shows an average of \$3,400 per year in drug spending for this age group. The under 65 population had 3,871 covered lives with an average usage for the year being \$1,270. Mr. Locey said in talking about a Medicare supplement the drug coverage will have a significant impact on what the premium equivalent rate ultimately is. He noted the importance in making sure the premium equivalent rate matches the benefit or there could be a problem with adverse risk selection or the program not funded properly. Those municipalities that have the percentage-based co-pay may not be able to develop a Medicare supplement that is cheaper than what members are currently getting.

Mr. Locey responded to Ms. DeMarco and said it is possible to have a Medicare supplement plan that does not include the prescription portion and have a Part D plan. He does not recommended a Medicare Advantage Plan. He strongly urged caution in members frequently changing plans and said that would be very harmful for the Consortium. He will continue to develop information and will have rate information and medical utilization for the next meeting.

Update from the Board of Directors Meeting

Mr. Locey reported the Consortium is on budget from a claims perspective and reserve development is running slightly behind. He announced the remaining funds from the grant that was applied for by the County for development of the Consortium was awarded to the Consortium to help fund the reserves and encourage municipalities to join. He believes if things continue the way they are, municipalities that loaned funds in to the reserve fund may be able to be paid back at a slightly faster pace than originally planned on.

Adjournment

The meeting adjourned at 12:48 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

Next meeting: Thursday, August 4th at noon in the Old Jail Conference Room

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Proxy Vote Authorization
for the
Joint Committee on Plan Structure and Design
of the
Greater Tompkins County Municipal Health Insurance Consortium

I, _____, as the designated representative from the
_____ (bargaining unit or municipality) to the

Joint Committee of Plan Structure and Design of the GTCMHIC, appoint

_____ as my proxy with full power of substitution, to vote on my behalf with respect to all matters that may properly come before the Committee at the _____ meeting, to the same extent and with the same powers that I would be entitled if personally present.

Committee Member Signature

Date

draft 1/6/11

Joint Committee on Plan Structure and Design

1. The Joint Committee will consist of one representative from each bargaining unit with enrollees covered by the Consortium plans and one representative from each of the participating municipalities.
2. The purpose of the Joint Committee will be to review all prospective Board actions in connection with the benefit structure and design of the plans offered by the consortium in order to develop findings and make recommendations to the Board with regard to such actions.
3. The Joint Committee will: be involved in reviewing benefits; investigate creative program designs for optimal use of resources; receive (quarterly) reports regarding use of benefits, UCR changes, and potential cost increases; compare benefits and costs about any carrier change; gather information about benefits, service levels, and related program costs.
4. The Joint Committee will present their findings and recommendations with respect to benefit structure and design issues to the Consortium Board through the Committee Chair who will be a Director on the governing Board of the Consortium. Any proposed change to plan benefit structure or design must be approved by the Joint Committee prior to being brought to the Consortium Board of Directors for consideration.
5. All Joint Committee decisions shall be by a majority vote (of a quorum of the members) or (of members present).
6. The Joint Committee Chairperson will be (elected/chosen) by the members of the Committee and must be a union representative on the Joint Committee. The Vice-Chairperson of the Committee will also be (elected/chosen) by the Joint Committee and must be a representative from one of the participating municipalities.
7. The Joint Committee Chairperson will serve as a voting Director on the Consortium Board of Directors, representing the unions. The Joint Committee will also (elect/choose) from among the union representatives on the Committee one more voting Director to the Board of the Consortium to represent the unions. If the number of participating municipalities in the Consortium increases to 17, there may be an opportunity for the Joint Committee to (elect/choose) one more voting Director to the Board from among the union representatives on the Committee to represent the unions, for a possible total of 3 voting Directors on the Consortium Board to represent the unions.
8. Bargaining unit representatives will be the president of each bargaining unit or that persons' designee from the unit. Management representatives will be appointed by the respective elected leader of each participating municipality. (so the term of appointments will vary according to the pleasure of the appointing authority).
9. The Joint Committee will meet (quarterly, bi-monthly, or as determined by the Chair and Vice-Chair of the Committee). Meetings will generally be scheduled (on the first Thursday of a month from 1pm to 3 pm). Paid release time will be granted to both union and municipal representatives to attend Joint Committee meetings. Future meeting dates and times will be reflected on the agenda of each meeting.
10. The County representative (or some other appropriate person) on the Joint Committee will be responsible for distributing agendas and handouts, scheduling meetings, taking notes, creating draft minutes and posting materials on the GTCMHIC website.