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MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
April 2, 2015 – 1:30 p.m.
Rice Conference Room, Health Department**

Approved

Present:

Municipal Representatives: 6 members

Judy Drake, Town of Ithaca and Board of Directors Chair; Cindy Whittaker, Town of Caroline; Betty Conger, Village of Groton; Carissa Parlato, Town of Ulysses; Schelley Michell Nunn, City of Ithaca; Ann Rider, Town of Enfield

Municipal Representative via Proxy: 4

Mack Cook, City of Cortland (Proxy – Judy Drake); Ruth Hopkins, Town of Lansing (Proxy – Betty Conger); Laura Shawley (Proxy – Judy Drake); Jennifer Case (Proxy – Judy Drake)

Union Representatives: 5 members

Scott Weatherby, TC3 Staff Unit; Tim Farrell, City of Ithaca DPW; Olivia Hersey, TC3 Professional Admin. Association; Tim Arnold, Town of Dryden DPW; Phil VanWormer, City of Ithaca Admin. Unit

Union Representatives via Proxy: 2

James Bower, IUOE Local 158, District 832 Bolton Point (Proxy – Scott Weatherby); Joe Slater, Town of Ithaca DPW (Proxy – Judy Drake)

Others in attendance:

Don Barber, Executive Director; Steve Locey and Judy Taber, Locey & Cahill; Beth Miller, Excellus; Sharon Dovi, Tompkins Cortland Community College Human Resources; Margaret Gannon, CSEA Health Benefits Department, Ashley Masucci, ProAct; Ted Schiele, Tompkins County Health Department and member of the Owing Your Own Health Committee

Call to Order

Mr. Weatherby, Chair, called the meeting to order at 1:42 p.m.

Approval of Minutes of February 5, 2015

There minutes were deferred due to lack of quorum.

Chair's Report

Mr. Weatherby had no report.

Report from the Chair of the Board of Directors

Ms. Drake reported Chuck Rankin has been appointed to fill the vacant Secretary position and other committee vacancies have filled. The Board also voted to extend the recertification process deadline to June 1st. She clarified that is when the paperwork is supposed to be in and the process is supposed to end. Mr. Barber said the Board meets on May 28th and the Board could decide to extend it again. The County, which is the farthest behind and has the most to do, is aware of this. Ms. Dovi said TC3 has not finished collective bargaining on this; she was asked to keep the Consortium informed on progress before the May Board meeting. To date, 11 municipalities have finished the process. Of the 534 family contracts that have been audited 24 have been found to have an ineligible dependent and two have been added.

Ms. Nunn asked if it known what the dollar amount is for claims expended on those ineligible dependents. Mr. Locey said Excellus will be running a report on those to identify what the dollar impact is when the process is complete.

Executive Director Report

Mr. Barber said on June 12th an educational retreat will be held that will focus on how to develop a benefit plan. He reported he and Judy Drake met with the Cayuga Area Physicians Alliance and they have been doing a soft roll-out of the Clinical Integration process. That involves communication with physicians about the records they have so that information is shared and duplication of services can be avoided. They are also providing metrics for best practices so that explanations can be given as to why a physician is doing something different and if no explanation can be offered they should move to the best management practice for health. Mr. Barber said they are working on Clinical Integration with Excellus, the claims administrator, and in that there are goals and metrics set for the group to provide higher quality and a more efficient product. There are also financial incentives included for providers who do that. Ms. Miller said there are also disincentives if they do not meet established goals.

Mr. Barber reported Niagara County is attempting to establish a health consortium; they have hired a consultant and are putting together a municipal cooperative agreement. They know up-front that labor needs to part of the Board so they are involved much earlier in the process than when this Consortium was created.

Mr. Barber reported a health benefit clerk recognition event will be held in May. This will be a luncheon and an opportunity to express gratitude to the clerks for the work they have done. He said the Municipal Cooperative Agreement needs to be reviewed by the Board of Directors in 2015. The process has started and the Board is expected to review the document at its May meeting.

Mr. Barber said the Owing Your Own Health Committee would like to be included on an agenda of this Committee to talk about its wellness initiatives. In response to a question from Mr. Weatherby about the status of the bio-metric screening, Mr. Barber said the Committee is looking at, as part of the four benefit fairs that will take place in the fall, to have bio-metric screening offered on a volunteer basis. This will inform members of the major numbers are important to their life and health such as blood sugar levels and blood pressure.

Mr. Barber also reported the Town of Willet has joined the Consortium. The Town, which has only two contracts, had a Platinum Plan and has adopted the Consortium's Platinum Plan. They are the 17th municipal participants which entitles labor to have a 3rd member on the Board of Directors.

Pro Act 2014 Pharmacy Benefit Plan Review

Ms. Masucci provided the Committee with a report on prescription drug claims and reviewed the information comparing figures from 2013. A summary of the information presented is below; the full report is available on the Consortium website. She said utilization was fairly consistent with 2013. Also included in the full report is a comparison to other groups of business. She noted that the numbers they are seeing for the Consortium are better than what they are seeing in other groups.

	Membership Utilization
• Eligible Member Months	5,064
• # of RX's Dispensed	77,534
• Approved Ingredient Cost*	\$ 8,269,869.92 (a 16% increase over 2013 in specialty drugs has played a role in the increase ingredient costs)
• Total Fill Fee due to mail order usage)	\$ 100,405.62 (a 6.8% decrease primarily)
• Total Cost	\$ 8,370,275.54
• Total Member Paid	\$ 625,325.62
• Total Paid by Plan	\$ 7,741,286.29 (increase 10.3% from 2013)

	Membership Utilization Current	2013 Utilization
• # of Rx's PMPM	1.76	1.71
• Amount Paid PMPM	\$127.40	\$114.79
• % Generic Rx's	80%	78%
• Amount Paid/Generic Rx	\$18.91	\$17.92
• % Brand Rx's	20%	22%
• Amount Paid/Brand Rx*	\$292.24	\$245.70
• % Formulary Rx's	95%	94%
• Ingredient Cost/Rx	\$77.12	\$71.90
• Fill Fee/Rx	\$0.94	\$1.03
• Total Cost/Rx	\$78.05	\$72.93
• Member Paid/Rx	\$5.83	\$5.73
• Plan Cost	\$72.19	\$67.18

Pharmacy Eligible Members and Demographics

• Average cost per Rx for 65+	\$273
• Plan paid/Rx - Generic (Tier I)	\$ 24.56; 91,944 prescriptions (19.65% of plan spend - \$1,521,275.13)
• Plan paid/Rx - Tier II	\$279.47; 11,394 prescriptions (41.14% of plan spend - \$3,184,605.52)
• Plan paid/Rx - Tier III	\$312.4; 3,427 prescriptions (13.83% of plan spend - \$1,070,633.48)
• Plan paid/Rx - Specialty	\$2,558.30; 768 prescriptions (25.38% of plan spend - \$1,964,772.16)

Ms. Masucci provided a demographic breakdown of plan usage and also presented information on specialty drugs and noted there has been a decrease of 3% in utilizing members and the prescription count has decreased by almost 5%; members cost towards specialty drugs has increased by 16%.

- # of Specialty Utilizers 108
- Rx Count 768
- Total Specialty Plan Spend \$1,964,772.16
- Total Specialty Ingredient Cost \$1,977,266.86
- Total Specialty Member Spend \$ 12,360.28

Mr. Locey said one thing that they have commonly heard when someone has moved from a two-tier set-up to a three-tier set up was fears that all of the name brand drugs would end up being in tier three and noted Pro Act does not solely look at cost as the only element for the placement of drugs. There are a number of factors that are taken into considering the classification of drugs. The co-pay that the member pays is very far down on the scale of importance in terms of how drugs are classified.

Ms. Nunn asked in terms of wellness if there going to be conversations about preventative options. Mr. Barber said the cornerstone of wellness is prevention. It is possible to adjust through financial incentives in the benefit plan, behaviors by education and providing people with the education they need when they visit a physician. If patients are familiar with co-pays and the drug formulary when they visit a physician it can help lower costs. Ms. Nunn suggested taking some of the information and targeting some of the energies in the wellness area. Mr. Barber said the OYOH Committee is looking to collaborate with Cornell, Ithaca College, and some of the other bigger employers, to have a Countywide discussion of wellness initiatives of which this would be one. They are also trying to re-enforce where people are getting information from.

Report on Outreach Efforts to Membership

Mr. Weatherby said Mr. Bower has been working on outreach but was unable to attend the meeting. This item was deferred to the next meeting.

New Business

Mr. Barber encouraged Mr. Weatherby and Mr. VanWormer select an alternate Board of Director member and communicate information to the Administrative Clerk.

Ms. Nunn raised the issue of members not in attendance which prevents the Committee from having quorum. Mr. Locey reported on other technical options that are being looked into that may enable members to attend meeting through methods such as video conferencing. Mr. Barber said there are other options that this Committee could consider such as removing a member from the quorum count. Mr. Weatherby said there are employers that will not allow its membership to attend. Mr. Barber said having members attend meeting is critical to having good communication and having people adopt the Consortium as something they belong to that affects their health as well as financially. At a recent Board meeting this was discussed and employers asked to be supportive of encouraging attendance.

Ms. Miller distributed information on the Anthem data breach.

Joint Committee on Plan Structure and Design
April 2, 2015

Old Business

There was no old business.

Adjournment

The meeting adjourned at 2:39 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk