

Greater Tompkins County Municipal Health Insurance Consortium

Audit and Finance Committee

November 15, 2016 - **3:30 p.m.**

Old Jail Conference Room

1. Call to Order (3:30) Thayer
2. Approve Minutes of October 25, 2016 Meeting (3:32)
3. Executive Director's Report (3:35) Barber
 - a. DFS Audit for 2012-2015
 - b. Update on Municipal Interest in Joining the Consortium
 - c. BMI Medical Claims Update
 - d. CanaRx
4. 2016 Financial Update (3:45) Locey
5. Discussion of Fourth Prescription Drug Tier (3:55) Locey
6. Discussion of Limiting Number of Plans New Participants Can Offer (4:10)
7. Stop-Loss Risk Retention Strategy (4:15) Locey
8. **RESOLUTION:** Acceptance of Application by the Town of Montezuma to Become a Participant in the Greater Tompkins County Municipal Cooperative Health Insurance Consortium
9. **RESOLUTION:** Authorization to Purchase Insurance Policies: Stop Loss, Errors and Omissions, and Directors and Officers Liability Coverage (*available prior to or at meeting*)
10. **RESOLUTION:** Authorization to Enter into Agreement with Bonadio & Co. LLP – Financial Reporting for 2017
11. **RESOLUTION:** Extension of Contract for Plan Consultant – Locey and Cahill, LLC – 2017
12. Next Agenda Items (4:40)
13. Adjourn (4:45)

Next Meeting: December 27, 2016

Audit and Finance Committee - DRAFT
October 25, 2016 – 3:30 p.m.
Old Jail Conference Room

Present: Steve Thayer, Mack Cook, Chuck Rankin, Rordan Hart, Phil VanWormer, Laura Shawley

Excused: Peter Salton

Guests: Don Barber, Executive Director; Steve Locey, Locey & Cahill, Rick Snyder, Treasurer; Judy Drake, Board of Directors Chair

Call to Order

Mr. Thayer, Chair, called the meeting to order at 3:33 p.m.

Approval of Minutes of September 20, 2016

It was MOVED by Mr. Cook, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present, to approve the minutes of September 20, 2016 as corrected. MINUTES APPROVED.

Executive Director's Report

New York State DFS Audit

Mr. Barber provided an update on the audit being conducted by the Department of Financial Services and said they are in the process of setting up a meeting with ProAct. He expects the Department to schedule an exit interview with the Board near the end of the year. He also reported he has not received a response to the letter he sent to the Department two weeks ago concerning the process for making changes to the Municipal Cooperative Agreement.

CanaRx

Mr. Barber reported ProAct and a representative of CanaRx attended the last meeting of the Joint Committee on Plan Structure and Design and answered several questions. One of the questions that originated by this Committee and the Owing Your Own Health Committee related to who regulates CanaRx. He said because CanaRx does not have a pharmacist on staff they are not regulated by any health organization. They are an intermediary that facilitates the shipping of pharmaceuticals that are individually packaged and shipped to subscribers.

Municipal Interest in Joining the Consortium

Mr. Barber reported that since the last meeting four municipalities have contacted him expressing interest in joining the Consortium: the Towns of Aurelius, Locke, Hector, and Montezuma. The Town of Hector has decided that they do not have enough time to take the actions needed to begin by January 1, 2017 and he expects they will work on this in the coming year to allow for membership in 2018.

RESOLUTION NO. - 2016 - ACCEPTANCE OF APPLICATION BY THE TOWN OF AURELIUS TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Cook, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Aurelius has submitted an official resolution authorizing the Town of Aurelius to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Aurelius has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Aurelius as the 27th municipal participant, with health insurance coverage beginning January 1, 2017,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account as requested by the Town of Aurelius,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly.

Resolved further, that the Administrative Clerk shall forward to the New York State Department of Financial Services a certified copy of the resolution authorizing the Town of Aurelius to become a participant in the Consortium and a certified resolution adopted by the GTCMHIC accepting the Town of Aurelius as a Participant in the Consortium".

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Mr. Barber said ProAct and Excellus will be meeting with him in the Town of Moravia on November 2nd to introduce new benefit clerks to the Consortium.

Medical Claims Auditing Process Update

Mr. Barber reported BMI has completed its audit and sent the information to Excellus and they are awaiting a response by Excellus. There was consensus to submit the invoice dated October 24, 2016 in the amount of \$18,630 to the Finance Department for payment.

Report on Prescription Drug Plans

Mr. Barber reported at the Joint Committee there was also discussion of a specialty drug copay that was introduced previously to this Committee by ProAct as a strategy to address rising specialty drug costs. The idea would be to create a fourth prescription drug tier and to increase the copay that is assigned to the member and to use copay assistance that is available to cover the cost of the drug. Mr. Barber said Mr. Locey has said it would be best to begin by adding this to the Metal Level Plans and to provide it as an option for municipalities to negotiate to.

Mr. Locey said with all of the smaller towns and villages joining the Consortium the Consortium may want to limit them to a set number of plan designs they could have. He

provided an example of a municipality having ten employees with three or four different plans and said this can make administration unwieldy. Mr. Cook asked if the number of plans that the Consortium could offer has an impact on what Excellus charges the Consortium. Mr. Locey responded that the Consortium currently pays Excellus a set fee; however, the more complex the Plan the more Excellus would want to charge. He noted there is a trigger for Excellus re-negotiating its fee. He said at some point he thinks it will be imperative that the Consortium market to a large employer such as Cortland County.

Financial Update

Mr. Locey reviewed budget information received as of September 30, 2016 and said in terms of revenue the Consortium is on budget. On the expense side there was some softening of the prescription drug claims. As of last month the Consortium was 13.5% over budget on those claims and is now 11% over budget. Medical claims are 2¼% over budget; however, a portion of that may be attributed to five payments being made in one month. Overall the Consortium is approximately 3.33% over budget which still brings the net income to \$750,000 and brings the ending balance to almost \$22 million and the unencumbered balance to \$1.4 million after accounting for all liabilities and reserves.

Mr. Locey noted that approximately 93.5 cents on every dollar paid out of the Consortium goes directly to pay benefits. Admin. fees are only 2.7% which is extremely low, Stop Loss insurance is 2%, taxes and fees is .8%, professional services is .5%, ancillary benefits is .35%, and insurances and internal coordination fees are less than .25%. He said this demonstrates the Consortium is extremely efficient.

Stop Loss Insurance

Mr. Locey said Highmark was provided information and he is waiting to hear back from them with a quote. He provided members with a report on the Consortium's history of large loss claims from 2011-2016. During that time there were five claimants with claims in excess of \$400,000; the total amount of catastrophic claims in excess of \$100,000 paid during those years was \$19,720,835. The amount of claim dollars that exceeded the deductible over the history of the Consortium was \$1.8 million. The average claim in excess of the Stop Loss deductible is \$337,168. The average annual paid claims total for those years was \$26,832,079 and the average of catastrophic claims to total claims was 13.00%.

Mr. Locey provided estimates based on what he thought the 2017 renewal would be and options for increasing the deductible in \$25,000 increments up to \$500,000. He estimated that increasing the deductible to \$425,000 would reduce the premium by \$50,000 and increasing the deductible to \$450,000 would reduce the premium by \$100,000. The purpose of sharing the information was to demonstrate what type of return from a cost perspective there would be by taking on additional risk. At this point he said he wouldn't recommend increasing the catastrophic claims reserve; however, if the deductible was increased to \$500,00 that is the point where he would recommend discussing it. He said the information will be updated as it becomes available to better inform the discussion that will take place at the next meeting.

Update on Request for Proposals for Prescription Benefits Manager (PBM)

Mr. Barber provided an update on the lengthy review process that has been undertaken for selecting a Prescription Drug Manager and said the Committee is recommending the Consortium enter into a one-year contract with ProAct with the option to renew for two additional one-year terms.

RESOLUTION NO. - 2016 - RESOLUTION TO ENTER INTO A CONTRACT WITH PROACT FOR PRESCRIPTION BENEFIT MANAGEMENT SERVICES EFFECTIVE JANUARY 1, 2017

MOVED by Mr. Hart, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present.

WHEREAS, Motion No. 003-2016 authorized the issuance of a Request for Proposals for Prescription Plan Manager and created the RFP Review Committee, and

WHEREAS, five proposals were received, three applicants were interviewed, and all proposals were reviewed by the Committee according to the review criteria and weighting stated in the RFP, and

WHEREAS, Excellus and ProAct were found to present the best proposals for deeper review, and

WHEREAS, the Prescription Benefits Manager Request for Proposals Review committee recommends awarding the for Prescription Benefits Manager services contract to ProAct, now therefore be it

RESOLVED, on recommendation from the Request for Proposals Review Committee and the Audit and Finance Committee, That the GTCMHIC Board of Directors sign a one-year contract with ProAct for Prescription Benefits Manager services for the period January 1, 2017 thru December 31, 2017 with the subsequent two years having the option to extend the contract for one year.

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Appointments

Mr. Barber said the terms of Mr. Cook, Mrs. Shawley, and Mr. Salton will expire on December 31, 2016. Mr. Cook and Mrs. Shawley offered to serve for another term. Mr. Barber noted that the Municipal Cooperative Agreement does not limit the number of members who may serve on the Committee. Mr. Locey suggested that the Consortium committees have a balance of representation by both region and from large and small municipalities. Mrs. Shawley will add these appointments to the work of the Nominating Committee

The following items were suggested for inclusion in the November 15th 3:30 p.m. meeting agenda:

- Stop Loss Deductible;
- Potential resolutions accepting new municipalities;
- Discussion of fourth prescription drug tier; and
- Discussion of limiting the number of plans new municipalities may offer to members.

Adjournment

The meeting adjourned at 4:33 p.m.

Owning Your Own Health Committee recommends becoming more informed about CanaRx

The Board of Directors and advisory committee members have been learning all year about the sustained increase in prescription drug (Rx) spending by the Consortium compared to medical claim activity. As a result, projected spending was increased mid-year from \$9.11M to \$10.96M. This is a 20% budget adjustment increase. Based on Consortium data, the projected Rx rate of increase for the 2017 budget was 9.5%, whereas the medical rate of increase was budgeted at 7.5%. We have learned that drug price increases have happened at all levels; generic (Tier 1), preferred brand name (Tier 2), and non-preferred and specialty drugs (Tier 3). Barring a regulatory change, all industry projections are that Rx spending will increase from 27% of the claims in 2012, to 32% in 2020.

It is well documented that the American drug manufacturers have established a new pricing philosophy: to charge what they believe the drug is worth (what the market will bear). This model has no relationship to previous pricing, which was based on a hefty mark-up of the manufacturing cost in order to cover pre-release costs, etc.

The 2015 Utilization Report from ProAct showed that the Consortium spent \$8.5M on pharmaceutical claims in 2015. 82% of the Rx scripts were filled as generic (\$21.66 average cost) and 18% as brand name (\$335.82 average cost).

The Consortium business model is very efficient with 93% of expenses going to pay claims (Rx and medical). When Rx pricing accelerates, it does impact premiums. Directors and committees have been discussing strategies to reduce the aggregate Rx spending, in order to hold down increases in premiums. You will be hearing more as these ideas are being vetted.

One strategy, purchasing 90-day supplies of brand name maintenance drugs through CanaRx, has been discussed by all committees. The attached 10 page flyer from our Prescription Benefits Manager ProAct, provides a comprehensive summary of the CanaRx option. CanaRx drugs are priced on average 65% lower than US pricing.

The reason the CanaRx strategy is gaining traction is that ProAct reviewed Consortium 2015 Rx utilization data and found that approximately 5,300 claims could have been purchased through CanaRx in 2015. If all of these prescriptions had been purchased through CanaRx, it would have saved the Consortium \$1.6M.

But this isn't only about reducing Consortium drug spending and premium increases. All 90-day brand name maintenance drugs in the CanaRx formulary have a copay of zero (\$0.00). CanaRx drugs in Tier 2 formulary will save the patient roughly \$30 four times per year or \$120. And Tier 3 will save the patient approximately \$300/year.

The Owning Your Own Health Committee will be asking the Board of Directors to include CanaRx as an additional source for prescriptions. It is important that you become informed about this important decision.

Some frequently asked questions by committee members are attached. Also, a webinar will be hosted by ProAct on January 9, 2017 at 10:30 AM to more fully explain the CanaRx model. The webinar will be targeted to Consortium benefits managers, but anyone from member municipalities will be welcome to attend. Please plan your schedule so that you can attend.

CanaRx FAQ's.

Where are CanaRx drugs manufactured and what assurances do we have that they are as good as US made drugs?

CanaRx pharmacies are located only in Tier I countries (Canada, United Kingdom, Australia, and New Zealand). In order to have a Tier 1 designation those locations have to deliver goods and services that are as good, or better than those coming from the United States.

These international sources supply the same drugs as do US firms, but are sold at lower price due to pricing regulations within those countries that currently don't exist in the US. In the 1990's, US pharmaceutical companies created manufacturing points overseas. The drugs dispensed through CanaRx all come from the same manufacturing points as they would if they were dispensed by US pharmacies. CanaRx only handles brand name medications in their formulary because it is easier to trace these medications' point of manufacture.

How do patients gain access to CanaRx drugs?

Once the Consortium enters into an agreement with CanaRx, thereby agreeing to pay CanaRx invoices for prescriptions sent to our members, the patient must establish their own direct relationship with CanaRx. To do this, a patient completes the CanaRx enrollment form and asks their physician to send, by postal mail or fax, a prescription to CanaRx. Only prescriptions covering a full year of maintenance drugs will be filled by CanaRx --- 90-day supplies with 3 refills. Members enrolling in the program must also have been on the medication successfully for 30 days prior, and must comply with all of the rules of their health plan. There is no open enrollment period; members may enroll and have prescriptions filled at any time throughout the year.

How are patients assured that no one along the way has tampered with their prescription?

The prescription is sent in blister packs which is the actual packaging used by the manufacturer and involves no pill-counting. The script is mailed directly from the Tier 1 manufacturer to the patient's home and the Consortium is invoiced.

How does ProAct work with CanaRx formulary to ensure that CanaRx brand name drugs are the lower cost option?

The CanaRx formulary is sent to and monitored quarterly by ProAct. ProAct compares medication prices and decides if it is more beneficial to patients and Consortium for prescriptions to be filled by CanaRx, or to come from ProAct. Any medication for which the pricing advantage is through ProAct is removed from our CanaRx formulary. This ensures that the member and the plan are both realizing maximum savings with every prescription.

Is it possible that CanaRx formulary has direct competition with ProAct?

A few brand name drugs are in direct competition with generics. The patient will need a waiver signed by their physician in order to receive the brand name competitor from CanaRx, instead of the generic from

ProAct. As an additional safety valve, multi-source brand name drugs that have generic equivalents are only on the CanaRx formulary if they are cheaper than either the brand or the generic via ProAct.

How is CanaRx set up as a corporation and who regulates their dispensing activities?

CanaRx is not a pharmacy in that they do not have a pharmacist on staff. They do not handle the drug product which is sent in individual bubble packets directly from the Tier 1 drug manufacturer. CanaRx is solely an intermediary that connects the individual customer (patient) with the Tier 1 drug manufacturer. Therefore their activity is not of regulatory concern by Health Canada authorities.

Who is responsible if something goes wrong?

Regarding liability, CanaRx is an insured prescription provider that has product and professional liability coverage, and would add the Consortium to that coverage at no cost. There is also hold harmless language in the enrollment contract for all of the members and fiduciaries at no cost.

What happens if my prescription is held up at the border?

CanaRx will assume financial responsibility for any delay in delivery of prescriptions. Any occurrence of delay is less than 1%. For example, if a member is due a refill and the medicine is not going to be delivered on time, the member will be notified and CanaRx will work with ProAct to get the medicine delivered domestically at no cost to the member.

Have any Consortium municipalities ever used CanaRx before?

Yes, Tompkins County and TC3 have used ... since 20xx...

Are there any NYS or U.S. laws that prohibit the Consortium importing drugs?

First of all, the Consortium is not involved in the prescription transaction other than receiving and paying the invoice. The contractual arrangement is between CanaRx and the individual plan holder. Second, there are no laws that prohibit individuals from receiving shipments of their medication from outside of the U.S.

CanaRx International Delivery Option



ProAct offers its clients a unique international home delivery program through a strategic partnership with CanaRx, an international prescription provider. Members can utilize the CanaRx program as a voluntary mail order option for purchasing brand name drugs only. When a generic alternative to a brand name drug is not available, our international provider can save the Plan up to 80% on a specific list of approximately 300 brand name drugs. A collaborative arrangement between ProAct and our international provider integrates claims data for patient safety while maximizing plan savings. This program assures that members utilize the most appropriate and cost effective medication while also providing both member and Plan savings.

Introduction

CanaRx Services Inc. is a privately held Canadian company incorporated in 2002. Founded by doctors, pharmacists and health care professionals, the goal was and is to provide safe affordable Brand Name maintenance medications at a uniform reduced cost to all American residents.

The substantial savings opportunities that the CanaRx mail order programs provide are due to the prices negotiated between most developed nations and the pharmaceutical companies. Due to heavy lobbying in Washington, the U.S. does not negotiate any medication costs. As a result, most multi-national drug companies report record earnings reaping over half of their worldwide profits in America alone.

CanaRx contracts government-licensed pharmacies in Canada, the United Kingdom, Australia and New Zealand (Tier One countries as designated by Congress) to supply Brand Name medications, packaged and sealed by the original manufacturer, for direct delivery to all participants.

All CanaRx programs are based on voluntary participation in order to comply with FDA directives that allow individuals to obtain medications for personal use.

International Formularies

The CanaRx quality assurance team of doctors and pharmacists developed and monitor a restricted formulary of over 300 widely used Brand Name single source maintenance medications. ProAct and CanaRx work closely together to ensure formularies are up to date with the most current and accurate medications to provide optimal savings to our mutual clients.

Excluded from the CanaRx formulary:

- ✓ Acute medications (antibiotics)
- ✓ Controlled substances (narcotics)
- ✓ Targeted substances (benzodiazepines)
- ✓ Medications which require ongoing monitoring/adjustments by primary care physicians
- ✓ Precursor substances (Allegra-D)
- ✓ Lifestyle medications
- ✓ Generic multi-source medications
- ✓ Medications requiring refrigeration

The primary goal is to ensure public safety. Medications are packaged by the manufacturer, distributed by government-regulated wholesalers, prescribed by practicing physicians, labeled and dispensed by licensed pharmacists and delivered directly to the end user. In addition, CanaRx professionals regularly inspect all licensed pharmacies to ensure that safety standards and all American/source country regulations are met.

To place an international order each prescription follows the equivalent fulfillment process as in America (Tier One countries as designated by Congress). Therefore, each international order must be reviewed and prescribed by a practicing licensed physician, dispensed by a practicing licensed pharmacist, then packaged at an accredited licensed pharmacy and shipped directly to the patient.

Safety Protocols

The CanaRx quality assurance team of doctors and pharmacists are responsible for establishing and maintaining all safety and processing standards as follows.

- ✓ Tier One country sourcing
- ✓ U.S. prescribing physicians' licensing verification
- ✓ Order processing
 - American based Drug Utilization Reviews (DUR)
 - Identification and assessment of drug allergies & interactions
 - Maintaining and updating health/drug profiles of clients
- ✓ Internal incident reporting & logging
- ✓ Patient counseling standards
- ✓ Patient education leaflets are included with each order
- ✓ Standardized prescription labels
- ✓ Refill medication notification and controls:
 - All patients are personally contacted to ensure timely refills o All changes are file documented and reviewed
 - Refills are issued only when needed and confirmed
 - Consultations with the primary care physicians are conducted as required
 - A prescription renewal request service is available at no cost for 24/7 emergency pharmacist support

Pharmacy Accreditation

CanaRx professionals regularly inspect all licensed pharmacies to ensure that all safety protocols and all American/source country regulations are met.

- ✓ License verification
- ✓ Review pharmacist / technician ratios
- ✓ Review dispensing procedures
- ✓ Conduct a complete audit and inspection

Inspection visits ensure uniform safety standards and dispensing procedures. Each supplying pharmacy is then contracted or re-contracted to supply CanaRx clients.

Medication Procurement

- ✓ Tier One countries only
- ✓ Federally approved facilities
- ✓ Government certified products
- ✓ Manufacturers' original sealed packaging

Systems Integration

ProAct and CanaRx allow for full information sharing on a real-time basis. This data exchange provides an ongoing basis for a substantial reduction in claims expense.

Program Launch & Service Support

ProAct and CanaRx work together through member implementation and education sessions so that members are clear where they should go to have each of their medications filled. Through our data exchange process, ProAct and CanaRx work together to notify members taking medications available to be filled through CanaRx. ProAct and CanaRx will work together to maximize utilization of this cost saving program.

Plan Sponsor Benefits:

- ✓ No administrative costs
- ✓ No cost delivery interruption replacement
- ✓ Customized ongoing reporting
- ✓ Plan design and development assistance
- ✓ Website designing and hosting
- ✓ Seminars and enrollment presentations
- ✓ Local servicing
- ✓ Liability insurance coverage

Member Benefits:

- ✓ Ongoing open enrollment
- ✓ Dedicated toll free telephone and fax numbers
- ✓ Call Centre Customer Service Representatives
- ✓ Quarterly Call Centre contacts
- ✓ Copay reimbursement policy
- ✓ Certified manufacturers' sealed package guarantee

Product Pricing

CanaRx pricing is based on the following costs:

- ✓ Source country government negotiated medication costs
- ✓ Contracted international physician prescribing fees
- ✓ Contracted international pharmacy dispensing fees
- ✓ Shipping costs
- ✓ CanaRx administrative costs
- ✓ Currency hedging programs

Each "Tier One" source country provides wholesale price updates established through government negotiations with each pharmaceutical supplier. This creates a standard unit price for each medication which includes all rebates.

HIPAA Compliance

All materials and information acquired by CanaRx are kept in the strictest of confidence and only used for the prescribing of medications. CanaRx plans are designed to be completely compliant with the Canadian Privacy Laws (PIPEDA), equivalent to the U.S. HIPAA standards, and all Privacy Laws of each country supplying medications to plan participants. In order to share restricted information, CanaRx requires a Business Associate Agreement in all cases.

FDA Letters & Responses

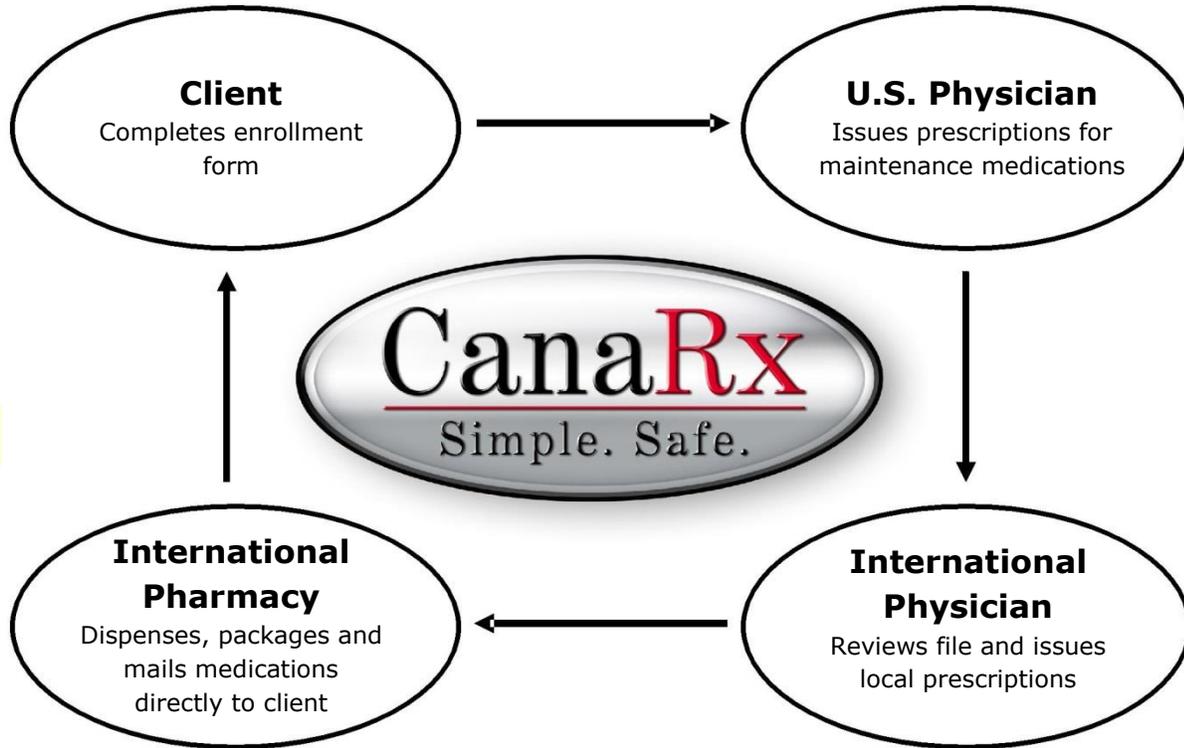
CanaRx Services Inc. was designed to comply with all laws in all jurisdictions where business operations would take place. This is without exception.

In 2003, the FDA met in Ottawa with Health Canada where they were assured that CanaRx and its operations were in compliance and not in violation of any Canadian laws. Since this meeting, there has been no further contact between CanaRx and the FDA. The FDA continues to monitor CanaRx's quality and safety without incident.

Win / Win & Incentives

High individual enrollment will create large savings and a successful program. CanaRx Services will customize and provide program options to maximize participation.

International Mail Order Flow Chart



Top 25 Medications

| MEDICATION | QUANTITY | U.S. PBM PRICE | CANARX PRICE | CANARX SAVINGS | % SAVED WITH CANARX |
|---------------------------------|----------|---------------------|---------------------|---------------------|---------------------|
| NEXIUM 40MG | 90 | \$ 686.70 | \$ 165.40 | \$ 521.30 | 75.9% |
| ADVAIR DISKUS 250MCG | 180 | \$ 847.80 | \$ 237.40 | \$ 610.40 | 72.0% |
| RESTASIS 0.0005 | 90 | \$ 531.00 | \$ 407.40 | \$ 123.60 | 23.3% |
| CRESTOR 10MG | 90 | \$ 591.30 | \$ 105.40 | \$ 485.90 | 82.2% |
| SPIRIVA 18MCG | 90 | \$ 864.00 | \$ 244.40 | \$ 619.60 | 71.7% |
| ZETIA 10MG | 84 | \$ 603.96 | \$ 183.40 | \$ 420.56 | 69.6% |
| CRESTOR 20MG | 90 | \$ 591.30 | \$ 130.40 | \$ 460.90 | 77.9% |
| GLEEVEC 400MG | 90 | \$ 30,974.40 | \$ 12,752.40 | \$ 18,222.00 | 58.8% |
| ADVAIR DISKUS 500MCG | 180 | \$ 1,114.20 | \$ 303.40 | \$ 810.80 | 72.8% |
| JANUVIA 100MG | 84 | \$ 844.20 | \$ 251.40 | \$ 592.80 | 70.2% |
| TECFIDERA 240MG | 168 | \$ 16,531.20 | \$ 8,482.40 | \$ 8,048.80 | 48.7% |
| CELEBREX 200MG | 100 | \$ 767.00 | \$ 114.40 | \$ 652.60 | 85.1% |
| DEXILANT DR 60MG | 90 | \$ 607.50 | \$ 276.40 | \$ 331.10 | 54.5% |
| NASONEX 50MCG | 51 | \$ 592.20 | \$ 103.40 | \$ 488.80 | 82.5% |
| LIALDA 1.2GM | 360 | \$ 2,394.00 | \$ 802.40 | \$ 1,591.60 | 66.5% |
| CRESTOR 5MG | 90 | \$ 591.30 | \$ 84.40 | \$ 506.90 | 85.7% |
| XARELTO 20MG | 90 | \$ 911.70 | \$ 366.40 | \$ 545.30 | 59.8% |
| ADVAIR DISKUS 100MCG | 180 | \$ 682.20 | \$ 175.40 | \$ 506.80 | 74.3% |
| ELIQUIS 5MG | 120 | \$ 608.40 | \$ 269.40 | \$ 339.00 | 55.7% |
| ASACOL HD 800MG | 180 | \$ 1,074.60 | \$ 290.40 | \$ 784.20 | 73.0% |
| NEXIUM 20MG | 90 | \$ 686.70 | \$ 116.40 | \$ 570.30 | 83.0% |
| WELCHOL 625MG | 180 | \$ 473.40 | \$ 267.40 | \$ 206.00 | 43.5% |
| CRESTOR 40MG | 90 | \$ 591.30 | \$ 140.40 | \$ 450.90 | 76.3% |
| EVISTA 60MG | 84 | \$ 505.68 | \$ 147.40 | \$ 358.28 | 70.9% |
| TRAVATAN Z OPHTH SOLUTION 0.004 | 15 | \$ 690.45 | \$ 257.40 | \$ 433.05 | 62.7% |
| TOTAL | | \$ 65,356.49 | \$ 26,675.00 | \$ 38,681.49 | 59.2% |

Specialty Medications at a Glance (part 1 of 3)

| MEDICATION | COMMONLY USED FOR | QUANTITY | U.S. PBM PRICE | CAMARX PRICE | CAMARX SAVINGS | % SAVED WITH CAMARX |
|------------------------|---------------------------------|----------|----------------|--------------|----------------|---------------------|
| OLYSIO 150MG | Hepatitis C | 84 | \$67,687.20 | \$45,909.40 | \$21,777.80 | 32.2% |
| XALKORI 200MG | Cancer | 180 | \$41,205.60 | \$36,552.40 | \$4,653.20 | 11.3% |
| XALKORI 250MG | Cancer | 180 | \$41,205.60 | \$36,552.40 | \$4,653.20 | 11.3% |
| INLYTA 5MG | Kidney Cancer | 180 | \$34,770.60 | \$23,514.40 | \$11,256.20 | 32.4% |
| AFINITOR 10MG | Kidney Cancer | 90 | \$34,548.30 | \$24,503.40 | \$10,044.90 | 29.1% |
| AFINITOR 5MG | Kidney Cancer | 90 | \$34,548.30 | \$24,503.40 | \$10,044.90 | 29.1% |
| AFINITOR 2.5MG | Kidney Cancer | 90 | \$33,029.10 | \$24,503.40 | \$8,525.70 | 25.8% |
| SPRYCEL 100MG | Chronic Myeloid Leukemia (CML) | 90 | \$31,692.60 | \$19,407.40 | \$12,285.20 | 38.8% |
| GLEEVEC 400MG | Chronic Myeloid Leukemia (CML) | 90 | \$30,974.40 | \$12,752.40 | \$18,222.00 | 58.8% |
| TASMAR 100MG | Parkinson's Disease | 300 | \$29,754.00 | \$659.40 | \$29,094.60 | 97.8% |
| TASIGNA 150MG | Chronic Myeloid Leukemia (CML) | 336 | \$29,591.52 | \$13,381.40 | \$16,210.12 | 54.8% |
| TASIGNA 200MG | Chronic Myeloid Leukemia (CML) | 336 | \$29,591.52 | \$17,575.40 | \$12,016.12 | 40.6% |
| TRACLEER 125MG | Pulmonary Arterial Hypertension | 168 | \$23,476.32 | \$13,569.40 | \$9,906.92 | 42.2% |
| TRACLEER 62.5MG | Pulmonary Arterial Hypertension | 168 | \$23,476.32 | \$13,569.40 | \$9,906.92 | 42.2% |
| SPRYCEL 50MG | Chronic Myeloid Leukemia (CML) | 120 | \$23,445.60 | \$12,960.40 | \$10,485.20 | 44.7% |
| SPRYCEL 70MG | Chronic Myeloid Leukemia (CML) | 120 | \$23,445.60 | \$14,279.40 | \$9,166.20 | 39.1% |
| GILENYA 0.5MG | Highly Active MS | 84 | \$16,653.84 | \$9,932.40 | \$6,721.44 | 40.4% |
| TECFIDERA 240MG | MS | 168 | \$16,531.20 | \$8,482.40 | \$8,048.80 | 48.7% |
| TECFIDERA 120MG | MS | 168 | \$16,524.48 | \$4,261.40 | \$12,263.08 | 74.2% |
| AUBAGIO 14MG | MS | 84 | \$15,539.16 | \$7,764.40 | \$7,774.76 | 50.0% |
| OTEZLA 30MG | Psoriatic Arthritis | 180 | \$13,593.60 | \$4,482.40 | \$9,111.20 | 67.0% |
| NEXAVAR 200MG | Liver/Kidney Cancer | 120 | \$13,447.20 | \$7,363.40 | \$6,083.80 | 45.2% |
| STIVARGA 40MG | Metastatic Colorectal Cancer | 84 | \$12,747.00 | \$8,052.40 | \$4,694.60 | 36.8% |
| SPRYCEL 20MG | Chronic Myeloid Leukemia (CML) | 120 | \$11,722.80 | \$6,458.40 | \$5,264.40 | 44.9% |
| INLYTA 1MG | Kidney Cancer | 180 | \$11,590.20 | \$4,734.40 | \$6,855.80 | 59.2% |
| VALCYTE 450 MG | Transplants/AIDS | 180 | \$11,523.60 | \$5,868.40 | \$5,655.20 | 49.1% |
| GLEEVEC 100MG | Chronic Myeloid Leukemia (CML) | 120 | \$11,461.20 | \$4,259.40 | \$7,201.80 | 62.8% |
| EXJADE 500MG | Elevated Iron | 84 | \$9,708.72 | \$3,711.40 | \$5,997.32 | 61.8% |
| XELJANZ 5MG | Rheumatoid Arthritis | 180 | \$8,211.60 | \$5,499.40 | \$2,712.20 | 33.0% |
| ZYTIGA 250MG | Prostate Cancer | 120 | \$8,156.40 | \$4,702.40 | \$3,454.00 | 42.3% |
| STRIBILD | Aids | 90 | \$7,887.60 | \$5,522.40 | \$2,365.20 | 30.0% |
| ATRIPLA 600-200-300 MG | HIV | 90 | \$6,778.80 | \$4,968.40 | \$1,810.40 | 26.7% |
| XTANDI 40MG | Prostate Cancer | 90 | \$6,768.90 | \$5,567.40 | \$1,201.50 | 17.8% |
| TRIUMEQ TABLET | HIV | 90 | \$6,754.50 | \$5,189.40 | \$1,565.10 | 23.2% |

Specialty Medications at a Glance (part 2 of 3)

| MEDICATION | COMMONLY USED FOR | QUANTITY | U.S. PBM PRICE | CAMARX PRICE | CAMARX SAVINGS | % SAVED WITH CAMARX |
|------------------------|------------------------------------|----------|----------------|--------------|----------------|---------------------|
| COMPLERA 200/25/300MG | HIV | 90 | \$6,714.90 | \$4,917.40 | \$1,797.50 | 26.8% |
| SENSIPAR 90MG | Chronic Kidney Disease | 90 | \$5,442.30 | \$3,722.40 | \$1,719.90 | 31.6% |
| PREZISTA 800MG | HIV | 120 | \$5,133.60 | \$3,460.40 | \$1,673.20 | 32.6% |
| EXJADE 250MG | Elevated Iron | 84 | \$4,854.36 | \$2,502.40 | \$2,351.96 | 48.5% |
| ADCIRCA 20MG | Pulmonary Arterial Hypertension | 112 | \$4,763.36 | \$2,022.40 | \$2,740.96 | 57.5% |
| RAPAMUNE (G) 2MG | Kidney Transplant (anti-rejection) | 100 | \$4,441.00 | \$1,478.40 | \$2,962.60 | 66.7% |
| PREZCOBIX 800MG/150MG | HIV | 90 | \$4,401.00 | \$2,922.40 | \$1,478.60 | 33.6% |
| TRUVADA 200-300MG | HIV | 90 | \$4,197.60 | \$3,415.40 | \$782.20 | 18.6% |
| TIVICAY 50MG | HIV | 90 | \$4,032.90 | \$2,361.40 | \$1,671.50 | 41.4% |
| BARACLUDE 0.5MG | Hepatitis B | 90 | \$3,777.30 | \$1,714.40 | \$2,062.90 | 54.6% |
| BARACLUDE 1MG | Hepatitis B | 90 | \$3,777.30 | \$2,871.40 | \$905.90 | 24.0% |
| ISENTRESS 400MG | HIV | 180 | \$3,686.40 | \$3,399.40 | \$287.00 | 7.8% |
| SENSIPAR 60MG | Chronic Kidney Disease | 90 | \$3,627.90 | \$2,569.40 | \$1,058.50 | 29.2% |
| XELODA (G) 500MG | Breast Cancer/Colorectal Cancer | 90 | \$3,624.30 | \$760.40 | \$2,863.90 | 79.0% |
| EPZICOM | HIV | 90 | \$3,611.70 | \$3,019.40 | \$592.30 | 16.4% |
| LEXIVA 700MG | HIV | 180 | \$3,070.80 | \$1,605.40 | \$1,465.40 | 47.7% |
| TYZEKA 600MG | Hepatitis B | 84 | \$3,059.28 | \$2,174.40 | \$884.88 | 28.9% |
| VIREAD 300MG | HIV or Hepatitis B | 90 | \$2,855.70 | \$2,298.40 | \$557.30 | 19.5% |
| SUSTIVA 600MG | HIV | 90 | \$2,580.30 | \$1,835.40 | \$744.90 | 28.9% |
| EDURANT 25MG | HIV | 90 | \$2,540.70 | \$1,867.40 | \$673.30 | 26.5% |
| EXJADE 125MG | Elevated Iron | 84 | \$2,427.60 | \$1,270.40 | \$1,157.20 | 47.7% |
| RAPAMUNE (G) 1MG | Kidney Transplant (anti-rejection) | 100 | \$2,221.00 | \$1,073.40 | \$1,147.60 | 51.7% |
| INVIRASE 500MG | HIV | 240 | \$2,143.20 | \$1,293.40 | \$849.80 | 39.7% |
| INTELENCE 200MG | HIV | 120 | \$2,060.40 | \$1,952.40 | \$108.00 | 5.2% |
| VIRAMUNE XR 400MG | HIV | 90 | \$2,036.70 | \$345.40 | \$1,691.30 | 83.0% |
| ZORTRESS 0.75MG | Kidney Transplant (anti-rejection) | 90 | \$2,009.70 | \$1,623.40 | \$386.30 | 19.2% |
| SENSIPAR 30MG | Chronic Kidney Disease | 90 | \$1,814.40 | \$1,425.40 | \$389.00 | 21.4% |
| BANZEL 400MG | Lennox Gastaut Syndrome | 120 | \$1,639.20 | \$506.40 | \$1,132.80 | 69.1% |
| EPIVIR / HBV (G) 100MG | HIV | 90 | \$1,369.80 | \$623.40 | \$746.40 | 54.5% |
| NEUPRO 1MG | Parkinson's Disease | 84 | \$1,349.88 | \$580.40 | \$769.48 | 57.0% |
| NEUPRO 2MG | Parkinson's Disease | 84 | \$1,349.88 | \$309.40 | \$1,040.48 | 77.1% |
| NEUPRO 3MG | Parkinson's Disease | 84 | \$1,349.88 | \$764.40 | \$585.48 | 43.4% |
| NEUPRO 4MG | Parkinson's Disease | 84 | \$1,349.88 | \$400.40 | \$949.48 | 70.3% |
| NEUPRO 6MG | Parkinson's Disease | 84 | \$1,349.88 | \$450.40 | \$899.48 | 66.6% |

Specialty Medications at a Glance (part 3 of 3)

| MEDICATION | COMMONLY USED FOR | QUANTITY | U.S. PBM PRICE | CANARX PRICE | CANARX SAVINGS | % SAVED WITH CANARX |
|---------------------|------------------------------------|----------|---------------------|---------------------|---------------------|---------------------|
| NEUPRO 8MG | Parkinson's Disease | 84 | \$1,349.88 | \$1,090.40 | \$259.48 | 19.2% |
| ZORTRESS 0.5MG | Kidney Transplant (anti-rejection) | 90 | \$1,340.10 | \$1,119.40 | \$220.70 | 16.5% |
| ZIAGEN 300MG | HIV | 120 | \$1,140.00 | \$766.40 | \$373.60 | 32.8% |
| RAPAMUNE (G) 0.5MG | Kidney Transplant (anti-rejection) | 100 | \$1,110.00 | \$606.40 | \$503.60 | 45.4% |
| XELODA (G) 150MG | Breast Cancer/Colorectal Cancer | 90 | \$1,087.20 | \$102.40 | \$984.80 | 90.6% |
| RENAGEL 800MG | Kidney Disease | 180 | \$1,053.00 | \$444.40 | \$608.60 | 57.8% |
| NORVIR TABLET 100MG | HIV | 100 | \$874.00 | \$239.40 | \$634.60 | 72.6% |
| SUSTIVA 200MG | HIV | 90 | \$860.40 | \$668.40 | \$192.00 | 22.3% |
| RENVELA 800MG | Kidney Disease | 180 | \$842.40 | \$424.40 | \$418.00 | 49.6% |
| BANZEL 200MG | Lennox Gastaut Syndrome | 120 | \$819.60 | \$276.40 | \$543.20 | 66.3% |
| ZORTRESS 0.25MG | Kidney Transplant (anti-rejection) | 90 | \$669.60 | \$577.40 | \$92.20 | 13.8% |
| TABLOID 40MG | Cancer | 50 | \$658.50 | \$334.40 | \$324.10 | 49.2% |
| SUSTIVA 50MG | HIV | 90 | \$215.10 | \$152.40 | \$62.70 | 29.1% |
| Total | | | \$854,727.26 | \$511,352.40 | \$343,374.86 | 40.2% |

ProAct Client Savings at a Glance

| Summary Savings Report Inception Date: January 1, 2014 October 1, 2015 - December 31, 2015 | | |
|---|------------------------|------------------------|
| Covered Lives | | 914 |
| CanaRx Eligible Members | | 274 * |
| Enrolled Members ** | | 57 ** (20.8%) |
| <small>* Estimated at 30% of Plan Enrollment ** Participation is based on previous 12 months</small> | | |
| | <u>Current</u> | <u>Since Inception</u> |
| Issued Prescriptions | 59 | 647 |
| Average U.S. Plan Cost | \$ 41,731.56 | \$ 402,403.80 |
| Net CanaRx Billing | \$ 10,903.10 | \$ 126,230.30 |
| Net Program Savings | <u>\$ 30,828.46</u> | <u>\$ 276,173.50</u> |
| Savings | 73.87% | 68.63% |
| | <u>Current Savings</u> | |
| Employee Program Savings | \$ 2,800.00 | 9.08% |
| Net Group Savings | \$ 28,028.46 | 90.92% |
| Savings | <u>\$ 30,828.46</u> | <u>100.00%</u> |
| Projected Annual Savings | \$ 123,313.84 | |
| <small>Calculations are based on Current results</small> | | |

| Summary Savings Report October 1, 2015 - December 31, 2015 <small>(1st Invoice February 14, 2006)</small> | | |
|---|------------------------|------------------------|
| Covered Lives | | 2626 |
| Eligible CanaRx Members | | 788 * |
| Enrolled Members ** | | 356 (45.2%) |
| <small>* Estimated at 30% of Covered Lives ** Participation is based on previous 12 months</small> | | |
| | <u>Current</u> | <u>Since Inception</u> |
| Issued Prescriptions | 477 | 39,396 |
| Average U.S. Plan Cost | \$ 407,082.42 | \$ 16,123,532.73 |
| CanaRx Billing | \$ 110,730.30 | \$ 7,149,383.50 |
| Net Program Savings | <u>\$ 296,352.12</u> | <u>\$ 8,974,149.23</u> |
| Savings | 72.80% | 55.66% |
| | <u>Current Savings</u> | |
| Employee Savings | \$ 23,970.00 | 8.09% |
| County Savings | \$ 272,382.12 | 91.91% |
| Savings | <u>\$ 296,352.12</u> | <u>100.00%</u> |
| Projected Annual Savings | \$ 1,185,408.48 | |
| <small>Calculation is based on Current Results</small> | | |

CattcoCanaRx

Employee Program

Summary Savings Report

Inception Date: January 1, 2015
October 1, 2015 - December 31, 2015

| | | |
|---|------------------------|------------------------|
| Covered Lives | 2961 | |
| CanaRx Eligible Members | 888 * | |
| Enrolled Members ** | 70 (7.88%) | |
| <small>*Estimated at 30% of Plan Enrollment ** Participation is based on previous 12 months</small> | | |
| | <u>Current</u> | <u>Since Inception</u> |
| Issued Prescriptions | 117 | 390 |
| Average U.S. Plan Cost | \$ 107,389.23 | \$ 344,912.11 |
| CanaRx Net Billing | \$ 35,126.30 | \$ 116,705.00 |
| Net Program Savings | <u>\$ 72,262.93</u> | <u>\$ 228,207.11</u> |
| Savings | 67.29% | 66.16% |
| | <u>Current Savings</u> | |
| Employee Savings | \$ 4,930.00 | 6.82% |
| Group Savings | \$ 67,332.93 | 93.18% |
| Savings | <u>\$ 72,262.93</u> | <u>100.00%</u> |
| Projected Annual Savings | \$ 289,051.72 | |

Calculations are based on Current results

Summary Savings Report

Inception Date January 1, 2012
October 1, 2015 - December 31, 2015

| | | |
|---|------------------------|------------------------|
| Covered Lives | 709 | |
| CanaRx Eligible Members | 213 * | |
| Enrolled Members** | 41 (19.2%) | |
| <small>* Estimated at 30% of Covered Lives **Participation is based on previous 12 months</small> | | |
| | <u>Current</u> | <u>Since Inception</u> |
| Issued Prescriptions | 60 | 1,154 |
| Average U.S. Plan Cost | \$ 40,333.44 | \$ 558,586.04 |
| CanaRx Billing | \$ 12,626.00 | \$ 215,339.60 |
| Net Program Savings | <u>\$ 27,707.44</u> | <u>\$ 343,246.44</u> |
| Savings | 68.70% | 61.45% |
| | <u>Current Savings</u> | |
| Employee Savings | \$ 1,665.00 | 6.01% |
| Group Savings | \$ 26,042.44 | 93.99% |
| Savings | <u>\$ 27,707.44</u> | <u>100.00%</u> |
| Projected Annual Savings | \$ 110,829.76 | |

Calculation is based on Current results



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**RESOLUTION NO. - 2016 - ACCEPTANCE OF APPLICATION BY THE TOWN OF MONTEZUMA
TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS
COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM**

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Montezuma has submitted an official resolution authorizing the Town of Montezuma to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Montezuma has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Montezuma as the 28th municipal participant, with health insurance coverage beginning January 1, 2017,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account as requested by the Town of Montezuma,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly,

Resolved, further, That the Administrative Clerk shall forward to the New York State Department of Financial Services a certified copy of the resolution authorizing the Town of Montezuma to become a participant in the Consortium and a certified resolution adopted by the GTCMHIC accepting the Town of Montezuma as a Participant in the Consortium.

* * * * *



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RESOLUTION NO. - 2016 – AUTHORIZATION TO ENTER INTO AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL REPORTING FOR 2017

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services in 2013-2015 and again in 2016, and

WHEREAS, the Consortium wishes to continue the current arrangement for an additional year, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a one-year contract expiring December 31, 2017.

* * * * *



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RESOLUTION NO. 2016 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY AND CAHILL, LLC - 2017

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Plan consulting services needed include: strategic planning, establishing a budget, filing periodic reports, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium by Resolution No. 17 of 2013 awarded a contract for Plan consultant services on December 19, 2013 to Locey and Cahill, LLC of Syracuse for the period January 1, 2014 through December 31, 2015 with the option to renew for three additional one-year terms, now therefore be it

RESOLVED, that the contract with Locey and Cahill, LLC be extended for the period January 1, 2017 through December 31, 2017, with the option to renew for one additional one-year term.
