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MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
February 5, 2015 – 1:30 p.m.
Rice Conference Room, Health Department**

Approved

Present:

Municipal Representatives: 8 members

Laura Shawley, Town of Danby; Herb Masser, Ann Rider, Town of Enfield; Schelley Michell Nunn, City of Ithaca; Booke Jobin, Tompkins County; Carissa Parlato, Town of Ulysses; Jen Case, Town of Dryden (arrived at 1:40 p.m.); Michael Murphy, Village of Dryden; Judy Drake, Town of Ithaca and Board of Directors Chair

Municipal Representative via Proxy: 5

Mack Cook, City of Cortland (Proxy – Judy Drake); Ruth Hopkins, Town of Lansing (Proxy – Laura Shawley); Betty Conger, Village of Groton (Proxy – Laura Shawley); Joan Mangione, Village of Cayuga Heights (Proxy – Laura Shawley); Cindy Whittaker, Town of Caroline (Proxy – Laura Shawley)

Union Representatives: 5 members

Scott Weatherby, TC3 Staff Unit; Tim Logue, City of Ithaca Executive Unit; Phil VanWormer, City of Ithaca Admin. Unit; Pat Masters, Tompkins County Sheriff's Office; Derek Reynolds, City of Cortland Firefighters

Union Representatives via Proxy: 6 members

James Bower, IUOE Local 158, District 832 Bolton Point (Proxy – Scott Weatherby); Jerry Wright, Village of Cayuga Heights Police (Proxy – Scott Weatherby); Wilma VanDee, City of Cortland SEIU (Proxy – Derek Reynolds); Tim Farrell of Ithaca DPW (Proxy – Scott Weatherby); Olivia Hersey, TC3 Professional Admin. Assoc. Unit (Proxy – Scott Weatherby); Tim Arnold - Town of Dryden Teamsters (Proxy – Jennifer Case); Bradley Berggren – Town of Danby Highway (Proxy – Scott Weatherby)

Others in attendance:

Don Barber, Executive Director; Judy Taber, Locey & Cahill; Beth Miller, Excellus; Sharon Dovi, Tompkins Cortland Community College Human Resources

Call to Order

Mr. Weatherby, Chair, called the meeting to order at 1:36 p.m.

Approval of Minutes of August 7, September 4, November 6, December 4, and January 8, 2015

It was MOVED by Mr. Weatherby, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to approve the minutes of August 7, September 4, November 6, December 4, 2014, and January 8, 2015 as presented. MINUTES APPROVED.

Chair's Report

Mr. Weatherby had no report.

Report from the Chair of the Board of Directors

Ms. Drake reported the Board met on January 22nd and extended the amnesty period for the Recertification process from January 31, 2015 to February 28, 2015. There was also a good discussion during Mr. Weatherby's report about this Committee and the need to have members attend meetings. She thinks there was a lot of good support from management in having members attend and is pleased to see there be quorum at today's meeting.

Executive Director Report

Mr. Barber thanked Mr. Weatherby and Jim Bower for the extra effort they put into getting a quorum at today's meeting. As Ms. Drake reported the Recertification process is moving forward; there are seven municipalities that have completed the work and others are in process.

Ms. Case arrived at this time.

Mr. Barber said the Municipal Cooperative Agreement requires the Agreement to be reviewed every five years and that process has begun. An educational retreat is also being planned for late May or early June that will focus on the White Paper prepared by Steve Locey and will be expanded to try to bring the Board and members of this Committee up to speed on benefit design. He distributed copies of the Orientation Manual and briefly reviewed the contents and information that is available on the Consortium's website.

Ms. Jobin asked if information could be put together on what medical and prescription drug plans the various municipalities in the Consortium offer in a format that is easy to understand. Mr. Barber said this can be given thought and consideration. She asked how to shepherd someone through the appeals process. Mr. Barber said the process is outlined on the Consortium's website. The appeals process begins with Excellus, if it goes beyond that it goes to an objective third party and there are certain things the Consortium's Appeals Committee can review but cannot review certain medical things because that is not within their field of expertise. In the four years of the Consortium's existence there have been no appeals that have made it to the Appeals Committee but some have made it to the second round.

Ms. Dovi asked that the TC3 Medical and Prescription plan information was omitted from the Manual and asked that it be added.

Report on Outreach Efforts to Membership

Mr. Weatherby said he would like to meet with Mr. Bower and Mr. Perine to review the Committee membership and try to update contact information. He will report back at the next meeting.

Review of Bronze Benefit Plan

Ms. Taber said at the last meeting the Committee began to review the Bronze Plan which is one of the four metal level plans in the Affordable Care Act. The Bronze Plan has the lowest actuarial value of 60% with a variance of 2%. At the last meeting questions came up about what things can impact or change the Plan in terms of benefit to keep the value at the same level but offer the same benefit. She distributed a document showing four standard bronze plan options, three of which were Excellus Bronze plans.

Ms. Miller said Excellus has looked at the actuarial value of the Bronze Plan on the Exchange and said what is sold on the Exchange cannot be sold on the open market. Excellus had to look at what plans could mimic the Bronze Plans that exist on the Exchange. The Consortium was able to bring on the Village of Homer with the Platinum Plan because it was already at a metal level plan. An issue facing all of the groups is the requirement that healthcare cannot cost more than 9.5% out of a member's pocket for annual health care costs and the Bronze Plan helps employers meet that obligation. She said it is very important that the Consortium has this plan under its menu of offerings to make sure it is compliant if there is someone who meets that category. Even if no member takes this plan by the employer offering the plan it shows the Consortium is meeting the ACA requirements. Mr. Murphy asked what the penalty would be if an employer did not meet this requirement; Ms. Miller said it could be \$2,000-\$3,000 per person depending on the number of people in the jeopardy category.

Ms. Jobin said there has been a lot of speculation that when there has been discussion about offering the different metal level plans because of the Affordable Care Act that municipalities are going to force their membership into a particular plan and that is not the intention. As part of the Affordable Care Act the Consortium needs to have some of these plans in place to be able to offer plans to employees in the future that fall within a certain salary bracket.

Mr. VanWormer asked when the fines will begin. Mr. Masser said this summer the Supreme Court will consider the question of whether the federal government can force entities to buy insurance.

Mr. Logue said there is a penalty to employers if they don't offer a plan that is cheap enough for people's salary; the benefit to the employee is that if they are willing to pay less in premiums and get less in benefits there will be more in their paycheck. Ms. Rider noted that the employer must first chose to offer the plan as an option.

Mr. Barber said the Consortium is just like an insurance company such as Excellus or Etna; it provides plans that are available and employers have to select a plan to offer to its employees.

Ms. Taber said at the last meeting there was discussion about the actuarial value but it was stated that there are some available options in the menu of plan benefits that can be amended that would allow the value to be the same. To provide examples of that they compared it with three Bronze Plans currently offered in the community that are rated by

Excellus. Ms. Taber noted that preventative services are covered in full for any of the plans. The out of pocket maximum for an individual is \$6,350 and \$12,700 for family. She reviewed a document that was developed to show user inputs for plan parameters that is used in the actuarial value calculator.

Mr. Barber said the purpose of this exercise is to show that with small changes in deductible, copay, or co-insurance (which are the only things this Committee could change) that the actuarial value can be affected. There is another process that is used to develop the premium equivalent rates. Mr. Barber said the Bronze Plan being recommended for the Consortium is very close to what Excellus has for a self-insured program but if there was a desire to change one of the levers the Consortium has the ability to change it and this exercise is to help demonstrate how that would happen.

It was MOVED by Mr. Logue, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to forward the proposed Bronze Plan to the Audit and Finance Committee for review with the understanding it will come back to this Committee for a final review before being presented to the Board of Directors for approval. MOTION CARRIED.

Election of Chair and Vice Chair

It was MOVED by Mr. Murphy, seconded by Ms. Rider, and unanimously adopted by voice vote by members present with no other nominations, to appoint Scott Weatherby as Chair for 2015. MOTION CARRIED.

It was MOVED by Mr. Weatherby, seconded by Ms. Drake, and unanimously adopted by voice vote by members present with no other nominations, to appoint Laura Shawley as Vice Chair for 2015. MOTION CARRIED.

Appointment of 2ND Labor Representative to the Board of Directors

Mr. Barber said the Municipal Cooperative Agreement allows for the second labor representative to serve on the Board of Directors. There is no process for making that appointment, the only rule is that management cannot vote on that. The current representative is Mr. Perine. Mr. Barber said Mr. Perine has not regularly attended the Board of Directors meetings and suggested someone follow-up with him to see if he wished to continue in the position.

It was MOVED by Mr. Reynolds, seconded Mr. Weatherby, and unanimously adopted by voice vote by members present, to appoint Phil VanWormer as the 2nd labor representative to the Board of Directors. There is no process for selecting an alternate; Mr. Weatherby said he will report to the Administrative Clerk who the alternate will be.

Non-Organized Labor Representation

Mr. Barber said Section K of the Municipal Cooperative Agreement says that Joint Committee shall consist of a representative of each collective bargaining unit that is the exclusive bargaining representative of any employee or group of employees enrolled in the Plan. If the Committee would like the Board to consider expanding that to a non-bargaining unit it could be considered by the MCA Review Committee that has been established.

It was MOVED by Mr. Reynolds to include non-unionized employees on the MCA Review Committee's agenda. There was a brief discussion of how this may impact attendance and quorum. MOTION FAILED DUE TO LACK OF A SECOND.

It was the consensus to share information about the Committee and invite non-unionized employees to the meeting

New Business

There was no new business.

Old Business

There was no old business.

Next Meeting Agenda

The Committee agreed to not meet in March.

Adjournment

The meeting adjourned at 3:08 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk