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MINUTES

**Greater Tompkins County Municipal Health Insurance Consortium
Joint Committee on Plan Structure and Design
August 6, 2015 – 1:30 p.m.
Rice Conference Room, Health Department**

Present:

Municipal Representatives: 10 members

Michael Murphy, Village of Dryden; Amy Guerreri, Brooke Jobin, Tompkins County
Joan Mangione, Village of Cayuga Heights; Betty Conger, Village of Groton; Schelley Michell
Nunn, City of Ithaca (arrived at 1:4 p.m.); Laura Shawley, Town of Danby (arrived at 1:54 p.m.);
Jennifer Case, Town of Dryden; Judy Drake, Town of Ithaca; Genevieve Suits, Village of
Homer; Carissa Parlato, Town of Ulysses (arrived at 1:43 pm)

Municipal Representative via Proxy: 1

Mack Cook, City of Cortland

Union Representatives: 5 members

Scott Weatherby, Chair, TC3 Staff Unit; Tim Farrell, City of Ithaca DPW; Doug Perine, Tompkins
County White Collar; Olivia Hersey, TC3 Professional Admin. Association; Jim Bower, IUOE
Local 158

Union Representative via Proxy: 1

Jerry Wright, Cayuga Heights Police Benevolent Association

Others in attendance:

Steve Locey, Locey & Cahill; Ted Schiele, Member of Owning Your Own Health Committee;
Margaret Gannon, CSEA Health Benefits Department; Sharon Dovi, TC3

Call to Order

Mr. Weatherby, Chair, called the meeting to order at 1:38 p.m.

Approval of June 4, 2015 Minutes

This item was deferred to the next meeting due to lack of quorum.

Chair's Report

Mr. Weatherby had no report

Executive Director's Report

Mr. Barber reported Phil Vanwormer has been appointed to the Audit and Finance
Committee and will be representing labor. That Committee is looking at a premium increase of
no more than 5% for 2016; a recommendation will be made at the Committee's September
meeting.

Ms. Nunn arrived at this time.

He informed the Committee that the Board of Directors adopted a resolution that clarified what qualifies as a bargaining unit. To summarize, he said it has to be certified by PERB (Public Employees Relation Board) or by the employer as the official bargaining unit. This came up because the Town of Lansing moved away from a Teamsters Union but the group is recognized by their employer as being the negotiating team for their employees. They will be entitled to a representative on this Committee.

Mr. Barber said the Board of Directors has decided to develop a mission and vision statement for the Consortium to help identify where the Consortium will be going in the future and what its role is with respect to employees and covered lives and to other municipalities that are looking to join the Consortium.

September is the kick-off month for the Worksite Wellness Coalition. He introduced Ted Schiele from the Tompkins County Health Department. Mr. Schiele said the Worksite Wellness Coalition is made up of employers from throughout the County such as the City of Ithaca, Tompkins County, Cornell University, and Ithaca College. It is an opportunity for employers to get together to talk about worksite wellness programs, share ideas, share expertise, and to hopefully draw other employers into the concept of a healthier workforce makes a more productive workforce and a happier workforce. September is the National "Fruit and Veggies Matter More" month and a kick-off promotion entitled "Put Fruit to Work" that will be encouraging people to eat fruit as a snack during work hours instead of going to a candy machine.

Ms. Parlato arrived at this time.

Mr. Barber said he is trying to help the Board of Directors and its committees by providing educational retreats. The first retreat was held in September 2014 and focused on health care in general and the second was held in June of this year and focused on building a health plan. He asked members to provide input on areas they would like to see included in the 2016 educational retreat. The Board of Directors approved working with ProAct for flu clinics to be held this fall. They will be held on September 24, 29, and 30 and will be held at various locations. An additional benefit was approved by the Board of Directors to include flu shots administered by in-network pharmacies to be covered as a pharmacy benefit. ProAct will handling the scheduling but members may receive a flu shot at any of the clinics.

Discussion of Gold and Silver Metal Level Plans

Mr. Locey distributed spreadsheet relating to the Affordable Care Act Metal Level plans. To date, the Consortium has approved the Platinum and the Bronze plans; discussion is underway on the Gold and Silver plans. He said during discussion with several different municipalities not currently in the Consortium many have the Silver plan and although they have expressed interest in joining the Consortium, a Silver plan does not exist in the Consortium's plan offerings.

He reviewed the actuarial value of each of the plans:

Platinum – 90%
Gold - 80%
Silver – 70%
Bronze – 60%

Mr. Locey said one difference between the Silver and the Gold plans is that the Silver qualifies as a high deductible health plan which is extremely important for the towns currently

looking at the Consortium because they currently have a health savings account attached to their plan for members and one of the ways they negotiated the plans at the beginning was they convinced employees to enroll in the programs, alongside a contribution to their health savings account to help them fund some of their out of pocket expenses. In order to transition into the Consortium they need to have a plan that is similarly situated with a high-deductible health plan that qualifies for health savings account participation. One of the questions Mr. Locey said that has been put forward with regard to the Silver plan has to do with the look of the deductibles and the out of pocket maximums.

Mr. Locey there is some confusion because the Gold plan out of pocket maximum is a little higher than the Silver plan, but upfront with both of these plans the deductible has to be satisfied before anything is paid, including prescription drug co-pays. On the Gold plan the deductible is only \$500 but the Silver plan deductible is \$1,300. This is the biggest variance and what changes the actuarial value the most.

Mr. Locey said from a competitive standpoint and in order for the Consortium to grow and add municipalities these types of programs are need to be made available. He also said at the last Board of Directors meeting a schedule for adjusting the plans moving forward was presented. He explained again that the plans do not guarantee a deductible or co-pay level, they guarantee a percentage of the overall member's healthcare costs that will be covered by the plan. In order to have a process to evaluate the medical design and ensure it continues to meet the plan's definition a schedule was developed to review the plans and to make changes. The intent will be for the process to begin in 2016 for changes to be effective in 2017. At the beginning of the year Locey and Cahill work with Excellus to work through benefit plan designs and perform the actuarial value calculation for the plans. If it falls outside the limits of the standard deviation they will recommend changes to the various committees (Joint Committee, Audit and Finance, and Executive Committees) for review and present to the Board of Directors for approval in September; implementation of the new rates would be January of the next year.

Mrs. Shawley arrived at this time.

Ms. Hersey expressed concern that the language in her contract states that any change in benefit would need to be renegotiated; therefore, from a union perspective she has concerns with ongoing changes being made and how those changes impact members. Mr. Locey said if a bargaining unit did not agree to language that would be needed for the group to have a metal level plan changes could not be made. The metal level plans, because of the way they are structured and represented in most bargaining units that have them, do not define the deductible or co-pay level, the language would say that the benefit would be the equivalent of a particular plan. Ms. Hersey said she would never agree to that in a union agreement because changes and impact those changes could have from year-to-year on a member. Mr. Locey said the changes from year-to-year would be fairly small. He said what is being proposed is that the Consortium have these plans available for those municipalities that need them, noting existing groups would not be forced to move to any of these plans but could negotiate one of these plans or any other of the Consortium's plans. He also noted that when changes are made to a benefit there would be a slight change in premium.

Actuarial Value Calculator Exercise

Mr. Locey distributed copies of a spreadsheet showing user inputs for plan parameters and performed an exercise using the Medicare actuarial value calculator that was developed by the Center for Medicare and Medicaid Services. For anyone wishing to experiment with different inputs the calculator can easily be found by doing an internet search. He walked the Committee through the effects of changes made to different elements within the Bronze metal level plan. Areas where changes can be made include the deductible, coinsurance, out-of-

pocket maximum, and various benefit co-pays. He demonstrated how all of the items within a plan have different co-pays that impact the calculation in different strengths. As he made changes to different plan parameters he ran the calculation and called attention to the impact elements can have on the actuarial value and whether it stayed within the standard deviation.

Ms. Hersey asked who would be involved in evaluating the plans to ensure they remain within the standard deviation range. Mr. Locey said it will be this Committee, the Audit and Finance Committee, Executive Committee, and the Board of Directors working collectively.

Mr. Locey said when making developing the calculations there are limits to what can be done as there needs to be relationships between the numbers. For example, an individual deductible set at \$3,500 cannot have a family deductible at \$4,000; there needs to be an incremental number such as two times.

Wellness Component of Metal Level Plans

Mr. Barber said the metal level plans include a wellness component, however, the Consortium has not adopted a wellness component. Over the last few years the Owing Your Own Health Committee has been working on wellness plans, however, many are worksite related and that is not something the Consortium can get involved in. What it can do, however, is to work with Excellus on the Blue 4U program, a voluntary program that would cost \$150 to the Consortium annually and would include a biometrics screening. This is a fasting blood draw that checks cholesterol, glucose, and other things. There are several places within Tompkins County where the blood draw can be done. The individual would be provided a report that will confidentially inform them of where they are as far as a risk category and provided with health coaching resources or encouraged to seek medical care if they are identified to be at high risk.

Mr. Farrell asked if an individual has all of the information whether they can provide it to the Blue4U program and participate only in the coaching component. Mr. Barber said he would ask Beth Miller.

Mr. Perine questioned what the purpose would be in incurring this expense if they would have to follow up with their physician and be retested which would result in the expense being duplicated. Mr. Barber responded that the amount spent on this program combined with a physician visit would in no way compare to what the long term costs would be of a diagnosis such as diabetes.

Mr. Perine said he doesn't support having the cost paid by the Consortium as he believes every individual should be their own advocate. Mr. Barber encouraged Mr. Perine to attend the Owing Your Own Health Committee meetings where this has been discussed. He further stated Excellus has been able to document through their own processes that in 2½ years they had a 7% reduction in claims costs as a result of people participating in the Blue4U program. Ms. Drake noted the Consortium needs to have a wellness component for the metal level plans. Mr. Barber noted that the \$150 charge would only be incurred for individuals who are enrolled in the metal plan that has the wellness component and who participate in the Blue4U program.

Mr. Murphy asked if there is a requirement to have a wellness component. Mr. Locey said private sector plans all include a wellness component so in order to be on par with what employers had coming into the Consortium there needed to be a wellness component built in.

Ms. Hersey said the concept the Consortium should be pushing is that it wants everyone to have an annual wellness check. It is hoped that this would be a part of it to keep everyone healthy.

Mr. Perine suggested a way to save \$150 would be for the Consortium offer each employee \$50 if they visit their physician and have an annual checkup. Mr. Barber said this is part of changing the culture and that is important because most employees who are covered under municipal insurance are also covered under the retirement plan. This is about how people view preventative maintenance on themselves. The purpose of creating a wellness culture is to see that a person is healthy and happy and can do things they want to do in life for as long as possible. It was noted that the program is entirely voluntarily.

Ms. Nunn said she believes true prevention is changing the culture to prevent people from being diagnosed with things such as diabetes. Mr. Barber said the Blue4U program also has coaching available for those who are low risk.

Mr. Barber said the Committee has also looked at other wellness plans.

Ms. Jobin asked if the Affordable Care Act requires a wellness component. Mr. Barber said it does not; however, the Board of Directors has adopted a wellness component for both the Platinum and Bronze plans.

Mr. Perine said it appears the Committee is looking for the best ways to get people to take care of themselves and take preventative measures towards their health because the healthier people are the more premiums costs will go down. He said he believes offering a financial incentive would be more successful in accomplishing this. Mr. Barber said the Committee has not talked about incentives but would be willing to discuss anything that is brought forward.

New Business

Mr. Bower reported on his efforts to reach out to members to improve attendance. He said contact information appears to be correct and some members just will not attend. He has encouraged those he has spoken with to submit proxy forms.

Mr. Bower suggested putting together information that shows how much a municipality has saved by being a participant in the Consortium. Mr. Barber said Tompkins County put out a report in June that described the over \$1.7 million in savings the Consortium has achieved for the taxpayers in Tompkins County. There is also information showing the significantly lower rate increases the Consortium has had in comparison plans outside the Consortium.

Old Business

There was no old business.

Next Meeting

The following items will be included on the next agenda:

Vote to approve the Gold and Silver metal level plans;
Presentation on Blue4U Program

Adjournment

The meeting adjourned at 3:05 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk