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MINUTES

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

Approved

Present:

Municipal Representatives: 7 members

Judy Drake, Town of Ithaca and Board of Directors Chair (arrived at 1:40 p.m.); Joan Mangione, Village of Cayuga Heights; Michael Murphy, Village of Dryden; Jennifer Case, Town of Dryden; Carissa Parlato, Town of Ulysses; Carissa Parlato, Town of Ulysses; Schelley Michell Nunn, City of Ithaca

Municipal Representative via Proxy: 1

Betty Conger, Village of Groton (Proxy – Judy Drake)

Union Representatives: 7 members

Scott Weatherby, TC3 Staff Unit; James Bower, IUOE Local 158, District 832 Bolton Point; Tim Farrell, City of Ithaca DPW Unit; Olivia Hersey, TC3 Professional Admin. Assoc.; Doug Perine, Tompkins County White Collar President; Tim Arnold, Town of Dryden Teamsters; Phil Vanwormer, City of Ithaca Admin. Unit

Union Representatives via Proxy: 1

Jerry Wright, Village of Cayuga Heights Police (Proxy – Scott Weatherby)

Others in attendance:

Don Barber, Executive Director; Judy Taber, Locey & Cahill; Ted Schiele, Owning Your Own Health Committee

Call to Order

Mr. Weatherby, Chair, called the meeting to order at 1:35 p.m.

Chair's Reprt

Mr. Weatherby had no report.

Executive Director Report

Mr. Barber said 11 responses were received to his request for input on the mission and vision statement. He has been consolidating the information and a group will be established to bring to the Board for consideration. Members of this Committee are still welcome to participate in the process.

He reported on other municipalities interested in joining the Consortium and said the Town Virgil was accepted as a member and additional interest has been expressed by the Towns of Truxton, Marathon, Newfield, and Homer. He and Mr. Locey are reaching out to others to provide information on the process to join the Consortium in the future to avoid a last minute rush by municipalities to take the steps necessary to join.

Ms. Drake arrived at this time.

He reported on the Recertification process and said will be providing the Board with an update at its next meeting. He is still waiting for information from the City of Ithaca and Tompkins County. The tally of members that have submitted is 3% of families that had dependents have had some removed as a result of the process. He noted this only represents one-third of the Consortium's population since information hasn't been received from two large municipalities. Mr. Perine asked why information had not been submitted by the County and Mr. Barber did not know but believes most of the work has been done. Mr. Perine said he would follow-up on this.

Report from the Chair of the Board of Directors

Ms. Drake reported at the Board meeting on November 19 the Board will have a presentation on the Director's and Officer's insurance policy and will be considering a number of resolutions to approve contracts.

Election of Officers

Mr. Barber said this Committee elects officers each year. The current Chair has announced he will be retiring from his position and will not be continuing in that position. The Committee's bylaws state that the Chair must be from labor and elected by this Committee. As Chair, that individual will serve as a Director on the Board of Directors. The Vice Chair is also selected by this Committee and must be from management.

Mr. Murphy asked what the duties are of the Chair and Vice Chair. Mr. Barber said the duties are dictated by the Committee's bylaws and are to chair these meetings and serve on the Board of Directors. He tries to meet with the Chair and Vice Chair to discuss current issues and agendas. The Vice Chair fills in to chair meetings when the Chair is unable.

Mrs. Shawley said she would be willing to serve as Vice Chair again if there is no one else interested. Ms. Hersey and Mr. Bower expressed interested in serving as Chair. This item will be taken up at the next meeting on December 3rd.

Continued Discussion of Retiree Options

Ms. Taber explained there are four different types of coverage for retirees: Medicare A (hospital), Medicare B (physician), Medicare Advantage plans (Medicare C) which typically offer a combination of medical and prescription drug coverage, and Medicare Part D (stand alone drug plans).

She said Medicare is 14% of the total federal budget; one of the reasons is because of the subsidies the federal government offers Medicare Advantage plans. These plans are usually offered by an insurance company and are offered with very reasonable premiums because the federal government offers the subsidies to members who are enrolled in the plan. In order to enroll in a Medicare Advantage plan a person has to be enrolled in a Medicare Part

A&B plan of which the premiums for those plans can be deducted from one's Social Security. In addition, a person can enroll in a Medicare Advantage plan and most offer prescription drug coverage.

In looking at the subsidies paid by the federal government she noted that the federal government pays the insurance company \$800 every month for every member enrolled from Tompkins County to help cover the medical expenses that population will incur. She also noted the subsidy, as well as the rates are different for each county. When a person purchases a Medicare supplement plan to cover the costs Medicare does not cover they will cover at varying degrees the medical costs that Medicare does not pay. The supplemental plan offered by the Consortium covers all of the in-patient deductibles regardless of the service and provides prescription drug coverage to varying degrees. Another difference between the plans is the out-of-pocket maximum and co-pay and deductible levels.

Ms. Taber said the medical costs of the nation as a whole are increasing significantly as more people are having to have health insurance. In New York State the government subsidized a couple of companies to offer plans on the Exchange and subsidized a number of them as an incentive for insurers to offer plans. As a result of the costs increasing so much a number of those plans have gone out of business. In response to a question by Ms. Hersey, Ms. Taber said an insurer receives a subsidy amount based on the county in which the subscriber resides.

Ms. Drake asked what the purpose of the discussion is. Mr. Barber explained that through the Municipal Cooperative Agreement participants have stated that all of the employees and retirees from a municipality need to be part of the Consortium. There are currently small employers in the Consortium that do not comply with this and have Medicare Advantage plans and many of the new towns coming in also have Medicare Advantage plans. The issue as time moves forward and more members are in a Medicare Advantage plan is how the Consortium will respond to this as it tries to keep a uniform population and not have it skewed one way or another. Another point about the Medicare Advantage is that it is in direct competition with the Consortium and what some municipalities are using. He noted that the Consortium cannot compete with a Medicare Advantage plan because of the federal subsidies those plans receive that the Consortium is not eligible for.

Ms. Hersey said if a municipality has a fair amount of over 65 population that is eligible for Medicare and they start being pulled out of the Consortium the rates for other Consortium members will be impacted. There was a brief discussion of the decrease in the amount paid by the Consortium when Medicare becomes primary with it being noted that there is also a significantly higher amount being paid in prescription drug coverage for that population.

Mr. Bower recalled an issue discussed at a previous meeting concerning the financial impact on the Consortium from participants having members in a Medicare Advantage program and whether to charge those municipalities for the loss in revenue. Mr. Barber said this financial analysis has not been done but is an option for the Board of Directors. Ms. Drake spoke of when the Consortium was formed and said some municipalities were allowed to bring actives in without their retirees because the cost of bringing their retirees in would have outweighed the benefit of them bringing in the actives. There is also the issue of the larger municipalities that are looking at a Medicare supplement as well as other members leaving because the premium is too high.

Following a discussion of the potential for increased premiums for the active population if individuals were allowed to move to a Medicare supplement, Ms. Drake said she would like to see what the net affect difference in the active population's premiums would be if 500 retirees moved from their active plan to a supplement plan.

Mr. Barber said the premium the Consortium has is based on expenses and those are not going to change. If an employer reduces the amount it pays to the Consortium by making a benefit change it will have impact on the entire Consortium. Ms. Hersey said for the smaller municipalities this may not have much of an impact but a larger municipality doing this could have a large impact. She stressed of the importance of maintaining a fair and equitable balance with all participants.

Next Meeting Agenda

The following items were suggested for inclusion on the next agenda: Election of leadership and continued discussion of retiree options.

Adjournment

The meeting adjourned at 2:32 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk