



County of Cayuga Health Insurance Consortium Health Insurance Advisory Committee

Meeting Minutes of July 18, 2013

Quorum Members Present: Michelle Anthony (Co Legis Rep), James Orman (Co Treasurer), Lisa Miller (S&W Dir Rep), Terry Debiaw (CSEA), Brian Schenck (DPSA), Alice Sears (NYSNA), Eric Zizza (Faculty)

Quorum Members Not Present: (Co Admin), (Sheriff Rep), (Co HR), (CCC VP), (CCC HR), (CCC Comptroller), (AFSCME), (SEACC), (Ed Supp), (Admin Prof)

Others Present: Judy Tyo, Zach Zuckerman, Brian McNaney, Cortney Haberlau, Marla Connelly, Kathy Johnson, Terri Hoffman

Meeting began at 10:08 am.

1. First Niagara – see attached presentation
2. Board of Directors update:
Wellness program being considered, Medicare advantage program being considered, Budget not set yet – waiting on Excellus renewal
3. Rx drug plan changes – discussion on edits definitions; offer to attend general membership meeting for explanations and Q&A

Next meeting will be Thursday, April 11 at 10 am at Soil & Water

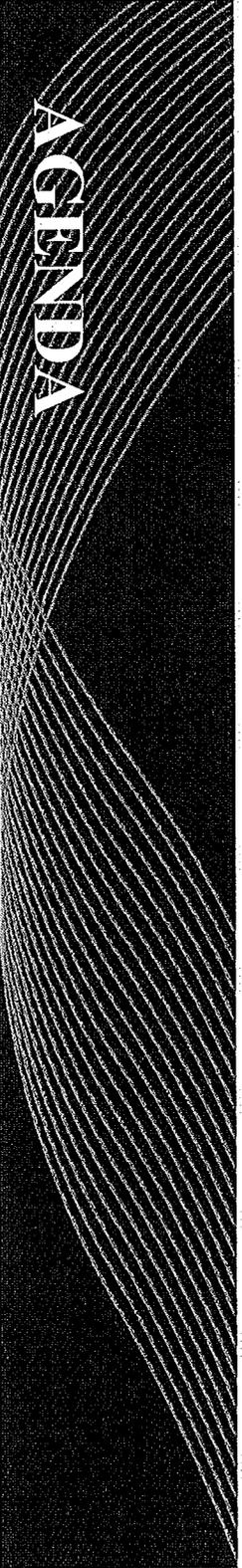
**County of Cayuga Health Insurance Consortium
Health Insurance Advisory Committee Meeting**

July 18, 2013



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NIAGARA**

Benefits Consulting



AGENDA

- Medical/Rx Financial Update
- HealthCare Reform Update

MEDICAL/RX FINANCIAL UPDATE



Plan Costs

Our Review of the Plan Costs 1/13-5/13 as compared to the same time period in 2012.

	2013	2012	% Change
# of Employees	1,278	1,271	Less than 1%
# of Members	2,160	2,141	Less than 1%
Total Medical Claims /Per Member Cost	\$3,156,312/\$1,461	\$3,066,100/\$1,432	2.9%/2%
Total Rx Claims/Per Member Cost	\$1,878,600/\$870	\$1,836,893/\$858	2.2%/1.4%
Total Med/Rx Claims/Per Member Cost	\$5,034,912/\$2,331	\$4,902,993/\$2,290	2.7%/1.8%
Total Medical/Rx Fixed Costs/Per Member Costs	\$255,038/\$118	\$239,237/\$111	6.6%/5.7%
Total Medical/Rx Program Costs/Per Member Cost	\$5,289,950/\$2,449	\$5,142,230/\$2,401	2.9%/2%
Large Claims Over \$50,000	\$554,859	\$321,723	72%

MEDICAL/RX FINANCIAL UPDATE



LARGE CLAIMS

There are five members with claim costs over \$50,000 with a total paid of \$554,859. In the same time period last year, the Consortium had four members over \$50,000 with a total paid of \$321,723. Large claims represent 17.6% of the total medical paid.

PRESCRIPTION DRUGS

Prescription drugs represent 37% of the total claim costs.

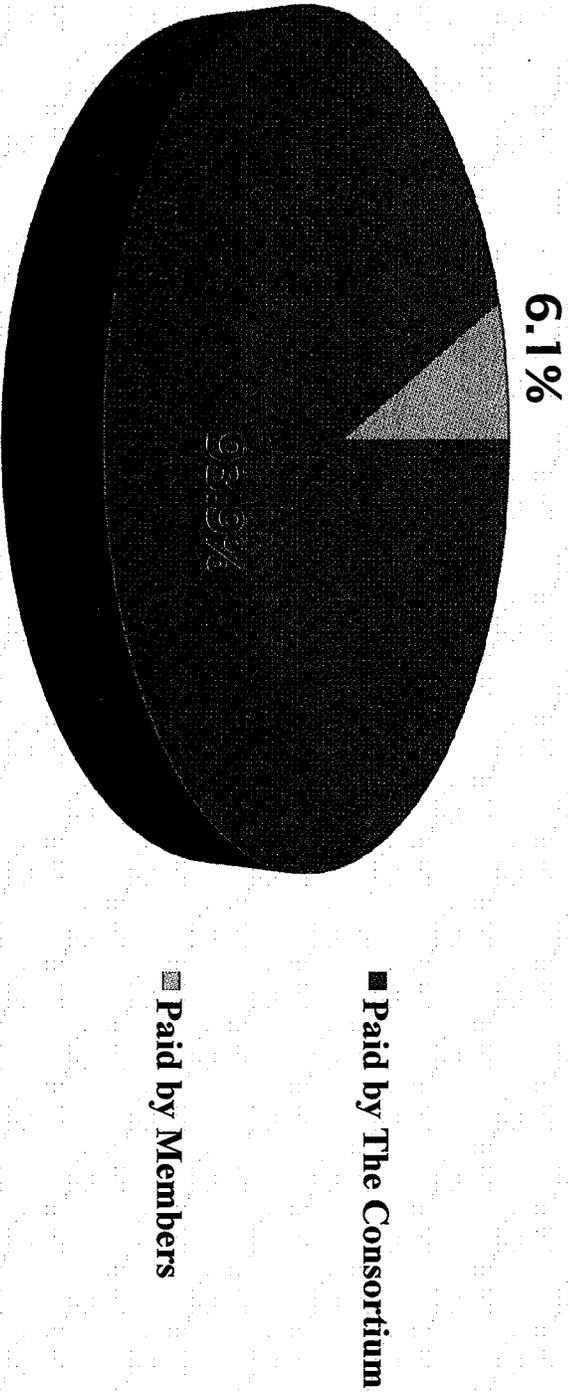
YTD PREMIUM EQUIVALENT

Total plan costs (claims and fixed expenses) were \$5,289,950 which provides a positive balance of \$48,765 when compared to enrollment and premium equivalent rates through 5/31/2013.

MEDICAL/RX FINANCIAL UPDATE



Cayuga County Health Insurance Consortium Employee Cost Sharing (Deductibles, Coinsurance, Copayments)



MEDICAL/RX FINANCIAL UPDATE



Overall Expenses (Paid PMPM)

	2013	2012	% Change	Comparison	Variance
Inpatient Facility	\$49.08	\$72.30	-32%	\$64.62	-24%
Outpatient Facility	\$110.42	\$90.83	22%	\$87.12	27%
Physician	\$119.55	\$111.01	8%	\$97.62	22%
Other	\$13.21	\$12.28	8%	\$9.91	33%
Pharmacy*	\$173.94	\$171.59	1%	\$56.56	208%

**Comparison amount shown is Excellus; Typical Comparison for municipalities is \$135; Consortium is 29% higher than other municipalities*

HEALTHCARE REFORM UPDATE



First Niagara continues to follow the updates and effects due to the implementation of Healthcare Reform (PPACA). Below describes the upcoming effects of the legislation.

Employer Mandate Penalties and Reporting Requirements: The IRS provided formal guidance on the delay of the Affordable Care Act (ACA) large employer “pay or play” rules and related information reporting requirements.

Information Reporting Requirements The following employers will not have to report on coverage they provide:	Pay or Play Requirements Employers will not be required to:
Large employers with at least 50 full-time employees, including full-time equivalents (FTEs)	Consider whether they employ on average 50 or more full-time employees, including FTEs, on business days during the previous calendar year
Employers with self-insured health plans	Count employees’ hours to determine whether they average 30 or more hours per week Offer minimum essential coverage to substantially all full-time employees and dependents
	Offer coverage to employees who average 30 or more hours per week Offer coverage that is of minimum value
	Offer coverage that is affordable

Both the information reporting and the employer pay or play requirements will be fully effective for 2015.

HEALTHCARE REFORM UPDATE



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Plan Design and Coverage Changes:

Excessive Waiting Periods: Effective for plan years beginning on or after Jan. 1, 2014, a health plan may not impose a waiting period that exceeds **90 days**. A waiting period is the period of time that must pass before coverage for an employee or dependent who is otherwise eligible to enroll in the plan becomes effective. Other conditions for eligibility are permissible, as long as they are not designed to avoid compliance with the 90-day waiting period limit.

Coverage for Clinical Trial Participants: Effective for plan years beginning on or after Jan. 1, 2014, non-grandfathered health plans cannot terminate coverage because an individual chooses to participate in a clinical trial for cancer or other life-threatening diseases or deny coverage for routine care that would otherwise be provided just because an individual is enrolled in a clinical trial.

HEALTHCARE REFORM UPDATE



Plan Design and Coverage Changes:

Limits on Cost-sharing: Effective for plan years beginning on or after Jan. 1, 2014, non-grandfathered health plans are subject to limits on cost-sharing or out-of-pocket costs. The annual limitation on out-of-pocket maximums will be the same as those that apply in 2014 to high-deductible health plans (HDHPs) combined with Health Savings Accounts (HSAs). These maximums are \$6,350 for an individual and \$12,700 for a family and include deductibles, coinsurance and copayments.

No Pre-Existing Condition Exclusions

Dependents to Age 26: Plans (including grandfathered plans) now will have to extend eligibility to all children until age 26, even if they were eligible for other employer-sponsored coverage.

HEALTHCARE REFORM UPDATE



Additional fees will be included in the 1/1/2014 renewal as a result of Health Care Reform. The estimated impact on rates for Taxes, Fees, and Assessments is approximately 7%. The definitions of the applied taxes, fees and assessments are as follows.

- **Health Insurer Fee:** set to raise \$8 billion across the industry in 2014 and \$11.3 billion in 2015 & 2016; assessed as a % of premium for coverage in 2014 and beyond; additional increases will apply after 2016
- **Patient-Centered Outcomes Research Institute (PCORI):** \$2 per member per year fee; funds a trust that promotes research to evaluate and compare health outcomes and the clinical effectiveness, risks, and benefits of medical treatments, services, procedures, drugs, and other strategies or items that treat, manage, diagnose, or prevent illness or injury. Fee is indexed to grow with national health expenditures through play years ending prior to 10/1/2019

HEALTHCARE REFORM UPDATE



- **Reinsurance Contribution Fee:** fee funds a reinsurance program for the individual market; fee equates to \$5.25 per member per month for 2014 for all members in group and individual markets; declining fees will apply through 2016
- **NYS Health Care Reform Act (HCRA) Surcharge:** % of NYS hospital services to help reimburse hospitals for losses related to bad debt and charity care; this is not new and has been assessed on prior renewals; this expense is billed through claims
- **Covered Lives Assessment (CLA):** charged in order to fund health programs, including Graduate Medical Education (GME) and general fund obligations; varies based on county and contract type; this is not new and has been assessed on prior renewals; this expense is billed through claims
- **Section 332 Assessment:** supports funding for NYS Dept. of Financial Services; applies to all licensed insurers in NYS; this expense is billed through claims