State of Upstate NY Conference

Presenter: Don Barber

Supervisor Town of Caroline in Tompkins County, Chair of Tompkins County Council of Governments, Chair of GTCHIC Board of Directors
Local Government Cooperation: A Health Care Example

Creating the Tompkins County Council of Governments & Municipal Health Insurance Consortium
Mission of Tompkins County Council of Governments

- Provide forum for discussion and negotiation leading to agreements for more efficient and fiscally responsible delivery of government services
Health Consortium Controlling Costs

- Nearing 40% benefit burden and increasing

- Applied and received incentive funds from NYS DOS: SMSI grant
Lay of the Land

- 17 Municipalities
- Having a Potpourri of plan designs, deductibles, benefits (Indemnity, EPO & PPO)
- Variable number of contracts: 1 to 1,200
- Some but not all provide Health Insurance for retirees
- >2200 potential contracts
- ~25 collective Bargaining units -13 unions
Buy In Issues

- Large Employers May be Reluctant to Join
- Minimal Savings
- Increased Risk
- Loss of Autonomy by All
- Fear of Change
- Show Me the Money
- Short-Term Savings
- Long-Term Stability
Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

- 13 Municipalities (County, City, Towns & Villages)
- 3 Large Employers (greater than 50 employees)
- 10 Small Employers (less than 50 employees)
- Approximately 2,000 Total Employees/Retirees
- 2011 Health Insurance Budget = $26.8 Million
- Only New Article 47 Consortium Since 01-1993
NYS Insurance Law Article 47

- Creates framework for municipalities with <50 employees to participate in a Health Insurance Risk Pool
- Requires minimum of 2000 employees/retirees to be covered at the start
- Requires meaningful role for unions
- Requires formula for pooling risks
Creating TC Health Insurance Consortium

Overarching Goal

Develop a comprehensive health insurance program to cover active and retired employees from municipalities as big as 1,200 contracts to as small as 1 contract that doesn’t decrease benefits and has lower premiums.
What Comes First?

- Employer Acceptance
- Plan Cost and Benefit Development
- Elected Officials Meetings
- Employee/Retiree Meetings
- State Approval Process
Governance Structure

- Board of Directors
  - Authorized Representatives
  - Union Participation on Board
  - One Vote per Employer (Participant)
  - Weighted Voting Model
  - Representations and Warranties
Plan Designs

- Indemnity Plan
- Preferred Provider Organization Plan
- Exclusive Provider Organization Plan

Other considerations
- Consumer Driven Health Plan
- Teamsters Health & Welfare Plan
- Vision, Dental, and Wellness Plans
- Riders to Provide Flexibility
Article 47 Issues

- Approval Process
- Lack of a “Road Map”
- Satisfying Reserve Requirements
- Requirement to Purchase Stop-Loss Ins.
- Clarify Union Participation on Board
Why did Tompkins Succeed?

- Strong Leadership
- County and City Committed Early
- Towns and Villages – Financial Investment
- Unions Worked Collaboratively in Process
- Political Pressure to “Git-r-Done”
- Huge Investment of Time and Energy
- It was the “Right Thing To Do”
Summary - Opportunities

- $944K Premium savings in 2010- by reducing Administrative expenses, sharing risk
- Potential to stabilize fluctuations of premiums
- Potential to further savings by collaborating with other self-insured & risk pool plans
- Potential to reduce rate of premium increase
  - Wellness plans
  - Collaboration with providers to manage delivery costs
Summary - Challenges

- Balancing the needs of County vs. City vs. Towns vs. Villages
- Developing consensus
- Blazing a new trail with NYSID - first to form under Article 47
Summary - Partners

- Department of State
- NYSID
- Providers- Cayuga Medical Center & Physicians
- 13 Municipalities in Tompkins County that have the courage to Lead
Information

http://www.tompkins-co.org/pubinfo/health/

Don Barber:
supervisor@townofcaroline.org