



# LOCEY & CAHILL, LLC

Presentation To:

Greater Tompkins County

Municipal Legislative Leaders

May 2009

# Consortium Goal

- To have the individual Municipalities pool their resources in an effort to provide health insurance plans which are less costly than that which could be purchased by each Municipality on their own while maintaining the level of benefits guaranteed by each Municipality's Collective Bargaining Agreements or Personnel Policies.

# Consortium Estimates 2010

## Income

Premium	\$22,809,775.26
Interest	\$40,000.00
Other	<u>\$0.00</u>
Total Income	\$22,849,775.26

# Consortium Estimates 2010

## Expenses

Paid Claims	\$17,107,875.07
Admin. Fees	\$1,214,400.00
Stop-Loss	\$350,000.00
Legal Fees	\$25,000.00
Consultant	\$50,000.00
Audit Fees	\$5,000.00
Insurances	\$10,000.00
Internal Coordination	\$40,000.00
Other Expenses	<u>\$5,000.00</u>
Total Expenses	\$18,807,275.07

# 2010 Premium Rates

The 2010 Premium Rates have been developed for most every Plan option. Based on the Premiums for the Consortium, the estimated cost increase from 2009 to 2010 will be approximately:

County of Tompkins = 6%

City of Ithaca = 3%

# Estimated # of Contracts

- County  $\approx$  1,200
- City  $\approx$  650
- Villages  $\approx$  100
  - There are six Villages in the County
- Towns  $\approx$  200
  - There are nine Towns in the County

# Article 47 of Insurance Law

- Only Viable Option as of Today
- Adopted January 1, 1993
- Minimum Size Requirement
  - At Least 5 Municipal Corporations
  - At Least 2,000 Covered Employees
    - Active Employees
    - Retirees
    - Dependents / Spouses do not Count

# Benefit Plans Developed

- Indemnity Medical Plans
- PPO Medical Plans
- Comprehensive Medical Plans
- High Deductible Health Plans
- Medicare Supplement Plans
- Prescription Drug Card Plans

# What Will the Benefits Be?

- Benefits Will be Equal to or Better than Existing Plans
- No Increase in Out-of-Pocket Spending
- Multiple Plan Designs Available
- Collective Bargaining Process Unchanged

# Who Will Control Bargaining?

- The Employers will still control the collective bargaining process.
- You will control:
  - Eligibility for Benefits
  - Available Plans
  - Contributions
  - Vesting for Insurance in Retirement

# Employer Protections

- Benefits and Rights Protected by Collective Bargaining Agreements
- New York State Insurance Department Oversight
- Representation in the Process
- Sharing of Information and Results

# Governance of Consortium

- Board of Directors
  - Structure – Section C of Agreement
  - Actions – Section E of Agreement
  - Officers – Section G of Agreement
- Legislative Body Chooses *Representative*
- Participants are the Consortium
- Voting Methodologies

# Is this a Lifetime Membership?

- Although, we believe the goal of the Consortium is for long-term involvement, each municipality has the annual right to opt-out of the Consortium.
- Please see Section O of the Agreement:
  - Notice of Intent to withdraw must be provided prior to October 3<sup>rd</sup> each year

# Time Line

- 05/09 to 07/09 Approve Resolution
- 07/09 to 09/09 Sign Agreement
- 05/09 to 11/09 Informational Meetings
- 09/09 to 11/09 Open Enrollment
- 11/09 to 01/10 Implementation
- 01/01/10 Plan Begins Operations

# Draft Resolution

## DRAFT MUNICIPAL RESOLUTION 4-30-09

### RESOLUTION NO. \_\_\_ AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE GREATER TOMPKINS COUNTY HEALTH CARE CONSORTIUM FOR NEW YORK STATE SHARED MUNICIPAL SERVICES PROGRAM

MOVED by \_\_\_\_\_, seconded by \_\_\_\_\_

WHEREAS, The Tompkins County Council of Governments (TCCOG) is comprised of all the municipalities in Tompkins County, and

WHEREAS, the (MUNICIPALITY) is a member of the Tompkins County Council of Governments (TCCOG), and

WHEREAS, in 2007, the County, on behalf of TCCOG, accepted an incentive grant award under the New York State Shared Municipal Services Program,

# Draft Resolution Continued

WHEREAS, the grant's purpose is to assist the municipalities in Tompkins County create a local municipal health care consortium, and

WHEREAS, the Health Care Consortium will develop health benefits coverage for all participating municipalities with the intent to provide a net savings to the taxpayers of Tompkins County, and

WHEREAS, TCCOG encourages the signature of an inter-municipal agreement by TCCOG members, now therefore be it

RESOLVED, by the     **MUNICIPALITY**    , That the (**CHIEF ELECTED OFFICIAL**) is hereby authorized to execute an inter-municipal agreement effective January 1, 2010 with the Greater Tompkins County Health Care Consortium for the New York State Shared Municipal Services Program.

**SEQR ACTION: TYPE II-20**

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Questions & Answers