

# Consortium Connection

## Greater Tompkins County Municipal Health Insurance Consortium

Where individually and collectively we invest in realizing high quality, affordable, and dependable health insurance

VOLUME 2 - JUNE 2016

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## 2015 Financial Health Report



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Steve Thayer (left) is the Consortium's Chief Financial Officer and the City of Ithaca's Comptroller; Rick Snyder is Treasurer and the Tompkins County Finance Director.

Good news! The year-end reports demonstrate the good financial health of the Greater Tompkins County Municipal Health Insurance Consortium. The two contributing factors were that, collectively, our claims expenses for 2015 were \$1 million less than 2014, and the Consortium's operating efficiency. Our claims-to-expenses ratio remains at an impressive 92%; this ratio is the envy of the industry.

In 2015, the Consortium earned \$37.6 million in premiums and paid \$28.75 million in claims, resulting in \$6.6 million in net income. The Board of Directors used a portion of that net income in approving only a 3% premium rate increase for 2016 in spite of national projected health cost inflation of 8%. The remainder was set aside to offset premium increases or unexpected claims experiences in future years.

You can find more details on the website in the Annual Report section at:

<http://tompkinscountyny.gov/hconsortium>.

Sincerely,

Steve Thayer and Rick Snyder

## We are the Consortium

*Our Mission: an efficient inter-municipal cooperative that provides high quality, cost-stable health insurance for members and their employees and retirees.*

Each of our preventative or clinically necessary healthcare choices affects the Consortium's plan costs and premiums. When our members improve their understanding of the Consortium as well as the healthcare system as a whole, we can all make healthy choices and keep our healthcare costs down. These newsletters will help us become more aware of these costs and prevention options.

So, who are "we" of the Consortium? The Consortium ended 2015 with an average of 2,304 employee and retiree contracts, totaling 5,030 covered lives under single and family plans. Our premiums were disbursed to pay \$20.5 million in medical claims and \$8.5 million in Rx (prescription) claims. The average cost of a claim per covered life was \$5,766, or \$480 per month.

The Consortium's premiums are consistent no matter your age or medical condition or municipality. This is the power of our community "risk pool." One never knows when one will need healthcare. By joining together to pay our equal share of total claims costs, we support our community and in turn receive support when we are in need.



Members and Board of Directors in May 2016.

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WINNER of the logo contest: Tamara Beardsley  
Thank you to the 13 contestants for their ideas. A group of 33 assembled at the May 10th education retreat reviewed all and recommended Tamara's idea. See the winning design on page 3.

## Labor Lens

### Our Governance: Municipalities and Labor Working Together

In the previous newsletter issue, we introduced the Joint Committee on Plan Structure and Design. This committee includes a representative from each collective bargaining unit, and a representative of each participating municipality. In this way, labor and management work together to review and recommend changes to benefit structures and plan designs.

Our current task is to review the Platinum, Gold, Silver, and Bronze benefit plans, and recommend any changes necessary to ensure that the plans continue to pay the approved share of healthcare costs. This often includes balancing priorities. For example, the maximum a member must pay out before the plan kicks in to cover costs must be weighed against the co-pays which the member pays at the time of service.

We meet the first Thursday of every month at 1:30



Labor Directors Phil VanWormer/City of Ithaca, Olivia Hersey/TC3, and Jim Bower/Bolton Point (left to right).

in the Rice Conference Room at the Tompkins County Health Department, 55 Brown Road. On July 7th we will discuss and recommend benefit changes to the Platinum plan. Your input is welcomed and encouraged.

Excellus 

## What Can We Learn from 2015 Medical Claims Data?

The 2015 Excellus Utilization Report is available on our website. The report highlights that the plan-cost-per-employee decreased by 5% from 2014, which was highlighted in the Financial Report section. The main reason was fewer large-loss claims. In addition, hospital admissions were the lowest since our inception. Both of these reductions occurred despite adding 50 new members to our community.

Referring to last issue's article on Emergency Room versus Urgent Care usage, we improved our ratio in 2015. Members made 150 more visits to Urgent Care and 11 fewer Emergency Room visits in 2015.

The report also highlighted that 18% of members account for 80% of the claims costs. This speaks to the power of joining together, and the personal and collective advantages of preventative health care.

### Remember:

Carry your Excellus Consortium card in your wallet for medical claims.  
Use the Pro-Act card for prescriptions.  
We partner with both firms to create an accessible provider network and efficient claims processing by your healthcare providers.

PRO  ACT INC.®

## ...and Prescription Claims Data?

In 2015, 76,027 prescriptions were filled for Consortium members at a cost of \$8.5 million. The Consortium paid 93% of these costs (and members paid 7%).

As a group, we increased our use of generic drugs from 80% of total prescriptions to 82%. On average, this saves over \$300 per prescription filled, and has a lower co-pay for members. (See Wellness on page 4 for more details about generic drug prices.)

The top three categories of prescription usage, in order, are antidepressants, pain relief, and dermatological medications. Good news: the generic fill rate for these top three was 90.5%.

Specialty drugs are the newest on the market, and they are used to fight cancer and other conditions. The average cost per prescription for specialty drugs was \$3,058 for 2015 (compared with \$2,750 in 2014), and the number of prescriptions filled increased to 785 from 746. This sector experienced a 17% cost increase. The Board of Directors is monitoring the specialty drugs sector since it is changing faster than the rest.

*For more information on your benefit plan,  
please visit us at*

<http://tompkinscountyny.gov/hconsortium>

# Setting Premium Rates

To cover the Consortium's anticipated expenses, we multiply the number of member contracts by the cost of those premiums. The Consortium's policy, with the exception of group benefit changes, is that all premiums increase by the same percentage.

At the May educational retreat for Consortium Directors and members, we learned how premiums are calculated. For example, we learned that the ratio between single and family premiums is consistent with your municipal plan's history, but not necessarily consistent between all plans.

We learned there are different premiums between medical and prescription plans, and the reasons for those differences. We also reviewed several examples of the effects of co-pay changes on premiums.

We learned that the "actuarial value" of a benefit plan is the percentage of the healthcare costs the plan pays. This is figured from a Federal Actuarial Value calculator, which has a database of millions of people. The Consortium may need to adjust the actuarial value



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At the Consortium's educational retreat for Directors and members to learn more about our healthcare network, premiums, and plans.

of its Platinum, Gold, Silver, and Bronze plans for 2017 to maintain a consistent share of claims across plans.

## Accessing Your Claims History Online



WEB TUTORIAL -- Have you visited the Consortium's website yet? It is your online portal to information about the Consortium itself, as well as your benefits, premiums, plans, and medical records.

First thing's first... let's go to our website:

<http://tompkinscountyny.gov/hconsortium>

See the blue navigation bar on the left side of the webpage? It looks just like the image to the left of this article! Read down the list, and click on:

### Employee and Retiree Information

At this page, you can access your claims records (click on the Excellus logo and register using your insurance number), get a new copy of your insurance "mobile ID" cards, or read up on rate information coverage. If you have questions, the Consortium's contact information is all available online, too.

## New Consortium Logo in Development

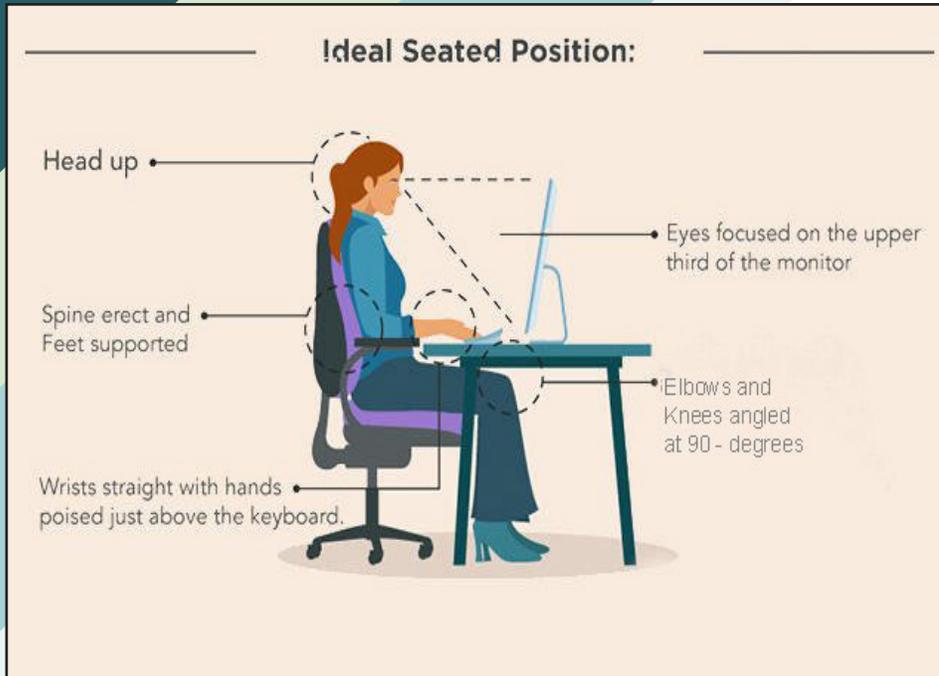
In an open competition, the Board of Directors selected Tamara Beardsley's logo design (at right) as the foundation for our final logo development. We had a number of diverse concepts to choose from.

This submission visually tied inter-municipal cooperation and health insurance concepts together in a way that resonated with the majority of its viewers.



# Wellness

*Wellness is preventative health care that promotes health and prevents disease.*



## Why Should I Choose Generic Prescriptions When Possible?

As a group, we filled 82% of our prescription with generic medications in 2015. This is good for cost savings across the Consortium, but we can do even better. Here is why:

Pharmaceutical companies get a patent when they develop a drug. That

patent provides them protection to monopolize the market while they recoup development costs. Once the patent expires, others can sell an equivalent product, known as a “generic” drug. On average, generic drugs cost 10% the amount of brand name drugs for the same effect.

As patients, you have an important role when your physician writes a prescription or you see the pharmacist. Ask if a generic product is available, which may significantly lower your co-pay and the Consortium plan’s costs, which reduces premiums for all.

If a pharmaceutical company offers to cover your co-pay as an inducement to purchase their brand name product, please remember the cost to our Consortium is still 10 times higher than generic prescriptions.

Average Cost of Prescriptions (by type)



## Tips to Prevent Back Injuries

Back injuries are the second most common injury in the workplace. On average, back injuries cost \$11,645 in medical claims and lost time. Most back injuries are preventable.

When lifting a heavy object, stand close to the load, bend your knees, and lift with your legs--not your back. Keep the load close to you so you can see over it. Stay balanced and do not twist.

For hard-to-reach places, stay close to the load, keep your back straight and stomach muscles tight, push your buttocks behind you, and bend your knees. Use your legs, stomach, and buttocks to lift--not your back.

If you carry a load in one hand, such as a toolbox, place your free hand on the outside of your thigh and mentally “glue” it into position. This will help you maintain correct back alignment rather than lifting and tilting to one side. Remember: when carrying a heavy load, side bending can be just as stressful to the spine as bending forward.

## Open Meetings

### Board of Directors meetings

July 28, September 22, and November 17 (5:30 PM)  
Tompkins County Old Jail Office Building  
First Floor Conference room  
125 E. Court St, Ithaca

### Joint Committee on Plan Structure and Design

July 7, August 4, and September 1 (1:30 PM)  
Tompkins County Health Department  
Rice Conference Room, 55 Brown Road, Ithaca

The Consortium Connection, a quarterly newsletter

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