

**COMMITTEE MEETING  
LAKE PLEASANT, NY  
THURSDAY  
OCTOBER 2, 2014**

**INTERNAL MANAGEMENT COMMITTEE  
9:00 AM**

Members present: Bob Edwards, John Frey, Neil McGovern and Brian Wells

Also present: Bill Farber, Phil Snyder, Clark Seaman, Kimberly Byrne, Tish and Mark from Burnham

Mr. Edwards introduced Personnel Officer Kimberly Byrne. Ms. Byrne handed it over to Mark from Burnham.

Mark announced that their objective today is to review the health insurance renewal. The MVP rates that you are reviewing are still pending; they have not yet been approved. He also has quotes from Excellus. The renewal agenda that is in the handouts pretty much summarizes what is happening with MVP. The rate increase for 2015 for MVP HMO is going up 10.1%. There are some options where we could get that increase down to 5.7%.

The MVP POS which only three people have is going up 11.3%, MVP Medicare Gold will increase 13% and Hartford Retiree medical is still pending.

Overall the increase for 2015 will be around 10.5% and with alternative plans they could potentially get it down to a 5.2% increase.

Mark reported that they did receive a quote from Excellus and with a comparable plan they are still 28% higher than MVP. Excellus offers a higher deductible plan that is still 8% higher than MVP but their Medicare Advantage Plan is 1.5% lower than MVP's Med Advantage.

Mark stated that he feels Excellus is going to have a 13% increase and they filed for 17%. Their Medicare programs are going to be closer to 17% increase. Tish stated the reason why the increase is because of the new tax, the disproportion share hospital tax and claim utilization group increase and the cost of prescription and specialty drugs. A short discussion continued regarding the cuts that are being done.

Mark reported October 7<sup>th</sup> the rates will be on-line for anyone to look at.

In January of 2016 we will have to start doing some reporting to the Government of what happened in 2015. There will be some data collecting and uploading of information such as employee population, the plans that were offered, the contributions rates, etc.

Mr. Farber asked starting January 1, 2015 is there something we need to start collecting for the year end upload. Mark stated yes, they will work with us on that. The IRS has not finalized what they want as of yet.

Mr. Farber asked if more information can be provided at benefits day on the HRA/FSA. Tish stated yes, she will update the sheet which is user friendly and iron out all the kinks.

Mark stated from an employer's perspective you would want to use the employee's funds first.

Mr. Farber stated yes, the employees were not clear on how that worked last year. Trish stated then we need to make FSA first with HRA second, and educate the employees.

Mark started reviewing the bound book handouts.

Mr. Farber stated that Mr. McGovern had already made the point that the towns are already into their budget process. Are all the towns looking at jumping their plans to a higher deductible?

Mr. Frey stated his board has discussed changing what employees are paying. Right now on their high deductible plan the town fully funds; with the deductible card we're talking about a co-pay. Mr. Farber stated you basically do not have any deductibles or co-pays, but are now thinking of some, Mr. Frey stated yes, and/or a possible 5% contribution.

Mr. Farber asked Mr. McGovern if they are looking to change the towns plan. Mr. McGovern stated they have not received the numbers yet from Excellus. In their tentative budget he rolled the dices and put in an 8% increase. There has not been any talk from the board as to having the employees pay anything, they usually adjust through raises. We did anticipate a big jump for the seniors, but if we are looking at a 12% or 13% increase we may have to relook at deductibles to get that number down.

Mr. Wells stated that he is not sure, they are just putting together the numbers now.

Mr. Edwards reported that they currently have a 18% contribution and they will be going to 20%.

Mr. Seaman reported that they have the high deductible and they fund 80% of the deductible which is used first and when they get to that point the employees are responsible for the next \$1,000.00. In addition to that he can almost guarantee that when he is done with the budget process the employees will be making a contribution.

Mr. Snyder reported that he has two employees that pay 20%. They will not be making any changes due to employee changes.

Mr. Frey asked when the board would know what the increases are going to be. Mark anticipates a week.

Mr. Frey feels they need to know the rate before they choose a plan.

Mr. Farber suggested that they try to make the decision on committee day. He also asked if they were going to do anything with the retiree's benefits. Mark and Tish stated the numbers they have for retiree's are real numbers.

After looking over the retiree's options Mr. Farber asked if they are thinking of adjusting the employees but not the retiree's. Mr. Frey stated the increase on the prescription for the seniors would be hard because they take more prescriptions; the increase on the prescriptions on employees isn't as drastic as on the seniors.

Ms. Byrne stated that the seniors are not paying the co-pays for the hospitalization as the employees do.

Mr. Farber asked how many towns are reimbursing Medicare, because we do that at the county. Mr. Seaman stated they do. Discussion continued.

Mr. Frey stated he is comfortable with option A and alternative 2. The discussion continued and all agreed with Mr. Frey in choosing option A, alternative 2.