

FINANCE & RULES COMMITTEE
February 20, 2024

Present: Tom Osborne, Chair; Jeffrey Nellenback, Vice-Chair; Herb Frost; Vincent Nortz; and Barry Lyndaker.

Legislator Osborne called the meeting to order at 2:57 p.m.

Legislator Nellenback moved to approve the January 16, 2024, committee meeting minutes as recorded, seconded by Legislator Frost, and carried.

Broadband Expansion update – Casandra Buell, Planning & Community Development Director

Casandra Buell began the update by outlining the projects that have been finished, are in the works, or could be a potential future project. They are the CDBG project which was completed; NBRC project which was completed; Village and Hamlet Free Public Wi-Fi Access Points which are completed; Spectrum Fiber Build-out which is completed; NYPA Fiber project which is completed; NBRC Catalyst – Fiber and Wireless Expansion which is ongoing; Frontier Communications – RDOF Acceleration which is a potential project; Spectrum Expansion Areas which is a potential project; and ConnectALL MIP Project which is a potential project.

The CDBG Project was a grant award of \$747,709.00 to have Hudson Valley Wireless available in Lyonsdale and Diana. It would include free installation and equipment available to eligible ACP users and the official launch was held on January 10, 2023.

The NBRC Project was a grant award of \$263,053.00 along with a county match of \$65,763.00 to have Hudson Valley Wireless available in the Copenhagen area with free public Wi-Fi Access Points, free equipment available to the first 2300 new enrollees and the project went live in November 2023.

Village and Hamlet Free Public Wi-Fi Access Points was ARPA funds in the amount of \$370,000.00 to create free public Wi-Fi- access points in these locations: Village of Constableville (1); Village of Croghan (3); Hamlet of Harrisville (3); Hamlet of Glenfield (4); Village of Castorland (1); Hamlet of Beaver Falls (2); Village of Turin (2); Hamlet of Watson (1); Village of Lyons Falls (3); Hamlet of West Leyden (1); Hamlet of New Bremen (1); Hamlet of Martinsburg (2); Hamlet of Brantingham (1); and Village of Lowville (2).

Spectrum Fiber Build-Out was a project focused on cost-effective extensions of existing Spectrum infrastructure in areas that were difficult to serve with fixed wireless. This was a public/private partnership to expand fiber to 366 passings in the Towns of Croghan, Denmark, Grieg, Lowville, and Watson. The project was fully

activated in December 2023 and added a total of 386 passings of newly served households/businesses.

NYPA Fiber project is a \$10 million investment from NYS ConnectALL program and Lewis County has apportion located in the Town of Diana. It created 127 passings, so far 77 new users have enrolled with the provider SLIC Network Solutions.

NBRC Catalyst project is administrated by DANC to create dark fiber which will create 178 passings in Denmark, Diana, Turin and West Turin. It will also create Fixed Wireless which create 752 passings in Greig, West Turin, Lyonsdale, Leyden, Turin, Lewis, Watson, Osceola, Montage, Martinsburg, Constableville. The County will invest \$250,000 in a grant match.

An opportunity for Broadband Expansion is through Frontier Communications Accelerated RDOF Deployment. RDOF allows Frontier 6 years to build out fiber, which ends in the fall of 2028. This Accelerated RDOF Deployment is an investment to complete it in 12 months. There are four scenarios or Project options in Lewis County: Towns of Watson/Croghan for 141 passings; Town of Pinckney for 271 passings; Town of Osceola for 325 passings (lowest cost/biggest impact); and Town of Greig for 194 passings.

Another opportunity for Broadband Expansion is through Spectrum for last-mile fiber expansion. This would be available for the Towns of Greig, specifically Burdick's Crossing, Cottage Road, Long Point Road, and Red Pine Point Road. The Town of Watson would also have opportunity with Hemlock Drive, Crestview Drive, Lustyik Road, and Camp Road.

The last upcoming opportunity is ConnectALL MIP grant which is up to \$30,000,000 for last-mile fiber connections with open-access connectivity. Spectrum won't be an option because they won't use open-access connectivity, but DANC is happy to assist with this. This would create an opportunity for public entities, municipal utilities, and utility cooperatives. The Phase 1 is open for eligible public applicants due March 8, 2024; Phase 2 is open for eligible public applicants due April 19, 2024; and Phase 3 is open for eligible private applicants due June 7, 2024. At this point the County is working with DANC to identify the best locations for dark fiber build outs.

Finally, some ongoing broadband planning consists of the FCC Challenges completed in 2023, DANC partnership for dark fiber expansions, grant funding collaborations, and utilization of DANC temporary employees to verify unserved locations in Lewis County.

Lewis County Health Insurance Fund – Ryan Piche, County Manager; Eric Virkler, Treasurer; Suzie Philips & Robert Broccoli of GKG

Ryan Piche began by distributing the Health Plan Management Report that he received over the weekend to everyone. Most of the data that will be reviewed can be found in this report and it is broken down several different ways. Open Enrollment is coming up in April where employees will have the opportunity to change plans, so all the rates need to be locked in prior to that. Each plan has a renewal date of June 1st and premiums are paid a month in advance which means by May 1st employees will see the new rates in their paychecks.

The topics that will be covered are Bid Picture and Terminology; Demographic Breakdown; Review of Health Plans; Review of Claims Data; Financial Review of Health Insurance Fund; and Premium Increase Discussion. Lewis County is “self insured,” meaning we manage our own premiums and claims. Our premiums completely support our claims. Lewis County employees, spouses, dependents, and retirees are eligible for health insurance. Excellus manages our claims, billing, and customer service. Gilroy, Kiernan, & Gilroy (GKG) is our consultant for plan design and insurance management. Milliman is the County’s actuarial consultant.

Suzie Philips reviewed terminology for “premiums” which are the monthly payments made by employees and employer to cover health insurance claims & expenses, “claims” are the expenses incurred when one of our insured individuals requires medical care, “deductibles” are expenses paid-out-of-pocket before insurance coverage kicks-in, and a “copay” is an out-of-pocket payment made by the insured individual for medical expenses.

The demographic breakdown shows that currently there are 1,055 employees/retirees insured. There are 405 individuals who are retirees age 65+, which means they should be on the Medicaid Advantage Plan. There are 280 employees who were hired before 1991 and pay nothing for health insurance coverage; most are over age 65+. In total there are 1,850 total covered lives. In addition, there are 192 employees who receive an annual “opt-out” payment of \$2,000.00 as an incentive not to take county insurance.

The review of current Health Plans shows that the PPO Plan, which is a custom plan is what 68% of employees have. The only tiers available are single or family. This plan has very few copays and none at Lewis County Health System. It is a Union negotiated plan with no new members being eligible as of January 1, 2023 for management exempt/confidential, CSEA Hospital Union, or UPSEU Road Patrol Union. The GKG Benchmark shows that versus similar marketplace plans the PPO is a platinum plan. The current monthly premiums for the single plan are \$249 for the employee and \$747 for the county, equaling \$996. The current monthly premiums for the family plan are \$657 for the employee and \$1,971 for the county, equaling \$2,628.

The Hybrid PPO Plan, which is what 28% of employees have, has three tiers: single, two-person, or family. There are some copays depending on if you are in-network or out-of-network. The County introduced this plan in 2017 and in 2023 it

became a CSEA Hospital Union negotiated plan. The GKG benchmark shows that versus similar marketplace plans the Hybrid PPO Plan is a gold plan. The current monthly premiums for the single plan are \$187 for the employee and \$562 for the county, equaling \$749. The current monthly premiums for the two-person plan are \$364 for the employee and \$1,093 for the county, equaling \$1,458. The current monthly premiums for the family plan are \$527 for the employee and \$1,582 for the county, equaling \$2,109.

The High Deductible Plan, which is what 4% of employees have, has three tiers: single, two-person, or family. There is a \$2,000 deductible for a single and \$4,000 deductible for a two-person or family, which are offset by the Health Savings Account (HAS) that the county helps fund. The County introduced this plan in 2017 and in 2023 it became a CSEA Hospital Union negotiated plan. The GKG benchmark shows that versus similar marketplace plans the High Deductible Plan is a silver plan, but when you add in the HSA benefit it becomes a gold plan. The current monthly premiums for the single plan are \$161 for the employee and \$482 for the county, equaling \$643. The current monthly premiums for the two-person plan are \$313 for the employee and \$939 for the county, equaling \$1,252. The current monthly premiums for the family plan are \$453 for the employee and \$1,358 for the county, equaling \$1,811.

If you look at the annual premiums of current plans the PPO Plan for a single is \$2,988 for the employee and \$8,963 for the county, equaling \$11,951 for the year; for a family is \$7,883 for the employee and \$23,648 for the county, equaling \$31,531 for the year. The Hybrid PPO Plan for a single is \$2,246 for the employee and \$6,739 for the county, equaling \$8,985 for the year; for a two-person is \$4,373 for the employee and \$13,120 for the county, equaling \$17,493 for the year; for a family is \$6,326 for the employee and \$18,979 for the county, equaling \$25,306 for the year. The High Deductible Plan for a single is \$1,929 for the employee and \$5,786 for the county, equaling \$7,715 for the year; for a two-person is \$3,755 for the employee and \$11,266 for the county, equaling \$15,021 for the year; for a family is \$5,432 for the employee and \$16,297 for the county, equaling \$21,729 for the year.

Review of Claims data shows that since January 1, 2023, medical claims paid out have exceeded premium payment paid in by \$1,846,000. Since last year's 15% premium increase effective June 1, 2023, medical claims paid out have exceeded premium payment paid in by \$760,000. Currently, our self-insurance fund is sitting at less than \$500,000, and at times dipped below zero, prompting short-term loans from the County's general fund. The previous plan year June 1, 2022 through May 31, 2023 shows that 3% of members are responsible for 43% of claims, and 64% of members are responsible for about 10% of claims. This points to the fact that we have a small number of members who are considered "high-cost" claimants and a majority of members on the PPO are paying for coverage they don't use.

High-cost claimants are individuals who have \$100,000 or more in claims per year. In the last plan year, the cost for inpatient was \$1,252,363 compared to \$1,849,116 in the current plan; outpatient was \$1,620,816 compared to \$1,372,097 currently; physician was \$364,956 compared to \$576,813 currently; pharmacy was \$864,746 compared to \$1,642,550; totaling \$4,124,362 compared to \$5,497,527 currently. This is roughly 31% of plan costs and is less than 25 individuals. When the health of plan members is compared to the health of plan members from a similar sized plan it shows that Lewis County plan members are significantly less healthy. Last plan year there were 640 members with cholesterol disorders, 41% higher than comparison; 630 members with hypertension, 58% higher than comparison; 427 members with depression and anxiety, about equal; 266 members with diabetes, 86% higher; 159 members with asthma, 30% higher; 110 members with ischemic heart disease, 90% higher; 77 members with chronic obstructive pulmonary disease, 78% higher; and 70 members with congestive heart failure, 138% higher than comparison.

The financial review of the Health Insurance Plan shows that since quarter 2 of 2021, when the fund was \$7,184,916, the balance has diminished to \$784,571. The optimal fund balance would be \$2,000,000 and at the current time it is closer to \$500,000. Last year at this time there was a 15% increase in rates, which we thought would stabilize the plan, not necessarily increase the fund. It appears that it has not stabilized the plan as there has been a continuous increase in claims. The actuarial recommendation by Milliman is that the 2024/2025 plan year will have a cost increase of 24.7%, with a Per Employee Per Month (PEPM) cost of \$2,128.63 and a total plan cost of \$16,858,782.

When looking at health insurance premiums, back in 2018 a resolution was adopted by the legislators to govern the health plans based on actuarial recommendations. The 2024 adopted budget built in a 7.5% increase for health insurance premiums. An aggressive move would be to only raise premiums 17% which has a 75% chance of exceeding the budget; a more neutral budget move would be to increase premiums 25% which has a 50% chance of exceeding the budget; and a conservative budget move would be to increase premiums 34% which has a 10% chance of exceeding the budget.

If the county implemented a 25% increase on premiums the PPO Plan for a single would be \$3,735 (\$311/month) for the employee and \$11,204 (\$934/month) for the county, equaling \$14,939 for the year; for a family it would be \$9,854 (\$821/month) for the employee and \$29,560 (\$2,464/month) for the county, equaling \$39,414 for the year. The Hybrid PPO Plan for a single would be \$2,808 (\$234/month) for the employee and \$8,424 (\$703/month) for the county, equaling \$11,231 for the year; for a two-person it would be \$5,466 (\$455/month) for the employee and \$16,400 (\$1,366/month) for the county, equaling \$21,866 for the year; for a family is \$7,908 (\$659/month) for the employee and \$23,724 (\$1,978/month) for the county, equaling \$31,633 for the year. The High Deductible Plan for a single would be \$2,411 (\$201/month) for the employee and \$7,233

(603/month) for the county, equaling \$9,644 for the year; for a two-person it would be \$4,694 (\$391/month) for the employee and \$14,083 (\$1,174/month) for the county, equaling \$18,776 for the year; for a family it would be \$6,790 (566/month) for the employee and \$20,371 (\$1,698/month) for the county, equaling \$27,161 for the year.

If you look at the cost of the PPO Family Plan for an employee it would be \$821/month, which is \$9,852 a year. The average employee salary is \$52,000 a year, which means health insurance is 19% of their gross income before taxes and retirement are taken out. The total annual cost of this plan is close to \$40,000! The budget implication of a 25% premium increase to the county is roughly \$600,000 of unbudgeted funds, or 1% of the overall budget. The budget implication of a 25% premium increase to the hospital is roughly \$1,300,000 of unbudgeted funds, or 1.5% of the overall budget.

Health Plan Cost Saving Initiatives that are within the County's control and have been implemented are Rx Utilization Management Programs like prior authorizations, step therapy, quantity limits, generic advantage program, and mandatory mail order; SaveonSP which is a specialty copay assistance program; RationalMed which alerts dispensing pharmacists to avoid duplication, omission of care, drug interaction, and adverse events; Pharmacy Concierge which drives appropriate utilization of medications while ensuring patients are benefiting clinically; Retire Drug Subsidy Re-Opening which has been in place over the past several years; Engagement with Remedy Analytics, which is an Rx consulting firm that resulted in improved PBM contract terms (discounts and rebates) and ongoing audits; Medicare eligible retirees were moved to a fully insured Medicare Advantage Plan through Broome County Purchasing Alliance, enabling the County to take advantage of a NYS Shared Services match.

Health Plan Cost Saving Initiatives that cannot be made unilaterally and have not been implemented are Health Plan benefit design changes (deductibles, copays, coinsurance, out of pocket maximums, and limits); Rx Formulary changes like moving to a closed formulary; Health Plan premium contribution percentages, which are currently negotiated at County 75%/Employee 25%; Spousal Surcharge, which can be used to encourage spouses to take their own employers insurance; and Contribution Percentages that are tied to wellness participation and outcomes. Consultant comparisons show that the average initial increase issued for Experience Rated Groups (over 100 enrolled on the plan) was 17.28%, with a high of 27%. The average initial increase issued for Block Rated Groups (over 100 full-time employees, but less than 100 enrolled on the plan) was 19.67%, with a high of 41%. The average increase for our large, self-insured groups was 6%, with a high of 15%.

Potential options at this point are to increase premiums for all three health plans by 25%; implement different percentage premium increase on each different plan, which is what administration recommends; utilize General Fund to subsidize the Health Insurance Fund; or issue and RFP for Fully Insured options, which would

be a 6-12 month process). The next steps would be discussion and reflection on this topic, but a decision would be needed in order to adopt a resolution at the April 2nd board meeting. Premiums would need to be increases for the June 1st policy period which means the increase would be reflected in the May paychecks. The rate increase is to stabilize the fund balance, not increase it. The county needs to increase focus and investment on employee wellness. The County also needs to work more closely with the CSEA to make adjustments to the PPO plan to contain costs, as there has been zero plan changes in over a decade.

Excellus fully insured rates, effective last June, compared to our rates show that the PPO Plan would have been 34% higher for the individual plan and 39% higher for a family plan. The Hybrid Plan would have been 53% higher for the individual plan, 101% higher for the two-person plan, and 55% higher for the family plan. The High Deductible Plan would have been 20% higher for the individual plan, 54% higher for the two-person plan, and 19% higher for the family plan. Legislator Leviker questions when the state match for switching the retirees to the Advantage Medicare would come in, Ryan stated that the funding would come in 2025.

The following dockets were reviewed:

1. Establishing Employee Standard Work Day for all employees and reporting days worked to the New York State and Local Employers Retirement System.
AYE 5 NAY 0
2. Authorizing agreement with Coughlin Printing to develop up to 25 municipal websites and their associated email addresses to provide easy access for members of the community and to access secure and reliable email addresses of officials and to provide for Coughlin Printing to bill the County based upon time, materials, and overhead, for a total cost estimate of \$198,868.00.
AYE 5 NAY 0
3. Authorizing agreement with General Code, LLC to digitally codify 23 Lewis County municipalities using the company's eCode360 Platform and to provide General Code, LLC to bill the County based upon time, materials, and overhead, for a total cost estimated not to exceed \$345,000.00. *In response to Legislator Nortz, some Towns already have this system in place.*
AYE 5 NAY 0
4. Awarding bid and authorizing agreement under the County-Wide Design Guidelines Project to In-Site: Architecture, LLP of Perry, NY at a cost not to exceed \$32,000.00 and to include providing reports to County Departments involved in the project with an anticipated completion date on or about July 31, 2024.
AYE 5 NAY 0
5. Authorizing the Planning & Community Development Department to submit the online application to Empire State Development's CAO for up to \$30,000,000.000 under Municipal Infrastructure Program (MIP) funding to develop open access and last-mile fiber optic broadband infrastructure to connect unserved households and businesses with high-speed internet with the assistance of DANC.

AYE 5 NAY 0

6. Approving correction of tax bill pursuant to the franchise agreements between Time Warner Cable, TCI, and various towns to chargeback to Towns the total amount of \$10,796.09.

AYE 5 NAY 0

7. Urging NYS Legislators to Advocate on behalf of SUNY Community Colleges for increased funding in the FY 25 State Budget.

AYE 5 NAY 0

With no other business to come before the committee Legislator Nellenback moved to adjourn the meeting at 4:16 p.m., seconded by Legislator Nortz, and carried.

Respectfully submitted,
Cassandra Moser, Clerk of the Board