Four counties and the Tompkins County Healthcare Insurance Consortium signed an Intermunicipal Agreement (IMA) on August 15, 2018, to form the Municipal Healthcare Financing Collective (MHFC). The Collective was created as an entity to explore ways to stabilize and/or reduce the cost of healthcare insurance for self-insured counties and eligible municipalities. The initial focus of the MHFC is to explore ways to reduce the cost of stop-loss insurance, which is a sliver, but often costly, piece of health insurance expenses for self-insured counties. The five entities that created the MHFC are Columbia, Herkimer, St. Lawrence, Ulster, and the Tompkins County Healthcare Consortium. Other counties have indicated an interest in participating in the Collective in 2019.

The MHFC stop-loss program was created by NYSAC in partnership with Relph Benefit Advisors (RBA) in early 2017 to enable self-insured municipalities to share high claims risks in a captive program with the prospect of lowering the number of high cost claims and realizing a return of a portion of premiums back to the municipality. RBA created a similar program for a collective of small colleges in New York five years ago, and the members of that collective have received returns of premium each year that they have been in operation. RBA then started a similar program with a group of other non-profits in January 2018. The MHFC stop-loss program is slated to begin in January of 2019.

With the IMA executed, NYSAC continues to work with the MHFC members to draft and adopt by-laws that will govern the ongoing operation of the Collective. At the same time, RBA gathered claims data and insurance policies from the members and prospects in order to provide competitive stop-loss premium quotes for the FY 2019.

The stop-loss program is a combination of traditional stop-loss coverage and the participation in a stop-loss captive. The captive layer will cover the claims up to $300,000 over each entities’ high claims threshold, with claims exceeding that layer being covered by the traditional stop-loss insurance carrier. The amount of funds remaining in the captive layer after the fiscal year claims are all paid will be returned to the municipal members on a pro-rata premium share.

NYSAC has been working for several years, under the direction of the NYSAC Board of Directors, on identifying programs and services that can help member counties operate more efficiently and save taxpayer dollars on non-mandated programs and services. For many years, health insurance has been one of the highest-cost non-mandated functions for county governments. This led the Association to explore a number of programs that could help reduce health insurance costs.

As a result, NYSAC also has a partnership with ProAct for pharmaceutical benefits and a discount prescription drug card available to residents in participating counties, and a partnership with Health Economics Group (HEG) for a county dental network card program that provides counties with reduced dental benefit costs and access to a network of dentists that charge reduced rates for residents that do not have dental insurance.

The MHFC is a program specifically designed to help self-insured counties and other self-insured municipalities or health consortia to aggregate their contracted lives to reduce their risks and reduce costs for health insurance expenses.

For more information, contact Relph Benefit Advisors directly by calling Eric Lintala at 800-836-0026, ext. 320, or call NYSAC Deputy Director Mark LaVigne at 518-465-1473.