
AGENDA

Board of Directors Meeting

October 28, 2010 – Old Jail Conference Room

(free parking in County lots after 5:00 pm)

1. May 27th minutes, September 23rd minutes VOTE
2. Ancillary benefits - VOTE
3. Appeals process – Board elections
4. Appoint Nominating Committee for 2011 officers
5. Administration person
6. Errors and Omissions insurance vs. Directors and Officers insurance
7. Roll out plans
8. MEDCO and Excellus communication links
9. Consultant RFP update – responses due Nov. 1st
10. Joint Committee's organizational meeting

Presentation dates for Towns & Villages (City and County dates are different dates/locations):

Nov. 1st Monday

11:00 Village of Trumansburg Hall (56 East Main St.)

1:30 Town of Ithaca Public Works Barn (106 7 Mile Dr.)

Nov. 3rd Wednesday

11:00 Town of Groton Court Room (101 Conger Boulevard)

2:30 Bolton Point (1402 East Shore Dr., Ithaca)

Nov. 8th Monday

10:00 Town of Ithaca -Town Hall (215 N. Tioga St.)

1:00 Town of Dryden - Town Hall (93 East Main St.)

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors**

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

May 27, 2010 MINUTES
Old Jail Conference Room
Agenda ****

DRAFT

1. Approve April 2010 Minutes VOTE
2. Reserving requirements/ Financial instruments
3. Union participation/ Joint Committee update

****Disclaimer: While these items have been discussed, NONE of them have been voted on or finalized. All plans are in the DRAFT phase.*

Present:

Municipalities:

City of Ithaca - Steve Thayer, County of Tompkins - Joe Mareane, (Proxy)
Town of Caroline - Don Barber, Town of Danby - Laura Shawley, Town of Dryden - Mary Ann Sumner, ,
Town of Groton - Glenn Morey
Town of Ithaca - Judith Drake, Town of Ulysses - Lucia Tyler, Village of Cayuga Heights - Kate Supron,
Village of Dryden - Charles Becker, Village of Groton - Elizabeth T. Conger, Village of Trumansburg - Debbie Nottke (Proxy)

Union:

CSEA - Chantalise Demarco, President TC3 PAA - Darlene Finn

Absent:

Town of Enfield

In attendance:

Town of Ulysses Roxanne Marino, Locey & Cahill - David M Sanders, County Administration - Marcia Lynch,
County Finance - David Squires, TC3 - Sharon Dovi, CSEA - Margaret Lloyd, Town of Danby - Ric Dietrich,
Ithaca Journal - Stacy Shackford

Welcome Agenda

Chair Don Barber called the meeting to order at 4:31pm.

1. Approval April 2010 Minutes

The minutes were reviewed by the Board of Directors.

Motion: Glenn Morey

Second: Laura Shawley

Comments:

Mr. Barber requested the following changes;

Page three first paragraph (\$2,254,027.58) change to (\$2,265,721.58)

Fifth paragraph "Cash Flow" change (1.9 million) to (1.2 million)

Carried: Unanimously

2. Reserving requirements/ Financial instruments

Mr. Barber began with an announcement that the NYSID must make several key decisions in order to allow the consortium to move forward. Of the three remaining issues, which require approval, the NYSID has had three, two and this month respectively to research and provide the consortium with guidance, policy or an assessment

2

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

on these three key issues.

Mr. Barber stated that this has become a political issue, requesting that anyone with association to lawmakers to inform them of the situation and request for a timely review of the last remaining obstacles.

Mr. Barber reviewed the consortium Capitalization worksheet, which presented 2010 premiums, percent per municipality, capitalization based on a five year timeline, and annual capitalization payments based on a five year timeline.

Interest and payments must be reviewed as an additional premium, therefore the BOD will review capitalization, interest and other options to be determined in future meetings. Mr. Barber notes that today, this meeting, is to determine proposal, prorata of total reserves, and commitment, in creating a 2.266 million dollar reserve requirement determined by the NYSID to satisfy Article 47 requirements. This will be extremely helpful when requesting that the NYSID make timely decisions.

Each is to pay upfront additional funds, which will be paid back within five years.

Why pay more?

Simple, buy into the consortium, illustrate municipal commitment, reap the benefits associated with the consortium model and being part of a larger group.

Will each municipality be paid back interest for the "capital investment" per say?

Not necessarily, the BOD will have to determine whether or not to provide interest over the five year period and at a rate determined by the BOD. Another option is to pay back each municipalities investment principle only, and use additional funding to ensure stability of premiums or decrease premiums. Again, this is a decision which will be made by the BOD.

A decision on adopting a Resolution which will determine the consortium's intent.

All the discussed options are considered legal, but are they allowable by the NYSID?

NYMIR is the model we are hoping to follow with the Capitalization, but they are totally different types of insurance. This remains a gray area, until NYSID provides feedback.

Another funding obstacle is many municipalities have budgeted their 2010 funding under the assumption that they were to switch to the consortium plan sometime this year, January 1 or June 1st, both self-imposed deadline have passed. The Town of Ithaca is expected to lose \$150,000 if they do not switch this year. This will effect capitalization funding by many.

Individual municipalities discussed their board concerns regarding funding/ capitalization numbers. Mr. Barber stated that our goal is to show the State a significant effort; he concluded with a recommendation that each municipality takes the following idea back to their respective boards, for feedback.

When asked what happens if the NYSID returns with a "No", Mr. Barber stated that we will be one million dollars short of the reserve requirement.

Mr. Barber remarked that no action be taken at this time, that all in the room have a common goal that "we are still in this together."

3. Union participation/ Joint Committee update

Mr. Barber began with thanking both CSEA - Chantalse Demarco, President and Darlene Finn, TC3 PAA - for their work and efforts with the following Agreement and working on the concept.

Mr. Barber read the most recent resolution which was forwarded via e-mail earlier today. Mr. Barber read the newest version of the resolution to the BOD.

3

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Approval of the Change to inter-municipal cooperative agreement inclusion of two (2) Labor Union Officials on the Board of Directors

Motion: Don Barber
Second: Elizabeth T. Conger
Discussion:

Mr. Barber requested the following changes:

Change

Whereas, the Consortium must include Labor/ Union representation on its Board of Directors, as required by Article 47 of NYS Insurance Law.

To

Whereas, inclusion of Labor/ Union representation on the Board of Directors, is required by Article 47 of NYS Insurance Law.

Change Section K

Change ALL Advisory Committee to Joint committee

Reasoning: Group will be working on plan structure and design, rather than advising

Change Section K , part (5) five to:

The Union Members of the Joint Committee shall select from its members, an additional at larger individual to serve as a voting member on the Board of Directors of the Consortium. If the number of municipal members on the Consortium rises to seventeen (17), the Union members of the Joint Committee shall select from among the union membership, an additional individual to serve as a voting member on the Board of Directors of the Consortium.

Vote on amendments made: Move: Don Barber Seconded: Mary Ann Sumner Unanimously Approved

Vote on the amended motion: Unanimously Approved

Final Resolution: Approval of Change to Inter-Municipal Cooperative Agreement – Inclusion of Two (2) Labor/Union Officials on Board of Directors

Whereas, the inclusion of labor/union representation on its Board of Directors is required by Article 47 of NYS Insurance Law,

Now, Therefore, be it Resolved, that the Consortium hereby agrees to include two (2) labor/union officials as voting representatives on its Board of Directors, effective as of the date of this resolution, and be it further

Resolved, that in order to maintain the general proportion of labor/union representation on the Board (15%), the number of labor/union representatives on the Board of Directors shall increase to three (3) if the number of municipal members on the Consortium rises to seventeen (17), and be it further

Resolved, that the working of Section K of the Municipal Cooperative Agreement read as follows:

Consortium Members:

- County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
- Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
- Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

From Municipal Cooperative Agreement:

K. JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN.

1. There shall be a Joint Committee on Plan Structure and Design (the "Joint Committee"), which shall consist of (a) a representative of each collective bargaining unit that is the exclusive collective bargaining representative of any Enrollee or group of Enrollees covered by the Plan(s) (the "Union Members"); and (b) a representative of each Participant (the "Management Members".) Management Members may, but are not required to be Directors.
2. The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters. The Chair of the Joint Committee shall report such findings and recommendations to the Board at any regular or special meeting of the Board.
3. The Joint Committee shall select (a) from among the Union Members, an individual who shall serve as Chair of the Joint Committee; and (b) from among the Management Members, an individual who shall serve as Vice Chair of the Joint Committee. The Joint Committee shall establish its own parliamentary rules and procedures.

Other topics:

Weighed voting model was discussed by Mr. Mareane regarding different scenarios of number of smaller municipalities. (A sheet was previously emailed-see attached.) The sheet showed how the 2 votes of the union representatives would affect the weighted voting model. In all the scenarios, if both the City and County voted together a minimum of 3 smaller municipalities would need to vote with them to reach the 2/3rds number needed.

Questions were raised about how the NYSID will react to discontent by Unions that do not show interest in the Consortium concept. The thought of getting 100% of the all the unions was impossible. Insurance Department will need to decide if they will accept the percentage that we do receive.

Issue and concerns over the way the County chose to change the time of the meeting without asking for feedback or consensus was raised by several municipalities. Note: the time was changed from 5:30 to 4:30, due to a County event scheduled that evening, which involved its' BOD. Any change should be through all BOD members and feedback provided by all.

Unless good news is received prior the next meeting will be the last Thursday of the June.

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors MINUTES
September 23, 2010
Old Jail Conference Room
Agenda *******

DRAFT

1. Approve August 2010 minutes **VOTE** (see attached)
 2. Adopt 2011 budget **VOTE**
 3. Roll out plans to employees – discussion
- 5

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulisses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

4. Request for Proposals - discussion
5. Administration coordination – discussion

****Disclaimer: While these items have been discussed, NONE of them have been voted on or finalized. All plans are in the DRAFT phase.*

Present:

Municipality Representatives:

City of Ithaca – Carolyn Peterson, County of Tompkins – Anita Fitzpatrick
Town of Caroline - Don Barber, Town of Danby-Laura Shawley & Ric Dietrich, Town of Ithaca - Judith Drake,
Town of Ulysses- Lucia Tyler, Village of Cayuga Heights – Kate Supron, Village of Groton- Elizabeth Conger

Union Representative:

CSEA - Chantalise DeMarco, President
TC3 Professional Admin. Assoc. - Darlene Finn, President

Absent:

Town of Groton-Glenn Morey, Town of Dryden - Mary Ann Sumner, Town of Enfield-Herb Masser, Village of Dryden- Charles Becker, Village of Trumansburg- Rordan Hart

In attendance:

Locey & Cahill- Steve Locey
County - Joe Mareane, David Squires and Jackie Kippola
TC3 – Sharon Dovi, CSEA – Margaret Lloyd
TC3 Professional Admin. Assoc.- Kate Nagle, LRS

Welcome Agenda

Chair Don Barber called the meeting to order at 5:35pm.

Add to the agenda: Create a Planning Committee, update on Errors and Omissions Insurance and the Joint Committee.

Approval of Minutes -August

Motion made to approve August minutes by: Carolyn Peterson Seconded: Elizabeth Conger

Vote:8-0 Unanimously Approved

May 27th meeting minutes have not been approved yet. The May 27th meeting minutes will be presented for approval at the October meeting.

Adopt 2011 budget

Don Barber explained that the budget was passed out last month so municipalities have had time to review it. Steve Locey again handed out the 2011 budget worksheet that was submitted with the Article 47 application to the NYS Insurance Department. The BOD were reviewing the column titled “2011 Fiscal Year.” The revenue projections have to be met to meet NYSID requirements. The budget presented has been approved of by the NYSID.

Steve Locey passed out the plan rates sheet and a sheet showing comparison for each municipality from the 2010 consortium rates to the 2011 consortium rates. The rates show a 9.5% increase in the premiums. The rate sheet shows the amount for medical plans and another amount for prescription drug plans. Participants would need to add the two numbers together to come up with the full plan rate. Steve explained that the consortium needs to generate \$26.8 million in revenue, based on the budget presented to the NYSID.

6

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Joe Mareane asked if the 2010 rates are the rates that would have been in affect if the consortium did start in 2010. Steve Locey – That is correct. Each municipality will need to compare their current 2010 rates with Excellus or Teamsters to the 2011 Consortium rates.

Kate Supron asked about comparison for VCH as they are planning to bring just the retirees until negotiations are worked out with Teamsters. The yellow highlight is the Teamsters group if they are brought on for medical. The other line is the plan the retirees would be coming into and the rate associated with that plan.

Carolyn Peterson asked about the rate sheet. Steve Locey explained that you do need to add the medical and the prescription together to get the total that is on the comparison sheet. Carolyn asked if anyone had chance to review the rates prior to tonight. – No, however they represent the 9.5% that has been talked about for a few meetings.

Steve Locey explained that the counts of participants per plan on the comparison sheet haven't been updated in a while. Those numbers will be work out by the time the January billing goes out. Steve Locey said that we have this tonight because the BOD has to act on the rates before Oct 15th. Desire was to approve these tonight, so every municipality could have rates for budgeting purposes.

Don Barber reported that the NYSID did receive all the information they requested. They did tell Don Barber that they expect to have the Certificate of Authority approved by October 1st.

Steve Locey explained that originally the budget had lower rates but the NYSID required that they be raised to 9.5%. This was due to the IBNR requirements that were discussed at prior meetings.

It was requested that Steve Locey produce a rate comparison for current 2010 rates for versus 2011 Consortium rates. There was discussion regarding the census count and whether they are correct for each entity. David Squires explained that he did have census information from Excellus for the number of staff at each location, except for the Town of Dryden. Steve Locey felt comfortable with the total numbers enrolled for each municipality.

RESOLUTION- ADOPTION OF 2011 BUDGET

WHEREAS, the Board of Directors has thoroughly reviewed the consultant's recommended 2011 budget for the Greater Tompkins County Municipal Health Insurance Consortium; now, therefore be it

RESOLVED, that the 2011 Budget is adopted by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium on this date, in accordance with Article 47 Health Insurance Law for a total expenses amount of \$26,386,347.86.

Moved: Carolyn Peterson Seconded: Anita Fitzpatrick Vote: 8-0 Unanimously approved

Discuss the role out of Plans to the employees

There are meetings to be set up with representatives from Excellus and Medco. The meeting for retirees was held earlier this week. Meeting went well with over 80 attendees from the County, City and Town of Ithaca.

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Jackie Kippola would like to set up 4 meetings for employees in early November; a couple in the downtown area and a couple in other outlining areas. The meetings would not include the County employees, as their meetings may occur in conjunction with their Benefits Fair. The meetings would be informational and would have representatives in attendance. There was discussion about when the best time would be. Jackie will provide draft letters that can be used by the municipalities to use to invite staff. The plans are on the website for municipalities to use that show the side by side of the current plan versus the Consortium plan. Kate Supron asked for another session for retirees be held.

Steve Locey has been working with Excellus and Medco on expectation of when information will be coming out to the employees such as ID cards. Medco will also be sending prescription information for mail orders and ID cards. Beth Miller, Excellus and Gina Wiseman, Medco will be coming down to meet with staff. Steve Locey is trying to get a timeline of when the different activities will be occurring. Steve Locey is working on getting plan documents out to each municipality.

Discuss Request for Proposals–

Ancillary Benefits (e.g.: Dental, Life, Disability):

Ancillary benefits are being looked at out in the market through the County's broker. Jackie Kippola needs to have the census data to be able to send with the requests for proposals. Don Barber explained that it will include Town of Dryden and Caroline and Village of Cayuga Heights.

Steve Locey did make another request to Teamsters to allow us to purchase the ancillaries through them. Teamsters has a meeting October 1st where the request will be discussed. Steve Locey is also working with CSEA to see if the benefits could be purchased through them. Several options are all being explored at this time.

Don Barber thanked Jackie Kippola for the work behind the scenes that she has done for the Consortium.

Plan Administrator Consultant:

Don Barber explained that Steve Locey has been working with us through a contract to help us get the Consortium up and running. Beginning next month we should be up and running as we will have the Certificate. We should be looking at another description of the consultant's role. We should also put out another RFP process for a consultant. Don was asking for volunteers to work with Jackie Kippola on creating a RFP for a consultant. Mary Ann Sumner was recommended. Jackie Kippola, Mary Ann Sumner and Don Barber will work on the RFP. Hopefully in November we will be looking at the proposals for the consultant.

Discuss Administration Coordination

Steve Locey opened the discussion with the fact that the Consortium may establish an administration person to be a liaison for the smaller employers. In the budget there was some money put in to provide some administration support for the Consortium. The entity providing that service would be reimbursed by the Consortium for time and supplies, as there is a small amount in the budget for this service. Don Barber asked if any of the larger employers might have someone that could fill that role. If not, then would we want to find a person to fill that role?

Joe Mareane asked if it was a help desk person. Steve Locey said they would be support to answer questions from staff or retirees. The goal would be to have a person that was fully versed in the health insurance lingo. The person should not take the place of work that should be done by Excellus or Medco's customer service staff. Don asked to have the City, County and Town of Ithaca to talk about the idea for the next meeting.

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Other topics added and discussed:

Appeals Board:

Steve Locey explained that one requirement is that an Appeals Board be established to review appeal requests. Some services won't be reviewed by this board, but will be reviewed by the State Insurance Department (medical necessity, experimental, and investigational claims.)

There are other situations that a review needs to be done, such as benefit interpretation. The review process through Excellus would need to be done before it would come to the Appeals Board. The Appeals Board would make a recommendation to the full BOD for a final vote on the matter. The Appeals Board would only meet on an as needed basis. There would need to be volunteers from the BOD to serve on this Appeals Board.

Anita Fitzpatrick asked about the volume of appeal requests. Steve Locey's past experience is about 5 times a year. Steve Locey will provide some ideas of what type of appeals requests will come before the Appeals Board. It was also suggested to have some training for those who do volunteer.

Creation of a Health Benefits Planning Committee:

A draft resolution was passed out and explained by Don Barber. The committee would include others from the community and other employers. The committee would be appointed by the Consortium Board, so there is some control as to who the members would be. The committee could look at projects that would be assigned by the BOD. Carolyn Peterson thought the committee would be a good idea. Lucia Tyler wanted someone to look at best practice and this committee would help with that. Don Barber explained that this committee would not be over riding or in conflict with the Joint Committee.

CREATION OF HEALTH BENEFITS PLANNING COMMITTEE

WHEREAS, it is in the interest of the Consortium and its members to be aware of and understand best practices in health benefits systems as well as emerging models of health care that will serve the Consortium's mission of maintaining quality benefits to employees at a lower cost to taxpayers; and

WHEREAS, with the introduction of national health care reform, it is also essential that the Consortium be aware of and understand changes in the delivery and financing of health care that may carry both positive and negative impacts for the Consortium and its members; and

WHEREAS, while seeking expert advise, the Consortium does not wish to diminish or alter any of the powers granted to the Board or to the joint labor management committee; and

WHEREAS, the Board recognizes that the expertise needed to identify, understand, and articulate all such areas of interest to the Consortium may not reside within the Consortium or its members, but may exist in the broader community of employers, providers, and other non-governmental sources; Now Therefore be it

RESOLVED, that the Consortium seeks to draw from the knowledge and expertise regarding health care, health benefits, and health benefits financing that exists within Tompkins County through the creation of an Advisory Committee that will be co-chaired by Board members and consist of as many Board members as want to participate, and municipal human service personnel, member of the provider community, ex-officio members from large employers in the County (i.e. Cornell, IC, BOCES, etc.), a representative of the Health Planning Council, and independent technical experts selected by the Board,

FURTHER RESOLVED, that the Planning Committee shall advise the Board of alternative models and benefit plans in use elsewhere, changes in Health Insurance and Health Care Law, seek potential

Consortium Members:

- County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
- Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
- Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

opportunities to collaborate with other employers and health care providers to provide higher quality more cost effective service, and other projects as assigned by the Board.

Moved: Don Barber Seconded: Elizabeth Conger
Vote: 8-0 Unanimously approved

Joint Committee on Plan Structure and Design - update

Notices will be going out to the union groups to set up a meeting in October. Municipalities should be passing resolutions appointing a representative to the Joint Committee.

It was agreed that a celebration will be planned once the Certificate of Authority has been received.

Adjournment

The meeting adjourned at 6:30 p.m.

RESOLUTION

DRAFT

INCLUSION OF ANCILLARY BENEFITS

Whereas, the Consortium has established provisions for health insurance coverage and prescription drug coverage, and

Whereas, some municipalities within the Consortium currently offer other benefits to their employees and retirees known as ancillary benefits, which include certain coverage for dental, vision, life, disability and accidental dismemberment, and legal services,

NOW, therefore be it resolved, that the Consortium agrees to include those ancillary benefits on the menu of options available for selection when negotiated in labor and bargaining unit agreements.

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg
