GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

Municipalities building a stable insurance future.

125 E. Court Street
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Board of Directors Meeting
May 26, 2016 – 5:30 pm - Old Jail Conference Room

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

1. Call to Order

2. Approval of March 25, 2016 Minutes **(VOTE)** (5:30)

3. Changes to the Agenda

4. Chair's Report: (5:35) — J. Drake
   a. **MOTION:** Appointment to the Audit and Finance Committee (term expires 12/31/17)

5. Presentation of Audit (5:40) — J. Mickelson
   a. **RESOLUTION:** Acceptance of External Audit – Insero & Co. (CDLM) **(VOTE)**

6. Presentation of Utilization Reports (5:50)
   a. ProAct — M. Feeley
   b. Excellus — B. Miller

7. Report from the Executive Committee (6:20) — J. Drake
   a. **RESOLUTION:** Extend Contract for Executive Director Services – Donald L. Barber **(VOTE)**
   b. **RESOLUTION:** Authorization to Contract with an Independent Contractor for Consortium Newsletter Editing and Expenses **(VOTE)**

8. Report from Audit and Finance Committee (6:30) — S. Thayer
   a. **RESOLUTION:** Guidelines for Members Changing Plans and Open Enrollment **(VOTE)**
   b. **RESOLUTION:** Award Contract for Medical Claims Auditing Services **(VOTE)**
   c. **MOTION:** Approve Issuance of Requests for Proposals for Prescription Drug Manager and Create RFP Review Committee **(VOTE)**
   d. JURAT Filing — R. Snyder

9. Executive Director's Report (6:40) — D. Barber
   a. Newsletter Update
   b. Logo Contest **(VOTE)**
   c. Retreat Update
   d. Request for Proposals – Medical Claims Audit
   e. Pharmaceutical Benefits Manager RFP
   f. Dependent Certification Update
   g. Appeal Update
   h. DFS Communications

10. Report from Consultant (6:55) — S. Locey
    a. Financial update
    b. Metal Level Plan Actuarial Value

11. Report from Joint Committee on Plan Structure and Design (7:05) — P. VanWormer

12. Report from Owning Your Own Health Committee (7:10) — T. Schiele

13. Adjournment (7:15)

Next Meeting: July 28, 2016

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Draft 03/27/2016

Board of Directors
March 24, 2016
5:30 p.m.
Scott Heyman Conference Room

Municipal Representatives: 14
Judy Drake, Town of Ithaca; Steve Thayer, City of Ithaca; Mack Cook, City of Cortland; Rordan Hart, Village of Trumansburg; Charles Rankin, Village of Groton; Amy Guererri, Tompkins County; Don Scheffler, Town of Groton; Laura Shawley, Town of Danby; Nancy Zahler, Town of Ulysses; Eric Snow, Town of Virgil; Michael Murphy, Village of Dryden (excused at 6:34 p.m.); Deborah Cipolla-Dennis, Town of Dryden (excused at 7:00 p.m.); Tom Brown, Town of Truxton (arrived at 6:09 p.m.); Tom Adams, Town of Marathon

Labor Representatives: 3
Phil VanWormer, 1st Labor representative (Chair, Joint Committee on Plan Structure and Design); Jim Bower, 2nd Labor Representative; Olivia Hersey, 3rd Labor Representative

Excused: 5
John Fracchia, Town of Caroline; Peter Salton, Village of Cayuga Heights; Herb Masser, Town of Enfield; Charmagne Rumgay, Town of Lansing; Alvin Doty, Town of Willet

Absent: 1
Genevieve A. Suits, Village of Homer

Others in attendance:
Don Barber, Executive Director; Steve Locey, Locey & Cahill; Meghan Feeley, Michael Larca, ProAct; Rick Snyder, Treasurer; Sharon Dovi, Tompkins Cortland Community College; Beth Miller, Excellus; Schelley Michell-Nunn, City of Ithaca

Call to Order

Ms. Drake, Chair, called the meeting to order at 5:32 p.m.

Introductions

Mr. Larca introduced Meghan Feeley, the Consortium's new Account Manager from ProAct. Members and guests introduced also themselves.

Approval of Minutes of January 28, 2016

It was MOVED by Ms. Hersey, seconded by Mr. Murphy, and unanimously adopted by voice vote by members present, to approve the minutes of January 28, 2016 as submitted. MINUTES APPROVED.

Changes to the Agenda

There were no changes to the agenda.

Chair's Report

Ms. Drake announced as she did at the January meeting that there is a vacancy on the Audit and Finance Committee and encouraged members to consider serving.

Executive Director's Report

Mr. Barber reported the Appeals Committee held its first meeting to review the Consortium's first appeal. The appealing individual was granted an additional payment due to them having a different expectation of the compensation they would receive from Excellus from what they actually received.

Upon being asked for additional information Mr. Locey explained the individual was seeking care from an out-of-network provider; they contacted Excellus ahead of time and received a quotation on what the range of payment potentially could be. The service was rendered and a claim was submitted and payment was lower than expected. The original charge was $4,500 and the range they were quoted was $3,200-$3,600; the actual payment from Excellus was below $2,200. The party felt there was an expectation for a payment to be in the range of what they were quoted and the Appeals Committee felt that if the party had known information up-front on what the claim actually would have been they may have either understood and prepared for that or found another avenue to seek the care. The Appeals Committee felt the higher-end of the mid-range point was reasonable to reimburse the person and payment is in process. Excellus will pay it on behalf of the Consortium and it will come in the same way other claims billings are received.

Mr. Barber reported the first newsletter came out and he is working on the next issue that will include information from the annual report, utilization data from ProAct and Excellus in 2015, wellness information, and the new Logo which should be selected by that time. The Logo contest is underway and four submissions have been received to date. Ms. Drake said a suggestion had been made that the submissions be displayed at the Retreat and there be an opportunity for those in attendance to indicate their preference.

Mr. Barber reported preparation of the JURAT, the Consortium's financial filing, is going well and is ahead of schedule. He also reported the Department of Financial Services had responded to the Consortium's request to waive the Aggregate Stop Loss payment which is in excess of $70,000 annually and said the Consortium would have to increase its reserves by $3 million to do that. Mr. Barber had sent the Department a request to discuss this further and he is still waiting for a response. He also reported two new Director orientation sessions were held and there was good attendance.

He announced the next Retreat will be May 10th and encouraged Directors to attend as well as anyone else who may be interested. There will be a presentation of information on how premium equivalent rates are established and there will be important information on Metal Level Plans and the impact actuarial values have on them. A video and copy of the PowerPoint presentation will be made available on the Consortium's website.

Mr. Barber reported the Audit and Finance Committee will review a request for proposals for the Prescription Benefits Manager at its May meeting. Anyone who is interested in participating in that review process should let him know.

He distributed a snapshot of incurred claims information and said the Joint Committee on Plan Structure and Design will be reviewing utilization reports from ProAct and Excellus at its April and May meetings and encouraged Directors to attend.

Excellus – Presentation of Information on Mobile ID Cards

Information was distributed to demonstrate how members can access their identification cards on a mobile device as well as information on how members can sign up to receive monthly benefit statements electronically.

Consultant's Report

Mr. Locey reviewed a financial update through February 29, 2016 and noted the Consortium is below budget on expense and on budget for revenue. In the first two months the Consortium generated $1.2 million in net income, compared to anticipated net income of $258,000. The number of contracts remains stable at approximately 2,300 with slightly over 5,000 covered lives. He noted the Consortium is 13.7% below budget on medical paid claims and is 14.5% below budget on prescription drug paid claims for the first two months of 2016. He reported $.92 of every dollar goes towards the payment of claims which is demonstrates the Consortium is operating very efficiently. Cumulatively over the first five years of operation the Consortium has performed slightly over 4.25% better than was anticipated. Mr. Locey called attention to the document Mr. Barber distributed earlier and noted there were 100 less admissions in the time period of October 1, 2014 through September 30, 2015 and there were only 14 large loss claims over $100,000 during the time period compared to the time period prior when there were 23.

Ms. Zahler asked if the decrease in claims is due to members paying out-of-pocket due to the high deductible plans. Mr. Locey normally that would be seen in some of the lower cost items first. They did not see that so they don't think people were foregoing care but rather the Consortium is in a cycle where there aren't as many severe cases which is reflected in the lower number of admissions. Mr. Locey said this is something that needs to watched, however, as people move into the silver and bronze metal level plans but he noted a very small percentage of the Consortium's population are in those plans.

Mr. Locey said there are a couple of municipalities within the Consortium that have groups insured with programs outside of the Consortium such as Medicare Advantage programs. Within the Municipal Cooperative Agreement (MCA) there is language that says that it is preferable to have all groups inside the Consortium because the cheapest way to provide coverage to an entire population is if everyone is in the same pool with the same benefits and the same rating methodology is being used. As groups are pulled out and their expenses are less than those left behind they may end up getting a lower rate but those left behind may experience an increase in rate. He said the Consortium has a very broad demographic and that is what helps to keep the rates stable and relatively low. In recognition that employers may do something with the Medicare-age group the MCA contains a provision for the Board of Directors to assign a Risk Assessment Fee if people are providing coverages outside the Consortium that may affect the remaining members.

Mr. Locey distributed draft rules that will continue to be refined that address municipalities that purchase Medicare Advantage or a Medicare secondary plan. He said the draft plan would require a municipality that does not enroll any Medicare-eligible retirees in any of the Consortium's standard non-Medicare health insurance plan offerings to pay a 3% risk adjustment factor on premiums charged for active employees, non-Medicare-eligible retirees, and COBRA members. He noted this was being brought forward for information purposes at this time and will continue to be discussed and refined at the Audit and Finance Committee.

Ms. Zahler asked if efforts would be made to create affordable Medicare supplemental options through the Consortium which is what drives many members out. Mr. Locey said the Consortium is at a disadvantage because the reason the Medicare Advantage Plans can be

offered by private insurance companies at a fairly low rate is because the federal government is subsidizing those programs (approximately $9,000) beyond what they normally pay for individuals in the Medicare program. The Consortium is not able to get that subsidy and lower-cost option because it is not an insurance company. He said there can be discussion of developing a lower rate for the Consortium's Medicare-age population but if it requires subsidization from other groups it will mean the rates of other groups will go up.

Mr. Brown arrived at this time.

Update on Medical Claims and Prescription Drug Claims Audit

Mr. Locey reported they have gone through all of the additional items in the medical claims audit and he is anticipating filing a reply to the State on the audit findings with the Consortium's annual report in April. The prescription drug audit is being finalized and should be also completed soon.

He reported the 2015 actuarial report was received and noted the Consortium's true Incurred But Not Reported liability is well-below the State's required level of 12%. The Actuary determined the actual liability is equal to 7.86% of incurred claims in a given year. It was also discovered that it has been going down over the last couple of years since the turnaround time of processing claims has significantly been shortened with both ProAct and Excellus. It also shows that the incurred and paid claim numbers are almost identical each year. The information will continue to be shared with the State.

Report from the Executive Committee

Ms. Drake, Chair, reported the Committee will meet next week and in addition to reviewing the Executive Director's work plan the Committee will discuss a request by Yates County to join the Consortium. She said she informed them that the Consortium had declined the City of Norwich's request to join.

Mr. Barber spoke of the request that was made late last year by the Town of Preble to join the Consortium and said they have asked again. On May 9th he will be making a presentation in the Town of Preble about the Consortium and invited others who are thinking of joining to listen and ask questions at that time. Mr. Cook suggested inviting the Town of Homer and the Village of Cortlandville as they previously inquired about membership. Mr. Barber said he will also make contact with villages and towns in Cayuga County that had expressed interest to make them aware this will be taking place. Ms. Drake said the Committee will also be discussing the number of potential new members and the impact adding more will have on the Consortium.

Report from the Audit and Finance Committee

Mr. Thayer, Chair said the Committee has been very busy over the last couple of months working on resolutions that appear on the agenda.

RESOLUTION NO. 2016 – APPROVAL OF GUIDELINES FOR MEMBERS CHANGING PLANS

MOVED by Mr. Thayer, seconded by Mrs. Shawley. Mr. Brown asked why a timeline of three years is being recommended. Mr. Thayer said it was felt that if members were able to switch between plans on an annual basis that it could become costly for the Consortium and three years was believed to be a fair timeframe that would allow the Consortium not to be

penalized by a person changing plans. Mr. Locey clarified this pertains to individual elections and not plans employers were offering.

Ms. Dovi asked if there was any discussion of this resolution by the Joint Committee on Plan Structure and Design. Ms. Michell-Nunn said there had not been discussion but there was information shared that this was a concern. Ms. Drake said there is no rush in adopting this and it could be delayed to allow time for discussion by the Joint Committee. She said she found it surprising when she learned how many municipalities were not aware of open enrollment and when people could be moved on and off plans. Mr. Hart noted that this resolution is only a recommendation.

Ms. Zahler said it wasn't clear that the resolution pertained to individuals and would and find language to clarify that helpful. Mr. Locey suggested adding the words "individuals from" in the first Whereas.

Ms. Michell-Nunn said to her this is about the unknown because the financial effect of individuals changing plans on an annual basis is not known. She sees this as more of a cautionary resolution and thinks the Joint Committee on Plan Structure and Design should have an opportunity to discuss this. Ms. Guererri said the County has a policy that it only offers the Platinum Plan to new employees and they cannot move from that plan. Mr. Locey explained what is happening in the insurance marketplace and said the intent of this is to avoid having people making decisions that advantage them but disadvantage the remaining members of the Consortium.

It was MVOED by Mr. Hart, seconded by Mr. Murphy, to Table this resolution and send to the Joint Committee on Plan Structure and Design for discussion. MOTION TO TABLE CARRIED.

WHEREAS, the Consortium has over 100 plan combination options that any of our partners can by resolution add to their list of plans available to their employees, and

WHEREAS, the recently adopted "metal level" plans (platinum, Gold, silver, and bronze) as well as Medicare Supplement have different actuarial conditions for setting premiums than the other Consortium plan offerings, and

WHEREAS, employees frequently changing between these five plans or between any of these five plans and another Consortium plan can have adverse consequences with not enough premium being raised to cover claims, and

WHEREAS, employees staying with their selection of one of these five plans for a period of at least three years will allow for adequate capture of premium for claims, and

WHEREAS, the Consortium does not want to interfere with municipal partners offerings and employees ability to choose, and

WHEREAS, the qualifying events that allow changes in benefit plans at the time of the event are: marriage, divorce, legal separation, annulment, birth, change in legal custody status, dependent ages off, adoption, death, start of or loss of employment, start of or loss of eligibility for Medicare or Medicaid coverage, change in residency, and

WHEREAS, the Consortium Benefit Plans are administered on a calendar year basis, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors recommends to our municipal partners that they each adopt a policy that will restrict individuals from changing from the platinum, gold, silver, bronze, and medicare supplement plans to another plan for three years after coverage begins,

RESOLVED, further, That the Audit and Finance Committee recommends that the Board of Directors adopts the policy that all non-qualifying event benefit changes are submitted to the medical plan administrator by December 1 for implementation on January 1.

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RESOLUTION NO. 005- 2016 – PROCEDURE ASSOCIATED WITH MEMBERSHIP RETROSPECTIVE TERMINATIONS

MOVED by Mr. Thayer, seconded by Mrs. Shawley.

Mr. Barber said this came up during the BMI audit and was identified as a deficiency and was also not covered by the Consortium's plan documents. This will make those plan documents complete so that Excellus will know how to adjudicate them as well as help with billing issues that come up throughout the year.

Mr. Locey said some of the language contained in the resolution had to be added because of the Affordable Care Act. There are restrictions in the ACA in terms of how people can change, modify, or cancel their coverage; therefore, changes had to be made in how far back someone could go in making changes to their policy. Ms. Michell-Nunn commented that the City has a policy that it follows. Ms. Miller said Excellus has guidelines that are listed in the eligibility guidelines for its groups and Mr. Locey said the resolution is modeled after those guidelines. She stressed having this policy in place is important and that there can be an impact on both premiums and claims.

During discussion there was confusion as language in the resolution referred to additions and modifications and should have only addressed terminations.

It was MOVED by Mr. Thayer, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present, to delete references to additions, changes, and modifications, leaving references only to terminations. MOTION CARRIED.

A voice vote resulted as follows: Ayes – 16, Noes – 0. RESOLUTION ADOPTED.

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services, in accordance with Article 47 of the New York State Insurance Law, and subject to the terms and conditions of the Municipal Cooperation Agreement which each Participating Municipality has adopted, and

WHEREAS, several participating municipalities have expressed confusion with regard to the rules and procedures associated with the termination of employees, retirees, spouses, and dependent children on a retrospective basis, and

WHEREAS, establishing a retroactive policy with regard to membership terminations is in the best interest of the Consortium Participating Municipalities and Enrollees as it prevents adverse risk selection, increases member and group satisfaction, it allows the administrators to reimburse their medical care providers in a timely and accurate manner for care rendered to covered members, it acknowledges limitations associated with the retraction of claim payments, reduces administrative and medical provider costs associated with adjusted or retracted claim payments, it ensures compliance with State and Federal Laws, and that only eligible persons are covered per New York State Insurance Law and the Consortiums rules and procedures, and

WHEREAS, Section E, Paragraph 9, Board Actions of the Municipal Cooperation Agreement, authorizes the Board of Directors "to establish administrative guidelines for the efficient operation of the Plan, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby approves the following with regard to establishing a retroactive policy for membership

terminations which are more than 30-days after the date of the event which necessitated the addition, termination, or change:

1. The retroactive termination of health insurance coverage (rescission of coverage) may only occur in the case of fraud or the intentional misrepresentation of material fact, as prohibited by the plan of coverage.

2. A prospective termination of health insurance coverage or the retroactive termination of coverage for failure to pay premium is not considered to be a rescission of coverage and the coverage, in the case of the failure to pay premium, may be cancelled retrospectively to the date of the payment default.

3. The COBRA law provides for an extensive notice and election period. Requests to reinstate a member to coverage as a COBRA continuant will be allowed for a period of up to 179 days for a subscriber related event and up to 239 days for a dependent related event.

   The Consortium asks that the Participating Municipality wait until the continuant pays his or her first premium before reinstating the coverage or the Participating Municipality may be liable for the premium.

   Please note that the original transaction to terminate the individual must occur within the standard 30-days. The reinstatement to coverage as a COBRA continuant is the only portion that is an exception to this rule.

4. The notice and election period for New York State continuation is much shorter than COBRA. Requests to reinstate a member to this coverage for a period of up to 95-days will be allowed for a subscriber event and up to 125-days for a dependent event. The subscriber/dependent must pay the premium at the time he or she elects New York State continuation.

5. The New York State Young Adult Option allows dependents who are at least 26 years old age, but less than 30 years of age to continue coverage as an individual by paying the full premium. The election period for initial enrollment allows for retroactive enrollment by Young Adults. Requests to enroll a Young Adult will be honored provided they are received within 60-days of the termination date. The subscriber/dependent must pay the premium at the time he or she elects this coverage option.

6. Termination of coverage for a deceased member who is not an active employee may occur up to 90-days after the date of death without a death certificate, up to and one year after the date of death with a death certificate. It is required that terminations due to the death of an active employee be submitted within 30-days of the date of death.

7. Termination of coverage for a divorced spouse may occur retroactively up to 90-days from the current date of divorce. A request that exceeds 90-days from the date of divorce must be submitted for retroactive review to the Consortium's Audit & Finance Committee. A copy of the divorce decree or a divorce certificate will be required as part of this review.

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors will refund premium amounts associated with retrospective

changes for no more than 90-days for terminations associated with a retiree's coverage and nor more than 60-days for terminations associated with an active employee's coverage,

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby appoints the Audit & Finance Committee to receive, hear, and rule upon any requests by the Participating Municipalities to appeal a retrospective termination decision and/or to seek an exception to the rules as set forth in this resolution,

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Audit and Finance Committee will establish the process, rules, and procedures necessary for retrospective termination appeals as so deemed appropriate by the Committee from time to time,

RESOLVED, further, That this resolution shall take effect upon its approval by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

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RESOLUTION NO. 006-2016 – DIRECTING EXECUTIVE DIRECTOR TO COMMUNICATE WITH EXCELLUS FRAUD UNIT REGARDING DEPENDENT RECERTIFICATION PROCESS

MOVED by Mr. Thayer, seconded by Mr. Hart.

Ms. Nunn said she feels the penalty to the municipality implies the municipality has not done what it could do in order to bring the process to a resolution. She said she believes if people cannot verify their dependent's eligibility they should be removed from the policy, however, the City has never adopted a policy for taking people off of a policy.

Ms. Hersey referred to the wording "refuse to voluntarily supply" contained in the resolution as the individuals at TC3 have voluntarily supplied information but it doesn't meet the criteria for their weird and complicated situations. Ms. Dovi asked to speak with Mr. Locey outside the meeting regarding the necessary documentation.

When asked how the City would respond to this Mr. Thayer said the dependents who couldn't be verified would be removed from the policy. Mr. Locey stated that the criteria that was developed for this process was the same the State used in its audit and many other organizations have successfully used the same criteria. He does not understand how there could be situations where people could not meet the criteria and agreed to meet with individuals to go over the criteria.

Ms. Drake said the Consortium is trying to provide guidance and at some point employers need to make a decision on whether the documentation provided is good enough or not. Ms. Guererri asked if employers could utilize the fraud unit the Excellus prior a penalty being assessed; Mr. Barber said the initial resolution adopted by the Board of Directors permitted employers to go directly to the Excellus fraud unit. Ms. Miller will provide information to employers who are interested in how to access the fraud unit.

Ms. Cipolla-Dennis was excused at this time.

A voice vote on the resolution resulted as follows: Ayes – 13, Noes – 1 (Ms. Hersey), Abstentions – 1 (Ms. Zahler); Excused – 7, Absent – 1 (Mayor Suits). RESOLUTION ADOPTED.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) adopted Resolution No. 018-2014 entitled: "APPROVAL OF THE 2014/2015

RECERTIFICATION PLAN INCLUDING FORMS AND GUIDELINES FOR VERIFICATION OF SPOUSE AND/OR DEPENDENT STATUS FOR ALL CONTRACTS, ACTIVE AND RETIRED, OF THE CONSORTIUM" in September 2014 and then adopted Resolutions No. 001-2015, 004-2015, and 005-2015 – Amending Recertification Process Completion Time Line in 2015, and

WHEREAS, the latest deadline, of Resolution No. 005-2015 extended the Dependent Certification process to December 31, 2015, has now passed, and

WHEREAS, the Consortium Board of Directors have set clear criteria for information that will demonstrate dependency as stated in our benefit plans; and stated a process for shifting responsibility to Excellus Fraud Unit for getting dependent verification information for any members that refuse to voluntarily supply this information to their employer human resource staff, and

WHEREAS, the Consortium employers have essentially completed the dependent verification process and have documented that 4% of the pre-certification contracts with dependents were in error, and

WHEREAS the City of Ithaca has 45 family contracts with unconfirmed dependents, Tompkins County has approximately 25 family contracts with unconfirmed dependents, and TC3 has 5 family contracts with unconfirmed dependents, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, the Board of Directors notifies the City of Ithaca, Tompkins County, and Tompkins Cortland Community College, which have not submitted their dependent eligibility certification, to complete the dependent verification process by April 30, 2016, and that the Consortium will then assess an additional premium equal to the average cost of claims for one person per month ($557 per month) beginning May 1, 2016,

RESOLVED, further, That such billing will continue, based on the number of unresolved contracts, until the dependents are dropped from coverage or certifications requirements are met,

RESOLVED, further, That the Board of Directors directs the Executive Director to communicate to the City of Ithaca, Tompkins County, and Tompkins Cortland Community College to make a determination of dependent eligibility for those members that have supplied inadequate or conflicting dependent verification information and report to the Consortium the number of unresolved contracts with dependents no later than April 30, 2016.

RESOLVED, further, on recommendation of the Audit and Finance Committee, that the Board of Directors directs the City of Ithaca, Tompkins County, and Tompkins Cortland Community College in conjunction with the Executive Director to develop a list of unresolved dependent eligibility contracts by May 15, 2016, and further directs the Consortium's Executive Director to notify the Excellus Fraud Unit of the suspicion of fraud and request their services to investigate the contracts on this list.

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RESOLUTION NO. 007-2016 - AUTHORIZATION TO SIGN MEMORANDUM OF AGREEMENT WITH BOCES FOR NEWSLETTER PRINTING

MOVED by Mr. Thayer, seconded by Mr. VanWormer, and unanimously adopted by voice vote by members present.

WHEREAS, the Executive Committee directed the Consortium's Executive Director to develop a quarterly newsletter to be circulated through a combination of an electronic and paper format to members of Consortium, and

WHEREAS, the expense for printing the newsletter was not included in the Consortium's 2016 annual budget, and

WHEREAS, the Consortium has received a quote from BOCES to print the Consortium's Newsletter at a cost no greater than $250 per issue that is contingent upon approval by both the Consortium Board of Directors and the BOCES Board of Directors, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby authorizes the Chair of the Board of Directors to sign a Memorandum of Agreement with BOCES to provide printing services for the newsletter on an on-going basis at a cost not to exceed $250 per issue.

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RESOLUTION NO. 008-2016 - AMENDMENT TO GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM CODE OF ETHICS POLICY AND DESIGNATING COMMUNITY DISPUTE RESOLUTION CENTER AS NEUTRAL THIRD PARTY

MOVED by Mr. Thayer, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present.

WHEREAS, Section 15 of the GTCMHIC Board of Directors Resolution 001-2014 regarding adoption of Code of Ethics reads as follows:

"Reporting of Ethics Violations. When becoming aware of a possible violation of the Consortium's Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium Attorney-in-fact, John Powers, Esq.. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis."

WHEREAS, the Code of Ethics Policy is silent on the process for resolving if any violation has occurred and the possible remedy, and

WHEREAS, the Consortium's Attorney-In-Fact has opined that the process for resolving a Code of Ethic's violation necessarily falls within ambit of the alternative dispute resolution process codified at Article V of the Municipal Cooperative Agreement (MCA), and

WHEREAS the 2015 Amended Municipal Cooperative Agreement amended the original Article V to add "Board Member" and "Committee Person" as additional parties, in addition to any "Participant," that would also be subject to the alternative dispute resolution process, and

WHEREAS, the Audit and Finance Committee has determined that disputes arising as a result of reported Code of Ethics violations could also involve persons who are not subject to MCA Article V and that with such persons, as well as Board Members and Committee Persons, mediation would provide a productive intermediate step to resolution prior to a formal finding and/or Board of Directors determination as part of the alternative dispute resolution process, and

WHEREAS, a neutral third party is desired to mediate and, if needed, conduct the review process, and make a recommendation for resolution to the Executive Committee as stated in 2015 Amended MCA Article V.3.a.(i), and

WHEREAS, the Community Dispute and Resolution Center of Tompkins County provides such services and is willing to serve in the neutral third party role for any Greater Tompkins County Municipal Health Insurance Company reported ethics violations, now therefore be it

RESOLVED, That the Audit and Finance Committee of the GTCMHIC Board of Directors hereby recommends that section 15 of the adopted Code of Ethics be amended to read:

> "15. Reporting of Ethics Violations. When becoming aware of a possible violation of the Consortium's Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium Attorney-in-fact, John Powers, Esq.. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis. **Resolution of the reported violation shall occur according to the alternative dispute resolution (ADR) process set forth in Article V of the 2015 Amended MCA, except as follows. In lieu of the ADR step set forth at MCA Article V.3.a.(i),** t**he Attorney-In-Fact will collect all information presented regarding the matter and send that information to a neutral third party designated by the Board of Directors who shall attempt to resolve the matter informally through mediation. If unsuccessful, the mediator shall make a recommendation with respect to resolution of the dispute in writing to the Executive Committee, which shall present the recommendation to the Board as provided for in 2015 Amended MCA Article V.3.a.(i**). **The remainder of Article V shall remain in effect",**

RESOLVED, further, That the Community Dispute and Resolution Center of Tompkins County is designated as the neutral third party in the event of requested ethics review.

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RESOLUTION NO. 009- 2016 – AMENDMENT TO RESOLUTION NO. 04-2016 - AUTHORIZING CONTRACT FOR ACTUARIAL SERVICES - ARMORY ASSOCIATES – 2015 and 2016

MOVED by Mr. Thayer, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present.

WHEREAS, the Greater Tompkins County Health Insurance Consortium authorized a contract with Armory Associate of Syracuse, New York to perform actuarial services for the Consortium for the years 2015 and 2016 with an option to extend the contract for the years 2017 and 2018, and

WHEREAS, the quote received from Armory Associates was for five years which would be a two-year contract for fiscal years ending 12/31/2015 and 12/31/2016 with the option to extend for three additional years (for fiscal years ending 12/31/2017, 12/31/2018, and 12/3120/19), and

WHEREAS, it is recommended by the Consortium Treasurer that the contract line-up with the end of the biennial periods for Tompkins County, City of Ithaca, and the City of Cortland, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the option to extend the contract with Amory Associates to perform actuarial services be amended to include 2019.

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Report from Owning Your Own Health Committee

Mr. Barber reported Mr. Cook, due to time constraints, has resigned from the position of Chair of the Committee. He said if municipalities are considering establishing a wellness program there is a Worksite Wellness Coalition that meets bi-monthly. The Coalition has members from employers across the County who collaborate and provide support to each other.

He reported the Blue4U program that is the wellness component attached to the metal level plans has been rolled out in Cortland County. It was not rolled out in Tompkins County because there was not a lab for members to get blood drawn. That has been resolved and now Beth Miller is working with TC3 and Tompkins County on the rollout of employees from Tompkins County who are enrolled in the metal level plans. At the last meeting the Committee observed a video entitled Walking Work which is a free program that encourages teams to compete in a walking program. It is available on the Excellus website and is a way to encourage physical activity. Ms. Miller extended an invitation to set up a webinar to any interested member to learn about the program.

Report from the Joint Committee on Plan Structure and Design

Mr. VanWormer, Chair, reported the Committee met and was given an opportunity to review the newsletter before it went to print and members were given a high level overview of how actuarial values work in the metal level plans. He also reported the Committee voted to lower its quorum requirement from one-third of the membership to one-quarter of membership. At the next meeting the Committee will receive a report from ProAct on 2015 utilization and will continue to learn about premium development.

Adjournment

On motion the meeting adjourned at 7:12 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

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INFO: consortium@twcny.rr.com
www.tompkinscountyny.gov/hconsortium

RESOLUTION NO. - 2016 - ACCEPTANCE OF EXTERNAL AUDIT REPORT PERFORMED BY INSERO & CO. CDLM)

WHEREAS, the Board of Directors entered into a contract for auditing services with Insero & Co. (CDLM), for the purpose of conducting an external audit of the Consortium's financial records for fiscal year 2015, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the 2015 external audit report prepared and presented to the Board of Directors by Insero & Co. (CDLM) is hereby accepted.

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RESOLUTION NO. - 2016 – EXTENSION OF CONTRACT FOR EXECUTIVE DIRECTOR SERVICES – DONALD L. BARBER

WHEREAS, it was determined in 2013 that based on the increased responsibilities placed on the Consortium by the State and Federal governments, the Affordable Care Act, and the managing of an increased number of contracts it was in the Consortium's best interest to contract for services of an Executive Director, and

WHEREAS, following the issuance of a request for proposals in 2014 seeking contractors who could fulfil the responsibilities of Executive Director a contract was entered into with Donald L. Barber, and

WHEREAS, the contract will expire on June 30, 2016, and

WHEREAS, the Consortium's Executive Committee which meets with Mr. Barber quarterly to review a work plan and the Consortium's operations believes the Executive Director services provided to the Consortium by Mr. Barber are valuable and important for the Consortium's stability, and has recommended the contract be continued for a two-year period, now therefore be it

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That the contract for Executive Director Services with Donald Barber be extended through June 30, 2018 under the terms and conditions contained in the original contract.

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RESOLUTION NO. - 2016 – AUTHORIZATION TO CONTRACT WITH AN INDEPENDENT CONTRACTOR FOR CONSORTIUM NEWSLETTER EDITING SERVICES AND EXPENSES

WHEREAS, it has been determined that continued production of the Consortium's newsletter requires editing and layout expertise and knowledge that is currently not available within the Consortium's resources, and

WHEREAS, Jennifer Jensen, has agreed to produce four quarterly issues of the newsletter at an annual cost of $5000 if provided with necessary software, now therefore be it

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That the Consortium enter into a one-year contract through April 30, 2017 with Jennifer Jensen to provide services related to the production of the Consortium's newsletter at total annual cost not to exceed $5000,

RESOLVED, further, That the amount of $240/year is hereby approved to cover costs associated with the purchase of software needed to produce the newsletter.

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TABLED AT MARCH 24, 2016 BOARD OF DIRECTORS MEETING
RESOLUTION NO. 2016 – APPROVAL OF GUIDELINES FOR MEMBERS CHANGING PLANS

WHEREAS, the Consortium has over 100 plan combination options that any of our partners can by resolution add to their list of plans available to their employees, and

WHEREAS, the recently adopted “metal level” plans (platinum, Gold, silver, and bronze) as well as Medicare Supplement have different actuarial conditions for setting premiums than the other Consortium plan offerings, and

WHEREAS, employees frequently changing between these five plans or between any of these five plans and another Consortium plan can have adverse consequences with not enough premium being raised to cover claims, and

WHEREAS, employees staying with their selection of one of these five plans for a period of at least three years will allow for adequate capture of premium for claims, and

WHEREAS, the Consortium does not want to interfere with municipal partners offerings and employees ability to choose, and

WHEREAS, the qualifying events that allow changes in benefit plans at the time of the event are: marriage, divorce, legal separation, annulment, birth, change in legal custody status, dependent ages off, adoption, death, start of or loss of employment, start of or loss of eligibility for Medicare or Medicaid coverage, change in residency, and

WHEREAS, the Consortium Benefit Plans are administered on a calendar year basis, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors recommends to our municipal partners that they each adopt a policy that will restrict individuals changing from the platinum, gold, silver, bronze, and medicare supplement plans to another plan for three years after coverage begins,

RESOLVED, further, That the Audit and Finance Committee recommends that the Board of Directors adopts the policy that all non-qualifying event benefit changes are submitted to the medical plan administrator by December 1 for implementation on January 1.

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RESOLUTION NO. – 2016 – AUTHORIZE CONTRACT FOR MEDICAL CLAIMS AUDITING SERVICES

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued in accordance with Article 47 of the New York State Health Insurance Law, and

WHEREAS, being a self-insured medical plan the Consortium is responsible for the payment of claims as adjudicated by the Third Party Administrator, currently Excellus Blue Cross Blue Shield, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic medical claims audits to ensure the medical claims are paid by Excellus are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, a Request for Proposals for Medical Claims Auditing Services was issued on May 6, 2016 and ___ responses were received, and

WHEREAS, at the direction of the Audit and Finance Committee, the Executive Director, has worked with the Consultant to provide a recommendation on a qualified professional medical claims audit firm to provide services to the Consortium, now therefore be it

RESOLVED, on recommendation of the Executive Director and Consortium Consultant, That a contract for medical claims auditing services be awarded to _____ to perform medical claims auditing services for the Consortium for the 2016 Fiscal Year,

RESOLVED, further, That upon satisfactory completion of the terms of this contract, a contract may be extended for the 2018 Fiscal Year.

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