



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

Board of Directors Meeting September 28, 2017 – 6:00 pm – Rice Conference Room

Tompkins County Health Department, 55 Brown Road, Ithaca, NY

1. Call to Order
2. Approval of July 27, 2017 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
 - a. **MOTION:** Appointment of Nominating Committee for 2018 Consortium Officers
5. Executive Director's Report (6:10) D. Barber
 - a. DFS Communications
 - b. CanaRx Update
6. Report from Consultant (6:15) S. Locey
 - a. Financial update
 - b. 2018 Budget Report
7. Report from Audit and Finance Committee (6:30) S. Thayer
 - a. **RESOLUTION:** Approval of Adjustment to the Gold Metal Level Plan Minimum Deductible Amounts
 - b. **RESOLUTION:** Adoption of 2018 Budget and Premium Rates
 - c. **RESOLUTION:** Acceptance of Application by the Town of Homer to Become a GTCMHIC Participant
 - d. **RESOLUTION:** Acceptance of Application by the Town of Newfield to Become a GTCMHIC Participant
 - e. **RESOLUTION:** Acceptance of Application by the Town of Owasco to Become a GTCMHIC Participant
 - f. **RESOLUTION:** Authorize Extension of Contract for Prescription Drug Claims Administrator for 2018 – ProAct
8. Report from Owning Your Own Health Committee (6:50) D. Barber
10. Report from Joint Committee on Plan Structure and Design (6:55) O. Hersey
11. Report from Governance Structure Committee (7:00) J. Fracchia
12. Report from Website Committee (7:15) D. Barber
13. New Business (7:20)
14. Adjournment (7:25)

Next Meeting: November 16, 2017



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Draft 7-28-2017

Board of Directors
July 27, 2017 – 6:00 p.m. Draft
Tompkins County Health Department – Rice Conference Room

Municipal Representatives: 16

Steve Thayer, City of Ithaca
John Fracchia, Town of Caroline
Kathrin Servoss, Town of Dryden
Don Scheffler, Town of Groton
Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing
Eric Snow, Town of Virgil
Ann Rider, Town of Enfield (arrived at 6:10 p.m.)
Stephen Estes, Tompkins County

David Schenck, Town of Springport
Gary Mutchler, Town of Scipio
Tom Brown, Town of Truxton (arrived at 6:25 p.m.)
Richard Goldman, Town of Ulysses
Betty Conger, Village of Groton
Bud Shattuck, Village of Union Springs
Luann King Town of Cincinnatus

Labor Representatives: 3

Olivia Hersey, 1st Labor Representative and Joint Committee on Plan Structure & Design Chair
Jim Bower, 2nd Labor Representative

Tim Farrell, 5th Labor Representative

Excused: 6

Mack Cook, City of Cortland
Laura Shawley, Town of Danby
Rordan Hart, Village of Trumansburg

Doug Perine, 4th Labor Representative
Alex Patterson, Town of Aurelius
Peter Salton, Village of Cayuga Heights

Absent: 5

Tom Adams, Town of Marathon
Michael Murphy, Village of Dryden
Alvin Doty, Town of Willet

Gary Hatfield, Town of Moravia
Jim Doring, Town of Preble

Vacant: 3

Town of Montezuma
Village of Homer

3rd Labor Representative

Others in attendance:

Don Barber, Executive Director
Steve Locey, Locey & Cahill
Rick Snyder, Treasurer
Christine Laughlin, Newfield Town Board

Nancy Niswender, Village of Groton
Paula Younger, Tompkins County

Call to Order

Ms. Drake, Chair, called the meeting to order at 6:07 p.m.

Approval of Minutes of May 25, 2017

It was MOVED by Mr. Mutchler, seconded by Ms. Conger, and unanimously adopted by voice vote by members present, to approve the minutes of May 25, 2017 as submitted. MINUTES APPROVED.

Changes to the Agenda

The following items were added to the agenda:

Appointment of Kathy Servoss to the Owning Your Own Health Committee;
Resolution No. 014-2017 – Authorizing Financial Services Agreement with Tompkins County – September 1, 2017-December 31, 2018

Chair's Report

Ms. Drake introduced Corey Prashaw, the Consortium's new representative from ProAct.

It was MOVED by Mr. Fracchia, seconded by Ms. King, and unanimously adopted by voice vote by members present, to approve the following appointments to the Owning Your Own Health Committee:

Terms expiring December 31, 2019

James Bower – Labor representative
Tammy Morse – Municipal representative
Kathy Servoss – Municipal representative

Term expires December 31, 2018

Sharon Bowman – Municipal representative

Ms. Drake said there are remaining vacancies on the Committee and noted that labor representatives are not required to be a Director.

Ms. Rider arrived at this time.

Executive Director Report

Mr. Barber reported there has been no communication with the Department of Financial Services since he last reported to the Board.

New Participant Update

Mr. Barber said the Town of Newfield has submitted its financial records and a resolution requesting to join the Consortium in 2018. The Board will take action to add new participants at its meeting in September.

CanaRX Update

Mr. Barber reported the program is running and at the end of June there were three individuals who have signed up.

Update on Prescription Drug Claims Audit

Mr. Barber reported the audit of prescription drug claims by BMI has begun and he will provide updates as the process moves forward.

Report on Start-up and Termination of Insurance

Mr. Barber reported on an item that was brought to his attention and discussed at the Audit and Finance Committee meeting this week. He said the Excellus Administration Manual states that insurance coverage ends when employment terminates and this doesn't necessarily match various employer personnel policies. Subsequent to that meeting Excellus advised that they would go with whatever a municipality or employer would like to do and if they would like to terminate insurance the day an individual leaves employment they will not honor any claims beyond that point. He also said it is mandated by law that a baby is covered upon birth and there is no waiting period for insurance. Mr. Barber said he sent a letter to the larger human resources departments that deal with these more frequently with a request to submit additional questions. He will then present any questions he receives to Excellus and bring the information back to benefit clerks. He said will then communicate with benefit clerks and advise them if there is anything more they need to know. Mr. Barber said the Consortium only bills on a month-to-month basis and there is no proration.

Ms. Drake said the Consortium does not want to make a policy that determines what employers will do; however, the Consortium has policies around the billing of premiums.

Report from the Consultant

Mr. Locey reviewed the financial report thru June 30, 2017 and said the Consortium is having great results. Net income is 1.7% above budget and attributed primarily to the additional municipalities that joined in 2017, prescription drug rebates in the amount of \$900,000, and Stop Loss reimbursement of \$167,000. He summarized the results and said the Consortium's revenue is approximately 7% over budget for the first six months of 2017. On the expense side the Consortium is approximately 7% below budget on claims collectively (medical claims are 6.9% below budget; prescription drug claims are 7.6% below budget). One of the things that may be contributing to the positive result is the possibility that the adopted budget was based on numbers that may have been too conservative. These results leave the Consortium with a net income at end of six months of \$2.1 million when a slight deficit for the year had been projected.

Mr. Locey spoke to a claim circulating in neighboring counties that the Consortium is financially unstable and said, in his opinion it is phenomenally stable. Not only are its statutory reserves satisfied with the IBNR claims liability at 12% of expected incurred claims and has a surplus account at 5% of premium, there is are also a rate stabilization and catastrophic claims reserves, and the Consortium has \$15.4 million of unencumbered fund balance. Mr. Barber commented that those who have made claims that the Consortium is financially unstable are insurance brokers who stand to lose income by losing a municipality's business, and therefore, are not providing an objective opinion.

2018 Budget

Mr. Locey explained when moving from 2015 to 2016 two things were evident: 1) 2015 was a great year in terms of medical claims and was way below 2014 in medical claims; and 2) there was some hyperinflation in drug claims that was compounded in 2016 with one time claims for Hepatitis C specialty drugs and resulted in claims being substantially over-budget. Last year when the budget was prepared the Consortium may have been too conservative as it budgeted almost \$12 million in drug claims and at the end of the first six months of 2017 is at \$5.4 million. This is likely the case for medical claims as \$13.67 million was budgeted and claims are at \$12.7 million. He said in looking at 2018 the claims projection represents an attempt to smooth out those numbers. Mr. Locey noted that when members previously purchased fully insured plans, this extra revenue went to the insurance company. With the

Consortium, the money remains with the Consortium and can be used to offset future rate increases.

Mr. Locey spoke to the preliminary budget memo that was distributed to Directors and said a section will be added to describe the assumptions and additional detail in terms of the paid claims trend. He said the document is intended to provide a basic understanding of what is being recommended and encouraged Directors to share with others at their municipality to help them understand how the budget is developed.

Mr. Locey summarized the recommendations and said all reserve categories will remain with the only recommended change being an addition of \$300,000 to the catastrophic claims reserve to accommodate an additional \$50,000 in exposure that was added last year and another potential adjustment in 2018 to keep the rate down.

A 5% premium rate increase is being recommended. Although there is a possibility to have a lower rate increase for 2018, he cautioned the Board that a lower the increase for next year would result in dipping into Rate Stabilization Reserve funds much quicker to offset rate increases in future years. He noted one of the original Consortium goals was to keep rate increases steady for a long period of time so there can be steady budgeting which they believe is better for municipalities. Although 5% does not seem like a small increase it is substantially less than what fully insured plans are doing. In September Mr. Locey will present information to show municipalities what they are saving by being in the Consortium. He said when looking at a particular municipality that had been in the Consortium for three years it saved 3% in the first year, 14% in the second year and this year they will save 35% from what they would have paid in the community-rated environment.

Mr. Brown arrived at this time.

Report and Presentation of Resolutions from the Audit and Finance Committee

**RESOLUTION NO. 011-2017 – AUTHORIZING CONTRACT FOR ACTUARIAL SERVICES
- ARMORY ASSOCIATES – 2017 AND 2018**

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

WHEREAS, the Greater Tompkins County Health Insurance Consortium issued a Request for Proposals for Actuarial Services on January 4, 2016 and awarded a contract to Armory Associates 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, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That a contract be extended for fiscal year 2017 and fiscal year 2018.

**RESOLUTION NO. 012- 2017 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT –
LOCEY & CAHILL, LLC – 2018**

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

Board of Directors
July 27, 2017

Ms. Drake noted that the Consortium will have to issue a Request for Proposals for these services in 2018. Mr. Fracchia commented that Locey & Cahill has done a great job for the Consortium.

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Plan consulting services needed include: strategic planning, establishing a budget, filing periodic reports, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium by Resolution No. 17 of 2013 awarded a contract for Plan consultant services on December 19, 2013 to Locey & Cahill, LLC of Syracuse for the period January 1, 2014 through December 31, 2015 with the option to renew for three additional one-year terms, now therefore be it

RESOLVED, that the contract with Locey & Cahill, LLC be extended for the period January 1, 2018 through December 31, 2018.

**RESOLUTION NO. 013- 2017 - MEDICAL CLAIMS AUDIT ACTION ITEMS FOR EXCELLUS
BLUECROSS BLUESHIELD**

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

Mr. Barber said when this audit was first performed it was a very tough process with a lot of pushback from Excellus. This time it was a much smoother process and Excellus was a great partner that provided great research, background information, and make changes to comply with the Consortium's benefit plans. He noted that although there were over 100 different items identified the dollar amount was minimal.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan organized pursuant to Article 5-G of the New York State General Municipal Law, and

WHEREAS the GTCMHIC is operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, the Consortium contracts with a licensed New York State Article 43 Not-For-Profit Insurance Company, Excellus BlueCross BlueShield, for the administration of the various hospital, medical, and surgical plans offered to the participating municipal employers in the Consortium, and

WHEREAS, the Consortium's Board of Directors contracted with BMI Audit Services, LLC to conduct an audit of the claims adjudication processes at Excellus BlueCross BlueShield to include claims paid between January 1, 2014 and December 31, 2015, and

WHEREAS, BMI Audit Services, LLC reported to the Consortium Board of Directors that Excellus BlueCross BlueShield was not complying with the terms and conditions of the Consortium's hospital, medical, and surgical plans in certain identified areas and

WHEREAS, the Consortium's Executive Director, Executive Committee, Audit & Finance Committee, and the Consortium's Plan Consultant, Locey & Cahill, LLL, have reviewed the audit findings in substantial detail and developed recommended actions for each previously unresolved substantive finding, 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 actions to "close-out" this medical claims audit:

1. Dental Services

The various hospital, medical, and surgical plans are hereby amended to allow the coverage of hospital, outpatient surgical center, anesthesiologist, and/or other medical professional services needed for the care of a patient when the patient's care is expected to:

- a. result in extensive blood loss;
- b. require major or prolonged invasion of a body cavity;
- c. involve any major blood vessels: or
- d. normally be performed in the office of a physician or dentist

2. Foot Care

Excellus BlueCross BlueShield is hereby directed to exclude those American Medical Association ("AMA") Current Procedure Terminology ("CPT") Codes for all items classified as "foot inserts" from coverage under the Consortium's hospital, medical, and surgical contracts. The exclusionary language found in the Consortium's plans is approved benefit language which includes the New York State Department of Financial Services "model language" excluding foot care, as follows:

"We do not Cover routine care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet. However, we will Cover foot care when You have a specific medical condition or disease resulting in circulatory deficits or areas of decreased sensation in Your legs or feet."

In addition, Excellus BlueCross BlueShield's Medical Director and/or Medical Review Professionals are hereby authorized to "override" this exclusion when the patient presents an underlying medical condition unrelated to foot care which requires the patient to utilize a foot orthotic.

3. Orthopedic Shoes

The Consortium is hereby instructing Excellus BlueCross BlueShield to comply with the exclusionary language found in the plan documents and/or insurance certificates relative to foot care, as described in #2 of this resolution above and as approved by the New York State Department of Financial Services.

4. Hearing Evaluation and Hearing Aids

Excellus BlueCross BlueShield is hereby directed to take the necessary actions to ensure services related to routine hearing evaluations and the purchase and/or adjustment of hearing aids are excluded services in accordance with the Consortium's hospital, medical, and surgical plans of benefit.

Due to the nominal dollar amount (\$327.11) in identified errors of this nature, the Consortium is not requesting a refund of overpaid dollars at this time from Excellus BlueCross BlueShield.

5. Diagnostic Laboratory Panels

The Consortium is hereby requesting that Excellus BlueCross BlueShield strictly adhere to the industry standard practice of denying charges for diagnostic laboratory tests when said tests are included in a diagnostic laboratory panel billed on the same date of service.

Due to the nominal dollar amount (less than \$200) in identified errors of this nature, the Consortium is not requesting a refund of overpaid dollars at this time from Excellus BlueCross BlueShield.

6. Eye Refractive Exams and Vision Care

The Consortium acknowledges that certain hospital, medical, surgical plans of benefit do include limited benefits for routine vision exams and the cost of materials associated with corrective vision items (contact lenses, glasses, etc.). The Consortium Board of Directors hereby instructs Locey & Cahill, LLC to develop a “rider” to be added to the appropriate Consortium hospital, medical, and surgical plans as necessary to ensure the benefits listed are covered and paid appropriately.

7. Chiropractic Care

The Consortium acknowledges that many of the hospital, medical, and surgical plans offered by the Consortium do not include language which limits the possibility of over use or abuse of this benefit for palliative reasons. That being said, the Consortium feels Excellus BlueCross BlueShield has an obligation to ensure any and all hospital, medical, surgical services are medically necessary and appropriate in accordance with the contract language approved by the New York State Department of Financial Services.

To achieve this result, the Consortium hereby requests Excellus BlueCross BlueShield’s Medical Review Personnel establish a set protocol for reviewing chiropractic care for medical necessity when such care has exceeded twenty (20) visits in a calendar year for a specific patient and confirm this process is in place by December 31, 2017.

* * * * *

JURAT Timeline

Mr. Thayer reported the Committee accepted a timeline for development and timely submission of the JURAT report that is submitted to the Department of Financial Services. Mr. Barber said there are several steps in the process that will be codified through contracts with the various partners. Mr. Snyder said the primary change was to move up the date for the actuarial work to be done. Mr. Barber noted that in the future if DFS changes the JURAT form during the process the Consortium will be able to demonstrate to the Department when it makes changes to the form how any change will impact the timeliness of the report being submitted.

RESOLUTION NO. 014- 2017 – AUTHORIZING FINANCIAL SERVICES AGREEMENT WITH TOMPKINS COUNTY – SEPTEMBER 1, 2017 THRU DECEMBER 31, 2018

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

WHEREAS, a review of Consortium invoice payment practices by the Audit and Finance Committee identified the need to formalize a contract arrangement with Tompkins County for work performed by the Office of the Tompkins County Finance Director for the performing Consortium Treasurer functions, and

WHEREAS, the proposed contract has been developed by the Consortium's legal counsel, 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 to sign the Financial Services Agreement with Tompkins County for a term commencing September 1, 2017 through December 31, 2018,

RESOLVED, further, that the Financial Services Agreement will be kept on file in the Consortium's records.

* * * * *

Mr. Thayer said the Committee will be focusing its work on development of the 2018 budget and keeping Directors informed as much as possible.

Report from the Executive Committee

Ms. Drake, Chair, reported the Committee has been discussing many of the items that have been reported on this evening and has reviewed the Executive Director's work plan. The Committee received an update from Mr. Barber about the Excellus contract and language that was added to the contract without advance notice to the Consortium. She said Mr. Barber met with Excellus representatives and this was discussed in addition to improvements that are needed to the electronic enrollment process.

Report from the Owing Your Own Health Committee

Mr. Barber reported on behalf of Ted Schiele, Committee Chair, who was unable to attend. He said although will continue to bring wellness ideas forward that employers can do, they are looking at what options the Consortium has for wellness programs.

RESOLUTION NO. 015 - 2017 – AUTHORIZATION TO SPONSOR AND FUND FLU CLINICS FO 2017 AND CONTINUE PHARMACY BENEFIT TO COVER FLU VACCINATION

MOVED by Mr. Schneck, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present. Mr. Barber noted that the flu clinics have been very successful with over 26% of the Consortium's covered lives having received the flu shot last year which is above the rate for other groups. Ms. Hersey said the number is probably higher for the Consortium because employees at TC3 are provided the flu shot and there is no record of who receives the vaccine at the College. Mr. Barber noted the cost has increased from \$25 per vaccine in 2016 to \$30 in 2017 because ProAct will be using a quadrivalent vaccine compared to a trivalent vaccine in an attempt to catch more viruses. Mr. Locey noted there are sufficient funds budgeted for these clinics.

WHEREAS, the Owing Your Own Health Committee has discussed the results and feedback from Consortium-sponsored flu clinics that were held in 2016 and believes the Consortium should continue to provide the opportunity for all eligible employees and retirees, spouses and dependents over the age of 19 to participate in flu shot clinics again in 2017, and

WHEREAS, when administered outside of a flu clinic a member is able to receive a vaccine with no co-pay or member cost through a medical provider as the cost is billed as a medical claim through Excellus, and

WHEREAS, the Committee recommends to continue to allow members to receive a vaccine at a pharmacy with no co-pay or cost to the member, now therefore be it

RESOLVED, on recommendation of the Owning Your Own Health Committee, That the Board of Directors authorizes the Consortium to sponsor and fund flu clinics in 2017 for its members and authorizes ProAct, at the direction of each Consortium member, to develop and administer the clinics, and to submit a claim for payment by the Consortium for each shot provided to an eligible recipient at a cost not to exceed \$30 per shot,

RESOLVED, further, That the Owning Your Own Health Committee recommendations, that the Board of Directors authorizes ProAct to add a pharmacy benefit to all Consortium members' coverage to allow members to receive a vaccine at any pharmacy with no co-pay or cost to the member.

* * * * *

Report from the Joint Committee on Plan Structure and Design

Ms. Hersey, Chair, reported the Committee met on August 3rd and deferred minutes approval due to lack of quorum. The Committee talked about Tele-Medicine and received an update on Excellus utilization data on the Program from Mr. Locey. The Committee discussed adjusting the Gold Plan to allow it to continue to qualify as a high deductible plan and will be voting on this at the next meeting. The Committee looked at 2016 utilization data and had an Excellus website tutorial. She said the Committee still needs to appoint its 3rd labor representative and is being assisted by Doug Perine in reaching out to labor.

Report from the Government Structure Committee

Mr. Fracchia, Chair, said the Committee was formed to address the increasing size of the Consortium and its current governance structure. The Committee has met twice; the first was to look at the current Municipal Cooperative Agreement and Article 47 and to put it in the context of where the Consortium is now and where it could grow. The Consortium started out with 13 municipalities, now has 28, and could grow to 133 plus labor representatives. At the second meeting the Committee began looking at potential structures and Article 44. After discussing what might look like a model to pursue it was felt it would be good to get feedback from the Board of Directors. At this time a draft survey was circulated and Mr. Fracchia reviewed models that are being presented for feedback through the survey which will be distributed to Directors with a request to be returned by August 11th.

Website Committee

Mr. Barber reported on behalf of Ted Schiele, Chair, who was unable to attend, and said the Committee has met once and will meet again next week. He reviewed the following reasons for redesign: Disconnect from Tompkins County, make it more welcoming and easier to find information, make it easier to update with clear sections identified out front, and make it more mobile friendly. The Committee includes a mix of constituencies, web experience, etc. and identified the following points at its initial meeting:

- There is consensus that the Consortium needs to visually disconnect from Tompkins County;

Board of Directors
July 27, 2017

- Will have a discussion on whether or not the Tompkins County platform (e-government) will provide the same design flexibility as template-based platforms like Square Space or Wix.
- The Committee identified the general design presentation of the Lifetime Benefit Solutions site. The idea is to be able to immediately segment site visitors into (for example);
- The next meeting will be with Discovere-gov staff to discuss design options.

Mr. Fracchia added that there was discussion of the Consortium having a new domain name and also questioned whether a question should be added to the survey relating to the Consortium changing its name. Suggestions that were offered included CNYConsortium and the Fingerlakes Consortium. Mr. Locey stated that it would take effort to change the Consortium's name because there are various records that the Consortium is filed under. Directors were encouraged to give thought about a new domain name and send suggestions along to the Committee.

New Business

There was no new business.

Adjournment

The meeting adjourned at 7:19 p.m.



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RESOLUTION NO. - 2017 – APPROVAL OF ADJUSTMENT TO THE GOLD METAL LEVEL PLAN MINIMUM DEDUCTIBLE AMOUNTS

WHEREAS, the Internal Revenue Service recently issued new limits for 2018 for high deductible plans for Health Savings Accounts (HSAs) for maximum out-of-pocket expenses, and

WHEREAS, in order to now qualify for a high-deductible health plan Gold Metal Level Plan, the minimum deductible for single coverage must be increased from \$1,300 to \$1,350 and from \$2,600 to \$2,700 for family, and

WHEREAS, the two Participating Consortium employers enrolled in the Gold Metal Level Plan wish to continue to offer the option of a Health Savings Account to their employees and retirees,

WHEREAS, data entered into the federal actuarial calculator indicates the proposed deductible will change from 79.72% to 79.44%. In keeping with past Consortium policy the premium rate will be 0.26% lower than all other premium rates,

WHEREAS, the Joint Committee on Plan Structure and Design has reviewed this benefit plan change and recommends approval, now therefore be it

RESOLVED, the Audit and Finance Committee recommends that the Board of Directors authorizes a benefit plan adjustment to the Consortium’s Gold Plan to increase the deductible for single coverage from \$1,300 to \$1,350 and to increase the minimum deductible from \$2,600 to \$2,700 for family coverage, effective January 1, 2018.



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RESOLUTION NO. - 2017 - ADOPTION OF 2018 BUDGET

WHEREAS, the proposed 2018 budget was presented by the Consultant and was unanimously recommended by the Audit and Finance Committee at the September 28, 2017 meeting for submission to the Board for its review, and

WHEREAS, notable items included in the proposed budget are the following:

- Premium increase of ___% over 2017 rates, except for metal level plans which will experience reductions in actuarial value;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law.
- Maintain the Claims/Rate Stabilization Reserve in an amount equal to 5% of expected paid claims; and
- Catastrophic Claims Reserve will be increased by \$300,000 to \$1,350,000

now therefore be it

RESOLVED, That the attached 2018 budget and premium equivalent rates for the Greater Tompkins County Municipal Health Insurance Consortium is hereby approved.



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RESOLUTION NO. -2017 - ACCEPTANCE OF APPLICATION BY THE TOWN OF HOMER TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Homer has submitted an official resolution authorizing the Town of Homer to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Homer has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Homer as the 30th municipal participant, with health insurance coverage beginning January 1, 2018,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account as requested by the Town of Homer,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly,

Resolved, further, That the Administrative Clerk shall forward to the New York State Department of Financial Services a certified copy of the resolution authorizing the Town of Homer to become a participant in the Consortium and a certified resolution adopted by the GTCMHIC accepting the Town of Homer as a Participant in the Consortium.

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RESOLUTION NO. -2017 - ACCEPTANCE OF APPLICATION BY THE TOWN OF NEWFIELD TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Newfield has submitted an official resolution authorizing the Town of Newfield to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Newfield has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Newfield as the 29th municipal participant, with health insurance coverage beginning January 1, 2018,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account as requested by the Town of Newfield,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly,

Resolved, further, That the Administrative Clerk shall forward to the New York State Department of Financial Services a certified copy of the resolution authorizing the Town of Newfield to become a participant in the Consortium and a certified resolution adopted by the GTCMHIC accepting the Town of Newfield as a Participant in the Consortium.

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Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

RESOLUTION NO. -2017 - ACCEPTANCE OF APPLICATION BY THE TOWN OF OWASCO TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Owasco has submitted an official resolution authorizing the Town of Owasco to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Owasco has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor,

WHEREAS, the Town of Owasco has requested as a condition of membership that all Medicare age employees and retirees maintain their current Medicare Advantage PPO benefit plan, a federally subsidized plan which the Consortium cannot offer, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium, accepts and welcomes the Town of Owasco as the 31st municipal participant, with health insurance coverage beginning January 1, 2018,

RESOLVED, further, That the Board of Directors waives the requirement of payment of 5% of premium to the Surplus Reserve Account as requested by the Town of Homer,

RESOLVED, further, That the Board of Directors determines that the terms of assessing the pro rata share of any surplus or deficit to the applicant shall at the time the applicant leaves the Consortium or upon dissolution of the Consortium shall be based on their share of any deficit or being paid their share of any surplus that was generated during their years of participation. The Board of Directors would identify the surplus or deficit which exists on the date of entry and again on the date of withdrawal or dissolution and bill or pay the applicant accordingly,

RESOLVED further. That the Board of Directors, in accordance with section A.3 of the Municipal Cooperative Agreement, allows the Town of Owasco's Medicare age employees and retirees to maintain their current Medicare Advantage PPO benefit plan, and

Resolved, further, That the Administrative Clerk shall forward to the New York State Department of Financial Services a certified copy of the resolution authorizing the Town of Owasco to become a participant in the Consortium and a certified resolution adopted by the GTCMHIC accepting the Town of Owasco as a Participant in the Consortium.

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**RESOLUTION NO. – 2017 - AUTHORIZE EXTENSION OF CONTRACT FOR
 PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2018
 – PROACT**

WHEREAS, the Board of Directors by Resolution No. 028-2016 awarded a one-year contract with ProAct for Prescription Benefits Manager services with the Consortium having the option to extend the contract annually for each of the next two years, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for another year, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended for the period January 1, 2018 through December 31, 2018.

* * * * *

To: GTCMHIC Board of Directors
From: Governance Structure Committee (GSC)
Date: September 8, 2017

Subject: Report on Governance Model Survey and GSC Deliberations to Date

Committee Chair, Mr. Fracchia, reported at the July 27, 2017 Board of Directors meeting that the Governance Structure Committee (GSC) was formed to address the potential impact of the increasing size of the Consortium on its current governance structure. The Consortium started out with 13 participating municipalities, now has 28, and has the potential to grow to 133 members plus labor representatives.

To have context of where the Consortium is now and how it might prepare itself for a change in governance structure, the GSC first reviewed the current GTCMHIC Municipal Cooperative Agreement and Article 47 of the NYS Insurance Law. The Committee then studied potential structures, such as models used by the New York State Municipal Insurance Reserve (MYMIR) and the Statewide Schools Cooperative Health Plan (SWSCHP), as well as the Health Benefits Plan Trust model under NYS Article 44. From this work, the Committee learned that there were many avenues to travel down and felt it would be good to get feedback from the Board of Directors before pursuing any particular course. A survey was developed that outlined promising models that could be used while staying within Article 47. This survey was given to each GTCMHIC Director for feedback.

A summary of the survey results is attached. The results show that the current GTCMHIC governance model received the highest affirmation (3.91 out of a possible 5). However, a very close second (at 3.74) is the model delegating responsibilities and authority to Standing Committees, possibly resulting in fewer Board meetings. Based on these results, the GSC focused on ideas to implement the model receiving the second highest rating, which is being referred to as the *Delegating to Committee Option*. The GSC reviewed all of the Board actions since 2014 to identify items that could be appropriately assigned to Standing Committees. The GSC separated decisions/actions into two categories: (a) those considered fiduciary responsibility of the Board as required by Article 47, and (b) all other actions that could be delegated to committees.

Specific Board actions discussed:

1. Committee formation, charge of responsibility, and membership
2. Approval of New municipal partners
3. Approval of Contracts and Contract Extension for:
 - a. Claims Administration
 - b. Stop-Loss Insurance
 - c. Financial Auditor and Actuary
 - d. Legal Counsel
 - e. Benefit Plan Consultant and Executive Director
4. Establishing Annual Budget, Premium Equivalent Rates, and Reserve Funds

5. Benefit Plan Changes and Adoption of New Plans
6. All Policies including Investment, Code of Ethics, Dependent Certificate for example
7. Election of Officers, Appointment of Treasurer and Establish their Responsibilities
8. Establish Board Meeting Schedule

Specific Delegated Responsibilities discussed:

1. Creation and Execution of RFP's
2. Approval of Contracts under \$_____ or
3. Acceptance of Audit Results
4. Audit Receipts and Disbursement of funds established in the Annual Budget
5. Establish bank where funds are held
6. Negotiation of Contract Language
7. Administrative Guidelines/Recommendations
8. Policies that are not fiduciary in nature
9. Ancillary Benefits
10. Operational decisions for items included in the adopted budget (flu clinics for example)
11. Marketing decisions (although specific partners directly affected will be consulted)
12. Purchase all insurance products included in the adopted budget except Stop-Loss

GSC also discussed creating an appeals process in the event a delegated decision made by committee is of concern to a Director. Process details need to be developed. However the GSC did discuss the concept whereby the appellate option could only be exercised by participating directors.

GSC also discussed improving the language in the MCA regarding the authority of the Executive Committee, particularly regarding the creation of special subcommittees and their charge. Any recommendation from these subcommittees would come to the Board as recommendations from the Executive Committee.

Finally, the GSC discussed that should the Board decide to pursue more discussion of this *Delegating to Committee Option*, the membership of this model should be intentional and approved by the Board, and that the Committee charge of authority along with Board delegated responsibilities be clearly articulated in a Board resolution. GSC also recognized that should the Board decide to proceed with this model, there would be the need to seek legal counsel for further development of the details and for determining the necessity that the MCA be amended.

The GSC plans to meet after the September 28th Board meeting to begin to develop a solid proposal based on feedback and direction from the Board. And return to the board in a few months with a clearer picture of the specific language and an assessment of the benefits and/or drawbacks of such an approach.