



2022 Fiscal Year Budget Performance Report As of August 31, 2022

Locey & Cahill, LLC
250 South Clinton Street, Suite 340
Syracuse, NY 13202
Tel (315) 425-1424
Fax (315) 425-1394
E-mail: slocey@loceycahill.com



Section 1

2022 Fiscal Year-to-Date Income Budget vs Actual Results

2022 Income Budget vs Actual (08/31/2022)

		<i>2022 Adopted Budget</i>	<i>2022 Amended Budget</i>	<i>2022 Year-to-Date</i>	<i>2022 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Income							
	Medical and Rx Plan Premiums	\$57,752,443.75	\$55,937,315.28	\$37,291,543.52	\$36,563,329.88	-\$728,213.64	-1.95%
9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$131,196.02	\$131,196.02	
9020	Interest	\$45,660.35	\$45,660.35	\$30,440.23	\$34,077.06	\$3,636.83	11.95%
9010	Rx Rebates	\$3,000,000.00	\$3,000,000.00	\$2,000,000.00	\$1,608,600.12	-\$391,399.88	-19.57%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Income		\$60,798,104.10	\$58,982,975.63	\$39,321,983.75	\$38,337,203.08	-\$984,780.67	-2.50%

Key Facts:

1. Total Income was 2.50% below the amended budget, with premium income being 1.95% below the amended budget for the first 8-months of the fiscal year. The amended budget reflects the changes in plan designs and demographics of the participants as detailed below:
 - a. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
 - b. Changes in covered lives and contract counts.
 - c. Rx Rebates received totaled \$727,509.70 from the 1st quarter of 2022. We are expecting a significant reconciliation payment relating to the 2021 fiscal year.

2022 Income Budget vs Actual (08/31/2022)

Key Facts (continued):

- c. The number of contracts insured by the Consortium increased by 2.82% and the number of covered lives grew by only 1.70%. The disparity in this number is primarily due to the County's move to the Consortium's Medicare Supplement Plan for their Medicare-aged retirees and their spouses.

Monthly Average Covered Lives by Fiscal Year

<i>Year</i>	<i>Member</i>	<i>Spouse</i>	<i>Dependent</i>	<i>Total lives</i>
2011	1,995	1,056	1,348	4,400
2012	2,004	1,058	1,386	4,448
2013	2,281	1,228	1,567	5,077
2014	2,269	1,188	1,556	5,012
2015	2,301	1,173	1,546	5,021
2016	2,322	1,186	1,555	5,063
2017	2,397	1,208	1,567	5,172
2018	2,439	1,216	1,546	5,201
2019	2,867	1,436	1,867	6,170
2020	2,942	1,454	1,876	6,271
2021	3,035	1,406	1,862	6,303
2022	3,120	1,408	1,882	6,410

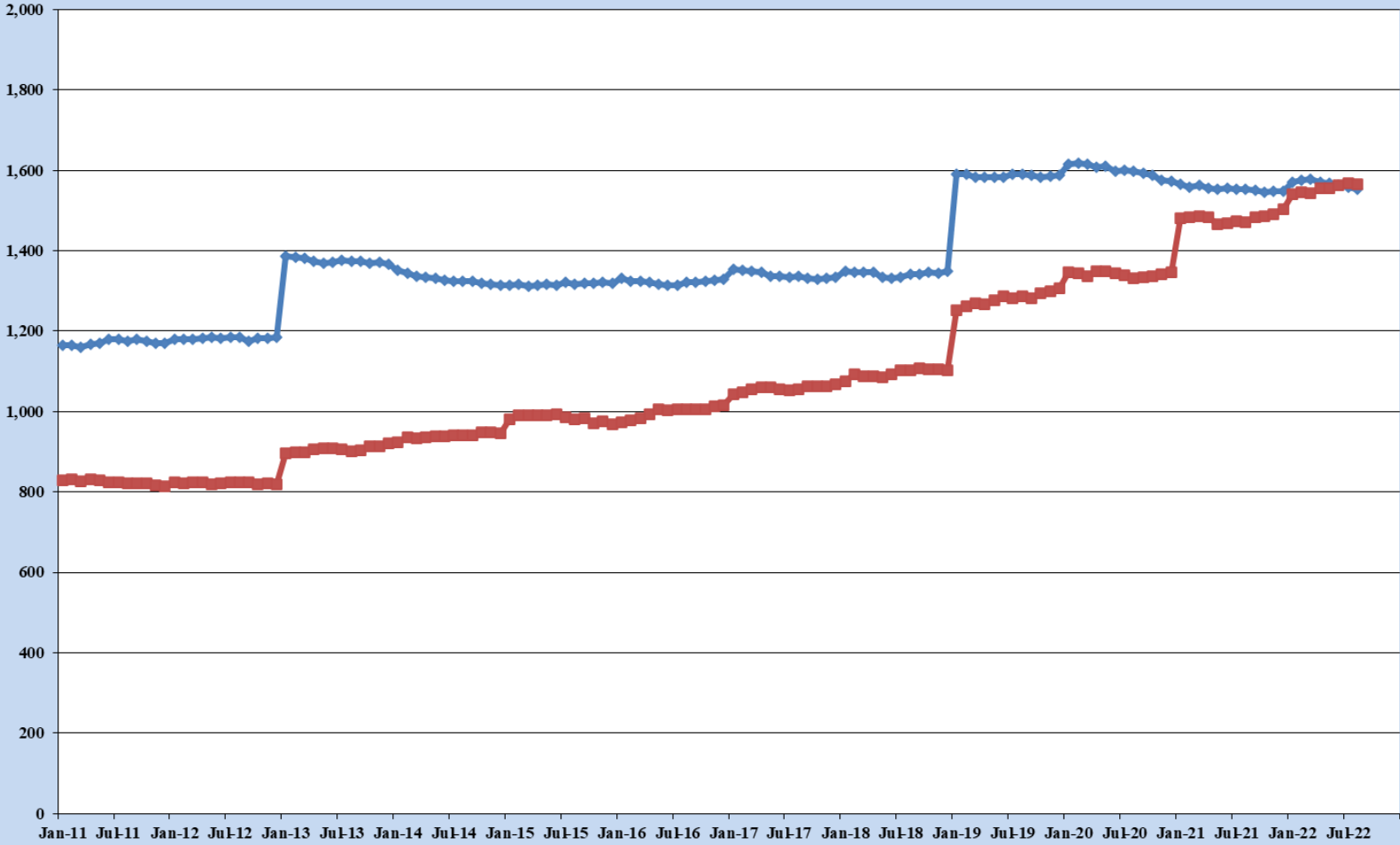
Monthly Average Contract Count by Fiscal Year

<i>Year</i>	<i>Family Contracts</i>	<i>Individual Contracts</i>	<i>Total Contracts</i>	<i>Avg. # of Lives Per Contract</i>	<i>Avg. # of Lives Per Family</i>
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	2,301	2.182	3.065
2016	1,322	999	2,322	2.181	3.073
2017	1,340	1,058	2,397	2.157	3.071
2018	1,343	1,096	2,439	2.133	3.057
2019	1,586	1,281	2,867	2.152	3.082
2020	1,600	1,342	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,567	1,555	3,122	2.053	3.098

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Contract Count by Plan Type

January 1, 2011 to August 31, 2022

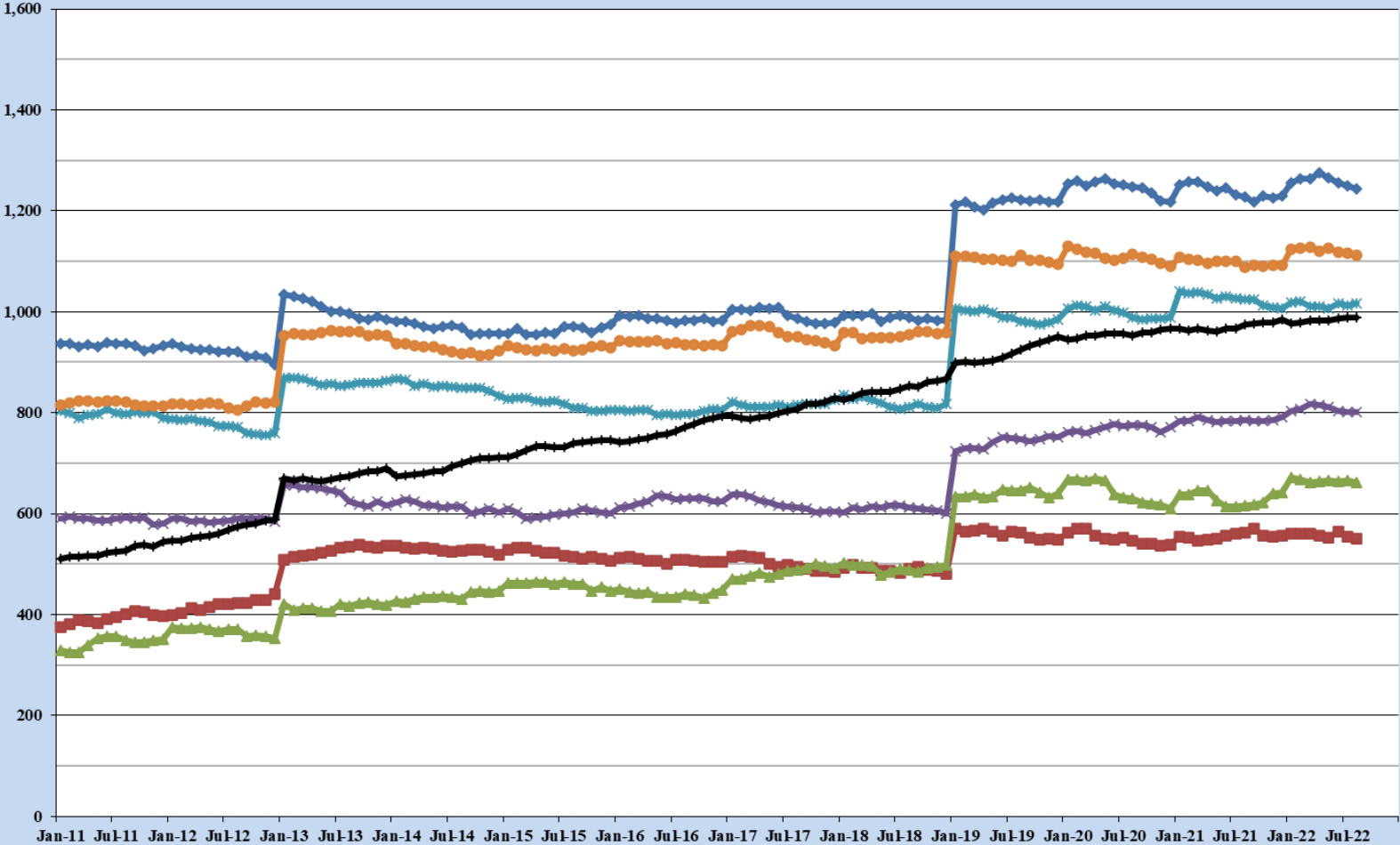


Family Contracts Individual Contracts

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band

January 1, 2011 to August 31, 2022



2022 Income Budget vs Actual (08/31/2022)

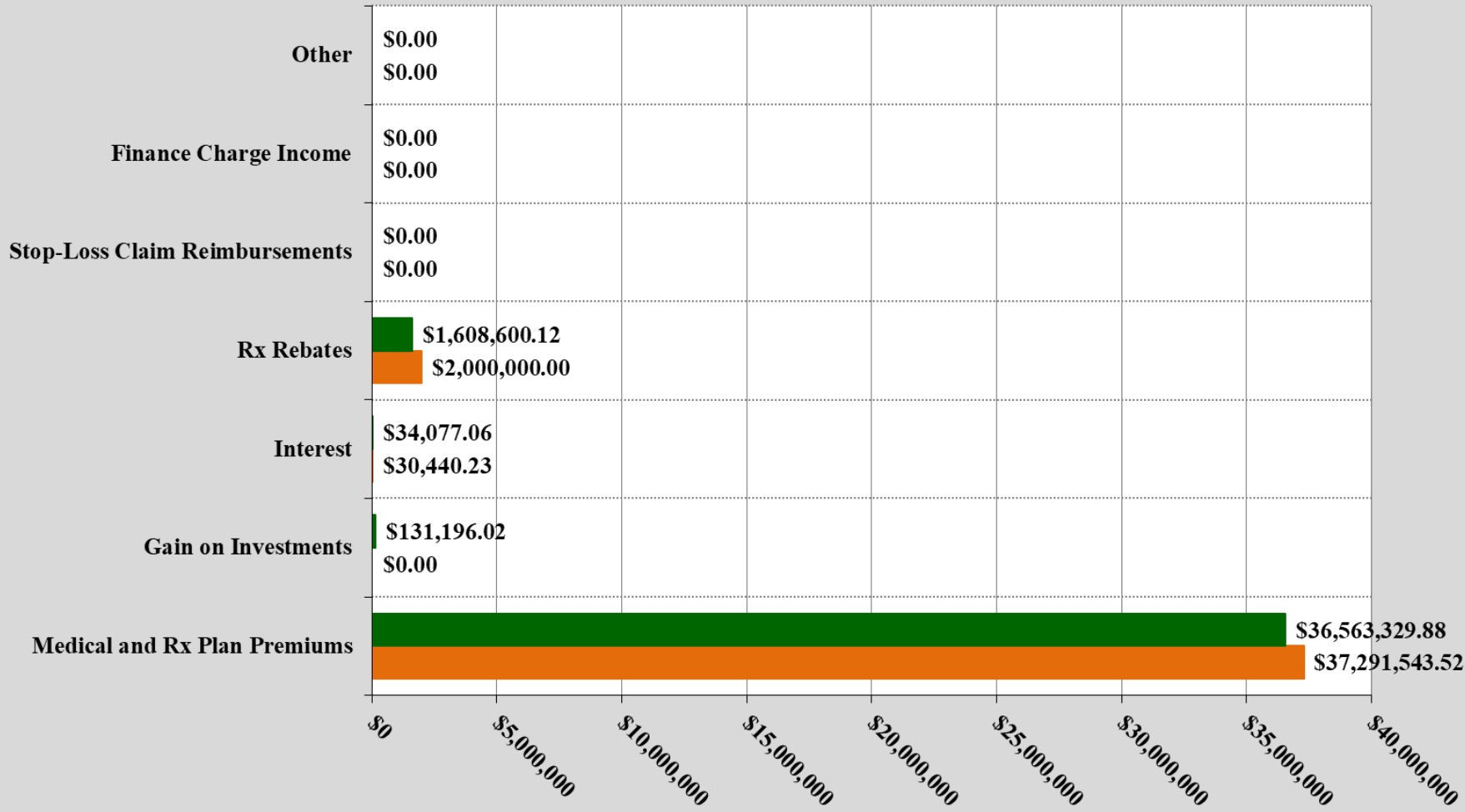
Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Gains on investments are booked as revenues, while losses on investments are recorded as expenditures. The COVID-19 pandemic, greatly reduced the Consortium’s interest earnings potential.
3. There has been three pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2022 Fiscal Year to date. The Consortium did experience an enhancement to the July payment of \$727,509.70, however, it did not hit the budgeted expectation. The April – June 2022 payment will be made in October. As part of the PBM RFP, ProAct, Inc. estimated the new quarterly payments to be approximately \$985k based on prior usage. We are expecting a large reconciliation payment for the 2021 Rx Rebate settlement.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was no Other Income as of August 31st. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to August 31, 2022

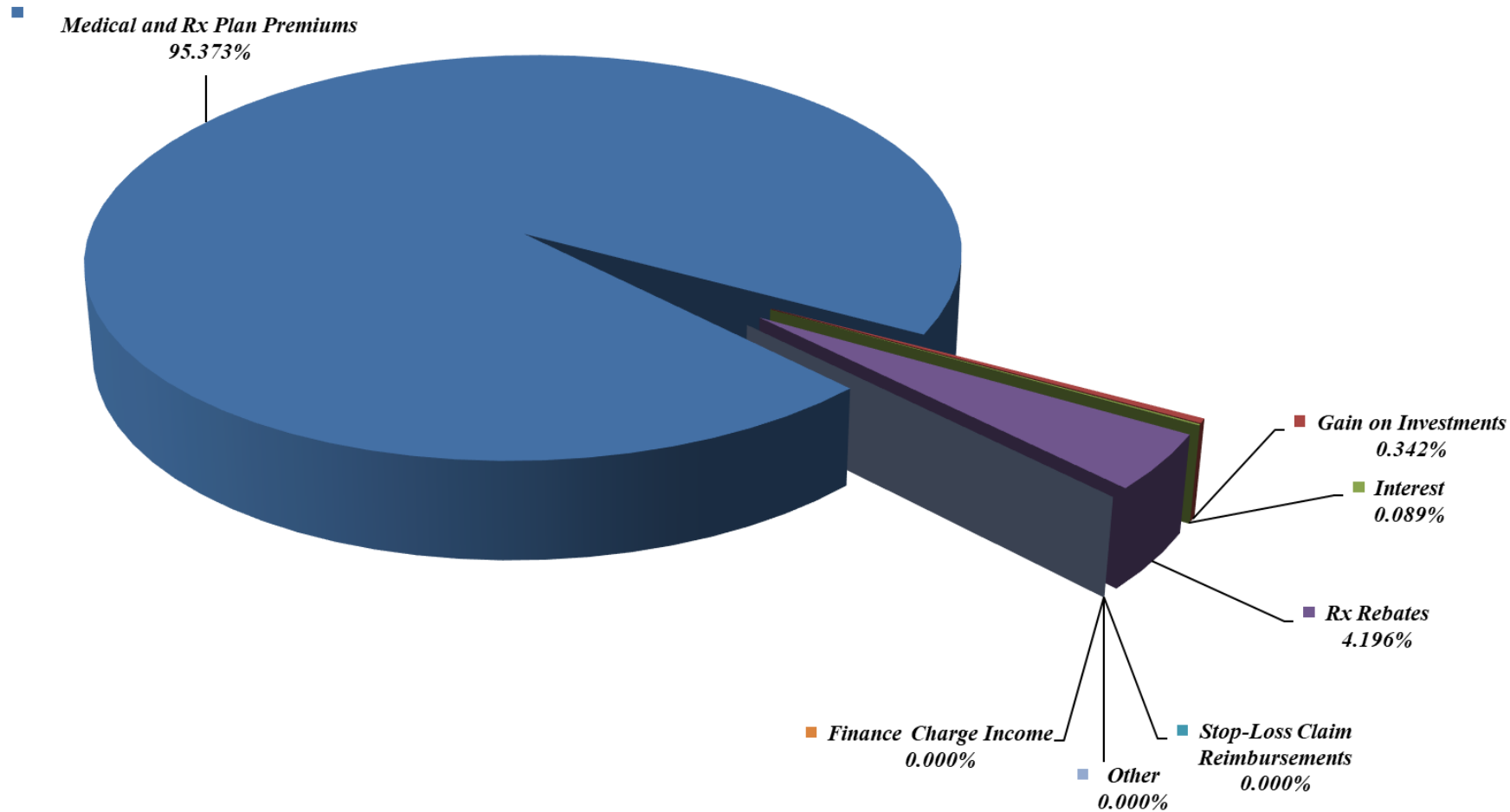


■ 2022 Actual Income ■ 2022 Budgeted Amounts

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to August 31, 2022



■ Medical and Rx Plan Premiums ■ Gain on Investments ■ Interest ■ Rx Rebates ■ Stop-Loss Claim Reimbursements ■ Finance Charge Income ■ Other



Section 2

2022 Fiscal Year-to-Date
Expense Budget vs Actual Results

2022 Expense Budget vs Actual Results (08/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,780,345.45	\$40,780,345.45	\$26,598,172.03	\$24,726,860.53	-\$1,871,311.50	-7.04%
	Advance Deposit / Pre-Paid Claims	\$37,344.64	\$65,900.00	\$65,900.00	\$65,900.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$16,506,765.82	\$10,792,885.34	\$11,017,506.58	\$224,621.24	2.08%
8121	Rx Paid Claims - CanaRx	\$161,366.59	\$161,366.59	\$107,577.73	\$110,851.10	\$3,273.37	3.04%
8084	Flu Clinic Fees	\$20,037.48	\$23,042.13	\$15,361.42	\$0.00	-\$15,361.42	-100.00%
8050	Medical Admin Fees	\$1,521,623.78	\$1,502,656.92	\$1,001,771.28	\$1,040,046.03	\$38,274.75	3.82%
	Rx Admin Fees	\$206,958.25	\$226,592.82	\$151,061.88	\$176,153.03	\$25,091.15	16.61%
8091	NYS Covered Lives Assessment	\$391,982.86	\$319,060.15	\$212,706.77	\$246,189.85	\$33,483.08	15.74%
9060	ACA PCORI Fee	\$18,886.41	\$18,886.41	\$18,886.41	\$17,585.37	-\$1,301.04	-6.89%
8110	Specific Stop-Loss Insurance (Actual)	\$313,950.00	\$723,382.00	\$482,254.67	\$197,601.20	-\$284,653.47	-59.03%
8000	Accounting Fees	\$19,000.00	\$19,000.00	\$12,666.67	\$12,200.00	-\$466.67	-3.68%
8010	Actuarial Fees	\$10,000.00	\$10,000.00	\$6,666.67	\$7,200.00	\$533.33	8.00%
8020	Audit Fees (Financial)	\$14,420.00	\$14,420.00	\$13,390.00	\$14,500.00	\$1,110.00	8.29%
8021	Audit Fees (Claims)	\$51,295.00	\$51,295.00	\$34,196.67	\$19,875.00	-\$14,321.67	-41.88%
8055	Consultant Fees (Barber & Strat Plan)	\$45,000.00	\$25,000.00	\$16,666.67	\$0.00	-\$16,666.67	-100.00%
8030	Consultant Fees (L&C)	\$91,650.00	\$91,650.00	\$61,100.00	\$61,000.00	-\$100.00	-0.16%
8070	Legal Fees	\$12,000.00	\$12,000.00	\$8,000.00	\$5,357.00	-\$2,643.00	-33.04%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$16,666.67	\$205.00	-\$16,461.67	-98.77%
66001	Executive Director (Salary)	\$96,450.00	\$96,450.00	\$64,300.00	\$63,060.14	-\$1,239.86	-1.93%
66002	Fringe Benefits	\$119,635.00	\$119,635.00	\$79,756.67	\$53,027.86	-\$26,728.81	-33.51%

2022 Expense Budget vs Actual Results (08/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
66003	Clerk of the Board (Salary)	\$74,300.00	\$74,300.00	\$49,533.33	\$35,247.16	-\$14,286.17	-28.84%
66004	Admin/Comp Asst (Salary)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
66005	Benefits Specialist (Salary)	\$56,240.00	\$56,240.00	\$37,493.33	\$36,771.00	-\$722.33	-1.93%
66006	Finance Manager (Salary)	\$72,100.00	\$72,100.00	\$48,066.67	\$47,142.36	-\$924.31	-1.92%
8060	Insurances (D&O / Prof. Liability)	\$55,650.00	\$53,004.00	\$35,336.00	\$38,844.00	\$3,508.00	9.93%
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$13,333.33	\$13,333.34	\$0.01	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$4,000.00	\$4,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,485.00	\$6,681.00	\$4,454.00	\$4,454.00	\$0.00	0.00%
9065	Marketing Expenses	\$2,575.00	\$8,000.00	\$5,333.33	\$830.37	-\$4,502.96	-84.43%
9055	Investment Management Services	\$12,360.00	\$12,360.00	\$8,240.00	\$5,983.91	-\$2,256.09	-27.38%
8150	Supplies Expense	\$4,080.00	\$4,080.00	\$2,720.00	\$2,396.26	-\$323.74	-11.90%
8151	Computer Equipment	\$11,545.00	\$11,545.00	\$7,696.67	\$5,516.31	-\$2,180.36	-28.33%
8152	Lease Expense / Parking Fees	\$13,370.00	\$13,370.00	\$8,913.33	\$7,318.15	-\$1,595.18	-17.90%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$666.67	\$276.57	-\$390.10	-58.51%
8154	Software	\$0.00	\$0.00	\$0.00	\$943.68	\$943.68	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$774.95	\$774.95	0.00%
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$1,333.33	\$0.00	-\$1,333.33	-100.00%
8157	Training & Prof. Dev.	\$0.00	\$2,000.00	\$1,333.33	\$348.00	-\$985.33	-73.90%
8158	Subscriptions	\$0.00	\$1,000.00	\$666.67	\$219.97	-\$446.70	-67.00%
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$616,326.70	\$616,326.70	
9060	Other Expenses / Supplies	\$12,595.00	\$7,595.00	\$5,063.33	\$747.25	-\$4,316.08	-85.24%
Total Expenses		\$60,792,011.28	\$61,143,723.29	\$39,994,170.85	\$38,656,592.67	-\$1,337,578.18	-3.34%

2022 Expense Budget vs Actual Results (08/31/2022)

	Budget	Revised Budget	Year-to-Date	Actual		
Paid Claims	\$57,505,859.98	\$57,537,419.99	\$37,579,896.52	\$35,921,118.21	-\$1,658,778.31	-4.41%
Claims Admin. Fees	\$1,728,582.03	\$1,729,249.74	\$1,152,833.16	\$1,216,199.06	\$63,365.90	5.50%
Stop-Loss	\$313,950.00	\$723,382.00	\$482,254.67	\$197,601.20	-\$284,653.47	-59.03%
Taxes and Fees	\$410,869.27	\$337,946.56	\$231,593.18	\$263,775.22	\$32,182.04	13.90%
Professional Services	\$268,365.00	\$248,365.00	\$169,353.33	\$120,337.00	-\$49,016.33	-28.94%
Insurance/Internal Fees/Investment Losses (\$571,394.15)	\$564,385.00	\$567,360.00	\$378,240.00	\$937,561.98	\$559,321.98	147.87%
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$39,994,170.85	\$38,656,592.67	-\$1,337,578.18	-3.34%
Net Income	\$6,092.82	-\$2,160,747.66	-\$672,187.10	-\$319,389.59	\$352,797.51	

The above provides an “easier to read” summary version of the expense data for the Consortium through August 31, 2022. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 92.92% of the total expenses through August 2022. Overall paid claims are 4.41% (including the advanced deposit for prepayment of claims) below budget to date, based on the amended budget. It should be noted that based on the recommendation of the Consortiums Auditor, investment gains & losses are now recorded in accounts 9005 (Insurance and Internal Fees Above) and amounted to \$616,326.70 in losses, offset by \$131,196.02 in gains as of July 31, 2022. (YTD net loss = \$485,130.68)

2022 Expense Budget vs Actual Results (08/31/2022)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. In addition, we updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. As of August, the Consortium is tracking slightly ahead of budget projections, especially when considering the impact of the gains and losses on investments. Many of the expense items are below budget. As more annual expense items are billed, we anticipate those items to be more in line with the budget as the Consortium works its way through the fiscal year.
3. It is important to remember that when new members are added to the Consortium, their paid claims typically mature approximately by the 3rd month following the transition to the Consortium. The "run-out" claims (claims incurred on or before December 31st each year) are the responsibility of their prior insurance carrier.

2022 Expense Budget vs Actual Results (08/31/2022)

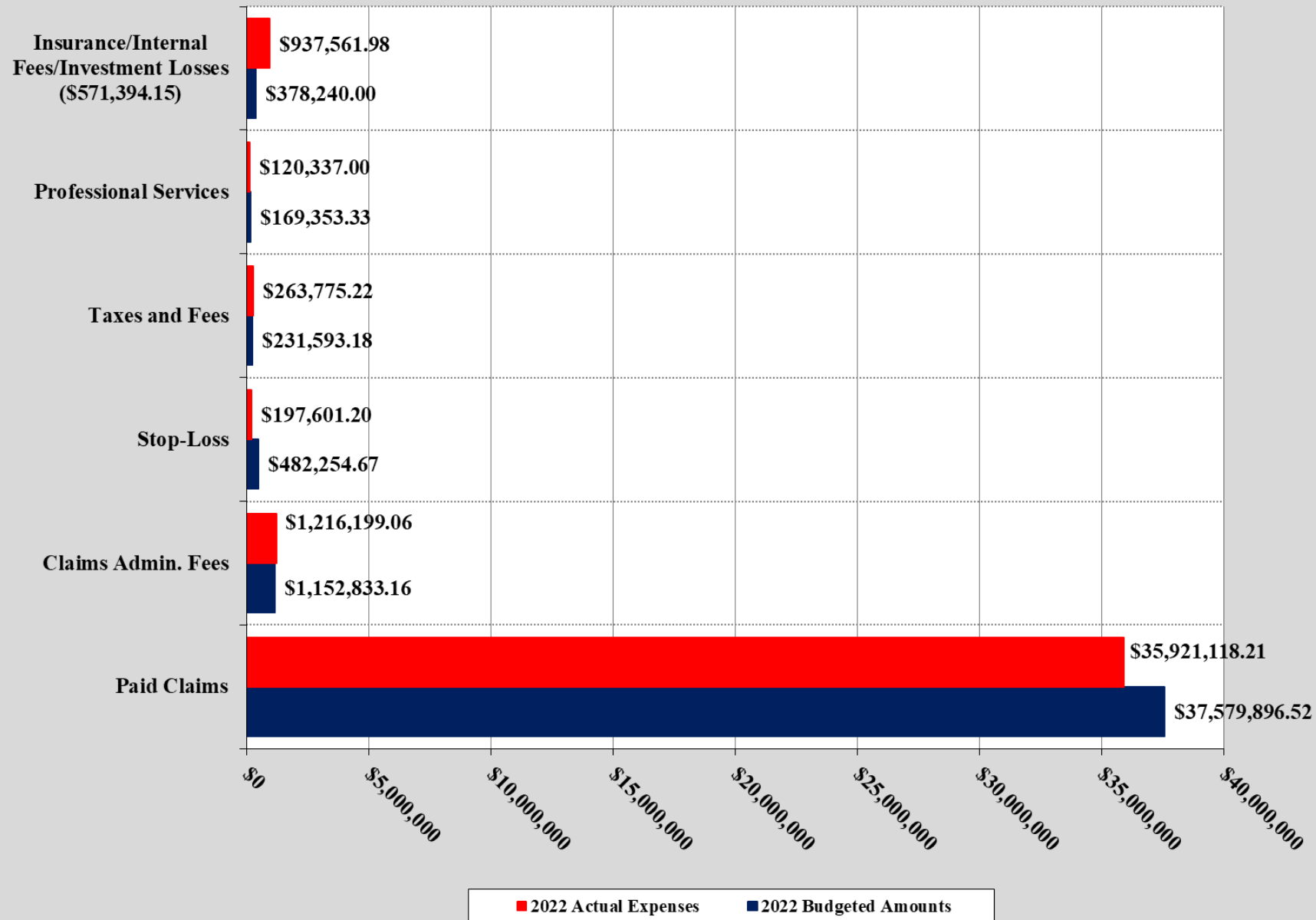
Key Facts:

4. Medical Paid Claims in the first 8-months were **7.02% below the amended budget** for the Fiscal Year to Date. This is the result of:
 - a) An increase in the covered lives ($\uparrow 1.78\%$) and in the number of contracts ($\uparrow 2.86\%$) skews the early 2022 medical paid claims due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan and the Medicare Supplement Plan by several employer groups.
 - c) A substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
5. Rx Paid Claims were 2.08% over budget for the first 8-months of the 2022 Fiscal Year. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2022 Fiscal Year.

Greater Tompkins County Municipal Health Ins. Consortium

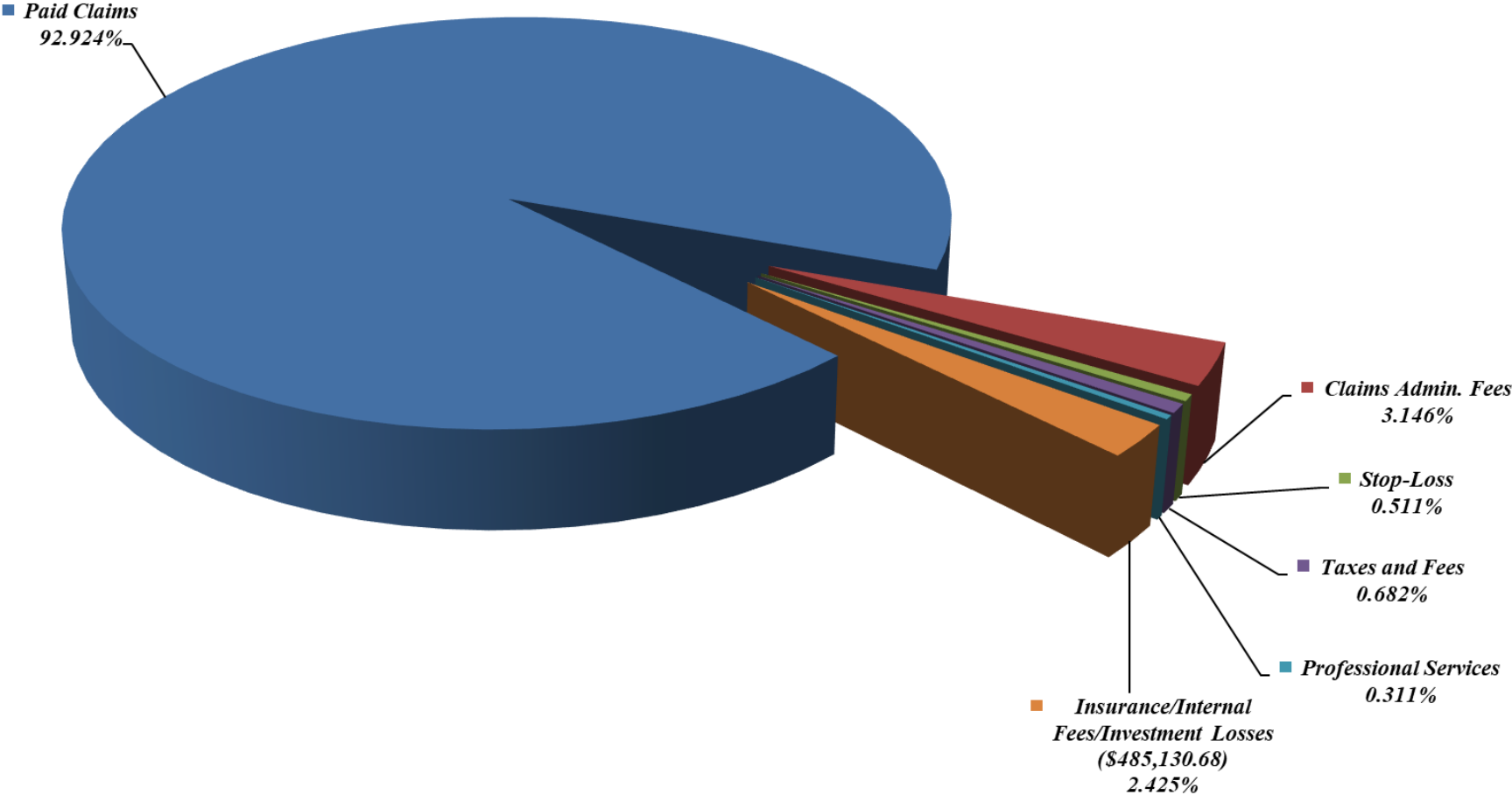
2022 Expense Distribution

January 1, 2022 to August 31, 2022



Greater Tompkins County Municipal Health Ins. Consortium

2022 Expense Distribution
January 1, 2022 to August 31, 2022



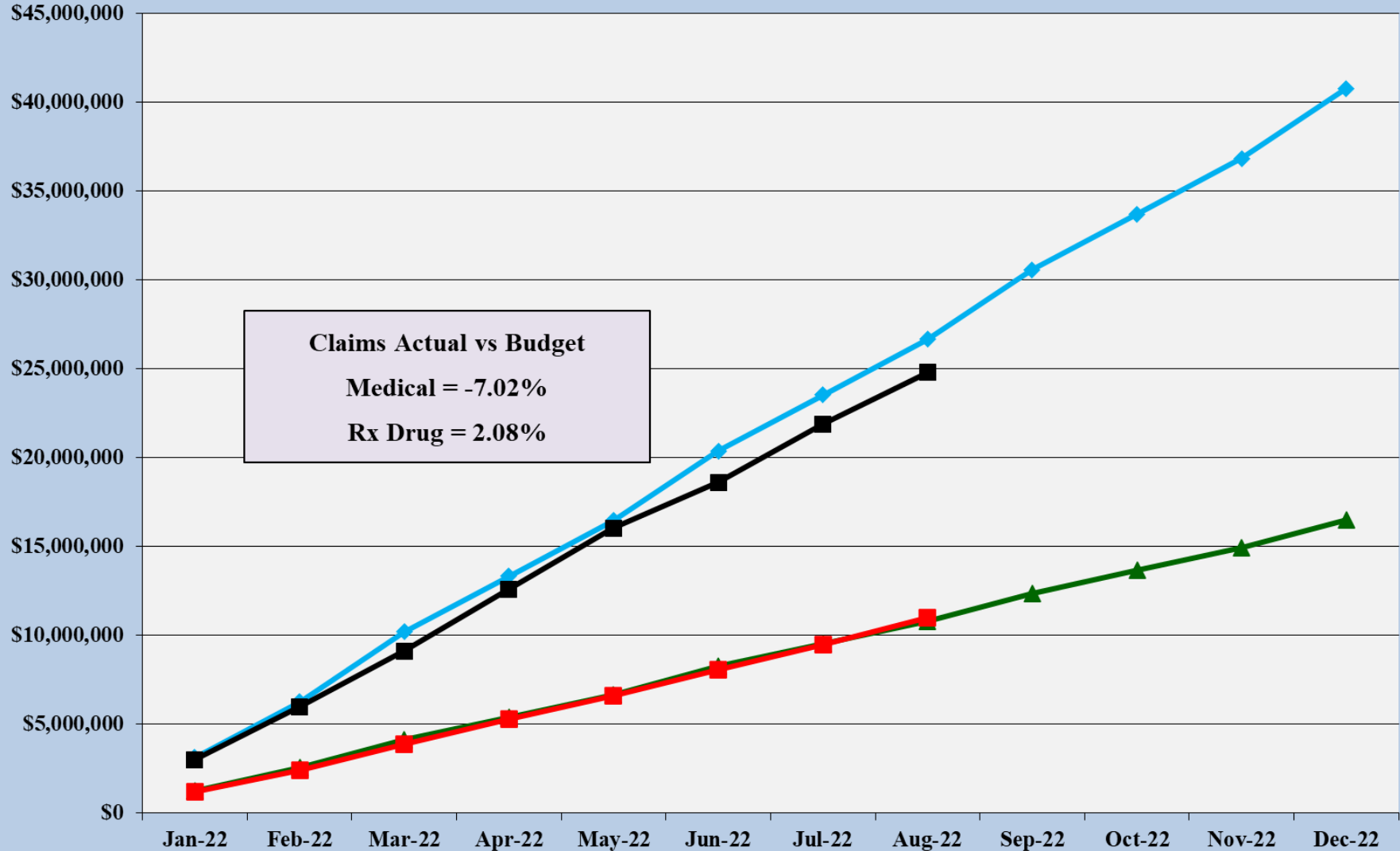


Section 3

2022 Fiscal Year-to-Date
Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month

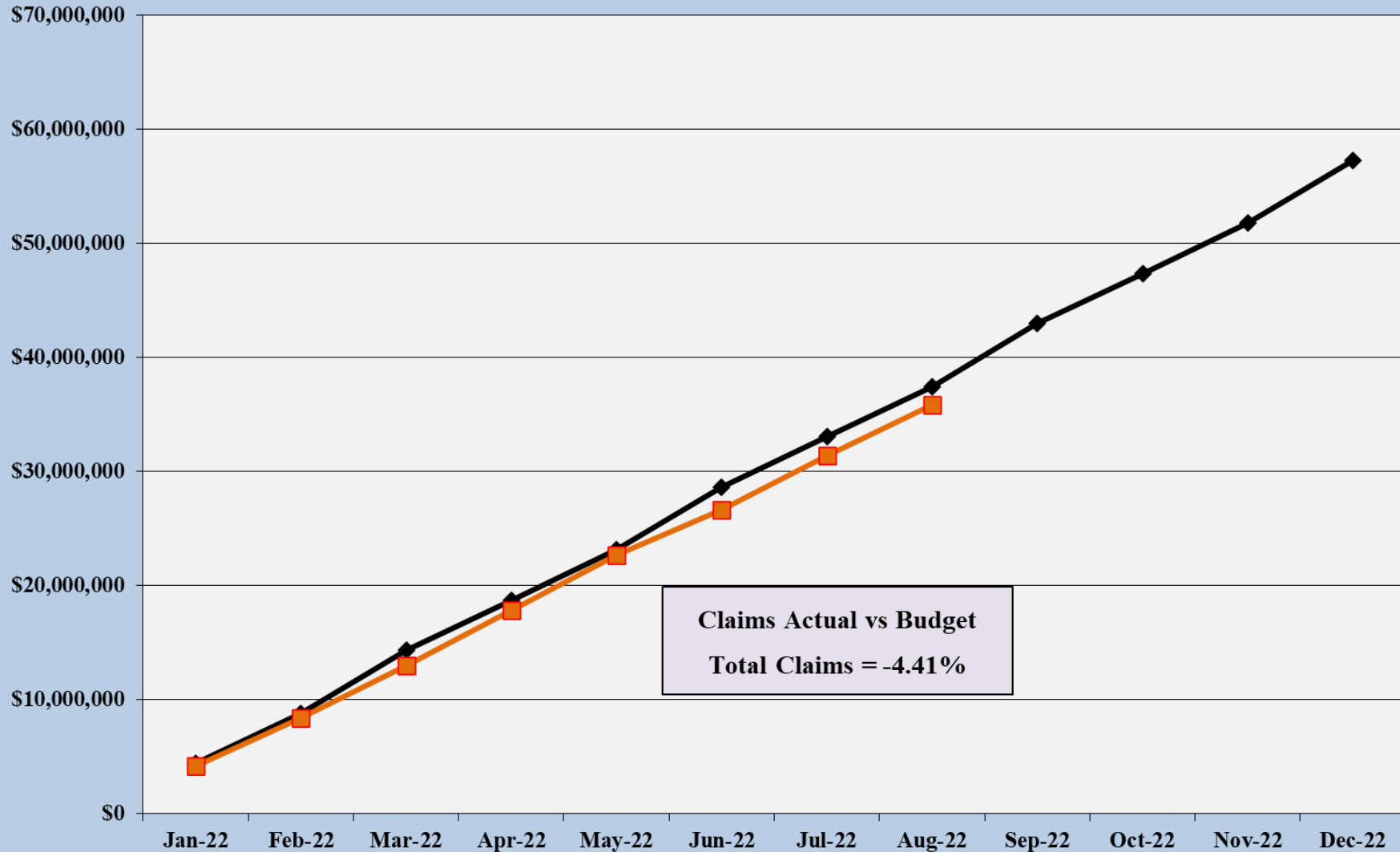


Claims Actual vs Budget
Medical = -7.02%
Rx Drug = 2.08%

Medical Plan Budgeted Claims Medical Plan Actual Paid Claims Rx Plan Budgeted Claims Rx Paid Claims

Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month

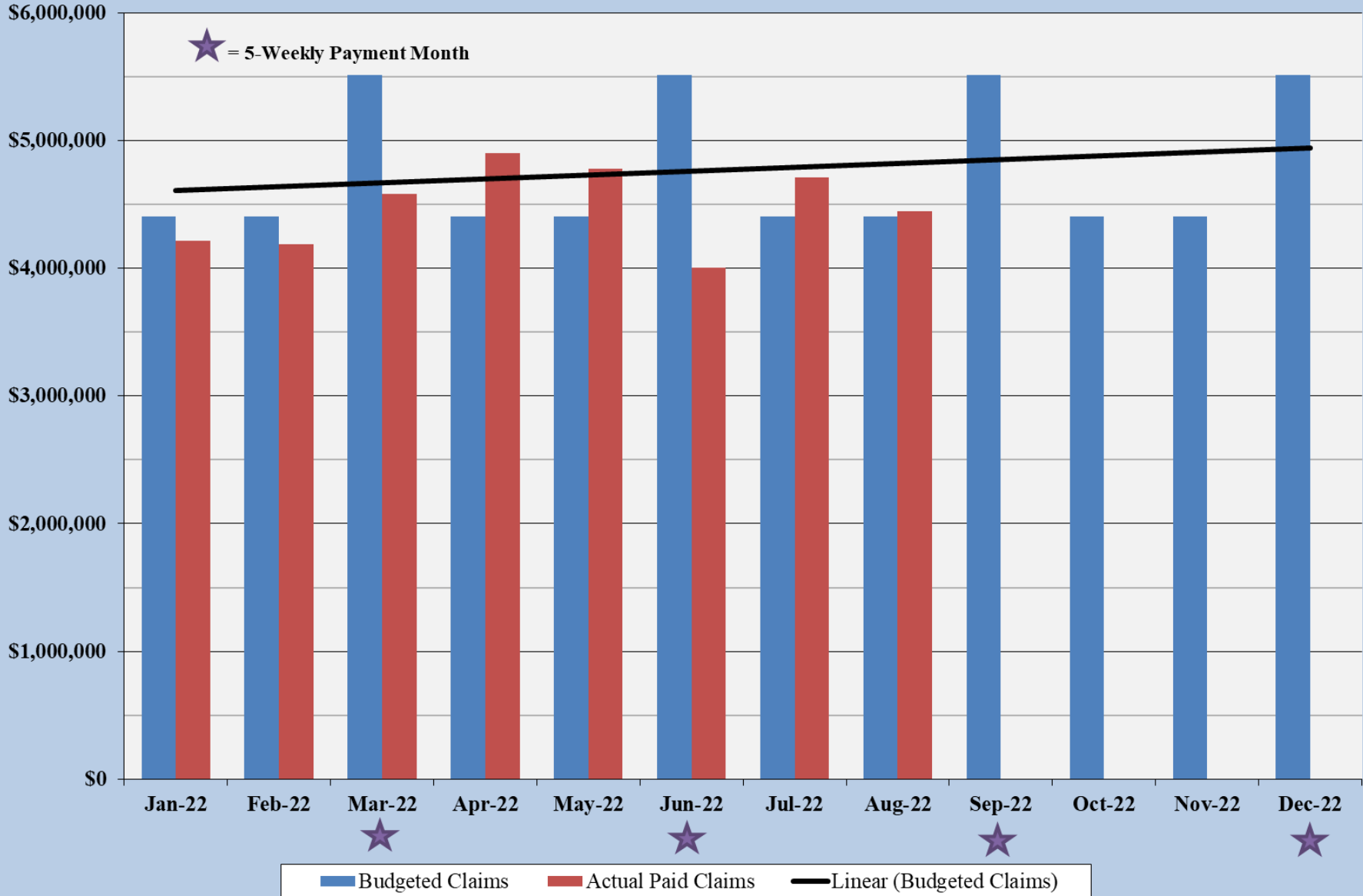


Claims Actual vs Budget
Total Claims = -4.41%

◆ Budgeted Claims ■ Actual Paid Claims

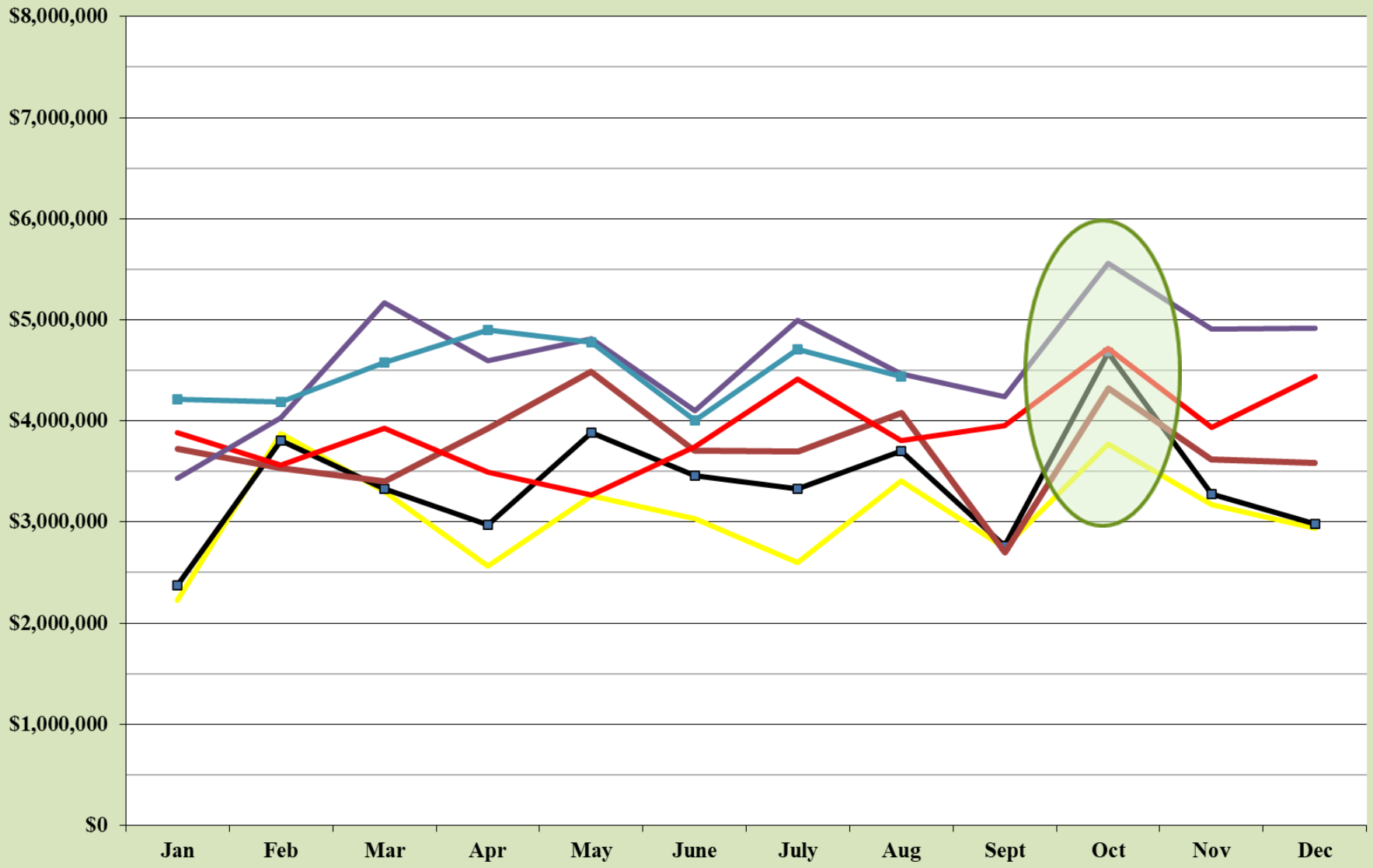
Greater Tompkins County Municipal Health Insurance Consortium

2022 Budgeted vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Ins Consortium

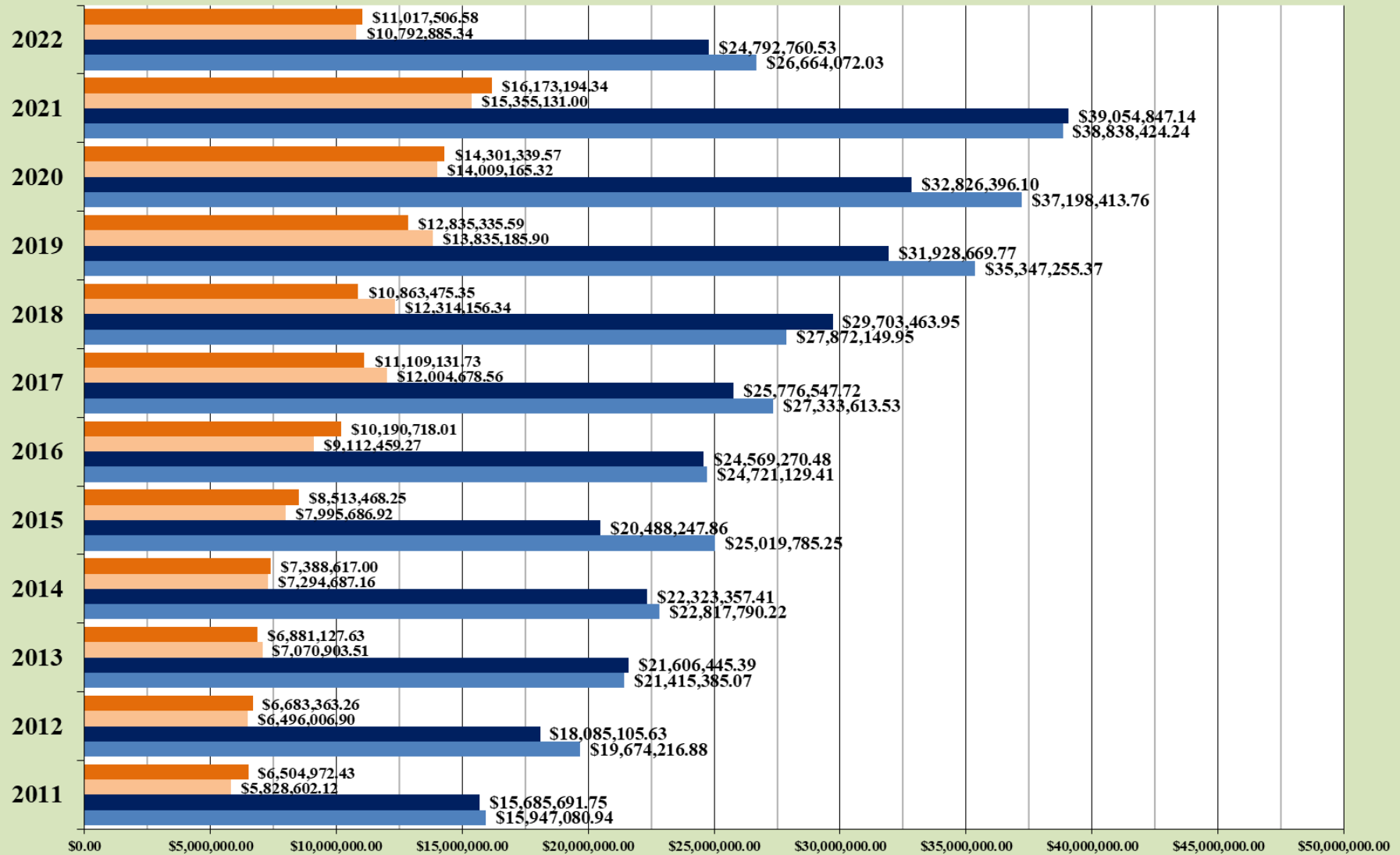
2017-2022 Monthly Paid Claims by Fiscal Year



2017 2018 2019 2020 2021 2022

Greater Tompkins County Municipal Health Ins Consortium

2011-2022 (as of 08/31/2022) Annual Paid Claims v Budgeted Claims

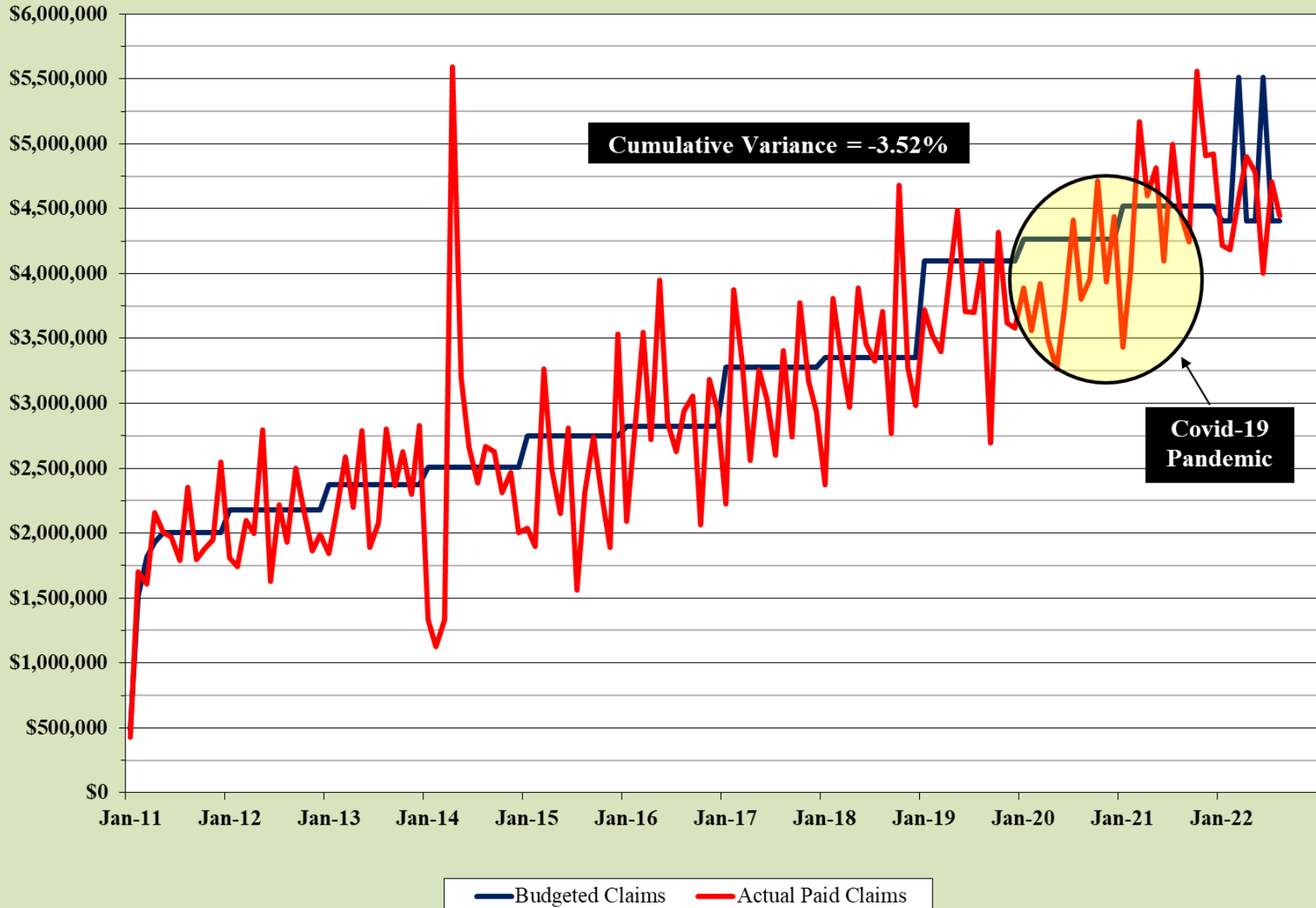


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2022 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to August 31, 2022



APPROVED
**MEDICAL
CLAIM**



Section 4

High-Cost Claimants
Catastrophic Self-Insurance Pool

Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Large Loss and Catastrophic Claims History (as of July 31, 2022)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid	Notes
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52	Medical Claims Only
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41	Medical Claims Only
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65	Medical Claims Only
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39	Laser of \$1,000,000 on Unique ID 000010930774
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30	Includes ProAct Rx Claims
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18	Laser of \$1,000,000 on Unique ID 000001179452
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42	Laser of \$1,000,000 on Unique ID 000001179452
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54	
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28	\$693,190.30	Laser of \$1,000,000 on Unique ID 000001179452 Laser of \$1,200,000 on Unique ID 000010930774
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,290,214.72	\$0.00	\$264,390.72	Laser of \$1,200,000 on Unique ID 000010930774 if transplant performed
2021	\$1,000,000.00	6,303	66	23	8	6	5	\$14,096,053.18	\$0.00	\$270,471.20	
2022	\$1,000,000.00	6,415	31	8	4	1	0	\$5,366,352.01	\$0.00	\$173,192.90	
Totals		64,563	403	113	36	22	13	\$75,226,217.19	\$2,619,537.80	\$6,049,536.53	Loss Ratio = 43.30% as of 07/31/2022
Averages	\$547,916.67	5,380	33.583	9.417	3.000	1.833	1.083	\$6,268,851.43	\$218,294.82	\$504,128.04	

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 43.30%

Large Loss and Catastrophic Claims History

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	Number of Large Loss Claimants	Large Loss Claimants % of Covered Lives	Stop-Loss Insurance Premium Paid	Stop-Loss Insurance Premium PMPM	Total Large Loss Claims Paid	Annual Paid Claims Total	Large Loss Claims % of Total Claims	Catastrophic Claims Reserve
2011	\$250,000.00	4,400	13	0.30%	\$384,392.52	\$7.28	\$2,357,898.22	\$22,190,664.18	10.63%	n/a
2012	\$275,000.00	4,448	16	0.36%	\$361,366.41	\$6.77	\$3,904,221.28	\$24,768,468.89	15.76%	n/a
2013	\$300,000.00	5,077	22	0.43%	\$592,381.65	\$9.72	\$4,079,308.91	\$28,487,573.02	14.32%	n/a
2014	\$300,000.00	5,012	18	0.36%	\$720,784.39	\$11.98	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00
2015	\$400,000.00	5,021	23	0.46%	\$642,080.30	\$10.66	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00
2016	\$400,000.00	5,063	39	0.77%	\$766,281.18	\$12.61	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00
2017	\$450,000.00	5,172	24	0.46%	\$738,819.42	\$11.90	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00
2018	\$600,000.00	5,201	45	0.87%	\$442,185.54	\$7.08	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00
2019	\$600,000.00	6,174	46	0.75%	\$693,190.30	\$9.36	\$8,874,919.83	\$44,764,005.36	19.83%	\$2,800,000.00
2020	\$1,000,000.00	6,277	60	0.96%	\$264,390.72	\$3.51	\$11,290,214.72	\$47,284,890.14	23.88%	\$5,032,220.00
2021	\$1,000,000.00	6,303	66	1.05%	\$270,471.20	\$3.58	\$14,096,053.18	\$55,410,491.28	25.44%	\$4,986,101.85
2022	\$1,000,000.00	6,415	31	0.48%	\$173,192.90	\$9.00	\$5,366,352.01	\$31,460,074.54	17.06%	\$4,642,294.20
Totals		64,563	403	0.62%	\$6,049,536.53	\$7.81	\$75,226,217.19	\$424,871,403.15	17.71%	
Averages (2011-2022)		5,380	34	0.62%	\$504,128.04	\$8.62	\$6,268,851.43	\$35,405,950.26	17.71%	

On Average 0.62% of the Covered Lives Account for 17.71% of Paid Claims

Catastrophic Claims Self-Insurance Pool Activity

		<i>Actual</i>	<i>Actual</i>	<i>7/31/2022</i>
		2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,505.96	\$876,881.85	\$301,409.17
Actual Premium Paid	\$1,000,000 Deductible	\$264,390.72	\$270,471.20	\$173,192.90
Premium Savings		\$498,115.23	\$606,410.65	\$128,216.27
Member # 000001179452	Deductible (Laser Applied)	\$1,000,000.00	\$1,000,000.00	\$700,000.00
	Actual Claims Paid	\$798,499.59	\$712,297.59	\$403,218.60
	Catastrophic Claims Pool	\$0.00	\$0.00	\$0.00
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$686,798.19	\$419.30
	Catastrophic Claims Pool	\$0.00	\$186,798.19	\$0.00
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$633,727.34	\$365,975.35
	Catastrophic Claims Pool	\$0.00	\$133,727.34	\$0.00
Member # 000012168307	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$836,622.21	\$0.00
	Catastrophic Claims Pool	\$0.00	\$336,622.21	\$0.00
Member # 000001551134	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$648,218.91	\$0.00
	Catastrophic Claims Pool	\$0.00	\$148,218.91	\$0.00
Catastrophic Claims Self-Insurance Pool Claims		\$0.00	\$805,366.65	\$0.00
Net Impact on Fund Balance		\$498,115.23	-\$198,956.00	\$128,216.27

The “Catastrophic Claims Self-Insurance Pool” was established by the Consortium’s Board of Directors prior to the start of the 2020 Fiscal Year to allow the Consortium to lower the cost of stop-loss insurance by raising the specific deductible and ultimately assuming more risk on an annual basis. To cover this risk, the Catastrophic Claims Reserve totaling \$4.5 million was converted to this “Pool”. In addition, each year the estimated premium variance between a \$600,000 specific deductible stop-loss insurance plan and a \$1 million specific deductible stop-loss insurance plan will be ceded into the “Pool”. Lastly, any interest earned on this “Pool” will be credited to the “Pool” to help replenish funds when/if catastrophic claims are paid out of the “Pool”.

* **Budgeted Premium** is defined as the premium amount the Consortium would have paid if they continued with the previous stop-loss insurance policy of a \$600,000 Deductible

* **Actual Premium Paid** is defined as the actual premium amount paid by the Consortium for the current stop-loss insurance policy of a \$1,000,000 Deductible

* **Laser Applied** is defined as the laser deductible the stop-loss insurance company would have applied to the specific individual if a \$600,000 Deductible stop-loss insurance policy was selected

Catastrophic Claims Self-Insurance Pool Activity

Catastrophic Claims Self-Insurance Pool	<i>Actual</i>	<i>Actual</i>	<i>as of 7/31/2022</i>
	2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Beginning Balance	\$4,500,000	\$5,032,220	\$4,642,294
Interest Income	\$34,105	(\$19,009)	\$3,996.37
Premium Savings	\$498,115	\$434,450	\$128,216
(Catastrophic Claims)	\$0	(\$805,367)	\$0
Ending Balance	\$5,032,220	\$4,642,294	\$4,774,507

As of July 31, 2022, the Consortium has lowered its specific stop-loss insurance premium by approximately \$1,232,742.15, and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$805,366.65. This is a net gain for the Consortium of \$427,375.50. This figure does not take into consideration that the pool is also picking up an extra \$100,000 in risk per member annually.



Section 5

2022 Fiscal Year
Net Income, Liabilities, and Reserves

2022 Net Income, Liabilities & Reserves

	2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Income						
Total Income	\$60,798,104.10	\$58,982,975.63	\$39,321,983.75	\$38,337,203.08	-\$984,780.67	-2.50%
Expenses						
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$39,994,170.85	\$38,656,592.67	-\$1,337,578.18	-3.34%
Net Income	\$6,092.82	-\$2,160,747.66	-\$672,187.10	-\$319,389.59	\$352,797.51	
Ending Balance	\$29,123,540.98	\$27,745,000.50	\$28,445,261.06	\$29,586,358.57	\$1,141,097.51	4.01%
Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,866,608.00	\$6,866,608.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,669,495.09	\$2,669,495.09	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$4,004,100.63	\$4,004,100.63	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,642,294.20	\$4,642,294.20	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$788,300.00	\$788,300.00	\$788,300.00	Increased by \$65,900 2/17/22
Total Liabilities and Reserves	\$17,884,167.36	\$18,397,169.21	\$18,970,797.92	\$18,970,797.92		
Unencumbered Fund Balance	\$11,239,373.62	\$9,347,831.29	\$9,474,463.14	\$10,615,560.65		

The net cash assets (unencumbered fund balance) is currently at 18.98% of budgeted premium revenues. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.64 million. Also, fund balance was reduced in 2020 by the “premium holiday” that was authorized for all municipalities.

Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2022 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

Liabilities and Reserves - Defined

RESERVES

- The reserves held by the Consortium are the cash assets which have been assigned to cover a direct liability or to assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue through the interest earned to the Consortium which has allowed the Consortium to hold premium increases down in previous years.
- The Consortium has historically maintained the following reserves:
 - Incurred But Not Report (IBNR) Claims Liability Reserve (statutory reserve)
 - Surplus Account (statutory reserve)
 - Catastrophic Claims Reserve (discretionary reserve)
 - Rate Stabilization Reserve (discretionary reserve)
- Please refer to the following slides for a detailed description of each reserve classification.

Liabilities and Reserves - Defined

INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2022 Fiscal Year budget forecasted this reserve to equal \$6,874,453.35 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2022 Fiscal Year, Excellus' estimate of this liability was \$4,713,900 which is approximately 8% of the expected claims cost for the year.

Liabilities and Reserves - Defined

SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The Amended 2022 Fiscal Year budget forecasts this reserve to equal \$2,796,865.76 (5.0% of projected premium income of \$55,937,315.28). In years where the Consortium approves premium holidays, the Consortium would calculate the Surplus Account reserve requirement based on the full expected premium, versus the artificially reduced premium collected.

Liabilities and Reserves - Defined

CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors made the approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was funded at \$4,642,294.20 as of December 31, 2021.

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a sufficient level, the Board of Directors made the decision to establish the Rate Stabilization Reserve at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.
- It is our goal to work with the Consortium to ensure future fiscal year budgets are developed with this reserve being maintained.
- These funds would be used to “bridge the gap” during an associated hyper-inflationary period relative to paid claims allowing the Board of Directors to establish a multiple year plan to adjust revenue (premiums) and prevent a significant increase in premium rates during a single fiscal period.



Section 6

2022 Fiscal Year-to-Date Summary & Observations

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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

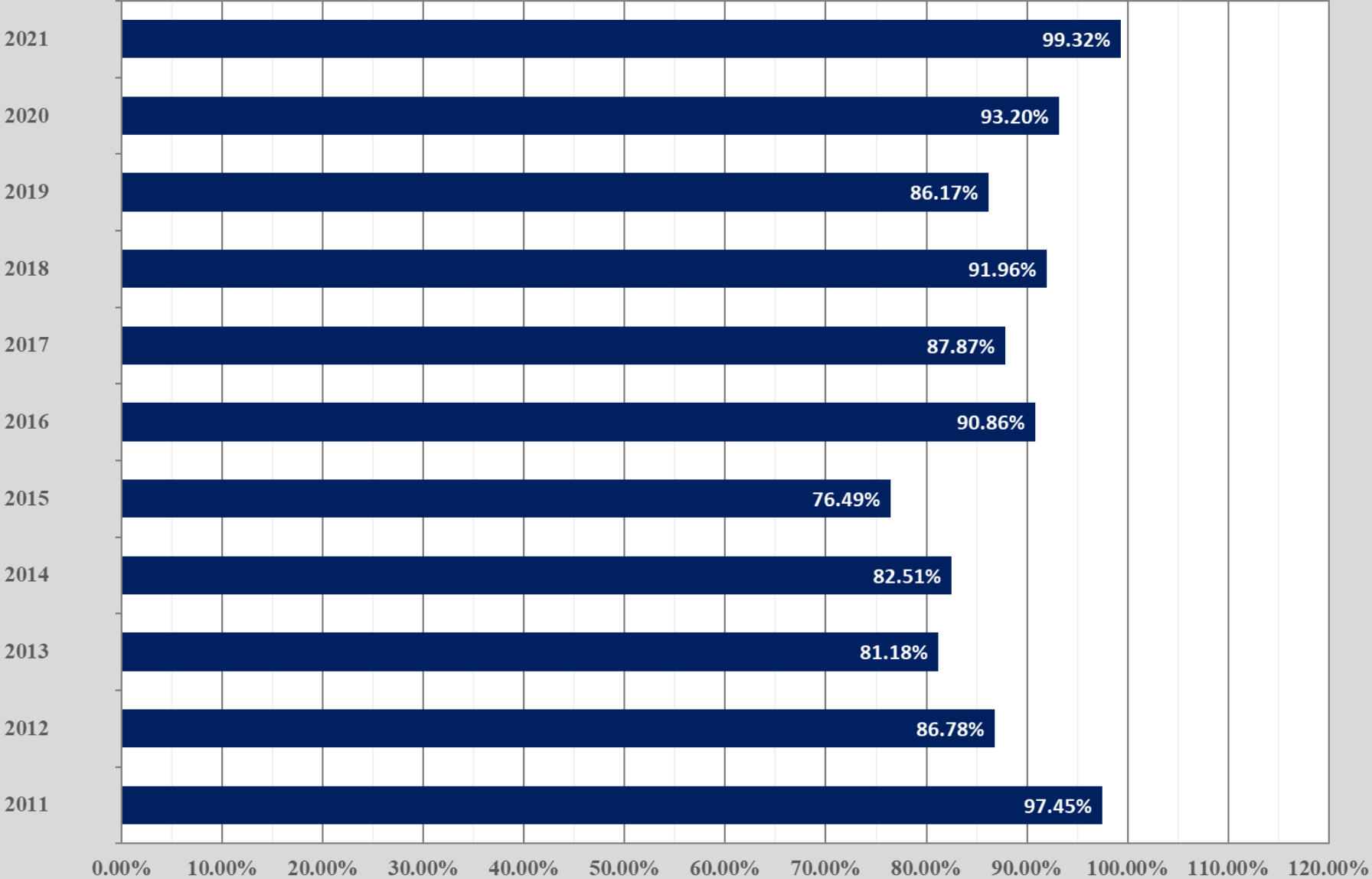
2022 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is 2.5% below budget as of August 31, 2022. We are analyzing the Rx Rebates, as they have fallen short of projections. Based on recent information, the Consortium should receive a large reconciliation payment related to the 2021 fiscal year, which should bolster the revenue outlook significantly. Unfortunately, even with the increased management of the cash assets by the Consortium's Financial Team, in collaboration with Wilmington Trust, interest income and the net gain/loss on investments are still a challenge.
2. The combined **Medical and Rx Paid Claims were 4.41% below budget** through the first 8-months of the 2022 Fiscal Year. We are keeping a close eye on the paid claims and how they continue to evolve. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.

2022 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected against the amended budget eight months into the 2022 Fiscal Year. We will need to continue to monitor overall claim trends, especially as we finalize the 2023 budget. We are hopeful that the early positive claims trends will continue and allow the Consortium to maintain modest premium increases for 2023 and in the future, providing stability to municipalities budgets.
4. The results experienced by the Consortium as of August 31, 2022 support the Board of Director's decision to increase premium rates, by a modest 5%, for the 2022 Fiscal Year. With careful planning and monitoring, it may allow for some additional premium relief to assist the Participating Municipalities during potential difficult financial times as COVID relief monies dry up.
5. It is important to monitor the impact of the new accounting for gains and losses on investments, and how that reporting impacts the actual vs. budget comparisons. The current impact of these transactions as of August 31, 2022 is a net loss of \$485,130.68.

Greater Tompkins County Municipal Health Insurance Consortium Medical Loss Ratio (Paid Claims ÷ Premium)



■ Medical Loss Ratio