



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

www.healthconsortium.net • consortium@tompkins-co.org

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

Board of Directors Annual Meeting Agenda

September 21, 2023 – 12pm - 2pm

Greek Peak - Adirondack Room

2000 State Route 392, Cortland, NY 13045

(Doors open at 11:30a - Lunch served at 12:00p)

1. Call to Order and Recognition of New Members (12:30) R. Hart
2. Changes to the Agenda
3. Ratify Executive Committee Approval of September 22, 2022 Minutes
4. Board Chair and Executive Committee Report: (12:35) R. Hart
 - a. Strategic Planning Update
 - b. 2024 Meeting Schedule
 - c. Resolution of Appreciation
5. Executive Director's Report (12:45) E. Dowd
 - a. Report
6. Report from Executive Committee (12:55) R. Hart
 - a. **Resolution:** Adoption of Revised Executive Committee Bylaws to Include the Formation of the "Audit Committee" and "Finance Committee" for the GTCMHIC
7. Report from Operations Committee (1:00) L. Granger
 - a. **Resolution:** Approval of Amended 2024 Municipal Cooperative Agreement to Include New Participants
 - b. **Resolution:** Authorization to Execute an Agreement with Excellus BCBS as the 2024 Pharmacy Benefits Manager for the GTCMHIC
8. Report from Audit and Finance Committee (1:15) J. Drake
 - a. **Resolution:** Accept Applications by the (Towns of Brutus, West Monroe, and Locke; City of Geneva; Village of Fair Haven) to Become Participants in the Greater Tompkins County Municipal Health Insurance Consortium
 - b. **Resolution:** Acceptance to Withdraw the Town of Onondaga as a Participant in the GTCMHIC and to be Omitted within the 2024 Municipal Cooperative Agreement
 - c. **Resolution:** Acceptance to Withdraw the Town of Niles as a Participant with the GTCMHIC
 - d. **Resolution:** Acceptance of 2022 External Audit Report Performed by Insero & Co, LLP

- e. **Resolution:** Annual Premium Increase Target and Utilization of the Rate Stabilization Reserve

- 9. 2023 Financial Update and 2024 Budget Presentation (1:25) Locey & Cahill
 - a. **Resolution:** Adoption of Budget, Premium Rates, and Reserve Amounts for 2024

- 10. Report from Nominations and Engagement Committee (1:50) E. Fairbrother
 - a. **Resolution:** Election of 2024 Consortium Officers
 - b. **Resolution:** Creation of 2024 Committee Structure and Appointments of Members

- 11. Report from Claims and Appeals Committee (1:55) B. Shattuck
 - a. **Resolution:** Authorize Contract for Prescription Drug Claims Adjudication for Plan Years 2021, 2022, and TYD 2023

K. DeVoe

- 12. Report from Joint Committee on Plan Structure and Design (2:00)
 - a. **Resolution:** Approval of Adjustments to the Silver High Deductible Health Plan
 - b. **Resolution:** Approval of Adjustments to Gold High Deductible Health Plan

- 13. New Business (2:10)

- 14. Adjournment (2:15)

2024 Meeting Schedule (tentative)

August 22, 2024 – Board Educational Session

TBD – Annual Meeting



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Board of Directors Meeting – Minutes

September 22, 2022 – 5:00 p.m.

Tompkins Cortland Community College Forum/Remote by Zoom

Satellite Locations:

Village of Trumansburg (Village Hall)

Tompkins County Public Library (Schwarz Jacobsen)

Town of Big Flats (Town Office Meeting Room)

Town of Hector (Hector Town Hall)

Town of Tioga, (Tioga Town Hall)

Town of Scipio, (Scipio Town Hall)

Municipal Representatives: 29

Steve Thayer, City of Ithaca

Shondrea Cobb, Town of Big Flats

Mark Witmer, Town of Caroline

Kevin Williams, Town of Homer

Christine Laughlin, Town of Newfield

Gary Mutchler, Town of Scipio

Eric Snow, Town of Virgil

Peter Salton, Village of Cayuga Heights (5:18p)

Betty Conger, Village of Groton

Stephanie Redmond, Town of Enfield (5:49p)

Rordan Hart, Village of Trumansburg

Rita McCarthy, Town of Erwin

Amanda Anderson, Town of Dryden

Dave Hertel, Town of Dix

Tom Brown, Town of Truxton

Judy Drake, Town of Ithaca

Michael Murphy, Village of Dryden

Janine Bond, Town of Hector

Ray Bunce, Town of Spencer (5:10p)

Tiffany Middendorf, Town of Tioga

Richard Goldman, Town of Ulysses

Tanya DiGennaro, Village of Homer

Donald Scheffler, Town of Groton

Ronny Hardaway, Village of Lansing*

Laura Shawley, Town of Danby*

Darcy Rigdon, Lansing Community Library

David Corey, Town of Montezuma

Mark Emerson, Town of Mentz

Dave Scheneck, Town of Springport*

Labor Representatives: 4

Ian Tompkins, 5th Labor Representative

Kate DeVoe, 7th Labor Representative

Jeanne Grace, 8th Labor Representative

Carolyn Sosnowski, 6th Labor Representative*

Excused: 22

Laura Granger, County of Seneca

Chad Hayden, Town of Aurelius

Lu Ann King, Town of Cincinnatus

Timothy Elliott, Town of Marathon

Joan Jayne, Town of Niles

Tom Blair, Town of Sennett

Zack Nelson, 3rd Labor Representative

Lorie Corsette, Village of Fayetteville

Donna Dawson, Village of Horseheads

Mike Baratta, Village of Owego

Ed Fairbrother, Town of Big Flats

Jim Bower, 2nd Labor Representative and Joint Comm. on Plan Structure & Design Chair

Lisa Holmes, Tompkins County

Richard Lewis, Town of Catherine

Lou Anne Randall, Town of Cuyler

Terrance Baxter, Town of Moravia

Jim Doring, Town of Preble

Eric Ridley, Town of Troop

Alvin Doty, Town of Willet

Miles McCarthy, Village of Freeville

Lisa DeVona, Village of Minoa

Bud Shattuck, Village of Union Springs

Absent: 5

Steve Scott, City of Cortland
Edward Wagner, Town of Owasco
Nancy Webster, 1st Labor Representative

Mary Ellen Albrecht, Town of Lansing
Fred Warrick, Village of Watkins Glen

Vacancy – Labor: 1

Others in attendance:

Elin Dowd, Executive Director
Kylie Rodrigues, Benefits Specialist
Sunday Earle, TC3
Brandon Holt, Excellus
Rick Snyder, Tompkins County Finance
Tony Bush, Town of Hastings
John Fatcheric, Town of Camillus
Laurie Walter, Village of Skaneateles
Kerry Mannion, Town of Dewitt
Andy Miller, Town of Dewitt/KBM Management
Paul Pelton, Robert Spenard, Steve Locey, Locey & Cahill

Lynne Sheldon, Clerk of the Board
Teri Apalovich, Finance Manager
Brandon Holt, ProAct
Corey Prashaw, ProAct
Kerri Fusco, Town of Dewitt/Dewitt Fire Department
Jason Green, Dewitt Fire Department
Kimberly Burt, Town of Onondaga
Dick Waterman, Village of Camillus
Rex Vosburg, Town of DeRuyter

* Via remote location due to extraordinary circumstances, sickness, etc.

Call to Order

Ms. Drake, Chair, called the meeting to order at 5:19p.m.

Changes to the Agenda

The agenda was revised to include modifications of the meeting order due to resolutions of appreciations presented and obtaining a quorum for voting privileges. A quorum was obtained at 5:49pm. A revision was also needed on Resolution: Approval of Amended 2023 Municipal Cooperative Agreement to Include New Participants to amend “Madison” to “Monroe” County.

Board Chair and Executive Committee Report

Ms. Drake reported efforts are underway on long-term planning for the Consortium. The Executive Committee meets every other month, and the smaller Long-Term Planning group meets on the opposite months. She reported the Consortium is working on the advantages and disadvantages of a Medicare Advantage Program for retirees and there is currently a Request for Proposal (RFP) in process. The Consortium has approved a premium equivalent rate audit and will be contracting with another company to have an outside look at premiums to ensure the Consortium is in good standing. Risk and the direction the Consortium would like to expand are both popular topics this year. The Committee has focused on a slow, steady growth of members this past year.

Ms. Drake also added the Consortium has some vacancies on committees and looking for individuals to serve.

Ms. Drake announced the [2023 Meeting Schedule](#) has been completed and can be found on the Consortium's website.

Executive Director's Report

In addition to a written report included in the agenda packet, Ms. Dowd introduced the new Consortium staff and thanked everyone for attending. Even with the increase in staffing and costs related to a four person staff, the proposed budget will only show that as a percentage of overall expenses the costs only increase from 1.13% in 2022 to 1.33% in 2023. The Consortium's target is to stay below 2 %. Ms. Dowd added that when reviewing the budget recommendation please note that Excellus had a 9.4% premium increase rate approved for 2023 pricing for their small group market.

Ms. Dowd announced special recognition of Michelle Cocco's retirement and a copy of the resolution of appreciation ([Resolution 006-2022](#)) was provided to the members. Ms. Drake, announced Richard Snyder's retirement and on behalf of the Board of Directors and Consortium staff, read the following resolution of appreciation for Mr. Snyder.

RESOLUTION NO. 020 - 2022 - RESOLUTION OF APPRECIATION OF RICHARD C. SNYDER'S DEDICATED YEARS OF SERVICE TO THE CONSORTIUM

MOVED by Ms. Drake, seconded by Mr. Salton. The resolution was unanimously adopted by voice vote by members present, visibly seen members via remote Satellite approved locations and locations due to extraordinary circumstances.

WHEREAS, when Tompkins County hired Richard C. Snyder (Rick Snyder) in 2013 the Greater Tompkins County Municipal Health Insurance Consortium was fortunate enough to have already contracted with Tompkins County for Finance and Accounting Services.

WHEREAS, Rick, in addition to his full-time Director of Finance position with Tompkins County, was "volunteered" to be the Consortium's Treasurer and ended up "volunteering" with the Consortium as not just the Treasurer but also ran accounting services for the Consortium for nine years, and

WHEREAS, in addition to his full-time job at Tompkins County, Rick has been known to attend many evening meetings and work odd hours in support of the Consortium,

WHEREAS, the Consortium has been able to secure many services and expert support by taking advantage of Rick's Tompkins County relationships, and

WHEREAS, for many years Rick has learned the challenges associated with quarterly and annual financial reports and has dutifully responded to the myriad of questions that follows any interaction with the NYS Department of Financial Services, and

WHEREAS, Rick has an amazing archive of emails and memos regarding the Consortium's business interactions that he is able to pull-up at a moment's notice, and

WHEREAS, Rick's role has changed over the years as the needs of a growing organization transformed, but his commitment to accurate reporting and accounting practices have always remained steadfast, and

WHEREAS, Rick is now at a stage in life where he can celebrate retirement both from Tompkins County as well as the Consortium, and

WHEREAS , Rick is wished much happiness as he steps down and finds time to explore other experiences that bring him joy with his friends and family, now therefore be it

RESOLVED, That the Board of Directors, staff, consultants, advisors, and associates, acknowledge the retirement of Rick Snyder and are appreciative for his many devoted and exemplary years of service,

RESOLVED, further, That on this 22nd day of September 2022, the Board of Directors expresses its sincere gratitude to Richard C. Snyder for his distinguished and dedicated service to the Greater Tompkins County Municipal Health Insurance Consortium.

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Mr. Hart, announced Ms. Drake's resignation as Chair of the Executive Committee and on behalf of the Board of Directors and Consortium staff, reading the following resolution of appreciation for Ms. Drake.

RESOLUTION NO. - 019- 2022 - RESOLUTION OF APPRECIATION OF JUDITH (JUDY) DRAKE'S DEDICATED YEARS OF SERVICE TO THE CONSORTIUM

MOVED by Ms. Hart, seconded by Mr. Murphy. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite approved locations, and locations due to extraordinary circumstances.

WHEREAS, when the Consortium was certified by the NYS Department of Financial Services it was the work of many dedicated volunteers from municipalities in Tompkins County that helped form the organization and start delivering services to its member participants in January 2011, and

WHEREAS, Judy Drake in addition to her full-time Human Resource Manager position with Town of Ithaca was supporting the Consortium as its Secretary as one of its founding members, and

WHEREAS, Judy was officially appointed as the Chair of the Board of Directors in 2014 and has been a dutiful servant leader for eight years, and

WHEREAS, Judy has been extremely involved in managing the Consortium and assisting with day-to-day operations on a regular basis, and

WHEREAS, Judy has been instrumental in creating policy, developing organizational structure, and growing the Consortium from the initial 13 members covering 2,000 municipal employees to an organization of 53 members covering 3,100 municipal employees and retirees, and

WHEREAS, Judy has not been shy with sharing her own thoughts about advancing the mission of the organization but she has also been very persistent at making sure others opinions are voiced and heard, and

WHEREAS, Judy's work shows her attention to detail and the care and concern she has for making sure this organization continues at a high functioning level, and

WHEREAS, it is our hope that Judy will, as promised, remain involved as an active municipal participant and as the HR Manager for the organization but will also now find more time to decorate cakes, exercise at the gym, and participate in Spartan Challenges, and now therefore be it

RESOLVED, That the Board of Directors, staff, consultants, advisors, and associates, acknowledge the resignation of Judy Drake as Chair of the Board of Directors, and are appreciative for her many devoted and exemplary years of service, and

RESOLVED, further, That on this 22st day of September 2022, the Board of Directors expresses its sincere appreciation, admiration and gratitude to Judy Drake for her distinguished and dedicated service to the Greater Tompkins County Municipal Health Insurance Consortium.

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Ms. Drake announced a quorum (34); however, a quorum (33) was reached before the Resolutions of Appreciation for Ms. Drake and Mr. Snyder.

Ratify Executive Committee Approval of [Minutes – September 23, 2021](#)

It was MOVED by Mr. Emerson, seconded by Mr. Snow, the resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote Satellite locations and locations due to extraordinary circumstances, to approve the minutes of September 23, 2021, as submitted. MINUTES APPROVED.

Report from Nominations and Engagement Committee

Mr. Fairbrother was excused from the meeting. Ms. Dowd reported that the committee meets on a quarterly basis specifically to ask individuals to become more involved with the Consortium. Since Ms. Drake is resigning as the Executive Committee Chair, Mr. Hart will become the new Chair and Ms. Homes as Vice Chair.

RESOLUTION NO. 021– 2022 – ELECTION OF 2023 CONSORTIUM OFFICERS

MOVED by Ms. Shawley, seconded by Ms. Sosnowski, the resolution was unanimously adopted by voice vote by members present, and visibly seen members via remote Satellite locations and locations due to extraordinary circumstances.

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Board of Directors elects the following individuals to serve from January 1, 2023 through December 31, 2023 in the roles as follows:

- Chairperson - Rordan Hart
- Vice Chairperson – Lisa Holmes
- Chief Financial Officer - Steve Thayer
- Secretary – Peter Salton

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Ms. Dowd reported that the Board appoints the Executive Committee that acts on behalf of the Board throughout the year. The Consortium has new names on the Executive Committee for 2023 as individuals are switching roles and retiring.

RESOLUTION NO. 022 - 2022 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

MOVED by Ms. Cobb, seconded by Ms. Sosnowski, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations and locations due to extraordinary circumstances.

WHEREAS, the Board of Directors at its Annual Meeting established a Committee structure and appointed members to the Consortium’s standing committees, and

RESOLVED, upon recommendation of the Consortium’s Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby appointments the following committee structure and membership to 2023 committees effective January 1, 2023:

Executive Committee

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS (subject to change): Bimonthly beginning in January on 1st Wednesday

- | | |
|-----------------------------------|---------------------------------------------------|
| 1. Board Chair, Chair (Hart) | 8. Nominations and Engagement Chair (Fairbrother) |
| 2. Board Vice Chair, (Holmes) | 9. Claims and Appeals Chair (Shattuck) |
| 3. Chief Fiscal Officer (Thayer) | 10. At-large (Snow) |
| 4. Secretary (Salton) | 11. At-large (Mutchler) |
| 5. JCPSD Chair (Vacant) | 12. At-large (Steve) |
| 6. AFC Chair/At-large (Ray Bunce) | 13. Past Chair (Drake) |
| 7. Operations Chair (Granger) | |

STANDING COMMITTEES:

Audit and Finance Committee

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization’s business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and

investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members; two-year staggered terms

MEETINGS (subject to change): Monthly; 4th Tuesday

Terms expire 12/31/23

1. Steve Thayer, Chair (CFO, no set term)
2. Kate DeVoe (Labor)
3. Rordan Hart, Vice Chair
4. Amanda Anderson
5. Lorie Corsette

Terms expire 12/31/24

6. Scott Steve
7. Eric Snow
8. Bud Stattuck
9. Peter Salton

Operations Committee

CHARGE: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

MEMBERSHIP: Seats may be filled by non-Directors; 8 members with two-year staggered terms

MEETINGS (subject to change): Bi-monthly beginning in January; 4th Monday

Terms Expiring 12/31/24

Lisa Holmes (Chair)
Laura Grainger
Schelley Michell-Nunn
Janine Bond
Judith Drake
Rita McCarthy

Terms Expiring 12/31/23

Ed Fairbrother
Labor Vice Chair
Sunday Earle

Terms Expiring 12/31/23

LuAnn King
Mark Emerson

Nominations and Engagement Committee

CHARGE: The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At- Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
 - a. the work of committees;
 - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
 - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms
MEETINGS: Approximately 4x/yea

Terms expire 12/31/23

1. Ed Fairbrother, Chair
2. VACANT
3. VACANT, Labor

Terms expire 12/31/24

4. Gary Mutchler (Vice Chair)
5. Terrance Baxter

Claims and Appeals Committee

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audit

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms
MEETINGS: As needed (2-4x/year)

Terms expire 12/31/23

1. Bud Shattuck, Chair
2. Donna Dawson
3. Tom Brown

Terms expire 12/31/24

Don Fischer, Vice Chair
Tanya DiGennaro

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Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): Bi-monthly (beginning in February)

Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee’s Bylaws.

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Report from Operations Committee

Ms. Holmes, Chair, was excused from the meeting. Ms. Dowd reported when changes are made to the Municipal Cooperative Agreement (MCA), the Consortium is required to file changes with the Department of Financial Services (DFS) for their approval. The Consortium is recommending the following changes to the MCA:

- Update the Certificate of Authority
- Increase territory to include Monroe and Livingston counties
- Changing Treasurer role to Finance Manager for day-to-day activities, still having a Chief Financial Officer.

RESOLUTION NO. 023 - 2022 – APPROVAL OF THE 2023 MUNICIPAL COOPERATIVE AGREEMENT TO INCLUDE THE ADDITION OF NEW PARTICIPANTS IN SECTION A 2 AND TO THE PROPOSED CHANGES TO SECTIONS A 3, F 5(G) AND I 1

MOVED by Mr. Salton, seconded by Ms. Bond, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations and locations due to extraordinary circumstances.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan 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 New York State Department of Financial Services requires that any amendment to the GTCMHIC Municipal Cooperative Agreement be circulated and approved by all Participants.

WHEREAS, the GTCMHIC wishes to add new members to the list of Participants and the Municipal Cooperative Agreement will be updated once those members have been approved.

WHEREAS, the GTCMHIC wishes to expand the territory of coverage to include two additional counties in Central NY to include both Monroe and Livingston counties and understands the GTCMHIC Certificate of Authority will need to be reviewed and approved by the New York State Department of Financial Services.

WHEREAS, the GTCMHIC has made changes to their internal operations and wishes to remove the appointment of a Treasurer pursuant to Section F 5 (g) and allow the Chief Fiscal Officer to delegate responsibilities to the Finance Manager, in lieu of the Treasurer as previously directed in Section I.1. of the Municipal Cooperative Agreement, now therefore be it

RESOLVED, to approve additions of 2023 new members as Participants in Section A 2 and to the proposed changes to Sections A 3, F 5(g) and I 1 of the 2023 Municipal Cooperative Agreement and to circulate to all Participants for review and approval.

Report from Audit and Finance Committee

Mr. Thayer reported the Consortium's membership will be increasing from 53 to 61, presenting two resolutions to accept applications:

RESOLUTION NO. 024 - 2022 - ACCEPTANCE OF APPLICATIONS BY THE TOWNS OF CAMILLUS, DEWITT, ONONDAGA, AND HASTINGS, THE VILLAGES OF CAMILLUS AND SKANEATELES, AND THE DEWITT FIRE DISTRICT, TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2023

MOVED by Mr. Thayer, seconded by Ms. Snow, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations and locations due to extraordinary circumstances.

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Towns of Camillus, Dewitt, Onondaga, and Hastings, the Villages of Camillus and Skaneateles, and the Dewitt Fire District, have submitted an official application authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been evaluated by the Finance Manager, Consortium's Treasurer, and/or the Chief Financial Officer, and

WHEREAS, In the application process, the Town of Onondaga, has asked for a waiver until at least January 1, 2025, to exclude participation for any employees currently negotiated to be covered under the New York State Teamsters Council Health and Hospital Fund, and the Dewitt Fire District, Village of Skaneateles, and the Town of Camillus, have asked for a waiver to review retirement plan options once the Consortium determines how many retirement plan options will be available, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby accepts and welcomes the Towns of Camillus, Dewitt, Onondaga, and Hastings, the Villages of Camillus and Skaneateles, and Dewitt Fire District, as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2023, pending receipt, additional analysis, and approval of all required documentation.

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Mr. Thayer indicated that the Town of DeRuyter was approved by the Committee after the other seven municipalities.

RESOLUTION NO. 025- 2022 - ACCEPTANCE OF APPLICATION BY THE TOWN OF DERUYTER, TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2023

MOVED by Mr. Thayer, seconded by Mr. Brown, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of DeRuyter, has submitted an official application authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, this applicant has complied with membership process and has submitted copies of financial reports which have been evaluated by the Finance Manager, Consortium's Treasurer, and/or the Chief Financial Officer, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby accepts and welcomes the Town of DeRuyter, as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2023, pending receipt, additional analysis, and approval of all required documentation.

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Ms. Dowd announced that there are continuing discussions with 6 potential members for 2023 and 2024, some within contract negotiations, but in a positive standing.

Mr. Thayer continued with a resolution for ProAct which extends the contract for 2023. This is the same contract as 2022. ProAct continues to improve their systems. The Consortium is having continued discussions with ProAct regarding RX Rebates.

Ms. Dowd introduced Corey Prashaw from ProAct, who is covering for the Consortium's current account representative is out on leave.

RESOLUTION NO. 026 - 2022 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2023 – PROACT

MOVED by Mr. Thayer, seconded by Ms. Sosnowski, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, the Board of Directors by Resolution No. 029-2018 authorized a two-year extension of the Consortium's contract with ProAct for Prescription Benefits Manager services, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for an additional year pursuant to the Contract Addendum proposed September 9, 2021, 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 per the terms outlined in the Addendum for the period January 1, 2023 through December 31, 2023,

RESOLVED, further, That Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium is hereby authorized to execute said contract with ProAct, Inc.

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RESOLUTION NO. 027 - 2022 - AUTHORIZING HEALTHCARE BENEFITS RENEWAL (ADMINISTRATIVE SERVICES AGREEMENT) WITH THIRD PARTY ADMINISTRATOR - EXCELLUS BLUECROSS BLUESHIELD

Ms. Dowd expressed this is a renewal of the Consortium's contract with Excellus BlueCross Blue Shield. This contract has a sliding scale in it from year to year based on the size of the organization. With the recent approval of new members, Locey & Cahill is working on negotiating for a lower rate next year with the increased head count with new memberships. Each year, even without the sliding scale, the Consortium is still under a three percent increase. Ms. Dowd introduced Brandon Holt from Excellus BlueCross BlueShield as the Consortium's new account manager.

MOVED by Mr. Thayer, seconded by Mr. Snow, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan 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 current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third parties for the furnishing of goods and services, and

WHEREAS, the Audit and Finance Committee has determined that it is in the Consortium's best interest to continue its relationship with Excellus BlueCross BlueShield for the administration of the Consortium's medical claims, and

WHEREAS, Excellus BlueCross BlueShield charges the Consortium an additional integration fee for the carve out pharmacy services which include enrollment file transfer and accumulator integration, and

WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Administration Rates to vary based on growth in enrollment numbers and has set discounts at four different contract band levels, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, on behalf of the Board of Directors hereby approves the 2023 Healthcare Benefits Renewal with Excellus BlueCross

BlueShield under the proposed fee structure presented to the Board of Directors for 2023, 2024, and 2025,

RESOLVED, further, That the Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium be authorized to execute the 2023 contract on behalf of the Consortium.

2022 Financial Update and 2023 Budget Presentation

Mr. Pelton provided a financial update through August 31, 2022. He stated the total income for the Consortium 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. There has been movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan. The Consortium is expecting a significant RX rebate reconciliation payment from year 2021. Mr. Pelton added the Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million.

Mr. Pelton reported the Consortium is tracking slightly ahead of budget projections. Many of the expense items are below budget. Paid claims account for 92.924% of total expenses for the Consortium through August 31, 2022. Medical Paid Claims are currently 7.02% below the projected budget for the year.

Mr. Pelton said the Premium Income includes a 6.5% increase in the premium equivalent rates for the 2023 Fiscal Year. Interest Income has been adjusted to capture both interest earnings and an estimated "net gain" on investments based on the new financial reporting recommended by the Consortium's Auditor.

Mr. Pelton highlighted projected expenses indicating the medical and pharmacy paid claim trends for the Consortium from April 1, 2011 to August 31, 2022 has equaled 4.16% and 5.87%, respectively. Excellus BlueCross BlueShield claims administrative fees are increased by 3.0% for the 2023-2027 Fiscal Years. ProAct claims administrative fees are also increased by 3.0%. Stop-Loss insurance premiums have been forecasted to increase at a rate of 10% per annum based on Locey & Cahill's experience with this market. The expected costs associated with all professional services, and miscellaneous costs also have been trended at a rate of 3%.

2023 Budget Presentation Assumptions

The following are assumptions contained in the [2023 budget](#):

1. 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. The value of this reserve, as projected for the 2023 Fiscal Year, is \$2,920,495.97. This will satisfy an Article 47 statutory reserve requirement.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of "run-out" claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$7,038,728.60 for the 2023 Fiscal Year.

3. Continue to evaluate the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000. We originally funded Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2023 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the number of individual high dollar claimants.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims (\$4,399,205.37). These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation in the overall paid claims.
5. Continue to negotiate reasonable increases to the administrative fees paid to ExcellusBlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.
6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium’s finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 6.5% increase in premiums for the 2023 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$559,375 for the 2023 Fiscal Year.

Ms. Drake added the premium increases are included in the agenda packet. Ms. Dowd also added Ms. Apalovich will be notifying members of the [premium amounts](#) in the very near future.

RESOLUTION NO. 028 -2022 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2023

MOVED by Ms. Drake, seconded by Mr. Salton, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have considered the Consortium's 2023 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels, in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2023 proposed budget reflects the adopted budget guidelines (Resolution No. 015-2020) as follows:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;

- 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 Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000 with additional interest and premium savings included;
- Maintain an unencumbered fund balance not less than 12% of expected premium through at least year four of the annual proforma calculation;
- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 6.5% in 2023 across all benefit plans, except for the Silver Plan which will be a Premium Revenue Increase of 5.42%; now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2023 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

Report from Claims and Appeals Committee

Ms. Dowd reported for Mr. Shattuck for the Claims and Appeals Committee. Ms. Dowd is pleased to announce that the Consortium doesn't have a history of appeals and that trend is continuing. The Committee has worked on an audit of the Consortium's prescription drug manager, and how claims have been paid the last two years. At conclusion, there were minimal issues regarding how the Consortium's claims are being adjudicated by ProAct. It has been decided that because we have not done one in a few years that we should do an RFP for proposals for a medical and prescription drugs claims audit.

Report from Joint Committee on Plan Structure and Design

Ms. Shawley reported for the Joint Committee on Plan Structure and Design report for Jim Bower who has recently resigned from his role with the Consortium. Ms. Shawley explained that the Consortium is required to review the metal level plans so that the Consortium can remain in compliance with the Affordable Care Act. The standard deviations are set by the Centers of Medicare and Medicaid Services and that sets the Consortium's parameters for the actuarial value. It was found that the Consortium needed to adjust the Silver Plan.

Ms. Shawley added the Committee's focus was to make changes within the plan that would have least financial effect on Consortium members.

RESOLUTION NO. 029 - 2022 – APPROVAL OF ADJUSTMENTS TO THE SILVER HIGH DEDUCTIBLE HEALTH PLAN

MOVED by Ms. Shawley seconded by Mr. Emerson, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon entering data into the federal actuarial calculator for 2023 it has been determined that adjustments need to be made to the Silver High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, a benefit plan adjustment to the Coinsurance Amount, Deductible and Out-of-Pocket Maximum will be made to the Consortium’s Silver High Deductible Health Plan as follows:

Silver HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$2,500/\$5,000	\$2,750/\$5,500	\$3,750/\$7,500	\$4,125/\$8,250
Out-of-Pocket Single/Family	\$6,000/\$12,000	\$7,000/\$14,000	\$9,000/\$18,000	\$10,500//\$21,000
Coinsurance Amount	70%	80%	50%	50%
Actuarial Value	72.91%	71.83%	72.91%	71.83%

RESOLUTION NO. 030-2022 – Actuarial Value Standard Deviation Amendment

Ms. Earle asked if Silver Plan changes were due to being outside of the standard deviation. Ms. Drake and Ms. Dowd concurred.

Mr. Murphy questioned if the Consortium could make the changes and understood only 2% could be calculated. Ms. Dowd responded the Consortium is recommending what the Center of Medicare and Medicaid Services (CMS) is recommending. Ms. Dowd added the last couple of years, that overall, the Bronze plan was outside of the standard deviation calculations and unreliable, and CMS allowed for exceptions until this correction was made. This was a broader range, rather than them changing the whole calculator, CMS advised to keep the calculator, but allowed the positive standard deviation to be at a greater range.

MOVED by Ms. Shawley, seconded by Mr. Emerson, the resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances.

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon reviewing the results of the actuarial value calculations for the Consortium utilizing the Centers for Medicare and Medicaid Services (“CMS”) actuarial value calculator and methodology it was noted that the percent de minimis variation (a.k.a., standard deviation) was amended for the Bronze High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, the percent de minimis variation (a.k.a., standard deviation) allowed for each of the Consortium’s metal level plans will be as follows:

Platinum Preferred Provider Organization Plan	+2% / -2% (92.49% to 87.50%)
Gold High Deductible Health Plan	+2% / -2% (82.49% to 77.50%)
Silver High Deductible Health Plan	+2% / -2% (72.49% to 67.50%)
Bronze High Deductible Health Plan	+5% / -2% (65.49% to 57.50%)

New Business

Ms. Dowd communicated that the Consortium has been notified that the New York State Department of Financial Services is auditing the Consortium to include years 2016 through 2020. The audit began in July, starting with Information Technology. This portion of the audit will ensure we are cybersecurity and business continuity compliant. Auditors will then move on to the financial aspect in October. Ms. Dowd added that there is an “audit” line in the budget that includes \$150,000 next year and \$100, 000 the following year, based on average costs of other New York consortiums.

Ms. Drake added that Ms. Rodrigues held a presentation regarding Medicare vs. Medicare Advantage Plan at the Educational Retreat in August. This [presentation](#) can be found on the Consortium’s website.

Adjournment

The meeting adjourned at 6:52 p.m.

Respectfully submitted by Lynne Sheldon, Clerk of the Board



Greater Tompkins County Municipal Health Insurance Consortium

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GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM 2024 MEETING SCHEDULE

Meetings to be held at the Town of Ithaca* and/or Remotely by Zoom

(Only Sub-Committee meetings may be held via Zoom due to OML)

Visit the Consortium's website for updates on meeting locations and additional meeting information:

www.healthconsortium.net

*Meetings will be held at the new GTCMHIC Headquarters once open: 408 East Upland Road, Ithaca, NY 14850

Joint Committee on Plan Structure and Design – *1st Thursday quarterly; May, July*, August, November; 1:30 p.m.

May 2	August 1
July 11 (*2 nd Thursday due to Holiday)	November 7

Operations Committee – 1st Thursday quarterly; February, April, June, October; 1:30 p.m. (Subject to Change)

February 1	June 6
April 4	October 3

Executive Committee – *3rd Weds. Bimonthly; 3:30 pm starting in February

February 21	September 11 (Pre-Board Meeting)– (*2 nd Wednesday)
April 17	October 16
June 19	December 18
August 21	

Audit Committee – Meetings will be held as necessary at 3:00 p.m. prior to the Finance Committee Meeting dates listed below (Advance notice will be given)

Finance Committee – *4th Tuesday at 3:30 p.m.; monthly beginning in February

February 27	August 27
March 26	September 10 (*2 nd Tuesday)
April 23	October 22
May 28	November & December combined December 3 rd
June 25	(1 st Tuesday before Executive Committee)
July 23	

Claims and Appeals Committee – Meetings will be held as necessary. (Advanced notice will be given)

Nominations & Engagement Committee – 2x/year (June, August) (2nd Monday) 3:30 p.m.

June 10
August 12

Board of Directors —

Educational Session - August 22, 2024, Time TBD

Annual Meeting – September 2024 TBD



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RESOLUTION NO. 011 - 2023 - RESOLUTION OF APPRECIATION OF STEVE THAYER'S DEDICATED YEARS OF SERVICE TO THE CONSORTIUM

WHEREAS, when the Tompkins County Council of Government started exploring a municipal cooperative self-funded health insurance program, they were fortunate to have the City of Ithaca Comptroller, Steve Thayer, involved in the beginning conversations and planning stages of the now Greater Tompkins County Municipal Health Insurance Consortium, and

WHEREAS, Steve, quickly was named the Chief Financial Officer for the Consortium and has served for a long time on the Audit & Finance Committee both as a member and as a Chair, and

WHEREAS, when some of the City's organized labor groups opposed joining the Consortium, Steve successfully championed the idea as a rate stabilized solution to unpredictable escalating insurance rates, and

WHEREAS, Steve has been known to attend many meetings and work several hours as a loyal supporter of the Consortium, and

WHEREAS, Steve has been an asset to the Consortium with his extensive background in finance, accounting and municipal law and is always a pleasure to work with due to his even and calm demeanor, and

WHEREAS, Steve is now at a stage in life where he can celebrate retirement both from the City of Ithaca as well as the Consortium, and

WHEREAS, Steve is wished much happiness as he steps down and finds time to explore other experiences that bring him joy with his friends and family, now therefore be it

RESOLVED, That the Board of Directors, staff, consultants, advisors, and associates, acknowledge the retirement of Steve Thayer and are appreciative for his many devoted and exemplary years of service,

RESOLVED, further, That on this 23rd day of May, 2023, the Audit and Finance Committee expresses its sincere gratitude to Steve Thayer for his distinguished and dedicated service to the Greater Tompkins County Municipal Health Insurance Consortium.

STATE OF NEW YORK)
GTCMHIC) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Audit and Finance Committee on behalf of the Board of Directors on May 23, 2023.



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Executive Director Report Board of Directors Annual Meeting September 21, 2023

As we prepare for our annual meeting, I am quickly reminded that we have many new and exciting things happening around the Consortium. This year, I look forward to sharing the podium with our new Chair, Rordan Hart. As Rordan presides at his first annual meeting, I think it is also the first time we are serving lunch to maximize our time together. I hope the new format works for you and we are successful in meeting our quorum requirements and able to approve all our resolutions.

As our membership continues to grow, with five new municipalities joining us next year, we have realized it is time for the Consortium to branch out and find new offices that will allow for more efficient use of space, private offices for confidential conversations about health care needs, and a facility with our own meeting rooms. We were hoping to host the annual meeting in our new offices on Upland Road in the Village of Cayuga Heights, but construction isn't complete.

When you look at the agenda packet, you will see the staff has been very busy this year. Further in this report, we will mention some of the new services we will be offering in the next year. We will also be discussing some follow-up needed because of our five-year required Department of Financial Services examination. It's hard to recap everything in one memo. Therefore, I encourage you to look at our website and Facebook page to see everything that we have been doing.

Executive Committee

The Executive Committee is fully functional as the key administrative arm of our organization to keep our business moving throughout the year. At the same time, the Committee has been very analytical at reviewing, with consultants, if our premium equivalent rates are at the appropriate levels. The full report on that work, along with a review of our premium tier structure, will be published later this fall and any recommendations will be forthcoming for our 2025 plan year.

The Executive Committee, along with the Audit and Finance Committee, have been carefully reviewing the use of our rate stabilization reserve and our unencumbered fund balance. Articulating how and when to use our resources will be put before the Board of Directors at this meeting. Rate stability remains our main mission and utilizing our reserves to accomplish that goal is an important part of our budget recommendations this year.

Joint Committee on Plan Structure and Design

The Joint Committee has brought forth a few recommendations this year. Most important to our Board packet is the changes recommended for compliance for both our Gold and Silver Plans. Please review the resolutions requiring changes to both deductibles and out of pocket maximums to help these plans pass

their actuarial value calculations set forth by the Centers of Medicare and Medicaid to remain High Deductible Health Plans.

One of the most exciting and fun aspects of the Consortium is our Wellness Program. It is the Joint Committee that helps with approving the calendar of events and what programs are important to highlight. Follow along by reading the Newsletter, “liking” us on Facebook, and signing up for each of the monthly wellness challenges.

Audit and Finance Committee

Although Steve Thayer hasn’t quite met his planned date of retirement, it is with gratitude that we wish him well. Steve has been our CFO since inception and one of the people who was very instrumental in getting the organization off the ground. When he does officially retire, we will miss his contributions to the Consortium, especially as the Chair of the Audit and Finance Committee.

As mentioned above, the Audit and Finance Committee has been working to not only put our budget together, but to establish ways to use our reserves to mitigate unexpected increases. We have had a most unusual year of high claims activity and instead of hyperinflating rates and to help offset premium increases, the Audit and Finance Committee is recommending utilizing our rate stabilization reserve funds to achieve our mission of rate stability. Therefore, despite the double-digit premium increases, Excellus is passing to their community rated plans, Audit and Finance is only recommending an 8% premium rate increase for 2024.

Operations Committee

In 2021, the Consortium renewed our contract with ProAct to provide pharmacy benefit management services. At renewal, the Operations Committee gave the staff several directives to share with ProAct on how to better serve the needs of the Consortium. Concerns included customer services issues, claims adjudication accumulator issues, and other system issues regarding slow reaction times or inappropriate claims costs. ProAct was given several opportunities to improve these services and the Operations Committee felt they fell short of their goals. Therefore, the Committee executed their plan to go back to the proposals from the RFQ done in 2021 and ask the runner up to update their proposal.

After careful review and much analysis, Excellus was selected as the vendor of choice to bring forth to the Board for approval at the annual meeting. We anticipate that Excellus will be able to improve services. A comprehensive presentation was done at the August Board Educational meeting.

Once approved, there will be a Benefit Clerk virtual meeting on September 26th at 10:30am to discuss the changes. Other information regarding new ID cards, any formulary changes, and provider changes will be communicated in writing to all members. We encourage each municipality to reiterate the expected changes to their employees directly as well.

Claims and Appeals Committee

The Consortium is in the middle of their bi-annual medical claims audit performed by BMI, Inc. The Claims and Appeals Committee has also approved commencing a prescription drug audit to include 2021, 2022, and YTD 2023. No other updates are currently available.

Nominations And Engagement Committee

This year the Nominations and Engagement Committee sent out a survey to solicit the level of interest in serving on Consortium committees. We received a great response, and you will see that the slate of committee members includes some new directors on various different committees. There are still a few vacancies, and it isn't too late to volunteer.

Department of Financial Services

As you may recall, the Consortium was waiting for final approval from the Department of Financial Services (DFS) to expand our territory to include Monroe and Livingston Counties. After the conclusion of the Board of Directors meeting in 2022, we sent out a copy to DFS of an amended Municipal Cooperative Agreement (MCA) to reflect staffing changes, the addition of new members and a request to update our Certificate of Authorization to include Livingston and Monroe Counties. We received informal approval from DFS of the additional counties. Unfortunately, DFS made some changes to our 2023 MCA unrelated to the territory expansion and we will need to secure a new resolution and a new signature page for the amended MCA for 2023. DFS asked us to remove the Town of Onondaga from the member listing. The Town of Onondaga was approved for membership, but they never enrolled in the plan. Therefore, the MCA does not properly reflect our membership. In addition, they've asked us to add the following regarding our new Finance Manager position.

“The Finance Manager, under the supervision and direction of the Chief Fiscal Officer, is responsible for directing and maintaining the financial records of the Consortium, overseeing financial transactions, installation and maintenance of accounting systems, billing/invoicing of premiums, quarterly and annual reporting, preparation of reports, and fiscal analyses.”

Once we have all 2023 resolutions and signature pages returned, we will submit a final file to DFS for their records and we will receive our new Certificate of Authorization. Furthermore, we are then required to send you another amended MCA to include the newly approved 2024 members. More information will be forthcoming regarding these requests.

At the end of 2022, we were notified that DFS would be conducting their examination of the GTCMHIC plans. This is a regularly scheduled audit and covers the years 2016 – 2021. The audit has been very comprehensive focusing first on risk analysis, including cyber security, and then on claims adjudication. At the conclusion of the audit, each member municipality will be asked to sign that they have received the audit and support the recommendations highlighted in the exit letter. So far, we are aware of seven recommendations. The first recommendation includes having an Audit Committee to meet independently of the Finance Committee. The Audit Committee will also be comprised of Board members that are not officers of the organization. Please note, we are required to pay for the time of the examiners and expect the cost to be between \$150K - \$250K. These expenses have been included in our amended budget for 2023 and in the draft for 2024.

New Services offered to Consortium Membership

Aetna had been selected as the provider to offer a fully insured Medicare Advantage product to our membership for 65+ retirees in 2024. This is an additional option for municipal members seeking

alternative cost-effective retirement medical coverage for their retirees. We will continue to explore how to manage this fully insured benefit going forward.

The Consortium has partnered with Lifetime Benefit Solutions to administer COBRA notifications for our small municipal members (less than 50 subscribers.) Excellus provides this service to their small community-rated plans and when a new member joins us, they lose this benefit. To help our members remain compliant with COBRA rules and regulations, the Consortium thought it best to secure these services at a reasonable rate for our smaller municipalities.

We are also contracting with Lifetime Benefit Solutions to update all our plan documents. 2023 has already been updated and Locey & Cahill are reviewing that work now. Once DFS has approved all our updates, the documents will be available on our website.

After a request from the Joint Committee on Plan Structure and Design to increase mental health resources, we secured competitive group pricing with ESI Employee Assistance Group to make an employee assistance program available to our members with competitive pricing. An information session on this program was provided in September and there will be further discussion in November at the next Joint Committee meeting. An Employee Assistance Program (EAP) is a voluntary, work-based program that offers free and confidential assessments, short-term counseling, referrals, and follow-up services to employees who have personal and/or work-related problems.

For more information regarding any of these new services, please contact me or Kylie Rodrigues.

Respectfully submitted by Elin R. Dowd, September 19, 2023.



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RESOLUTION NO. XXX-2023 – ADOPTION OF REVISED EXECUTIVE COMMITTEE BYLAWS TO INCLUDE THE FORMATION OF THE “AUDIT COMMITTEE” AND “FINANCE COMMITTEE” FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

WHEREAS, the Executive Committee on behalf of the Board of Directors, approved Resolution 012-2023 which implemented the dissolution of the Audit and Finance Committee and approved the formation of an “Audit Committee” and “Finance Committee”.

WHEREAS, as the Consortium continues to grow and improve its structure there will occasionally be amendments proposed to improve how it functions as an organization, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby adopts the revised Executive Committee Bylaws effective September 21, 2023.



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BYLAWS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EXECUTIVE COMMITTEE *(adopted 12/17/2020; revised 9/21/23)*

ARTICLE I PURPOSE

The Municipal Cooperative Agreement of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) provides for the creation of an Executive Committee with powers and duties to conduct certain business operations on behalf of the Consortium, as delegated from time-to-time, by the Board of Directors. These Bylaws shall govern the operations of the Executive Committee in carrying out this grant.

ARTICLE II MEMBERS, QUALIFICATIONS, TERMS OF OFFICE

Section 1. The Executive Committee of GTCMHIC shall consist of at least eleven (11) but no greater than fifteen (15) members (“Members”). The size of the Executive Committee may be increased or decreased by the Board of Directors (the “Board”), in its discretion, within these limits, without need to amend these Bylaws.

Section 2. A full slate of Executive Committee Members shall be elected from its Directors at each Annual Meeting. However, the Board Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary shall be automatically designated as Members of the Executive Committee. In addition, the Chairperson of the Joint Committee on Plan Structure and Design (“Joint Committee”), shall also be automatically designated as a Member.

At the Annual Meeting, the Board shall also nominate the Chairs of each of the Standing Committees. Each such Chair shall also automatically be designated a Member of the Executive Committee.

Any vacant undesignated seat may be filled by an At-large member of the Board of Directors.

Section 3. The Nominations and Engagement Committee shall have the responsibility for nominating the full slate of Member candidates, which shall include all automatically-designated and at-large seats. The slate shall then be presented to the Board for approval.

Section 4. In the event that a vacancy occurs on the Executive Committee more than 45 days prior to any Annual Meeting of the Board, the Executive Committee may appoint a successor Member who shall serve until the next Annual Meeting.

Section 5. A Quorum of the Executive Committee shall consist of a simple majority of the fully-constituted Committee (e.g. an 11 Member committee would require a quorum of six (6); a 15 Member committee would require a quorum of eight (8)).

Section 6. The Chair of the Board of Directors may make temporary appointments to committees for quorum purposes. Temporary members only serve until a permanent member arrives. Temporary appointments will only occur when there is not a quorum.

ARTICLE III COMMITTEE LEADERSHIP

Section 1. The Chair of the Board shall serve as the Chair of the Executive Committee. The Vice Chair of the Board shall serve as the Vice Chair of the Executive Committee.

Section 2. At the Annual Meeting, the Board Nomination and Engagement Committee shall, based on collaboration, outreach, and input from Directors, nominate a Chair for each of the Executive Committee Standing Committees which shall include: (i) Audit (ii) Finance (iii) Operations, (iv) Nominations and Engagement, (v) Claims and Appeals, and (vi) such additional committees as the Executive Committee may, from time to time, create through amendment to these Bylaws. The Standing Committee Chairs shall be nominated as part of the full slate of candidates for the Executive Committee, and, once elected, shall automatically be designated members of the Executive Committee. The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed; but Chairs of these committees shall not be Members of the Executive Committee.

Section 3. Unless appointed as a voting member, the Chair of the Executive Committee shall serve as a non-voting ex-officio member of each Standing Committee.

ARTICLE IV RESIGNATION, VACANCY

Section 1. Any Member may resign from the Executive Committee at any time by delivering a resignation in writing to the Chair. Such resignation will be effective upon delivery without regard to its acceptance.

Section 2. Should any Member cease to be a Director of the Consortium Board or otherwise cease to be qualified to serve in that capacity, he/she shall automatically cease to be a Member of the Executive Committee and the resulting vacancy shall be filled as provided in Article II, Section 4.

ARTICLE V TERM LIMITS FOR OFFICERS AND STANDING COMMITTEE MEMBERS

Term limits shall be in place as follows and effective based on any full term starting on or after January 1, 2022.

- Operations, Audit, Finance, Nominations and Engagement, and the Claims and Appeals Committee membership – limit of three consecutive full two-year terms.
- Chairs of Standing Committees – limit of five one-year terms.
- Officers and Executive Committee Members – limit of five consecutive full one-year terms.
- Once a Chair of the Board has reached their term limit, they may continue to serve on the Executive Committee in an At-large seat for up to five consecutive one-year terms.
- Once an officer or committee member has termed out, there shall be a waiting period of one full year before becoming eligible to serve as a committee member and two full years before being eligible to serve as an officer.

By majority vote of the total number of Directors (including any unfilled seats), the Executive Committee may waive this term limit provision when necessary to maintain fully-constituted committees other than the Executive Committee. Action by the Board of Directors shall be required to waive terms limits for appointments to the Executive Committee.

ARTICLE VI RULES OF PROCEDURE

Section 1. The Chairperson shall preside at all meetings and, in his or her absence, the Vice-Chair shall preside.

Section 2. Provided a quorum is present, the Executive Committee shall act by an affirmative vote of a majority of the fully-constituted Executive Committee. Physical presence or videoconferencing participation is required to satisfy the quorum threshold.

Section 3. The Executive Committee shall have at least four (4) quarterly meetings each year.

Section 4. Special meetings may be called by the Chair or by any two Committee members.

Section 5. Dates for the Executive Committee meetings will be established during the Annual Meeting. Meeting dates of the Executive Committee meetings will be published on the GTCMHIC website.

Section 6. Notice of special meetings may be delivered to each Member of the Executive Committee or given orally, in person or by telephone or email, one (1) day prior to the date of such special meeting or may be mailed to the business or home address of each member of the Executive Committee at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed prior to, at or subsequent to any such meeting, by any Member failing to receive a proper notice. At such a special meeting no business shall be considered other than that expressly designated in the notice, but if all the Members of the Executive Committee are present at the special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 7. The basic rules of Parliamentary Procedure shall be followed for meetings of the Executive Committee.

ARTICLE VII COMMITTEES

Section 1. The Executive Committee shall operate with standing committees as defined and described below. Standing committee members shall be appointed by the Board for specified terms. Standing committee membership will include Directors and may include other persons, as deemed as necessary. The structure and membership of standing committees shall be established by Resolution of the Board. Standing committees will work in collaboration with the Executive Director to develop and recommend policies which shall be submitted to the Executive Committee.

Section 2. Audit Committee: The Audit Committee will review audit filings, audit policies and procedures to be sure that the Consortium is in compliance with Article 47 and the Certificate of Authority and establish a list of all reports due to the Board and regulators and the process and timeline to insure accurate and timely reporting.

Section 3. Finance Committee: The Finance Committee will recommend a budget, recommend premium rates, review Jurat reports, recommend reinsurance and retention policies, and appropriate reserve

levels in compliance with a municipal health care organization and any necessary policy and procedures relative to being fiscally prudent stewards of the organizations funds and assets.

Section 4. Operations Committee: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

Section 5. Joint Committee on Plan Structure and Design: The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters.

Section 6. Nominations and Engagement Committee: The Nominations and Engagement Committee shall be responsible for presenting a slate of recommended Officers and Executive Committee members at the annual Board of Directors meeting for approval. The Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization, especially through the consideration of succession and long-term planning.

Section 7. Claims and Appeals Committee: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Section 8. Ad-Hoc Committees: The Executive Committee has the authority to create temporary, Ad-hoc committees as may be needed, with specific duties and terms. The Chair of any Ad-hoc committee shall not be a member of the Executive Committee, unless they are otherwise an at-large member of the Executive Committee.

ARTICLE VIII OPERATING BUDGET

Section 1. The objective of the GTCMHIC operation budgeting process is to provide for the insurance needs of its Participant enrollees and financial security to cover its liabilities. Each annual budget shall be carefully created to account and provide for: (i) projected claims, fees and taxes, (ii) funding of services provided by contractors and third-party administrators, (iii) maintenance of all reserves, including those required by statute, (iv) purchase and maintenance of stop-loss insurance, and (v) a proper account of all major sources of revenue. The budget shall be created in a form and a time sufficient to provide all parties with the necessary information for more effective planning and decision making.

Section 2. The following shall apply to the budget development process:

- (a) The Executive Director shall have the overall responsibility for overseeing the preparation of a recommended preliminary annual budget, in collaboration with Consortium consultants, the Finance Committee, and the Finance Manager.
- (b) The Finance Committee shall be responsible for the development of a preliminary annual budget and 5-year pro-forma analysis to be presented to the Executive Committee.
- (c) The preliminary budget shall be designed to reflect the Executive Committee's policies and objectives. It shall be approved by the Executive Committee for dissemination to the Board of Directors.
- (d) The Preliminary Budget shall be disseminated to the Board of Directors in advance of the

Board of Directors Annual meeting along with a detailed narrative of the essential elements of the budget and 5-year pro-forma analysis.

Section 3. Approval of Budget and Premium Equivalent Rates: The budget and premium equivalent rates for the ensuing fiscal year shall be thoroughly reviewed by the Board before its final adoption. The budget shall be adopted by majority vote of the Board of Directors at the Annual meeting.

Section 4. Budget Implementation: The administration of the annual budget shall be the responsibility of the Executive Director in consultation with the Finance Committee, Chief Financial Officer, and Finance Manager. Under the direction and control of the Executive Director, and in consultation with the Finance Manager, as needed, funds may be expended within budgetary appropriations without prior approval of the Executive Committee. Extra budgetary expenditures for discretionary expenses or unexpected expenses not accounted for in the budget, greater than a 10% change for any line item, shall require the approval of the Executive Committee, after review and recommendation of the Finance Committee.

ARTICLE IX INDEMNIFICATION

The GTCMHIC shall defend and indemnify any committee member who is subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to, or arising out of, his/her responsibilities relative to his/her position or activities on behalf of the Consortium. The provision of such defense and indemnity is contingent upon the provision of prompt notice to the Board of the threatened, pending or completed action, suit or proceeding. The Board, in its discretion, can refuse to provide such defense and indemnity if it determines that the claims against the individual have been initiated as a result of his/her bad faith, self-dealing, willful misconduct, or recklessness.

ARTICLE X CONDUCT AND CONFLICT OF INTEREST POLICY

All committee members are bound by their membership to follow GTCMHIC Code of Conduct and Conflict of Interest Policy while performing their duties and the Consortium expects all committee members to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their responsibilities.

ARTICLE XI AMENDMENTS

These Bylaws may be amended or repealed only at a meeting of the Board for which at least ten (10) days written notice has been previously given to all of the members, and such notice expressly states that the meeting is called to consider certain amendments to the Bylaws of the Executive Committee in addition to such other regular business as may come before the Executive Committee.



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590
Headquarters: 215 N. Tioga Street, Ithaca, NY 14850
www.healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. XXX - 2023 – APPROVAL OF THE 2024 MUNICIPAL COOPERATIVE AGREEMENT TO INCLUDE THE ADDITION OF NEW PARTICIPANTS IN SECTION A 2

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan 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 GTCMHIC wishes to add new members to the list of Participants and the Municipal Cooperative Agreement will be updated once those members have been approved, now therefore be it

RESOLVED, to approve additions of 2024 new members as Participants in Section A2 of the 2024 Municipal Cooperative Agreement and to circulate to all Participants for review and approval.

* * * * *



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2024 AMENDMENT TO THE MUNICIPAL COOPERATION AGREEMENT (Adopted *Per DFS approval*; effective January 1, 2024)

THIS AGREEMENT (the "Agreement") made effective as of the 1st day of October 2010 (the "Effective Date"), and as amended herein, by and among each of the signatory municipal corporations hereto (collectively, the "Participants").

W H E R E A S:

1. Article 5-G of the New York General Municipal Law (the "General Municipal Law") authorizes municipal corporations to enter into cooperative agreements for the performance of those functions or activities in which they could engage individually;
2. Sections 92-a and 119-o of the General Municipal Law authorize municipalities to purchase a single health insurance policy, enter into group health plans, and establish a joint body to administer a health plan;
3. Article 47 of the New York Insurance Law (the "Insurance Law" or "N.Y. Insurance Law"), and the rules and regulations of the New York State Superintendent of Financial Services (the "Superintendent") set forth certain requirements for governing self-insured municipal cooperative health insurance plans;
4. Section 4702(f) of the Insurance Law defines the term "municipal corporation" to include a county, city, town, village, school district, board of cooperative educational services, public library (as defined in Section 253 of the New York State Education Law) and district (as defined in Section 119-n of the General Municipal Law); and
5. The Participants have determined to their individual satisfaction that furnishing the health benefits (including, but not limited to, medical, surgical, hospital, prescription drug, dental, and/or vision) for their eligible officers, eligible employees (as defined by the Internal Revenue Code of 1986, as amended, and the Internal Revenue Service rules and regulations), eligible retirees, and the eligible dependents of eligible officers, employees and retirees (collectively, the "Enrollees") (such definition does not include independent contractors and/or consultants) through a municipal cooperative is in their best interests as it is more cost-effective and efficient. Eligibility requirements shall be determined by each Participant's collective bargaining agreements and/or their personnel policies and procedures.

NOW, THEREFORE, the parties agree as follows:

A. PARTICIPANTS.

1. The Participants hereby designate themselves under this Agreement as the Greater Tompkins County Municipal Health Insurance Consortium (the "Consortium") for the purpose of providing health benefits (medical, surgical, hospital, prescription drug, dental, and/or vision)

2024 Municipal Cooperation Agreement

to those Enrollees that each Participant individually elects to include in the Greater Tompkins County Municipal Health Insurance Consortium Medical Plan(s) (the "Medical Plan(s)"), as that term is defined by Section 4702 (e) of the Insurance Law.

2. The following Participants shall comprise the current membership of the Consortium:

Municipality Name	Effective Date
City of Ithaca	1/1/2011
County of Tompkins	1/1/2011
Town of Caroline	1/1/2011
Town of Danby	1/1/2011
Town of Dryden	1/1/2011
Town of Enfield	1/1/2011
Town of Groton	1/1/2011
Town of Ithaca	1/1/2011
Town of Ulysses	1/1/2011
Village of Cayuga Heights	1/1/2011
Village of Dryden	1/1/2011
Village of Groton	1/1/2011
Village of Trumansburg	1/1/2011
City of Cortland	1/1/2013
Town of Lansing	1/1/2013
Town of Willet	1/1/2015
Village of Homer	1/1/2015
Town of Marathon	1/1/2016
Town of Truxton	1/1/2016
Town of Virgil	1/1/2016
Town of Aurelius	1/1/2017
Town of Cincinnatus	1/1/2017
Town of Montezuma	1/1/2017
Town of Moravia	1/1/2017
Town of Preble	1/1/2017
Town of Scipio	1/1/2017
Town of Springport	1/1/2017

Municipality Name	Effective Date
Village of Union Springs	1/1/2017
Town of Homer	1/1/2018
Town of Newfield	1/1/2018
Town of Owasco	1/1/2018
County of Seneca	1/1/2019
Town of Big Flats	1/1/2019
Town of Mentz	1/1/2019
Town of Sennett	1/1/2019
Village of Freeville	1/1/2019
Village of Horseheads	1/1/2019
Village of Lansing	1/1/2019
Town of Horseheads	1/1/2020
Town of Spencer	1/1/2020
Lansing Library	1/1/2020
Village of Watkins Glen	1/1/2020
Town of Catharine	1/1/2021
Town of Cuyler	1/1/2021
Town of Dix	1/1/2021
Town of Hector	1/1/2021
Town of Tioga	1/1/2021
Village of Owego	1/1/2021
Town of Erwin	1/1/2022
Town of Throop	1/1/2022
Village of Minoa	1/1/2022
Village of Fayetteville	1/1/2022

Municipality Name	Effective Date
Town of Camillus	1/1/2023
Town of DeRuyter	1/1/2023
Town of Dewitt	1/1/2023
Town of Hastings	1/1/2023
Village of Camillus	1/1/2023
Village of Skaneateles	1/1/2023
Dewitt Fire District	1/1/2023
City of Geneva	1/1/2024
Town of Brutus	1/1/2024
Town of Locke	1/1/2024
Town of West Monroe	1/1/2024
Village of Fair Haven	1/1/2024

3. Membership in the Consortium may be offered to any municipal corporation as defined in N.Y. Insurance Law Section 4702(f) within the geographical boundaries of the Counties of Tompkins, Broome, Cayuga, Chenango, Chemung, Cortland, Livingston, Madison, Monroe, Onondaga, Ontario, Oswego, Tioga, Schuyler, Seneca, Steuben, Wayne, and Yates, provided however that, in the sole discretion of the Board (as defined below), the applicant provides satisfactory proof of its financial responsibility. Membership shall be subject to the terms and conditions set forth in this Agreement, any amendments hereto, and applicable law. Upon admission of any new Participant, the Consortium shall amend Section A(2) of this Agreement to reflect that change in membership, which must be submitted to the New York State Department of Financial Services (“DFS”) for approval. The geographic boundaries of the Consortium shall not be expanded beyond the above-listed counties without amendment of the MCA, submitted to DFS for approval, and prior DFS approval of an amendment to the Certificate of Authority.

4. The Board, in its sole discretion, and by a two-thirds (2/3) vote of the entire Board, may elect to permit additional municipal corporations located within the geographical boundaries set forth in Section A(3) to become Participants subject to satisfactory proof, as determined by the Board, of such municipal corporation’s financial responsibility. Such corporations must agree to continue as a Participant for a minimum of three (3) years upon entry.

5. Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver. Participants with a waiver allowing active employees not enrolled in Consortium benefit plan options, must, within 3 (three) years of the date of enrolling in the Consortium, fully enroll all of their active employees in Consortium plan options. Failure to comply with this provision may be grounds for termination from participation in the Consortium as defined in Section Q(3).

6. Initial membership of additional participants shall become effective as soon as practical but preferably on the first day of the Plan Year following the adoption by the Board of the resolution to accept a municipal corporation as a Participant. Such municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon entry.

7. A municipal corporation that was previously a Participant, but is no longer a Participant, and which is otherwise eligible for membership in the Consortium, may apply for re- entry after a minimum of three (3) years has passed since it was last a Participant. Such re-entry shall be subject to the approval of two-thirds (2/3) of the entire Board. This re-entry waiting period may be waived by the approval of two-thirds (2/3) of the entire Board. In order to re-enter the Consortium, a municipal corporation employer must have satisfied in full all of its outstanding financial obligations to the Consortium. A municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon re-entry.

B. PARTICIPANT LIABILITY.

1. The Participants shall share in the costs of, and assume the liabilities for benefits (including medical, surgical, and hospital) provided under the Medical Plan(s) to covered officers, employees, retirees, and their dependents. Each Participant shall pay on demand such Participant's share of any assessment or additional contribution ordered by the governing board of the municipal cooperative health benefit plan, as set forth in Section L(4) of this Agreement or as ordered by the Superintendent or under Article 74 (seventy four) of the New York State Insurance Law. The pro rata share shall be based on the Participant's relative "premium" contribution to the Medical Plan(s) as a percentage of the aggregate "premium" contribution to the Medical Plan(s), as is appropriate based on the nature of the assessment or contribution.

2. New Participants (each a "New Participant") who enter the Consortium may, at the discretion of the Board of Directors, be assessed a fee for additional financial costs above and beyond the premium contributions to the Medical Plan(s). Any such additional financial obligations and any related terms and conditions associated with membership in the Consortium shall be determined by the Board, and shall be disclosed to the New Participant prior to its admission.

3. Each Participant shall be liable, on a pro rata basis, for any additional assessment required in the event the Consortium funding falls below those levels required by the Insurance law as follows:

- a. In the event the Consortium does not have admitted assets (as defined in Insurance Law Section 107) at least equal to the aggregate of its liabilities, reserves, and minimum surplus required by the Insurance Law, the Board shall, within thirty (30) days, order an assessment (an "Assessment Order") for the amount that will provide sufficient funds to remove such impairment and collect from each Participant a pro-rata share of such assessed amount.
- b. Each Participant that participated in the Consortium at any time during the two (2) year period prior to the issuing of an Assessment Order by the Board shall, if notified of such Assessment Order, pay its pro rata share of such assessment within ninety (90) days after the issuance of such Assessment Order. This provision shall survive termination of the Agreement of withdrawal of a Participant.
- c. For purposes of this Section B(3), a Participant's pro-rata share of any assessment shall be determined by applying the ratio of the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all Participants subject to the assessment to the contribution or premium equivalent earned during such period attributable to such Participant.

C. BOARD OF DIRECTORS.

1. The governing board of the Consortium, responsible for management, control and administration of the Consortium and the Medical Plan(s), shall be referred to as the "Board of Directors" (the "Board"). The voting members of the Board shall be composed of one representative of each Participant and representatives of the Joint Committee on Plan Structure and Design (as set forth in Section C(11)), who shall have the authority to vote on any official action taken by the Board (each a "Director"). Each Director, except the representatives of the Joint Committee on Plan Structure and Design, shall be designated in writing by the governing body of the Participant.

2. If a Director designated by a Participant cannot fulfill his/her obligations, for any reason, as set forth herein, and the Participant desires to designate a new Director, it must notify the Consortium's Chairperson in writing of its selection of a new designee to represent the Participant as a Director.

3. Directors shall receive no remuneration from the Consortium for their service and shall serve a term from January 1 through December 31 (the "Plan Year").

4. No Director may represent more than one Participant.

5. No Director, or any member of a Director's immediate family, shall be an owner, officer, director, partner, or employee of any contractor or agency retained by the Consortium, including any third-party contract administrator.

6. Except as otherwise provided in Section D of the Agreement, each Director shall be entitled to one vote. A majority of the entire Board, not simply those present, is required for the Board to take any official action, unless otherwise specified in this Agreement. The “entire Board”, as used herein and elsewhere in this Agreement, shall mean the total number of Directors when there are no vacancies.

While physical presence is strongly encouraged, Directors who cannot be physically present at any meeting may attend remotely utilizing videoconferencing that allows for real time audio and visual participation and voting in the meeting upon confirmation that communication is with all participants as it progresses.

7. Each Participant may designate in writing an alternate Director to attend the Board's meeting when its Director cannot attend. The alternate Director may participate in the discussions at the Board meeting and will, if so designated in writing by the Participant, be authorized to exercise the Participant's voting authority. Only alternate Directors with voting authority shall be counted toward a quorum. The Joint Committee on Plan Structure and Design may designate alternate Directors as set forth in Section C(11).

8. A majority of the Directors of the Board shall constitute a quorum. A quorum is a simple majority (more than half) of the entire Board. A quorum is required for the Board to conduct any business. This quorum requirement is independent of the voting requirements set forth in Section C(6). The Board shall meet on an annual basis, at a time and place within the State of New York determined by a vote of the Board. The Board shall hold an annual meeting (the “Annual Meeting”) in September of each Plan Year.

9. Special meetings of the Board may be called at any time by the Chairperson or by any two (2) Directors. Whenever practicable, the person or persons calling such special meeting shall give at least a three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event the three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

10. In the event that a special meeting is impractical due to the nature and/or urgency of any action which, in the opinion of the Chairperson, is necessary or advisable to be taken on behalf of the Consortium, the Chairperson may send resolutions regarding said actions via electronic communication to each and all of the Directors. The Directors may then electronically communicate their approval or disapproval of said resolution via signed document to the Chairperson. In accordance with NY Business Corporation Law Section 708(b), unanimous consent is required for the Chairperson to act on behalf of the Board in reliance upon such approvals. Any actions taken by the Chairperson pursuant to this paragraph shall be ratified at the next scheduled meeting of the Board.

11. The Chair of the Joint Committee on Plan Structure and Design and any At-Large Labor Representatives (as defined in Section K) (collectively the “Labor Representatives”) shall serve as Directors and shall have the same rights and obligations as all other Directors. The Joint Committee on Plan Structure and Design may designate in writing alternate Directors to attend the Board's meetings when the Labor Representatives cannot attend. The alternate Director may, if designated in writing, be authorized to exercise the Labor Representatives' voting authority.

D. WEIGHTED VOTING.

1. Except as otherwise provided in this Agreement, any two or more Directors, acting jointly, may require a weighted vote on any matter that may come before the Board. In such event,

the voting procedure set forth in this Section D shall apply in lieu of any other voting procedures set forth in this Agreement. Such weighted voting procedures shall apply solely with respect to the matter then before the Board.

2. For purposes of this Section D, each Director shall receive votes as follows:
 - a. Each Director representing a Participant with five hundred (500) or fewer Enrollees shall be entitled to one (1) vote.
 - b. Each Director representing a Participant with more than five hundred (500) Enrollees shall be entitled to a number of votes equaling the total number of votes assigned under subsection 2(a) above minus the number of Labor Representative votes, divided evenly by the number of Participants eligible under this subsection 2(b) and rounded down to the nearest whole number.
 - c. The Labor Representatives shall be entitled to one (1) vote each.

3. Attached as Addendum “A” to this Agreement is an example of the application of the voting formula contained in subparagraph “2” of this Section.

4. Notwithstanding anything to the contrary contained in this Agreement, any action taken pursuant to this Section D shall require the approval of two-thirds (2/3) of the total number of votes, if all votes had been cast.

E. ACTIONS BY THE BOARD

1. Subject to the voting and quorum requirements set forth in this Agreement, the Board is required, in accordance with N.Y. Insurance Law § 4705, to take action on the following matters:

- a. In accordance with N.Y. Insurance Law § 4705 (d) (5), to approve an annual budget for the Consortium, which shall be prepared and approved prior to October 1st of each year and determine the annual premium equivalent rates to be paid by each Participant for each Enrollee classification in the Medical Plan(s) on the basis of a community rating methodology in accordance with N.Y. Insurance Law Section 4705(d)(5)(B) and filed with and approved by the Superintendent.
- b. To audit receipts and disbursements of the Consortium and provide for independent audits, and periodic financial and operational reports to Participants in accordance with N.Y. Insurance Law § 4705 (e)(1).
- c. To establish a joint fund or funds to finance all Consortium expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses in accordance with N.Y. Insurance Law § 4705(d)(4).
- d. To select and approve the benefits provided by the Medical Plan(s) including the plan document(s), insurance certificate(s), and/or summary plan description(s) in accordance with N.Y. Insurance Law Section 4709,

a copy of the Medical Plan(s) effective on the date of this Agreement is incorporated by reference into this Agreement.

- e. In accordance with N.Y. Insurance Law § 4705(d)(2) and N.Y. General Municipal Law § 119-o(2)(d) & (2)(i), the Board may contract with third parties, if appropriate, which may include one or more Participants, for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Consortium, including, without limitation, accounting services, legal counsel, contract administration services, consulting services, purchase of insurances and actuarial services. Provided, however (a) the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services contracts, as required in Section 92-a(6) of the General Municipal Law; (b) payment for contracted services shall be made only after such services are rendered; (c) no Director or any member of such Director's immediate family shall be an owner, officer, director, partner or employee of any contract administrator retained by the Consortium; and (d) all such agreements shall otherwise comply with the requirements of Section 92-a(6) of the General Municipal Law.
- f. To purchase stop-loss insurance on behalf of the Consortium and determine each year the insurance carrier or carriers who are to provide the stop-loss insurance coverage during the next Plan Year, as required by N.Y. Insurance Law Sections 4707 and 4705(d)(3).
- g. To designate one governing Board member to retain custody of all reports, statements, and other documents of the Consortium, in accordance with N.Y. Insurance Law Section 4705(c)(2), and who shall also take minutes of each Board meeting which, if appropriate, shall be acted upon by the Board in a subsequent meeting.
- h. In accordance with N.Y. Insurance Law § 4705(e)(1), to choose the certified public accountant and the actuary to provide the reports required by this Agreement and any applicable law.
- i. In accordance with N.Y. Insurance Law § 4705 (d)(5)(A), designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state.
- j. In accordance with N.Y. Insurance Law § 4705 (a)(6), designate the fiscal officer of a participating municipal corporation to be the Chief Fiscal Officer of the municipal cooperative health benefit plan, and who will serve on the Executive Committee.

2. Subject to the voting and quorum requirements set forth in this Agreement, the Board is authorized to take action on the following matters:

- a. To fix the frequency, time and place of regular Board meetings.
- b. To have a plan consultant (the "Plan Consultant) contract in place for the upcoming Plan Year, prior to October 1st of each year.

- c. To determine and notify each Participant prior to October 15th of each Plan Year of the monthly premium equivalent for each enrollee classification during the next Plan Year commencing the following January 1st.
- d. To take all necessary action to ensure that the Consortium obtains and maintains a Certificate of Authority in accordance with the Insurance Law.
- e. To take any other action authorized by law and deemed necessary to accomplish the purposes of this Agreement.
- f. Annually elect Directors to the Executive Committee to oversee operations and develop recommendations for Board actions stated in this Section E.

F. EXECUTIVE COMMITTEE

1. The Executive Committee of the Consortium shall consist of at least eleven (11) and no greater than fifteen (15) Directors. Executive Committee Directors are elected annually, but shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design.

2. The Secretary shall be responsible for maintaining all records in accordance with Article E, Section 1.g.

3. The Executive Committee shall establish meeting dates at its Organizational Meeting. The Executive Committee shall meet no less frequently than once per quarter.

4. Special meetings of the Executive Committee may be called at any time by the Chairperson or by any two (2) Executive Committee Directors. Whenever practicable, the person or persons calling such special meeting shall give at least three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

5. The Executive Committee shall:

- a. Conduct business according to its Bylaws within its delegated authority, subject to approval and/or ratification of its actions at the next scheduled Board meeting.
- b. Create sub-committees as necessary to monitor operations and make recommendations, to the Executive Committee and/or Board, to facilitate operations.
- c. Manage the Consortium between meetings of the Board, subject to such approval by the Board as may be required by this Agreement.
- d. Develop Bylaws for its operations.

- e. In consultation with a nomination committee, fill any vacancy on the Executive Committee from among the Board's members as set forth in its Bylaws.
- f. Establish administrative guidelines for the efficient operation of the Consortium.
- g. Take all necessary action to ensure the Consortium is operated and administered in accordance with the laws of the State of New York.

G. OFFICERS

1. At the Annual Meeting, the Board shall elect from its Directors a Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary, who shall serve for a term of one (1) year or until their successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.

2. Officers of the Consortium and employees of any third-party vendor, including without limitation the officers and employees of any Participant, who assist or participate in the operation of the Consortium, shall not be deemed employees of the Consortium. Each third-party vendor shall provide for all necessary services and materials pursuant to annual contracts with the Consortium. The officers of the Consortium shall serve without compensation from the Consortium, but may be reimbursed for reasonable out-of-pocket expenses incurred in connection with the performance of such officers' duties.

3. Officers shall serve at the pleasure of the Board and may be removed or replaced upon a two-thirds (2/3) vote of the entire Board. This provision shall not be subject to the weighted voting alternative set forth in Section D.

H. CHAIRPERSON; VICE CHAIRPERSON; SECRETARY

1. The Chairperson shall be the Chief Executive Officer of the Consortium.

2. The Chairperson, or in the absence of the Chairperson, the Vice Chairperson, shall preside at all meetings of the Board.

3. In the absence of the Chairperson, the Vice Chairperson shall perform all duties related to that office.

4. The Secretary shall retain custody of all reports, statements, and other documents of the Consortium and ensure that minutes of each Board meeting are taken and transcribed which shall be acted on by the Board at a subsequent meeting, as appropriate.

I. CHIEF FISCAL OFFICER

1. The Chief Fiscal Officer shall act as the chief financial administrator of the Consortium and disbursing agent for all payments made by the Consortium, and shall have custody of all monies either received or expended by the Consortium. The Chief Fiscal Officer may delegate duties and

tasks to the Finance Manager to assist in accomplishing this function. However, the Chief Fiscal Officer may never delegate his/her ultimate authority and shall remain responsible for ensuring that the Consortium's finances are operated and administered in accordance with the laws of the State of New York. The Chief Fiscal Officer shall be the City Controller of the City of Ithaca. The Chief Fiscal Officer shall receive no remuneration from the Consortium. The Consortium shall reimburse the Participant that employs the Chief Fiscal Officer for reasonable and necessary out-of-pocket expenses incurred by the Chief Fiscal Officer in connection with the performance of his or her duties that relate to the Consortium.

2. The Finance Manager, under the supervision and direction of the Chief Fiscal Officer, is responsible for directing and maintaining the financial records of the Consortium, overseeing financial transactions, installation and maintenance of accounting systems, billing/invoicing of premiums, quarterly and annual reporting, preparation of reports, and fiscal analyses.

3. The Chief Fiscal Officer shall be bonded for all monies received from the Participants. The amount of such bond shall be established annually by the Consortium in such monies and principal amount as may be required by the Superintendent.

4. All monies collected from the Participants by the Chief Fiscal Officer in connection with the Consortium shall be deposited in accordance with the policies of the Participant which regularly employs the Chief Fiscal Officer and shall be subject to the provisions of law governing the deposit of municipal funds.

5. The Chief Fiscal Officer may invest monies not required for immediate expenditure in the types of investments specified in the General Municipal Law for temporary investments or as otherwise expressly permitted by the Superintendent.

6. The Chief Fiscal Officer shall account for the Consortium's reserve funds separate and apart from all other funds of the Consortium, and such accounting shall show:

- a. the purpose, source, date, and amount of each sum paid into the fund;
- b. the interest earned by such funds;
- c. capital gains or losses resulting from the sale of investments of the Consortium's reserve funds;
- d. the order, purpose, date and amount of each payment from the reserve fund; and
- e. the assets of the fund, indicating cash balance and schedule of investments.

7. The Chief Fiscal Officer shall cause to be prepared and shall furnish to the Board, to participating municipal corporations, to unions which are the exclusive bargaining representatives of Enrollees, the Board's consultants, and to the Superintendent:

- a. an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan;

- b. an annual report and quarterly reports describing the Consortium's current financial status; and
- c. an annual independent actuarial opinion on the financial soundness of the Consortium, including the actuarial soundness of contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

8. Within ninety (90) days after the end of each Plan Year, the Chief Fiscal Officer shall furnish to the Board a detailed report of the operations and condition of the Consortium's reserve funds.

J. PLAN ADMINISTRATOR

The Board, by a two-thirds (2/3) vote of the entire Board, may annually designate an administrator and/or insurance company of the Medical Plan (the "Plan Administrator") and the other provider(s) who are deemed by the Board to be qualified to receive, investigate, audit, and recommend or make payment of claims, provided that the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services and/or insurance contracts and payment for such contracted services shall be made only after such services are rendered or are reasonably expected to be rendered. All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.

K. JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN

1. There shall be a Joint Committee on Plan Structure and Design (the "Joint Committee"), which shall consist of (a) a representative of each collective bargaining unit that is the exclusive collective bargaining representative of any Enrollee or group of Enrollees covered by the Medical Plan(s) (the "Union Members"); and (b) a representative of each Participant (the "Management Members"). Management Members may, but are not required to be, Directors.

2. The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Medical Plan(s), and shall develop findings and recommendations with respect to such matters. The Chair of the Joint Committee shall report such findings and recommendations to the Board at any regular or special meeting of the Board.

3. The Joint Committee shall select (a) from among the Union Members, an individual who shall serve as Chair of the Joint Committee; and (b) from among the Management Members, an individual who shall serve as Vice Chair of the Joint Committee. The Joint Committee shall establish its own parliamentary rules and procedures.

4. Each eligible union shall establish such procedures by which its representative to the Joint Committee is chosen and such representative shall be designated in writing to the Chairperson of the Board and the Chair of the Joint Committee.

5. The Union Members on the Joint Committee on Plan Structure and Design shall select from among the Union Members an individual to serve as an additional at-large voting

Labor Member on the Board of Directors of the Consortium. If the number of municipal members on the Consortium rises to seventeen (17), the union members of the Joint Committee on Plan Structure and Design shall select from among the Union Members an additional at-large voting Labor Member on the Board of Directors of the Consortium. The at-large voting Labor Member(s) along with the Joint Committee Chair shall collectively be the “Labor Representatives” as defined in Section C(11) of this Agreement. If the number of municipal members on the Consortium rises to twenty-three (23), the Union Members may select from among their members a third At-Large Labor Representative to serve as a Director. Thereafter, for every increase of five (5) additional municipal members added to the Consortium Union Members may select from among their members one (1) At-large Labor Representative to serve as Director with a maximum of ten (10) Labor Representatives. Attached hereto as Addendum “B” is a table illustrating the addition of At-Large Labor Representatives as set forth in this Section. Any At-Large Labor Representative designated according to this section shall have the same rights and obligations as all other Directors.

L. PREMIUM CALCULATIONS/PAYMENT.

1. The annual premium equivalent rates shall be established and approved by a majority of the entire Board. The method used for the development of the premium equivalent rates may be changed from time to time by the approval of two-thirds (2/3) of the entire Board, subject to review and approval by the Superintendent. The premium equivalent rates shall consist of such rates and categories of benefits as is set forth in the Medical Plan[s] that is determined and approved by the Board consistent with New York law.

2. In accordance with N.Y. Insurance Law §§ 4706 & 4707, the Consortium shall maintain reserves and stop-loss insurance to the level and extent required by the Insurance Law and as directed by the Superintendent.

3. Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year. A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants.

The Consortium may waive the first penalty once per Plan Year for each Participant, but will strictly enforce the penalty thereafter. A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.

4. The Board shall assess Participants for additional contributions, if actual and anticipated losses due to benefits paid out, administrative expenses, and reserve and surplus requirements exceed the amount in the joint funds, as set forth in Section B(3) above.

5. The Board, in its sole discretion, may refund amounts in excess of reserves and surplus, or retain such excess amounts and apply these amounts as an offset to amounts projected to be paid under the next Plan Year’s budget.

M. EMPLOYEE CONTRIBUTIONS.

If any Participant requires an Enrollee's contribution for benefits provided by the Consortium, the Participant shall collect such contributions at such time and in such amounts as it requires.

However, the failure of a Participant to receive the Enrollee contribution on time shall not diminish or delay the payment of the Participant's monthly premium equivalent to the Consortium, as set forth in this Agreement.

N. ADDITIONAL BENEFITS.

Any Participant choosing to provide more benefits, coverages, or enrollment eligibility other than that provided under the Medical Plan(s)(s), will do so at its sole expense. This Agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility, the additional benefits and the payment for such additional benefits, shall not be part of the Consortium and shall be administered solely by and at the expense of the Participant.

O. REPORTING.

The Board, through its officers, agents, or delegates, shall ensure that the following reports are prepared and submitted:

1. Annually after the close of the Plan Year, not later than one-hundred twenty (120) days after the close of the Plan Year, the Board shall file a report with the Superintendent showing the financial condition and affairs of the Consortium, including an annual independent financial audit statement and independent actuarial opinion, as of the end of the preceding plan year.

2. Annually after the close of the Plan Year, the Board shall have prepared a statement and independent actuarial opinion on the financial soundness of the Consortium, including the contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

3. The Board shall file reports with the Superintendent describing the Consortium's then current financial status within forty-five (45) days of the end of each quarter during the Plan year.

4. The Board shall provide the annual report to all Participants and all unions, which are the exclusive collective bargaining representatives of Enrollees, which shall be made available for review to all Enrollees.

5. The Board shall submit to the Superintendent a report describing any material changes in any information originally provided in the Certificate of Authority. Such reports, in addition to the reports described above, shall be in such form, and containing such additional content, as may be required by the Superintendent.

P. WITHDRAWAL OF PARTICIPANT

1. Withdrawal of a Participant from the Consortium shall be effective only once annually on the last day of the Plan Year.

2. Notice of intention of a Participant to withdraw must be given in writing to the Chairperson prior to September 1st of each Plan Year. Failure to give such notice shall automatically extend the Participant's membership and obligations under the Agreement for another Plan Year, unless the Board shall consent to an earlier withdrawal by a two-thirds (2/3) vote.

3. Any withdrawing Participant shall be responsible for its pro rata share of any Consortium deficit that exists on the date of the withdrawal, subject to the provisions of subsection “4” of this Section. The withdrawing Participant shall be entitled to any pro rata share of surplus that exists on the date of the withdrawal, subject to the provisions of subsection “4” of this Section. The Consortium surplus or deficit shall be based on the sum of actual expenses and the estimated liability of the Consortium as determined by the Board. These expenses and liabilities will be determined one (1) year after the end of the Plan Year in which the Participant last participated.

4. The surplus or deficit shall include recognition and offset of any claims, expenses, assets and/or penalties incurred at the time of withdrawal, but not yet paid. Such pro rata share shall be based on the Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount may then be applied to the surplus or deficit which existed on the date of the Participant's withdrawal from the Consortium. Any pro rata surplus amount due the Participant shall be paid to the Participant one year after the effective date of the withdrawal. Any pro rata deficit amount shall be billed to the Participant by the Consortium one year after the effective date of the withdrawal and shall be due and payable within thirty (30) days after the date of such bill.

Q. DISSOLUTION; RENEWAL; EXPULSION

1. The Board at any time, by a two-thirds (2/3) vote of the entire Board, may determine that the Consortium shall be dissolved and terminated. If such determination is made, the Consortium shall be dissolved ninety (90) days after written notice to the Participants.

a. Upon determination to dissolve the Consortium, the Board shall provide notice of its determination to the Superintendent. The Board shall develop and submit to the Superintendent for approval a plan for winding-up the Consortium's affairs in an orderly manner designed to result in timely payment of all benefits.

b. Upon termination of this Agreement, or the Consortium, each Participant shall be responsible for its pro rata share of any deficit or shall be entitled to any pro rata share of surplus that exists, after the affairs of the Consortium are closed. No part of any funds of the Consortium shall be subject to the claims of general creditors of any Participant until all Consortium benefits and other Consortium obligations have been satisfied. The Consortium's surplus or deficit shall be based on actual expenses. These expenses will be determined one year after the end of the Plan Year in which this Agreement or the Consortium terminates.

c. Any surplus or deficit shall include recognition of any claims/expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on each Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount would then be applied to the surplus or deficit which exists at the time of termination.

2. The continuation of the Consortium under the terms and conditions of the Agreement, or any amendments or restatements thereto, shall be subject to Board review on the fifth (5th) anniversary of the Effective Date and on the fifth (5th) anniversary date thereafter (each a “Review Date”) to the extent deemed required by Article 5-G of the New York General Municipal Law (the "General Municipal

Law").

a. At the annual meeting a year prior to the Review Date, the Board shall include as an agenda item a reminder of the Participants' coming obligation to review the terms and conditions of the Agreement.

b. During the calendar year preceding the Review Date, each Participant shall be responsible for independently conducting a review of the terms and conditions of the Agreement and submitting to the Board of Directors a written resolution containing any objection to the existing terms and conditions or any proposed modification or amendment to the existing Agreement, such written resolution shall be submitted to the Board on or before March 1st preceding the Review Date. Failure to submit any such resolution shall be deemed as each Participant's agreement and authorization to the continuation of the Consortium until the next Review Date under the existing terms and conditions of the Agreement.

c. As soon as practicable after March 1st, the Board shall circulate to all Participants copies of all resolutions submitted by the Participants. Subject to Section S hereof, any resolutions relating to the modification, amendment, or objection to the Agreement submitted prior to each Review Date shall be considered and voted on by the Participants at a special meeting called for such purpose. Such special meeting shall be held on or before July 1st preceding the Review Date.

d. Notwithstanding the foregoing or Section T hereof, if at the Annual Meeting following any scheduled Review Date the Board votes on and approves the budget and annual assessment for the next year, the Participants shall be deemed to have approved the continuation of the Consortium under the existing Agreement until the next Review Date.

3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

a. A Participant has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or

b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2/3) of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2/3) of the Participants (exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.

R. REPRESENTATIONS AND WARRANTIES OF PARTICIPANTS.

Each Participant by its approval of the terms and conditions of this Agreement hereby represents and warrants to each of the other Participants as follows:

1. The Participant understands and acknowledges that its participation in the Consortium under the terms and conditions of this Agreement is strictly voluntary and may be terminated as set forth herein, at the discretion of the Participant.

2. The Participant understands and acknowledges that the duly authorized decisions of the Board constitute the collective will of each of the Participants as to those matters within the scope of the Agreement.

3. The Participant understands and acknowledges that the decisions of the Board made in the best interests of the Consortium may on occasion temporarily disadvantage one or more of the individual Participants.

4. The Participant represents and warrants that its designated Director or authorized representative understands the terms and conditions of this Agreement and is suitably experienced to understand the principles upon which this Consortium operates.

5. The Participant understands and acknowledges that all Directors, or their authorized representatives, are responsible for attending all scheduled meetings. Provided that the quorum rules are satisfied, non-attendance at any scheduled meeting is deemed acquiescence by the absent Participant to any duly authorized Board-approved action at the meeting.

6. The Participant understands and acknowledges that, absent bad faith or fraud, any Participant's vote approving any Board action renders that Board action immune from later challenge by that Participant.

S. RECORDS

The Board shall have the custody of all records and documents, including financial records, associated with the operation of the Consortium. Each Participant may request records and documents relative to their participation in the Consortium by providing a written request to the Chairperson and Chief Fiscal Officer. The Consortium shall respond to each request no later than thirty (30) days after its receipt thereof, and shall include all information which can be provided under applicable law.

T. CHANGES TO AGREEMENT

Any change or amendment to this Agreement shall require the unanimous approval of the Participants, as authorized by a majority vote of their respective legislative bodies, as required by N.Y. Insurance Law § 4705(a).

U. CONFIDENTIALITY

Nothing contained in this Agreement shall be construed to waive any right that a covered person possesses under the Medical Plan(s) with respect to the confidentiality of medical records and that such rights will only be waived upon the written consent of such covered person.

V. ALTERNATIVE DISPUTE RESOLUTION ("ADR").

1. General. The Participants acknowledge and agree that given their budgeting and fiscal constraints, it is imperative that any disputes arising out of the operation of the Consortium be limited and that any disputes which may arise be addressed as quickly as possible. Accordingly, the Participants agree that the procedures set forth in this Section V are intended to be the exclusive means through which disputes shall be resolved. The Participants also acknowledge and agree that by executing this Agreement each Participant is limiting its right to seek redress for certain types of disputes as hereinafter provided.

2. Disputes subject to ADR. Any dispute by any Participant, Board Member, or Committee Person arising out of or relating to a contention that:

a. The Board, the Board's designated agents, a Committee person, or any Participant has failed to adhere to the terms and conditions of this Agreement or any duly-passed resolution of the Board;

b. The Board, the Board's designated agents, a Committee person, or any Participant has acted in bad faith or fraudulently in undertaking any duty or action under the Agreement; or

c. Any other dispute otherwise arising out of or relating to: (i) the terms or conditions of this Agreement; (ii) any duly-passed decision, resolution, or policy by the Board of Directors; or (iii) otherwise requiring the interpretation of this Agreement shall be resolved exclusively through the ADR procedure set forth in paragraph (3) below.

3. ADR Procedure. Any dispute subject to ADR, as described in subparagraph (2), shall be resolved exclusively by the following procedure:

a. Board Consideration: Within ninety (90) days of the occurrence of any dispute, the objecting party (the "Claimant") shall submit a written notice of the dispute to the Chairperson specifying in detail the nature of the dispute, the parties claimed to have been involved, the specific conduct claimed, the basis under the Agreement for the Participant's objection, the specific injury or damages claimed to have been caused by the objectionable conduct to the extent then ascertainable, and the requested action or resolution of the dispute. A dispute shall be deemed to have occurred on the date the objecting party knew or reasonably should have known of the basis for the dispute.

i. Within sixty (60) days of the submission of the written notice, the Executive Committee shall, as necessary, request further information from the Claimant, collect such other information from any other interested party or source, form a recommendation as to whether the Claimant has a valid objection or claim, and if so, recommend a fair resolution of said claim. During such period, each party shall provide the other with any reasonably requested information within such party's control. The Executive Committee shall present

its recommendation to the Board in writing, including any underlying facts, conclusions or support upon which it is based, within such sixty (60) day period.

ii. Within sixty (60) days of the submission of the Executive Committee's recommended resolution of the dispute, the Board shall convene in a special meeting to consider the dispute and the recommended resolution. The Claimant and the Executive Committee shall each be entitled to present any argument or material it deems pertinent to the matter before the Board. The Board shall hold discussion and/or debate as appropriate on the dispute and may question the Claimant and/or the Executive Committee on their respective submissions. Pursuant to its regular procedures, the Board shall vote on whether the Claimant has a valid claim, and if so, what the fair resolution should be. The weighted voting procedure set forth in Section D shall not apply to this provision. The Board's determination shall be deemed final subject to the Claimant's right to arbitrate as set forth below.

b. Arbitration. The Claimant may challenge any Board decision under subparagraph (V)(3)(a)(ii) by filing a demand for arbitration with the American Arbitration Association within thirty (30) days of the Board's vote (a "Demand"). In the event a Claimant shall fail to file a Demand within thirty (30) days, the Board's decision shall automatically be deemed final and conclusive. In the event the Participant files a timely Demand, the arbitrator or arbitration panel may consider the claim:

provided however;

i. in no event may the arbitrator review any action taken by the Board that occurred three (3) or more years prior to when the Chairperson received notice of the claim; and

ii. in no event may the arbitrator award damages for any period that precedes the date the Chairperson received notice of the claim by more than twenty-four (24) months.

c. The Participants agree that the procedure set forth in this Section V shall constitute their exclusive remedy for disputes within the scope of this Section.

W. MISCELLANEOUS PROVISIONS

1. This instrument constitutes the entire Agreement of the Participants with respect to the subject matter hereof, and contains the sole statement of the operating rules of the Consortium. This instrument supersedes any previous Agreement, whether oral or written.

2. Each Participant will perform all other acts and execute and deliver all other documents as may be necessary or appropriate to carry out the intended purposes of this Agreement.

3. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in

full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Any claims made under Section V(3)(b) except to the extent otherwise limited therein, shall be governed by New York substantive law.

5. All notices to any party hereunder shall be in writing, signed by the party giving it, shall be sufficiently given or served if sent by registered or certified mail, return receipt requested, hand delivery, or overnight courier service addressed to the parties at the address designated by each party in writing. Notice shall be deemed given when transmitted.

6. This Agreement may be executed in two or more counterparts each of which shall be deemed to be an original but all of which shall constitute the same Agreement and shall become binding upon the undersigned upon delivery to the Chairperson of an executed copy of this Agreement together with a certified copy of the resolution of the legislative body approving this Agreement and authorizing its execution.

7. The provisions of Section V shall survive termination of this Agreement, withdrawal or expulsion of a Participant, and/or dissolution of the Consortium.

8. Article and section headings in this Agreement are included for reference only and shall not constitute part of this Agreement.

9. No findings or recommendations made by the Joint Committee on Plan Structure and Design or by the Chair of the Joint Committee shall be considered a waiver of any bargaining rights under any contract, law, rule, statute, or regulation.

10. The Chairperson and Executive Director are each designated attorneys-in-fact to receive service of any summons or other legal process in any action, suit or proceeding arising out of any contract, agreement, or transaction involving the Consortium. Service may be effected on either the Chairperson or Executive Director without requiring service to both.”

X. APPROVAL, RATIFICATION, AND EXECUTION

1. As a condition precedent to execution of this Municipal Cooperative Agreement and membership in the Consortium, each eligible municipal corporation desiring to be a Participant shall obtain legislative approval of the terms and conditions of this Agreement by the municipality’s governing body.

2. Prior to execution of this Agreement by a Participant, the Participant shall provide the Chairperson with the resolution approving the municipality’s participation in this Consortium and expressly approving the terms and conditions of this Municipal Cooperative Agreement. Each presented resolution shall be maintained on file with the Consortium.

3. By executing this Agreement, each signatory warrants that he/she has complied with the approval and ratification requirements herein and is otherwise properly authorized to bind the participating municipal corporation to the terms and conditions of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Amended Agreement to be executed as of the date adopted by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium and subsequently adopted by all participating municipalities.

Addendum “A”

Example of Weighted Voting Formula under Section D(2)

If 11 Participants have 500 or fewer enrollees each and 2 Participants have more than 500 enrollees each, under subparagraph “a” the 11 each get 1 vote. Under subparagraph “b” the 2 large Participants get 4 votes each, which is calculated by taking the total number of votes under subparagraph “a” [11] subtracting the number of Labor Representative votes [2], dividing by the number of eligible Participants under subsection “b” [2], and rounding the result [4.5] down to the nearest whole number [4]. The Labor Representative shall have 1 vote, irrespective of the votes available to the Participants.

Addendum "B"

Illustration of At-Large Labor Representative Calculation

Total Number of Participants	Total Number of At-Large Labor Representatives
< 17	1
17-22	2
23-27	3
28-32	4
33-37	5
38-42	6
43-47	7
47-52	8
53-57	9
58+	10



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

www.healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. XXX-2023: AUTHORIZATION TO EXECUTE AN AGREEMENT WITH EXCELLUS BCBS AS THE 2024 PHARMACY BENEFITS MANAGER FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

WHEREAS, Excellus BCBS provided and presented Greater Tompkins County Municipal Health Insurance Consortium's Operations Committee pertinent pharmacy benefit information which was received and analyzed by the Operations Committee, and

WHEREAS, Operations Committee moved Motion No. 001-2023 to advance the pharmacy benefits proposal from Excellus BCBS to the Audit and Finance Committee for recommendation and approval, and

WHEREAS, the Audit and Finance Committee has gone through the proposal and analysis of the new program and has recommended that the Consortium enter into an agreement with Excellus BCBS as Pharmacy Benefits Manager, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, that the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium hereby authorizes the Chair of the Consortium to execute a contract with Excellus BCBS as the 2024 Pharmacy Benefits Manager of the Greater Tompkins County Municipal Health Insurance Consortium effective January 1, 2024 through December 31, 2024 with the option to renew for two successive years.



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RESOLUTION NO. XXX- 2023 - ACCEPTANCE OF APPLICATIONS BY THE TOWNS OF BRUTUS, WEST MONROE AND LOCKE, THE VILLAGE OF FAIR HAVEN, AND THE CITY OF GENEVA, TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2024

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Towns of Brutus, West Monroe and Locke, the Village of Fair Haven, and the City of Geneva, have submitted an official application authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been evaluated by the Finance Manager, and/or the Chief Financial Officer, and

WHEREAS, the City of Geneva will be bringing aged 65+ retirees who are already enrolled on a Medicare Plan, and

WHEREAS, Section A (5.) of the 2022 Amendment to the Municipal Cooperative Agreement (MCA) clarified retirees in relation to the MCA states that "Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver",

WHEREAS, In the application process, the City of Geneva, requested an additional three-year extension with the GTCMHIC to be waived of compliance with section A.5. of the GTCMHIC's 2023 MCA, effective through December 31, 2027, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committees, That the Board of Directors hereby accepts and welcomes the Towns of Brutus, West Monroe and Locke, the Village of Fair Haven, and City of Geneva, as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2024, pending receipt, additional analysis, and approval of all required documentation.

FURTHER RESOLVED, That the City of Geneva will receive an additional three-year extension with the GTCMHIC to be waived of compliance with section A.5. of the GTCMHIC's 2023 MCA, effective through December 31, 2027.

* * * * *



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RESOLUTION NO. XXX-2023 – ACCEPTANCE TO WITHDRAW THE TOWN OF ONONDAGA AS A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM AND TO BE OMITTED WITHIN THE 2024 MUNICIPAL COOPERATIVE AGREEMENT

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

WHEREAS, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, the Board of Directors hereby accepted and welcomed the Town of Onondaga by Resolution No. 024-2022, as a municipal participant, with health insurance coverage beginning January 1, 2023, and

WHEREAS, immediately after being approved for membership by the Board of Directors and therefore included as a member in the 2023 GTCMHIC Municipal Cooperative Agreement (MCA), but prior to enrollment in the plan or commitment through signing the 2023 GTCMHIC MCA, the Town of Onondaga notified the Greater Tompkins County Municipal Health Insurance Consortium they would like to withdrawal their application and not enroll in the GTCMHIC effective January 1, 2023, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium has not considered the Town of Onondaga a current participant and also has not considered, or will not consider any future events of insurance claims for the Town of Onondaga for calendar year 2023, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium will prepare the 2024 Municipal Cooperative Agreement to exclude the Town of Onondaga for the future unless the Town of Onondaga submits a new application to GTCMHIC, now therefore be it,

RESOLVED, on recommendation of the Audit & Finance Committee and the Executive Committee, That the Board of Directors hereby authorizes the Greater Tompkins County Municipal Health Insurance Consortium to withdraw the Town of Onondaga as a participant of the Greater Tompkins County Municipal Health Insurance Consortium, and the Town of Onondaga will be omitted from the 2024 Amended Municipal Cooperative Agreement.



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www.healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. XXX-2023 – ACCEPTANCE TO WITHDRAW THE TOWN OF NILES AS A PARTICIPANT WITH 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 Niles submitted an official resolution authorizing the Town of Niles to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, the Board of Directors hereby accepted and welcomed the Town of Niles by Resolution No. 019-2018, as a municipal participant, with health insurance coverage beginning January 1, 2019, and

WHEREAS, the Town of Niles has since notified the Greater Tompkins County Municipal Health Insurance Consortium that they no longer would like to be a municipal participant of health insurance coverage effective immediately.

WHEREAS, The Town of Niles is listed on the Consortium's Municipal Cooperative Agreement for the calendar year 2023, and

WHEREAS, per the Town of Niles, the Greater Tompkins County Municipal Health Insurance Consortium will not consider any future events of insurance claims for the Town of Niles for calendar year 2023,

RESOLVED, on recommendation of the Audit & Finance Committee and the Executive Committee, That the Board of Directors hereby authorizes the Greater Tompkins County Municipal Health Insurance Consortium to withdraw the Town of Niles as a participant of the Greater Tompkins County Municipal Health Insurance Consortium immediately, and the Town of Niles will be omitted from the 2024 Municipal Cooperative Agreement.

* * * * *



Greater Tompkins County Municipal Health Insurance Consortium

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RESOLUTION NO. XXX-2023 – ACCEPTANCE OF 2022 EXTERNAL AUDIT REPORT PERFORMED BY INSERO & CO

WHEREAS, That one of the responsibilities of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Board of Directors is to audit receipts and disbursements of the Consortium and provide for independent audits, and periodic financial and operational reports to Participants in accordance with N.Y. Insurance Law § 4705 (e)(1), and

WHEREAS, N.Y. Insurance Law § 4705 (e)(1) includes the following provisions:

(e) The municipal cooperation agreement shall provide for the following to be prepared and furnished to the governing board, to participating municipal corporations, to unions which are the exclusive

bargaining representatives of employees covered by the plan and to the superintendent:

(1) an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan;

(2) an annual report and quarterly reports describing the plan's current financial status;

and

WHEREAS, the Board of Directors entered into a contract for auditing services with Insero & Co., for the purpose of conducting an annual audit of the Consortium's financial records for fiscal year 2022, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, that the 2022 annual audit report prepared and presented to the Audit and Finance Committee by Insero & Co. is hereby accepted.



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RESOLUTION NO. XXX-2023 – Annual Premium Increase Target and Utilization of the Rate Stabilization Reserve

WHEREAS, Resolution No. 019-2014 adopted the 2015 Budget and established a Rate Stabilization Reserve at \$1.64 million "to protect the cash flow position of the Consortium should there be a year when claims cost exceed the prediction"; and

WHEREAS, The Rate Stabilization Reserve was updated to be funded at 7.5% of annual premiums with Resolution No. 034-2019; and

WHEREAS, It is the desire of the Audit and Finance Committees to define when and how the Rate Stabilization Reserve should be utilized and subsequently refunded; and

WHEREAS, It is the desire of the Audit and Finance Committees to refer to said resolution on an annual basis or deemed necessary during the yearly budget process, and shall approve any revisions by formal resolution; now therefore

BE IT RESOLVED, on recommendation of the Audit and Finance Committees, and the Executive Committee, that the Board of Directors authorizes the establishment of an Annual Premium Increase Target of 4% - 8%; and be it further

RESOLVED, that Resolution No. 034-2019 is amended to set a target for the Rate Stabilization Reserve of 10% of annual premiums; and be it further

RESOLVED, that when budgeted premium increases exceed 8%, a budget will be developed that funds the Rate Stabilization Reserve at a level less than the 10%-of-premium target, but no lower than 2.5%-of-premium level, with the goal of meeting all other budget requirements as outlined in Resolution No. 015-2020; and be it further

RESOLVED, that when the Rate Stabilization Reserve is funded below the 10%-of-premium target, the budget that is developed as a result will be created to support returning to the 10%-of-premium target funding level in subsequent years and as quickly as possible; and be it further

RESOLVED, that on behalf of the Audit and Finance Committees, and the Executive Committee, that the Board of Directors authorizes the Greater Tompkins County Municipal Health Insurance Consortium to set an Annual Premium Increase Target and Utilization of the Rate Stabilization Reserve as listed.



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RESOLUTION NO. XXX-2023 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2024

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have considered the Consortium's 2024 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels, in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2024 proposed budget reflects the adopted budget guidelines (Resolution No. 015-2020) as follows:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- 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;
- Fund the Rate Stabilization Reserve at a level less than the 10%-of-premium target, but no lower than 2.5%-of-premium level,
- Set Catastrophic Claims Reserve to 2023 beginning balance of \$4,808,739.38 plus any earned interest and Stop Loss Insurance premium savings (between \$600,000 policy and the \$1,000,000 policy costs) in 2023 less any large claims between \$500,000 and \$1,000,000 for 12 months of 2023.
- If unencumbered fund balance goes less than 12% of expected premium, it will be returned to nothing less than 12% of expected premium by year four of the annual proforma calculation;
- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 8% in 2024 across all benefit plans, except for the Silver and Gold Plans which will be a Premium Revenue Increase of 6.89% and 6.83% respectively; now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2024 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

**Greater Tompkins County Municipal Health Insurance Consortium
2024 Medical and Prescription Drug Benefit Rates**

Group Name	Group Number	Benefit	Individual 2024	Family 2024
	Multiple	Platinum Plan	\$ 838.41	\$ 2,179.90
	Multiple	Gold Plan	\$ 709.12	\$ 1,843.72
	Multiple	Silver Plan	\$ 557.79	\$ 1,450.24
	Multiple	Bronze Plan	\$ 459.56	\$ 1,194.84
	Multiple	Med Supplement MS-3	\$ 904.93	N/A
	Multiple	Med Supplement MS-4	\$ 730.44	N/A
City of Cortland	00036768	CB 50/150 Deductible OOP 400/1200	\$ 1,153.60	\$ 2,644.51
City of Ithaca	00036756	CB 50/150 Deductible OOP 400/1200	\$ 1,322.60	\$ 2,866.63
City of Ithaca - IPFFA/COU	00036756	CB 50/150 Deductible OOP 400/1200	\$ 1,408.93	\$ 3,052.56
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX 2/5	\$ 1,481.62	\$ 3,211.32
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX \$2/\$10	\$ 1,468.74	\$ 3,183.40
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX \$1	\$ 1,488.09	\$ 3,225.39
Tompkins County	00036755	PPO \$10 copay E/R \$35	\$ 1,226.83	\$ 2,656.28
Tompkins County	00036755	Classic Blue 100/200 OOP 200/400	\$ 1,246.66	\$ 2,702.19
Tompkins County - TC3	00036755	PPO \$10 copay E/R \$35	\$ 1,226.83	\$ 2,656.28
Tompkins County - TC3	00036755	Classic Blue 100/200 OOP 200/400	\$ 1,246.66	\$ 2,702.19
Town of Caroline	00036758	PPO \$10 Copay E/R \$100 OV Surgery CIF	\$ 1,364.74	\$ 2,957.93
Town of Dryden	00036760	PPO \$10 Copay E/R \$100 OV Surgery CIF	\$ 1,364.74	\$ 2,957.93
Town of Enfield	00036761	PPO \$15 copay E/R \$35	\$ 1,175.07	\$ 2,544.07
Town of Groton	00036762	CB 100/200 Deductible OOP 400/1200	\$ 1,142.12	\$ 2,475.49
Town of Ithaca	00036757	PPO \$10 copay E/R \$35	\$ 1,226.84	\$ 2,656.27
Town of Lansing	00036769	PPO \$15 copay E/R \$35	\$ 1,108.58	\$ 2,399.92
Village of Cayuga Heights	00036764	PPO \$10 copay E/R \$35	\$ 1,291.29	\$ 2,795.85
Village of Dryden	00036765	PPO \$10 Copay E/R\$35	\$ 1,100.73	\$ 2,383.08



2024 Fiscal Year Final Budget Presentation September 21, 2023

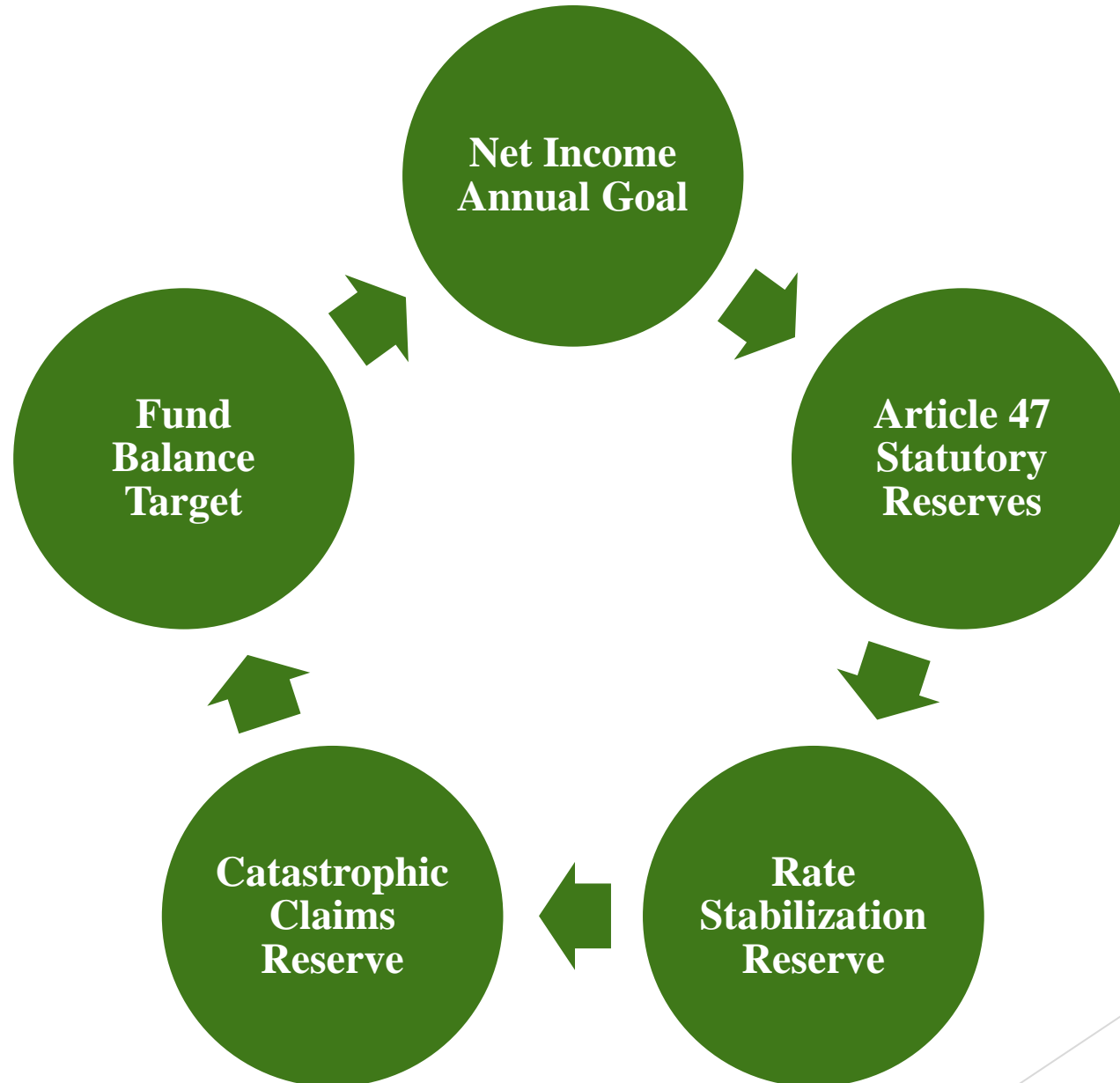
Locey & Cahill, LLC
250 South Clinton Street, Suite 340
Syracuse, NY 13202
Tel (315) 425-1424
Fax (315) 425-1394
E-mail: slocey@loceycahill.com



Section 1

2024 Fiscal Year 5-Principles of the Consortium's Budget Philosophy

5 Principles of the Consortium's Budget Philosophy



Net Annual Income Goal

In accordance with Consortium Board Policy ensure the budgeted Net Income equals approximately 2.0% annually prior to any deduction or distribution of surplus fund balances to the Participating Municipalities. 1% to fund structural reserve increases and 1% to maintain the threshold for unencumbered fund balance.

Net Income is defined as Total Income (Premium, Prescription Drug Rebates, Interest Income, etc.) Less Total Expenses (Paid Claims, Administrative Fees, Professional Service Fees, Internal Fees, Etc.).

Article 47 Statutory Reserves – IBNR/IBNP Reserve

In accordance with §4706(a)(1) of the New York State Insurance Law, maintain a restricted account which shall be a reserve fund to cover the Consortium's Incurred But Not Reported (IBNR) and Incurred But Not Paid (IBNP) Claims Liability. This reserve shall be funded up to an amount deemed to be required by the Superintendent of the New York State Department of Financial Services.

The current value of this reserve is equal to 12% of annual expected incurred hospital, medical, surgical claims, and pharmacy claims. This amount was approved by the Superintendent with the Consortium's Article 47 Application in October 2010.

Article 47 Statutory Reserves – Surplus Account

In accordance with §4706(a)(5)(A) of the New York State Insurance Law, maintain a restricted account which shall be a reserve fund for the sole purpose of satisfying unexpected obligations of the Consortium which may occur from time-to-time, or which may occur upon termination or abandonment.

The current value of this reserve is equal to 5% of the annual expected earned premium of the Consortium. This amount is set by statute and must be maintained at all times by the Consortium.

Catastrophic Claims Reserve (Discretionary Reserve)

This reserve was established by the Consortium's Board of Directors with the passage of resolution #06-2014 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 premium.

This reserve shall be used to pay any claims in the captive layer between \$500,000 and \$1,000,000 each year. In addition, any interest earned by this reserve shall be maintained within the reserve.

Rate Stabilization Reserve (Discretionary Reserve)

This reserve was amended by the Consortium's Board of Directors with the passage of resolution #034-2019 to sustain predictable and stable premium increases at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.

This reserve may be used by the Board of Directors at its discretion to establish a multiple year plan to maintain stable premium rate increases.

The Board of Directors are considering an amendment to this Reserve Fund to a level of less than 10% of premium target, but no lower than 2.5% of premium target.

Fund Balance Target

In accordance with Board Policy, the annual budget shall include an unrestricted fund balance at a level which at the discretion of the Board of Directors ensures the financial stability and sustainability of the Consortium but shall not be less than 12% of the annual premium as forecasted through at least year four of the annual proforma calculations.



Section 1

2023 Fiscal Year-to-Date Budget vs Actual Results

2023 Income Budget vs Actual (08/31/2023)

		2023 <i>Adopted Budget</i>	2023 <i>Amended Budget</i>	2023 <i>Year-to-Date Budget</i>	2023 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Income							
	Medical and Rx Plan Premiums	\$58,409,919.48	\$62,109,184.32	\$41,406,122.88	\$40,913,942.41	-\$492,180.47	-1.19%
9020	Interest	\$450,000.00	\$450,000.00	\$300,000.00	\$296,213.96	-\$3,786.04	-1.26%
9010	Rx Rebates	\$2,900,000.00	\$2,900,000.00	\$2,175,000.00	\$2,378,235.07	\$203,235.07	9.34%
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		\$61,759,919.48	\$65,459,184.32	\$43,881,122.88	\$43,588,391.44	-\$292,731.44	-0.67%

Key Facts:

- Total Income was 0.67% below the amended budget, with premium income being 1.19% 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:
 - * There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
 - * Changes in covered lives and contract counts.
 - * Rx Rebates are \$203,213.96 ahead of the projected budget as of August 2023.
 - * Interest Earnings continue to improve.

2023 Income Budget vs Actual (08/31/2023)

Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses monthly (“mark to market”). Gains on investments are booked as revenues, while losses on investments are recorded as expenditures. Interest earnings have begun to rebound, following the dramatic downturn experienced during The COVID-19 pandemic.
3. There has been three pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2023 Fiscal Year to date, totaling \$2,378,235.06. The Consortium is anticipating that it will also receive a reconciliation payment for 2022.
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 that exceed \$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.



Section 2

2023 Fiscal Year-to-Date Expense Budget vs Actual Results

2023 Expense Budget vs Actual Results (08/31/2023)

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,773,545.30	\$43,149,264.56	\$29,042,774.22	\$29,441,004.88	\$398,230.66	1.37%
	Advance Deposit / Pre-Paid Claims	\$39,415.00	\$139,700.00	\$139,700.00	\$139,700.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$17,640,630.54	\$18,787,861.39	\$12,645,675.94	\$13,954,815.23	\$1,309,139.29	10.35%
8121	Rx Paid Claims - CanaRx	\$178,747.40	\$178,747.40	\$119,164.93	\$99,049.50	-\$20,115.43	-16.88%
8084	Flu Clinic Fees	\$23,733.39	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8050	Medical Admin Fees	\$1,606,871.12	\$1,762,898.30	\$1,175,265.53	\$1,135,326.97	-\$39,938.56	-3.40%
	Rx Admin Fees	\$272,156.43	\$298,582.82	\$199,055.21	\$196,727.54	-\$2,327.67	-1.17%
8091	NYS Covered Lives Assessment	\$387,749.01	\$429,780.00	\$286,520.00	\$284,726.20	-\$1,793.80	-0.63%
9060	ACA PCORI Fee	\$19,830.73	\$21,756.29	\$21,756.29	\$17,808.57	-\$3,947.72	-18.15%
8110	Specific Stop-Loss Insurance (Actual)	\$795,720.20	\$872,984.63	\$581,989.75	\$214,156.76	-\$367,832.99	-63.20%
8000	Accounting Fees	\$19,570.00	\$19,570.00	\$13,046.67	\$16,200.00	\$3,153.33	24.17%
8010	Actuarial Fees	\$7,416.00	\$7,416.00	\$4,944.00	\$7,200.00	\$2,256.00	45.63%
8020	Audit Fees (Financial)	\$164,935.00	\$164,935.00	\$109,956.67	\$69,904.74	-\$40,051.93	-36.43%
8021	Audit Fees (Claims)	\$52,833.85	\$92,750.00	\$61,833.33	\$42,975.00	-\$18,858.33	-30.50%
8055	Consultant Fees (Strat Plan)	\$20,000.00	\$100,000.00	\$66,666.67	\$75,000.00	\$8,333.33	12.50%
8030	Consultant Fees (L&C)	\$94,399.50	\$94,399.50	\$62,933.00	\$62,800.00	-\$133.00	-0.21%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$8,240.00	\$5,335.00	-\$2,905.00	-35.25%
8065	Wellness Program Costs	\$12,500.00	\$12,500.00	\$8,333.33	\$1,949.15	-\$6,384.18	-76.61%
6600	Salaries	\$310,542.75	\$310,542.75	\$207,028.50	\$201,206.00	-\$5,822.50	-2.81%
66002	Fringe Benefits	\$124,217.10	\$124,217.10	\$82,811.40	\$64,618.80	-\$18,192.60	-21.97%
8060	Insurances (D&O / Prof. Liability)	\$64,092.60	\$65,014.00	\$43,342.67	\$43,342.64	-\$0.03	0.00%
8041	Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	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)	\$6,881.43	\$12,881.43	\$8,587.62	\$4,520.66	-\$4,066.96	-47.36%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$1,666.67	\$0.00	-\$1,666.67	-100.00%
9055	Investment Management Services	\$24,000.00	\$24,000.00	\$16,000.00	\$6,025.78	-\$9,974.22	-62.34%
8150	Supplies Expense	\$4,202.40	\$7,500.00	\$5,000.00	\$1,171.08	-\$3,828.92	-76.58%
8151	Computer Equipment	\$5,000.00	\$5,000.00	\$3,333.33	\$0.00	-\$3,333.33	-100.00%
8152	Lease Expense / Parking Fees	\$60,000.00	\$60,000.00	\$40,000.00	\$10,932.80	-\$29,067.20	-72.67%
8153	Mileage- Travel Expenses	\$2,500.00	\$2,500.00	\$1,666.67	\$477.29	-\$1,189.38	-71.36%
8154	Software	\$0.00	\$0.00	\$0.00	\$1,191.68	\$1,191.68	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$683.46	\$683.46	0.00%
8156	Furniture and Fixtures	\$25,000.00	\$75,000.00	\$50,000.00	\$0.00	-\$50,000.00	-100.00%
8157	Training & Prof. Dev.	\$5,000.00	\$5,000.00	\$3,333.33	\$1,136.00	-\$2,197.33	-65.92%
8158	Subscriptions	\$1,000.00	\$1,000.00	\$666.67	\$0.00	-\$666.67	-100.00%
9060	Other Expenses / Supplies	\$7,822.85	\$7,822.85	\$5,215.23	\$0.00	-\$5,215.23	-100.00%
Total Expenses		\$62,771,172.60	\$66,854,484.02	\$45,020,507.64	\$46,103,985.73	\$1,083,478.09	2.41%

2023 Expense Budget vs Actual Results (08/31/2023)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to monitor budgeted funds to assure that they are accounted for under the proper line-item based on their code. This was done to provide a more detailed summary of the internal and external professional support costs for the Board of Directors of the Consortium.
2. As of August, the Consortium has been experiencing higher than anticipated medical and Rx claims. As part of the 2023 budget process, it was decided that the Consortium would utilize approximately 3.5% of its fund balance to mitigate rate increases. With four months to go in 2023, the Consortium has utilized more fund balance than anticipated. One of the largest driving factors our group has seen an increase in the dollars being paid for larger losses of \$100,000 or more.
3. Paid claims (benefits) accounted for 94.64% of the total expenses for the GTCMHIC through August 31, 2023. This means that a modest 5.36% has been used to pay for all the other operating expenses of the Consortium, including stop-loss insurance which has accounted for 0.47% of the spending to date.

2023 Expense Budget vs Actual Results (07/31/2023)

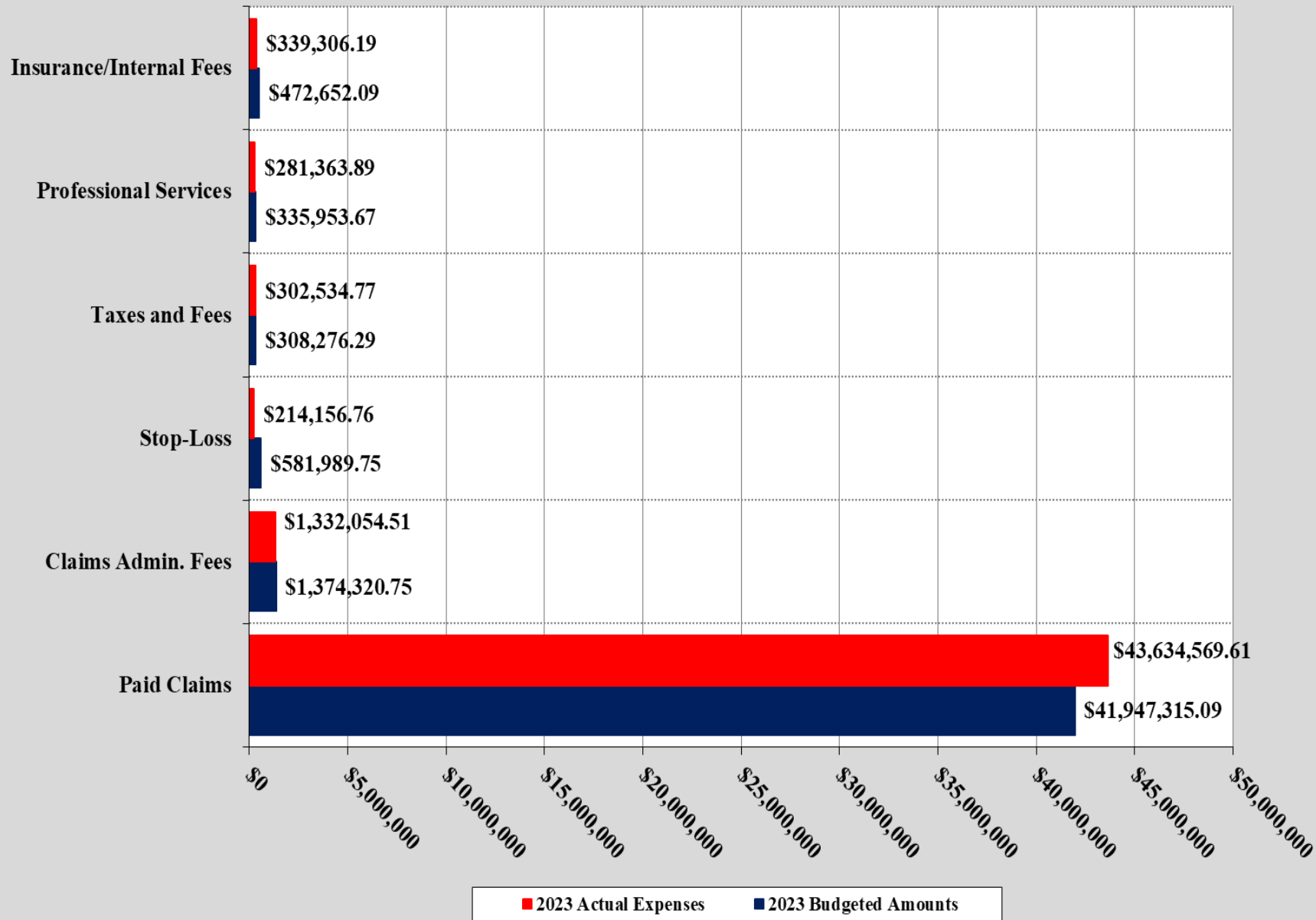
Key Facts:

5. Medical Paid Claims are currently 1.37% above the projected budget for the year and this is the result of:
 - a) An increase in the covered lives ($\uparrow 9.27\%$) and in the number of contracts ($\uparrow 8.99\%$) has had an impact on the 2023 medical paid claims paid to date due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan by several employer groups.
 - c) The slow phasing “back in” of elective and/or minor medical procedures being performed, previously delayed as a result of the impact of the COVID-19 pandemic.
 - d) The number of large loss claimants and severity of the cases reported to date, has increased. We have adjusted the budget to accommodate the increase.
6. Rx Paid Claims are currently 10.35% over budget. We continue to monitor pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2023 Fiscal Year, as it will for the 2024 budget also.

Greater Tompkins County Municipal Health Ins. Consortium

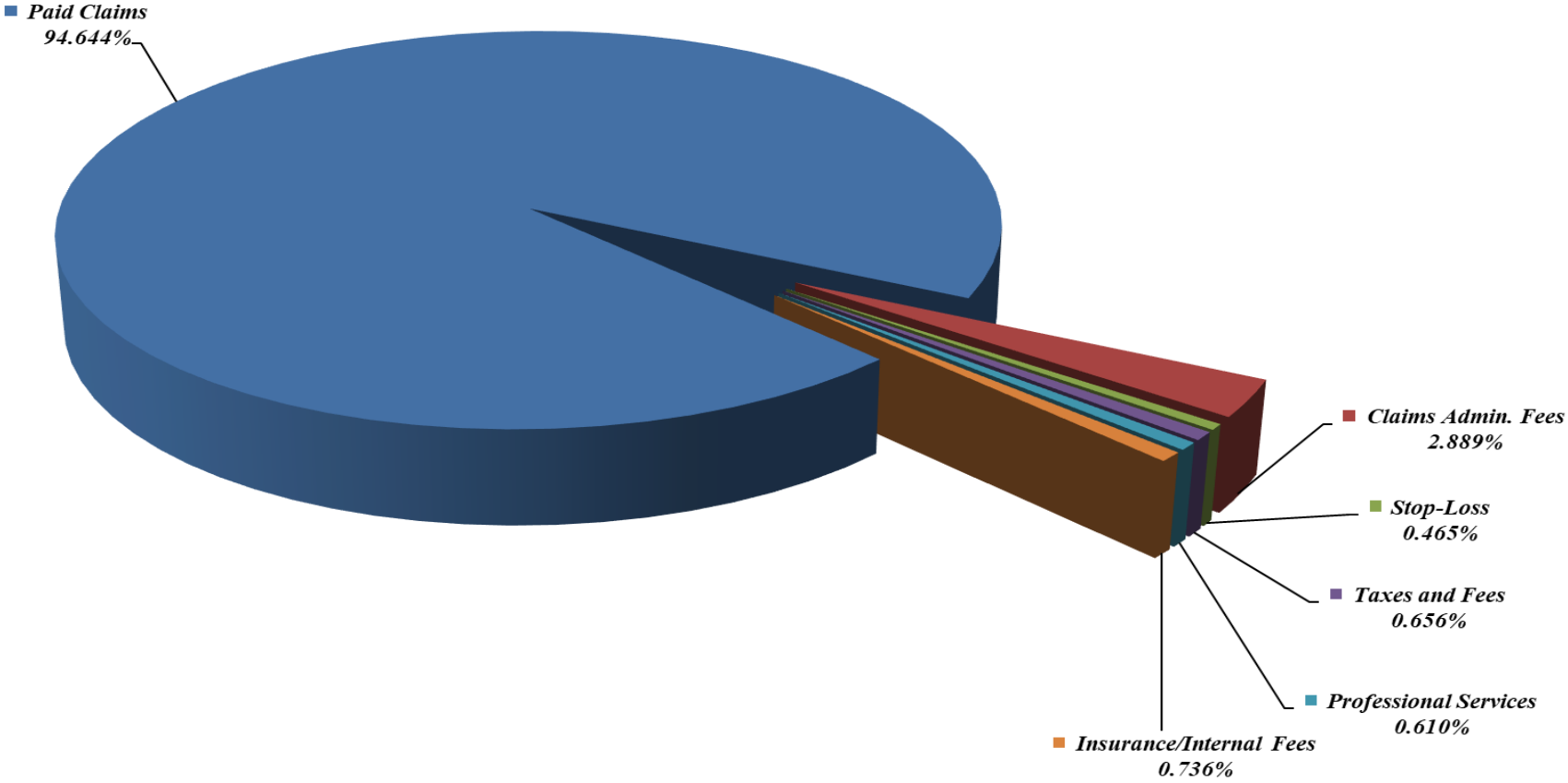
2023 Expense Distribution

January 1, 2023 to August 31, 2023



Greater Tompkins County Municipal Health Ins. Consortium

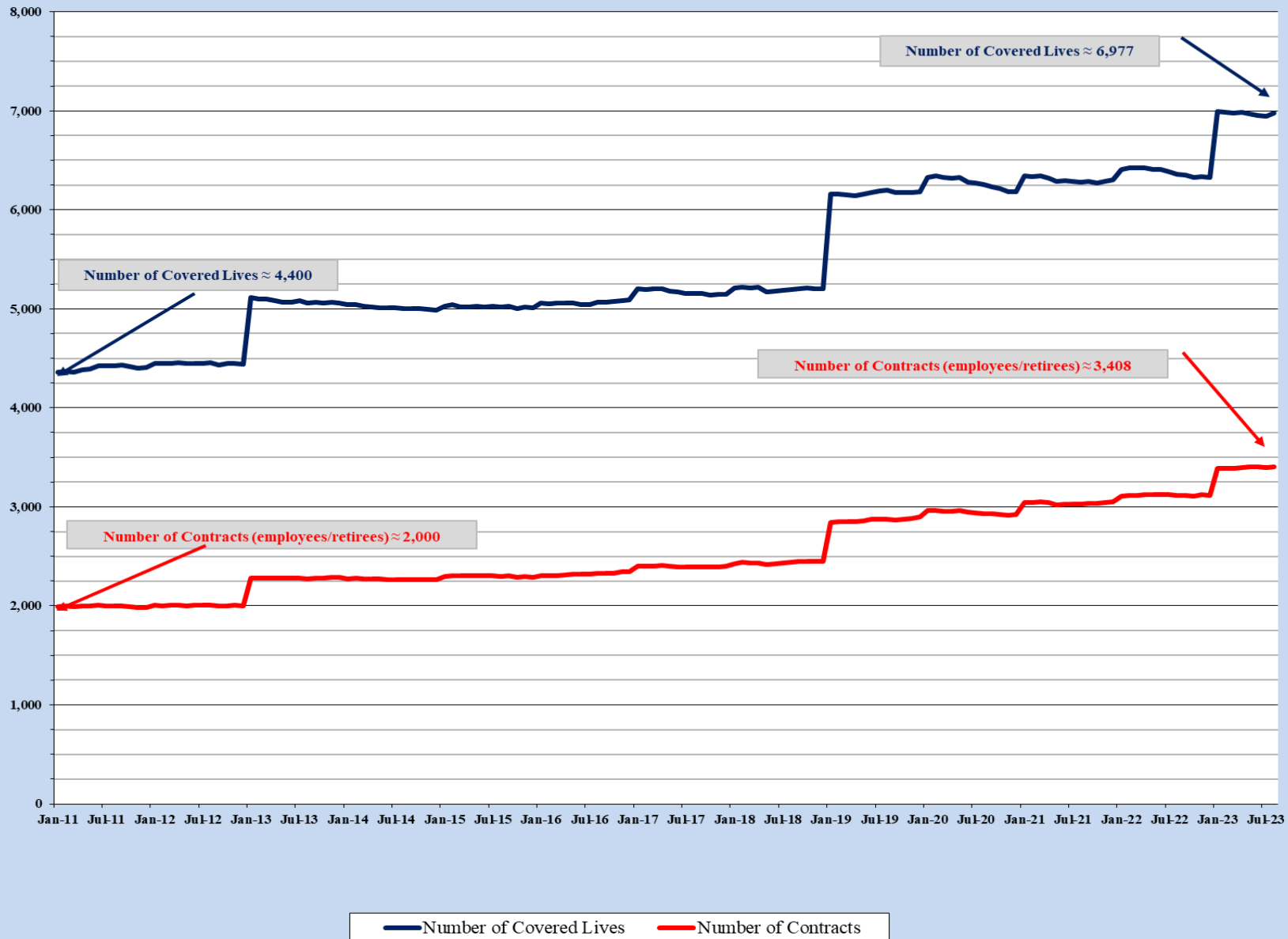
2023 Expense Distribution
January 1, 2023 to August 31, 2023



Greater Tompkins County Municipal Health Ins Consortium

2011-2023 Monthly Covered Lives and Contracts

January 1, 2011 to August 31, 2023



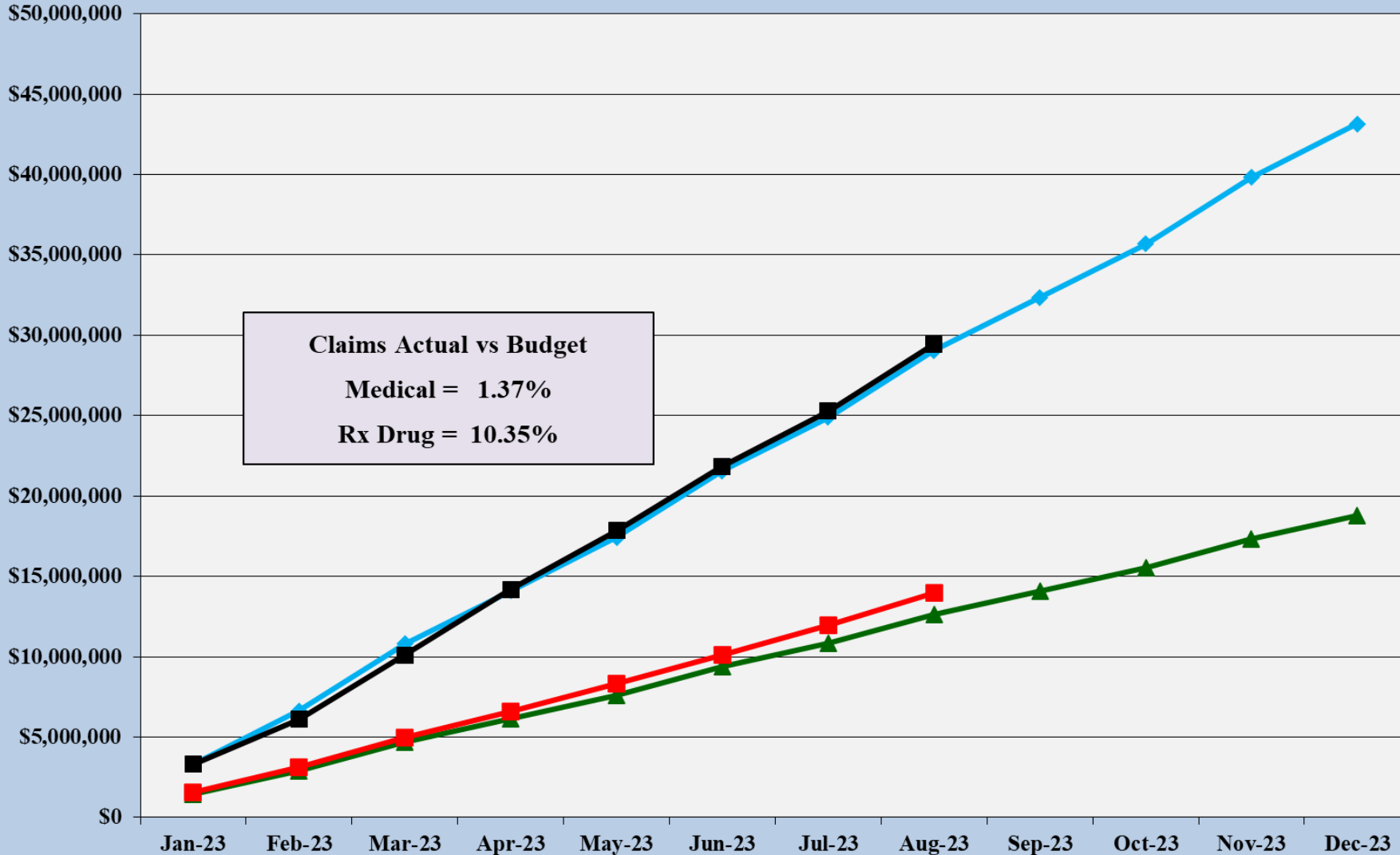


Section 3

2023 Fiscal Year-to-Date Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

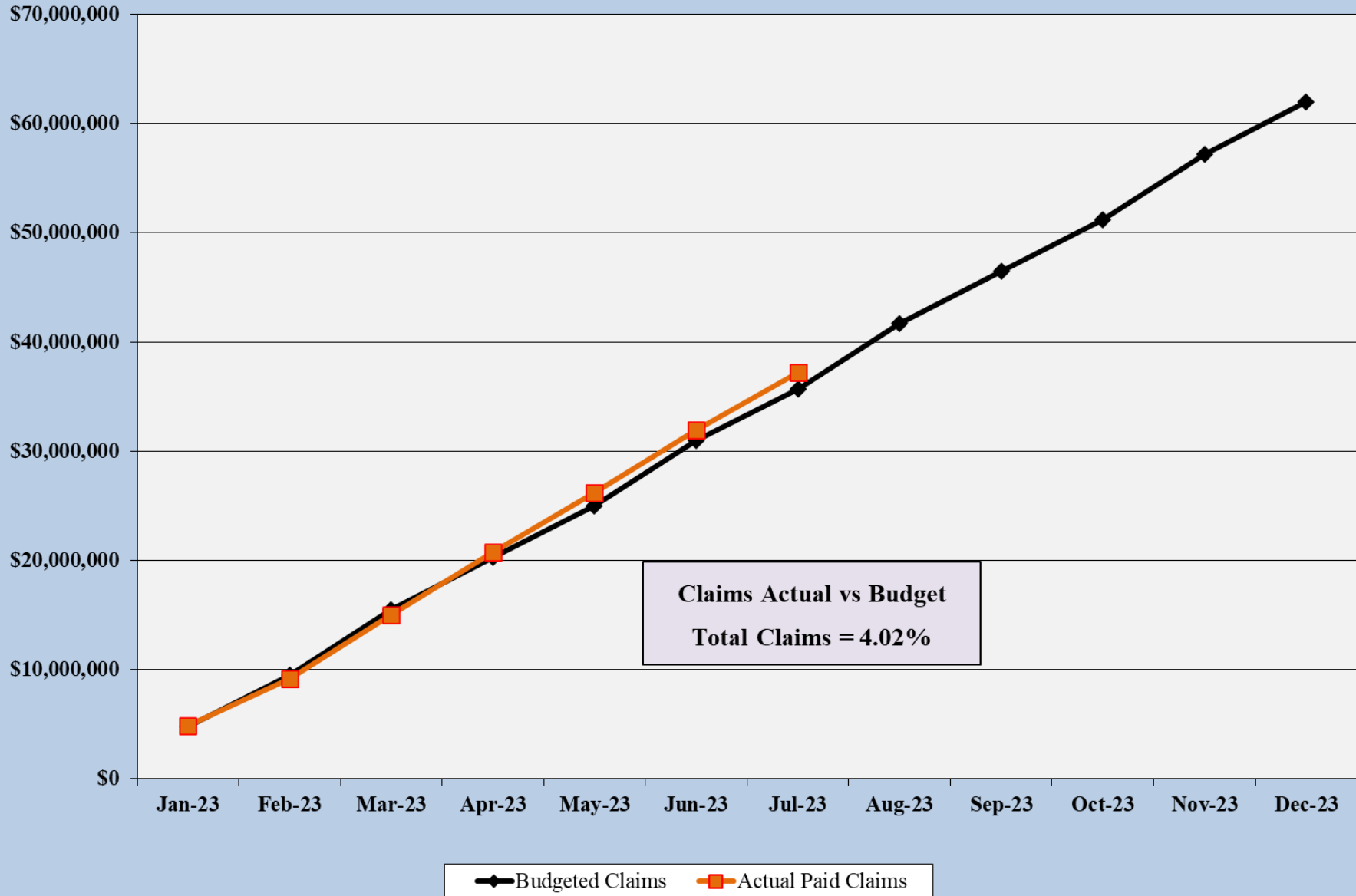
2023 Cumulative Paid Claims and Budgeted Claims by Month



◆ Medical Plan Budgeted Claims
 ■ Medical Plan Actual Paid Claims
 ▲ Rx Plan Budgeted Claims
 ■ Rx Paid Claims

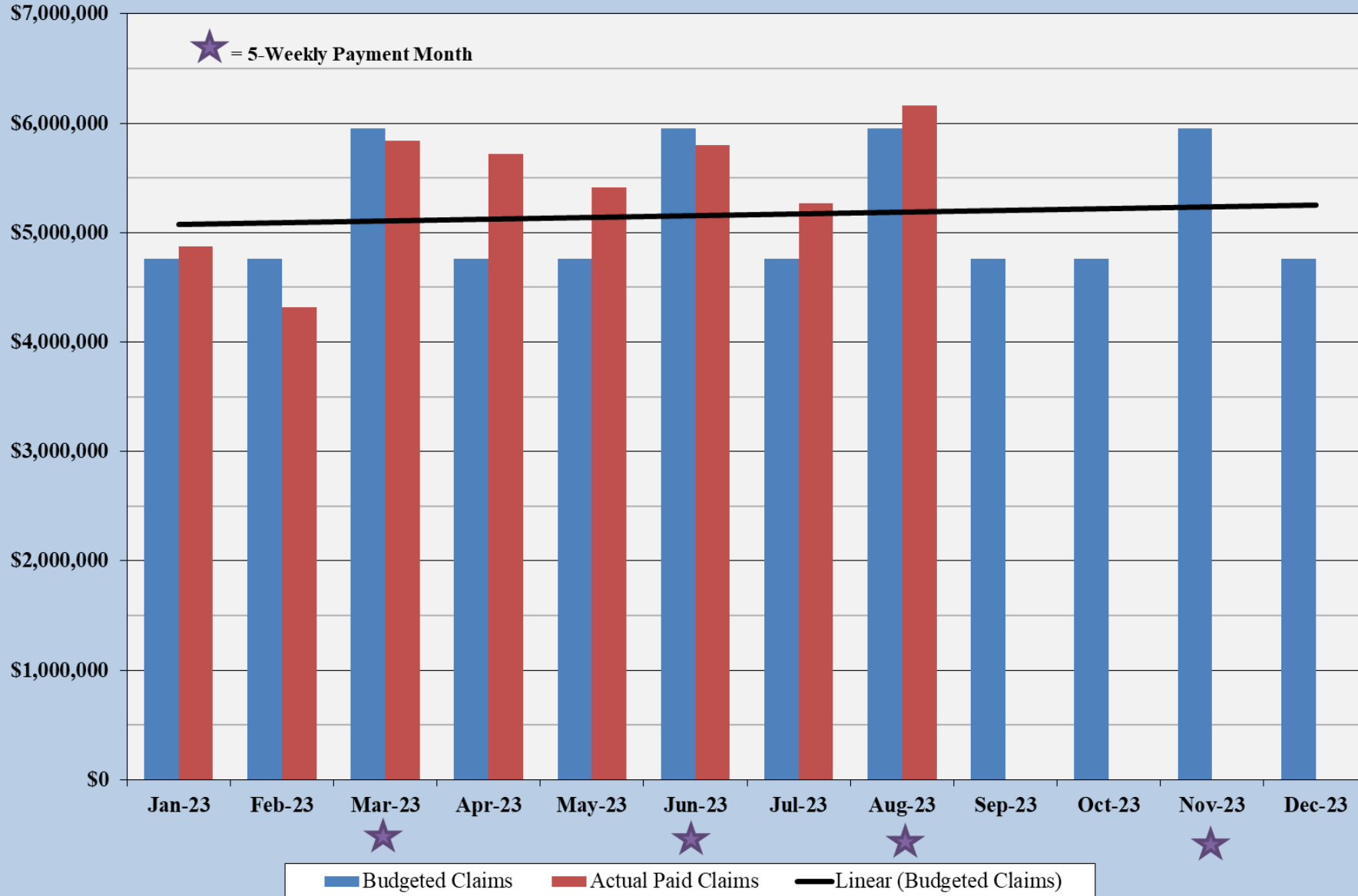
Greater Tompkins County Municipal Health Insurance Consortium

2023 Cumulative Paid Claims and Budgeted Claims by Month



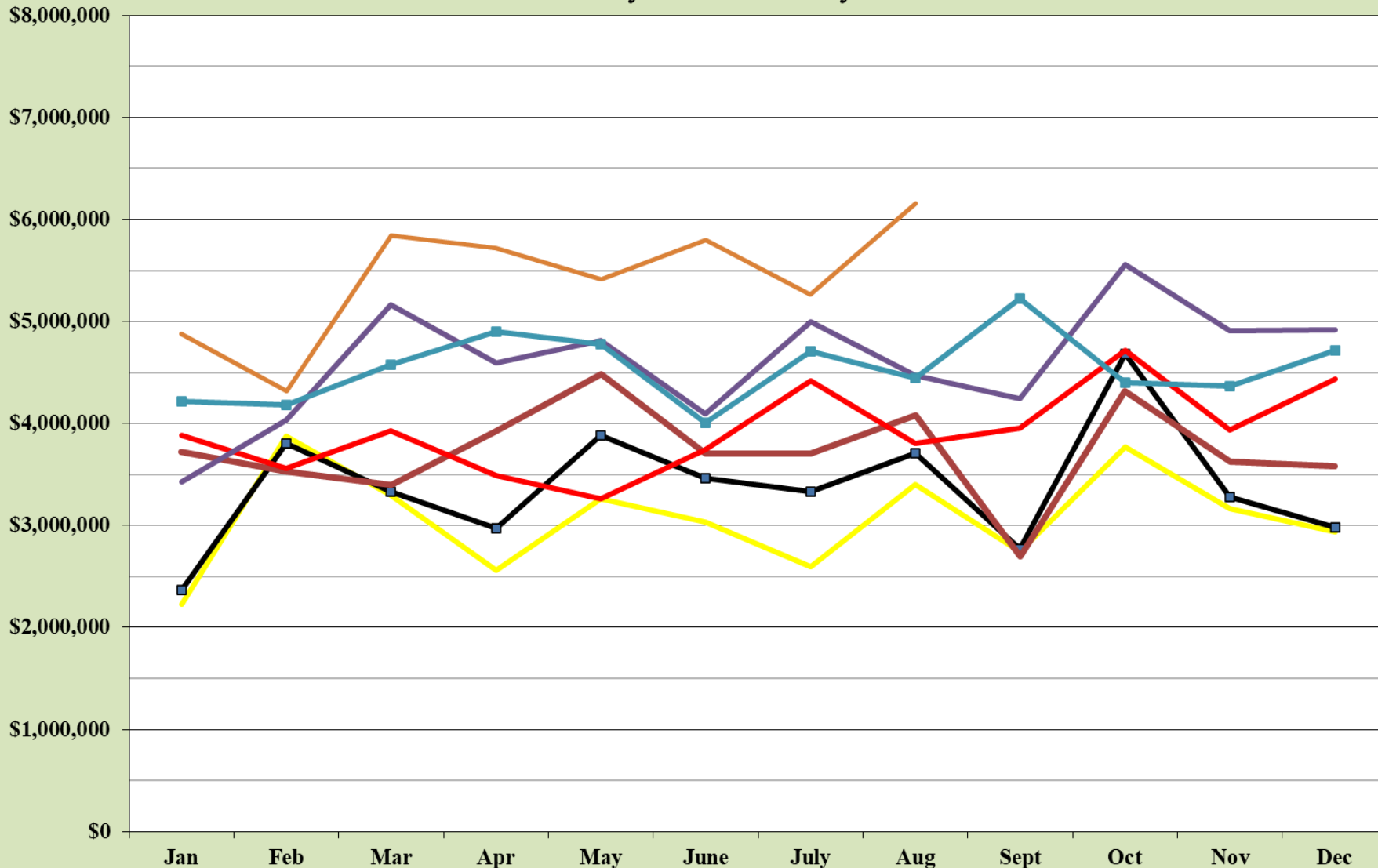
Greater Tompkins County Municipal Health Insurance Consortium

2023 Budgeted vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Ins Consortium

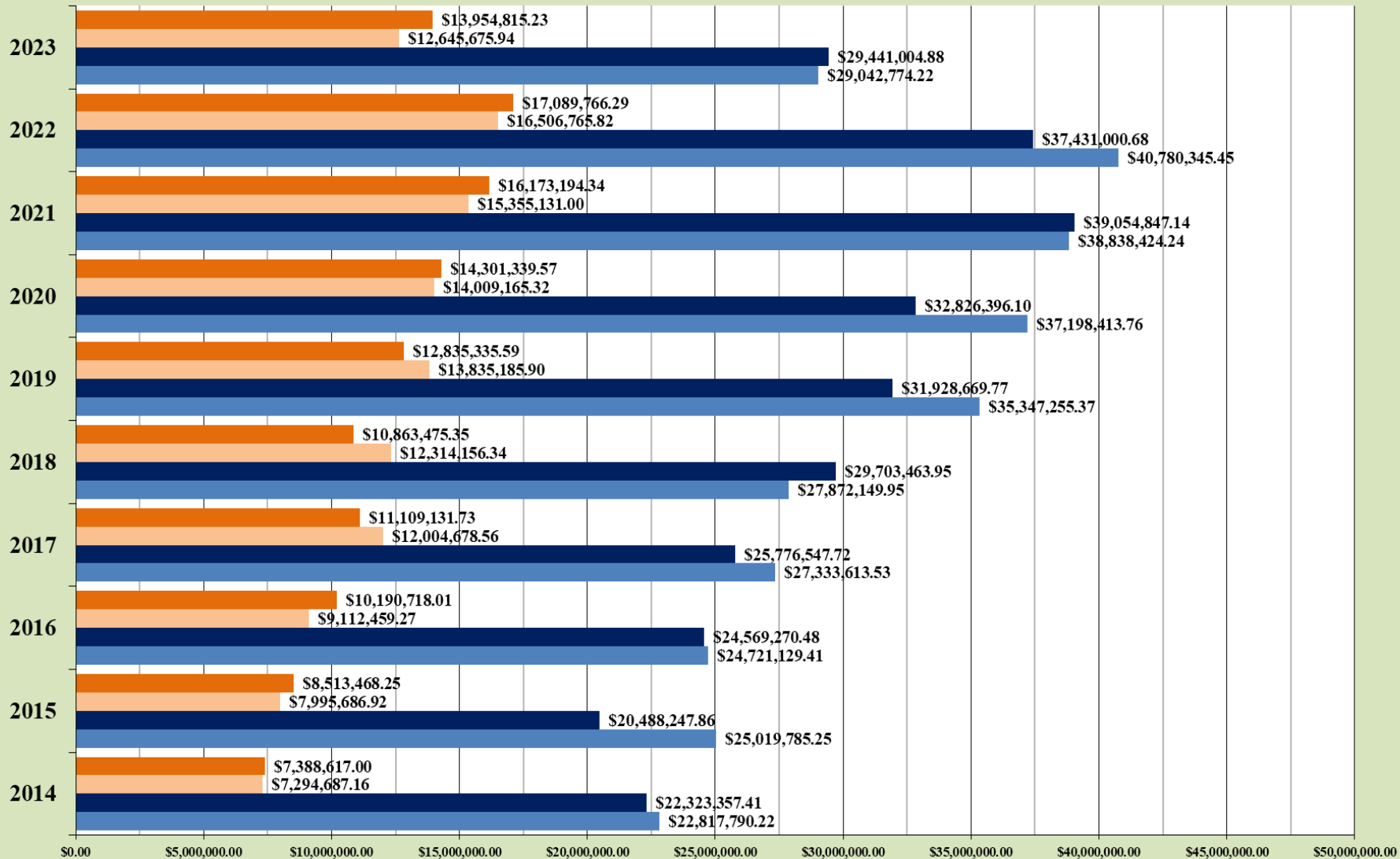
2017-2023 Monthly Paid Claims by Fiscal Year



2017 2018 2019 2020 2021 2022 2023

Greater Tompkins County Municipal Health Ins Consortium

2014-2023 (as of 8/31/2023) Annual Paid Claims v Budgeted Claims

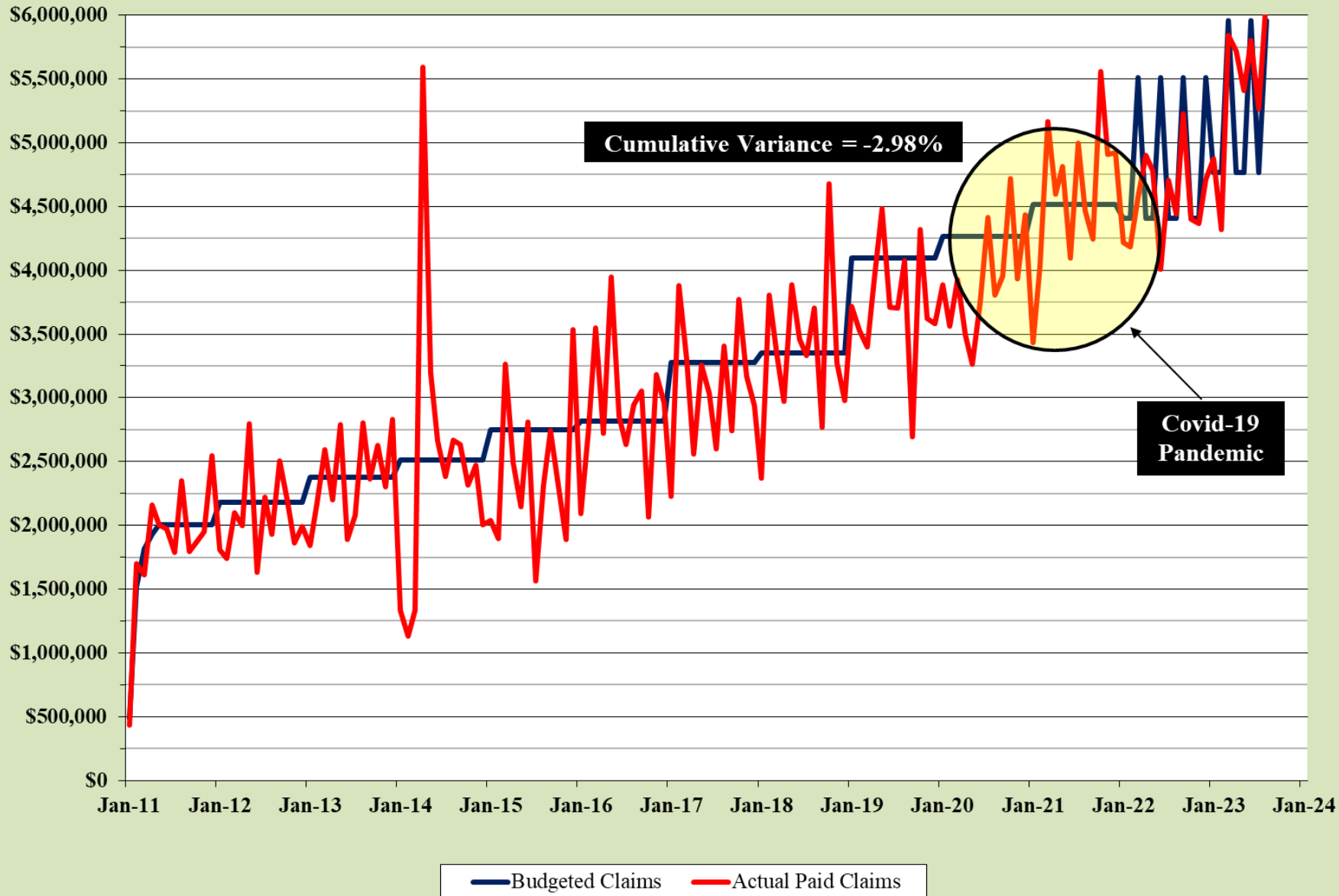


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2023 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to August 31, 2023





Section 4

2024 Fiscal Year Budget Overview Consortium Income

2024 GTCMHIC Budget - Income

Major Income Sources:

1. **Medical Plan Premiums** – this is the income derived from the health insurance premium payments made by each Participating Municipality in the Consortium. These dollars include any premium contributions made by employers, employees, COBRA members, and retirees.
2. **Interest Earnings** – this income line-item shows the return on investments associated with the Consortium’s cash assets which are deposited and invested based on the Consortium’s investment policy with the assistance of Wilmington Trust. Historically, the return on these investments lowered the annual premium increases by between 0.75% and 1.00% on average.
3. **Rx Rebates** – this represents the amount of income paid to the GTCMHIC from ProAct, Inc. associated with the pharmaceutical rebates ProAct, Inc. receives for purchases made by Consortium members.

2024 GTCMHIC Budget - Income

Major Income Sources (continued):

4. ***Stop-Loss Claim Reimbursements*** – this income source is the result of members exceeding the specific stop-loss insurance deductible for the fiscal year. Monies received in stop-loss claim reimbursements are used to off-set the paid claims costs associated with high dollar claimants. Currently, the Consortium’s specific stop-loss deductible is \$1,000,000. This year there are no individuals that have a higher “laser” deductible.

5. ***Other Income*** – this small revenue item is associated with any miscellaneous funds which may be received as refunds, credits, or some other kind of financial settlement.

2022 Actual & 2023-2024 & Projected Income

Greater Tompkins County Municipal Health Insurance Consortium

2022 Actuals & 2023 - 2024 Budget Projections

			6.50%	6.50%	6.50%	8.00%
		<i>Year to Date As of Dec 31, 2022</i>	<i>Projected Budget 2023 Fiscal Year</i>	<i>Amended Budget 2023 Fiscal Year</i>	<i>Projected Estimated Actual 12/31/23</i>	<i>Projected Budget 2024 Fiscal Year</i>
Income						
6000	Medical and Rx Plan Premiums	\$54,591,095.20	\$58,409,919.48	\$62,109,184.32	\$61,370,913.62	\$66,280,586.70
9000	Gain on Investments		\$0.00			\$0.00
9020	Interest	\$111,585.28	\$450,000.00	\$450,000.00	\$444,320.94	\$800,000.00
6010	Rx Rebates	\$3,189,532.72	\$2,900,000.00	\$2,900,000.00	\$3,295,980.09	\$3,875,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$57,892,213.20	\$61,759,919.48	\$65,459,184.32	\$65,111,214.65	\$70,955,586.70

2025-2028 Projected Income

Greater Tompkins County Municipal Health Insurance Consortium

2022 Actuals & 2023 - 2024 Budget Projections

		7.75%	7.50%	7.50%	7.50%
		<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>	<i>Projected Budget 2028 Fiscal Year</i>
Income					
6000	Medical and Rx Plan Premiums	\$71,417,332.17	\$76,773,632.09	\$82,531,654.49	\$88,721,528.58
9000	Gain on Investments	\$0.00	\$0.00	\$0.00	\$0.00
9020	Interest	\$650,000.00	\$650,000.00	\$500,000.00	\$500,000.00
6010	Rx Rebates	\$4,750,000.00	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$76,817,332.17	\$82,423,632.09	\$88,031,654.49	\$94,221,528.58

2024-2028 Projected Income

Important Notes and Assumptions:

1. Premium Income includes an 8.00% increase in the premium equivalent rates for the 2024 Fiscal Year. The 2025 Fiscal Year is projected to be 7.75% and the Fiscal Years 2026-2028 are projected to be 7.50% each year. Please be aware, the premium income is based on the current population being enrolled in their current health insurance plans.
2. Interest Income has been improving, but must be monitored closely, especially in the outlying years. The leadership has sought advice from Wilmington Trust on the projection for 2024.
3. Rx Rebates are the pharmaceutical manufacturer rebates earned by the Consortium. As of August 2023, Rx Rebates have exceeded budget expectations. The Consortium should exceed the 2023 budget amount by over \$200k. The new PBM agreement provides higher Rx Rebate guarantees, which will begin with Rx claims processed as on January 1, 2024 and after, with the first payment in July 2024.
4. Stop loss reimbursements and “other” income are unpredictable, or very minor, therefore, we recommend not budgeting any amount for these items.



Section 5

2024 Fiscal Year Budget Overview Consortium Expenses

2024 Projected Expenses

Major Expense Categories:

- 1. *Paid Claims*** – this is a combination of hospital, medical, surgical, and pharmacy paid claims, currently billed by the three (3) claims administrators; Excellus BlueCross BlueShield (hospital, medical, and surgical), ProAct, Inc. (domestic pharmaceuticals), and CanaRx (international pharmaceuticals). Effective January 1, 2024 the Consortium will be moving its pharmacy claims to Excellus BlueCross Blue Shield. This category also includes any expenses associated with the flu clinics organized by the Consortium and any adjustments needed to the Cash Advance (1-week of expected paid claims) held by Excellus BCBS.
- 2. *Claims Admin. (Administration) Fees*** – this is a combination of the monthly costs associated with the hospital, medical, surgical third-party administration services and the prescription benefit management services billed by Excellus BCBS and ProAct, Inc., respectively. (Excellus only in 2024)
- 3. *Taxes and Fees*** – this category of expenses includes any taxes and fees paid to either the Federal or State Government. Currently, this includes the New York State Covered Lives Assessment, and the Federal Patient Protection and Affordable Care Act (ACA) fees.

2024 Projected Expenses

Major Expense Categories (continued):

4. ***Stop-Loss*** – this represents the premiums paid for specific stop-loss insurance. In prior years, this category also included the premium paid for aggregate stop-loss insurance. However, the Consortium was granted a waiver by the New York State Department of Financial Services for the requirement of purchasing aggregate stop-loss insurance.
5. ***Professional Services*** – this is a combination of the monthly costs associated with the outside professional support the Consortium hires on an annual basis. Currently, this expense category includes fees associated with accounting, actuarial, auditing, consulting, investment management, legal, and wellness coordination services.
6. ***Insurance/Internal Fees*** – the money associated with this expense category includes the salary, fringe benefit, support, and insurance costs incurred by the Consortium or by a Participating Municipal Partner. These fees currently include the Consortium’s Executive Director, financial support staff, administrative support staff, IT support staff, marketing costs, and professional liability insurance costs.

2022 Actual & 2023–2024 Projected Expenses

		<i>Year to Date As of Dec 31, 2022</i>	<i>Projected Budget 2023 Fiscal Year</i>	<i>Amended Budget 2023 Fiscal Year</i>	<i>Projected Estimated Actual 12/31/23</i>	<i>Projected Budget 2024 Fiscal Year</i>
Expenses						
8090	Medical Paid Claims	\$37,365,100.68	\$40,773,545.30	\$43,149,264.56	\$43,740,754.14	\$45,318,439.96
	Advance Deposit / Pre-Paid Claims	\$65,900.00	\$39,415.00	\$139,700.00	\$139,700.00	\$450,000.00
8120	Rx Paid Claims - ProAct (Excellus Effective 2024)	\$17,089,766.29	\$17,640,630.54	\$18,787,861.39	\$20,732,716.87	\$22,162,670.64
8121	Rx Paid Claims - CanaRx	\$174,140.70	\$178,747.40	\$178,747.40	\$148,574.25	\$159,717.32
8084	Flu Clinic Fees	\$0.00	\$23,733.39	\$0.00	\$0.00	\$0.00
8050	Medical Admin Fees (Excellus All-Inclusive Effective 2024)	\$1,553,750.25	\$1,606,871.12	\$1,762,898.30	\$1,702,990.46	\$1,381,880.00
8051	Rx Clinical Concierge Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$146,685.00
8082	Rx Admin Fees	\$259,980.57	\$272,156.43	\$298,582.82	\$295,091.31	\$0.00
8091	NYS Covered Lives Assessment	\$376,283.44	\$387,749.01	\$429,780.00	\$427,089.30	\$451,269.00
9061	ACA PCORI Fee	\$17,585.37	\$19,830.73	\$21,756.29	\$17,808.57	\$22,844.11
8110	Specific Stop-Loss Insurance Premium Payments	\$295,916.60	\$795,720.20	\$872,984.63	\$321,235.14	\$880,994.40
	Aggregate Stop-Loss Insurance		\$0.00	\$0.00		\$0.00

2022 Actual & 2023-2024 Projected Expenses

Less than 1.5% of Annual Budget Expenditures

		<i>Year to Date As of Dec 31, 2022</i>	<i>Projected Budget 2023 Fiscal Year</i>	<i>Amended Budget 2023 Fiscal Year</i>	<i>Projected Estimated Actual 12/31/23</i>	<i>Projected Budget 2024 Fiscal Year</i>
Expenses						
8000	Accounting Fees	\$18,600.00	\$19,570.00	\$19,570.00	\$19,000.00	\$20,157.10
8010	Actuarial Fees	\$7,200.00	\$7,416.00	\$7,416.00	\$7,200.00	\$7,416.00
8020	Audit Fees (Financial & DFS 2023 & 2024)	\$14,500.00	\$164,935.00	\$164,935.00	\$96,269.75	\$105,000.00
8021	Audit Fees (Claims)	\$19,875.00	\$52,833.85	\$92,750.00	\$92,750.00	\$95,532.50
8030	Consultant Fees (L&C)	\$91,500.00	\$94,399.50	\$94,399.50	\$94,200.00	\$97,026.00
	Consultant Fees (Strat Plan - TBD)	\$0.00	\$20,000.00	\$100,000.00	\$100,000.00	\$25,000.00
8070	Legal Fees	\$5,357.00	\$12,360.00	\$12,360.00	\$7,260.00	\$12,730.80
6600's	Salaries	\$283,070.16	\$310,542.75	\$310,542.75	\$301,809.00	\$326,281.80
6602	Fringe Benefits	\$105,132.34	\$124,217.10	\$124,217.10	\$116,928.20	\$134,711.49
8060	Insurances (D&O / Prof. Liability)	\$58,266.00	\$64,092.60	\$65,014.00	\$65,013.96	\$75,000.00
8041	Internal Coordination (Finance)	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$6,681.00	\$6,881.43	\$12,881.43	\$11,301.68	\$7,000.00
8065	Wellness Program Costs	\$2,703.59	\$12,500.00	\$12,500.00	\$1,200.00	\$12,500.00
9065	Marketing Expenses	\$1,714.13	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
9055	Investment Management Services	\$11,934.92	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00
8150	Supplies Expense	\$6,087.05	\$4,202.40	\$7,500.00	\$1,680.00	\$7,500.00
8151	Computer Equipment	\$6,931.83	\$5,000.00	\$5,000.00	\$3,500.00	\$6,200.00
8152	Lease Expense / Parking Fees	\$12,144.55	\$60,000.00	\$60,000.00	\$14,719.20	\$55,365.00
8153	Mileage- Travel Expenses	\$576.61	\$2,500.00	\$2,500.00	\$1,250.00	\$2,500.00
8156	Furniture and Fixtures	\$0.00	\$25,000.00	\$75,000.00	\$75,000.00	\$2,500.00
8157	Training / Professional Development	\$1,602.40	\$5,000.00	\$5,000.00	\$2,246.40	\$5,000.00
8158	Subscriptions	\$219.97	\$1,000.00	\$1,000.00	\$500.00	\$1,000.00
9060	Other Expenses	\$440.91	\$7,822.85	\$7,822.85	\$3,500.00	\$8,057.54
Total Expenses		\$57,878,961.36	\$62,771,172.60	\$66,854,484.04	\$68,573,788.23	\$72,013,478.65

2025-2028 Projected Expenses

		<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>	<i>Projected Budget 2028 Fiscal Year</i>
Expenses					
8090	Medical Paid Claims	\$47,471,065.86	\$49,725,941.49	\$52,087,923.71	\$54,562,100.08
	Advance Deposit / Pre-Paid Claims	\$175,000.00	\$175,000.00	\$175,000.00	\$175,000.00
8120	Rx Paid Claims - ProAct (Excellus Effective 2024)	\$23,824,870.94	\$25,611,736.26	\$27,532,616.48	\$29,597,562.71
8121	Rx Paid Claims - CanaRx	\$171,696.12	\$184,573.33	\$198,416.33	\$213,297.55
8084	Flu Clinic Fees	\$0.00	\$0.00	\$0.00	\$0.00
8050	Medical Admin Fees (Excellus All-Inclusive Effective 2024)	\$1,710,744.00	\$1,753,584.00	\$1,806,191.52	\$1,860,377.27
8051	Rx Clinical Concierge Fees	\$146,685.00	\$146,685.00	\$146,685.00	\$146,685.00
8082	Rx Admin Fees	\$0.00	\$0.00	\$0.00	\$0.00
8091	NYS Covered Lives Assessment	\$473,832.45	\$497,524.07	\$522,400.28	\$548,520.29
9061	ACA PCORI Fee	\$23,986.31	\$25,185.63	\$26,444.91	\$27,767.16
8110	Specific Stop-Loss Insurance Premium Payments	\$969,093.84	\$1,066,003.22	\$1,172,603.55	\$1,289,863.90
	Aggregate Stop-Loss Insurance	\$0.00	\$0.00	\$0.00	\$0.00

2025-2028 Projected Expenses

Less than 1.5% of Annual Budget Expenditures

		<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>	<i>Projected Budget 2028 Fiscal Year</i>
Expenses						
8000	Accounting Fees	\$20,157.10	\$20,761.81	\$21,384.67	\$22,026.21	\$22,686.99
8010	Actuarial Fees	\$7,416.00	\$7,638.48	\$7,867.63	\$8,103.66	\$8,346.77
8020	Audit Fees (Financial & DFS 2023 & 2024)	\$105,000.00	\$16,000.00	\$16,480.00	\$16,974.40	\$17,483.63
8021	Audit Fees (Claims)	\$95,532.50	\$56,051.43	\$57,732.97	\$59,464.96	\$59,464.96
8030	Consultant Fees (L&C)	\$97,026.00	\$99,936.78	\$102,934.88	\$106,022.93	\$109,203.62
	Consultant Fees (Strat Plan - TBD)	\$25,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
8070	Legal Fees	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29	\$14,328.63
6600's	Salaries	\$326,281.80	\$339,333.07	\$352,906.39	\$367,022.65	\$381,703.56
6602	Fringe Benefits	\$134,711.49	\$140,099.95	\$145,703.95	\$151,532.11	\$157,593.39
8060	Insurances (D&O / Prof. Liability)	\$75,000.00	\$78,750.00	\$82,687.50	\$86,821.88	\$91,162.97
8041	Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$7,000.00	\$7,210.00	\$7,426.30	\$7,649.09	\$7,878.56
8065	Wellness Program Costs	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
9055	Investment Management Services	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00	\$24,000.00
8150	Supplies Expense	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
8151	Computer Equipment	\$6,200.00	\$6,386.00	\$9,440.00	\$12,530.00	\$12,530.00
8152	Lease Expense / Parking Fees	\$55,365.00	\$65,135.00	\$71,649.00	\$74,906.00	\$78,162.00
8153	Mileage- Travel Expenses	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
8156	Furniture and Fixtures	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
8157	Training / Professional Development	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
8158	Subscriptions	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
9060	Other Expenses	\$8,057.54	\$3,605.00	\$8,299.26	\$3,713.15	\$8,548.24
Total Expenses		\$72,013,478.65	\$75,904,494.77	\$80,167,751.67	\$84,682,460.09	\$89,473,767.28

2022 Actual & 2023-2024 Projected Revenues & Expenses

Greater Tompkins County Municipal Health Insurance Consortium

2022 Actuals & 2023 - 2024 Budget Projections

			6.50%	6.50%	6.50%	8.00%
		Year to Date As of Dec 31, 2022	Projected Budget 2023 Fiscal Year	Amended Budget 2023 Fiscal Year	Projected Estimated Actual 12/31/23	Projected Budget 2024 Fiscal Year
Income						
6000	Medical and Rx Plan Premiums	\$54,591,095.20	\$58,409,919.48	\$62,109,184.32	\$61,370,913.62	\$66,280,586.70
9000	Gain on Investments		\$0.00			\$0.00
9020	Interest	\$111,585.28	\$450,000.00	\$450,000.00	\$444,320.94	\$800,000.00
6010	Rx Rebates	\$3,189,532.72	\$2,900,000.00	\$2,900,000.00	\$3,295,980.09	\$3,875,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$57,892,213.20	\$61,759,919.48	\$65,459,184.32	\$65,111,214.65	\$70,955,586.70
Expenses						
	Medical & Pharmacy Claims	\$54,694,907.67	\$58,656,071.63	\$62,255,573.36	\$64,761,745.26	\$68,090,827.92
	Plan Administration Fees	\$1,813,730.82	\$1,879,027.55	\$2,061,481.12	\$1,998,081.77	\$1,528,565.00
	NYS & ACA Taxes & Fees	\$393,868.81	\$407,579.74	\$451,536.29	\$444,897.87	\$474,113.11
	Stop-Loss Insurance	\$295,916.60	\$795,720.20	\$872,984.63	\$321,235.14	\$880,994.40
	Accounting, Legal & Consulting Fees	\$157,032.00	\$371,514.35	\$491,430.50	\$416,679.75	\$362,862.40
	Salaries & Benefits	\$388,202.50	\$434,759.85	\$434,759.85	\$418,737.20	\$460,993.29
	Insurance, Investment, Internal Coordination Costs	\$107,299.64	\$115,974.03	\$122,895.43	\$110,015.64	\$127,000.00
	Officie Expenses	\$28,003.32	\$110,525.25	\$163,822.85	\$102,395.60	\$88,122.54
Total Expenses		\$57,878,961.36	\$62,771,172.60	\$66,854,484.04	\$68,573,788.23	\$72,013,478.65

2024-2028 Projected Expenses

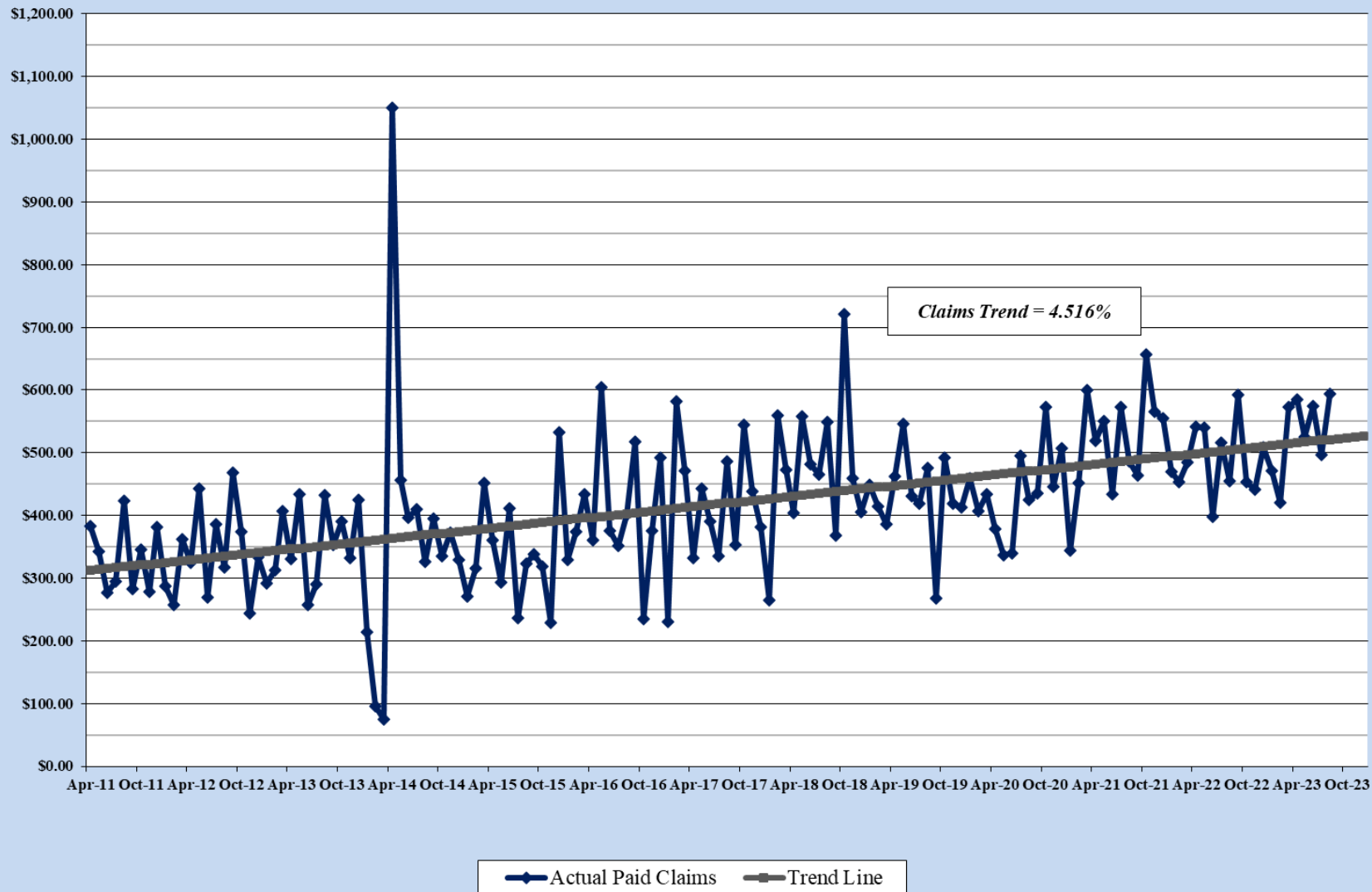
Important Notes and Assumptions:

1. The medical and pharmacy paid claim trends for the GTCMHIC from April 1, 2011 to August 31, 2023 has equaled 4.516% and 6.448%, respectively.
 - a) The Locey & Cahill, LLC Municipal Cooperative Health Benefit Plan Client paid claim trends models for medical and pharmacy claims produce an average annual cost increase of 4.142% and 7.432%, respectively.
 - b) The paid claim trends we utilized are based on a number of factors, including the trends noted above and Locey & Cahill, LLC's 25+ years of experience working with Municipal Cooperative Health Benefit Plans like the GTCMHIC.
 - c) The 2024 Paid Claims trends utilized for the budget projections were 4.75% for medical claims and 7.50% for prescription drug claims based on an updated per covered life claims projection which includes data as of August 31, 2023. These projections were then slightly adjusted to recognize that 2023 has been experiencing a higher than normal spend on large loss claims over \$100,000 year to date.
 - d) The following charts provide some background and detail regarding the paid claims trend information and data used by Locey & Cahill, LLC in the development of this budget report.

Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month Medical Paid Claims Trend

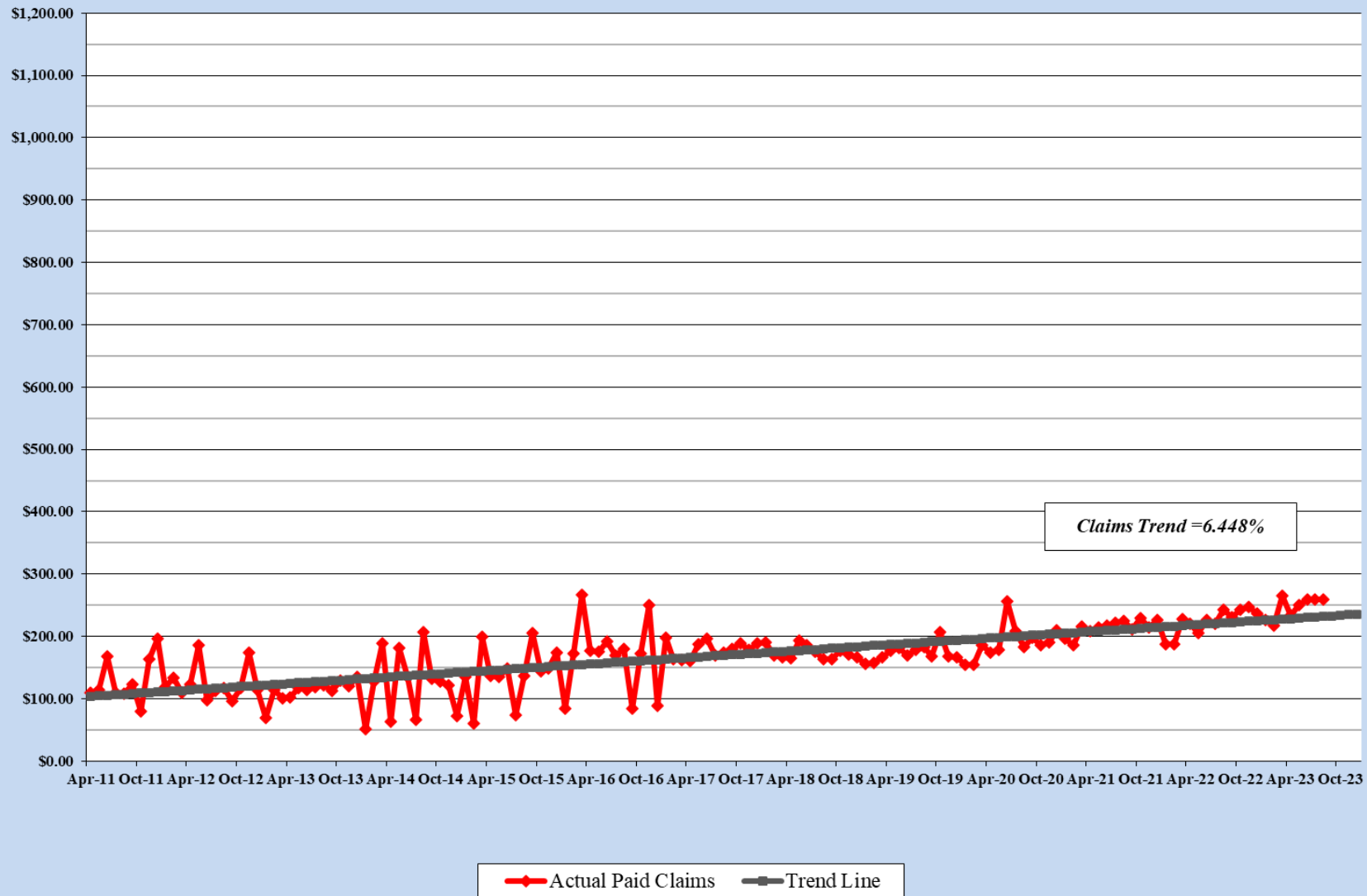
April 1, 2011 to August 31, 2023



Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month Prescription Drug Paid Claims Trend

April 1, 2011 to August 31, 2023

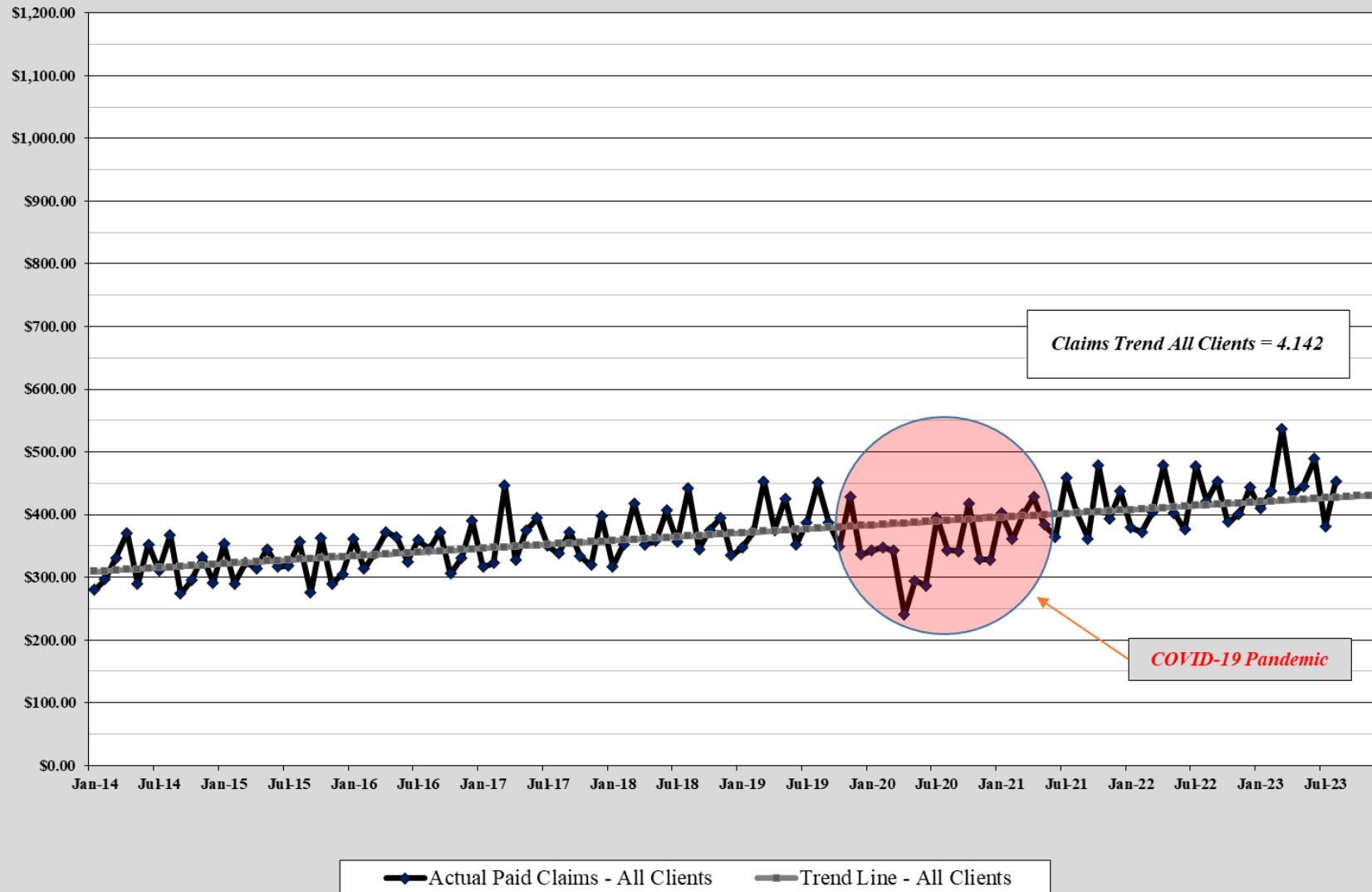


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Medical Paid Claims Trend

January 1, 2014 to August 31, 2023

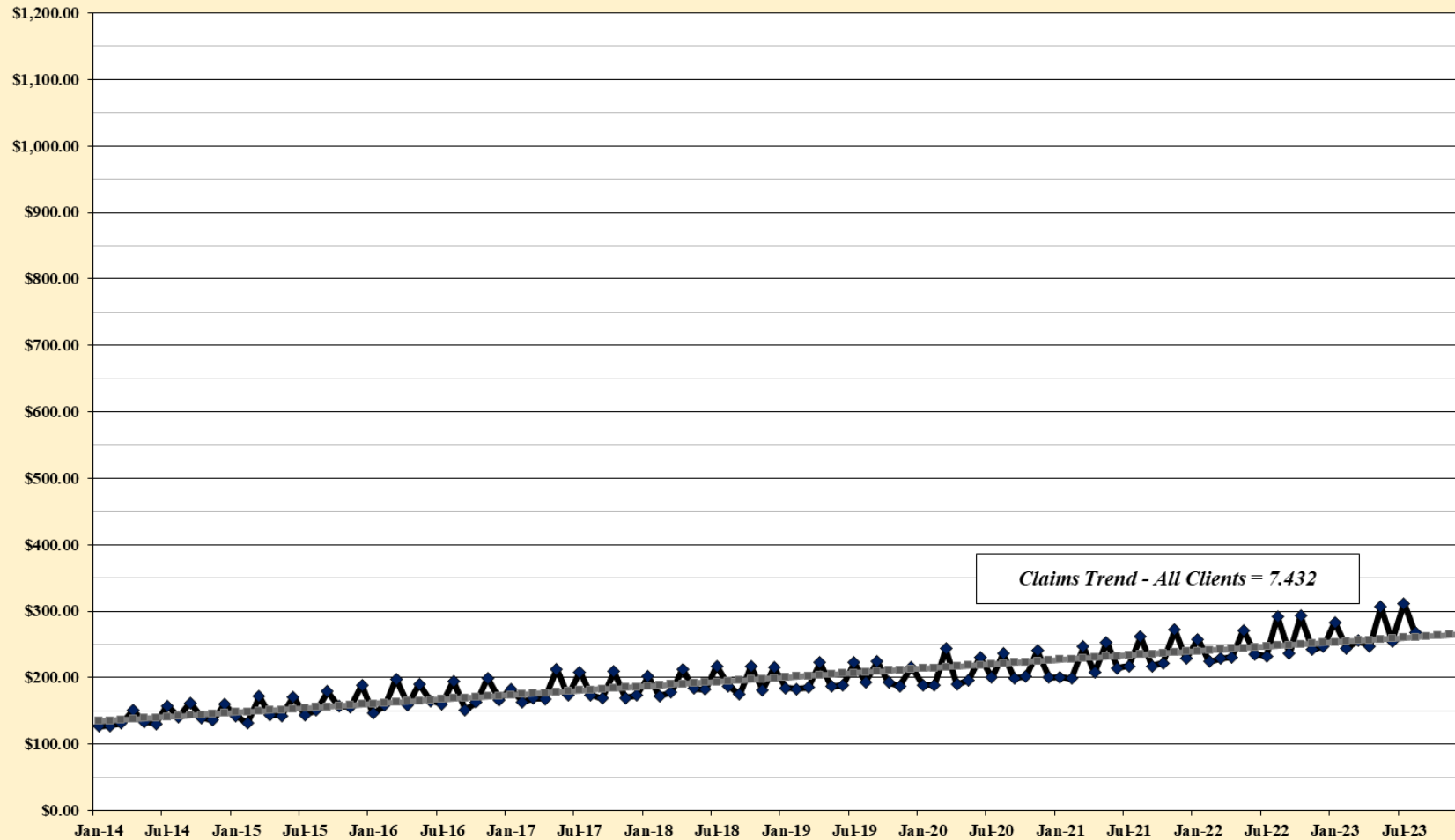


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Rx Paid Claims Trend

January 1, 2014 to August 31, 2023



Actual Paid Claims - All Clients Trend Line - All Clients

2024-2028 Projected Expenses

Important Notes and Assumptions (continued):

2. The Excellus BlueCross BlueShield claims administrative fees are increased by the actual rates in the new PBM proposal, 2.0% for the 2024 through 2026 Fiscal Years and 3.0% estimated for the 2027-2028. Also, as part of the new PBM Proposal, Excellus has provided a two-month medical administrative fee holiday for 2024.
3. The Taxes and Fees include the New York State Covered Lives Assessment (Graduate Medical Expense) which is a per contract per month fee that has been forecasted to increase by 5% per annum. The Patient Protection and Affordable Care Act (ACA) Patient Centered Outcomes Research Institute (PCORI) fee is set to sunset in 2029.
4. The specific stop-loss insurance premiums have been forecasted to increase at a rate of 10% per annum based on our experience with this market in recent years. This sector of the insurance marketplace has been hit hard over recent years with significant increases in large dollar claimants resulting in escalating premiums. This is an area of operations which is being closely scrutinized to ensure the Consortium is protected at a reasonable cost going forward.

2024-2028 Projected Expenses

Important Notes and Assumptions (continued):

5. We have updated the 2024 Fiscal Year expected costs associated with all professional services provided to the Consortium based on information from the Consortium's Executive Director and Finance Manager. These fees have been trended at an annual rate of 3% for the 2024 through 2028 Fiscal Years.
6. As with the professional services, the internal coordination fees and insurance costs expected for the 2024 Fiscal Year have been updated based on information from the Consortium's Executive Director and Finance Manager. These costs have been adjusted based on input from the Consortiums administrative team.
7. The last major expense category is the "other" expenses which is for miscellaneous costs that do not fit in one of the other line-items cleanly. This is an extremely nominal expense item which has little impact on the overall budget. We trended this at 3% from the current cost projections.



Section 6

2024 Fiscal Year Budget Overview Consortium Assets

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 2023 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 2023 Fiscal Year budget forecasted this reserve to equal \$7,038,728.60 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). Should the 2023 claims continue to trend higher than anticipated, this projection will be adjusted accordingly. As of the fiscal year end, December 31, 2022, the IBNR reserve was adjusted to \$6,672,663.00.

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 2023 Fiscal Year budget forecasted this reserve to equal \$2,920,495.97 (5.0% of projected premium income) This amount was adjusted to \$2,729,554.76 at the end of the 2022 fiscal year. It should be noted that the Consortium's premium income is slightly below the budgeted amount through the first 8-months of the fiscal period which may impact this reserve level at the end of the year.

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 2021 Fiscal Year. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors has funded this reserve as well as adopted a resolution outlining the funding calculation to make annual adjustments to this fund. At the fiscal year ended December 31, 2022, this reserve had a balance of \$4,808,739.38.

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a fairly high 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.
- The proposed budget recommends utilizing a portion of the Rate Stabilization Reserve Fund to mitigate the need for a larger premium adjustment. The long-range plan is designed to fully restore these fund over the next 4-5 fiscal years. As mentioned earlier, the Board is considering adjusting the funding of this reserve to not more than 10% of estimated premiums and not less than 2.5% of estimated premiums.

2023 Beginning Balance

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022 AND 2021

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the financial position of the Greater Tompkins County Municipal Health Insurance Consortium (the Consortium) as of December 31, 2022 and 2021, and its results of operations for the years then ended. Because the MD&A is designed to focus on current operations, it should be read in conjunction with the audited financial statements and related footnotes.

Financial Highlights

For the year ended December 31, 2022, the Consortium's net position decreased by \$228,696. The decrease in net position is mainly attributable to an excess of claims and claims administrative expenses over revenues received. For the year ended December 31, 2021, the Consortium's net position decreased by \$3,749,339. For the year ended December 31, 2020, the Consortium's net position increased by \$672,166. Decreases in net position are mainly attributable to an excess of claims and claims administrative expenses over revenues received.

The Consortium's net position consists of the following:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Restricted for Contingency Reserve	\$ 2,729,555	\$ 2,669,495	\$ 2,409,497
Catastrophic Claims Self-Insurance Fund	4,808,739	4,642,294	5,032,220
Rate Stabilization Reserve	3,892,443	4,004,101	3,391,769
Unrestricted - Undesignated Net Position	<u>10,591,408</u>	<u>10,934,951</u>	<u>15,166,694</u>
Total Net Position	<u><u>\$ 22,022,145</u></u>	<u><u>\$ 22,250,841</u></u>	<u><u>\$ 26,000,180</u></u>

2023 Net Income, Liabilities & Reserves (08/31/2023)

	2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Ending Balance	\$27,604,250.55	\$28,227,608.93	\$28,483,523.87	\$27,536,573.08	-\$946,950.79	-3.32%

Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$7,038,728.60	\$7,038,728.60	\$6,672,663.00	\$6,672,663.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,920,495.97	\$2,920,495.97	\$2,729,554.76	\$2,729,554.76	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$4,399,205.37	\$4,399,205.37	\$3,892,443.28	\$3,892,443.28	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,598,144.86	\$4,598,144.86	\$4,808,739.38	\$4,808,739.38	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$788,300.00	\$788,300.00	\$928,000.00	\$928,000.00	Increased by \$139,700 2/2023
Total Liabilities and Reserves		\$19,744,874.80	\$19,744,874.80	\$19,031,400.42	\$19,031,400.42	

Unencumbered Fund Balance	\$7,859,375.75	\$8,482,734.13	\$9,452,123.45	\$8,505,172.66	
				13.69%	As a % of Expected Premium Income

The 2023 Fiscal Year is currently under performing compared to the projected budget 2/3 of the way into the 2023 Fiscal Year. As of August 31, 2023, the unencumbered fund balance equals 13.69% of the expected premium income for the year. Should this pattern of claims continue over the remainder of the year, there will be a shift in the reserves based on financial results and a reduction in the undesignated fund balance.

2022 Actual & 2023-2028 Estimated Reserve Funds

	Year to Date As of Dec 31, 2022	Projected Budget 2023 Fiscal Year	Amended Budget 2023 Fiscal Year	Projected Estimated Actual 12/31/23	Projected Budget 2024 Fiscal Year	Projected Budget 2025 Fiscal Year	Projected Budget 2026 Fiscal Year	Projected Budget 2027 Fiscal Year	Projected Budget 2028 Fiscal Year	
Beginning Balance	\$29,117,448.16	\$28,615,503.67	\$29,117,448.16	\$29,117,448.16	\$26,035,920.14	\$25,253,028.19	\$26,440,865.60	\$28,971,746.02	\$32,595,940.43	
	Per Inero Audit	Projected 12/31/22	Actual 12/31/22	Actual 12/31/22						
Net Income (2% of total budget)	\$13,251.84	(\$1,011,253.12)	(\$1,395,299.72)	(\$3,462,573.58)	(\$1,057,891.95)	\$912,837.41	\$2,255,880.42	\$3,349,194.41	\$4,747,761.30	
					-1.5%	1.2%	2.7%	3.8%	5.0%	
Add: Gains on Investments	\$283,865.15			\$389,442.24	\$300,000.00	\$300,000.00	\$300,000.00	\$300,000.00	\$300,000.00	
Less: Losses on Investments	(\$719,756.52)			(\$8,396.68)	(\$25,000.00)	(\$25,000.00)	(\$25,000.00)	(\$25,000.00)	(\$25,000.00)	
Ending Balance	\$28,694,808.63	\$27,604,250.55	\$27,722,148.44	\$26,035,920.14	\$25,253,028.19	\$26,440,865.60	\$28,971,746.02	\$32,595,940.43	\$37,618,701.72	
Liabilities and Reserves										
Statutory Reserves	IBNR Reserve (12% of Claims)	\$6,672,663.00	\$7,038,728.60	\$6,672,663.00	\$7,771,409.43	\$8,170,899.35	\$8,597,115.95	\$9,083,670.13	\$9,599,274.78	\$10,145,755.24
	Surplus Account (5% of Premium)	\$2,729,554.76	\$2,920,495.97	\$2,729,554.76	\$3,068,545.68	\$3,314,029.34	\$3,573,546.84	\$3,775,633.89	\$4,126,582.72	\$4,436,076.43
Discretionary Reserves	Rate Stabilization Res.(10% Target) = (2.5% - 5.0% - 7.5%)	\$3,892,443.28	\$4,399,205.37	\$3,892,443.28	\$4,857,130.89	\$1,702,270.70	\$1,791,065.82	\$1,892,431.28	\$3,999,697.83	\$6,341,097.03
	Catastrophic Claims Reserve (Ending) (Adjusted Per Resolution)	\$4,808,739.38	\$4,598,144.86	\$4,808,739.38	\$4,808,739.38	\$4,808,739.38	\$4,808,739.38	\$4,808,739.38	\$4,808,739.38	\$4,808,739.38
	Total Liabilities and Reserves	\$18,103,400.42	\$18,956,574.80	\$18,103,400.42	\$20,505,825.39	\$17,995,938.76	\$18,770,467.99	\$19,560,474.67	\$22,534,294.71	\$25,731,668.08
Unencumbered Fund Balance (12% of Premium Target)	\$10,591,408.21	\$8,647,675.75	\$9,618,748.02	\$5,530,094.75	\$7,257,089.43	\$7,670,397.61	\$9,411,271.35	\$10,061,645.72	\$11,887,033.65	
	19.40%	14.81%	15.49%	9.01%	10.95%	10.74%	12.26%	12.19%	13.40%	

It is projected that the Statutory Reserve Funds will grow as they are a percentage of budgeted premium revenues and projected claims paid. For illustration purposes, we have projected funding and utilization of the Catastrophic Claims Reserve to be a wash. The Rate Stabilization Reserve shows utilization as discussed in this presentation. The Consortium has a budget goal of carrying an unencumbered fund balance of 12%. As illustrated above, this target falls slightly short for 2024-2025, but is projected to be met for the 2026-2028 fiscal years. The five-year budget model shows overall fund balance is relatively flat for 2023 & 2024, then steadily improves from 2025 to 2028.



Section 7

2024 Fiscal Year Budget Overview Recommendations



2024 Budget Recommendations

1. 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. The value of this reserve, as projected for the 2024 Fiscal Year, is \$3,314,029.34. This will satisfy an Article 47 statutory reserve requirement.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$8,170,889.35 for the 2024 Fiscal Year.

2024 Budget Recommendations (Continued)

3. Continue to evaluate the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000 as of the 2021 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2023 Fiscal Year and adjust based on the Board Resolution for funding. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the number of individual high dollar claimants.
4. Utilize a portion of the Claims/Rate Stabilization Reserve, reducing it to 2.5% of 2024 estimated paid claims (\$1,702,270.70). These funds are projected to be restored over the next four budget cycles. It is important to remember that this reserve fund was designed for this exact purpose of mitigate larger than desired premium rate increases.
5. Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield as part of the annual renewal process.

2024 Budget Recommendations (Continued)

6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium's finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve an 8.0% increase in premiums for the 2024 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$613,710 for the 2024 Fiscal Year.

2024 Budget Recommendations (Continued)

In conclusion, the final thought that we offer to the Board of Directors of the Consortium at this time is to consider the views, opinions, and recommendations expressed above and to consider approving the recommended budget with an 8.0% increase in overall premium revenue. Our goal is to have steady/moderate premium growth over the next several fiscal periods. To accomplish this, we are recommending the short-term use of a modest amount of fund balance and reserves to mitigate premium increases for 2024.

GTCMHIC Actual/Projected Premium Increases

NYS Department of Financial Services – Press Release 8-31-23
 DFS Announces 2024 Health Insurance Premium Rates, Saving New Yorkers \$732m.

Fiscal Year	Budget Income % Increase
2011	9.50%
2012	9.50%
2013	9.00%
2014	8.00%
2015	5.00%
2016	3.00%
2017	5.00%
2018	4.00%
2019	5.00%
2020	5.00%
2021	5.00%
2022	5.00%
2023	6.50%
2024	8.00%
2025	7.75%
2026	7.50%
2027	7.50%
2028	7.50%
2011-23 Avg.	6.12%
2011-24 Avg.	6.25%
2011-28 Avg.	6.54%
2019-28 Avg.	6.48%

* Premium Holiday (Approximately \$4.3m)

* Proposed

* Projected

* Projected

* Projected

* Projected

EXCELLUS SMALL GROUP MARKET

Requested Change = 12.6%

Approved Change = 12.0%

Historical Average Premium Rate Increases

2011-2023 Avg. Rate Increase = 6.12%

2019-2023 5-Year Avg. Rate Increase = 5.30%

Projected Average Premium Rate Increases

2011-2028 Avg. Rate Increase = 6.54%

2019-2028 Avg. Rate Increase = 6.48%

GTCMHIC vs Excellus Small Group Market

Excellus Small Group Premium Rate History Average Rate Requested vs. Average Rate Approved

<u>Calendar Year</u>	<u>Plan Type</u>	<u>Average Rate Requested</u>	<u>Average Rate Approved</u>	<u>Reduction</u>	<u>Date Approved</u>
2017	Small Group	12.30%	10.70%	-1.60%	8/5/2016
2018	Small Group	8.90%	8.90%	0.00%	8/15/2017
2019	Small Group	3.80%	3.80%	0.00%	8/3/2018
2020	Small Group	6.80%	5.70%	-1.10%	8/9/2019
2021	Small Group	4.40%	0.90%	-3.50%	8/13/2020
2022	Small Group	9.70%	8.70%	-1.00%	8/13/2021
2023	Small Group	12.90%	9.40%	-3.50%	8/18/2022
2024	Small Group	12.60%	12.00%	-0.60%	Pending

GTCMHIC Comparison

<u>GTCMHIC Approved Rate</u>	<u>GTCMHIC / Excellus Approved Variance</u>
5.00%	-5.70%
4.00%	-4.90%
5.00%	1.20%
5.00%	-0.70%
5.00%	4.10%
5.00%	-3.70%
6.50%	-2.90%
8.00% Proposed	-4.00%

Average	7.51%	5.44%	-2.08%
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Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14850 • (607)274-5590
Headquarters: 215 N. Tioga Street, Ithaca, NY 14850
www.healthconsortium.net consortium@tompkins-co.org

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

RESOLUTION NO. XXX-2023 – ELECTION OF 2024 CONSORTIUM OFFICERS

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Board of Directors elects the following individuals to serve from January 1, 2024 through December 31, 2024 in the roles as follows:

Chairperson - Rordan Hart
Vice Chairperson – Lisa Holmes
Chief Financial Officer – City Controller of the City of Ithaca
Secretary – Peter Salton



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RESOLUTION NO. XXX-2023 – CREATION OF 2024 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

WHEREAS, the Board of Directors at its Annual Meeting established a Committee structure and appointed members to the Consortium's standing committees, and

RESOLVED, upon recommendation of the Consortium's Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby appointments the following committee structure and membership to 2024 committees effective January 1, 2024:

EXECUTIVE COMMITTEE:

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms MEETINGS (subject to change): Bimonthly, 3rd Wednesday (Includes Pre-Board September meeting)

- | | |
|--------------------------------------------------------------------|------------------------------------------------|
| 1. Board Chair (Hart) | 7. Operations Chair (Granger) |
| 2. Board Vice Chair (Holmes) | 8. Nominations and Engagement Chair (Mutchler) |
| 3. Chief Financial Officer (City Controller of the City of Ithaca) | 9. Claims and Appeals Chair (Shattuck) |
| 4. Secretary (Salton) | 10. At-large (Snow) |
| 5. JCPSD Chair (DeVoe) | 11. At-large (Vacant) |
| 6. AFC Chair/At-large (Ray Bunce) | 12. At-large (Steve) |
| | 13. Past Chair (Drake) |

STANDING COMMITTEES:

Audit Committee

CHARGE: The Audit Committee shall be responsible to review audit filings, audit policies and procedures to be sure in compliance with Article 47 and the Certificate of Authority; establish a list of all reports due to the Board and regulators and the process and timeline to insure accurate and timely reporting.

MEMBERSHIP: Seats may be filled by Directors; 3 members-5 members; two-year staggered terms MEETINGS: Meetings to be held as necessary prior to the Finance Committee Meeting

Terms Expiring 12/31/25

1. Judith Drake (Chair)
2. Mark Emerson
3. Tanya DeGennaro
4. Chad Hayden
5. Mary Bouchard

Finance Committee

CHARGE: The Finance Committee shall be responsible to recommend a budget, recommend premium rates, review Jurat reports, recommend reinsurance and retention policies, and appropriate reserve levels in compliance with a municipal health care organization and any necessary policy and procedures relative to being fiscally prudent stewards of the organizations funds and assets.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members; two-year staggered terms
MEETINGS (subject to change): Monthly; 4th Tuesday

Terms Expiring 12/31/24

1. Scott Steve
2. Eric Snow
3. Bud Shattuck
4. Peter Salton
5. Kate DeVoe (Labor)

Terms Expiring 12/31/25

6. Judith Drake (Chair)
7. Kerry Manion
8. Amanda Anderson
9. Rordan Hart (Vice Chair)

Operations Committee

CHARGE: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

MEMBERSHIP: Seats may be filled by non-Directors; 8 members with two-year staggered terms
MEETINGS (subject to change): 1st Thursday quarterly

Terms Expiring 12/31/24

1. Ruby Pulliam
2. Laura Granger (Chair)
3. Schelley Michell-Nunn
4. Janine Bond
5. Judith Drake (Vice Chair)
6. Rita McCarthy
7. Brian Weinstein (Labor)

Terms Expiring 12/31/25

8. Kerrie Fusco
9. Sunday Earle
10. Mark Emerson

Nominations and Engagement Committee

CHARGE: The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
 - a. the work of committees;
 - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
 - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms
MEETINGS: 2x/year - As needed

- Terms Expiring 12/31/24
1. Gary Mutchler, Chair
 2. Vacant
 3. Kate DeVoe, Labor

- Terms Expiring 12/31/25
4. Judith Drake
 5. Rordan Hart

Claims and Appeals Committee

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms
MEETINGS: Meetings will be held as necessary.

- Terms expire 12/31/24
1. Don Fischer, Vice Chair
 2. Tanya DiGennaro
 3. Vacant (Labor)
 4. Mike Murphy

- Terms expire 12/31/25
5. Bud Shattuck, Chair
 6. Donna Dawson
 7. Tom Brown

* * * * *

Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives.

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): 2024 – To be held May, July, August, & November
Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee’s Bylaws.

* * * * *



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RESOLUTION NO. XXX-2023 – APPROVAL OF ADJUSTMENTS TO THE SILVER HIGH DEDUCTIBLE HEALTH PLAN

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (“GTCMHIC”) Board of Directors by their approval of Resolution No. 014-2015 adopted the “GTCMHIC Standard Silver Plan”, now known as the GTCMHIC Silver High Deductible Health Plan (“HDHP”) for inclusion in the GTCMHIC’s available benefit plan menu with an effective date of January 1, 2016, and

WHEREAS, the GTCMHIC in accordance with GTCMHIC Resolution No. 014-2015 annually reviews the actuarial value for its Silver HDHP to ensure it falls within its established range as set by the Centers for Medicare and Medicaid Services (“CMS”) of 70% +2% / -2%, subject to traditional mathematical rounding, and

WHEREAS, adjustments to the Silver HDHP have previously occurred in accordance with GTCMHIC Resolutions: 015-2016, 005-2018, 013-2020, 012-2020, and 029-2022, and

WHEREAS, upon entering data into the CMS actuarial value calculator for 2024 it has been determined that adjustments need to be made to the GTCMHIC Silver HDHP to get its actuarial value within its approved range, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, effective January 1, 2024, the following benefit plan adjustments will be made to the GTCMHIC’s Silver HDHP:

Silver HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$2,750/\$5,000	\$3,000 / \$6,000	\$4,125/\$8,250	\$4,500/\$9,000
Out-of-Pocket Single/Family	\$7,000/\$14,000	\$7,500 / \$15,000	\$10,500/\$21,000	\$11,250/\$22,500
Coinsurance Amount	80%	80%	50%	60%
Actuarial Value	72.68%	71.57%	72.68%	71.57%



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
 www.healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. XXX-2023 – APPROVAL OF ADJUSTMENTS TO THE GOLD HIGH DEDUCTIBLE HEALTH PLAN

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (“GTCMHIC”) Board of Directors by their approval of Resolution No. 014-2015 adopted the “GTCMHIC Standard Gold Plan”, now known as the GTCMHIC Gold High Deductible Health Plan (“HDHP”) for inclusion in the GTCMHIC’s available benefit plan menu with an effective date of January 1, 2016, and

WHEREAS, the GTCMHIC in accordance with GTCMHIC Resolution No. 014-2015 annually reviews the actuarial value for its Gold HDHP to ensure it falls within its established range as set by the Centers for Medicare and Medicaid Services (“CMS”) of 80% +2% / -2%, subject to traditional mathematical rounding, and

WHEREAS, adjustments to the Gold HDHP have previously occurred in accordance with GTCMHIC Resolutions 015-2016, 017-2017, 025-2018, 013-2020, and 012-2020, and

WHEREAS, upon entering data into the CMS actuarial value calculator for 2024 it has been determined that adjustments need to be made to the GTCMHIC Gold HDHP to get its actuarial value within its approved range, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, effective January 1, 2024, the following benefit plan adjustments will be made to the GTCMHIC’s Gold HDHP:

Gold HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$1,500/\$3,000	\$1,800 / \$3,600	\$2,250/\$4,500	\$2,700 / \$5,400
Out-of-Pocket Single/Family	\$3,500/\$7,000	\$3,600 / \$7,200	\$5,250/\$10,500	\$5,400 / \$10,800
Coinsurance Amount	80%	80%	60%	60%
Actuarial Value	82.55%	81.38%	82.55%	81.38%
