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125 East Court Street
Ithaca, NY 14850
607-274-5590
INFO: HinsConсор@tompkins-co.org
www.tompkins-co.org

Board of Directors Meeting

June 28, 2012 – 5:30 pm - Old Jail Conference Room

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

1. Call to Order
2. Approval of April 26, Minutes (**VOTE**) (5:30)
3. Changes to the Agenda
4. Reports from Steve Locey:
 - a. Financial Update (5:35)
 - b. Update on RFP's for Flex Spending Accounts and Employee Assistance Program (5:40)
5. Resolution: Appointment of Appeals Committee (**VOTE**) (5:45)
6. Resolution: Authorization to Execute Agreement with Pharmacy Benefits Manager (**VOTE**) (5:50)
7. Discussion of CanaRx options (6:00)
8. Introduction of topic: New Participant Interest in Joining the Consortium- Questions/Concerns (6:15)
9. Strategic Planning Committee (6:30)
 - a. Panel Presentation by Paul Bursic (Cornel) and Mark Coldren (Ithaca College) and Don Barber concerning changing the sands in Health Care Provider-Payer-Patient Dynamics to determine direction for Strategic Planning Committee
10. Joint Committee on Plan Structure and Design: Patient Centered Medical Home. (7:00) C. DeMarco
11. Current Consultant contract ends 12/31/12 RFP process discussion (7:15)
12. Adjournment (7:30)

Next Meeting: August 23, 2012

Consortium Members:

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

GREATER

**TOMPKINS COUNTY MUNICIPAL
HEALTH INSURANCE CONSORTIUM**

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Board of Directors

April 26, 2012

5:30 p.m.

Scott Heyman Conference Room

Draft 04-30-2012

Municipal Representatives:

Don Barber, Chair, Town of Caroline; Steve Thayer, City of Ithaca; Anita Fitzpatrick, Tompkins County; Laura Shawley, Town of Danby; Judith Drake, Town of Ithaca; Herb Masser, Town of Enfield; Betty Conger, Village of Groton; Mary Ann Sumner, Town of Dryden (excused at 7:02 p.m.); Lucia Tyler, Town of Ulysses; Elizabeth Karns, Village of Cayuga Heights

Voting Union Representatives:

George Apgar II, Ithaca Professional Fire Fighters Association; President, 2nd Labor Representative

Excused: Chantalise DeMarco, CSEA President, Joint Committee Chair; Rordan Hart Village of Trumansburg

Absent: Glenn Morey, Town of Groton; Charles Becker, Village of Dryden

Others in attendance:

Steve Locey, Locey & Cahill; Sharon Dovi, TC3 Human Resources Manager, Scott Futia, CSEA Deputy Director; David Squires, Tompkins County Finance Director; Joe Mareane, Tompkins County Administrator; Beth Miller, Nora Putnam, Excellus BCBS

Call to Order

The meeting was called to order at 5:30 p.m. by Mr. Barber.

Approval of Minutes – February 23, 2012

It was MOVED by Ms. Sumner, seconded by Ms. Drake, and unanimously adopted by voice vote to approve the minutes of February 23, 2012 as submitted. MINUTES APPROVED.

Financial Update

Mr. Locey distributed a financial update through March 31, 2012. He noted the Consortium now has an unencumbered positive balance of approximately \$120,000. He said Consortium started the year (on a cash basis) with slightly over \$4 million.

There was just under \$6.7 million in premium and \$109,000 in other income received thru March 31st for a total revenue of approximately \$6.82 million. The actual expense was approximately \$6.2 million, of which the majority was medical and prescription drug claims (\$5.64 million) and the remainder being administrative expenses, Stop-Loss, an adjustment payment to Excellus in the amount of \$80,000, and other expenses. There was a net income of \$608,000 for the period, leaving an ending balance of slightly under \$4.7 million. From this amount \$3.14 has to be allocated to the IBNR Reserve. In summary, the Consortium was in very good shape at the end of the first quarter.

Ms. Karns spoke of the increase in claims from January through March and asked what the normal variation in claims is. Mr. Locey and Mr. Squires said while prescription drug costs typically stay about the same from month to month, medical claims can greatly fluctuate depending on the severity of cases. Ms. Karns spoke of the importance of knowing what drives the large increases and asked how information can be gathered. Mr. Locey said he can obtain a large loss report from Excellus to identify what the driving reason was behind a large spike in costs. *Mr. Locey will contact Excellus to obtain a large loss report for losses over \$50,000 from 2011 and the first quarter of 2012.*

While reviewing the document containing actual results an error was discovered. A payment of \$51,000 should be listed under the NYS Graduate Medical Expense and all other entries moved down one line, increasing the total expenses from \$6,159,899.81 to \$6,210,899.81. *Mr. Locey will correct this on the spreadsheet and will send out a revised spreadsheet.*

Mr. Barber questioned the same number being listed across the spreadsheet for IBNR claims liability and asked if actuarial estimates are being done for the year. Mr. Locey said estimates are based on what the expected accrued claims are going to be for the year, and at this point claims are being paid for last year and some from this year. Therefore, each month actual claims are going to be very close to the incurred claims and moving forward incurred claims are going to look much like paid claims. He said the State is asking some questions about the IBNR but it appears they are not challenging this but trying to understand it. From this point forward the number that will be represented in the IBNR will be what the Consortium would expect to pay out in claims from this point forward since there has been a year of claims.

Mr. Mareane said premiums increased as of January 1st and asked if it is the expectation that because revenues were raised, if expenditures should be below the new revenue level and over the course of the year there would be a break-even or growth. Mr. Locey said there should be steady growth in revenue throughout the year and noted part of the reason premiums were raised was to further bolster the reserve. He also spoke of the need to increase premiums because of the inflation that can be expected in medical claims.

Mr. Locey reviewed the 2012 budget and said at this time claims are below budget by approximately 18%. Based on projections outlined in the Paid Claims Development Model, claims are 1.69% below where they were projected to be for the first 15 months. If the Consortium continues on this pace the repayment schedule for the capitalization payments should be able to be accelerated.

Mr. Locey presented the 2011 financial results and provided the following summary: The Fund Balance began at \$1.44. There was a net income of \$1.836 million, bringing the Fund Balance total to \$3.3 million. There were \$3.914 in total liabilities and reserves, leaving a \$656,000 negative balance. However, this negative amount was able to offset by being able to accrue things such as prescription drug rebates, Stop-Loss payments, insurance recoveries, and the \$718,000 advance payment to Excellus. Mr. Locey distributed and reviewed the financial results on an accrual basis; the results of this report show an ending balance of \$41,634.

At this time Mr. Locey distributed a report entitled "2011 Triangle Report" based on Excellus BCBS and Medco reports showing claims that were both incurred and paid in each of the months January 2011 thru March 2012. He explained the IBNR calculation and said the report shows the total incurred claims was \$24.8 million and the total IBNR for the period was \$2.6 million. This includes the \$1.28 million (IBNR/IBNP) plus what is expected to be paid for the period. This is the amount that will be reported to the State and represents 10.524% of the total incurred for the time period.

Ms. Tyler asked if the Stop-Loss insurance would provide coverage if there were some type of catastrophic event that impacted a large number of employees. Mr. Locey explained there are two levels of Stop-Loss insurance: Specific covers each individual covered under the plan and once the individual's claims goes above \$250,000 incurred in a given year and three months into the new year, the Stop-Loss insurance carriers pays every dollar above that; Aggregate Stop-Loss covers the entire group – if the Consortium exceeds its budget by 125% this coverage would go into effect.

Mr. Locey provided the Board with the 2011 Quarterly Report that is provided to the State and reviewed the contents. The report will be posted on the website.

Health Care Exchanges

Mr. Locey explained the State Legislature did not approve legislation to create healthcare exchanges that are part of the Affordable Healthcare Act. Each state is supposed to create healthcare exchanges that are intended to be an avenue for individuals and small employers to purchase health insurance through pools of benefit programs and insurance companies that would be established and coordinated by a state agency. A lot of states are not passing legislation and stating they are not going to do this. In New York the Legislature did not approve legislation; however, Governor Cuomo issued an Executive Order establishing a Statewide Health Exchange. As more is learned about this he will report back to the Board.

Health Insurance Buy-outs, Open Enrollment, and Pre-existing Conditions

Mr. Locey reported several questions have been asked through e-mail recently relative to the rules associated with these items. He provided a memo outlining each of these areas and summarized each as follows.

Pre-existing Condition: All plans provided through the Consortium provide benefits from the first date of coverage regardless of whether an illness or injury is a new occurrence or one which existed prior to enrollment in the plan. Mr. Locey said

by not having a policy concerning pre-existing conditions, someone could choose to take the health insurance when things are good, and then take out a policy at the time a need arises. However, there are many difficulties in trying to limit someone's health insurance coverage due to a pre-existing condition.

Employee Buy-outs: Mr. Locey said for a municipal self-insured environment, in many cases it doesn't make sense to offer buy-outs. He provided examples and said if premium has to be spread amongst the group to cover the lost revenue everyone will share in the expense. This also can result in employers competing against each other to get the employee buy-out high enough to entice someone to leave the plan, in addition to people going off the plan who aren't spending a lot of money.

Ms. Sumner said because the Town of Dryden pays 100% of the premium for older employees there is never any reason for any of them to opt out; however, she feels strongly this cannot be offered to people who don't have other coverage.

This is something the Board may wish to discuss in detail at a future time.

Presentation on Utilization Data from Excellus

Ms. Putnam, Information Consultant for Excellus, distributed copies of the Consortium's Health Management Report containing a high level review of claims that were incurred for 2011, and reviewed the items below contained the report. It was noted the figures do not include prescription drug costs and typically medical accounts for 70% of the costs; and the comparison population that was used includes 675,000 members with an average member age is 35 and average subscriber age is 48.

Demographics of the Consortium

- The population in 2011 – 2,001 contracts; 4,406 members;
- Average contract size: 2.2 members;
- Average membership age was 41; average subscriber age is 53;
- 51% of the population is male;

Financial Measures

- Plan cost in 2011 - \$16,886,753;
- Plan cost per member in 2011 – average of \$319 per member per month (claims);
- The plan cost per member per year in 2011 was 28% higher than the comparison population;
- The member cost share is 3% with the average member cost per contract at \$267; and
- 98% of the plan costs were remitted to a participating provider, with a savings of 33%

Plan Cost Distribution and High Cost Claimants

- 89% of the membership accessed care in 2011;

- 3% of the membership with claims in excess of \$25,000 accounted for 33% of the plan cost; and
- Three members had claims over \$250,000 and are forecasted to have claims greater than \$50,000 over the next 12 months;

Utilization

- The outpatient setting accounted for 40% of plan costs followed by the Physician setting with 38%;
- Physician office visits were 35% higher than the comparison population. The average total cost per visit was \$83;
- Emergency Room visits were 25% higher than the comparison with 19% of those visits classified as potentially avoidable visits. Emergency Room average costs per visit was \$1,302;
- The most costly and prevalent conditions amenable to prevention or optimal management include back pain – 19%, hypertension – 12%, and depression/anxiety – 11%.

Ms. Putnam will look into how urgent care center use is captured in the report and how chiropractic is correlated to back pain information. Ms. Miller said this report will be reviewed in more detail with the Joint Committee on Plan Structure and Design.

Update on New Excellus Claims Software Timeline

Ms. Miller distributed information and reviewed the timeline and information related to the upgraded Excellus system that will take effect on January 1, 2013. She said there are five groups that will have a product change: City of Ithaca, Town of Danby, Town of Groton, and the Village of Cayuga Heights Traditional plans will move to Classic Blue, and the County's Value Plan will move to the Comprehensive Classic Blue Plan. The entire Consortium will be moving to the new system and she extended an offer to all municipalities to meet with staff to go over the changes and enhancements.

Report from Joint Committee on Plan Structure and Design

Ms. Shawley, Vice Chair, reported the Committee has been reviewing the Requests for Proposals for the Employee Assistance, Flex Spending, and Prescription Benefit Manager Programs. The Committee also received presentations on CanaRx and the Excellus upgrade. Mr. Barber encouraged members to attend next week's meeting to hear a more thorough review of claims as well as a presentation from Jed Constantz and Dr. Loehr from Cayuga Family Medicine about Patient Centered Medical Homes. The goal is to identify risks, work with high-cost patients, and to reduce costs.

Report from the Strategic Planning Committee

Mr. Barber, Chair, reported the Committee meets bi-monthly and has been talking about how individuals can own their own health, wellness programs, and initiatives that are taking place to help people become more involved in taking control of their health.

Board of Directors
April 26, 2012

Mr. Barber reported at the last meeting he was directed to work on a confidentiality agreement and sharing Consortium data with CAP Connect. A copy of the confidentiality and business agreements were received and reviewed. A number of questions were brought forward and are now in the process of being reviewed. Mr. Locey is looking into whether the Consortium can authorize the release of data or whether each employer that is part of the Consortium has to sign off on the release of the data. Mr. Barber said discussions with CAP Connect are continuing and include details relating to the annual payment that was presented by CAP in addition to the how to determine what savings there would be for the Consortium. Mr. Barber and Ms. Karns will be meeting with CAP tomorrow to discuss this further.

Ms. Karns said she would like to know what percentage of Consortium members are using providers outside of the County.

Adjournment

On motion the meeting adjourned at 7:25 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2012 Treasurer's Report Data

							Quarterly Financial Results			
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	2012 Actual Results	2011 1st Quarter	2011 2nd Quarter	2011 3rd Quarter	2011 4th Quarter
Beginning Balance	\$4,089,400.96	\$4,310,051.59	\$4,710,431.05	\$4,698,024.02	\$5,229,089.93	\$4,089,400.96	\$4,089,400.96	\$4,698,024.02	\$5,001,888.89	\$5,001,888.89
Income										
Medical Plan Premiums	\$2,161,242.39	\$2,372,585.88	\$2,153,972.38	\$2,670,555.50	\$2,670,944.26	\$12,029,300.41	\$6,687,800.65	\$5,341,499.76	\$0.00	\$0.00
Ancillary Benefit Plan Premiums	\$4,178.91	\$8,382.37	\$8,986.06	\$9,077.55	\$8,603.80	\$39,228.69	\$21,547.34	\$17,681.35	\$0.00	\$0.00
Interest	\$271.39	\$368.26	\$334.70	\$416.49	\$248.99	\$1,639.83	\$974.35	\$665.48	\$0.00	\$0.00
Capitalization Investment	\$312.63	\$292.54	\$312.79	\$302.77	\$294.46	\$1,515.19	\$917.96	\$597.23	\$0.00	\$0.00
Other	\$52,813.55	\$185.16	\$56,276.25	\$0.00	\$0.00	\$109,274.96	\$109,274.96	\$0.00	\$0.00	\$0.00
Total Income	\$2,218,818.87	\$2,381,814.21	\$2,219,882.18	\$2,680,352.31	\$2,680,091.51	\$12,180,959.08	\$6,820,515.26	\$5,360,443.82	\$0.00	\$0.00
Expenses										
Medical Paid Claims	\$1,276,658.72	\$1,145,203.24	\$1,611,046.30	\$1,448,436.79	\$1,967,851.74	\$7,449,196.79	\$4,032,908.26	\$3,416,288.53	\$0.00	\$0.00
Rx Paid Claims	\$531,347.97	\$596,348.13	\$487,027.13	\$549,939.57	\$829,707.81	\$2,994,370.61	\$1,614,723.23	\$1,379,647.38	\$0.00	\$0.00
Medcial Admin Fees	\$115,158.69	\$61,448.58	\$59,183.87	\$59,194.86	\$59,044.25	\$354,030.25	\$235,791.14	\$118,239.11	\$0.00	\$0.00
Rx Admin Fees	\$11,355.53	\$11,300.35	\$11,304.89	\$12,084.22	\$11,503.25	\$11,548.24	\$33,960.77	\$23,587.47	\$0.00	\$0.00
NYS Graduate Medical Exp.	\$17,202.31	\$17,268.16	\$17,522.92	\$17,500.16	\$17,473.64	\$86,967.19	\$51,993.39	\$34,973.80	\$0.00	\$0.00
Specific Stop-Loss (Ded. \$250k)	\$32,794.76	\$32,830.55	\$32,891.77	\$32,960.76	\$0.00	\$131,477.84	\$98,517.08	\$32,960.76	\$0.00	\$0.00
Aggregate Stop-Loss (125%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Advance Deposit / Pre-Paid Claims	\$0.00	\$80,600.00	\$0.00	\$0.00	\$0.00	\$80,600.00	\$80,600.00	\$0.00	\$0.00	\$0.00
Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Consultant Fees	\$4,015.00	\$4,015.00	\$4,015.00	\$8,030.00	\$0.00	\$20,075.00	\$12,045.00	\$8,030.00	\$0.00	\$0.00
Audit Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Insurance (Directors & Officers)	\$768.00	\$20,371.41	\$0.00	\$0.00	\$0.00	\$21,139.41	\$21,139.41	\$0.00	\$0.00	\$0.00
Insurance (Professional Liability)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$11,774.64	\$0.00	\$11,774.64	\$0.00	\$11,774.64	\$0.00	\$0.00
Internal Coordination (Support)	\$406.30	\$436.90	\$838.10	\$744.60	\$0.00	\$2,425.90	\$1,681.30	\$744.60	\$0.00	\$0.00
Surety Bond Fee / Loan Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ancillary Benefit Premiums	\$8,460.96	\$11,612.43	\$8,459.23	\$8,620.80	\$8,565.02	\$45,718.44	\$28,532.62	\$17,185.82	\$0.00	\$0.00
Capitalization Repayment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$13,146.84	\$13,146.84	\$0.00	\$13,146.84	\$0.00	\$0.00
Total Expenses	\$1,998,168.24	\$1,981,434.75	\$2,232,289.21	\$2,149,286.40	\$2,907,292.55	\$11,268,471.15	\$6,211,892.20	\$5,056,578.95	\$0.00	\$0.00
Net Income	\$220,650.63	\$400,379.46	-\$12,407.03	\$531,065.91	-\$227,201.04	\$912,487.93	\$608,623.06	\$303,864.87	\$0.00	\$0.00
Ending Balance	\$4,310,051.59	\$4,710,431.05	\$4,698,024.02	\$5,229,089.93	\$5,001,888.89	\$5,001,888.89	\$4,698,024.02	\$5,001,888.89	\$5,001,888.89	\$5,001,888.89
Liabilities and Reserves										
IBNR Claims Liability	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85
Rate Stabilization Reserve	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61
Total Liabilities and Reserves	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46
Unencumbered Fund Balance	-\$268,318.87	\$132,060.59	\$119,653.56	\$650,719.47	\$423,518.43	\$423,518.43	\$119,653.56	\$423,518.43	\$423,518.43	\$423,518.43
Monthly Contract Count	2,006	2,004	2,006	2,005	2,003	10,024	6,016	4,008	0	0
Monthly Covered Lives	4,449	4,449	4,455	4,450	4,447	22,250	13,353	8,897	0	0

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2012 Treasurer's Report Data

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	2012 Actual Results	Quarterly Financial Results			
							2011 1st Quarter	2011 2nd Quarter	2011 3rd Quarter	2011 4th Quarter
Beginning Balance	\$4,089,401	\$4,310,052	\$4,710,431	\$4,698,024	\$5,229,090	\$4,089,401	\$4,089,401	\$4,698,024	\$5,001,889	\$5,001,889
Income										
Medical Plan Premiums	\$2,161,242	\$2,372,586	\$2,153,972	\$2,670,556	\$2,670,944	\$12,029,300	\$6,687,801	\$5,341,500	\$0	\$0
Ancillary Benefit Plan Premiums	\$4,179	\$8,382	\$8,986	\$9,078	\$8,604	\$39,229	\$21,547	\$17,681	\$0	\$0
Interest	\$271	\$368	\$335	\$416	\$249	\$1,640	\$974	\$665	\$0	\$0
Capitalization Investment	\$313	\$293	\$313	\$303	\$294	\$1,515	\$918	\$597	\$0	\$0
Other	\$52,814	\$185	\$56,276	\$0	\$0	\$109,275	\$109,275	\$0	\$0	\$0
Total Income	\$2,218,819	\$2,381,814	\$2,219,882	\$2,680,352	\$2,680,092	\$12,180,959	\$6,820,515	\$5,360,444	\$0	\$0
Expenses										
Medical Paid Claims	\$1,276,659	\$1,145,203	\$1,611,046	\$1,448,437	\$1,967,852	\$7,449,197	\$4,032,908	\$3,416,289	\$0	\$0
Rx Paid Claims	\$531,348	\$596,348	\$487,027	\$549,940	\$829,708	\$2,994,371	\$1,614,723	\$1,379,647	\$0	\$0
Medical Admin Fees	\$115,159	\$61,449	\$59,184	\$59,195	\$59,044	\$354,030	\$235,791	\$118,239	\$0	\$0
Rx Admin Fees	\$11,356	\$11,300	\$11,305	\$12,084	\$11,503	\$57,548	\$33,961	\$23,587	\$0	\$0
NYS Graduate Medical Exp.	\$17,202	\$17,268	\$17,523	\$17,500	\$17,474	\$86,967	\$51,993	\$34,974	\$0	\$0
Specific Stop-Loss (Ded. \$250k)	\$32,795	\$32,831	\$32,892	\$32,961	\$0	\$131,478	\$98,517	\$32,961	\$0	\$0
Aggregate Stop-Loss (125%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advance Deposit / Pre-Paid Claims	\$0	\$80,600	\$0	\$0	\$0	\$80,600	\$80,600	\$0	\$0	\$0
Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultant Fees	\$4,015	\$4,015	\$4,015	\$8,030	\$0	\$20,075	\$12,045	\$8,030	\$0	\$0
Audit Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance (Directors & Officers)	\$768	\$20,371	\$0	\$0	\$0	\$21,139	\$21,139	\$0	\$0	\$0
Insurance (Professional Liability)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Internal Coordination (Finance)	\$0	\$0	\$0	\$11,775	\$0	\$11,775	\$0	\$11,775	\$0	\$0
Internal Coordination (Support)	\$406	\$437	\$838	\$745	\$0	\$2,426	\$1,681	\$745	\$0	\$0
Surety Bond Fee / Loan Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ancillary Benefit Premiums	\$8,461	\$11,612	\$8,459	\$8,621	\$8,565	\$45,718	\$28,533	\$17,186	\$0	\$0
Capitalization Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0	\$0	\$13,147	\$13,147	\$0	\$13,147	\$0	\$0
Total Expenses	\$1,998,168	\$1,981,435	\$2,232,289	\$2,149,286	\$2,907,293	\$11,268,471	\$6,211,892	\$5,056,579	\$0	\$0
Net Income	\$220,651	\$400,379	-\$12,407	\$531,066	-\$227,201	\$912,488	\$608,623	\$303,865	\$0	\$0
Ending Balance	\$4,310,052	\$4,710,431	\$4,698,024	\$5,229,090	\$5,001,889	\$5,001,889	\$4,698,024	\$5,001,889	\$5,001,889	\$5,001,889
Liabilities and Reserves										
IBNR Claims Liability	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427	\$3,140,427
Rate Stabilization Reserve	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944	\$1,437,944
Total Liabilities and Reserves	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370	\$4,578,370
Unencumbered Fund Balance	-\$268,319	\$132,061	\$119,654	\$650,719	\$423,518	\$423,518	\$119,654	\$423,518	\$423,518	\$423,518
Monthly Contract Count	2,006	2,004	2,006	2,005	2,003	10,024	6,016	4,008	0	0
Monthly Covered Lives	4,449	4,449	4,455	4,450	4,447	22,250	13,353	8,897	0	0

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2012 Budget Performance Analysis

Results as of: 5/31/2012

of Months: 5

	2012 Adopted Budget	2012 Year-to-Date	2012 Actual Results	Variance	% Difference
Beginning Balance	\$4,089,400.96	\$4,089,400.96	\$4,089,400.96		
Income					
Medical Plan Premiums	\$28,758,872.12	\$11,982,863.38	\$12,029,300.41	\$46,437.03	0.39%
Ancillary Benefit Plan Premiums	\$44,000.00	\$18,333.33	\$39,228.69	\$20,895.36	113.97%
Interest	\$20,400.36	\$8,500.15	\$1,639.83	-\$6,860.32	-80.71%
Capitalization Investment	\$0.00	\$0.00	\$1,515.19	\$1,515.19	n/a
Other	\$154,500.00	\$64,375.00	\$109,274.96	\$44,899.96	n/a
Total Income	\$28,977,772.47	\$12,074,071.86	\$12,180,959.08	\$106,887.22	0.89%
Expenses					
Medical Paid Claims	\$19,674,216.88	\$8,197,590.37	\$7,449,196.79	-\$748,393.58	-9.13%
Rx Paid Claims	\$6,496,006.90	\$2,706,669.54	\$2,994,370.61	\$287,701.07	10.63%
Medical Admin Fees	\$661,466.86	\$275,611.19	\$354,030.25	\$78,419.06	28.45%
Rx Admin Fees	\$73,496.32	\$30,623.47	\$57,548.24	\$26,924.77	87.92%
NYS Graduate Medical Exp.	\$255,651.01	\$106,521.25	\$86,967.19	-\$19,554.06	-18.36%
Specific Stop-Loss (Ded. \$250k)	\$482,815.08	\$201,172.95	\$131,477.84	-\$69,695.11	-34.64%
Aggregate Stop-Loss (125%)	\$35,854.40	\$14,939.33	\$0.00	-\$14,939.33	-100.00%
Advance Deposit / Pre-Paid Claims	\$100,000.00	\$100,000.00	\$80,600.00	-\$19,400.00	-19.40%
Legal Fees	\$26,522.50	\$11,051.04	\$0.00	-\$11,051.04	-100.00%
Consultant Fees	\$53,045.00	\$22,102.08	\$20,075.00	-\$2,027.08	-9.17%
Audit Fees	\$5,304.50	\$2,210.21	\$0.00	-\$2,210.21	-100.00%
Insurances (Directors & Officers)	\$11,330.00	\$11,330.00	\$21,139.41	\$9,809.41	86.58%
Insurance (Professional Liability)	\$11,330.00	\$11,330.00	\$0.00	-\$11,330.00	-100.00%
Internal Coordination (Finance)	\$60,471.30	\$25,196.38	\$11,774.64	-\$13,421.74	-53.27%
Internal Coordination (Support)	\$45,618.70	\$19,007.79	\$2,425.90	-\$16,581.89	n/a
Surety Bond Fee / Loan Interest	\$36,712.08	\$15,296.70	\$0.00	-\$15,296.70	-100.00%
Ancillary Benefit Premiums	\$44,000.00	\$18,333.33	\$45,718.44	\$27,385.11	n/a
Capitalization Repayment	\$0.00	\$0.00	\$0.00		
Other Expenses	\$5,304.50	\$2,210.21	\$13,146.84	\$10,936.63	494.82%
Total Expenses	\$28,079,146.02	\$11,771,195.84	\$11,268,471.15	-\$502,724.69	-4.27%
Net Income	\$898,626.45	\$302,876.02	\$912,487.93		
Ending Balance	\$4,988,027.41	\$4,392,276.98	\$5,001,888.89		
Liabilities and Reserves					
IBNR Claims Liability	\$3,140,426.85	\$3,140,426.85	\$3,140,426.85		
Rate Stabilization Reserve	\$1,437,943.61	\$1,437,943.61	\$1,437,943.61		
Total Liabilities and Reserves	\$4,578,370.46	\$4,578,370.46	\$4,578,370.46		
Unencumbered Fund Balance	\$409,656.95	-\$186,093.48	\$423,518.43		

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2011-2012 Paid Claims Development Model

Date	Budgeted Claims			Actual Results			Variance
	Medical Claims	Rx Claims	Total Claims	Medical Claims	Rx Claims	Total Claims	
Jan-11	\$131,794.06	\$358,071.12	\$489,865.18	\$81,502.51	\$348,430.87	\$429,933.38	-\$59,931.80
Feb-11	\$1,016,697.01	\$497,321.00	\$1,514,018.01	\$1,212,254.15	\$487,887.06	\$1,700,141.21	\$186,123.20
Mar-11	\$1,317,940.57	\$497,321.00	\$1,815,261.57	\$1,116,658.26	\$494,743.39	\$1,611,401.65	-\$203,859.92
Apr-11	\$1,430,906.91	\$497,321.00	\$1,928,227.91	\$1,678,732.21	\$482,274.40	\$2,161,006.61	\$232,778.70
May-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,505,451.62	\$501,372.84	\$2,006,824.46	\$3,285.66
Jun-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,226,430.82	\$744,101.13	\$1,970,531.95	-\$33,006.85
Jul-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,307,041.00	\$483,480.51	\$1,790,521.51	-\$213,017.29
Aug-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,870,474.35	\$481,317.60	\$2,351,791.95	\$348,253.15
Sep-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,253,564.83	\$543,335.18	\$1,796,900.01	-\$206,638.79
Oct-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,527,720.00	\$350,808.50	\$1,878,528.50	-\$125,010.30
Nov-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,226,001.00	\$722,221.56	\$1,948,222.56	-\$55,316.24
Dec-11	\$1,506,217.80	\$497,321.00	\$2,003,538.80	\$1,679,861.00	\$864,999.39	\$2,544,860.39	\$541,321.59
Jan-12	\$1,639,518.07	\$541,333.91	\$2,180,851.98	\$1,276,658.72	\$531,347.97	\$1,808,006.69	-\$372,845.29
Feb-12	\$1,639,518.07	\$541,333.91	\$2,180,851.98	\$1,145,203.24	\$596,348.13	\$1,741,551.37	-\$439,300.61
Mar-12	\$1,639,518.07	\$541,333.91	\$2,180,851.98	\$1,611,046.30	\$487,027.13	\$2,098,073.43	-\$82,778.55
Apr-12	\$1,639,518.07	\$541,333.91	\$2,180,851.98	\$1,448,436.79	\$549,939.57	\$1,998,376.36	-\$182,475.62
May-12	\$1,639,518.07	\$541,333.91	\$2,180,851.98	\$1,967,851.74	\$829,707.81	\$2,797,559.55	\$616,707.57
Total	\$24,144,671.30	\$8,535,271.66	\$32,679,942.96	\$23,134,888.54	\$9,499,343.04	\$32,634,231.58	-\$45,711.38

-0.16%

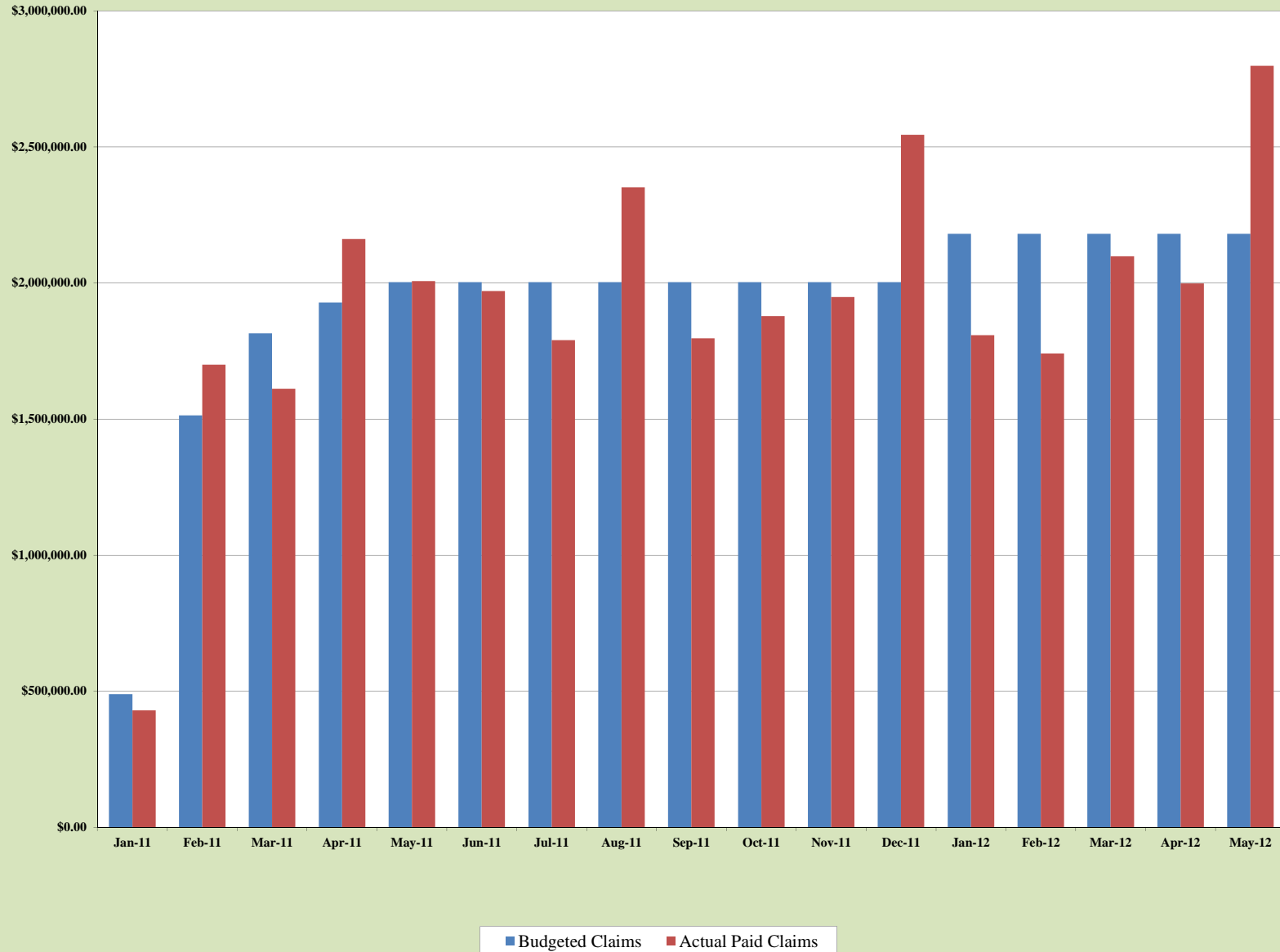
Cummulative Results

Date	Budgeted Claims			Actual Results			Variance
	Medical Claims	Rx Claims	Total Claims	Medical Claims	Rx Claims	Total Claims	
Jan-11	\$131,794.06	\$358,071.12	\$489,865.18	\$81,502.51	\$348,430.87	\$429,933.38	-\$59,931.80
Feb-11	\$1,148,491.07	\$855,392.12	\$2,003,883.19	\$1,293,756.66	\$836,317.93	\$2,130,074.59	\$126,191.40
Mar-11	\$2,466,431.64	\$1,352,713.12	\$3,819,144.76	\$2,410,414.92	\$1,331,061.32	\$3,741,476.24	-\$77,668.52
Apr-11	\$3,897,338.55	\$1,850,034.12	\$5,747,372.67	\$4,089,147.13	\$1,813,335.72	\$5,902,482.85	\$155,110.18
May-11	\$5,403,556.35	\$2,347,355.12	\$7,750,911.47	\$5,594,598.75	\$2,314,708.56	\$7,909,307.31	\$158,395.84
Jun-11	\$6,909,774.15	\$2,844,676.12	\$9,754,450.27	\$6,821,029.57	\$3,058,809.69	\$9,879,839.26	\$125,388.99
Jul-11	\$8,415,991.95	\$3,341,997.12	\$11,757,989.07	\$8,128,070.57	\$3,542,290.20	\$11,670,360.77	-\$87,628.30
Aug-11	\$9,922,209.74	\$3,839,318.12	\$13,761,527.86	\$9,998,544.92	\$4,023,607.80	\$14,022,152.72	\$260,624.86
Sep-11	\$11,428,427.54	\$4,336,639.12	\$15,765,066.66	\$11,252,109.75	\$4,566,942.98	\$15,819,052.73	\$53,986.07
Oct-11	\$12,934,645.34	\$4,833,960.12	\$17,768,605.46	\$12,779,829.75	\$4,917,751.48	\$17,697,581.23	-\$71,024.23
Nov-11	\$14,440,863.14	\$5,331,281.12	\$19,772,144.26	\$14,005,830.75	\$5,639,973.04	\$19,645,803.79	-\$126,340.47
Dec-11	\$15,947,080.94	\$5,828,602.12	\$21,775,683.06	\$15,685,691.75	\$6,504,972.43	\$22,190,664.18	\$414,981.12
Jan-12	\$17,586,599.01	\$6,369,936.03	\$23,956,535.04	\$16,962,350.47	\$7,036,320.40	\$23,998,670.87	\$42,135.83
Feb-12	\$19,226,117.08	\$6,911,269.94	\$26,137,387.02	\$18,107,553.71	\$7,632,668.53	\$25,740,222.24	-\$397,164.78
Mar-12	\$20,865,635.16	\$7,452,603.85	\$28,318,239.00	\$19,718,600.01	\$8,119,695.66	\$27,838,295.67	-\$479,943.33
Apr-12	\$22,505,153.23	\$7,993,937.75	\$30,499,090.98	\$21,167,036.80	\$8,669,635.23	\$29,836,672.03	-\$662,418.95
May-12	\$24,144,671.30	\$8,535,271.66	\$32,679,942.96	\$23,134,888.54	\$9,499,343.04	\$32,634,231.58	-\$45,711.38
				-4.18%	11.30%	-0.14%	

Greater Tompkins County Municipal Health Ins Consortium

2011-2012 Monthly Paid Claims v Budgeted Claims

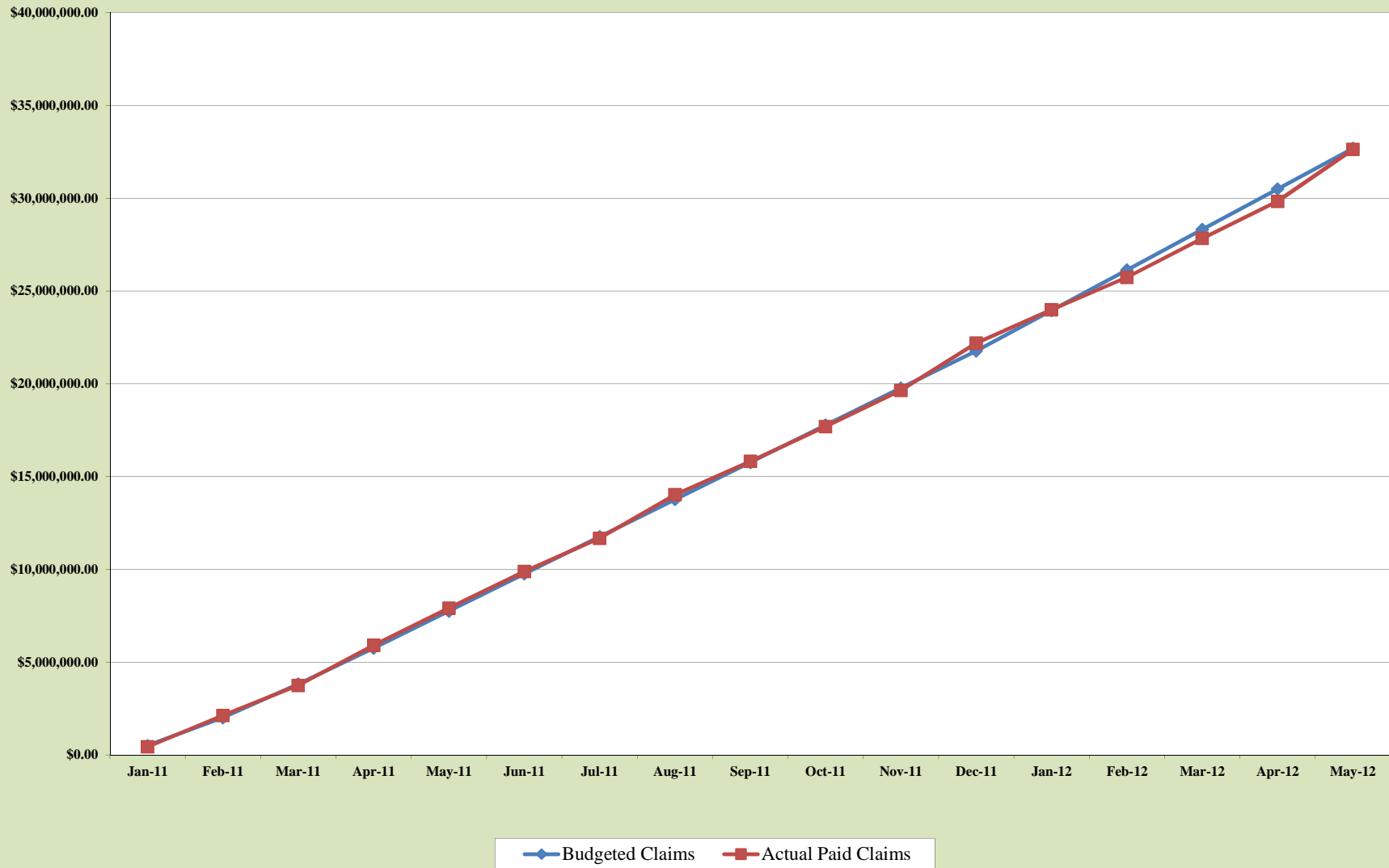
January 1, 2011 to May 31, 2012



Greater Tompkins County Municipal Health Ins Consortium

2011-2012 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to May 31, 2012



Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2010-2012 Capitalization Payments

Entity Name	Initial Investment	Percent Ownership	Total Investment Value	Amount Earned on Investment	Amount Paid	Balance Due
City of Ithaca	\$300,000.00	24.52%	\$300,900.26	\$900.26		\$300,900.26
County of Tompkins	\$500,000.00	40.86%	\$501,500.44	\$1,500.44		\$501,500.44
Town of Caroline	\$37,000.00	3.02%	\$37,111.03	\$111.03		\$37,111.03
Town of Danby	\$62,000.00	5.07%	\$62,186.05	\$186.05		\$62,186.05
Town of Dryden	\$137,032.00	11.20%	\$137,443.22	\$411.22		\$137,443.22
Town of Enfield	\$2,520.00	0.21%	\$2,527.56	\$7.56		\$2,527.56
Town of Groton	\$6,305.00	0.52%	\$6,323.92	\$18.92		\$6,323.92
Town of Ithaca	\$137,033.00	11.20%	\$137,444.22	\$411.22		\$137,444.22
Town of Ulysses	\$5,659.00	0.46%	\$5,675.98	\$16.98		\$5,675.98
Village of Cayuga Heights	\$18,040.00	1.47%	\$18,094.14	\$54.14		\$18,094.14
Village of Dryden	\$6,067.00	0.50%	\$6,085.21	\$18.21		\$6,085.21
Village of Groton	\$7,545.00	0.62%	\$7,567.64	\$22.64		\$7,567.64
Village of Trumansburg	\$4,535.00	0.37%	\$4,548.61	\$13.61		\$4,548.61
Totals	\$1,223,736.00	100.00%	\$1,227,408.28	\$3,672.28	\$0.00	\$1,227,408.28
Interest Earned (Consortium)	\$0.00					
Interest Earned (Bank)	\$3,672.28					
Bank Charges	\$0.00					
Total Capitalization	\$1,227,408.28					

Steve Locey

From: David Squires <dsquires@tompkins-co.org>
Sent: Monday, June 18, 2012 10:52 AM
To: Steve Locey
Subject: RE: Financial Update

There were 3 biweekly payments- 5/2 271,828 5/17 \$286,650, 5/29 \$271,229

Finance Director
607-274-5502

>>> "Steve Locey" <slocey@loceycahill.com> 6/18/2012 10:34 AM >>>

David:

Thank you for the update. Can you tell me if you paid Express Scripts / Medco in advance (June claims paid in May) or if the Rx paid claims are up due to an extra billing cycle? Just trying to understand the escalation in the monthly paid claims from an average of below \$600,000 to almost \$900,000 in May. Any information you could provide is greatly appreciated.

Thank You,
Steve Locey

Stephen P. Locey
President, CEO
Locey & Cahill, LLC
Armory Square
120 Walton Street, Suite 500
Syracuse, NY 13202-1180
Tel 315-425-1424
Fax 315-425-1394
Cell 315-727-3344

From: David Squires [<mailto:dsquires@tompkins-co.org>]
Sent: Monday, June 18, 2012 9:27 AM
To: slocey@loceycahill.com
Subject: Financial Update

Steve-

May income is off- The County did not get its May payment of \$1,001,434.60 deposited till 6/1. May also reflects the catch up for the Community College.

Finance Director
607-274-5502

Greater Tompkins County Municipal Health Insurance Consortium

2012 Paid Claims Budget v. Actual Results

Hospital / Medical \$19,674,216.88

	<u>Monthly Budgeted Claims</u>	<u>Monthly Actual Paid Claims</u>	<u>Cumulative Budgeted Claims</u>	<u>Cumulative Actual Paid Claims</u>	<u>% Difference</u>
Jan-12	\$1,639,518.07	\$1,276,658.72	\$1,639,518.07	\$1,276,658.72	-22.13%
Feb-12	\$1,639,518.07	\$1,145,203.24	\$3,279,036.15	\$2,421,861.96	-26.14%
Mar-12	\$1,639,518.07	\$1,611,046.30	\$4,918,554.22	\$4,032,908.26	-18.01%
Apr-12	\$1,639,518.07	\$1,448,436.79	\$6,558,072.29	\$5,481,345.05	-16.42%
May-12	\$1,639,518.07	\$1,967,851.74	\$8,197,590.37	\$7,449,196.79	-9.13%
Jun-12	\$1,639,518.07		\$9,837,108.44		
Jul-12	\$1,639,518.07		\$11,476,626.51		
Aug-12	\$1,639,518.07		\$13,116,144.59		
Sep-12	\$1,639,518.07		\$14,755,662.66		
Oct-12	\$1,639,518.07		\$16,395,180.73		
Nov-12	\$1,639,518.07		\$18,034,698.81		
Dec-12	<u>\$1,639,518.07</u>		\$19,674,216.88		
	\$19,674,216.88	\$7,449,196.79			

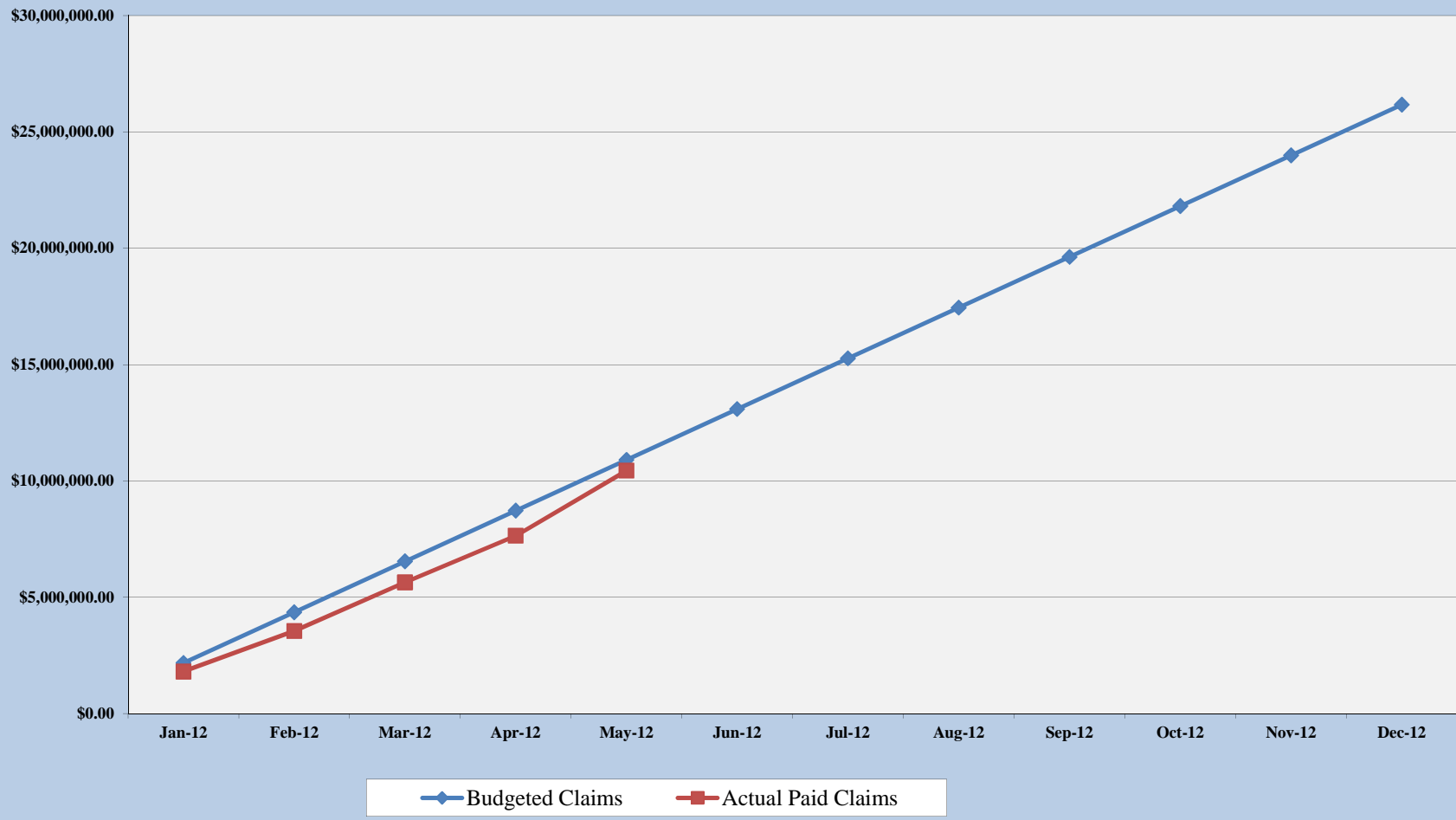
Presc. Drug \$6,496,006.90

	<u>Monthly Budgeted Claims</u>	<u>Monthly Actual Paid Claims</u>	<u>Cumulative Budgeted Claims</u>	<u>Cumulative Actual Paid Claims</u>	<u>% Difference</u>
Jan-12	\$541,333.91	\$531,347.97	\$541,333.91	\$531,347.97	-1.84%
Feb-12	\$541,333.91	\$596,348.13	\$1,082,667.82	\$1,127,696.10	4.16%
Mar-12	\$541,333.91	\$487,027.13	\$1,624,001.73	\$1,614,723.23	-0.57%
Apr-12	\$541,333.91	\$549,939.57	\$2,165,335.63	\$2,164,662.80	-0.03%
May-12	\$541,333.91	\$829,707.81	\$2,706,669.54	\$2,994,370.61	10.63%
Jun-12	\$541,333.91		\$3,248,003.45		
Jul-12	\$541,333.91		\$3,789,337.36		
Aug-12	\$541,333.91		\$4,330,671.27		
Sep-12	\$541,333.91		\$4,872,005.18		
Oct-12	\$541,333.91		\$5,413,339.08		
Nov-12	\$541,333.91		\$5,954,672.99		
Dec-12	<u>\$541,333.91</u>		\$6,496,006.90		
	\$6,496,006.90	\$2,994,370.61			

Total Claims \$26,170,223.78

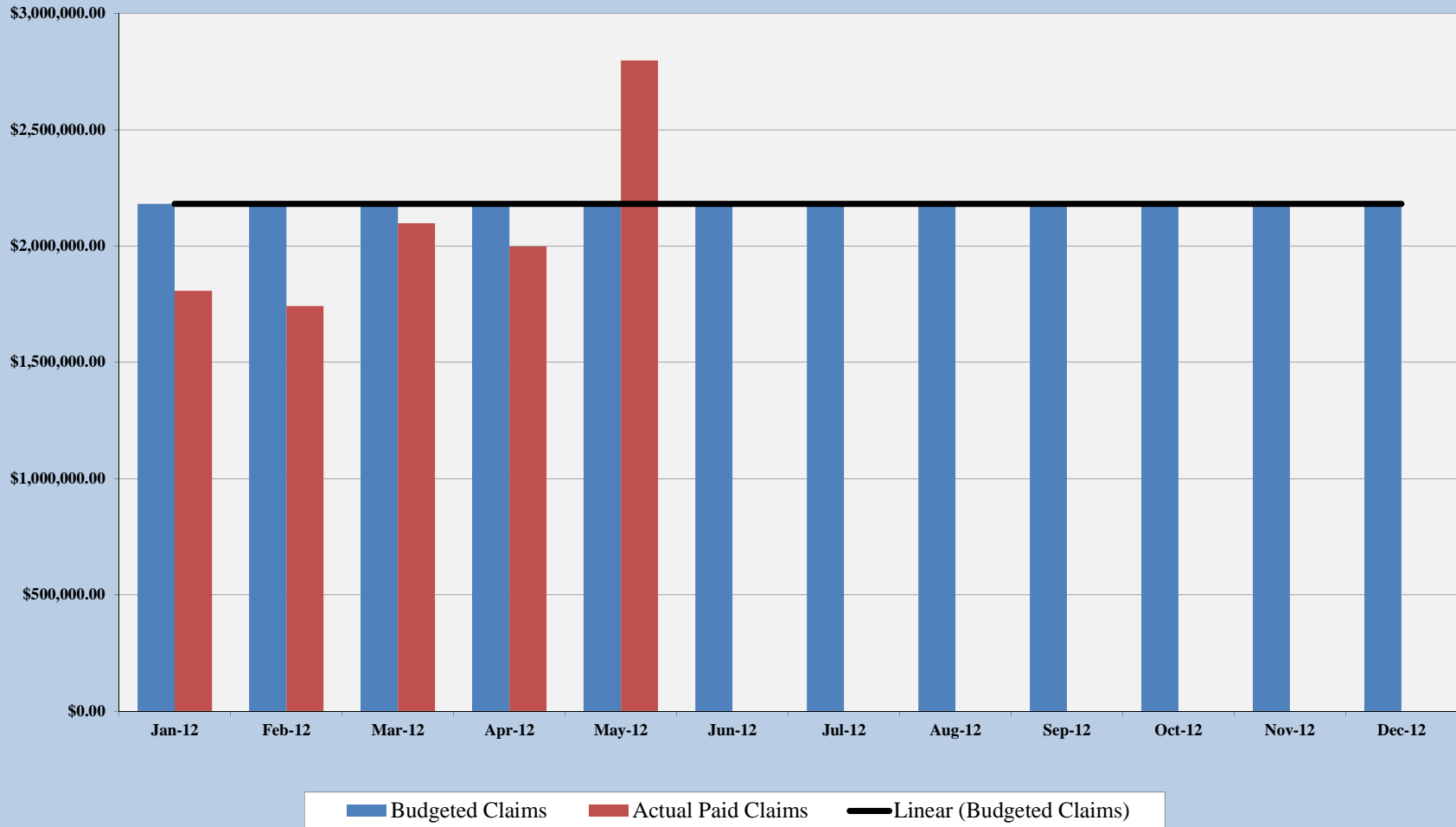
	<u>Monthly Budgeted Claims</u>	<u>Monthly Actual Paid Claims</u>	<u>Cumulative Budgeted Claims</u>	<u>Cumulative Actual Paid Claims</u>	<u>% Difference</u>
Jan-12	\$2,180,851.98	\$1,808,006.69	\$2,180,851.98	\$1,808,006.69	-17.10%
Feb-12	\$2,180,851.98	\$1,741,551.37	\$4,361,703.96	\$3,549,558.06	-18.62%
Mar-12	\$2,180,851.98	\$2,098,073.43	\$6,542,555.95	\$5,647,631.49	-13.68%
Apr-12	\$2,180,851.98	\$1,998,376.36	\$8,723,407.93	\$7,646,007.85	-12.35%
May-12	\$2,180,851.98	\$2,797,559.55	\$10,904,259.91	\$10,443,567.40	-4.22%
Jun-12	\$2,180,851.98		\$13,085,111.89		
Jul-12	\$2,180,851.98		\$15,265,963.87		
Aug-12	\$2,180,851.98		\$17,446,815.85		
Sep-12	\$2,180,851.98		\$19,627,667.84		
Oct-12	\$2,180,851.98		\$21,808,519.82		
Nov-12	\$2,180,851.98		\$23,989,371.80		
Dec-12	<u>\$2,180,851.98</u>		\$26,170,223.78		
	\$26,170,223.78	\$10,443,567.40			

Greater Tompkins County Municipal Health Insurance Consortium 2012 Cumulative Paid Claims by Month



Greater Tompkins County Municipal Health Insurance Consortium

2012 Budgetd vs Actual Paid Claims by Month





125 East Court Street
Ithaca, NY 14850
607-274-5590
INFO: HinsConсор@tompkins-co.org
www.tompkins-co.org

Municipalities building a
stable insurance future.

RESOLUTION NO. _____ : APPOINTMENT OF APPEALS COMMITTEE

MOVED by

Whereas, an appeals process is required by the New York State Department of Financial Services (formerly the New York State Insurance Department), and

Whereas, the Appeals Committee was initially appointed on November 18, 2010 and at that time it was decided by the Board of Directors that three members would be adequate to serve in this role, and

Whereas, the Appeal Committee shall meet on an as-needed basis and membership shall be reviewed periodically, now therefore be it

Resolved, That the membership of the Appeals Committee shall include the following members:

* * * * *

5

Consortium Members:

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



125 East Court Street
Ithaca, NY 14850
607-274-5590

INFO: HinsConсор@tompkins-co.org
www.tompkins-co.org

Municipalities building a
stable insurance future.

**RESOLUTION NO. _____ : AUTHORIZATION TO EXECUTE AN AGREEMENT WITH
_____ FOR THE PROVISIONS OF
PHARMACY BENEFITS MANAGER**

MOVED by

Whereas, the Greater Tompkins County Municipal Health Insurance Consortium authorized Locey and Cahill to issue a Request for Proposals for Prescription Drug Manager on August 25, 2011, and

Whereas, six (6) responses were received and analyzed by the RFP Review Committee, and

Whereas, the Review Committee has conducted a thorough analysis of response and has recommended that the Consortium enter into an agreement with _____ for the provisions of Pharmacy Benefits, now therefore be it

Resolved, 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 Medco for the provision of pharmacy benefits manager effective _____ through _____.

* * * * *

6

Consortium Members:

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