



## Greater Tompkins County Municipal Health Insurance Consortium

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

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

### Board of Directors Meeting May 14, 2020 – 6:00 pm

Join Zoom Meeting

<https://zoom.us/j/95710536048?pwd=NkxLODJnb3dsbXR2ZUs2NWt1VkVpUT09>

Meeting ID: 957 1053 6048

1(646) 558 8656/Password: 618517

1. Call to Order and Recognition of New Members
2. Approval of December 19, 2019 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
  - a. Reminder - Conflict of Interest Signatures
  - b. Appointments to Appeals and Audit and Finance Committees  
Jon Munson to Audit and Finance Committee; term expires December 31, 2021
5. Executive Committee Report (6:15) J. Drake
  - a. **RESOLUTION:** Ratify Action by Executive Committee to Waive Cost Sharing Related to COVID-19
6. Executive Director's Report (6:20) E. Dowd
  - a. Report
  - b. Updates Specifically Related to COVID-19
7. Report from Operations Committee (6:30) L. Holmes
  - a. **RESOLUTION:** Amendment to the Greater Tompkins County Municipal Health Insurance Consortium Code of Ethics and Conflict of Interest Policy (Amends Resolution Nos. 001 of 2014, 008 of 2016, and 016 of 2018)
8. Financial Report (6:40) S. Locey  
R. Snyder
  - a. Financial Update
  - b. Treasurers Report/2019 JURAT
9. Report from Audit and Finance Committee (6:55) M. Cook
  - a. **RESOLUTION:** Amendment to Administrative Services Agreement – Excellus Blue Cross Blue
10. Report from Governance Structure Committee (7:05) C. Rankin
11. Report from Joint Committee (7:15) J. Bower
12. Report from Owing Your Own Health Committee (7:20) K. Servoss
13. New Business (7:25)
14. Adjournment (7:30)

Next Meeting: June 26, 2020



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### **Board of Directors – APPROVED December 19, 2019 – 6:00 p.m. TC3 Forum**

#### ***Municipal Representatives: 25***

Mack Cook, City of Cortland	Jim Doring, Town of Preble
Greg Pelicano, Seneca County	Ed Wagner, Town of Owasco
Lisa Holmes, Tompkins County	Gary Mutchler, Town of Scipio
Alex Patterson, Town of Aurelius	Tom Brown, Town of Truxton (arrived at 6:20 p.m.)
Ed Fairbrother, Town of Big Flats (arrived at 6:25 pm)	Nancy Zahler, Town of Ulysses
Laura Shawley, Town of Danby	Eric Snow, Town of Virgil
Chuck Rankin, Town of Groton	Peter Salton, Village of Cayuga Heights
Judy Drake, Town of Ithaca	Michael Murphy, Village of Dryden
Tom Adams, Town of Marathon	Donna Dawson, Village of Horseheads (arrived 6:22 p.m.)
Richard Nielens, Town of Mentz	Kristen Case, Village of Homer
Terrance Baxter, Town of Moravia	Rordan Hart, Village of Trumansburg
Christine Laughlin, Town of Newfield	Bud Shattuck, Village of Union Springs
John Fracchia, Town of Caroline (via videoconference 6:10 p.m. to 6:45 p.m.)	

#### ***Labor Representatives: 4***

Olivia Hersey, 1<sup>st</sup> Labor Representative and Joint Comm. on Plan Structure & Design  
Jim Bower, 2<sup>nd</sup> Labor Representative  
Zack Nelson, 3<sup>rd</sup> Labor Representative (arrived at 6:12 p.m.)  
Tim Farrell, 5<sup>th</sup> Labor Representative (arrived at 6:32 p.m.)

#### ***Excused: 9***

Steve Thayer, City of Ithaca	Rick Gagliardi, Town of Sennett
Charmagne Rungay, Town of Lansing	Joan Jayne, Town of Niles
Luann King, Town of Cincinnatus	Nancy Niswender, Village of Groton
Kathrin Servoss, Town of Dryden	Ronny Hardaway, Village of Lansing
David Schenck, Town of Springport	

#### ***Absent: 7***

Alvin Doty, Town of Willet	John Malenick, Town of Montezuma
Miles McCarty, Village of Freeville	Doug Perine, 4 <sup>th</sup> Labor Representative
Ann Rider, Town of Enfield	Carol Sosnowski 6 <sup>th</sup> Labor Representative
Kevin Williams, Town of Homer	

#### ***Others in attendance:***

Elin Dowd, Executive Director	Don Barber, Consultant
Andrew Braman, Tompkins County Finance	Michelle Cocco, Clerk of the Board
Robert Spenard, Locey & Cahill	Jason Cole, Lansing Community Library

### **Call to Order**

Ms. Drake, Chair, called the meeting to order at 6:08 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Chair's Report**

Ms. Drake reminded members to provide the Consortium with a copy of the resolution for any appointments made to the Board of Directors by municipal boards at organizational meetings to ensure the Consortium has a record of the officially designated representatives to the Board. Also, Directors will be asked to sign a form acknowledging that they have read the Consortium's Code of Ethics.

Ms. Cocco briefly walked Directors through the Consortium's website to show where benefit plan summaries for each municipality can be accessed.

**Approval of Minutes – September 26, 2019**

It was MOVED by Mr. Baxter, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present, to approve the minutes of September 26, 2019 as submitted. MINUTES APPROVED.

**Appointments**

**MOTION NO. 003-2019 – APPOINTMENT OF MEMBERS TO THE AUDIT AND FINANCE COMMITTEE**

MOVED by Ms. Drake, seconded by Ms. Zahler, and unanimously adopted by voice vote by members present to appoint Jason Cole and Eric Snow to the Audit and Finance Committee for terms expiring December 31, 2022.

**MOTION NO. 004-2019 – REAPPOINTMENT OF MEMBERS TO THE OWNING YOUR OWN HEALTH COMMITTEE**

MOVED by Ms. Drake, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present, to approve the following reappointments to the Owing Your Own Health Committee for terms expiring December 31, 2022:

Kathy Servoss – Municipal Representative  
Emily Mallar – Community Health and Wellness Representative  
Jim Bower – Labor Representative

**Report from the Nominating Committee**

Mr. Patterson presented the recommendations from the Nominating Committee.

**RESOLUTION NO. 031-2019 – ELECTION OF 2020 CONSORTIUM OFFICERS**

MOVED by Mr. Patterson, seconded by Mr. Farrell, and unanimously adopted by voice vote by members present.

RESOLVED, on recommendation of the Nominating Committee, That the Board of Directors elects the following individuals to serve from January 1, 2020 through December 31, 2020 in the roles as follows:

Board of Directors  
December 19, 2019

Chairperson - Judith Drake  
Vice Chairperson – Rordan Hart  
Secretary – Peter Salton

RESOLVED, further, That the Consortium hereby appoints Richard Snyder as Consortium Treasurer and designates Steve Thayer as the Consortium’s Chief Fiscal Officer for 2020.

\* \* \* \* \*

Mr. Brown arrived at this time.

Ms. Dawson arrived at this time.

**Executive Committee**

Ms. Drake, Chair, reported the Committee met in December and received updates from the Executive Director and it’s Consultants, discussed marketing for the Consortium in the future, and Stop Loss insurance. The Committee will be meeting more frequently in 2020 to prepare for changes to the Municipal Cooperative Agreement.

**RESOLUTION NO. 032 - 2019 – DELEGATING AUTHORITY AND RESPONSIBILITY FOR CYBER SECURITY MATTERS TO THE OPERATIONS COMMITTEE**

Ms. Dowd said by February 15<sup>th</sup> the Committee has to confirm its Certificate of Completion for its Cyber Security audit. This is the first time the Consortium has had to be in compliance with that. The audit should be complete soon; due to the requirement to file the Certificate with the Department of Financial Services the Committee is requesting that the Board delegate authority to the Committee to take action to allow that to happen. Ms. Zahler asked if any issues of concern have been identified. Ms. Dowd said there have not been any but the Consortium is at the point of establishing what the audit will be going forward.

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

WHEREAS, the Board of Directors by Resolution No. 32 of 2018 delegated authority for developing Cyber Security Policies and Procedures to the Audit and Finance Committee, and

WHEREAS, the Consortium has developed and approved by Resolution No. 005 of 2019, a Cyber Security Program including Policy and Procedures, and

WHEREAS, the Tompkins County Information Technology Services Department has undertaken a Cyber Security Risk Assessment on behalf of the Consortium and presented a report to the Operations Committee, and

WHEREAS, the Executive Director is required to annually file a Certificate of Compliance by February 15, 2020, now therefore be it

RESOLVED, That the Board of Directors, due to the required timing of the Certificate of Compliance delegates to the Operations Committee the authority and responsibility for Cyber Security matters to ensure compliance with filing timelines,

RESOLVED, further, That the Operations Committee is directed to bring forward any action requiring approval back to the full Board of Directors for adoption.

\* \* \* \* \*

Mr. Fairbrother arrived at this time.

**RESOLUTION NO. 033-2019 - AMENDMENT OF RESOLUTION NOS. 11 AND 12 OF 2018 THAT AUTHORIZED THE CHAIRPERSON OF THE BOARD TO SIGN THE MUNICIPAL HEALTHCARE FINANCING COOPERATIVE INTER-MUNICIPAL AGREEMENT**

Ms. Drake said last year the Consortium was looking into a Captive for Stop Loss insurance and had entered into a municipal agreement but did not move forward. That group is moving forward and needs the Consortium to terminate its membership in the Captive for 2019-2020. If the Consortium would like to join in the future it can consider doing so.

MOVED by Mr. Hart, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present.

WHEREAS, the Board of Directors by Resolution No. 12 of 2018 authorized the Chair to sign an Inter-Municipal Agreement to participate in the Municipal Health Financing Cooperative (MHFC) as part of a captive layer model for Stop-Loss insurance, and

WHEREAS, the 2019 Stop-Loss proposal from Berkley, the Captive Stop-Loss insurer, was not competitive so the Consortium did not join the MHFC for 2019, and

WHEREAS, the MHFC did not start in 2019, because it did not have the statutory minimum of 3 municipal partners, and

WHEREAS, for reasons unknown to us Relph Benefits Advisors, the Consultant for MHFC, didn't contact the Consortium about our interest in continuing with MHFC in 2020, and

WHEREAS, enough members have committed to join the MHFC for 2020 so that it can be operational, and

WHEREAS, in order to advance forward with a cooperative municipal agreement, which the Consortium would no longer be a participant the GTCMHIC has been asked to consider terminating its membership in the MHFC's 5-G Inter-Municipal Agreement that the Consortium has signed, and

Whereas, the Municipal Healthcare Financing Cooperative has asked us to state that we waive the 90-day notice of termination in order for them to advance with new participants by January 1<sup>st</sup>, and

WHEREAS termination of our partnership in MHFC does not preclude us from applying to join in the future, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Greater Tompkins County Municipal Health Insurance Consortium wishes to officially terminate its membership in the Cooperative effective December 14, 2019,

RESOLVED, further, That the Executive Director is directed to submit a letter of termination signed by the Chair of the Board as required by the Cooperative to make the termination official.

\* \* \* \* \*

### **Executive Director's Report**

Ms. Dowd reported she and Mr. Barber traveled to Albany today to a meeting of the New York Healthcare Consortia as part of learning about collaborative ways to continue offering quality healthcare at affordable prices. She said most of the other consortias are school districts, so our Consortium is very unique.

Ms. Dowd said she provided a written report in advance of the Board meeting and invited Directors to ask any questions. She said sample documents are available at this meeting for Directors to provide notice that their municipality has looked at the MCA and had no comments regarding that or has passed a resolution recommending changes. This is the first step in the five-year review that needs to take place. A draft of the 2020 MCA is available on the Consortium's website; that document will continue to be refined at the next meeting of the Governance Structure Committee at its January meeting. Following that meeting it will be presented to Participants for comments along with a summary of the comments received on the 2015 MCA.

Ms. Dowd reported the Owning Your Own Health Committee is working on ways to engage employees to think more proactively about their health and become more involved in healthy lifestyles and healthy habits. During the holidays, the Consortium will be working collaboratively with Excellus and its Wellness Team and has put forth a program entitled the "Maintain Don't Gain Challenge" which involves employees signing up to receive weekly information. The first 100 participants will receive a water bottle and be eligible to participate in a raffle to win prizes at the end of the program.

Ms. Dowd said the program is open to all municipalities; however, participants to date have primarily been from Tompkins County. She asked Directors to encourage participation in the program and provide feedback on the best way to communicate effectively with members.

### **Financial Report**

Mr. Spenard reported on results through October 31<sup>st</sup> and said premium income was slightly below budget due to the number of members utilizing lower cost plan options. Interest income was significantly above budget due to rates increasing as well as the Consortium's financial management team doing a good job. Prescription drug rebates were below budget; however, this is expected due to prescription drug claims being below budget. To date, there have not been any Excellus Stop Loss reimbursements. Mr. Spenard reported medical paid claim expenses were 9.5% below budget and prescription drug claims were below budget by 6.6%. Revenue was slightly below budget; this is the result of members moving to lower-cost plans.

Mr. Spenard provided an overview and background on reserve accounts and said as of October 31<sup>st</sup> the Consortium had \$3.3 million in net income and the unencumbered fund balance was \$16.183 million. He referenced the expense distribution chart and stated 93.4% of the total expenses were used to pay all of the Consortium's expenses; these results show the Consortium is operating very efficiently. Overall, the Consortium performed very well during the first ten months of 2019 and expectations are for that trend to continue moving into 2020.

*Ms. Zahler asked that in the future that under the list of liabilities and reserves that the unencumbered fund balance be included on the list.*

Mr. Brown questioned why actuarial expenses were over-budget. Ms. Dowd explained this is part of the expense of GASB 75 and that more municipalities are participating than expected. In response to Ms. Holmes. Ms. Dowd said the movement of more members into lower-cost plans such as the Platinum Plan will be factored in budgeting.

**Report from the Audit and Finance Committee**

Mr. Cook, Chair, thanked Mr. Rankin for his service and valuable contributions to the Committee since the Consortium's conception.

Mr. Fracchia ended his video connection at this time.

Mr. Cook said Mr. Hart has been guiding the Committee in looking at its financial strength in the long-term sense aimed at stabilizing its rate and asked him to address that. Mr. Hart said the Consortium is in a strong financial position and has a large unencumbered fund balance. Several years ago a decision was made to have a target for that fund balance of 18% of budgeted claims; at this time it is at approximately 40%. Mr. Hart said there are options for ways to address that of which one is to reduce premiums as quickly as possible and this would be appealing to many. In his work in risk management he said he starts to become concerned about what health care costs are going to look like and what health insurance premiums are going to do over the next 20 years and if they continue to rise he questions how long the Consortium can stay below the larger averages.

Mr. Hart said as fund balance continues to grow, at some point the funds need to be returned to municipalities and this can be done in the form of lower premium increases on an annual basis. However, he suggested taking advantage of the Consortium's strong financial position to "shore up" the Consortium for the next couple of decades. One way to do this is to pay as little in premium as possible to reinsurers. He said if the Consortium budgets an amount for premium but pays less for that premium, the difference could be placed into the Catastrophic Claims Reserve and another option is to shift fund balance as well. He suggested placing additional funds in the Rate Stabilization Reserve as well to provide the Consortium with ability to absorb high cost claims without having to suddenly raise premium. He expressed concern with returning funds to municipalities and then having to recover from a bad year or two of claims. He said once the Reserves reach a high-enough level he would suggest returning as much as possible to municipalities in terms of premium rate mitigation in good years. The proposed resolution is a step towards doing this.

Ms. Dowd commented that the Audit and Finance Committee would be looking at whether adjustments should be made to any other reserves and adjusting the unrestricted funds. Ms. Drake said they will also be looking at how to manage the Catastrophic Claims Reserve and how to manage large claims.

Mr. Brown spoke in support of rate stabilization.

**RESOLUTION NO. 034-2019 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2020 WITH EXCELLUS BLUECROSS BLUESHIELD AND INCREASE OF CATASTROPHIC CLAIMS RESERVE AND RATE STABILIZATION RESERVE**

MOVED by Mr. Brown, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, and

WHEREAS, the Audit and Finance Committee has received two (2) proposals for 2020 Stop-Loss insurance and has considered the variations of Stop Loss insurance models and level of deductible, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of the Stop Loss insurance policy with a deductible of \$1M for the

policy period January 1, 2020 to December 31, 2020 with Excellus BlueCross BlueShield to include claims incurred from January 1, 2020 thru December 31, 2020 and paid during the period of January 1, 2020 thru March 31, 2021,

RESOLVED, further, That the Board of Directors hereby approves an increase in the Catastrophic Claims Reserve from \$2.8 million to \$ 4.5 million,

RESOLVED, further, That the Board of Directors hereby sets the Rate Stabilization Reserve at 7.5% of expected claims,

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

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**RESOLUTION NO. 035-2019 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES:  
ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS  
LIABILITY, EMPLOYMENT PROTECTION COVERAGE, AND A  
FIDELITY BOND**

MOVED by Mr. Fairbrother, seconded by Mr. Patterson, and unanimously adopted by voice vote by members present.

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Tompkins County Risk Manager and the Audit and Finance Committee, That the Consortium shall purchase coverage for these policies from the following for the period January 1, 2020 thru December 31, 2020:

- Errors and Omissions Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon); and
- A Fidelity Bond

RESOLVED, further, That the Chair of the Board is authorized to execute the renewal documents for the policies listed above.

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**RESOLUTION NO. 036-2019 - APPROVAL OF 2020 HEALTHCARE BENEFITS RENEWAL  
WITH EXCELLUS BLUECROSS BLUESHIELD**

MOVED by Mr. Murphy, seconded by Mr. Baxter, and unanimously adopted by voice vote by members present.

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, Section E Paragraph 11 of 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 prefers to add the carve out pharmacy integration fee to the Consortium PMPM administration fee effective January 1, 2020, with the rate being adjusted each year as not to exceed the contracted total rate,

WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Admin 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 That the Board of Directors hereby approves the 2020 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2020, 2021, and 2022,

RESOLVED, further, That the Chair of the Board be authorized to execute the 2020 contract on behalf of the Consortium.

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**RESOLUTION NO. 037-2019 – APPROVAL OF CONTRACT FOR INVESTMENT  
MANAGEMENT SERVICES – WILMINGTON TRUST –  
JANUARY 1, 2020 – DECEMBER 31, 2020**

MOVED by Mr. Mutchler, seconded by Mr. Brown, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium by Resolution No. 032 of 2018 entered into a one-year contract for with Wilmington Trust for investment management services for 2019, and

WHEREAS, Wilmington Trust has satisfactorily honored the terms of its contract including the delivery of reporting as requested, completion of Schedule B of the Consortium's JURAT financial filings with DFS (Department of Financial Services), and

WHEREAS, the Consortium is pleased with the service provided by Wilmington Trust and wishes to extend its contractual relationship for 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Consortium to enter into a contract extension with Wilmington Trust for investment management services for a one-year term period January 1, 2020 through December 31, 2020,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract on behalf of the Consortium.

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**RESOLUTION NO. 038-2019 – AUTHORIZING FINANCIAL SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2020 THRU DECEMBER 31, 2020**

MOVED by Mr. Rankin, seconded by Mr. Pelicano, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium initially formalized a contract with the Office of the Tompkins County Finance Director for the performing Consortium Treasurer functions on July 27, 2018, and

WHEREAS, the Consortium wishes to continue this contract arrangement, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby authorizes the Chair of the Board to sign the Financial Services Agreement with Tompkins County for a term commencing January 1, 2020 through December 31, 2020,

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

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**RESOLUTION NO. 039-2019 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2020 THRU DECEMBER 31, 2020**

MOVED by Mr. Murphy, seconded by Mr. Patterson, and unanimously adopted by voice vote by members present. Mr. Brown asked if these services have ever gone out to bid. Ms. Dowd said they had not; all of the Consortium's systems are integrated under the County's platform.

WHEREAS, the Consortium has received technical assistance at no charge from the Tompkins County Information Technology Services Department (ITS) since beginning operations in 2011, and

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, audio and visual assistance, development of a secure online enrollment program, and general computer support, and

WHEREAS, the frequency of requests and time involved has increased as the Consortium has grown, and

WHEREAS, the Executive Committee has recommended that the Consortium provide compensation for work done by the Department on behalf of the Consortium,

WHEREAS, the Audit and Finance Committee review the Memorandum of Understanding (MOU) for Information Technology Services and has recommend that the Board of Directors authorize the Board Chairperson to sign this MOU, and

WHEREAS, since initially approved by the Audit and Finance Committee, the need was identified for additional Information Technology Services to be added to the MOU for assistance with the Consortium's compliance with NYCRR 500 Cybersecurity requirements, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2020 based on a rate for an average of seven (7) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2020 thru December 31, 2020 for a total of \$5,040,

RESOLVED, that the amount of \$5,040 will be submitted as a single invoice by ITS in January, 2020, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

RESOLVED, further, That the Chair of the Board is hereby authorized to execute this contract on behalf of the Consortium,

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

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**RESOLUTION NO. 040-2019 - AUTHORIZATION FOR CHAIR TO SIGN CONTRACT - CSEA DENTAL/VISION PLAN – JULY 1, 2020 – JUNE 30, 2023**

MOVED by Mr. Fairborther, seconded by Ms. Zahler, and unanimously adopted by voice vote by members present. Ms. Drake commented that work is underway to have CSEA benefits directly billed to municipalities.

WHEREAS, members of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) have access to dental and vision coverage through CSEA, and

WHEREAS, this benefit is not a Consortium product, so the premium costs are a straight pass through with those members protected by this benefit paying all of the premium cost, and

WHEREAS, the members using this benefit from CSEA are very happy with the cost and benefit coverage, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the GTCMHIC Board of Directors authorizes the Chairperson to sign a three-year contract for this benefit package with CSEA Employee Benefit Fund for the period July 1, 2020 thru June 30, 2023.

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**RESOLUTION NO. 041-2019 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – JANUARY 1, 2020 – DECEMBER 31, 2020**

MOVED by Mr. Salton, seconded by Mr. Murphy, and unanimously adopted by voice vote by members present.

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

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium issued a Request for Proposals and by Resolution adopted on October 28, 2010, selected Locey & Cahill, LLC of Syracuse to provide consulting services for the Consortium, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium continue to retain Locey and Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium's contract with Locey and Cahill, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby extends its contract with Locey & Cahill, LLC for an additional one-year term for the period January 1, 2020 through December 31, 2020.

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**Report from the Operations Committee**

Ms. Holmes, Chair, reported the newly formed Committee has met twice; at it's initial meeting the Committee established it's leadership and reviewed the goals and purpose of the Committee. At the second meeting the Committee discussed a routing grid for topics and items that will be coming through the Consortium's committees and received a report from Greg Potter, Tompkins County Director of Information Technology Services, on the Cyber Security Audit and Risk Assessment. He reviewed what ITS will be undertaking as part of that audit which is very thorough. The Committee will meet next on December 23<sup>rd</sup>.

**Report from the Governance Structure/MCA Review Committee**

Mr. Rankin, Chair, reported the Committee met on November 13<sup>th</sup> and continued the process of reviewing the Municipal Cooperative Agreement and feedback from the Consortium's legal counsel. Municipalities were asked to submit comments on the 2015 MCA; he asked members to provide feedback, if possible, through a form being provided at this meeting. The next meeting of the Committee will be January 8<sup>th</sup>.

**Report from the Joint Committee on Plan Structure and Design**

Ms. Hersey, Chair, reported canceled the last two meetings due to the holidays and weather but will meet again on February 6<sup>th</sup>. The focus now will be filling labor seats on committees as well as replacing her as Chair of the Committee. Ms. Drake commented that 2020 will be a busy year

for the Committee as they will be looking at the actuarial values for Metal Plans and will likely be making recommendations for adjustments. She stressed the importance of every municipality sending a representative to these meetings. Ms. Zahler asked that Directors receive notification of these meetings.

### **Report from the Owning Your Own Health Committee**

Ms. Dowd reported on behalf of Kathy Servoss, Chair, and called attention to the Consortium's Newsletter and an article highlighting the record-breaking participation in members getting the flu shot vaccination. She said the Committee is working on how to improve the delivery of information to members and will be meeting back-to-back with the Joint Committee on Plan Structure and Design so that information and ideas can be shared. A final time for meetings has not yet been set. The next promotion the Committee will be working on is the Blue4U biometric baseline testing that is provided free of charge to members of Metal Level Plans. Anyone who is interested in hosting a clinic were asked to let her know; there is a minimum of ten sign-ups for a clinic to be hosted. Ms. Drake said communication to employees is important and municipalities are being encouraged to join the informational conference call that will be held and to promote this free benefit to members of Metal Level plans.

### **New Business**

There was no new business.

### **Adjournment**

The meeting adjourned at 7:28 p.m.

**GTCMHIC Executive Director Report  
Board of Directors  
May 2020**

COVID -19

The Consortium has been faced with many issues related to the 2019 Novel Coronavirus (COVID-19) and we have responded quickly to make sure our subscribers have access to the care they need. In addition, we have been working closely with our partners, ProAct and Excellus, to make sure we remain compliant with government mandates and any other required changes. To date, we have implemented the following:

- Waived all copay or co-insurance related fees to COVID-19 care (testing, diagnoses, treatment, etc.) through May 31<sup>st</sup>, 2020;
- Waived restrictions on prescription renewal limitations;
- Waived co-pays on any Telemedicine visits, regardless of diagnosis, through May 31<sup>st</sup>, 2020; and
- Members with high deductible health plans will not be responsible for copayments, coinsurance and deductibles for COVID-19 related testing even if the deductible has not been met, under guidance from the Internal Revenue Service. This also means that an individual with an HDHP (High Deductible Health Plan) that covers these costs may continue to contribute to a Health Savings Account (HSA).

At the close of April the Consortium spent \$8,200 in year-to-date costs related to COVID-19 testing and diagnosis. We are averaging about \$201.64 per member who have been diagnosed. I will continue working with our partners at Excellus and Locey and Cahill to review unexpected claims expense during the pandemic. The May Board meeting will include an update on expected claims experience related to COVID-19 and we will continue to evaluate how waiving the member cost sharing or the impact the overall cost of care will have on the Consortium in the long run. Given that approximately 75% of the patients to date who have been the most ill from COVID-19 were all Medicare-aged or older, and given that many covered members have not sought care for minor, elective, or other less-urgent conditions, we are of the opinion that in the short-term the cost impact overall will be minor. It is too early to tell the long-term consequences and we will continue to review this as we have more experience.

As a result of the economic downturn several municipalities have been asking questions about health care coverage during employee furloughs and layoffs. We will be seeing several members who still offer the Classic Blue and PPO plans start migrating members to less expensive Metal Level Plans, like the Platinum Plan; and to start moving Medicare eligible retirees to the Medicare Supplemental Plans. We are making sure that municipalities understand their legal obligations to offer continuation of coverage to employees as required by the Federal COBRA law and the New York State continuation of coverage law. The municipality, not the Consortium, determines what is best regarding effective dates of coverage; including when coverage begins and terminates. We recommend that once an employee is terminated or laid off that the municipality terminates them from the plan and offers COBRA. It is not in the best interest of an organization, the Consortium, and sometimes the employee, to keep them active.

In addition to healthcare needs discussions have already started regarding the toll the economic downturn will have on local governments and their ability to pay premiums or respond to requests to utilize reserves and other fund balances to mitigate the financial hardship municipalities will inevitably endure in 2020 and beyond. I will continue to work with our plan consultants and the Tompkins County Financial Department to make sure we have the financial models necessary to assist with decisions as we review the budget and 2020/2021 budget recommendations.

Annual Audit and JURAT

At the Audit and Finance Committee meeting in April the 2019 annual audit and 2019 Year End JURAT was reviewed and approved. We ended 2019 with a net income of \$4.4 million which will be added to our reserves and fund balances and may be used to help mitigate premium increases in future years. Less than expected paid claims for both medical and prescription drugs improved our results and additional income from our investments helped boost our above-budget performance. The Audit has been posted on the Financial section of the Consortium's website: <http://www.healthconsortium.net/governance/financials>

MCA

All Municipalities have received a copy of the proposed 2020 MCA Amendment and all but six have responded with comments. There is unanimous support from those that have responded to advance the current draft without additional changes. A copy was also sent to the DFS (Department of Financial Services) for its review. The DFS has requested additional information regarding our Certificate of Authority (COA) and all counties we currently serve. Once we update the COA, we will be able to finalize our MCA amendments and anticipate submitting a final copy to the Board for approval at the June meeting.

New Member Update

Don Barber has been working closely with municipalities that wish to join the Consortium in 2021. Don and I had planned on having GTCMHIC introductory meetings in each county during March and April. Unfortunately, due to the recent turn of events, we have had to schedule Zoom meetings with prospective members in May.

We have sent out the following invitation to potential municipal members and have received a few RSVPs for the May 19<sup>th</sup> noon meeting:

"In this time of economic uncertainty, the best laid plans for municipal funding and spending are turned on its head. We know that revenues are reduced and drastic spending cuts must be considered. I am writing to make you aware of a possibility to reduce spending on health insurance premiums while maintaining benefits. As you explore next year's health care options available for your municipality, please review the materials attached, consider joining one of our informational webinars, explore [our website](#), or contact me for more information.

To register for one of the following four interactive Zoom webinars please email us at [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org).

<b><u>May 12<sup>th</sup></u></b>	<b><u>May 19<sup>th</sup></u></b>	<b><u>May19<sup>th</sup></u></b>	<b><u>May 28<sup>th</sup></u></b>
5:00pm	12:00pm	5:30pm	5:00pm

We look forward to learning more about you and how we can provide your municipality with an opportunity to reduce your health care expenses without reducing quality.

Prescription Drug Claims Audit

BMI is wrapping up their audit of ProAct and prescription drug related claims. We should have feedback on the audit by mid-May and I will share results as they become available.

As soon as we close the prescription drug related audit, we will secure a vendor for the Excellus medical claims audit.

#### Joint Committee on Plan Structure and Design

Due to Olivia Hersey's upcoming retirement, a new Chair was elected at the February meeting. James Bower from the Town of Ithaca/Bolton Point was elected as the new Chair. Mr. Bower will work with the Committee to increase labor participation at Committee and Board level. Olivia Hersey's vacated Board seat remains open with nominations coming up at the June meeting.

A copy of the Excellus Utilization Review for 2019 was also reviewed at the May meeting and a copy can be found on the Consortium website. More information related to both Excellus and ProAct's utilization review will be discussed at the June Board meeting and plans for improvement will be addressed at the Owning Your Own Health Committee meetings.

#### Plan Design Changes

The actuarial value (AV) calculator is published each year by Centers for Medicare & Medicaid Services (CMS.) The Patient Protection and Affordable Care Act (PPACA) stipulates that AV be calculated based on the provision of essential health benefits (EHB) to a standard population. The statute groups health plans into four tiers: bronze, with an AV of 60 percent; silver, with an AV of 70 percent; gold, with an AV of 80 percent; and platinum, with an AV of 90 percent. Initial analysis suggests that changes will be required for at least three of our four plans. The Joint Committee on Plan Structure and Design has reviewed preliminary results and recommendations. A more thorough review of the recommended changes is planned for the June Joint Committee meeting.

#### Operations

DFS requested that we present our Business Continuity and Disaster Recovery Plan for their review to make sure we had the systems in place to respond appropriately to the COVID 19 pandemic. Additional work needs to be done to ensure we have all the safeguards in place to finalize a new policy. The work on this will be the focus of future agenda items for the Operations Committee.

#### Staffing

As many of you know, Brittni Griep has moved to the Office of the Clerk of the Tompkins County Legislature and is transitioning away from supporting the Consortium. We are thankful to the Tompkins County for allowing Brittni to work with us as we transition to a new assistant. We also want to show our appreciation to Brittni for helping the Consortium establish our office and define the newly created position of Administrative/Computer Assistant. We are grateful for her service. Thank you Brittni!

I am pleased to announce that we have hired a new Administrative Computer Assistant, Debra Meeker. Debra has significant administrative support experience, including her evening job supporting TC3's Ithaca Extension Center. Debra also has a good understanding of insurance, as she is a licensed independent insurance agent that represents AFLAC. Debra's insurance background coupled with her administrative experience will be a great addition to the Consortium. Debra will continue training with Brittni and will be working directly with myself and Michelle Cocco going forward. Please be on the lookout for emails and other information sent out under her signature.

*Respectfully submitted by Elin R. Dowd, Executive Director, May 11, 2020*





## 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. - 2020 – RATIFYING ACTION OF THE EXECUTIVE COMMITTEE TO WAIVE COST SHARING FOR THE TREATMENT OF COVID-19**

WHEREAS, On Thursday, April 2nd, the BlueCross BlueShield Association announced that independent and locally operated BlueCross BlueShield plans across the country decided to waive member cost-sharing for the treatment of COVID-19 through May 31, 2020, and

WHEREAS, this waives the member’s copayment or cost share for testing, diagnosis and treatment, even if that treatment is delivered in the hospital, and

WHEREAS, it was recommended that it was in the best interest of Consortium to implement these measures effective April 10<sup>th</sup> to ensure that all members had access to the medical care needed without incurring any out of pocket expense will be helpful in slowing the spread of the virus, and

WHEREAS, due to the urgency in implementation of this waiver was unanimously approved by an electronic poll of the Executive Committee on May 8, 2020, now therefore be it

RESOLVED, That the Board of Directors hereby retroactively ratifies the action of the Executive Committee and approves the retroactive waiving of the member cost-sharing for the treatment of COVID-19 through May 31, 2020.

\* \* \* \* \*



## Greater Tompkins County Municipal Health Insurance Consortium

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

**RESOLUTION NO. - 2020 – AMENDMENT TO THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM CODE OF ETHICS AND CONFLICT OF INTEREST POLICY (AMENDS RESOLUTION NOS. 001 OF 2014, 008 OF 2016, AND 016 OF 2018)**

WHEREAS, on February 27, 2014, the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium ("GTCMHIC" or "Consortium") adopted a *Code of Ethics and Conflict of Interest Policy (Resolution No. 001 of 2014)*, and

WHEREAS, the New York State Department of Financial Services has recommended that the Consortium implement, as a good business practice, a process whereby board directors, officers, and key employees review and execute annual conflict of interest disclosure and acknowledgement forms, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium's *Code of Ethics and Conflict of Interest Policy* dated February 27, 2014 is amended to include the following additional paragraph:

14b. "Any Director or employee who has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the Consortium which he or she is an officer or employee, shall publicly disclose the nature and extent of such interest in writing to the Board Chair and to the governing body thereof as soon as he or she has knowledge of such actual or prospective interest, including prior to abstaining from a Board vote due to such conflict. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body."

\* \* \* \* \*

*Greater Tompkins County Municipal Health Insurance Consortium*  
*Code of Ethics and Conflict of Interest Policy*  
(Adopted 2-27-2014; amended by Res. No. 008-2016 and No. 016 of 2018)

Employees and the Board of Directors of the **Greater Tompkins County Municipal Health Insurance Consortium** shall:

1. Be dedicated to the concepts of an effective Consortium and believe that professional general management is essential to the achievement of this objective.
2. Shall affirm the dignity and work of the services rendered by the Consortium and maintain a constructive, creative, and practical attitude toward Consortium affairs and a deep sense of responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Conduct themselves so as to maintain public confidence in their profession, the Consortium, and in their performance of the public trust.
5. Conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their official duties.
6. Recognize that the chief function of the Consortium at all times is to serve the interests of all members.
7. Shall not disclose **Confidential Information** to others or use to further their personal interest, confidential information acquired by them in the course of their official duties.
8. Shall not, except pursuant to such reasonable exceptions as are provided by regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
9. Make no unauthorized commitment or promises of any kind purporting to bind the Consortium.
10. Shall act impartially and not give preferential treatment to any private organization or individual.
11. Shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Consortium duties and responsibilities.
12. Shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards promulgated pursuant to this order.
13. Shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of age, race, creed, color, national origin, sex orientation, military status, sex, marital status, or disability.

14. Shall not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict with their official duties.
15. **Reporting of Ethics Violations.** When becoming aware of a possible violation of the Consortium’s Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium Attorney-in-fact, John Powers, Esq.. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis. Resolution of the reported violation shall occur according to the alternative dispute resolution (ADR) process set forth in Article V of the 2015 Amended MCA, except as follows. In lieu of the ADR step set forth at MCA Article V.3.a.(i), the Attorney-In-Fact will collect all information presented regarding the matter and send that information to a neutral third party designated by the Board of Directors who shall attempt to resolve the matter informally through mediation. If unsuccessful, the mediator shall make a recommendation with respect to resolution of the dispute in writing to the Executive Committee, which shall present the recommendation to the Board as provided for in 2015 Amended MCA Article V.3.a.(i). The remainder of Article V shall remain in effect”,
16. Employees and the Board of Directors should not discuss or divulge information with anyone about pending or completed ethics cases except as authorized by the Board of Directors.

**CODE OF ETHICS AND CONFLICT OF INTEREST AGREEMENT**

To be signed and submitted to the Consortium no later than **April 15<sup>th</sup>** of each year.

*I have read and agree to the terms stated within the Greater Tompkins County Municipal Health Insurance Consortium’s Conflict of Interest and Code of Ethics.*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Consortium Title/ Municipality*

\_\_\_\_\_  
*Date*



# 2020 Fiscal Year 1<sup>st</sup> Quarter Budget Performance Report

Locey & Cahill, LLC  
120 Walton Street, Suite 500  
Syracuse, NY 13202  
Tel (315) 425-1424  
Fax (315) 425-1394  
E-mail: [slocey@loceycahill.com](mailto:slocey@loceycahill.com)

A person's hand is pointing at a bar chart on a document. The background is a blurred office setting with a lamp and a cup. The chart has several blue bars of varying heights. The document also contains a table with columns and rows of data.

# Section 1

## 2019 Fiscal Year Recap Budget vs Actual Results

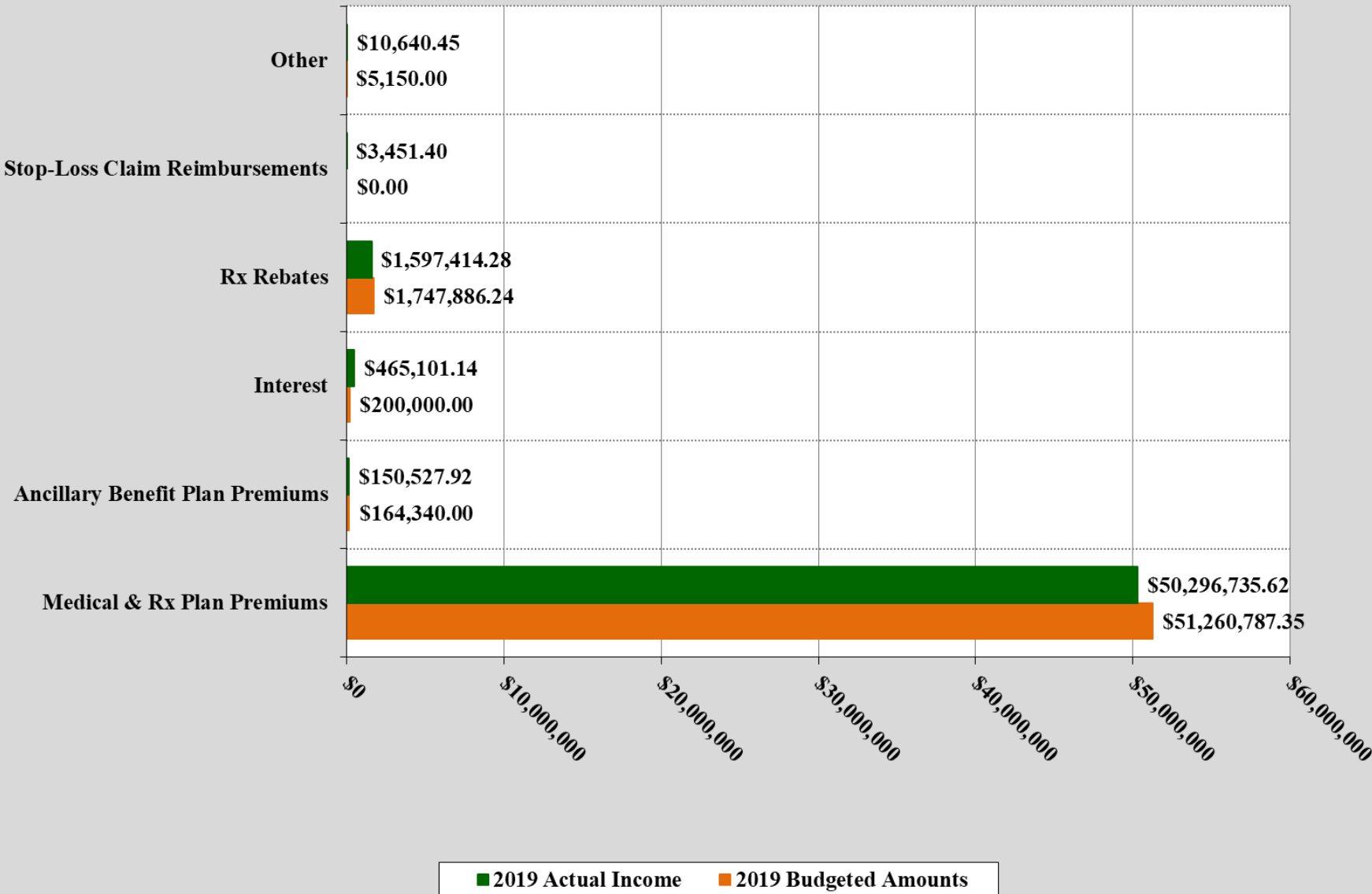
# Greater Tompkins County Municipal Health Ins. Consortium

## 2019 Income Distribution

January 1, 2019 to December 31, 2019

The Consortium ended 2019 1.60% below budget in overall income. The main cause of this was the fact that the premium dollars were a bit below budget primarily as the result of covered members participating in lower cost benefit plans.

The one substantially positive note on the income for 2019 was the increase in interest earnings. The Consortium generated \$465,101.14 in interest income for the year which was more than double the budgeted amount.

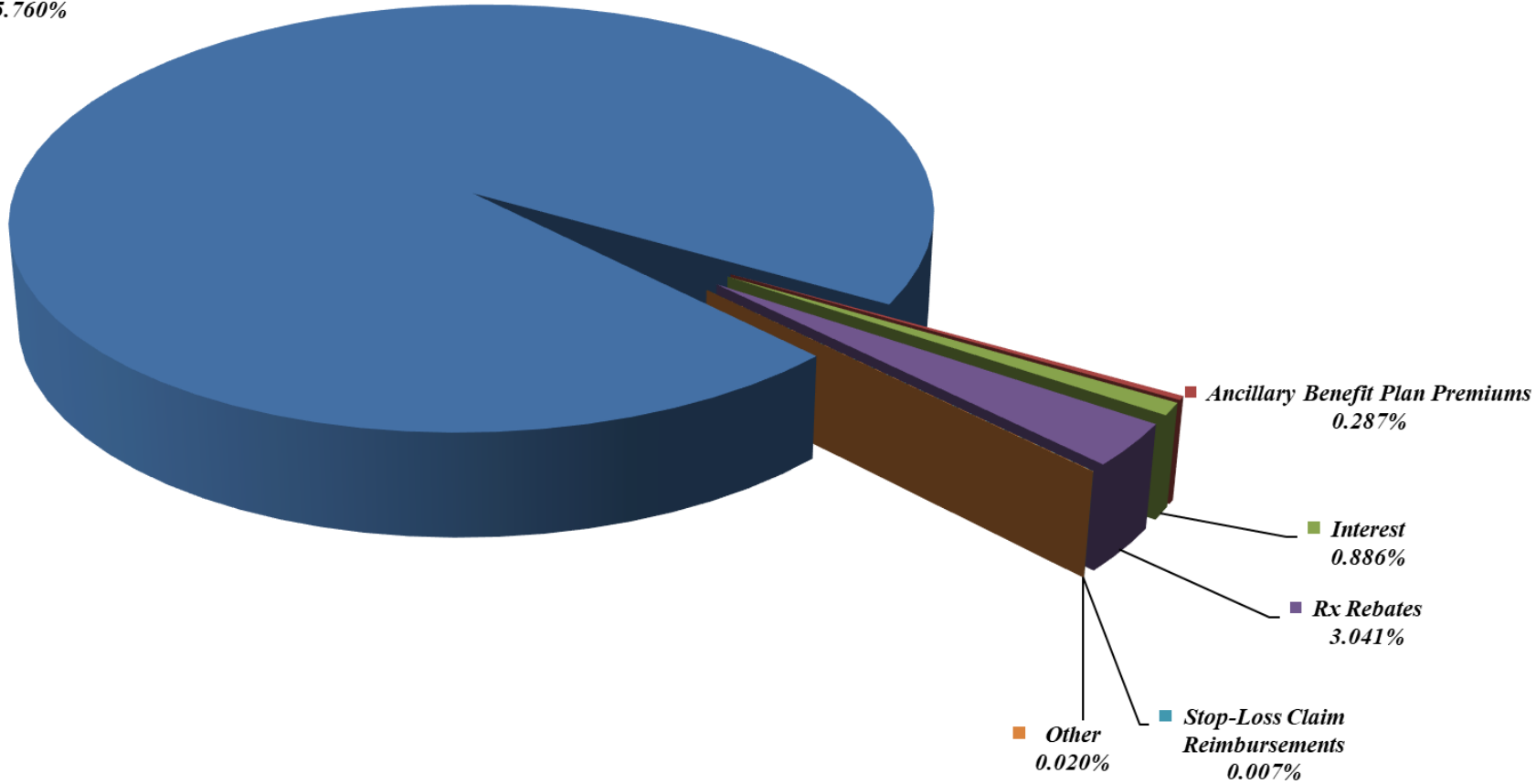


# Greater Tompkins County Municipal Health Ins. Consortium

2019 Income Distribution

January 1, 2019 to December 31, 2019

■ *Medical & Rx Plan Premiums*  
95.760%



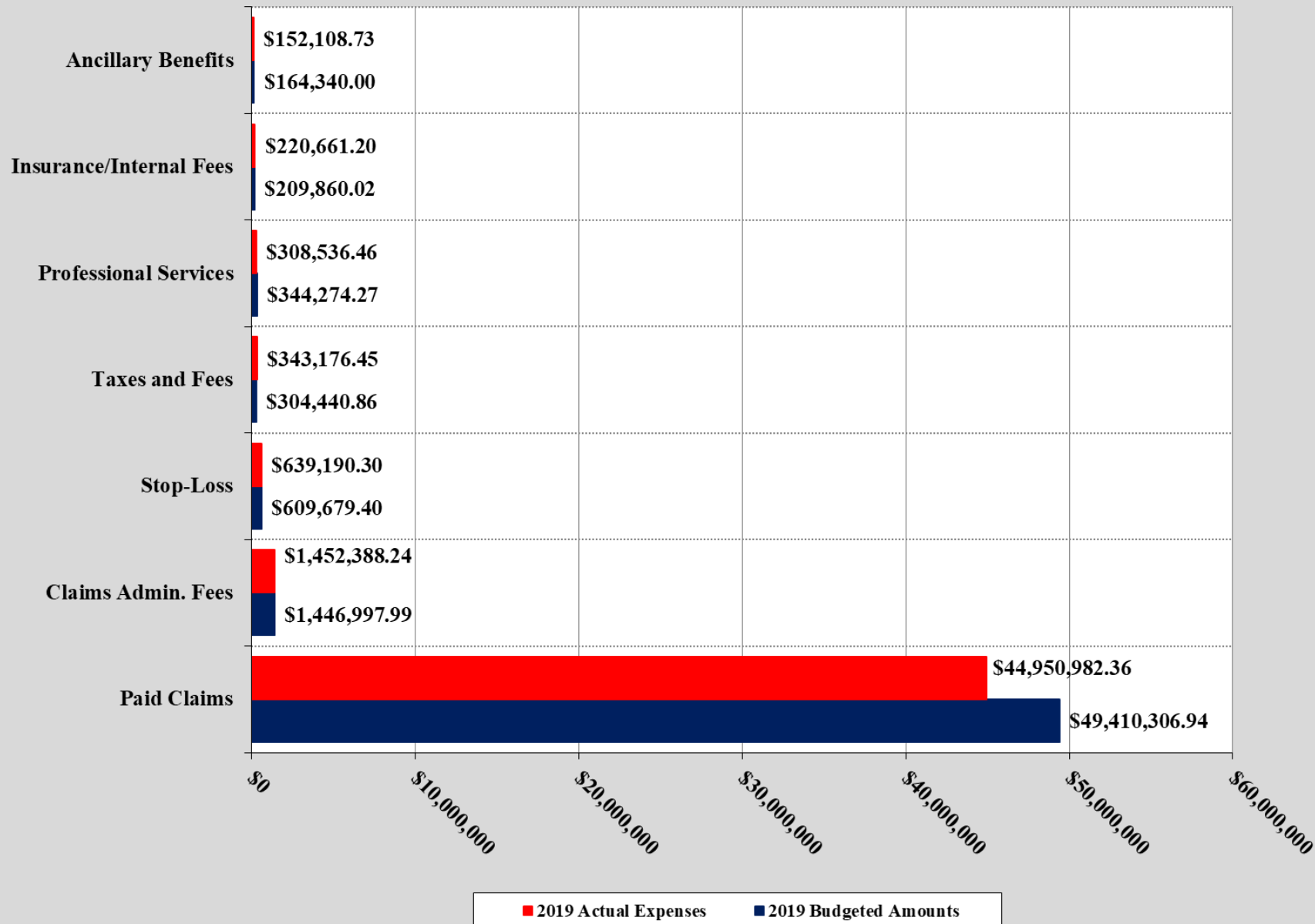
■ *Medical & Rx Plan Premiums* ■ *Ancillary Benefit Plan Premiums* ■ *Interest* ■ *Rx Rebates* ■ *Stop-Loss Claim Reimbursements* ■ *Other*



# Greater Tompkins County Municipal Health Ins. Consortium

## 2019 Expense Distribution

January 1, 2019 to December 31, 2019



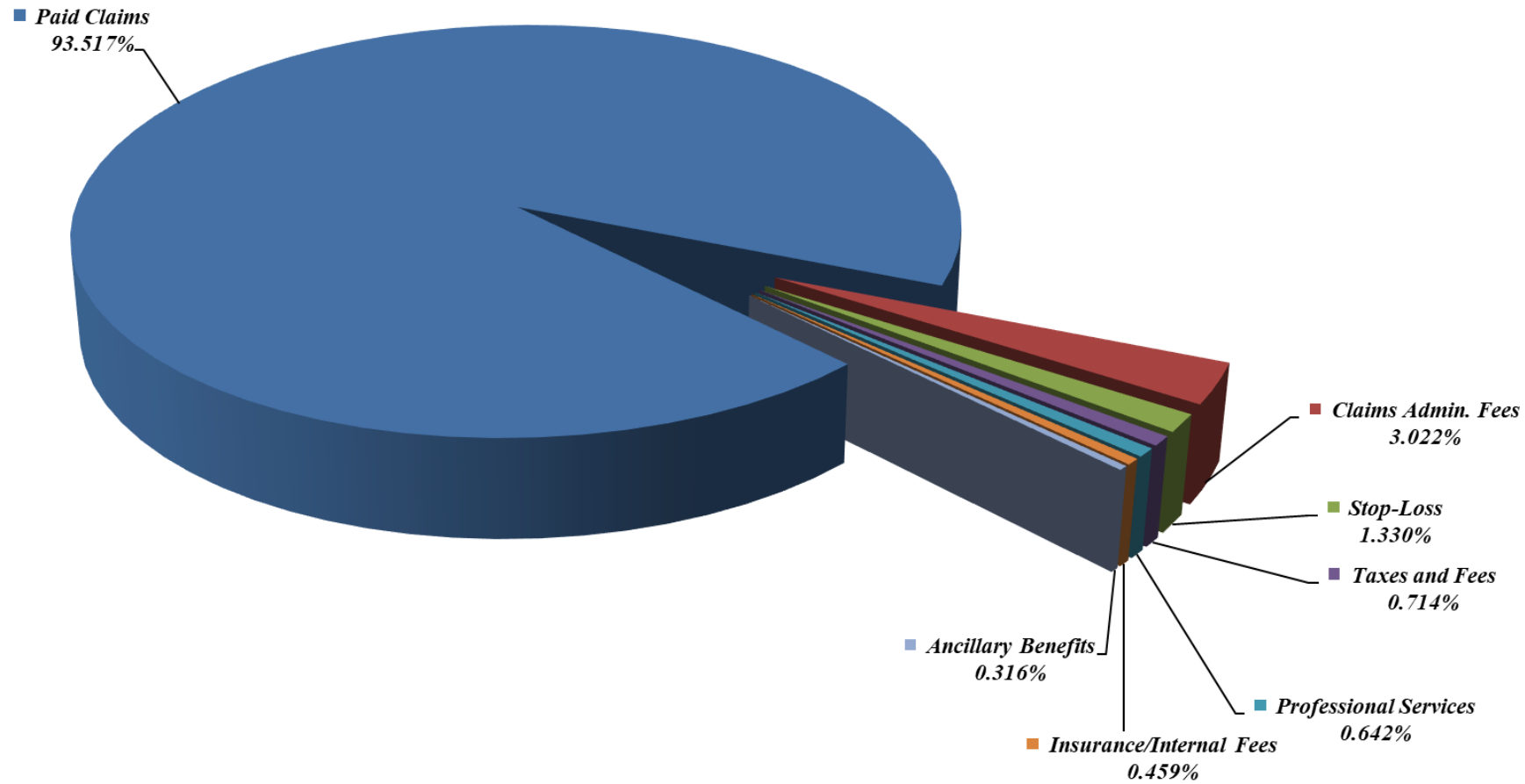
The Consortium ended 2019 8.35% below budget in overall expenses. Since paid claims account for more than 93.5% of the Consortium's overall expenses, the fact that medical claims were 9.67% below budget and prescription drug claims were 7.23% below budget had a lot to do with the overall positive result for the Consortium in 2019.

The overall net income for the year was approximately \$4.4 million which the Consortium added to its reserves and fund balances. This money may be used in future years to help mitigate premium increases.

# Greater Tompkins County Municipal Health Ins. Consortium

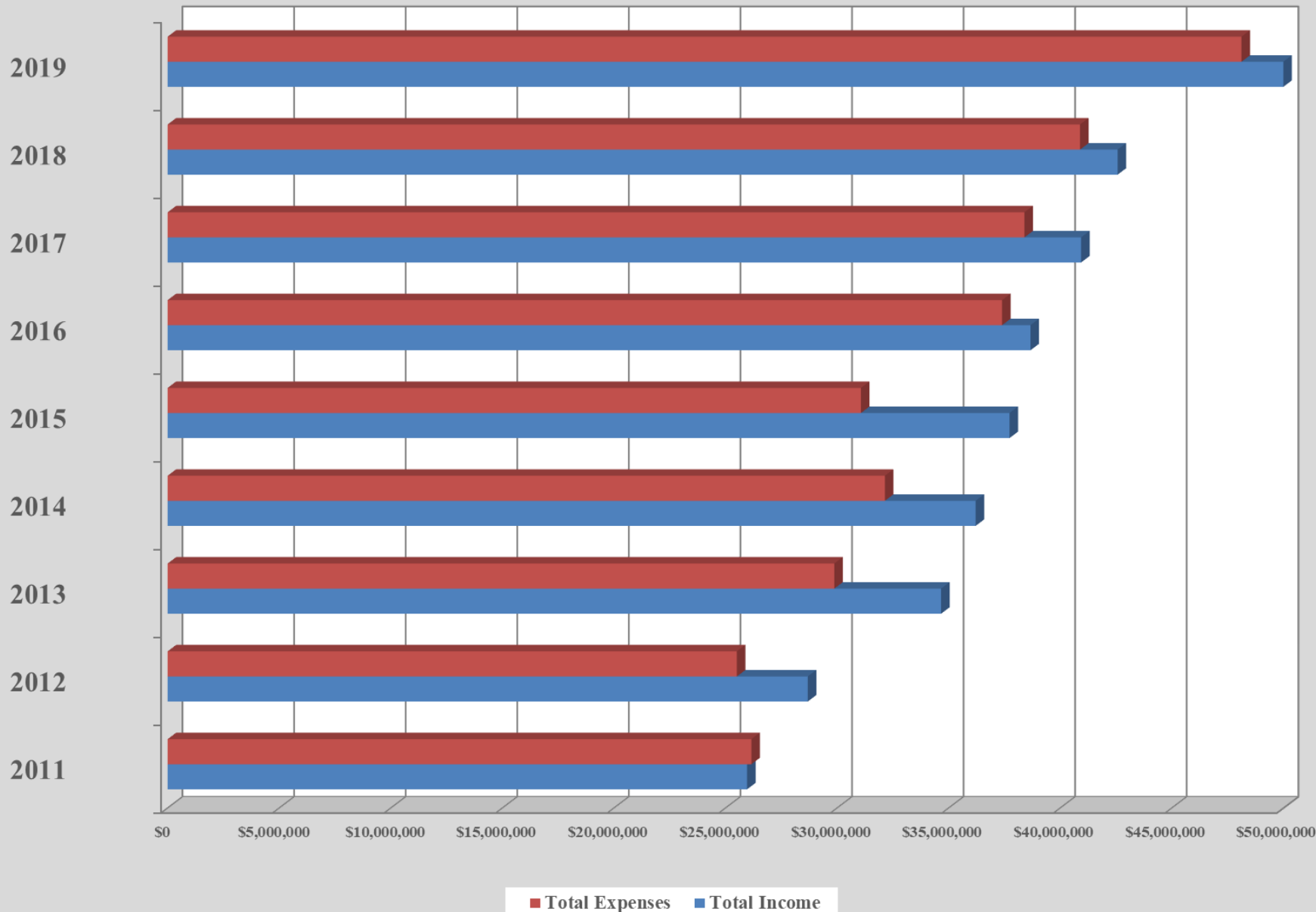
2019 Expense Distribution

January 1, 2019 to December 31, 2019



■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees ■ Ancillary Benefits

## Greater Tompkins County Municipal Health Insurance Consortium Annual Expenses and Revenues (2011 - 2019)



The graph to the left shows the total annual expenses and revenues for the Consortium since it began operations on January 1, 2011. It is interesting to note that in its nine (9) years of operation, the Consortium has almost doubled its annual income and expenses.

This growth has come from increases in overall paid claims and growth in the number of covered members. In 2019, the Consortium had thirty-nine (39) participating municipalities which is triple the number the Consortium started with back in 2011 when there were thirteen (13) founding members.

# 2019 Financial Results on a Per Covered Life Basis

		<i>Per Covered Life Per Month</i>								
		<i>Actual Results 2011 Fiscal Year</i>	<i>Actual Results 2012 Fiscal Year</i>	<i>Actual Results 2013 Fiscal Year</i>	<i>Actual Results 2014 Fiscal Year</i>	<i>Actual Results 2015 Fiscal Year</i>	<i>Actual Results 2016 Fiscal Year</i>	<i>Actual Results 2017 Fiscal Year</i>	<i>Actual Results 2018 Fiscal Year</i>	<i>Unaudited Results 2019 Fiscal Year</i>
		4,400	4,448	5,077	5,012	5,021	5,063	5,173	5,202	6,173
<b>Income</b>										
	Medical and Rx Plan Premiums	\$488.54	\$535.33	\$566.41	\$599.61	\$623.89	\$634.02	\$656.85	\$679.25	\$678.99
	Other Revenues	\$3.17	\$1.98	\$2.41	\$2.24	\$2.13	\$2.17	\$2.35	\$2.42	\$23.74
	Interest Earnings	\$0.11	\$0.14	\$0.16	\$0.21	\$0.22	\$0.27	\$0.29	\$0.35	\$6.28
	<b>Total Income</b>	\$491.82	\$537.45	\$568.98	\$602.05	\$626.25	\$636.47	\$659.48	\$682.02	\$709.01
<b>Expenses</b>										
	Claims Expenses	\$476.06	\$464.58	\$459.82	\$494.73	\$477.21	\$576.08	\$577.17	\$624.63	\$606.82
	Administrative Fees	\$15.94	\$17.39	\$15.43	\$16.44	\$16.66	\$17.22	\$17.81	\$18.73	\$19.65
	Other Expenses	\$6.69	\$6.99	\$10.03	\$9.36	\$10.13	\$11.33	\$11.14	\$11.86	\$14.62
	Stop-Loss Ins Net of Recoveries	-\$3.23	-\$11.05	\$5.10	\$13.92	\$11.73	\$10.89	\$12.43	-\$0.17	\$8.58
	<b>Total Expenses</b>	\$495.46	\$477.91	\$490.38	\$534.44	\$515.73	\$615.52	\$618.55	\$655.05	\$649.67
<b>Net Income</b>		<b>\$9.96</b>	<b>\$61.05</b>	<b>\$78.60</b>	<b>\$67.61</b>	<b>\$110.52</b>	<b>\$20.94</b>	<b>\$40.92</b>	<b>\$26.97</b>	<b>\$59.34</b>

The chart above provides a weighted comparison of the annual income and expenses of the Consortium as all the figures are presented on a per covered life basis. This helps put the financial results into context with the overall growth in participation in the Consortium over the years. Overall, the results have been very good for the Consortium with a positive net income each year.

To highlight how difficult it is to predict from year-to-year the overall paid claims cost and why maintaining adequate reserves is so important; we draw your attention to the claims expense line for the years 2016-2019. As you will note from 2016 to 2017, the paid claims increase was relatively flat. This was then followed by a substantive spike in the paid claims in 2018 and then last year, the paid claims were approximately 3% less than the year prior. This is the reason why we utilize long-term trends for budget forecasting each year and it is also why the Board of Directors has always taken a conservative approach to establishing reserves.



# Section 2

## 2020 Fiscal Year-to-Date Income Budget vs Actual Results

# 2020 Income Budget vs Actual (03-31-2020)

<i>Includes Income Codes 6000 &amp; 6010</i>		<i>2020 Adopted Budget</i>	<i>2020 Year-to-Date</i>	<i>2020 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
<b>Income</b>						
	Medical and Rx Plan Premiums	\$52,745,788.78	\$13,186,447.19	\$13,318,575.63	\$132,128.44	1.00%
9020	Interest	\$446,554.34	\$111,638.59	\$204,390.99	\$92,752.40	83.08%
9010	Rx Rebates	\$1,400,000.00	\$0.00	-\$31,749.49	<b>-\$31,749.49</b>	<b>n/a</b>
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	n/a
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	n/a
9030	Other	\$5,304.50	\$1,326.13	\$0.00	<b>-\$1,326.13</b>	<b>-100.00%</b>
<b>Total Income</b>		<b>\$54,761,543.31</b>	<b>\$13,340,385.83</b>	<b>\$13,491,217.13</b>	<b>\$150,831.30</b>	<b>1.13%</b>

## Key Facts:

1. Premium Income is 1% above budget and based on our preliminary analysis, it appears as though this was caused by two competing variables:
  - a. Based on the first 3-months of this year, the Consortium's contract count has increased by 3.55% which has resulting in an increase in the covered lives count by 2.75%.
  - b. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan. This movement results in a lower overall premium base, but also lowers claims costs.

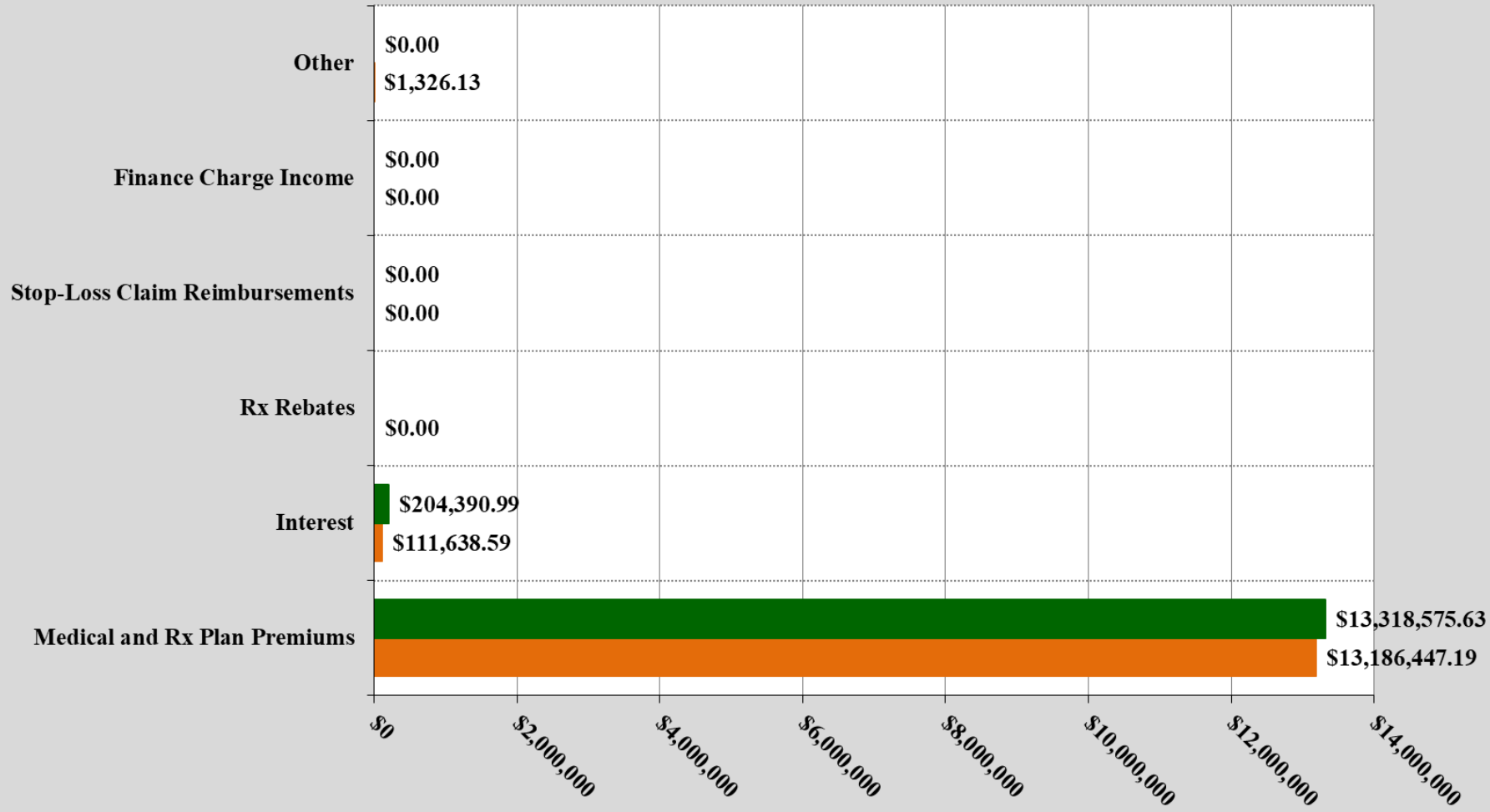
## Key Facts (continued):

2. Interest Income continues to be above the budgeted amount as a direct result of interest rates increasing, the improved investment management strategies initiated by the Consortium's financial management team, and the timing of varying maturity dates on the various Consortium investments.
3. Rx Rebates are below budget as a direct result of an accrual accounting adjustment to this income line-item. Once the 1<sup>st</sup> quarter pharmaceutical manufacturer rebate payment is received from ProAct, Inc. we anticipate this income level to be in-line with the adopted budget for the year.
4. To date, the Consortium has not had any claims which have exceeded the Specific Stop-Loss Insurance Deductible. As a result, the Consortium has not received any funds from Excellus BCBS related to this coverage.
5. There is no "Other" income as of March 31, 2020. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

# Greater Tompkins County Municipal Health Ins. Consortium

## 2020 Income Distribution

January 1, 2020 to March 31, 2020



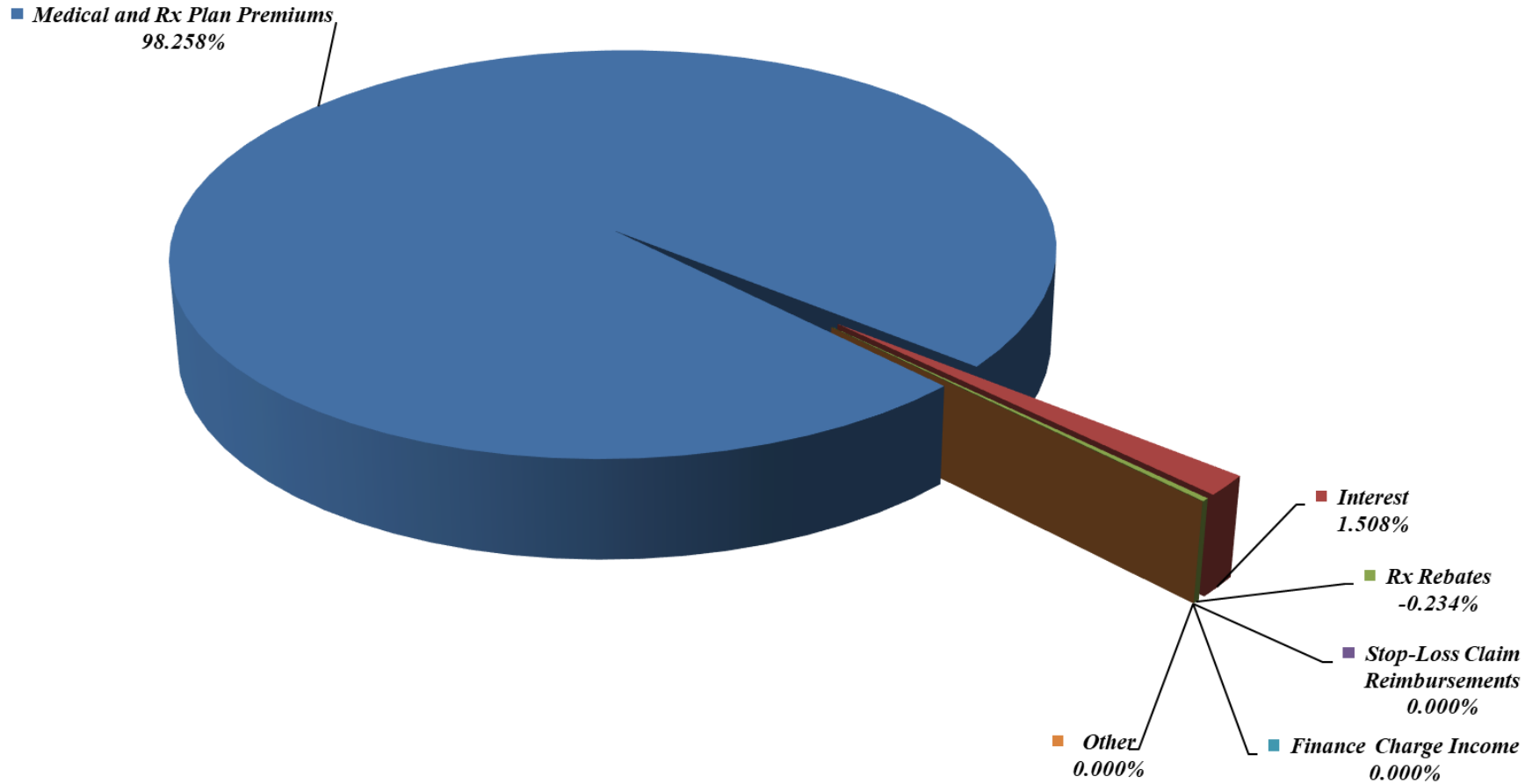
■ 2020 Actual Income   ■ 2020 Budgeted Amounts



# Greater Tompkins County Municipal Health Ins. Consortium

2020 Income Distribution

January 1, 2020 to March 31, 2020



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



# Section 3

2020 Fiscal Year-to-Date  
Expense Budget vs Actual Results

# 2020 Expense Budget vs Actual Results (03-31-2020)

Includes Expense Codes 8081, 8082, & 8083

Balance Sheet Item 3500

		2020	2020	2020	2020	Variance	% Difference
		Adopted Budget	Revised Budget	Year-to-Date	Actual Results		
<b>Expenses</b>							
8090	Medical Paid Claims	\$37,198,413.76	\$37,198,413.76	\$9,299,603.44	\$8,236,690.40	-\$1,062,913.04	-11.43%
8120	Rx Paid Claims - ProAct	\$14,009,165.32	\$14,009,165.32	\$3,502,291.33	\$3,294,093.70	-\$208,197.63	-5.94%
8121	Rx Paid Claims - CanaRx	\$179,959.49	\$179,959.49	\$44,989.87	\$37,000.50	-\$7,989.37	-17.76%
8050	Medical Admin Fees	\$1,326,646.30	\$1,326,646.30	\$331,661.57	\$374,239.18	\$42,577.61	12.84%
8093	Excellus ITS Fees	\$0.00	\$2,956.67	\$739.17	\$0.00	-\$739.17	-100.00%
	Rx Admin Fees	\$164,664.95	\$164,664.95	\$41,166.24	\$53,681.00	\$12,514.76	30.40%
8084	Flu Clinic Fees	\$15,000.00	\$15,000.00	\$3,750.00	\$900.00	-\$2,850.00	-76.00%
8091	NYS Graduate Medical Exp.	\$348,095.65	\$348,095.65	\$87,023.91	\$84,366.01	-\$2,657.90	-3.05%
9060	ACA PCORI Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	n/a
8110	Specific Stop-Loss Insurance	\$762,505.96	\$762,505.96	\$190,626.49	\$44,106.06	-\$146,520.43	-76.86%
	Advance Deposit / Pre-Paid Claims	\$113,700.00	\$113,700.00	\$0.00	\$0.00	\$0.00	n/a
8070	Legal Fees	\$11,255.09	\$12,000.00	\$3,000.00	\$1,650.00	-\$1,350.00	-45.00%
66001	Executive Director Salary	\$123,170.18	\$92,000.00	\$23,000.00	\$21,184.62	-\$1,815.38	-7.89%
66002	Fringe Benefits	\$0.00	\$66,000.00	\$16,500.00	\$9,697.38	-\$6,802.62	-41.23%
66003	Clerk of the Board Salary	\$119,957.56	\$36,000.00	\$9,000.00	\$6,443.00	-\$2,557.00	-28.41%
66004	Admin/Comp Asst. Salary	\$0.00	\$51,000.00	\$12,750.00	\$10,039.87	-\$2,710.13	-21.26%
8055	Consultant Fees (Barber)	\$56,135.00	\$56,135.00	\$14,033.75	\$2,525.07	-\$11,508.68	-82.01%
8030	Consultant Fees (L&C)	\$87,550.00	\$87,550.00	\$21,887.50	\$21,630.00	-\$257.50	-1.18%
	Consultant Fees (Other) - Retirement Plan Review	\$50,000.00	\$50,000.00	\$12,500.00	\$0.00	-\$12,500.00	-100.00%
8000	Accounting Fees	\$30,800.00	\$30,800.00	\$7,700.00	\$8,200.00	\$500.00	6.49%
8010	Actuarial Fees	\$51,500.00	\$51,500.00	\$12,875.00	\$14,350.00	\$1,475.00	11.46%
8020	Audit Fees (Financial)	\$96,222.60	\$12,000.00	\$3,000.00	\$0.00	-\$3,000.00	-100.00%
	Audit Fees (Claims)	\$0.00	\$40,000.00	\$10,000.00	\$23,250.00	\$13,250.00	132.50%
8043	Wellness Coordinator Fees	\$23,701.25	\$24,000.00	\$6,000.00	\$0.00	-\$6,000.00	-100.00%
8060	Insurances (D&O / Prof. Liability)	\$41,317.03	\$41,317.03	\$10,329.26	\$10,903.17	\$573.91	5.56%
8041	Internal Coordination (Finance)	\$68,660.00	\$68,660.00	\$17,165.00	\$17,122.69	-\$42.31	-0.25%
8042	Internal Coordination (Support)	\$0.00	\$16,000.00	\$4,000.00	\$0.00	-\$4,000.00	-100.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$2,000.00	\$500.00	\$0.00	-\$500.00	-100.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$1,500.00	\$1,500.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$3,090.00	\$9,000.00	\$2,250.00	\$0.00	-\$2,250.00	-100.00%
9065	Marketing Expenses	\$2,060.00	\$5,000.00	\$1,250.00	\$0.00	-\$1,250.00	-100.00%
9055	Investment Management Services	\$18,540.00	\$18,540.00	\$4,635.00	\$4,903.79	\$268.79	5.80%
9050	Ancillary Benefit Premiums	\$163,895.69	\$163,895.69	\$40,973.92	\$0.00	-\$40,973.92	-100.00%
8150	Supplies Expense	\$1,500.00	\$1,500.00	\$375.00	\$0.00	-\$375.00	-100.00%
8151	Computer Equipment	\$0.00	\$5,000.00	\$1,250.00	\$0.00	-\$1,250.00	-100.00%
8152	Lease Expense / Parking Fees	\$0.00	\$6,500.00	\$1,625.00	\$1,500.00	-\$125.00	-7.69%
8153	Mileage- Travel Expenses	\$0.00	\$1,000.00	\$250.00	\$312.23	\$62.23	24.89%
9060	Other Expenses / Supplies	\$11,608.99	\$10,609.00	\$2,652.25	\$2,333.68	-\$318.57	-12.01%
<b>Total Expenses</b>		<b>\$55,085,114.81</b>	<b>\$55,085,114.81</b>	<b>\$13,742,853.70</b>	<b>\$12,282,622.35</b>	<b>-\$1,460,231.35</b>	<b>-10.63%</b>
<b>Net Income</b>		<b>-\$487,467.19</b>	<b>-\$487,467.19</b>	<b>-\$443,441.80</b>	<b>\$1,208,594.78</b>	<b>\$1,652,036.58</b>	<b>-372.55%</b>

## Key Facts:

1. We worked with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs on an annual basis. Although some of the specific lines were revised, the total expense number did not change from the original budgeted amount approved by the Board of Directors.
2. We have eliminated the Ancillary Benefits Premium from the income and expense budgets as these are merely pass-through dollars which do not impact the Consortium's bottom-line.
3. Due to the early reporting period in the fiscal year, many of the expense items are well below budget as some items have not been provided to or billed to the Consortium. These items will be more in line with the budget as the year goes on.
4. Paid claims (benefits) accounted for 94.187% of the total expenses for the GTCMHIC. This means that a modest 5.813% was used to pay for all the other operating expenses of the Consortium, including stop-loss insurance which accounted for 0.359% of the spending.

## Key Facts:

5. Medical Paid Claims are currently 11.43% below the projected budget for the year and this is the result of:
  - a) An increase in the covered lives ( $\uparrow 2.75\%$ ) and in the number of contracts ( $\uparrow 3.55\%$ ) skews the early 2020 medical paid claims 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) A decrease in elective medical procedures being performed as a result of the impact of the COVID-19 (coronavirus) pandemic on the medical community.

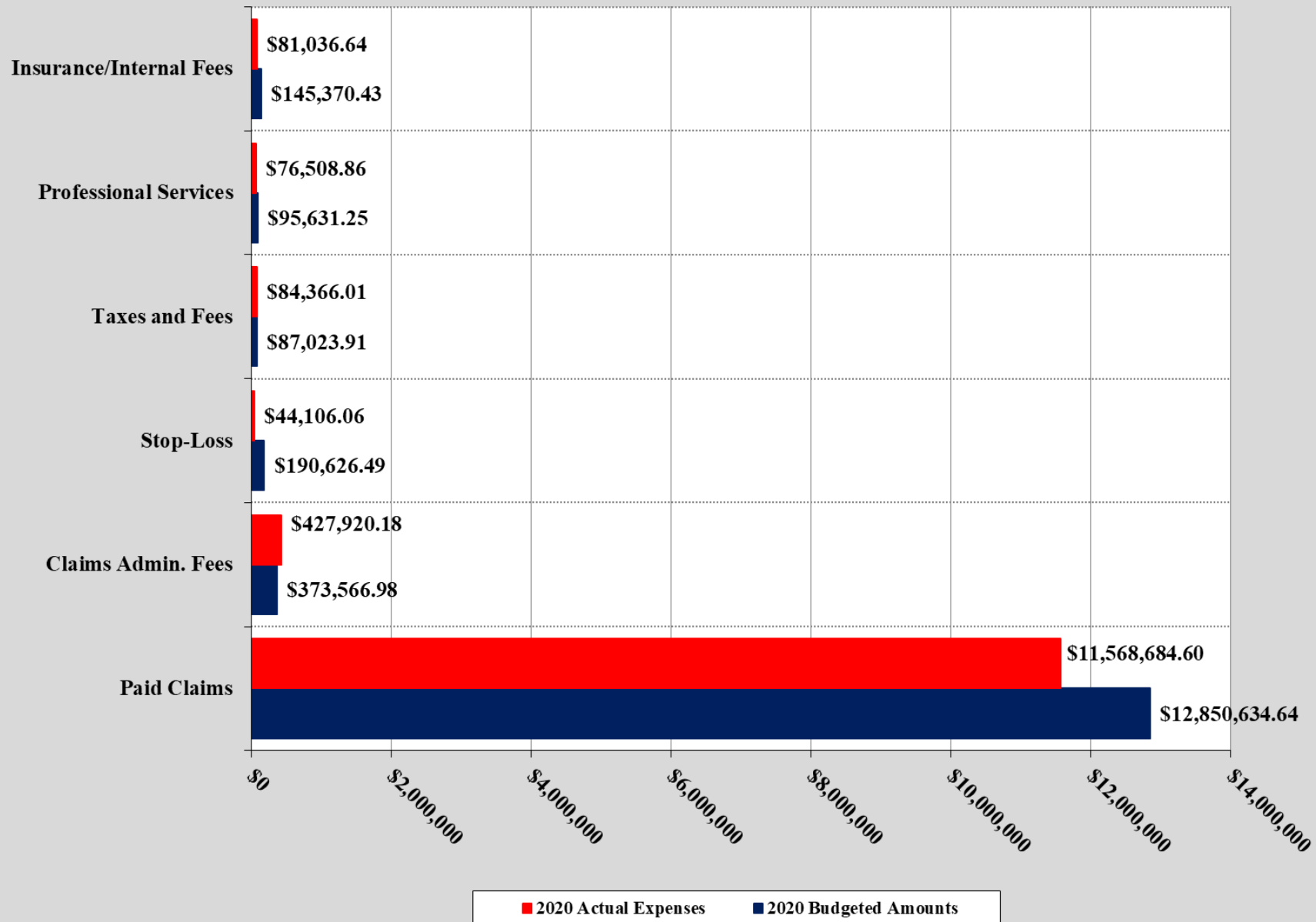
It should be noted that the medical paid claims may experience some compression as covered members may have services performed that have been put off due to the pandemic.

6. Rx Paid Claims are currently 5.94% below budget and this continues a trend in the past few years where the pharmacy claims have been consistently below budget. Unlike medical paid claims, there is almost no impact associated with “run-in lag” that impacts the pharmacy paid claims. In addition, based on our analysis, the recent pandemic did not substantively change the cost of pharmaceuticals.

# Greater Tompkins County Municipal Health Ins. Consortium

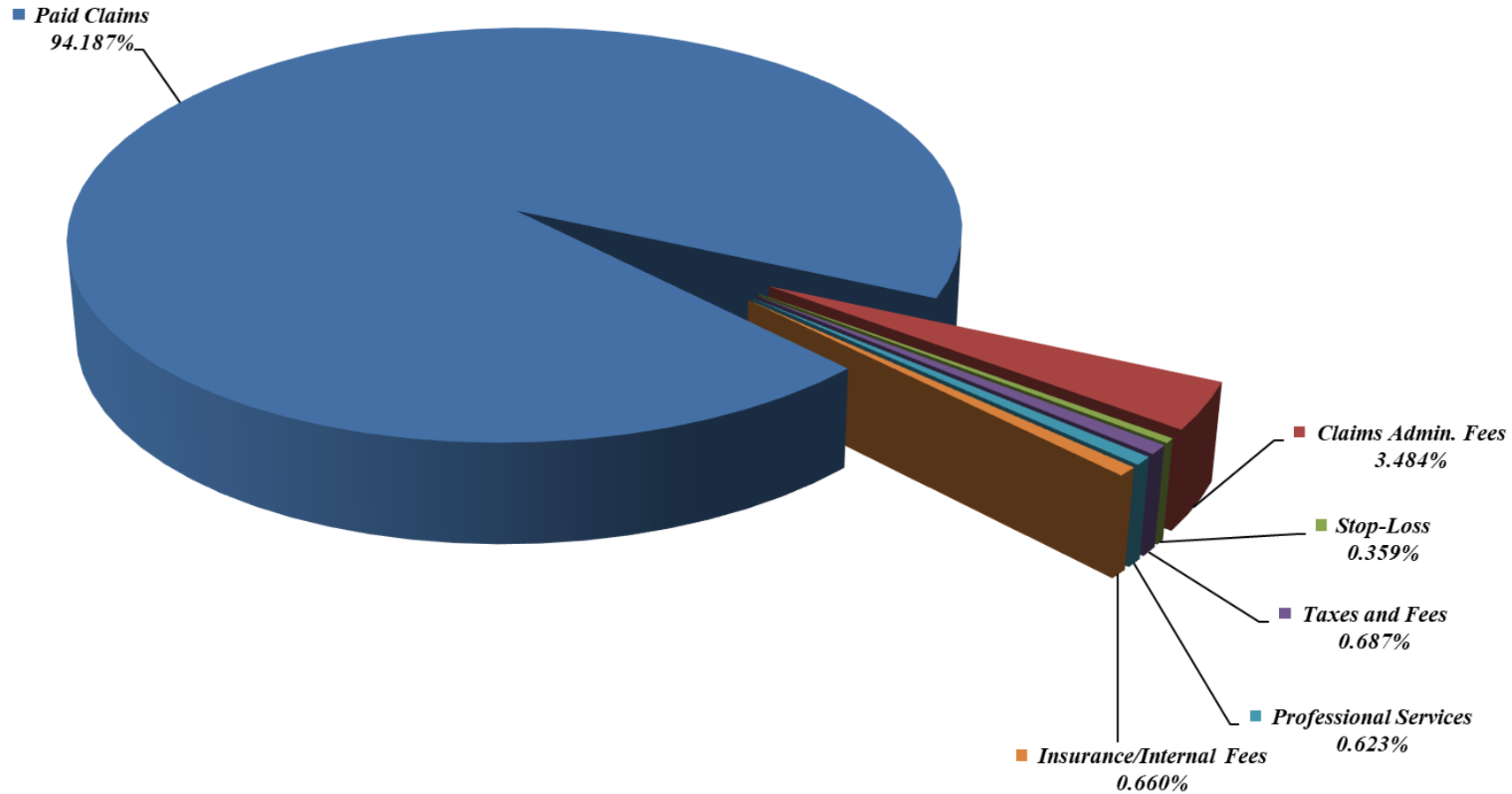
## 2020 Expense Distribution

January 1, 2020 to March 31, 2020



# Greater Tompkins County Municipal Health Ins. Consortium

2020 Expense Distribution  
January 1, 2020 to March 31, 2020



■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees



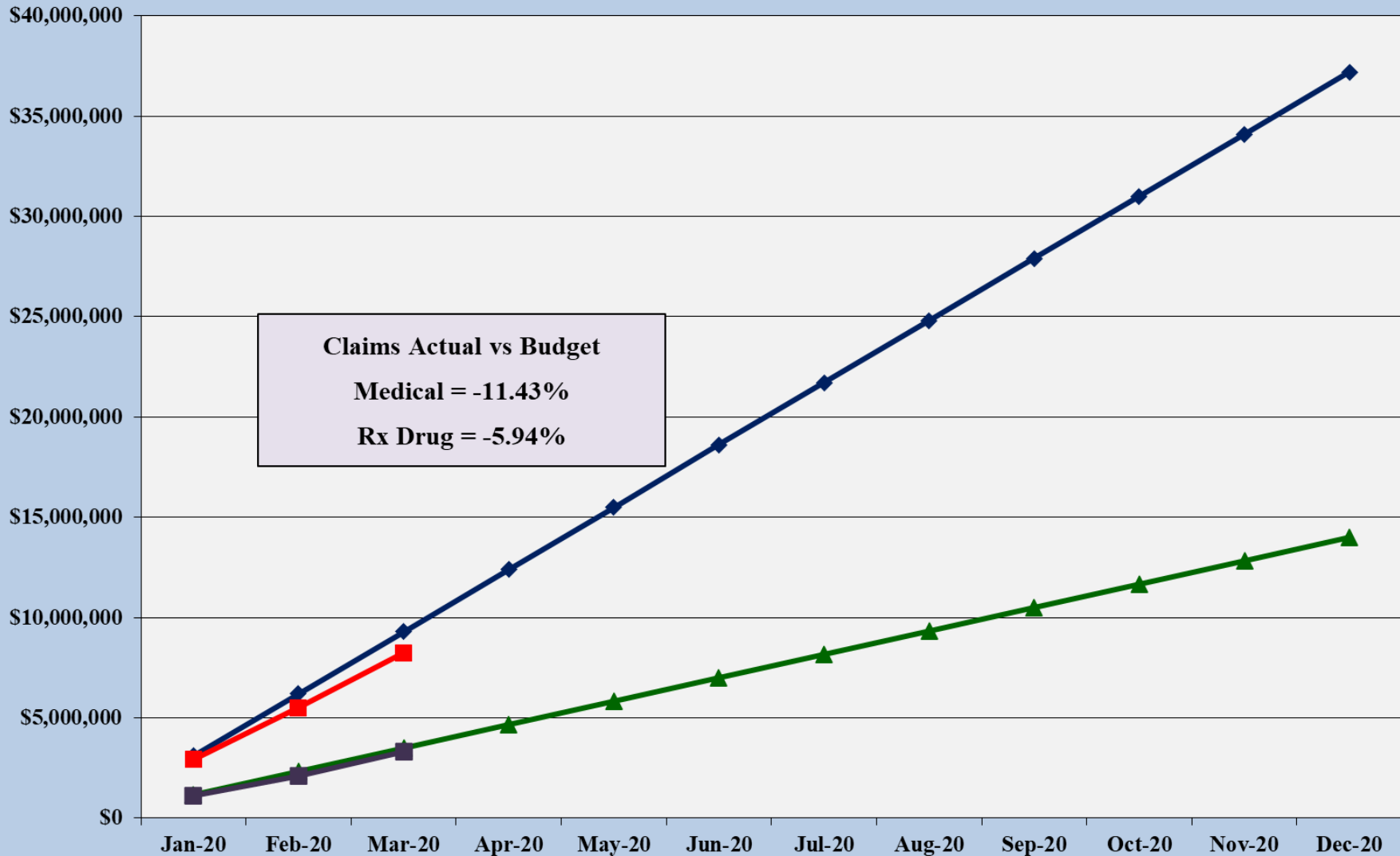
# Section 4

## 2020 Fiscal Year-to-Date Paid Claims Budget vs Actual Results



# *Greater Tompkins County Municipal Health Insurance Consortium*

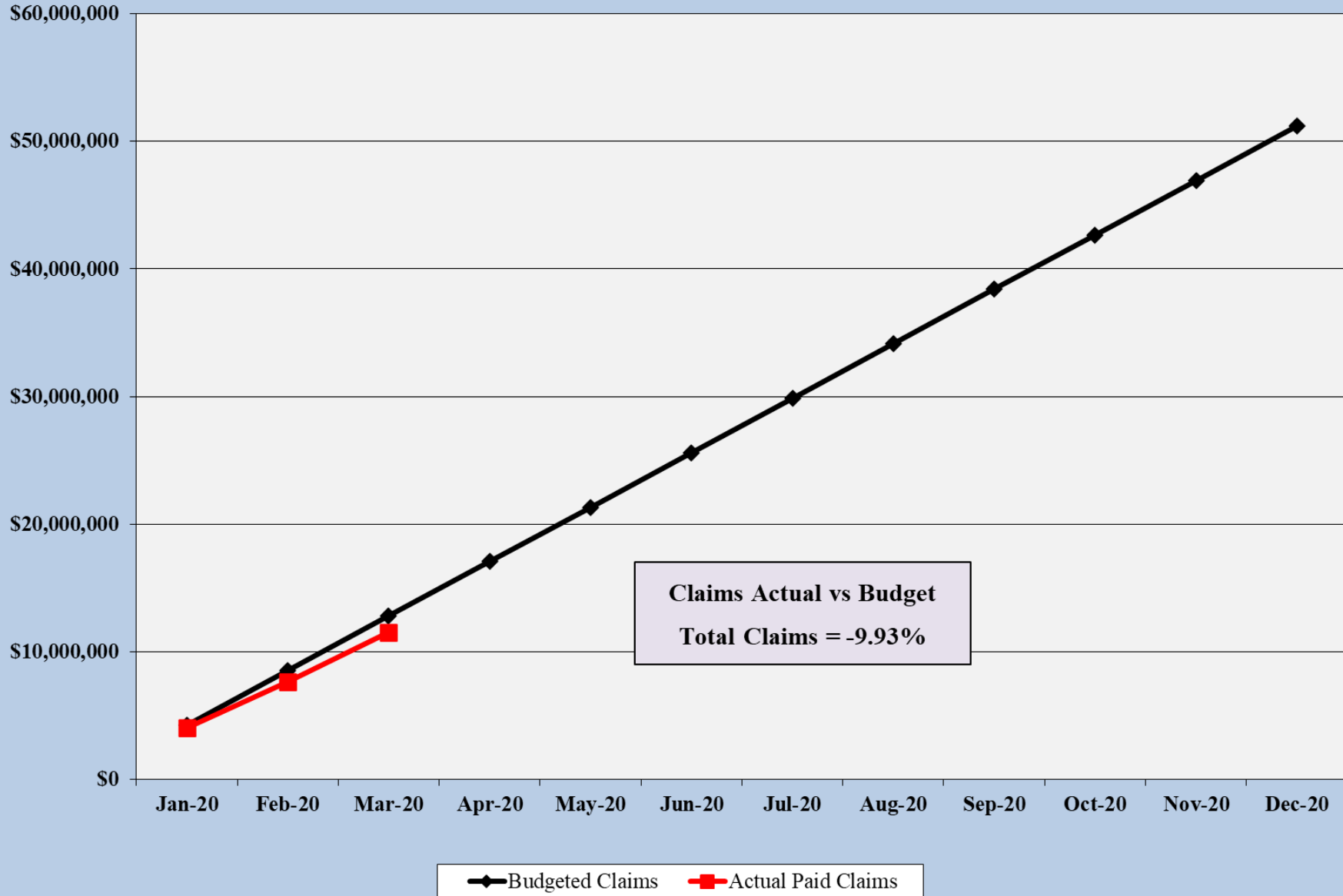
## 2020 Cumulative Paid Claims and Budgeted Claims by Month



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

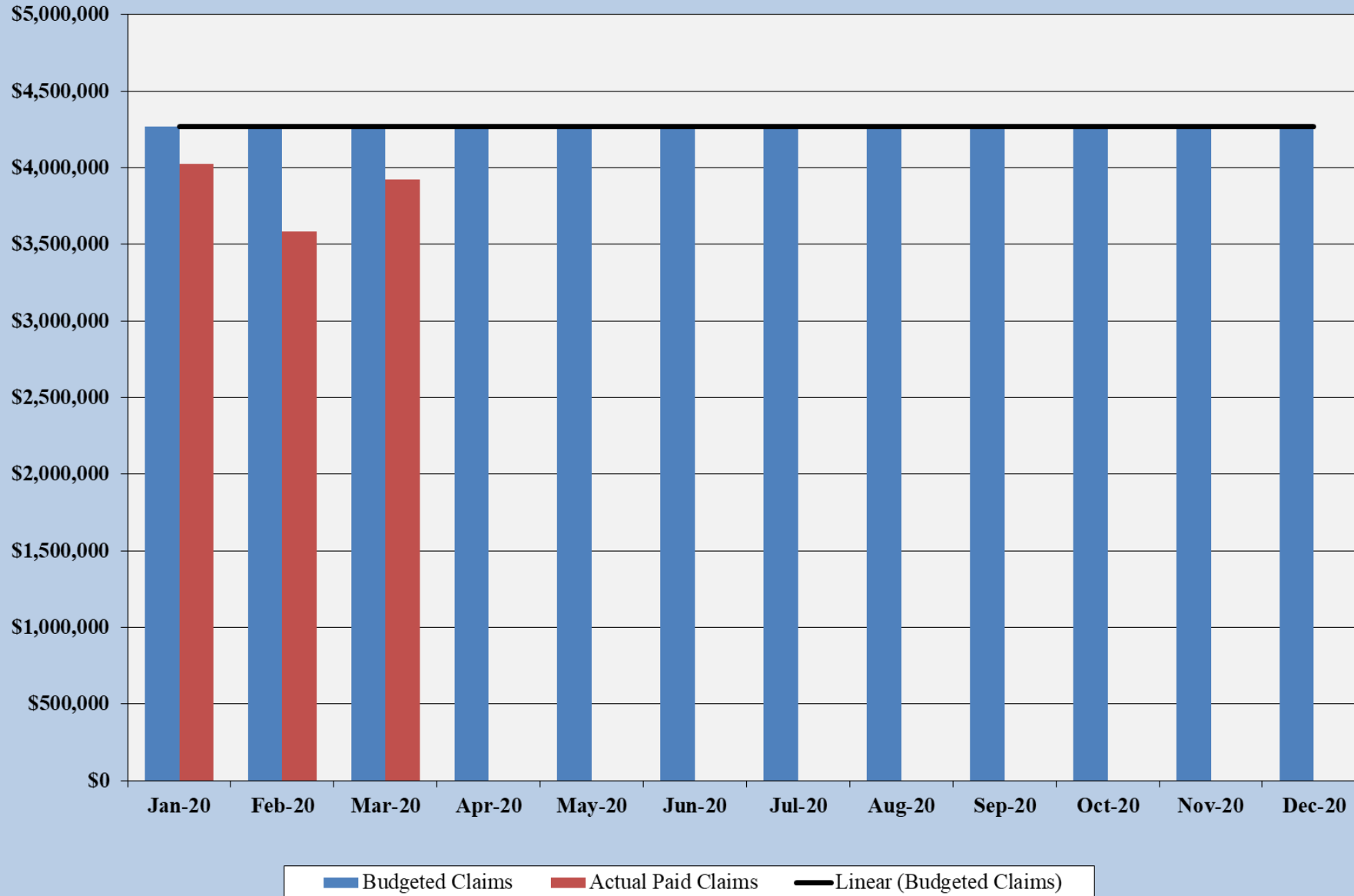
# Greater Tompkins County Municipal Health Insurance Consortium

## 2020 Cumulative Paid Claims and Budgeted Claims by Month



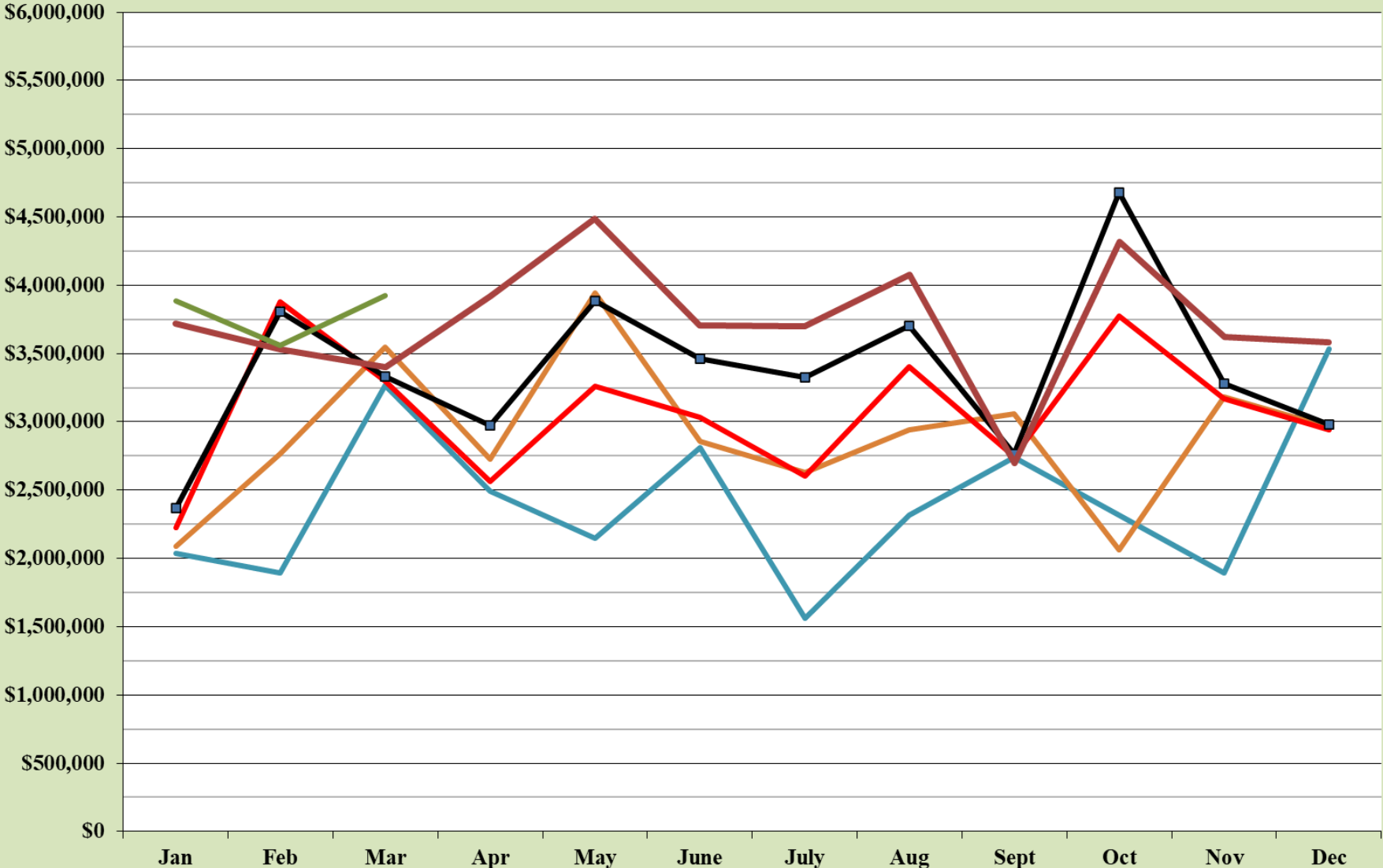
# Greater Tompkins County Municipal Health Insurance Consortium

## 2020 Budgetd vs Actual Paid Claims by Month



# Greater Tompkins County Municipal Health Ins Consortium

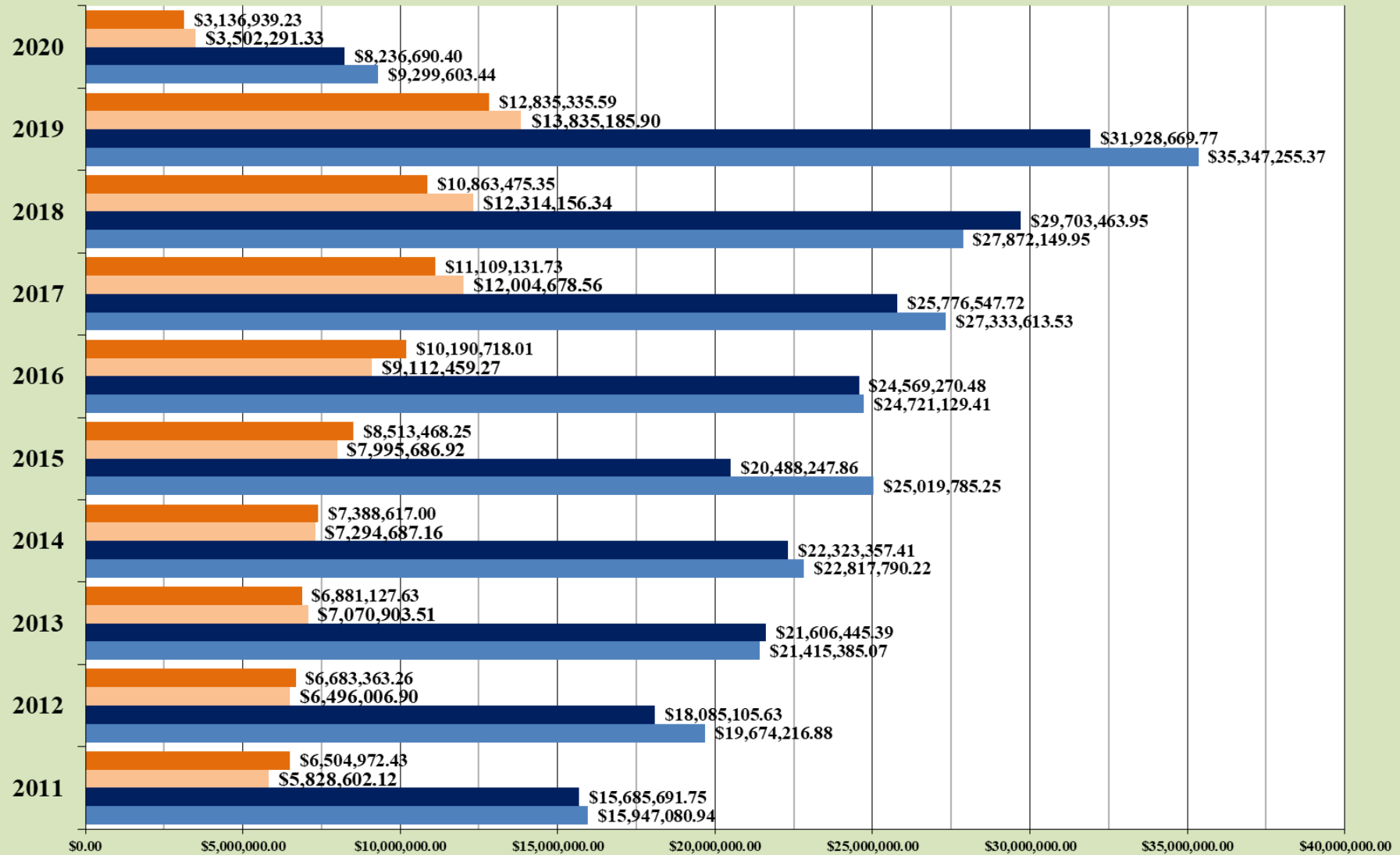
## 2015-2020 Monthly Paid Claims by Fiscal Year



— 2015   
 — 2016   
 — 2017   
 —■ 2018   
 — 2019   
 — 2020

# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2020 (as of 03/31/2020) Annual Paid Claims v Budgeted Claims

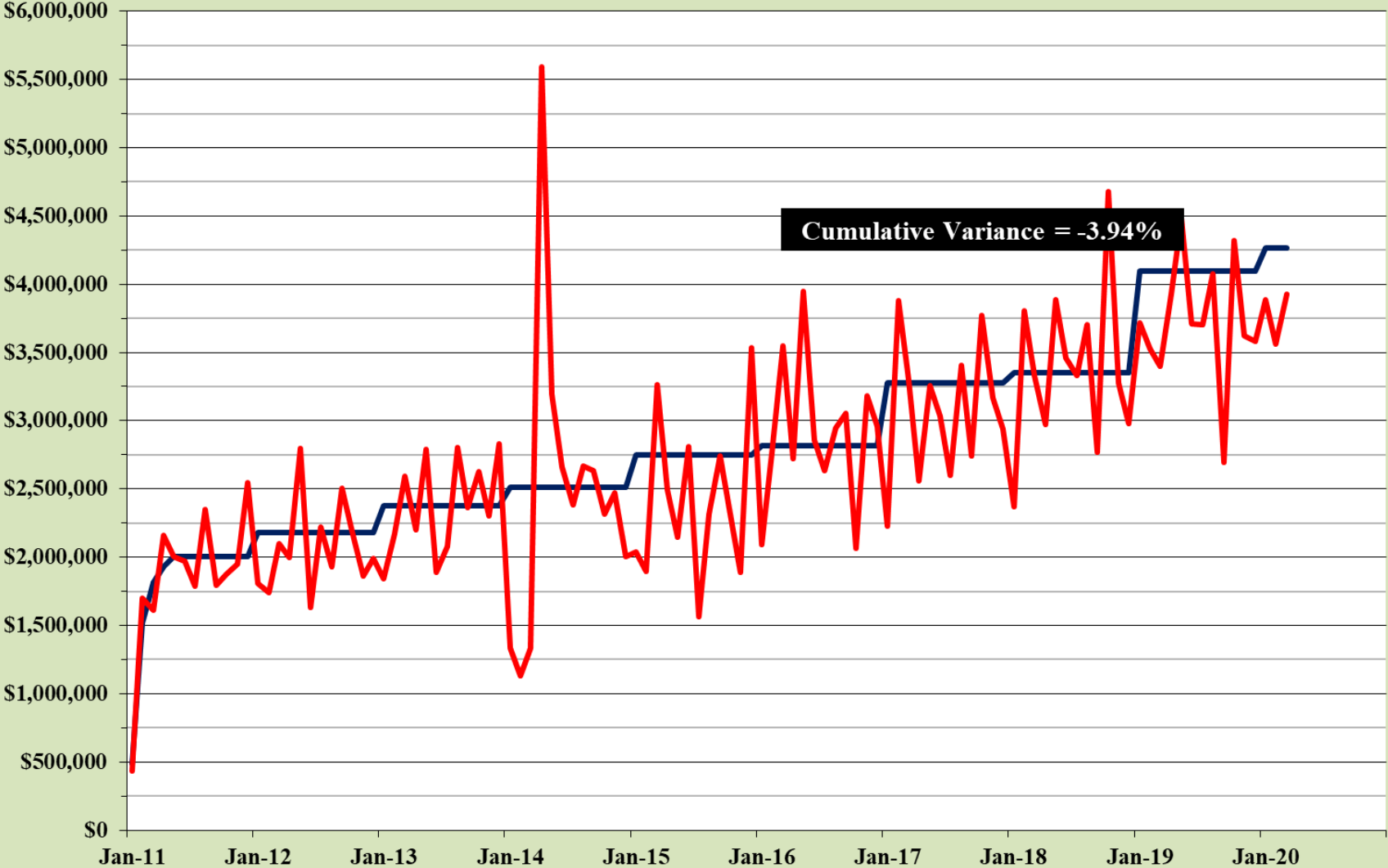


■ Actual Rx Claims   
 ■ Budgeted Rx Claims   
 ■ Actual Medical Claims   
 ■ Budgeted Medical Claims

# Greater Tompkins County Municipal Health Ins Consortium

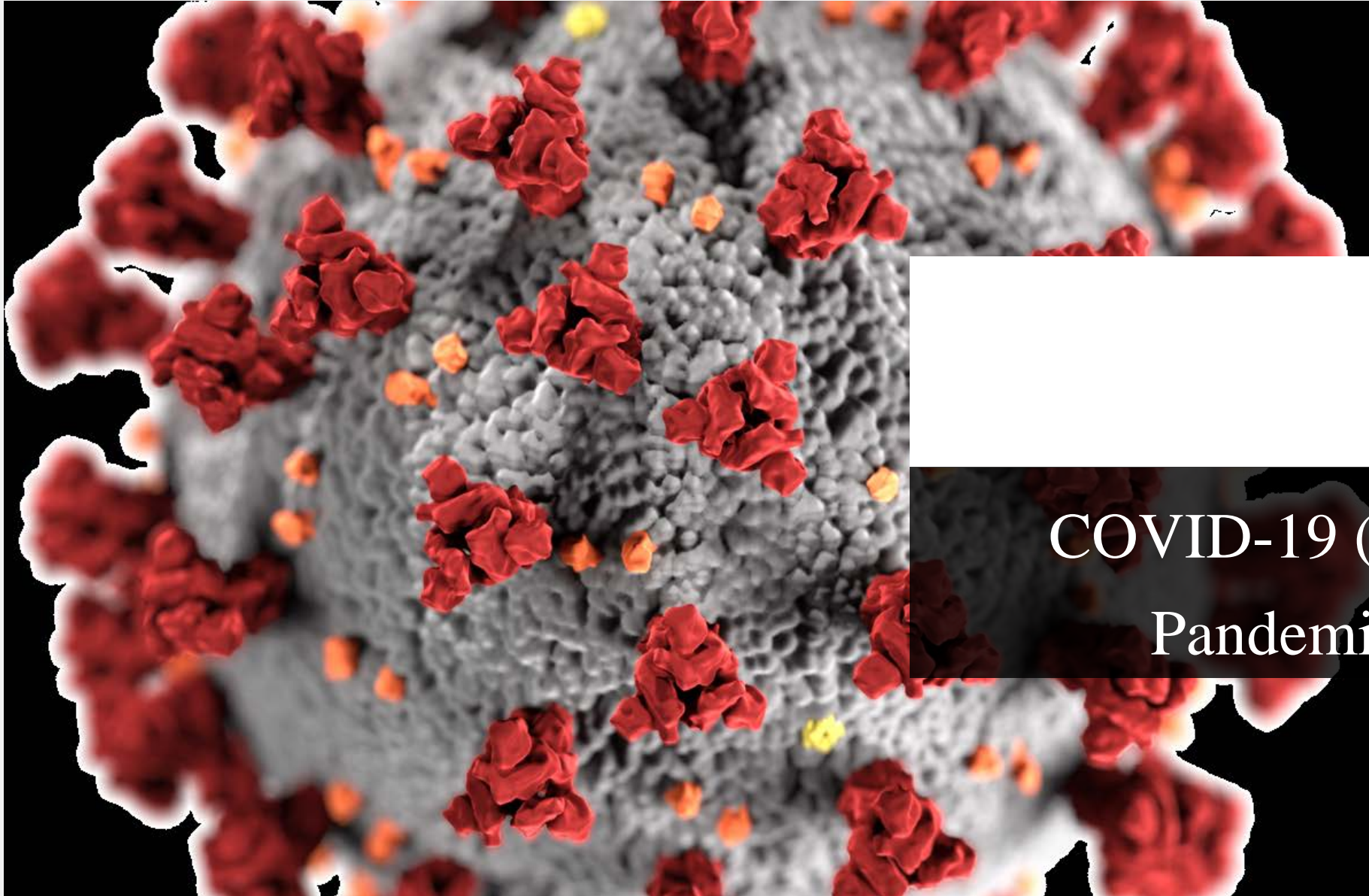
## 2011-2020 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to March 31, 2020



Cumulative Variance = -3.94%

— Budgeted Claims — Actual Paid Claims



# Section 5

## COVID-19 (coronavirus) Pandemic Impact

# 2020 COVID-19 Pandemic Impact

## Tompkins County Key Facts:

1. Tompkins County has approximately 103,000 residents.
2. According to the New York State Department of Health web-site, as of May 8<sup>th</sup>
  - a) There have been approximately 5,000 people in Tompkins County who have been tested for the presence of COVID-19 (coronavirus).
  - b) There have been approximately 132 Tompkins County residents who have tested positive for the coronavirus which is approximately 3% of the tested population and approximately 0.13% of the County's total population with no reported deaths.
3. The other Counties in the Consortium have the following results:
  - a) Cayuga            1,173 Persons Tested    53 Positive Results
  - b) Cortland        1,437 Persons Tested    29 Positive Results
  - c) Chemung        2,463 Persons Tested    131 Positive Results
  - d) Schuyler         534 Persons Tested      7 Positive Results
  - e) Seneca           728 Persons Tested     48 Positive Results
  - f) Tioga            1,304 Persons Tested    104 Positive Results



# 2020 COVID-19 Pandemic Impact

## Impact on the Greater Tompkins County Municipal Health Insurance Consortium

1. Paid claims in the short-term have been below budget. If we look at the weekly paid claims for the past two months, we see lower weekly results due primarily to the delay or cancellation of minor and/or elective procedures:

Date	Per Excellus BCBS Reports		Per ProAct, Inc. Reports		Combined Paid Claims	
	Medical Claims		Rx Claims		Combined Paid Claims	
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
Jan-20	\$2,656,982.48	\$164,088.31	\$1,117,016.74	\$78,117.34	\$3,773,999.22	\$242,205.65
Feb-20	\$2,091,508.81	\$165,934.99	\$1,004,928.55	\$66,152.12	\$3,096,437.36	\$232,087.11
Mar-20	\$2,484,722.26	\$122,643.82	\$1,183,622.26	\$73,298.86	\$3,668,344.52	\$195,942.68
Apr-20	<b>\$1,566,366.43</b>	\$62,316.83	\$1,101,096.33	\$66,660.46	\$2,667,462.76	\$128,977.29
May-20	\$0.00	\$0.00			\$0.00	\$0.00
Jun-20	\$0.00	\$0.00			\$0.00	\$0.00
Jul-20	\$0.00	\$0.00			\$0.00	\$0.00
Aug-20	\$0.00	\$0.00			\$0.00	\$0.00
Sep-20	\$0.00	\$0.00			\$0.00	\$0.00
Oct-20	\$0.00	\$0.00			\$0.00	\$0.00
Nov-20	\$0.00	\$0.00			\$0.00	\$0.00
Dec-20	\$0.00	\$0.00			\$0.00	\$0.00
<b>Totals</b>	<b>\$8,799,579.98</b>	<b>\$514,983.95</b>	<b>\$4,406,663.88</b>	<b>\$284,228.78</b>	<b>\$13,206,243.86</b>	<b>\$799,212.73</b>
	<b>94.47%</b>	<b>5.53%</b>	<b>93.94%</b>	<b>6.06%</b>	<b>94.29%</b>	<b>5.71%</b>

2019 Average Monthly Medical Claims  
\$2,373,649.24

2020 1<sup>st</sup> Quarter Average Monthly Medical Claims  
\$2,411,071.18

2020 April Medical Claims  
\$1,566,366.43

# 2020 COVID-19 Pandemic Impact

## Impact on the GTCMHIC (continued)

2. The data on the previous page shows the weekly paid claims in April were collectively more than \$1.5 million below the budgeted amount for the month.
3. We expect this trend to continue into May as the medical community starts to slowly ramp back up to a more normal schedule of minor and elective procedures.
4. Looking “down the road” a bit we do not see any major negative impacts to the Consortium from a paid claims perspective as:
  - a) The hospitals and doctors can only perform so many procedures in a day which we believe means that there will not be any major compression when they start performing services on a more regular schedule.
  - b) Most of the severe cases have involved older members who are on Original Medicare Parts A and B which limits the claims exposure to the Cooperative to some extent.
  - c) There will likely be some hesitation in patients seeking care due to concerns that they may expose themselves to the coronavirus or other illness.



# Section 6

2020 Fiscal Year-to-Date  
Net Income, Liabilities, and Reserves

# 2020 Net Income, Liabilities & Reserves (03-31-2020)

	2020 <i>Adopted Budget</i>	2020 <i>Revised Budget</i>	2020 <i>Year-to-Date</i>	2020 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
<b>Net Income</b>	-\$487,467.19	-\$487,467.19	-\$443,441.80	\$1,208,594.78	\$1,652,036.58	-372.55%
<b>Ending Balance</b>	\$30,436,287.93	\$30,436,287.93	\$30,480,313.32	\$32,132,349.90	\$1,652,036.58	5.42%
<b>Liabilities and Reserves</b>						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	Established by Board Policy
<b>Total Liabilities and Reserves</b>		\$17,122,767.36	\$17,122,767.36	\$17,122,767.36	\$17,122,767.36	
<b>Unencumbered Fund Balance</b>		\$13,313,520.57	\$13,313,520.57	\$13,357,545.97	\$15,009,582.54	

The 2020 Fiscal Year Net Income is substantially above the projected budget for the year. This has resulted in the net cash assets (unencumbered fund balance) being above the targeted level as set by the Consortium's Audit & Finance Committee. As of March 31, 2020, the unencumbered fund balance equals approximately 28.46% of the expected premium income for the year. This result was achieved even with the increase in the Rate Stabilization Reserve from 5% of Expected Paid Claims to 7.5% of Expected Paid Claims.

# 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 31<sup>st</sup> there are going to be covered medical services received by covered members on or before December 31<sup>st</sup> which will not be paid until sometime after December 31<sup>st</sup>. 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 2020 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 2020 Fiscal Year budget forecasted this reserve to equal \$6,144,909.49 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2020 Fiscal Year, Excellus' estimate of this liability was \$4,277,400 which is approximately 8% of the expected claims cost for the year.

# Liabilities and Reserves - Defined

## SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The 2020 Fiscal Year budget forecasted this reserve to equal \$2,637,289.44 (5.0% of projected premium income of \$52,745,788.78). It should be noted that the Consortium's premium income is slightly above the budgeted amount through the first 3-months of the fiscal period which means this reserve level may be slightly higher at the end of the year than the projected amount.



# Liabilities and Reserves - Defined

## CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020 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 made the decision to fund this reserve at an amount equal to \$4,500,000 for the 2020 Fiscal Year.

# 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.



# Section 7

## 2020 Fiscal Year-to-Date Summary & Observations

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

# 2020 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is slightly above budget as of March 31, 2020, we believe the revenue projections will remain slightly above the budgeted amount through the end of the fiscal year. This result will be due to the enhanced pharmaceutical manufacturer rebates being received from ProAct, Inc. Another contributing factor will be the continued positive results associated with increased interest earning resulting from higher interest rates and increased management of the cash assets by the Consortium's Financial Team which includes assistance from Wilmington Trust.
2. The combined Medical and Rx Paid Claims were 9.93% below budget through the first 3-months of the 2020 Fiscal Year. This result was achieved in large part due to a decrease in elective procedures due to the recent pandemic. We are keeping a close eye on the paid claims and we are cautiously optimistic that the Consortium will finish the year near or below budget. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met. In addition, we do anticipate some compression in medical claims costs as covered members have procedures performed which had been delayed due to the pandemic.

# 2020 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first 3-months of the 2020 Fiscal Year. It is too early to make any firm projections relative to year-end. However, the financial indicators are pointing toward another positive fiscal year, resulting in a net income which will be used to bolster the Consortium's Reserves and Fund Balance. In the end, we are hopeful that this positive result will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the Participating Municipalities.
4. Lastly, we want to point out that the fiscal results experienced by the Consortium as of March 31, 2020 support the Board of Director's decision to increase premium rates by a modest 5% for the 2020 Fiscal Year. Any additional funds set aside from this year will give the Consortium the opportunity to continue to keep premium increases at a very modest level for the next several fiscal periods.

REPORT #1 — PART A: ASSETS

	Current Year	Previous Year *
	1	2
Total	Total	Total
1. Bonds (Schedule B line 0199999)	19,477,912	-
2. Stocks:		
2.1 Preferred stocks (Schedule B line 0299999)	-	-
2.2 Common stocks (Schedule B line 0399999)	-	-
3. Real estate (Schedule J line 0199999)	-	-
4.1 Cash (Schedule A Line 0399999)	11,304,684	25,795,711
4.2 Cash equivalents (Schedule A Line 0499999)	-	-
4.3 Total Cash and Cash equivalents (Schedule A Line 0599999)	11,304,684	25,795,711
5. Premiums receivable (Schedule C, NY 10)	127,906	178,141
6. Other invested assets	-	-
7. Receivable for securities	-	-
8. Aggregate write-in for invested assets	-	-
9. Subtotal cash and invested assets (Lines 1 to 8)	30,910,502	25,973,852
10. Investment income due and accrued	141,159	-
11. Reinsurance:		
11.1 Amounts recoverable from reinsurers	-	11,625
11.2 Funds held by or deposited with reinsured companies	-	-
11.3 Other amounts receivable under reinsurance contracts	-	-
12.1 Current federal income tax recoverable and interest thereon	-	-
12.2 Net deferred tax asset	-	-
13. Electronic data processing equipment and software	-	-
14. Furniture and equipment, including health care delivery assets	-	-
15. Health care and other amounts receivable	380,746	430,722
16. Aggregate write-in for other than invested assets	647,700	647,700
17. Total Assets (Lines 9 to 16)	32,080,107	27,063,899

*Handwritten note:* 18.5% and agrees w/ pp. 4b and 5 in audit report

**DETAILS OF WRITE-INS AGGREGATED AT ITEM 8 FOR INVESTED ASSETS**

0801.		
0802.		
0802.		
0804.		
0805.		
0898. Summary of remaining write-ins for Item 8 from overflow page	-	-
0899. TOTALS (Items 0801 thru 0805 plus 0898) (Page 2, Item 8)	-	-

**DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR OTHER THAN INVESTED ASSETS**

1601. Excellus BCBS Prepaid Claims (Advanced Deposit)	647,700	647,700
1602.		
1603.		
1604.		
1605.		
1698. Summary of remaining write-ins for Item 16 from overflow page	-	-
1699. TOTALS (Items 1601 thru 1605 plus 1698) (Page 2, Item 16)	647,700	647,700

\* As reported on Prior Year End filed Annual Statement.

REPORT #1 — PART B: LIABILITIES AND SURPLUS

	Current Year 1	Previous Year* 2
	Total	Total
1.1 Unpaid claims (Schedule F, NY11)	2,356,193	2,623,835
1.2 Additional amount required by Section 4705(a)(1)	3,281,087	2,308,212
1.3 Total claims payable	5,637,280	4,931,847
2. Premiums received in advance	509,798	20
3. General expenses due or accrued	-	-
4.1 Current federal income tax payable and interest thereon	-	-
4.2 Net deferred tax liability	-	-
5. Ceded reinsurance premiums payable	-	-
6. Amounts withheld or retained for the account of others	-	-
7. Borrowed money and interest thereon	-	-
8. Payable for securities	-	-
9. Funds held under reinsurance treaties	-	-
10. Aggregate write-ins for other liabilities	-	-
11. Accounts payable (Schedule G, NY12)	605,015	488,268
12. Claim stabilization reserve	-	-
13. Unearned premiums	-	-
14. Loans and notes payable	-	-
15. Aggregate write-ins for current liabilities	-	-
16. Total liabilities (Lines 1 to 16)	6,762,093	5,420,136
17. Aggregate write-ins for special surplus funds	4,984,812	4,100,000
18. Gross paid-in and contributed surplus	-	-
19. Unassigned funds (surplus)	17,828,366	15,423,677
20. Surplus notes	-	-
21. Surplus per Section 4706(a)(5) **	2,514,837	2,120,095
22. Total capital and surplus (Lines 17 to 21) = Available Net Position	25,328,015	21,843,782
23. Total liabilities, capital, and surplus (Lines 16 + 22)	32,080,107	27,063,898
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER LIABILITIES</b>		
1001. _____		
1002. _____		
1003. _____		
1004. _____		
1005. _____		
1098. Summary of remaining write-ins for Item 10 from overflow page	-	-
1099. TOTALS (Items 1001 thru 1005 plus 1098) (Page NY3, item 10)	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR CURRENT LIABILITIES</b>		
1501. _____		
1502. _____		
1503. _____		
1504. _____		
1505. _____		
1598. Summary of remaining write-ins for Item 15 from overflow page	-	-
1599. TOTALS (Items 1501 thru 1505 plus 1598) (Page NY3, item 15)	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR SPECIAL SURPLUS FUNDS</b>		
1701. Assigned for Catastrophic Claims	2,800,000	2,000,000
1702. Rate Stabilization Reserve	2,184,812	2,100,000
1703. _____		
1704. _____		
1705. _____		
1798. Summary of remaining write-ins for Item 17 from overflow page	-	-
1799. TOTALS (Items 1701 thru 1705 plus 1798) (Page NY3, item 17)	4,984,812	4,100,000

*Reserves*

*Up 1,331,957 or 24.6%  
see detail below*

*Available Net Position  
Ties to Total Assets*

*Ties to Total Liabs  
p. 4b + 5 of AUDIT REPORT*

*P. 4b = Net Position went up  
\$3,684,253.*

*2018: Went up \$319,806  
2017: Went up \$2,392,672*

\* As reported on Prior Year End filed Annual Statement.

\*\* Calculation of current year reserves shown on NY16 (Schedule K).

*Revs + Exps are grouped differently*

REPORT #2 STATEMENT OF REVENUE, EXPENSES AND SURPLUS

	Current Year 1	Previous Year * 2	Current Year 3	Previous Year * 4
	Total	Total	PMPM	PMPM
1. Member Months	74,085	62,436	XXX	XXX
2. Net premium incomes:				
2.1 Basic	39,177,246	33,049,620	528.81	529.34
2.2 Drugs	11,119,480	9,352,083	150.09	149.79
2.3 Total	50,296,726	42,401,706	678.91	679.13
3. Change in unearned premium reserves and reserve for rate credits:				
3.1 Basic	-	-	-	-
3.2 Drugs	-	-	-	-
3.3 Total	-	-	-	-
4. Aggregate write-ins for other health care related revenues				
5. Non-health revenues	153,028	150,959	XXX	XXX
6. Total revenues (Items 2 to 5)	50,449,754	42,552,664	680.97	681.55
<b>Hospital and Medical:</b>				
7. Hospital/medical benefits	31,928,670	29,703,464	430.97	475.75
8. Other professional services	-	-	-	-
9. Outside referrals	-	-	-	-
10. Emergency room and out-of-area	-	-	-	-
11. Prescription drugs	11,411,628	9,288,531	154.03	148.77
12. Aggregate write-ins for other hospital and medical	-	-	-	-
13. Incentive pool, withheld adjustments and bonus amounts	-	-	-	-
14. Aggregate write-ins for other expenses	359,396	257,036	4.85	4.12
15. Subtotal (Lines 7 to 14)	43,699,694	39,249,031	589.86	628.64
Less:				
16. Net reinsurance recoveries	3,451	458,516	0.05	7.34
17. Total hospital and medical (Lines 15-16)	43,696,243	38,790,515	589.81	621.29
18. Claims adjustment expenses, including cost containment expenses	-	-	-	-
19. General administrative expenses				
19.1 Compensation	269,873	150,409	3.64	2.41
19.2 Interest expense	-	-	-	-
19.3 Occupancy, depreciation, and amortization	5,976	-	0.08	-
19.4 Marketing	3,953	2,508	0.05	0.04
19.5 Professional Fees	113,411	90,799	1.53	1.45
19.6 Administration Fees	1,452,368	1,161,955	19.60	18.61
19.7 Consulting Fees	123,891	63,700	1.67	1.02
19.8 Aggregate write-ins for other administrative expenses	689,640	475,325	9.31	7.61
19.9 Total administrative expenses	2,659,132	1,844,896	35.89	31.15
20. Increase in reserves for A&H contracts	-	-	-	-
21. Total underwriting deductions (Lines 17 to 20)	48,355,376	40,735,211	625.71	652.44
22. Net underwriting gain or (loss) (Lines 6 - 21)	4,094,389	1,817,453	55.27	29.11
23. Net investment income earned	373,697	-	5.04	-
24. Net realized capital gains or (losses) less capital gains taxes	-	-	-	-
25. Net investment gains or (losses) (Lines 23 + 24)	373,697	-	5.04	-
26. Aggregate write-ins for other income or expenses	(960,583)	(461,091)	(12.97)	(7.39)
27. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 22 + 25 + 26)	3,507,503	1,356,362	47.34	21.72
28. Federal income taxes incurred	-	-	-	-
29. Net income (loss) (Lines 27 - 28)	3,507,503	1,356,362	47.34	21.72
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 4 FOR OTHER HEALTH CARE RELATED REVENUES</b>				
0401.				
0402.				
0403.				
0404.				
0405.				
0498. Summary of remaining write-ins for item 4 from overflow page	-	-	-	-
0499. TOTALS (Items 0401 thru 0405 plus 0498) (Page NY4, Item 4)	-	-	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 12 FOR OTHER HOSPITAL AND MEDICAL</b>				
1201.				
1202.				
1203.				
1204.				
1205.				
1298. Summary of remaining write-ins for item 12 from overflow page	-	-	-	-
1299. TOTALS (Items 1201 thru 1205 plus 1298) (Page NY4, Item 12)	-	-	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 14 FOR OTHER EXPENSES</b>				
1401. NYS Graduate Medical Education Tax	330,434	237,400	4.46	3.80
1402. Flu Clinics	13,270	600	0.18	0.01
1403. Patient Care Outcomes Research Institution Fee (PCORI)	12,742	12,361	0.17	0.20
1404. ITS Supplemental Amount	2,950	6,875	0.04	0.11
1405.	-	-	-	-
1498. Summary of remaining write-ins for item 14 from overflow page	-	-	-	-
1499. TOTALS (Items 1401 thru 1405 plus 1498) (Page NY4, Item 14)	359,396	257,036	5	4
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 19.8 FOR OTHER ADMINISTRATIVE EXPENSES</b>				
19.801. Insurance (Directors & Officers, Professional Liability)	40,114	33,139	0.54	0.53
19.802. Stop Loss Premiums	639,190	442,186	8.63	7.08
19.803. Supplies	9,715	-	0.13	-
19.804. Mileage Expense	621	-	0.01	-
19.805.	-	-	-	-
19.898. Summary of remaining write-ins for item 19.8 from overflow page	-	-	-	-
19.899. TOTALS (Items 19.801 thru 19.805 plus 19.898) (Page NY4, Item 19.8)	689,640	475,325	9	8
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 26 FOR OTHER INCOME OR EXPENSES</b>				
2601. Miscellaneous Expenses	(6,080)	(6,068)	(0.08)	(0.10)
2602. Insured Ancillary Benefits Expense	(152,109)	(149,173)	(2.05)	(2.39)
2603. Other Income	10,640	5,400	0.14	0.09
2604. Interest Income	77,529	21,938	1.05	0.35
2605. Total Additional amt. required by Section 4706(a)(1)	(92,020)	(64,803)	(1.23)	(0.94)
2698. Summary of remaining write-ins for item 26 from overflow page	82,312	231,181	1	4
2699. TOTALS (Items 2601 thru 2605 plus 2698) (Page NY4, Item 26)	(960,583)	(461,091)	(13)	(7)

*Offers fr. AUDIT REPORT*

*① Tries to Add it Report, p. 6  
When adding back in  
2 word entries by  
State:  
3,507,503  
+ 972,875  
- 84,812  
- 5,882 Adj. caty  
4,387,264*

\* As reported on Prior Year End filed Annual Statement.

*84,812 Addl Amt. for Rate Stab. Pos.  
(25,000) Medicare Part D expenses  
Board Packet Page #64*



REPORT #2 STATEMENT OF REVENUE, EXPENSES AND SURPLUS (Continued)

CAPITAL & SURPLUS ACCOUNT	Current Year	Previous Year *
	1 Total	2 Total
30. Capital and surplus prior reporting year	21,843,762	21,323,957
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>		
31. Net income or (loss) from Line 29	3,507,503	1,356,362
32. Change in valuation basis of aggregate policy and claim reserve	-	-
33. Change in net unrealized capital gains and losses less capital gains tax	-	-
34. Change in net deferred income tax	-	-
35. Change in nonadmitted assets	-	-
36. Change in unauthorized reinsurance	-	-
37. Change in surplus notes	-	-
38. Cumulative effect of changes in accounting principles	-	-
39. Capital Changes	-	-
39.1 Paid in	-	-
39.2 Transferred to surplus	-	-
40. Surplus adjustments:	-	-
40.1 Paid in	-	-
40.2 Transferred from capital	-	-
41. Dividends to participating municipal corporations (or school districts)	-	-
42. Change in surplus per Section 4706(a)(5)	394,752	81,360
43. Change in retained earnings/fund balance	(623,250)	(1,686,557)
44. Interest on surplus notes	-	-
45. Aggregate write-ins for changes in other net worth items	800,000	650,000
46. Aggregate write-ins for gains or (losses) in surplus	(394,752)	(81,360)
47. Net change in capital and surplus (Lines 31 to 46) <i>** Invs. in Net Position</i>	3,684,253	319,805
48. Capital and surplus end of reporting year (Line 30 + 47) <i>** TOTAL NET POSITION</i>	25,528,015	21,643,762
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 45 FOR CHANGES IN OTHER NET WORTH ITEMS</b>		
4501. Addition in Catastrophic Reserve	\$ 800,000	\$ 650,000
4502.		
4503.		
4504.		
4505.		
4598. Summary of remaining write-ins for Item 46 from overflow page	-	-
4599. TOTALS (Items 4501 thru 4505 plus 4598) (Page NY5, item 45)	800,000	650,000
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 46 FOR GAINS OR (LOSSES) IN SURPLUS</b>		
4601. Offset to change in 4706(a)(5)	\$ (394,752)	\$ (81,360)
4602.		
4603.		
4604.		
4605.		
4698. Summary of remaining write-ins for Item 47 from overflow page	-	-
4699. TOTALS (Items 4601 thru 4605 plus 4698) (Page NY5, item 46)	(394,752)	(81,360)

Ties to Audit Report  
less 2 entries  
req'd. by STATE

Ties to P. 4 of Audit Report  
Ties to P. 5 of Audit Report

\* As reported on Prior Year End filed Annual Statement.  
\*\* Must agree with Page NY 3 Line 22



5 YRS AT A GLANCE

N.Y. SCHEDULE H — FIVE-YEAR HISTORICAL DATA

A	B Current Year 2019	C 2018	D 2017	E 2016	F 2015
<b>BALANCE SHEET ITEMS (Page NY2, NY3)</b>					
1. Total Assets	32,080,107	27,063,899	26,531,122	24,290,895	22,153,922
2. Total Liabilities	6,752,093	5,420,136	5,207,165	5,289,611	4,325,957
3. Total Capital and Surplus	25,328,015	21,643,762	21,323,957	19,001,286	17,827,966
4. Contingency Reserve	2,514,837	2,120,085	2,038,725	1,925,998	1,879,368
5. Total Net Worth	25,328,015	21,643,762	21,323,957	19,001,286	17,827,966
<b>INCOME STATEMENT ITEMS (Page NY4)</b>					
6. Net Premium Income	50,296,736	42,401,705	40,774,492	38,519,955	37,587,353
7. Total Revenues	50,449,764	42,552,664	40,920,135	38,651,929	37,715,876
8. Total Hospital and Medical expenses	43,696,243	38,790,515	36,094,941	35,169,116	29,040,409
9. Total Administration expenses	2,659,132	1,944,696	2,149,040	2,092,998	1,900,872
10. Net Income	3,507,503	1,356,362	2,660,567	989,221	6,658,425
11. Member Months	74,085	62,435	15,433	60,768	60,335
12. Net Premium Income (PMPM)	678.91	679.13	2,642.03	633.89	622.98
13. Total Revenues(PMPM)	680.97	681.55	2,651.47	636.06	625.11
14. Total Hospital And Medical Expenses (PMPM)	589.81	621.29	2,338.82	578.74	481.32
15. Total Administration Expenses (PMPM)	35.89	31.15	139.25	34.44	31.51
16. Net Income (PMPM)	47.34	21.72	172.39	16.28	110.36
<b>FORMULAS</b>					
17. Other Invested Assets/Total Assets	0.00	0.00	0.00	0.00	0.00
18. Total Hospital and Medical Expenses / Net Premium IncomePremium	0.87	0.93	0.89	0.92	0.78
19. Total Administration Expenses / Total Revenues	0.05	0.05	0.05	0.05	0.05
<b>UNPAID CLAIMS ANALYSIS</b>					
20. Total Claims Paid During the Year etc. (From Schedule F, Section III, Col. F, Line 4)	1,717,225	2,409,120	1,666,715	2,631,887	1,651,071
21. Estimated Liability of Unpaid Claims— Previous Year	2,623,635	2,796,811	2,677,080	2,406,559	2,761,159

**GREATER TOMPKINS COUNTY MUNICIPAL  
HEALTH INSURANCE CONSORTIUM**

**STATEMENTS OF NET POSITION  
DECEMBER 31,**

	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 11,304,684	\$ 15,934,310
Unrestricted Investments	6,340,983	-
Accrued Interest	141,159	-
Accounts Receivable - Stop Loss and Drug Rebates	380,746	442,347
Premiums Receivable	127,906	178,141
<b>Total Current Assets</b>	<b>18,295,478</b>	<b>16,554,798</b>
<b>OTHER ASSETS</b>		
<b>Noncurrent Assets</b>		
Premium Claims Deposit	647,700	647,700
Restricted Cash and Cash Equivalents	-	9,861,401
Restricted Investments	13,136,929	-
<b>Total Noncurrent Assets</b>	<b>13,784,629</b>	<b>10,509,101</b>
<b>Total Assets</b>	<b>32,080,107</b>	<b>27,063,899</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Incurred Claims Liability	5,637,280	4,931,847
Accounts Payable	605,015	488,269
Unearned Premiums	509,798	20
<b>Total Current Liabilities</b>	<b>6,752,093</b>	<b>5,420,136</b>
<b>Total Liabilities</b>	<b>6,752,093</b>	<b>5,420,136</b>
<b>NET POSITION</b>		
<b>Restricted</b>		
Restricted for Contingency Reserve - §4706(a)(5)	2,514,837	2,120,085
<b>Board Designated</b>		
Catastrophic Claims Reserve	2,800,000	2,000,000
Rate Stabilization Reserve	2,184,812	2,100,000
<b>Total Board Designated</b>	<b>4,984,812</b>	<b>4,100,000</b>
Unrestricted	17,828,365	15,423,678
<b>Total Net Position</b>	<b>\$ 25,328,014</b>	<b>\$ 21,643,763</b>

*See Notes to Financial Statements*

***GREATER TOMPKINS COUNTY MUNICIPAL  
HEALTH INSURANCE CONSORTIUM***

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>		
Premiums	\$ 50,296,736	\$ 42,401,705
<b>Total Operating Revenues</b>	<u>50,296,736</u>	<u>42,401,705</u>
<b>Operating Expenses</b>		
Salaries and Benefits	121,481	-
Claims Expense	43,340,299	38,991,995
Reinsurance Expenses, Net	641,621	(10,448)
Insurance	40,114	33,139
Administrative Fees	1,468,608	1,169,230
Aggregate Write-ins for Other Expenses	749,135	554,668
<b>Total Operating Expenses</b>	<u>46,361,258</u>	<u>40,738,584</u>
Excess of Operating Revenues Before Nonoperating Revenue (Expense)	3,935,478	1,663,121
<b>Nonoperating Revenue (Expense)</b>		
Interest Earnings	456,386	21,938
Unrealized Gain (Loss)	8,715	-
Other (Expenses) Revenues	(10,895)	(1,390)
<b>Total Nonoperating (Expense)</b>	<u>454,206</u>	<u>20,548</u>
Change in Net Position	4,389,684	1,683,669
Net Position, January 1,	<u>21,643,763</u>	<u>21,323,957</u>
Adjustment for Incurred But Not Reported Claims	<u>(705,433)</u>	<u>(1,363,863)</u>
<b>Net Position, December 31,</b>	<u><u>\$ 25,328,014</u></u>	<u><u>\$ 21,643,763</u></u>

*See Notes to Financial Statements*