



Greater Tompkins County Municipal Health Insurance Consortium

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

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

Board of Directors Meeting August 27, 2020 – 6:00 pm – by Zoom

<https://tompkinscountyny.gov.zoom.us/j/97031290087?pwd=b2pjQlJodWowVVRmUTFzeHRlZuZz09>

Meeting ID: 970 3129 0087; Passcode: 385767; 1 (646) 558-8656

1. Call to Order and Recognition of New Members
2. Approval of June 25, 2020 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
5. Report from Executive Committee (6:10)
 - a. **MOTION:** Ratify Action of the Governance Structure/MCA Review Committee
6. Executive Director's Report (6:15) E. Dowd
7. Report from Operations Committee (6:10) L. Holmes
 - a. **RESOLUTION:** Approval of Expenditure in 2020 for Consortium Employees – Wellness Incentive
8. Financial Report (6:20)
 - a. Financial Report S. Locey
 - b. Treasurers Report R. Snyder
9. Presentation of 2021 Preliminary Budget (6:35) E. Dowd/S. Locey
10. Report from Audit and Finance Committee (7:15) M. Cook
 - a. **RESOLUTION:** Adoption of Budget Guidelines (*Pending Committee action 8-25-2020*)
 - b. **RESOLUTION:** Approval of Amended Investment Management Services Contract to Include Wilmington Trust Advisors (*Pending Committee action 8-25-2020*):
11. Report from Governance Structure Committee (7:30) C. Rankin
 - a. MCA Next Steps
 - b. **RESOLUTION:** Dissolution of Governance Structure/MCA Review Committee and Extending Appreciation to its Members
12. Report from Joint Committee on Plan Structure and Design (7:35) J. Bower
 - a. **RESOLUTION:** Amendment of Metal Level Plans to Include Vision and Hearing Benefits
 - b. Owning Your Own Health Committee Report
 - c. **RESOLUTION:** Suspension and Evaluation of Owning Your Own Health Committee
13. New Business (7:40)
14. Adjournment (7:45)

Next Meeting: September 24, 2020



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Regular Meeting Board of Directors – DRAFT June 25, 2020 – 6:00 p.m. Remote by Zoom

Municipal Representatives: 29

Steve Thayer, City of Ithaca	Jim Doring, Town of Preble
Mack Cook, City of Cortland	Gary Mutchler, Town of Scipio
Chris Wagner, Seneca County	Tom Gray, Town of Sennett
Sarah Thomas/Lisa Holmes, Tompkins County	Ray Bunce, Town of Spencer
Ed Fairbrother, Town of Big Flats	Tom Brown, Town of Truxton
Mark Witmer, Town of Caroline	Rich Goldman, Town of Ulysses
Luann King, Town of Cincinnatus	Eric Snow, Town of Virgil
Laura Shawley, Town of Danby (arrived at 6:11 p.m.)	Peter Salton, Village of Cayuga Heights
Kathrin Servoss, Town of Dryden	Michael Murphy, Village of Dryden
Ellen Woods, Town of Enfield	Nancy Niswender/Betty Conger, Village of Groton
Chuck Rankin, Town of Groton	Donna Dawson, Village of Horseheads
Kevin Williams, Town of Homer	Ronny Hardaway, Village of Lansing
Judy Drake, Town of Ithaca	Rordan Hart, Village of Trumansburg
Charmagne Rungay, Town of Lansing	Bud Shattuck, Village of Union Springs
Christine Laughlin, Town of Newfield	

Labor Representatives: 3

Jim Bower, 2nd Labor Representative and Joint Comm. on Plan Structure & Design Chair
Zack Nelson, 3rd Labor Representative (arrived at 6:49 p.m.)
Tim Farrell, 5th Labor Representative

Excused: 3

Darcey Rigdon, Lansing Community Library
Joan Jayne, Town of Niles
David Schenck, Town of Springport
Vacancy – 2nd Labor Representative

Absent: 13

Alex Patterson, Town of Aurelius	Alvin Doty, Town of Willet
Donald Fischer, Town of Horseheads	Miles McCarty/Nathan Nagel, Village of Freeville
Tom Adams, Town of Marathon	Doug Perine, 4 th Labor Representative
Richard Nielens, Town of Mentz	Tanya DiGennaro, Village of Homer
John Malenick, Town of Montezuma	Lonnie Childs, Village of Watkins Glen
Terrance Baxter, Town of Moravia	Carol Sosnowski 6 th Labor Representative
Ed Wagner, Town of Owasco	

Others in attendance:

Elin Dowd, Executive Director	Don Barber, Consultant
Rick Snyder, Tompkins County Finance	Michelle Cocco, Clerk of the Board
Steve Locey, Robert Spenard, Locey & Cahill	Corey Prashaw, ProAct
Debra Meeker, Admin./Computer Assistant	Beth Miller, Excellus

Call to Order

Ms. Drake, Chair, called the meeting to order at 6:05 p.m. and welcomed new Directors.

Approval of Minutes – May 14, 2020

It was MOVED by Mr. Rankin, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present by video or teleconference, to approve the minutes of May 14, 2020 as submitted. MINUTES APPROVED.

Changes to the Agenda

The resolution entitled Approval of Adding Eyewear and Hearing Aid Benefit to all Metal Level Plans and the Medicare Supplement Plan was withdrawn from the agenda.

Chair's Report

Appointments to Operations Committee

MOTION NO. 003-2020: It was MOVED by Ms. Drake, seconded by Ms. King, and unanimously adopted by voice vote by members present by video or teleconference, to appoint Chris Wagner to the Operations Committee for a term expiring December 31, 2022. MOTION CARRIED.

Ms. Drake announced a vacancy on the Audit and Finance Committee and encouraged any interested Director to contact Ms. Dowd.

Executive Committee

RESOLUTION NO. 005 - 2020 – EXTENSION OF EXPANDED COVERAGE TO ALLOW PAID-IN-FULL BENEFITS FOR ANY COVID-RELATED TREATMENT

MOVED by Ms. Drake, seconded by Ms. King. Ms. Dowd said most of the coverage issues relating to COVID-19 have been either State or Federal mandates but Excellus and other insurances have felt that in order to mitigate risk and to advance the ending of the pandemic it would be best to cover treatment to avoid blocking anyone when service is needed. The Consortium's Executive Committee reviewed this with the Consultants and felt the risk is low because most of the cost has been for Medicare-eligible individuals; unless still actively working Medicare has paid first. The Committee approved action pending ratification by the full Board.

The resolution was unanimously adopted by voice vote by members present via video or teleconference. RESOLUTION ADOPTED.

WHEREAS, at its May 14, 2020 the Consortium expanded coverage to allow paid in full benefits for any COVID-related treatment, for otherwise-covered services, through May 31, 2020, and

WHEREAS, this coverage waived co-pays for inpatient admissions, observation care, skilled nursing, ambulance, home care or any claim for otherwise-covered service that were filed with a diagnosis of confirmed COVID-19, and

WHEREAS, Excellus BCBS has decided to extend this benefit through September 7, 2020 and believes it is in the best interests of our community to implement these measures for their minimum premium, self-funded and Article 47 customers, and

WHEREAS, it is expected that utilization should continue to be low as the care has to be related to COVID-19; therefore, it would be with minimal risk to continue to provide this benefit to make sure all our subscribers have no barriers to care or access to treatment to help slow or stop the pandemic, and

WHEREAS, to the best of our knowledge, there are no New York State or Federal Mandates that obligate the Greater Tompkins County Municipal Health Insurance Consortium to provide these enhanced benefits, and

WHEREAS, the Consortium recognizes that the impending financial crisis is impacting all municipalities in the Consortium and that extending benefits beyond those that have been agreed to and/or collectively bargained but also recognizes Consortium Directors want their subscribers to have the care they need without any barriers for this unusual virus, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby ratifies the action approved by an electronic poll of the Executive Committee to extend expanded coverage to allow paid in full benefits for any COVID-related treatment, for otherwise-covered services through September 7, 2020.

* * * * *

Executive Committee Report

Ms. Drake said the Executive Committee has not met since the last Board meeting; many of the discussion topics from the previous meeting are covered in actions that will be presented by other Committees.

Executive Director Report

Ms. Dowd reviewed the contents of her written report provided in advance of the meeting. With regard to COVID-19, mandates are still in place and there has been approximately \$200,000 in claims that were mostly related to testing and diagnosis. She said work is being done to gather resources to speak with the Consortium about COVID-19 and the impact it may have on the Consortium in finance and other areas.

Ms. Dowd reported on the claims accumulation issue related to deductibles and out-of-pocket maximums that is the result of communication problems between ProAct and Excellus. The issue has been identified and an ad-hoc committee was created by Excellus to work on resolving the problem.

Ms. Dowd said there has been a lot of discussion about premium relief in 2020 and 2021 as local governments are hurting financially. Many have advised that it is too early in 2020 to make a decision but in looking at the financials it is expected that the Consortium will trend much lower with claims for the year. She said later in the year the Audit and Finance Committee will startup discussions again about 2020 relief and how that would move forward into 2021. The 2021 budget is being developed currently and premium relief is being included in that development. She spoke of long-term recovery of premium relief and refunding of reserve accounts that need to be part of the conversations and any solution. She noted that

COVID-19 is still very unpredictable. The Executive Committee will discuss this at its next meeting and will forward the discussion to the Audit and Finance Committee for discussion and a recommendation in July. The Board may see a recommendation at its August meeting.

Ms. Dowd asked for input on this subject to help inform discussions. Ms. Salton thanked Ms. Dowd for explaining this to everyone and said it is useful for all municipalities to have this information. He said there are two kinds of relief that have been discussed – whether to have direct relief such as a premium holiday and/or relief in the form of lower premium increase in subsequent year. He asked Directors to provide input on these two types of relief or suggestions for others.

Mr. Goldman said he would prefer long-term, lower rate increases as opposed to a premium relief, noting there is a mix of who pays into the premium funds. Mr. Hardaway agreed and said a long-term relief plan is his preference. Others that spoke in support of long-term, lower rate increases included Mr. Farrell, Ms. Loughlin, and Mr. Fairbrother.

Mr. Williams spoke of there being many unknowns and suggested having some type of relief for 2021 and to revisit it for the 2022 budget since there are many unknowns at this time.

Mr. Salton said as a decision is made it is important to be cognizant of the fact that any relief in premiums will have a long-term impact on the Consortium.

Ms. Drake said the Executive Committee will discuss this at its July 7 meeting. She asked Directors with any feedback on this to contact Ms. Dowd. She said although the budget is not set for five years, there are assumptions for five years built into the budget process.

Utilization Reports

Ms. Dowd reported the Joint Committee reviewed both the Excellus and ProAct 2019 Utilization Reports which are available on the Consortium's website. She briefly reviewed the results of each report. She called attention to usage by Consortium members of the Emergency Room and asked that Directors encourage members to utilize their Primary Care Physician, Telemedicine, or Urgent Care Center as appropriate for non-emergency situations.

Highlights from the utilization reports are as follows:

- There was an 18% growth in enrollment. The total cost of growth with Excellus was only 9% with the cost per member per year were lower than the previous year. High claimant utilization and high claims costs also decreased.
- High cost areas include mental health and depression, high cholesterol, hypertension, and diabetes.
- Gaps in care have been observed in preventative screenings. This data is being used by the Joint Committee and the Owing Your Own Health Committee to push out wellness information, gaps in care, specifically diabetes, and other informational resources that are available.
- ProAct – the 18% growth resulted in a 19% growth in prescription count.
- Of the drug utilization 85% was for generic drugs, representing only 20% of total cost.
- The remaining 80% spend was for specialty drugs that have no generic alternative
- On average, employees on average are paying only 5% of the cost of prescriptions.

Ms. Dowd encouraged Directors to review the information posted on the website.

Ms. Drake called attention to flyers that were recently provided to Directors of which one outlined information on navigating options for care. Ms. Dowd noted that only 17 percent of employees utilize the Excellus website or mobile application and said more employees should be encouraged to use this resource.

Financial Report

Mr. Locey reviewed year-to-date financial results. With regard to revenue, the Consortium was 1.29% above budget on premium revenue due to a 3.3% increase in the contract base. There has been some offset due to the movement of subscribers into lower cost plans. Interest income continues to run higher than budget; however, he expects to end the year on budget. With regard to prescription drug rebates, Mr. Locey expects the Consortium to end the year at or above the budgeted amount. He noted that without the prescription drug rebate the premium would have had to be two percent higher to reach the same result.

With regard to expense, medical paid claims are currently 18% below budget and prescription drug claims are 5.3% below budget (14.3% below budget in aggregate). These are funds that are in the Fund Balance that will be available to mitigate rate increases. He summarized results, stating \$.94 of each dollar going to pay claims; \$.06 is going to pay for all other expenses to administer the program. As of May 31, 2020, the Consortium had a net income of \$3.5 million; the total ending balance is \$34.5 million, not including the advance funds that are held on deposit at Excellus.

Mr. Locey reviewed the different reserve funds, stating the current amount of fund balance in both statutory and discretionary is \$17.4 million.

Treasurer's Report

Mr. Snyder reported on late payments and stated the only area in the 60-90 day period is TC3 which is going through some budgetary constraints. He said the College is working with Cortland and Tompkins Counties to address a cash flow shortage and noted that all community colleges are having difficulty. Yesterday the College received \$2.1 million from the State which will help them get through July's payroll.

Mr. Snyder said the Treasurer now presents the Audit and Finance Committee a vendor payment report on a monthly basis and this information is available to any Director who is interested. The 2nd quarter Jurat process has begun.

In response to Ms. Drake, Mr. Snyder said all money that is owed to the Consortium is included in the financial report as revenue. A 1% late fee per month is charged for all entities that are late as outlined in the Municipal Cooperative Agreement. Mr. Locey said the Consortium has the authority to charge the late fee as well the ability to take action to remove an entity if there is a problem; he noted he was not suggesting that in the case of TC3. Ms. Dowd said TC3 has previously been delinquent and membership for TC3 comes through Tompkins County. Conversations regarding this account has been an agenda topic previously at the Audit and Finance Committee. Ms. Dowd complimented Mr. Snyder and his team for the relationship they have had with the College and their work on this. Mr. Williams suggested there be a policy to address this type of matter.

Mr. Snyder reviewed the history of the startup of the Consortium and how crucial TC3 was to meet the needed threshold of members and getting it started. It has been a long-standing practice for Tompkins County to advance payments in order for the College to make

its premium payments. Mr. Murphy said at some point the College will become whole; the problem is a delay and inconsistency in funding from the State.

Mr. Williams said it causes him great concern that this is happening and said he doesn't view only 1% being a late fee but rather a courtesy fee. Mr. Goldman said as a Director having fiduciary responsibility for the Consortium also causes him concern.

Ms. Drake said this a long-standing issue that is discussed each year and will be continued to be discussed by the Audit and Finance Committee. The Operations Committee was asked to review the late fee policy.

Report from the Operations Committee

Ms. Holmes reported the Committee met on June 1st and took action on the resolutions that are on being presented for approval.

RESOLUTION NO. 006- 2020 – AUTHORIZING EXTENSION OF OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

MOVED by Ms. Holmes, seconded by Mr. Salton, and unanimously adopted by voice vote by members electronically present. RESOLUTION ADOPTED.

WHEREAS, in 2019 the Executive Committee negotiated a lease agreement with The Town of Ithaca for office space, and

WHEREAS, the Consortium's legal counsel reviewed and approved the language contained in the lease agreement, and

WHEREAS, the term of the lease is for one year with the ability to extend annually with all utilities being the responsibility of the landlord, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Board of Directors authorizes the Vice Chair to sign said lease agreement with the Town of Ithaca for office space for the period April 1, 2020 thru March 31, 2021.

* * * * *

RESOLUTION NO.007-2020 – AMENDMENT OF RESOLUTION NO. 003-2014 - ADOPTION OF CONSORTIUM PROCUREMENT POLICY AND REQUEST FOR PROPOSAL GUIDELINES

MOVED by Ms. Holmes, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members electronically present. RESOLUTION ADOPTED.

WHEREAS, in response to a recommendation of the New York State Department of Financial Services the Consortium developed and adopted a policy on April 24, 2014 for the purpose of establishing guidelines for the procurement of goods and services by the Consortium involving an expenditure of funds, and

WHEREAS, the Consortium's Executive Director has reviewed and identified a need to update this policy that addresses the procurement of goods and services with additional guidelines for the development of requests for proposals, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Board of Directors hereby amends Resolution No. 003-2014 and adopts the attached amended Greater Tompkins County Municipal Health Insurance Consortium's Procurement Policy and Request for Proposal Guidelines,

RESOLVED, further, That the Policy shall become effective immediately upon adoption by the Board of Directors.

* * * * *

GTCMHIC Procurement Policy

Adopted June 25, 2020

All procurements made by the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") involving the expenditure of the Consortium funds will be made in accordance with the following procurement standards.

The Executive Director shall have responsibility for all Consortium purchasing and bidding.

Purchases will be reviewed by the Consortium Treasurer to prevent duplication and to ensure that costs are reasonable.

It is the policy of the Consortium to provide equal opportunity to all qualified suppliers. The principle of public purchasing is to obtain goods and services equitably through open competition at the least cost to the taxpayer while serving the interest of the Consortium.

Consortium procurement shall operate in full view of all members.

I. METHODS FOR PROCUREMENT

Procurements shall be made according to the parameters set forth in Tables A and B using one of the following methods:

A. Verbal or Written Quotations

Purchases costing up to \$3,000 may be made by authorized purchasers using the purchaser's best discretion with expense(s) to be directly paid or reimbursed by the Consortium upon receipt of a valid proof of purchase (i.e. receipt or invoice). Efforts will be made to get the lowest and best price, but written documentation is not required.

Purchases which cost between \$3,000.00 and \$9,999.99 require at least two written quotes. A memorandum shall be prepared detailing the date of contact, company name, contact person, pricing, and delivery terms. Purchaser shall make every attempt to ensure fair and competitive pricing.

Purchases of supplies, equipment, and professional services between \$10,000.00 and \$20,000.00 require written quotations. Reasonable attempts shall be made to obtain a minimum of three responses. Documentation detailing such attempts shall be prepared and filed with the paid bill file.

B. Bids or Request for Proposals

Bids will be sought for purchases of goods or equipment that exceed \$20,000. Detailed specifications will be developed for approval by the Consortium prior to posting on the

appropriate website(s). Bids shall be awarded to the lowest responsible bidder(s) meeting all specifications with acceptable deviations. Bids shall be awarded by the Executive Committee unless specifically required to be awarded by Board of Directors.

Request for Proposals shall be sought when the cost for services is expected to exceed \$20,000. Specifications shall be developed and approved by the Consortium prior to posting on the appropriate website(s). As a general rule, Request for Proposals shall be posted on the appropriate website(s) for a minimum of twenty-one days. The Executive Committee shall authorize the award and contract for the requested service(s).

The Consortium reserves the right to postpone bid openings for its own convenience and to make changes to the specifications.

Per NYS General Municipal, State and Local laws, the Consortium may award a Bid to a vendor and/or contractor offering the "Best Value" to the Consortium. "Best Value" allows the Consortium to participate in bids let by National Cooperatives and other government agencies that have awarded contracts through this method if it proves to be in the best interest of the Consortium and member taxpayers.

Request for Proposal specifications shall detail the following:

- Scope of Services
- Evaluation Criteria
- Project Schedule
- Contract Term

Contract shall be awarded to the offeror that submits the proposal determined to be in the best interest of the Consortium once proposals have been reviewed and, if needed, negotiated. Written evaluations of each response must be provided.

The Consortium reserves the right to reject all proposals, to negotiate with an offeror, and to solicit new Request for Proposals if determined to be in the best interest of the Consortium.

II. CONTRACTS

Generally, all procurement involving services will require a written description of the service or, when applicable, a written contract.

A contract for professional services shall be for up to three years with the option to renew for an additional two years.

All contracts shall contain a cancellation clause which allows the Consortium to cancel any contract for cause.

All contracts shall contain a cancellation clause which allows the Consortium to cancel any contract without cause with either a 30- or 60-day notice.

All contracts shall contain indemnification and hold harmless language and shall state required insurance coverage as deemed sufficient and appropriate by the Executive Committee.

III. DOCUMENTATION

Supporting documentation for purchases that do not require bidding or seeking proposals shall be retained and filed by the Executive Director or designee.

All bid and proposal responses shall be filed and maintained in accordance with the New York State Records Retention laws.

IV. GUIDELINES FOR WRITING A REQUEST FOR PROPOSAL (“RFP”)

These guidelines shall be followed with securing a bid through the RFP Process:

Include Rules for Submitting a Proposal – The rules for submitting a proposal (instructions) must be included in the specifications. Respondents will need to know who, where, how (format) and when to submit their response.

Make it a Performance Specification – Describe the performance desired rather than specifying the exact goods or services that are required. For example, a janitorial contract for providing a “clean work environment” should outline the program goals and ask for the qualifications of the Respondent’s personnel rather than telling them the number of people needed to perform the work, their required qualifications, or the number of times they must perform certain tasks.

Keep it Non-Proprietary – Do not specify the service so narrowly that it fits only one provider.

Disclose the Contract Term – In the Statement of Work explain the term of the contract.

Disclose Award Criteria & Weights – Disclose the criteria that will be used to evaluate the proposals and the weight that will be given to each criterion. This lets the Respondents know what is important and how their proposals will be judged.

Require Only What Will be Evaluated – Do not ask for information that will not be considered in making the award and that will contain a cost to the Respondent to provide (such as financial statements). The Respondents will pass along that cost to you in their proposals so ultimately you would pay for something you did not intend to use.

Do Not Over Specify – Do not ask for services that are not necessary. If you are not willing to pay for additional services, do not include them in the specifications unless you include them as “options”. To avoid the appearance of an arbitrary award, identify the priority of options that will be selected if funds are available. For example: “within budgetary limits, options will be awarded in the following priority: A, B, C, and F.”

Hold a Pre-Solicitation Conference if Necessary – A pre-solicitation conference may be necessary to give Respondents a chance to clarify the specifications and propose changes or corrections to them.

V. EMERGENCY PROCUREMENT

In the case of a public emergency, as declared by the Federal, State or Local authorities, and affirmed by the Consortium Executive Committee, goods and services exceeding the bid limits may be procured without competitive bidding.

The Executive Director is hereby authorized to award bids during such a declaration of emergency. Notification of such awards shall be provided in writing to the Executive Committee. In cases where an emergency exists and a part, repair person and/or services are needed to make equipment operational and can be obtained immediately, the Executive Director or designee(s) should do the vendor research, locate the part or service needed and place the order.

VI. BEST VALUE

All awards may be made to a vendor and/or contractor offering the “Best Value” to the Consortium.

The Executive Committee or their designee will have the final approval when using “Best Value” and determine when its use would be appropriate and which criteria to use.

Award Criteria:

In determining the “Best Value” for the Consortium, the purchase price and whether the goods or services meet specifications are the most important considerations. However, the Executive Director or their designee may consider other relevant factors, including but not limited to:

- Installation costs;
- Life cycle costs;
- Quality and reliability;
- Delivery terms;
- Cost of employee training associated with a purchase;
- Effect of a purchase on productivity;
- Indicators of probable supplier performance under the contract such as past supplier performance, the supplier's financial resources and ability to perform, the supplier's experience or demonstrated capability and responsibility;
- Ability to provide reliable maintenance agreements and support;
- Ability to comply with state, federal, or other requirements linked to funding sources for specific projects including but not limited to MWBE participation, Section 3, Davis-Bacon, previous violation of federal or state labor standards, conflicts of interest, and equal employment opportunity.
- Business Enterprise status (e.g. DBE, MWBE, SDVBE);
- Other factors relevant to determining the best value for the Consortium in the context of a particular purchase, including the status of the vendor as a The Greater Tompkins County Health Insurance Consortium based business.

VII. SOLE SOURCE

Sole Source is an item or service that is available from only ONE source and there is no substantial equivalent or comparable item (s) in existence. An item cannot be created as a Sole Source by developing restrictive specifications. The product/service must have differentiation that makes it unique. The uniqueness must be demonstrably of real importance and benefit in the way the end item/ service is to be used.

In determining the “Sole Source” product/service for the Consortium, a memorandum of support will be created by the Executive Director and kept on file that details each of the following:

- Explain in detail why this product/service is the only one on the market that can satisfy the needs of the Consortium
- Explain why there are no alternatives, or the alternatives are not acceptable.
- Explain why the manufacturer/supplier or goods/service provider are the only available source to obtain the product or service, describing what research has been done to make sure this is truly a sole source.
- Explain why the price for this product/service is considered reasonable.
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Table A

Purchasing Policy and Procedure for Procurement of Materials and Supplies	
Purchase Amount	Purchasing Procedure
Under \$3,000.00 per single item	Executive Director should obtain one (1) to two (2) verbal quotations, but not required. Quotes shall be kept on file.
Between \$3,000.00 to \$9,999.00 per single item	Executive Director shall obtain at least two (2) written quotations inclusive of all charges. Audit and Finance Committee to review all purchases at regular monthly meetings.
Between \$10,000.00 to \$19,999.00 per single item	Executive Director shall obtain three (3) written quotations inclusive of all charges.; Copies to be submitted to the Audit and Finance Committee. Audit and Finance Committee to recommend purchase through resolution to Executive Committee.
Over \$20,000.00	Competitive sealed bids are required by NYS law for all purchases of any single item costing over \$20,000.00 or aggregate purchases over \$20,000.00 of any single item or type of items made within the twelve (12) - month period commencing on the date of purchase. The Executive Committee may establish an ad hoc Committee to review RFP specifications and all bids against set criteria. The Executive Director will develop the bid document and solicit bids according to legal requirements. Bid awards to be made by the Audit and Finance Committee or their designee through resolution to be presented at the next Executive Committee or Board of Directors meeting. Emergency purchases and sole source requests must be made in writing to Executive Committee. <i>Note:</i> If time allows, two (2) quotes will be obtained for emergency purchases over \$10,000.

Table B

Purchasing Policy and Procedure for Procurement of Professional Services (RFP's)	
Purchase Amount	Purchasing Procedure
Under \$10,000.00 per occurrence annually.	Executive Director shall obtain one (1) to two (2) proposals. Contract is required. Proposals should accompany the contract.
Between \$10,000.00 and \$19,999.00 per occurrence or annually.	Executive Director shall obtain two (2) proposals. A contract is required. Copies to be submitted to the Audit and Finance Committee. Audit and Finance Committee to recommend purchase through resolution to Executive Committee.
\$20,000+ per occurrence or annually	Executive Director shall obtain three (3) written quotations inclusive of all charges. Copies to be submitted to the Audit and Finance Committee. The Executive Committee may establish an ad hoc Committee to review RFP specifications and all bids against set criteria. The Executive Director will develop the bid document and solicit bids according to legal requirements. Bid awards to be made by the Audit and Finance Committee or their designee through resolution to be presented at the next Board of Directors meeting.

Report from the Audit and Finance Committee

**RESOLUTION NO. 008-2020 – AUTHORIZE FOR MEDICAL CLAIMS AUDITING SERVICES – BMI
 MEDICAL CLAIMS AUDITING SERVICES – 2018-2019 CLAIMS**

MOVED by Mr. Cook, seconded by Mr. Snow, and unanimously adopted by voice vote by members present.

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”) is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued in accordance with Article 47 of the New York State Health Insurance Law, and

WHEREAS, being a self-insured medical plan the Consortium is responsible for the payment of claims as adjudicated by the Third Party Administrator, currently Excellus Blue Cross Blue Shield, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic medical claims audits to ensure the medical claims are paid by Excellus are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, a Request for Proposals for Medical Claims Auditing Services was issued on May 6, 2016 and by Resolution No. 006-2018 contract was awarded to BMI Auditing Services to perform medical claims auditing services for the Consortium for the 2016 Fiscal Year, and

WHEREAS, upon satisfactory completion of the terms of the contract, Resolution No. 006-2018 authorized an extension of the contract, and

WHEREAS, due to the COVID-19 Pandemic, the Executive Director and Consultant have recommended the contract be extended for the purpose of performing an audit of 2018-2019 medical claims, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That a contract for 2018-2019 medical claims auditing services be awarded to BMI for the 2020 Fiscal Year for an amount not to exceed \$41,500,

RESOLVED, further, That the Chair of the Board of Directors, Benefit Plan Consultant, and the Executive Director are authorized to finalize terms of the agreement.

RESOLUTION NO. 009-2020 – ADOPTION OF CATASTROPHIC CLAIMS RESERVE POLICY

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

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (“GTCMHIC”) has been issued a Certificate of Authority to operate as a New York State Insurance Law Article 47 Municipal Cooperative Health Benefit Plan, and

WHEREAS, Section 4707(a)(2) of the New York State Insurance Law requires the GTCMHIC to purchase “specific stop-loss coverage with a specific retention amount or attachment point not greater than four percent of the amount certified by a qualified actuary to represent the plan’s expected claims for the current fiscal year”, and

WHEREAS, 4% of the GTCMHIC’s expected claims for the 2020 Fiscal Year equals approximately \$2,048,000 (\$51,200,000 in expected claims x .04), and

WHEREAS, the GTCMHIC Board of Directors issued a Request for Quote (RFQ) to licensed, reputable insurance carriers seeking quotes for specific stop-loss insurance at various deductible levels and with certain required coverage parameters, and

WHEREAS, the GTCMHIC Board of Directors has agreed to purchase specific stop-loss insurance from Excellus BlueCross BlueShield (“Excellus”) with a policy period deductible of \$1,000,000 for all covered insured members with the exception of one member who has a separate deductible of \$1,200,000, and

WHEREAS, the GTCMHIC Board of Directors recognizes the purchasing of specific stop-loss insurance at a \$1,000,000 deductible level increases the amount of risk that the Consortium retains as a primarily self-insuring entity, and

WHEREAS, the GTCMHIC maintains a Catastrophic Claims Reserve of \$4,500,000 to help cover large dollar claimant expenses, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the GTCMHIC Board of Directors hereby adopts the following policies with respect to the Catastrophic Claims Reserve for the 2020 Fiscal Year:

1. Interest income earned on funds held in the Catastrophic Claims Reserve shall be retained within same, as they are earned.
2. The GTCMHIC Treasurer is directed to, on a quarterly basis and within 60 days of the end of said quarter, transfer from the Catastrophic Claims Reserve to the general operating fund of the GTCMHIC a dollar amount equal to any claims paid in excess of \$500,000 but less than \$1,000,000 per member, excepting:
 - a. The one member identified by Excellus as having a separate deductible of \$1,200,000. For this member, funds will be transferred from the Catastrophic Claims Reserve to the general operating fund for any claims incurred above \$500,000 but less than \$1,200,000.
3. The foregoing provisions apply only to claims incurred between January 1, 2020 and December 31, 2020 and paid between January 1, 2020 and March 31, 2021.
4. This policy shall be reviewed and amended as necessary, on an annual basis in coordination with the GTCMHIC budget process and the purchase of specific stop-loss insurance coverage as required by statute.

* * * * *

RESOLUTION NO. 010-2020 - ADOPTION OF POLICY DEFINING PURPOSE OF RATE STABILIZATION RESERVE

MOVED by Mr. Shattuck, seconded by Mr. Snow, and unanimously adopted by voice vote by members present. RESOLUTION ADOPTED.

WHEREAS, the Consortium’s vision statement reads: The Greater Tompkins County Municipal Health Insurance Consortium is an efficient inter-municipal cooperative that provides high-quality, cost-stable health insurance for members and their employees and retirees, and

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

WHEREAS, Resolution No. 034-2019 increased the funding level for the Rate Stabilization Reserve to 7.5% of expected claims, and

WHEREAS, financial pressures placed on municipalities as a result of the COVID-19 pandemic has resulted in several discussions and a need to adopt a formal policy of the Board defining the purpose of the Rate Stabilization Reserve, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, that the Board of Directors amends resolution 19-2014 to define the purpose and use of the Rate Stabilization Reserve to be: *“The Rate Stabilization Reserve is established to sustain predictable and stable premium increases.”*

* * * * *

Mr. Cook, Chair, had no further report. He announced the vacancy on the Audit and Finance Committee and encouraged Directors to consider becoming a member.

Report from the Governance Structure/MCA Review Committee

Mr. Rankin, Chair, reported the Committee has met twice since the last meeting. He reviewed revisions that were made to the draft MCA as a result of feedback received from the Department of Financial Services (DFS). He thanked Ms. Drake, Ms. Dowd, and members of the Committee for their work on this.

Ms. Dowd said some of the administrative work that will be placed on the Consortium will be very cumbersome. She commented that that it was obvious in the meeting held with DFS was that they are designed to support consortiums that are much different. Another change that is being made to the MCA relates to when a municipality joins that there is no adverse risk selection. There will be a three-year period to give members time to do bring all employee groups into the Consortium.

Ms. Drake said one of the first questions DFS had after the first draft MCA was sent was a question as to why the Consortium has been operating outside of Tompkins County since the Certificate of Authority (COA) is only allowed Tompkins County. The Governance Structure Committee recommended expanding to a 16-County region so that the Certificate of Authority is covered for the entire range and the request would not need to be made again regardless of whether the Consortium expanded into those counties.

Ms. Drake said we need to get MCA approved before they will issue a new COA. DFS has outlined the process that we need to go through whenever a new municipality is added which includes amending the MCA and going through a process to be unanimously approved by each governing body. She also stressed how much of an administrative burden this will be, but it is a DFS requirement. There is a small amount of work left to do but it will soon be ready to go to DFS and if approved the Governance Structure Committee will be forwarding to all municipalities.

It was MOVED by Ms. Drake, seconded by Mr. Rankin, and unanimously adopted by members electronically present, to approve the following motion; MOTION CARRIED:

MOTION NO. 004-2020: Delegate Authority to the Governance Structure Committee to make Final Changes to Draft MCA

“MOTION of the Board of Directors to delegate authority to the Governance Structure Committee to make final changes to the 2020 Proposed Municipal Cooperative Agreement and circulate to Participants for review and approval by each governing body”.

* * * * *

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported the Committee met on June 4th. He provided a brief overview of each of the resolutions being presented to the Board for approval.

RESOLUTION NO. 011-2020 – AUTHORIZATION BY THE BOARD OF DIRECTORS TO REMOVE BENEFIT PLANS FROM THE CONSORTIUM’S MENU BENEFIT PLAN OFFERINGS

MOVED by Mr. Snow, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members electronically present.

Ms. Drake noted that Board action is required to eliminate any plan.

WHEREAS, to achieve administrative efficiencies the Consortium wishes to consolidate and streamline its menu of benefit plan offerings, and

WHEREAS, although included in the menu of benefit plan offerings, there are medical and prescription drug plans that are not being utilized by Consortium Participants and have no enrolled Participants, and

WHEREAS, the removal of these plans from the Consortium's menu of benefit plans would create administrative efficiencies and has been recommended by the Consortium's Consultants, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That the following benefit plans be removed from the Consortium's Menu of Benefit Plan Offerings effective January 1, 2021:

1. Indemnity Plan MM3

Plan Description:

MM3 – Basic Benefits with “Major Medical” \$100/\$200 Deductible & \$750/\$2,250 Out-of-Pocket Maximum

2. Medicare Supplement Plans MS1, MS2, MS5, and MS6

Plan Descriptions:

MS1 - Medicare Supplement Plans with No Prescription Drug Coverage

MS2 - Medicare Supplement Plans with \$5/\$15/\$30 Rx Copay Plan

MS5 - Medicare Supplement Plans with 20%/20%/40% Rx Copay Plan

MS6 - Medicare Supplement Plans with 20%/30%/50% Rx Copay Plan

RESOLVED to restrict the following plans from any new members utilizing them,

1. Indemnity Plans MM1, MM2, MM5, and MM7

Plan Descriptions:

MM1 – Basic Benefits with “Major Medical” \$50/\$100 Deductible & \$400/\$1,200 Out-of-Pocket Maximum

MM2 – Basic Benefits with “Major Medical” \$100/\$200 Deductible & \$200/\$400 Out-of-Pocket Maximum

MM5 – Basic Benefits with “Major Medical” \$100/\$300 Deductible & \$400/\$1,200 Out-of-Pocket Maximum

MM7 – Basic Benefits with “Major Medical” \$50/\$150 Deductible & \$400/\$1,200 Out-of-Pocket Maximum

2. PPO Plans PPO1, PPO2, PPO3, and PPOT

PPO1 - \$10 PPO with \$1,000/\$3,000 Out-of-Pocket Maximum and \$250/\$750 Out-of-Network Deductible

PPO2 - \$15 PPO with \$1,500/\$4,500 Out-of-Pocket Maximum and \$500/\$1,500 Out-of-Network Deductible

PPO3 - \$20 PPO with \$2,000/\$6,000 Out-of-Pocket Maximum and \$750/\$2,250 Out-of-Network Deductible

PPOT - \$10 PPO with \$1,000/\$3,000 Out-of-Pocket Maximum (“Teamsters Lookalike Plan”)

3. Comprehensive Value Plan MM6

MM6 – Comprehensive Plan with \$500/\$1,500 Deductible & \$2,500/\$7,500 Out-of-Pocket Maximum

4. 2-Tier Rx Plans 2T1, 2T2, and 2T3

2T1 – 2-Tier Rx Plan with \$1/\$1 generic/brand retail copays and \$0/\$0 generic/brand mail-order copays

2T1 – 2-Tier Rx Plan with \$2/\$5 generic/brand retail copays and \$0/\$0 generic/brand mail-order copays

2T1 – 2-Tier Rx Plan with \$2/\$10 generic/brand retail copays and \$0/\$0 generic/brand mail-order copays

5. 3-Tier Rx Plans 3T3, 3T5a, 3T6, 3T7, 3T9, 3T10, 3T11, and 3T13

3T3 – 3-Tier Rx Plan with \$5/\$10/\$25 Tier 1/2/3 retail copays and mail-order copays at 2x retail

3T5a – 3-Tier Rx Plan with \$5/\$15/\$30 Tier 1/2/3 retail copays and mail-order copays at 1x retail

3T6 – 3-Tier Rx Plan with \$5/\$15/\$30 Tier 1/2/3 retail copays and mail-order copays at 2x retail

3T7 – 3-Tier Rx Plan with \$5/\$20/\$35 Tier 1/2/3 retail copays and mail-order copays at 2x retail

3T9 – 3-Tier Rx Plan with \$10/\$25/\$40 Tier 1/2/3 retail copays and mail-order copays at 2x retail

3T10 – 3-Tier Rx Plan with \$15/\$30/\$45 Tier 1/2/3 retail copays and mail-order copays at 2x retail

3T11 – 3-Tier Rx Plan with 20%/20%/40% Tier 1/2/3 retail and 15%/15%/40% mail-order copays

3T13 – 3-Tier Rx Plan with 20%/30%/50% Tier 1/2/3 retail and 20%/30%/50% mail-order copays

RESOLVED, further, That the Board of Directors shall take action to consider eliminating any of these plans from its menu of offerings once the membership drops to zero (0) enrollment and the plan is no longer being offered to active employees or retirees.

RESOLUTION NO. 012-2020 – APPROVAL OF ADJUSTMENTS TO THE BRONZE, SILVER, AND GOLD METAL LEVEL PLANS

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

In response to Mr. Shattuck as to whether this would prevent municipalities from joining that may have plans outside of what the Consortium offers, Ms. Drake said this would not stop the Consortium from looking at plans an interested group may have but will provide some control over the number of plans that are administered.

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

WHEREAS, upon entering data into the federal actuarial calculator for 2021 it has been determined that adjustments need to be made to the Bronze, Silver, and Gold Metal Level Plans, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2021 a benefit plan adjustment to the Minimum Deductible/Out-of-Pocket Maximum will be made to the Consortium's Bronze, Silver, and Gold Metal Level Plans as follows:

Gold	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$1400/\$2800	\$1500/\$3000	\$2800/\$5600	\$3000/\$6000
Out-of-Pocket Single/Family	\$3000/\$6000	\$3500/\$7000	\$6000/\$12,000	\$7000/\$14,000
Actuarial Value	82.95%	81.77%		
Silver				
Deductible Single/Family	\$2200/\$4400	\$2500/\$5000	\$4400/\$8800	\$5000/\$10,000
Out-of-Pocket Single/Family	\$6000/\$12,000	\$6000/\$12000	\$12,000/\$24,000	\$12,000/\$24,000
Actuarial Value	72.69%	71.75%		
Bronze				
Deductible Single/Family	\$6550/\$13,100	\$7000/\$14,000	\$13,100/\$26,200	\$14,000/\$28,000
Out-of-Pocket Single/Family	\$6550/\$13,100	\$7000/\$14,000	\$13,100/\$26,200	\$14,000/\$28,000
Actuarial Value	65.64%	64.6%		

RESOLUTION NO. 013-2020 – ADJUSTMENTS TO THE OUT-OF-NETWORK DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS ASSOCIATED WITH THE CONSORTIUM’S PLATINUM PPO PLAN, GOLD HDHP, SILVER HDHP, AND BRONZE HDHP

MOVED by Mr. Fairbrother, seconded by Mr. Salton, and unanimously adopted by voice vote by members electronically present. Mr. Locey said less than 2% of claims goes through out-of-network each year and most people do not reach the out-of-pocket maximums but will help them if they do without having any real impact on premium. This is not expected to have any noticeable impact on the Consortium.

WHEREAS, the Consortium’s Metal Plans (Platinum Preferred Provider Organization (“PPO”) Plan, Gold High Deductible Health Plan (“HDHP”), Silver HDHP, and Bronze HDHP) all include various levels of member cost sharing in the form of deductibles, copayments, and/or coinsurance amounts, and

WHEREAS, these plans currently utilize a network of medical care providers, facilities, and pharmacies who have agreements in place with Excellus BlueCross BlueShield, other BlueCross BlueShield Plans, and ProAct, Inc. to provide services to the Consortium’s covered members on an “in-network” basis at a discounted allowable amount, and

WHEREAS, the Consortium’s Metal Plans each include an out-of-pocket maximum or cap on the collective amount of deductibles, copayments, and/or coinsurance amounts a covered member and/or a family of covered members would have to pay for claims incurred in a given plan year, and

WHEREAS, the Consortium’s Metal Plans currently have separate and distinct deductible and out-of-pocket maximum amounts for services rendered by “in-network” and “out-of-network” medical care providers, facilities, and pharmacies, and

WHEREAS, the current (2020 Plan Year) deductibles and out-of-pocket maximums associated with the Consortium’s Metal Level Plans for services rendered by non-network or “out-of-network” medical care providers, facilities, and/or pharmacies is twice as much as the applicable deductibles associated with the Consortium’s GOLD HDHP, Silver HDHP, and Bronze HDHP and out-of-pocket maximums associated with the Consortium’s Platinum PPO Plan, Gold HDHP, Silver HDHP, and Bronze HDHP (see below), and

GTCMHIC Metal Level Plan Name		Deductible		Out-of-Pocket Maximum	
		Individual	Family	Individual	Family
Platinum PPO Plan	In-Network (Medical and Rx)	n/a	n/a	\$2,000.00	\$6,000.00
	Out-of-Network (Medical Only)	\$500.00	\$1,500.00	\$4,000.00	\$12,000.00
Gold HDHP	In-Network (Medical and Rx)	\$1,400.00	\$2,800.00	\$3,000.00	\$6,000.00
	Out-of-Network (Medical Only)	\$2,800.00	\$5,600.00	\$6,000.00	\$12,000.00
Silver HDHP	In-Network (Medical and Rx)	\$2,200.00	\$4,400.00	\$6,000.00	\$12,000.00
	Out-of-Network (Medical Only)	\$4,400.00	\$8,800.00	\$12,000.00	\$24,000.00
Bronze HDHP	In-Network (Medical and Rx)	\$6,550.00	\$13,100.00	\$6,550.00	\$13,100.00
	Out-of-Network (Medical Only)	\$13,100.00	\$26,200.00	\$13,100.00	\$26,200.00

WHEREAS, the Consortium’s Metal Plans benefit design which encourages the use of “in-network” medical care providers, facilities, and pharmacies by limiting the member’s out-of-pocket costs has produced positive results with the 2019 Excellus Medical Claims Utilization Report showing the Consortium saved approximately \$37.7 million through the use of “in-network” medical care providers and facilities and that the Consortium only paid out \$897,396 in “out-of-network” medical care costs in 2019 which was a very modest 1.75% of the total medical claims paid during the year, and

WHEREAS, the typical reasons subscribers choose “out-of-network” medical care providers and/or facilities are the lack of choice in a given specialty area, hospitals having non-participating specialist scheduled during multi-discipline procedures, economics associated with covered members having to travel longer distances to find a participating provider (for example no dialysis provider in Tompkins County), and perceived quality and/or skill differences, especially mental health services, but also in newly developing specialized procedures, and

WHEREAS, that even with the above data demonstrating that Consortium covered members are using “in-network” medical care providers, facilities, and pharmacies for the vast majority of their medical care needs that the cost of using “out-of-network” medical care providers and facilities can add a significant financial burden to the member’s out-of-pocket costs, and

WHEREAS, Excellus BlueCross BlueShield encourages the Consortium to use financial incentives to drive care to “in-network” medical care providers, facilities, and pharmacies through the use of a minimum 50% differential for “in-network” and “out-of-network” deductibles and out-of-pocket maximums to ensure the Consortium maintains substantive “in-network” provider discounts, now therefore be it

RESOLVED, the Joint Committee on Plan Structure and Design recommends the Board of Directors adopt the following 2021 deductible and out-of-pocket maximum schedule for the Consortium's Platinum PPO Plan, Gold HDHP, Silver HDHP, and Bronze HDHP:

GTCMHIC Metal Level Plan Name		Deductible		Out-of-Pocket Maximum	
		Individual	Family	Individual	Family
Platinum PPO Plan	In-Network (Medical and Rx)	n/a	n/a	\$2,000.00	\$6,000.00
	Out-of-Network (Medical Only)	\$500.00	\$1,500.00	\$3,000.00	\$9,000.00
Gold HDHP	In-Network (Medical and Rx)	\$1,500.00	\$3,000.00	\$3,500.00	\$7,000.00
	Out-of-Network (Medical Only)	\$2,250.00	\$4,500.00	\$5,250.00	\$10,500.00
Silver HDHP	In-Network (Medical and Rx)	\$2,500.00	\$5,000.00	\$6,000.00	\$12,000.00
	Out-of-Network (Medical Only)	\$3,750.00	\$7,500.00	\$9,000.00	\$18,000.00
Bronze HDHP	In-Network (Medical and Rx)	\$7,000.00	\$14,000.00	\$7,000.00	\$14,000.00
	Out-of-Network (Medical Only)	\$10,500.00	\$21,000.00	\$10,500.00	\$21,000.00

RESOLVED, further, That the Joint Committee on Plan Structure and Design directs our Executive Director to secure an underwriting analysis to show the impact of these changes on claims cost which the Board should consider in establishing 2021 premiums for the Platinum, Gold, Silver, and Bronze plans.

* * * * *

Mr. Bower said there are further modifications that need to be made to the hearing and vision resolution and he expects that to be presented at the next Board meeting for approval.

Report from the Owning Your Own Health Committee

Ms. Servoss, Chair, reported the Committee met on June 4th and had a good meeting. She also referenced the Wellness Calendar and informational flyers that were distributed and asked that everyone push the flyers out to employees. The Committee is partnering with Excellus and ProAct for additional resources and is trying to get better interaction and having a more active social media presence. She said they are exploring having a virtual race and asked Directors to provide input.

Ms. Servoss said they are exploring a merger of the Committee with the Joint Committee on Plan Structure and Design as they believe that would be in the best interest of all involved. They are looking for the best way to get the word out about this as well as best ways to communicate with subscribers. Ms. Drake said wellness is a very important part of keeping the Consortium's claims costs low and keeping employees healthy and asked that Directors to give thought to this and provide feedback to Ms. Servoss. Mr. Shattuck said he believes it would be a good to combine the two committees; support was expressed for trying this. Ms. Servoss said details about a virtual race have not been finalized as they are in the initial stage of exploring this. She noted the budget included funds for wellness promotional materials that would include prizes for competitions.

New Business

There was no new business.

Adjournment

The meeting adjourned at 8:07 p.m.



Greater Tompkins County Municipal Health Insurance Consortium

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

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

RESOLUTION NO. – APPROVAL OF EXPENDITURE IN 2020 FOR CONSORTIUM EMPLOYEES – WELLNESS INCENTIVE

WHEREAS, when staff positions were created and filled in 2019 there was consensus that in general the Consortium would follow the Town of Ithaca’s personnel policies as it is the Consortium’s employer of record, and

WHEREAS, the Town of Ithaca has introduced a new wellness incentive policy for their employees and the Consortium’s Operations Committee feels, as an example of encouraging healthy behaviors, that it is important that the Consortium embrace a wellness program for its employees as well, and

WHEREAS, due to unspent money in personnel lines, funds are available in the 2020 budget to cover the cost of a wellness incentive for the Consortium’s two benefit-eligible employees, now therefore be it

RESOLVED, That the Board of Directors authorizes the expenditure for wellness incentives in the amount of \$500 per employee for 2020.



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Pending Committee Action August 25, 2020

RESOLUTION NO. - 2020 – ADOPTION OF BUDGET GUIDELINES

WHEREAS, the Consortium's vision statement reads: The Greater Tompkins County Municipal Health Insurance Consortium is an efficient inter-municipal cooperative that provides high-quality, cost stable health insurance for members and their employees and retirees, and

WHEREAS, each year the Consortium adopts a budget with a five-year projection which envisions fairly stable rate increases in subsequent years, and

WHEREAS, the Consortium desires to comprehensively state guidelines for sound fiscal management by articulating a budget philosophy with the anticipated level of reserves, fund balance and mechanism to return excess fund balance to establish a practice going forward which is prudent in establishing a baseline of financial health, and

WHEREAS, the reserves held by the Consortium are the cash assets 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. In recent years, 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. The Consortium has historically maintained the following reserves according to these definitions:

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.

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.

CATASTROPHIC CLAIMS RESERVE

RESOLUTION NO. - 2020 – ADOPTION OF BUDGET GUIDELINES

This reserve was established by the Consortium's Board of Directors resolution #06-2014 to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce premium. It is agreed that the Consortium's risk pool is of adequate size that it can absorb an increase in Specific Stop-Loss Deductible without damaging the financial integrity of the Consortium with the Catastrophic Claims Reserves serving as a backstop. In subsequent years, certain subscribers were "lasered" by the Stop-Loss insurer. The Consortium also raised the amount in the Catastrophic Claims Reserves for that additional risk exposure. For the 2020 fiscal year the Board of Directors, resolution #09-2020 agreed to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000. It also agreed to transfer funds from this reserve quarterly to cover any claims in the captive layer between \$500,000 and \$1,000,000; and interest earned by this reserve shall be maintained within the reserve. It was recognized that this decision created a sizeable increase in the risk exposure to the Plan. To mitigate this exposure, the Board of Directors made the decision to increase the Catastrophic Claims Reserve to \$4,500,000 for the 2020 Fiscal Year.

RATE STABILIZATION RESERVE

Resolution #10-2020 established the Rate Stabilization Reserve to sustain predictable and stable premium increases at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.

These funds may be used to establish a multiple year plan to maintain stable premium rate increases.

WHEREAS, in addition to the reserves the Consortium wishes to maintain an unencumbered fund balance at 18% of premium for cash flow purposes, and

WHEREAS, each year the Consortium will create a budget that creates a target net income of 2%. 1% to fund structural reserves increases of approximately 5%/year and 1% to maintain the 18% threshold for our unencumbered fund balance which also increases approximately 5%/year, and

WHEREAS, Section L(5) of the Municipal Cooperative Agreement allows The Board, in its sole discretion, may refund amounts in excess of reserves and surplus, or retain such excess amounts and apply these amounts as an offset to amounts projected to be paid under the next Plan Year's budget, and

WHEREAS, in accordance with Section L5 of the MCA, excess net income can be considered to be returned to the Consortium members and their employees through targeted premium relief, but not through annual premium increase significantly below the claims trend assumption. Now Therefore Be It

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium shall establish a practice of establishing the annual premium increase equal to, or very close to, actual claims trend experience analysis and include the following targets when establishing its annual budget:

- Maintain the reserve levels required by Article 47 of the NYS Insurance Law (IBNR Reserve and Surplus Account) (statutory reserves)
- Maintain the reserve levels of the additional reserves (Rate Stabilization Reserve and Catastrophic Claims Reserve) established by the Board of Directors (discretionary reserves)

RESOLUTION NO. - 2020 – ADOPTION OF BUDGET GUIDELINES

- Maintain an unencumbered fund balance at 18% of premium through at least year four (4) of the proforma calculation
- Set the annual budget to accomplish a two percent (2%) net income level adequate to fund reserves and the unencumbered fund balance

RESOLVED, further, the Board of Directors may annually consider premium reduction for subsequent year(s) to refund excess amounts of reserves and fund balance over budget targets through a premium reduction mechanism that may be in full monthly increments or partial monthly increments or other mechanisms, but not a reduction in premium increase that is significantly below the claims trend assumption.

WHEREAS, the Consortium's vision statement reads: The Greater Tompkins County Municipal Health Insurance Consortium is an efficient inter-municipal cooperative that provides high-quality, cost stable health insurance for members and their employees and retirees, and

WHEREAS, each year the Consortium drafts an annual budget with a five-year projection for Board approval, and

WHEREAS, the Consortium desires to create a practice of sound fiscal management when it comes to budget recommendations and establishing premiums for its members. Therefore, articulating a budget philosophy with the anticipated level of reserves, fund balance and mechanism to return excess premium/fund balance as a practice going forward is prudent in establishing a baseline of financial health, and

WHEREAS, 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 and wishes to continue reserving according to the following definitions:

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.

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.

CATASTROPHIC CLAIMS RESERVE

RESOLUTION NO. - 2020 – ADOPTION OF BUDGET GUIDELINES

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. For the 2020 fiscal year the Board of Directors agreed to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000. 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.

RATE STABILIZATION RESERVE

The Rate Stabilization Reserve was established to sustain predictable and stable premium increases at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.

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.

WHEREAS, in addition to the reserves the Consortium wishes to maintain an unencumbered fund balance at 18% of premium for cash flow purposes, and

WHEREAS, each year the Consortium will create a budget that creates a net income of 1 – 2% to fund said reserves and maintain the 18% threshold for our unencumbered fund balance, and

WHEREAS, Section L(5) of the Municipal Cooperative Agreement allows The Board, in its sole discretion, may refund amounts in excess of reserves and surplus, or retain such excess amounts and apply these amounts as an offset to amounts projected to be paid under the next Plan Year’s budget, and

WHEREAS, excess premiums collected should be returned to the Consortium members and their employees on a regular basis through an easily administered premium holiday, but not through artificially lowering the annual premium increase calculation, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium shall establish a practice of establishing an annual premium increase based on, or very close to, actual claims trend experience and market trend analysis and include the following targets when establishing its annual budget:

- Maintain the reserve levels required by Article 47 of the NYS Insurance Law (IBNR Reserve and Surplus Account) (statutory reserves)
- Maintain the reserve levels of the additional reserves (Rate Stabilization Reserve and Catastrophic Claims Reserve) established by the Board of Directors (discretionary reserves)
- Maintain a reasonable level of unencumbered fund balance at 18% of premium for cash flow purposes
- Set the annual budget to accomplish a two percent (2%) net income level adequate to fund reserves and the unencumbered fund balance

RESOLUTION NO. - 2020 – ADOPTION OF BUDGET GUIDELINES

RESOLVED, further, to create an annual premium holiday or another mechanism to refund amounts in excess of reserves and fund balance targets in any year that the unencumbered fund balance exceeds 18% of premium. The mechanism may include a five-year refund period, adjusted annually based on claims experience.



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Pending Committee Action August 25, 2020

RESOLUTION NO. - 2020 – APPROVAL OF AMENDED INVESTMENT MANAGEMENT SERVICES CONTRACT TO INCLUDE WILMINGTON TRUST INVESTMENT ADVISORS

WHEREAS, the Consortium has an agreement with Wilmington Trust to provide investment management services, and

WHEREAS, Wilmington Trust has determined that with regard to source of funds, investment advisory services for accounts that may contain the proceeds of municipal bond offerings or municipal escrow investments be performed by a bank affiliated entity which is an SEC registered investment advisor (an RIA), Wilmington Trust Investment Advisors, Inc. (WTIA), and

WHEREAS, Wilmington Trust has requested that that the Consortium certify that no proceeds of municipal bond offerings or municipal escrow investments are part of our portfolio and if the Consortium is not able to make this certification that the Consortium enter into a new investment advisory agreement with Wilmington Trust Investment Advisors, Inc., with no change in the total fees, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium hereby amends its contract with Wilmington Trust, N.A. and enters into a contract with Wilmington Trust Investment Advisors, Inc. (WTIA), bank affiliated entity which is an SEC registered investment advisor, to provide investment advisory services,

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

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RESOLUTION NO. – 2020 – DISSOLUTION OF GOVERNANCE STRUCTURE/MCA REVIEW COMMITTEE AND EXTENDING APPRECIATION TO ITS MEMBERS

WHEREAS, by Resolution No. 28 of 2018 the Board of Directors established the Governance Structure Review Committee and charged it with developing an alternative governance structure for the Consortium, and

WHEREAS, the Committee was further charged by Resolution No. 008 of 2019 with assuming responsibility for the 2020 review of the Municipal Cooperative Agreement and with bringing forth a recommendation for appropriate edits as outlined in Section Q.2 of the 2015 Municipal Cooperative Agreement, and

WHEREAS, the Committee has met over the last two years and, as authorized by Board of Directors, has recommended a draft 2020 Municipal Cooperative Agreement to be circulated to Participants, and

WHEREAS, the Committee has also developed draft Bylaws for the proposed new structure of the Executive Committee as outlined in the 2020 Municipal Cooperative Agreement, now therefore be it

RESOLVED, that the Board of Directors hereby dissolves the Governance Structure/MCA Review Committee and directs the Executive Committee to assume responsibility for final review of the recommended Executive Committee Bylaws and any matter that arises related to the process of moving the MCA through the approval process,

RESOLVED, further, that the Board of Directors extends its appreciation to the members of the Governance Structure Committee for their dedication to the Consortium and for facilitating the Municipal Cooperative Agreement through the lengthy and complex review process.



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RESOLUTION NO. – AMENDMENT OF ALL METAL LEVEL AND MEDICARE SUPPLEMENT CONSORTIUM PLANS TO INCLUDE VISION AND HEARING BENEFITS

WHEREAS, only the Consortium’s old-style PPO plans have a vision benefit “\$60 Reimbursement every year Includes Frames/Lenses or Contact Lenses”, the other plans from the Consortium menu do not have an eyewear benefit, and

WHEREAS, none of the of the Consortium plans have a hearing aid benefit and the Bronze Plan currently does not have a hearing evaluation benefit or eye exam coverage, and

WHEREAS, the average age of Consortium subscribers is 53.4 years old, and

WHEREAS, Excellus’ PPO plans have a hearing aid benefit that reads; “In- network - covered at 50% for a single purchase once every 3 years, Out-of-network - covered at 50%, subject to the deductible for a single purchase once every 3 years”, and

WHEREAS, the Consortium’s Benefit Plan Consultant has reported that the additional premium cost for both eyewear and hearing aid benefit is \$3 single and \$7 family per member per month, and

WHEREAS, Excellus has advised that the Medicare Supplement has a rider for vision coverage that may provide better options specific to this Plan, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design, That the Board of Directors includes the following benefit in the Bronze, Silver, Gold, and Platinum Metal Level Plans:

Benefit Name: Adult Hearing Aids

In-Network:

(PCP/Specialist) - 50% Coinsurance; subject to deductible

(Platinum is 50% coinsurance Only for In-Network)

Out of Network: 50% Coinsurance, Subject to Deductible

Limits and Additional Information

1 Purchase every 3 years up to a maximum of \$3,500 for one pair.

Limits are combined for INN and OON

Benefit Name: Adult Eyewear - Routine

In-Network: Covered

Out of Network: Covered

Limits and Additional Information

- \$60 Reimbursement per year

- Includes Frames/Lenses or Contact Lenses

- Limits are combined for In-Network and Out-of-Network

RESOLUTION NO. – AMENDMENT OF ALL METAL LEVEL AND MEDICARE SUPPLEMENT CONSORTIUM PLANS TO INCLUDE VISION AND HEARING BENEFITS

RESOLVED, further, That, in addition to the changes recommended above, the Bronze Plan will also have the following benefits

Benefit Name: Adult Eye Exams - Routine

In-Network: 0% Coinsurance; subject to deductible

Out of Network: 0% Coinsurance, subject to Deductible

Limits and Additional Information

- 1 exam per contract year
- Limits are combined for In-Network and Out-of-Network

Benefit Name: Hearing Evaluations - Routine

In-Network: 0% Coinsurance; subject to deductible

Out of Network: 0% Coinsurance, subject to Deductible

Limits and Additional Information

- 1 exam per contract year
- Limits are combined for INN and OON

RESOLVED, further, That the Board of Directors includes the following additional benefits in the Medicare Supplement Plan:

Benefit Name: Routine Vision

- Eye exam: \$20 copay; one per calendar year
 - Eyewear: \$100 allowance for Lenses/Contacts/Frame; one per calendar year.
- Note: The above benefits must be paired; one cannot be sold without the other.

Benefit Name: Hearing Aids

- Covered at 50% up to a maximum of \$3,500 for one pair every three years.

RESOLVED, further, That Executive Director is directed to secure an underwriting analysis to show the impact of these changes on claims cost which the Board should consider in establishing 2021 premiums for the Platinum, Gold, Silver, Bronze and Medicare Supplement plans.

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RESOLUTION NO. – 2020 – SUSPENSION AND EVALUATION OF OWNING YOUR OWN HEALTH COMMITTEE

WHEREAS, by Resolution No. 001 of 2016 the Board of Directors established the Owing Your Own Health Committee for the purpose of identifying and recommending processes to promote a culture of preventative health care, supporting benefit clerks in that outreach to our employees and retiree members, coordinating wellness activities with our claims administrators and community associates, and

WHEREAS, as the Consortium has grown it has become necessary to reevaluate the purpose of the Committee and to consider whether there could be efficiencies and value in addition to increased engagement of members by incorporating the Committee's work into the Joint Committee on Plan Structure and Design, now therefore be it

RESOLVED, further, That the Joint Committee on Plan Structure and Design shall assume the Consortium's wellness initiatives,

RESOLVED, That the Owing Your Own Health Committee shall be suspended thru December 31, 2021,

RESOLVED, further, That the Executive Director shall report back to the Board of Directors with a recommendation following this evaluation period.

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