



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 September 24, 2020 – 6:00 pm – by Zoom

<https://tompkinscountyny.gov.zoom.us/j/92694670546?pwd=MkdWUG9wWFhUenY0cUdERjEvUEFiUT09>

Meeting ID: 926 9467 0546; Passcode: 839009; 1 (646) 558-8656

1. Call to Order and Recognition of New Members
2. Approval of August 27, 2020 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
 - a. **MOTION:** Appointment of Jason Molino to the Audit and Finance Committee
 - b. **RESOLUTION:** Creation of Nominating Committee – 2021 Consortium Leadership
 - c. **Review and Acknowledgement:** New Consortium Operating Structure and Executive Committee Bylaws
5. Report from Executive Committee (6:15)
6. Executive Director's Report (6:20) E. Dowd
7. Report from Operations Committee (6:30) L. Holmes
8. Financial Report (6:35)
 - a. Financial Report S. Locey
 - b. Treasurers Report R. Snyder
9. Presentation of Proposed 2021 Budget (6:45) E. Dowd/S. Locey
10. Report from Audit and Finance Committee (7:15) M. Cook
 - a. **RESOLUTION:** Adoption of Budget, Premium Rates, and Reserve Amounts for 2021
 - b. **RESOLUTION:** Adoption of Premium Holiday – December 2020
 - c. **RESOLUTION:** Acceptance of Applications by the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga to Become Participants in the Greater Tompkins County Municipal Health Insurance Consortium
 - d. **RESOLUTION:** Acceptance of Applications by the Ithaca Downtown Business Improvement District, Inc. to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - e. **RESOLUTION:** Amendment of Resolution No. 016-2020 – Approval of Amended Investment Management Services Contract – Wilmington Investment Advisors, Inc. County Municipal Health Insurance Consortium
11. Report from Joint Committee on Plan Structure and Design (7:35) J. Bower
12. New Business (7:40)
13. Adjournment (7:45)

Next Meeting: December 17, 2020



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Regular Meeting Board of Directors –DRAFT August 27, 2020 – 6:00 p.m. Remote by Zoom

Municipal Representatives: 30

Steve Thayer, City of Ithaca
Mack Cook, City of Cortland
Alex Patterson, Town of Aurelius
Lisa Holmes, Tompkins County
Ed Fairbrother, Town of Big Flats
Mark Witmer, Town of Caroline
Laura Shawley, Town of Danby
Kathrin Servoss, Town of Dryden
Chuck Rankin, Town of Groton
Kevin Williams, Town of Homer
Judy Drake, Town of Ithaca
Gary Mutchler, Town of Scipio
Tom Gray, Town of Sennett
Darcey Rigdon, Lansing Community Library
Matt Poyneer, Town of Mentz

Ray Bunce, Town of Spencer (arrived at 6:09 p.m.)
Tom Brown, Town of Truxton
Rich Goldman, Town of Ulysses
Eric Snow, Town of Virgil
Peter Salton, Village of Cayuga Heights
Michael Murphy, Village of Dryden
Nancy Niswender, Village of Groton
Donna Dawson, Village of Horseheads
Ronny Hardaway, Village of Lansing
Rordan Hart, Village of Trumansburg
Bud Shattuck, Village of Union Springs (arrived at 6:08 p.m.)
David Schenck, Town of Springport (arrived at 6:07 p.m.)
Joan Jayne, Town of Niles
Christine Laughlin, Town of Newfield (excused at 7:12 p.m.)
Ed Wagner, Town of Owasco

Labor Representatives: 3

Jim Bower, 2nd Labor Representative and Joint Comm. on Plan Structure & Design Chair (arrived at 6:15 p.m.)
Zack Nelson, 3rd Labor Representative
Tim Farrell, 5th Labor Representative

Excused: 2

Vacancy – 1st Labor Representative
Donald Fischer, Town of Horseheads

Absent: 14

Chris Wagner, Seneca County
Luann King, Town of Cincinnatus
Ellen Woods, Town of Enfield
Charmagne Rungay, Town of Lansing
Jim Doring, Town of Preble
Tom Adams, Town of Marathon
John Malenick, Town of Montezuma

Terrance Baxter, Town of Moravia
Alvin Doty, Town of Willet
Miles McCarty/Nathan Nagel, Village of Freeville
Doug Perine, 4th Labor Representative
Tanya DiGennaro, Village of Homer
Lonnie Childs, Village of Watkins Glen
Carol Sosnowski 6th Labor Representative

Others in attendance:

Elin Dowd, Executive Director
Rick Snyder, Tompkins County Finance
Steve Locey, Robert Spenard, Locey & Cahill
Debra Meeker, Admin./Computer Assistant

Don Barber, Consultant
Michelle Cocco, Clerk of the Board
Corey Prashaw, ProAct
Beth Miller, Excellus

Call to Order

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

Approval of Minutes – June 25, 2020

It was MOVED by Mr. Muchler, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present by video or teleconference, to approve the minutes of June 25, 2020 as corrected. MINUTES APPROVED.

Changes to the Agenda

The Audit and Finance Committee report was moved to prior to discussion of the preliminary 2021 budget.

Mr. Bower, Mr. Bunce, and Mr. Schenck arrived during the Chair's report.

Chair's Report

Ms. Drake thanked Mr. Rankin, Governance Structure Committee Chair, and Ms. Servoss, Owing Your Own Health Committee Chair, for their service and dedication to the Consortium in serving as Chair of those committees.

Ms. Drake reported the Audit and Finance Committee, along with Ms. Dowd, Mr. Barber, and Mr. Locey, spent a considerable amount of time in gathering information to be considered as it relates to the 2021 premium rates and proposed premium holiday. She thanked them for their work and dedication that has gone into this, stating it has required an enormous amount of time and effort.

Ms. Drake said the Municipal Cooperative Agreement (MCA) process is moving forward; however, the Consortium will be waiting to send the 2020 MCA out to municipalities until after the September Board of Directors meeting. As part of the DFS review, any time new members are added there needs to be a new MCA signed; once new members are accepted in September two agreements will be sent to municipalities with a request that municipalities sign both. Ms. Dowd is currently working on updating the Consortium's Certificate of Authority with the Department of Financial Services.

Ms. Drake thanked Ms. Dowd and Mr. Locey for their work in resolving the Excellus and ProAct accumulator issue; Ms. Dowd will report further in her report later in the meeting.

Ms. Drake spoke of the Coronavirus pandemic and thanked everyone involved with the Consortium for their work in keeping the Consortium strong during a very difficult time.

Executive Committee

MOTION NO. 005-2020 – RATIFY ACTIONS OF THE GOVERNANCE STRUCTURE/MCA REVIEW COMMITTEE

It was MOVED by Ms. Drake, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present by video or teleconference, to approve the following motion:

“The Board of Directors hereby ratifies the action completed by the Governance Structure/MCA Review Committee as delegated by the Board of Directors at its June 25, 2020 meeting by which the draft Municipal Cooperative Agreement (MCA) was finalized and circulated to Participants for review and approval by each governing body.

* * * * *

Executive Director Report

Ms. Dowd reported on the Excellus/ProAct accumulator issue and said all municipalities that were affected should have received a letter from her about this. If anyone has questions or concerns they should let her know. Other items Ms. Dowd has been working on are included in her written report submitted and included in the agenda packet. She echoed Ms. Drake’s comments expressing appreciation to Mr. Rankin and Ms. Servoss for their leadership in chairing Consortium committees.

Ms. Dowd called attention to items on this evening’s agenda: the adoption of budget guidelines and the draft 2021 budget and premium recommendation. She said many conversations have taken place with regard to what is good financial health for the Consortium. The Audit and Finance Committee has reviewed a lot of information in consideration of whether the Consortium can offer a premium holiday in 2020 and afford lower-than-usual premium rate increases. The data shows the Consortium’s claim experience dropped well-below plan levels for three months but the claims experience has begun to climb back up to budgeted levels. She said if the Consortium keeps trending in this direction the Consortium’s claim experience will be under the budgeted level, and the fund balance will be increasing rather than decreasing as was planned.

The Audit and Finance Committee is considering a recommendation that the Board adopt a premium holiday for the end of 2020. Ms. Dowd said there is still time left in the year and claims data needs to be reviewed to determine the exact levels and if a premium holiday were offered, at what level that would be at. The current recommendation would be to give a break on December invoices but work still needs to be done on how that would be administered.

Ms. Dowd said she has been working on developing a policy that sets targets, measures the Consortium’s financial health, and also creates the opportunity for a method by which amounts in excess of the target, can be returned to members. She said there needs to be thought about the claims experience and whether it will return to expected levels through the remainder of the year. A major factor in claims experience being down was the result of elective surgeries being canceled during the pandemic; some will be rescheduled through the remainder of the year and some in 2021. This, in addition to the long-term consequences of those individuals who have been avoiding preventive health measures and maintenance of serious conditions during the pandemic, needs to be considered as this may have an impact on claims in the long-term.

Ms. Dowd stated in addition to taking claims experience into consideration, another factor that needs to be considered is the large number of members who have been moved into lower-cost plans. The Consortium needs to continue to ensure that premiums are paid at a level that is in-line with the claims experience. Ms. Dowd said if premiums fall below the level at which claims are trending the shortfall will need to be paid by fund balance but will also need to be paid in the long-term with much higher revenue. She said these are reasons for putting forth a recommendation for having a policy that establishing guidelines that sets parameters that the Consortium can work within when considering budget levels.

Report from the Operations Committee

Ms. Holmes reported the Committee met on July 27th and had discussion of drafting a late fee policy and reviewed bringing more staff in-house and retaining consultants for value-added services. Discussion on those items will continue at the next meeting. In addition, the Committee recommended the resolution being brought forward at this meeting.

RESOLUTION NO. 014-2020 – APPROVAL OF EXPENDITURE IN 2020 FOR CONSORTIUM EMPLOYEES – WELLNESS INCENTIVE

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

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.

Financial Report

Mr. Locey reviewed a financial update through July 31, 2020. With regard to revenue, premium income is on budget and interest income is eight percent above budget; however, due to the economic climate as a result of the pandemic interest income will be adjusted downward for 2021. There has been \$966,000 received in prescription drug rebates to date with two more rebates expected before year-end; total receipts are expected to exceed the budgeted amount. Mr. Locey said he expects revenues will exceed the budget by approximately 1.5% at year-end.

Mr. Locey said the Consortium is approximately 17% below budget in expense through July 31st due to lower-than-expected claims and there being no large losses in 2020. He reported there hasn’t been a decline in prescription drug expenses; pharmacy claims are approximately 3.36% above budget. In total, medical and prescription drug claims are approximately \$3.5 million below budget. Mr. Locey concluded his report, stating 94.2% of the Consortium funds are being used to pay benefits of members; the remainder of 5.8% is used to pay all other administrative expenses associated with operating the Consortium. This shows the Consortium is running in an extremely efficient manner.

In response to a question by Mr. Poyneer, Mr. Locey explained reserve accounts and said even if the Consortium enacted a premium holiday for a full month in 2020 (approximately \$4.4 million) it would still have approximately \$13 million left at year-end. This is still well-above the 18% target and provides funds to offset any spike or compression in claims. He said the Audit and Finance Committee invited representatives of Cayuga Area Physicians, Guthrie, and Excellus to a meeting and none felt there would be any type of big compression would happen and that a normal pace would resume by the end of the year. There is concern, however, that in future years the physician and hospital groups may try to recoup some of the losses they have experienced as a result of the pandemic and this is being monitored.

Treasurer's Report
Mr. Snyder had no report.

Report and Presentation of Resolutions from the Audit and Finance Committee

RESOLUTION NO. 015-2020 – ADOPTION OF BUDGET GUIDELINES

MOVED by Mr. Salton, seconded by Mr. Mutchler. Mr. Cook said Ms. Dowd and Mr. Locey have done a good job explaining the purpose of this policy. He stated for several years Directors have been trying to balance the Consortium's success and growing cash reserves against the budgetary pressures being faced by members. This policy is not in reaction to the present pandemic, but is the result of a discussions that have taken place over a long time with an intent to provide structure and policy for those who will come later and make decisions as to why fund balances have been established, how they are funded, to what level they should be funded, and if and how excess should be shared with members.

Mr. Salton said the importance of this guideline is to create an understanding of the long-term consequences of financial decisions, as Directors have a fiscal responsibility to the Consortium's members to make decisions that provide health insurance that is stable, predictable, and certain. The Audit and Finance Committee feels having these guidelines will ensure sound management of the Consortium.

Mr. Thayer agreed with comments and said the Committee seeks to bring about a formal structure to bring about sound fiscal responsibility for the Consortium and believes these guidelines will fulfill that need and will ensure stability, fiscal responsibility, and success for the Consortium going forward.

The resolution was unanimously adopted by voice vote by members present.

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

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).
- Maintain an unencumbered fund balance at a level which at the discretion of the Audit and Finance Committee ensures the financial stability and sustainability of the Consortium but shall not be less than 12% of expected premium through at least year four of the annual proforma calculation.
- Set the annual budget to accomplish a zero to two percent (2%) net income level before any deduction or distribution of surplus fund balances to members.

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.

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RESOLUTION NO. 016-2020 – APPROVAL OF AMENDED INVESTMENT MANAGEMENT SERVICES CONTRACT TO INCLUDE WILMINGTON TRUST INVESTMENT ADVISORS

MOVED by Mr. Schenck, seconded by Mr. Fairbanks, and unanimously adopted by voice vote by members present.

Ms. Dowd noted there will be no change to the team the Consortium works with at Wilmington Trust nor any increase in fees.

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.

* * * * *

Presentation of Preliminary 2021 Budget

Ms. Dowd provided an overview of the current budget recommendation, stating it contains a 5% premium rate increase, a premium holiday in 2020, and reflects the intention of having a stable organization that is well-prepared for the future.

Mr. Locey reviewed assumptions and rationale behind the proposed numbers contained in the proposed budget for 2021 to 2025 fiscal years and stated Locey & Cahill believes the budget being proposed at this time is sound and stable.

Assumptions - 2021 to 2025 Fiscal Years:

1. Premium Revenue Increased by 5.0% in 2021, 5.0% in 2022, 6.0% in 2023, 7.0% in 2024, and 7.0% in 2025.
2. Interest Income = Estimated at 1.0% of the Total Cash Asset Balance Per Annum Starting in 2021.
3. Prescription Drug Rebates Estimated at \$1,400,000 Per Year Based on Advice from ProAct, Inc.
4. Paid Claims Trend for Fiscal Years 2021 through 2025 are 5.0% for Medical Claims and 7.5% for Prescription Drug Claims.
5. Administrative Fees Per Agreement with Excellus BCBS then Increased by 3.0% for the Fiscal Years of 2021 through 2025.
6. New York State Graduate Medical Expense Increased by 5% Per Annum.
7. Specific Stop-Loss Insurance trended by 15% each year.
8. Aggregate Stop-Loss Insurance Removed Based on NYS DFS Approval.
9. All Professional Services Fees Increased by 3% Per Fiscal Year.
10. All Insurance and Internal Coordination Fees Increased by 3% Per Annum.
11. IBNR Reserve Set at 12% of Expected Incurred Claims Pursuant to §4706.
12. Surplus Account Set at 5% of Earned Premium Pursuant to §4706.
13. Claims/Rate Stabilization Reserve Set at 7.5% of Expected Medical and Rx Paid Claims for the 2020, 2021, and 2022 Fiscal Years. It is Reduced to 5.0% of Expected/Paid Claims for the 2023, 2024, and 2025 Fiscal Years.

14. Catastrophic Claims Reserve Set at \$4.5 Million for 2020 Per GTCMHIC Board of Directors Resolution then Increased by Each Year Thereafter by the Variance Between the Budgeted Premium and the Actual Premium.

Ms. Drake noted that these numbers are preliminary; the purpose of presenting the information at this meeting is to get feedback from Directors that will be considered when the final budget recommendation is presented and voted on at the September 24th Board meeting. She encouraged Directors to ask questions and provide feedback.

In response to Mr. Goldman as to what thought went into recommending a one-month premium holiday, Mr. Locey said the Consortium's claims are approximately one month below premium at this point. The Consortium has exceeded expectations in terms of fund balance growth and it is felt that excess funds should be shared back with members of the Consortium as opposed to holding on to it. It is also felt that this will help municipalities as they address their financial issues as a result of the pandemic.

Report from the Governance Structure Committee

Mr. Rankin, Chair, reported the Committee has met since the last Board meeting to finalize the MCA review process and reported by Ms. Drake and Ms. Dowd. He thanked everyone for their work on this and said a 2020 MCA and a 2021 MCA will be distributed after the September meeting along with a cover letter and a sample resolution. Mr. Rankin highlighted the creation of a new Executive Committee and the expansion of the Consortium's region to include 16 counties. He said the Executive Committee will run the month-to-month operations of the Consortium and thinks it will be a much more efficient way to operate.

RESOLUTION NO. 017-2020 – DISSOLUTION OF GOVERNANCE STRUCTURE/MCA REVIEW COMMITTEE AND EXTENDING APPRECIATION TO ITS MEMBERS

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

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.

* * * * *

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported the Committee met on August 6th and thanked Mrs. Shawley for Chairing the meeting in his absence. He said he continues to work to increase labor participation and on recruitment for filling the vacant Labor seat on the Board of Directors.

Report from the Owning Your Own Health Committee

Mr. Bower reported the Owning Your Own Health Committee discussed flu clinics and adding the Blue4U program to other Consortium benefit plans. He said the Committee ties into the work of the Joint Committee and melding the two Committee together makes sense and although the Committee is being suspended the work will continue.

RESOLUTION NO. 019-2020 – SUSPENSION AND EVALUATION OF OWNING YOUR OWN HEALTH COMMITTEE

MOVED by Mr. Schenck, seconded by Ms. Servoss, and unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 001 of 2016 the Board of Directors established the Owning 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 Owning 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.

* * * * *

New Business

In response to a question of how many new participants will be considered at the next meeting, Mr. Barber reported at this time there are eight municipalities that are being considered for membership that will bring a total of 75 contracts.

Adjournment

The meeting adjourned at 8:07 p.m.



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RESOLUTION NO. – 2020 – CREATION OF NOMINATING COMMITTEE – 2021 CONSORTIUM LEADERSHIP

WHEREAS, the Consortium Board of Directors annually establishes a Nominating Committee for the purpose of identifying and recommending a slate of officers to fill Consortium leadership roles: Chair, Vice Chair, Secretary, and Chief Fiscal Officer, and

WHEREAS, the Board of Directors is required to annually appoint a treasurer (the "Treasurer") who may or may not be a Director and who shall be the treasurer, or equivalent financial officer, for one of the Participants, and

WHEREAS, the 2020 Municipal Cooperative Agreement authorizes the creation of an Executive Committee to be appointed annually by the Board of Directors who will oversee operations and develop recommendations for Board actions, and

WHEREAS, the newly-formed Executive Committee will consist of at least eleven (11) and no greater than fifteen (15) Directors and shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design, now therefore be it

RESOLVED, That the Board of Directors establishes a Nominating Committee comprised of _____, _____, _____, _____, and _____ that is charged with recommending a Treasurer and a slate of Directors to fill leadership roles of Chair, Vice Chair, Secretary, and Chief Fiscal Officer, for 2021,

RESOLVED, further, That the Nominating Committee is also charged with recommending a slate of membership from Consortium Directors to the 2021 Executive Committee as outlined in the Executive Committee Bylaws as follows:

- Board of Directors Chairperson to serve as Chair
- Board of Directors Vice Chairperson
- Secretary
- Chief Fiscal Officer
- Joint Committee on Plan Structure and Design Chair
- Standing Committee Chairs:
- Audit and Finance Committee
- Operations Committee
- Nominations and Engagement Committee
- Claims and Appeals Committee
- At-large
- At-large



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INFO. ONLY: TO BE APPROVED BY THE BOARD OF DIRECTORS

BYLAWS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EXECUTIVE COMMITTEE

ARTICLE I PURPOSE

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

ARTICLE II MEMBERS, QUALIFICATIONS, TERMS OF OFFICE

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

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

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

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

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

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

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

ARTICLE III COMMITTEE LEADERSHIP

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

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

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

ARTICLE IV RESIGNATION, VACANCY

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

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

ARTICLE V RULES OF PROCEDURE

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

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

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

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

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

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

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

ARTICLE VI COMMITTEES

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

Section 2. Audit and Finance Committee: Responsible to assist the Executive Committee and Board in its oversight of: the integrity of the Consortium's financial statements, compliance with legal and regulatory requirements, its selection and oversight of its independent auditors (Auditors). The Audit and Finance Committee shall also be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

Section 3. Operations Committee: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

Section 4. Joint Committee on Plan Structure and Design: The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters.

Section 5. Owing Your Own Health Committee: The Owing Your Own Health Committee shall: identify and recommend processes to promote a culture of preventative health care, support benefit clerks in that outreach to member employees and retirees, and coordinate wellness activities with the Consortium's claim administrators and community associates.

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

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

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

ARTICLE VII OPERATING BUDGET

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

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

- (a) The Executive Director shall have the overall responsibility for overseeing the preparation of a recommended preliminary annual budget, in collaboration with Consortium consultants, the Audit and Finance Committee, and the Treasurer.
- (b) The Audit and Finance Committee shall be responsible for the development of a preliminary annual budget and 5-year pro-forma analysis to be presented to the Executive Committee.
- (c) The preliminary budget shall be designed to reflect the Executive Committee's policies and objectives. And it shall be approved by the Executive Committee for dissemination to the Board of Directors.
- (d) The Preliminary Budget shall be disseminated to the Board of Directors four (4) weeks in advance of the Board of Directors Annual meeting along with a detailed narrative of the essential elements of the budget and 5-year pro-forma analysis.

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

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

**ARTICLE VIII
INDEMNIFICATION**

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

**ARTICLE IX
CONDUCT AND CONFLICT OF INTEREST POLICY**

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

**ARTICLE X
AMENDMENTS**

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

**Executive Director Report
Third Quarter
September 2020**

Audit and Finance Committee

The Board packet includes a comprehensive summary of our 2020 year to date performance, the rationale behind a premium holiday in 2020, and the budget recommendations for a 5% premium increase for 2021.

As discussed at our last meeting, there have been many meetings and deliberations to review the consequences of having a December premium holiday and increasing premiums at the 5% level for 2021. During that process new budget guidelines were created to help frame our current and future budget discussions. Ensuring we are properly reserved and keeping our fund balance at an appropriate level remains a priority for the Consortium and the resolution included in your package asks for your support at maintaining our financial stability by maintaining the recommended targets. If the budget and premium holiday is approved at the Board meeting, I will send an update on how we believe the administration of such a holiday will be implemented.

The Audit and Finance Committee has also been reviewing the monthly financial reports, including those accounts that are in arrears for premium payments. At a previous Board meeting there was a request to review the late payments from TC3. I have been meeting with both TC3 and Tompkins County to review this situation and come up with a recommendation towards improvement. Below is a brief summary of the situation and the action requested at the Audit and Finance Committee meeting.

TC3 was added under Tompkins County as one of the Founding entities of the Consortium. Tompkins County passed a resolution to be responsible for employee's pay and associated benefits, which allowed TC3 to join the Consortium as an "employee" of Tompkins County. Traditionally, if TC3 or another entity is behind in payments they are charged a late fee, as provided in our MCA. If TC3 remains delinquent at the end of the year, Tompkins County advances them their annual stipend to become current with the Consortium before we close our books. Therefore, the practice has been that when TC3 falls behind in payments, they are always current by year end.

In 2020 TC3 has suffered some significant financial blows including cuts in state funding. TC3's Interim VP of Finance & Administration, Bill Talbot, has worked hard to reorganize and meet the demands of balancing the budget and managing cash flow to keep current with all expenses. As a result, Bill has committed that he will not exceed the 90-day late payment threshold with the Consortium. Rick Snyder has also stated that he expects the County will continue their practice of advancing TC3 the money to come current by year end.

Obviously, this is a complex situation that warrants additional conversation and if we should allow this practice to continue. Therefore, it has been recommended that the Executive Committee discuss this situation at greater length and determine appropriate actions, if any, that will need to be taken. Furthermore, the Operations Committee will continue to review recommendations for a new late payment policy.

Accumulator Issue

As you may know over the past few months, benefit discrepancies have been uncovered between Excellus BCBS and ProAct. Specifically, for the, Bronze, Gold, and Silver Metal Level Plans that accumulate deductible and out-of-pocket amounts together. Several subscribers have accumulated expenses above their deductible or out of pocket maximum. After extensive review and system updates, claims are now

processing correctly as intended by the plan design. I anticipate that all 2020 and 2019 discrepancies will be corrected by the end of this week and all reimbursements sent within the next 10 business days.

Annual Review and Audits

It is not uncommon for us to host an annual meeting with our third-party benefit administrators and with all the recent activity on claims adjudication problems we put those meetings on the calendar to address our concerns.

We met with Excellus earlier this week to affirm their commitment to our organization and our concern over their system issues. Excellus leadership was in the room and actively participated in our conversations and reassured us progress would be made regarding our worries. In addition, we discussed the commencement of our Excellus audit and notification that the recent situation will be part of the auditor's priorities.

The meeting with ProAct is scheduled for this week. Their leadership will be presenting information regarding their system changes and how it affected adjudicating Consortium claims. In addition, they will be providing a report on their response to our PBM audit and any renumeration associated with those findings.

I expect to start an RFP process later this year for our PBM. Therefore, we will review a contract renewal with ProAct to bridge any gaps in coverage before we can complete that process.

Prospective New Members

Don Barber has remained very active in the new member application process. This year we worked with many prospective members and are bringing eight new municipalities to the Board for approval.

Improvements and enhancements have been made to help manage this process. This year prospective new member informational meetings were held earlier in the year (via Zoom) to provide material on the Consortium with interested parties. Once a notice of interest was provided Don worked individually with prospective members to help them understand plan and premium comparisons and membership responsibilities as a member of the Consortium. The Consortium's staff conducted weekly meetings with Don to make sure material was flowing appropriately and prospective member's applications were being vetted properly.

In addition to updating all our prospective member informational materials, Michelle Cocco has been very instrumental in creating a portal to manage all the application paperwork involved in our process. As the consortium grows, I think these additions and others will help us streamline the administration process and create a consistent professional message for prospective members.

The Joint Committee on Plan Structure and Design

At the September Board meeting we will welcome the newest elected labor Board representative, Nancy Webster. The election of Nancy as a labor representative at the last Joint Committee meeting will bring the total of labor representatives on the Board back up to six.

Wellness discussions at the Joint Committee meetings included support for our annual flu clinics. If you need any additional information on flu clinics, please see our website or call Debra Meeker for more information.

COVID 19 Update

The Consortium continues to cover COVID 19 testing and at the end of August we have seen 815 tests completed with only 24 positive cases. We have spent approximately \$645K in costs predominately for testing and diagnosis.

Recently I've received many calls related to questions on testing without symptoms. Please note, a resource for COVID related issues is the Excellus link - <https://www.chooseexcellus.com/covid-866M9-25927C.html>. The following information has also been provided by Excellus regarding general COVID testing information:

The health plan provides coverage in full for diagnostic/viral testing as well as antibody testing that is determined to be medically appropriate for the diagnosis and treatment of an individual by an attending provider as evidenced by an order from the attending provider.

- The tests must be FDA approved or the subject of an emergency use order request and the lab performing the testing must be appropriately certified.
- This policy on COVID-19 testing applies to members in all lines of business: commercial plans, Medicaid Managed Care plans and Medicare Advantage plans.
- Testing that is ordered or performed solely for purposes of pandemic control or re-opening the economy, and not based on a determination by an attending provider that the test is medically appropriate for the diagnosis and treatment of an individual member, **is not** covered. This includes tests performed on an asymptomatic individual solely to assess health status as required by parties such as a government/public health agency, employer, school, or camp.

The federal government has extended the COVID-19 public health emergency for an additional 90 days, until October 23, 2020. This is the second extension. This public emergency declaration is important to health plan sponsors because it determines the period during which group health plans and insurers must pay for COVID-19 tests and related services without charging cost sharing.

Operations Committee

The Operations Committee did not meet in August. The next meeting will be September 28, 2020.

MCA Signatures

Please note, as soon as the new members have been approved, the 2020 amended MCA and the 2021 new member amended MCA will be sent to your municipality for approval. We will attach a letter explaining the important changes, sample resolutions, signature pages, and directions on how to submit signed copies through our document portal.

Please contact me with any questions regarding this process and the documents associated with it.

Respectfully submitted by Elin R. Dowd, Executive Director, September 17, 2020.



2021 Fiscal Year Budget Presentation September 16, 2020

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Section 1

2020 Fiscal Year-to-Date Budget vs Actual Results

2020 Income Budget vs Actual (08/31/2020)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2020 Budget Performance Analysis

Results as of: 8/31/2020
of Months: 8

Includes Income Codes 6000 & 6010
Includes Expense Codes 8081, 8082, & 8083
Balance Sheet Item 3500

| | 2020 Adopted Budget | 2020 Revised Budget | 2020 Year-to-Date | 2020 Actual Results | Variance | % Difference |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|--------------|
| Income | | | | | | |
| Medical and Rx Plan Premiums | \$52,745,788.78 | \$52,745,788.78 | \$35,163,859.19 | \$35,258,851.63 | \$94,992.45 | 0.27% |
| 9020 Interest | \$446,554.34 | \$446,554.34 | \$297,702.89 | \$289,784.36 | -\$7,918.53 | -2.66% |
| 9010 Rx Rebates | \$1,400,000.00 | \$1,400,000.00 | \$700,000.00 | \$955,978.14 | \$255,978.14 | 36.57% |
| 9040 Stop-Loss Claim Reimbursements | \$0.00 | \$0.00 | \$0.00 | \$29,295.28 | \$29,295.28 | n/a |
| 9035 Finance Charge Income | \$0.00 | \$0.00 | \$0.00 | \$11,173.33 | \$11,173.33 | n/a |
| 9030 Other | \$5,304.50 | \$5,304.50 | \$3,536.33 | \$0.00 | -\$3,536.33 | -100.00% |
| Total Income | \$54,597,647.62 | \$54,597,647.62 | \$36,165,098.41 | \$36,545,082.74 | \$379,984.33 | 1.05% |

Key Facts:

1. Premium Income is 0.27% above budget and based on our preliminary analysis, it appears as though this was caused by two competing variables:
 - a. In the first 7-months of this year, the Consortium's contract count has increased by 3.13% which has resulting in an increase in the covered lives count by 2.34%.
 - 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.

2020 Income Budget vs Actual (08/31/2020)

Key Facts (continued):

2. Interest Income to date is approximately 2.7% below budget as a direct result of recent decreases in interest rates caused by the financial fallout associated with the COVID-19 pandemic.
3. The pharmaceutical manufacturer rebate payment received from ProAct, Inc. for the 1st half of the 2020 Fiscal Year was above budget the budgeted amount. We anticipate this income level to finish the year close to the adopted budget for the year with payments totaling approximately \$1.4 million.
4. The Consortium received a small payment of \$29,295.28 as reimbursement for a claim which exceeded the Specific Stop-Loss Insurance Deductible of \$600,000 in 2019. To date, there have been no claims in excess of \$1,000,000 this year. As a result, the Consortium has not received any funds from Excellus BCBS related to the 2020 Policy.
5. There is no “Other” income as of June 30, 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.



Section 2

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

2020 Expense Budget vs Actual Results (08/31/2020)

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 | | |
| Expenses | | | | | | | |
| 8090 | Medical Paid Claims | \$37,198,413.76 | \$37,198,413.76 | \$24,798,942.50 | \$20,652,506.63 | -\$4,146,435.87 | -16.72% |
| | Advance Deposit / Pre-Paid Claims | \$113,700.00 | \$113,700.00 | \$0.00 | \$0.00 | \$0.00 | n/a |
| 8120 | Rx Paid Claims - ProAct | \$14,009,165.32 | \$14,009,165.32 | \$9,339,443.55 | \$9,592,196.63 | \$252,753.08 | 2.71% |
| 8121 | Rx Paid Claims - CanaRx | \$179,959.49 | \$179,959.49 | \$119,973.00 | \$91,826.30 | -\$28,146.70 | -23.46% |
| 8084 | Flu Clinic Fees | \$15,000.00 | \$15,000.00 | \$10,000.00 | \$4,440.00 | -\$5,560.00 | -55.60% |
| 8050 | Medical Admin Fees | \$1,326,646.30 | \$1,326,646.30 | \$884,430.86 | \$931,280.66 | \$46,849.80 | 5.30% |
| 8093 | Excellus ITS Fees | \$0.00 | \$2,956.67 | \$1,971.11 | \$0.00 | -\$1,971.11 | -100.00% |
| | Rx Admin Fees | \$164,664.95 | \$164,664.95 | \$109,776.63 | \$130,996.75 | \$21,220.12 | 19.33% |
| 8091 | NYS Graduate Medical Exp. | \$348,095.65 | \$348,095.65 | \$232,063.77 | \$195,731.67 | -\$36,332.10 | -15.66% |
| 9060 | ACA PCORI Fee | \$0.00 | \$17,130.53 | \$17,130.53 | \$15,681.96 | -\$1,448.57 | -8.46% |
| 8110 | Specific Stop-Loss Insurance | \$762,505.96 | \$762,505.96 | \$508,337.30 | \$175,959.41 | -\$332,377.89 | -65.39% |
| 8000 | Accounting Fees | \$30,800.00 | \$30,800.00 | \$20,533.33 | \$14,400.00 | -\$6,133.33 | -29.87% |
| 8010 | Actuarial Fees | \$51,500.00 | \$51,500.00 | \$34,333.33 | \$18,750.00 | -\$15,583.33 | -45.39% |
| | Audit Fees (Financial) | \$96,222.60 | \$12,000.00 | \$12,000.00 | \$13,000.00 | \$1,000.00 | 8.33% |
| 8020 | Audit Fees (Claims) | \$0.00 | \$40,000.00 | \$26,666.67 | \$53,875.00 | \$27,208.33 | 102.03% |
| 8055 | Consultant Fees (Barber) | \$56,135.00 | \$56,135.00 | \$37,423.33 | \$10,585.02 | -\$26,838.31 | -71.72% |
| | Consultant Fees (L&C) | \$87,550.00 | \$87,550.00 | \$58,366.67 | \$57,680.00 | -\$686.67 | -1.18% |
| 8030 | Consultant Fees (Other) - Retirement Plan Review | \$50,000.00 | \$50,000.00 | \$33,333.33 | \$0.00 | -\$33,333.33 | -100.00% |
| 8070 | Legal Fees | \$11,255.09 | \$12,000.00 | \$8,000.00 | \$3,671.25 | -\$4,328.75 | -54.11% |
| 8043 | Wellness Coordinator Fees | \$23,701.25 | \$24,000.00 | \$16,000.00 | \$0.00 | -\$16,000.00 | -100.00% |
| 66001 | Executive Director Salary | \$123,170.18 | \$92,000.00 | \$61,333.33 | \$60,023.09 | -\$1,310.24 | -2.14% |
| 66002 | Fringe Benefits | \$0.00 | \$66,000.00 | \$44,000.00 | \$27,429.75 | -\$16,570.25 | -37.66% |
| 66003 | Clerk of the Board Salary | \$119,957.56 | \$36,000.00 | \$24,000.00 | \$15,912.00 | -\$8,088.00 | -33.70% |
| 66004 | Admin/Comp Asst. Salary | \$0.00 | \$51,000.00 | \$34,000.00 | \$28,023.50 | -\$5,976.50 | -17.58% |
| 8060 | Insurances (D&O / Prof. Liability) | \$41,317.03 | \$41,317.03 | \$27,544.69 | \$29,075.12 | \$1,530.43 | 5.56% |
| 8041 | Internal Coordination (Finance) | \$68,660.00 | \$68,660.00 | \$45,773.33 | \$45,658.38 | -\$114.95 | -0.25% |
| 8042 | Internal Coordination (Support) | \$0.00 | \$16,000.00 | \$10,666.67 | \$0.00 | -\$10,666.67 | -100.00% |
| 8040 | Internal Coordination Fees (Other) | \$0.00 | \$2,000.00 | \$1,333.33 | \$0.00 | -\$1,333.33 | -100.00% |
| 8045 | Internal Coordination (Town of Ithaca) | \$6,000.00 | \$6,000.00 | \$4,000.00 | \$5,000.00 | \$1,000.00 | 25.00% |
| 8044 | Internal Coordination (IT Support) | \$3,090.00 | \$9,000.00 | \$6,000.00 | \$6,489.32 | \$489.32 | 8.16% |
| 9065 | Marketing Expenses | \$2,060.00 | \$5,000.00 | \$3,333.33 | \$0.00 | -\$3,333.33 | -100.00% |
| 9055 | Investment Management Services | \$18,540.00 | \$18,540.00 | \$12,360.00 | \$14,973.20 | \$2,613.20 | 21.14% |
| 9050 | Ancillary Benefit Premiums | \$163,895.69 | \$163,895.69 | \$109,263.79 | \$0.00 | -\$109,263.79 | -100.00% |
| 8150 | Supplies Expense | \$1,500.00 | \$1,500.00 | \$1,000.00 | \$0.00 | -\$1,000.00 | -100.00% |
| 8151 | Computer Equipment | \$0.00 | \$5,000.00 | \$3,333.33 | \$0.00 | -\$3,333.33 | -100.00% |
| 8152 | Lease Expense / Parking Fees | \$0.00 | \$6,500.00 | \$4,333.33 | \$4,500.00 | \$166.67 | 3.85% |
| 8153 | Mileage- Travel Expenses | \$0.00 | \$1,000.00 | \$666.67 | \$312.23 | -\$354.44 | -53.17% |
| 9060 | Other Expenses / Supplies | \$11,608.99 | \$10,609.00 | \$7,072.67 | \$4,732.12 | -\$2,340.55 | -33.09% |
| Total Expenses | | \$55,085,114.81 | \$55,102,245.34 | \$36,668,740.40 | \$32,204,709.99 | -\$4,464,030.41 | -12.17% |

2020 Expense Budget vs Actual Results (08/31/2020)

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. Although some of the specific lines were revised, the total expense number remained relatively consistent with 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 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 94.213% of the total expenses for the GTCMHIC. This means that a modest 5.787% was used to pay for all the other operating expenses of the Consortium, including stop-loss insurance which accounted for 0.546% of the spending.

2020 Expense Budget vs Actual Results (08/31/2020)

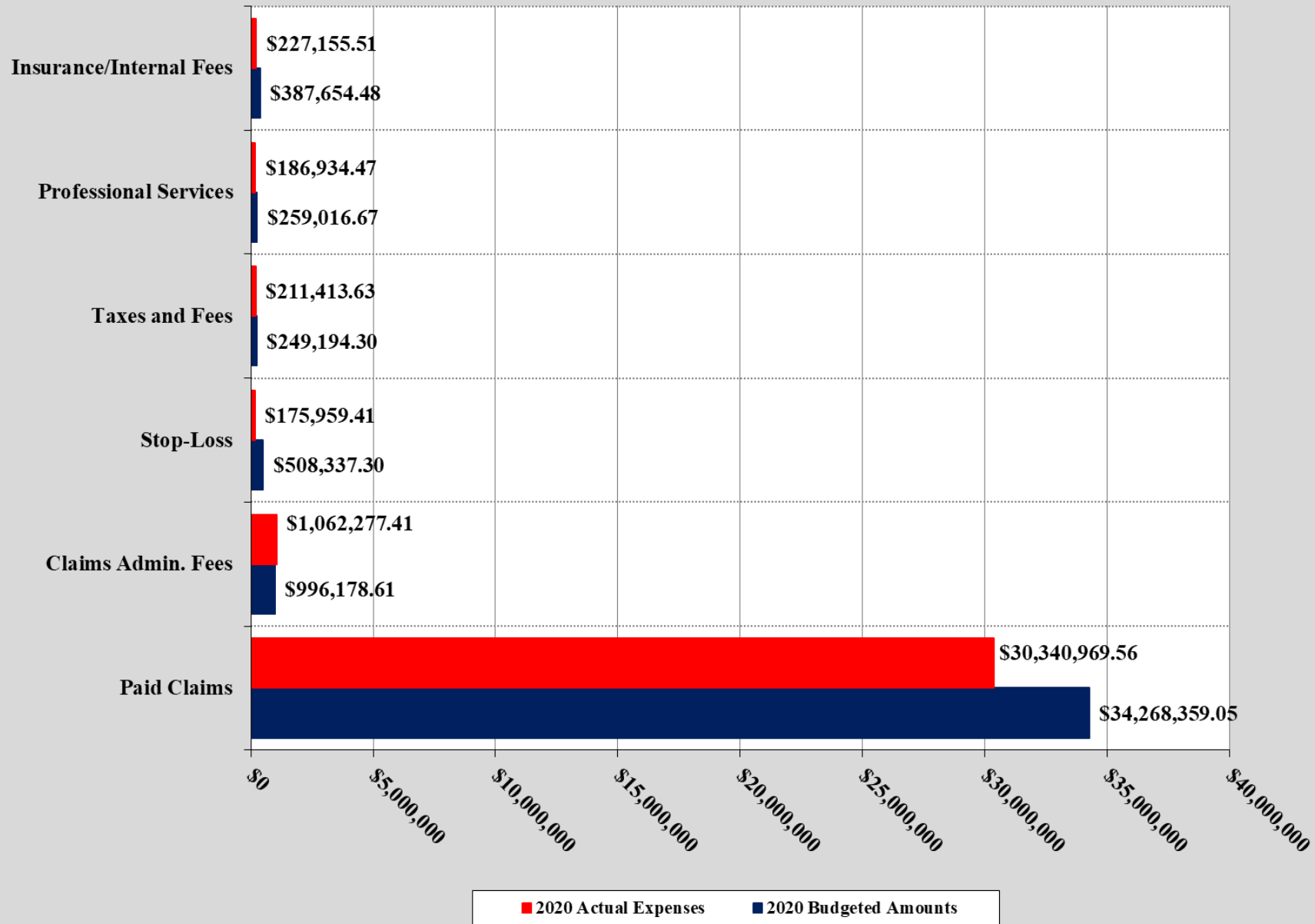
Key Facts:

5. Medical Paid Claims are currently 16.72% below the projected budget for the year and this is the result of:
 - a) An increase in the covered lives ($\uparrow 2.29\%$) and in the number of contracts ($\uparrow 3.09\%$) 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 substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
 - d) A decrease in the number of large loss claimants and a decrease in the severity of the cases reported to date.
6. Rx Paid Claims are currently 2.71% above budget with the past two months being a bit higher than projected. This is a trend we are keeping a close eye on as we continue the budget development process for the 2021 Fiscal Year. It should be noted that based on our analysis, the recent pandemic did not substantively change the cost of pharmaceutical claims and therefore we do not believe it is a direct factor in this result.

Greater Tompkins County Municipal Health Ins. Consortium

2020 Expense Distribution

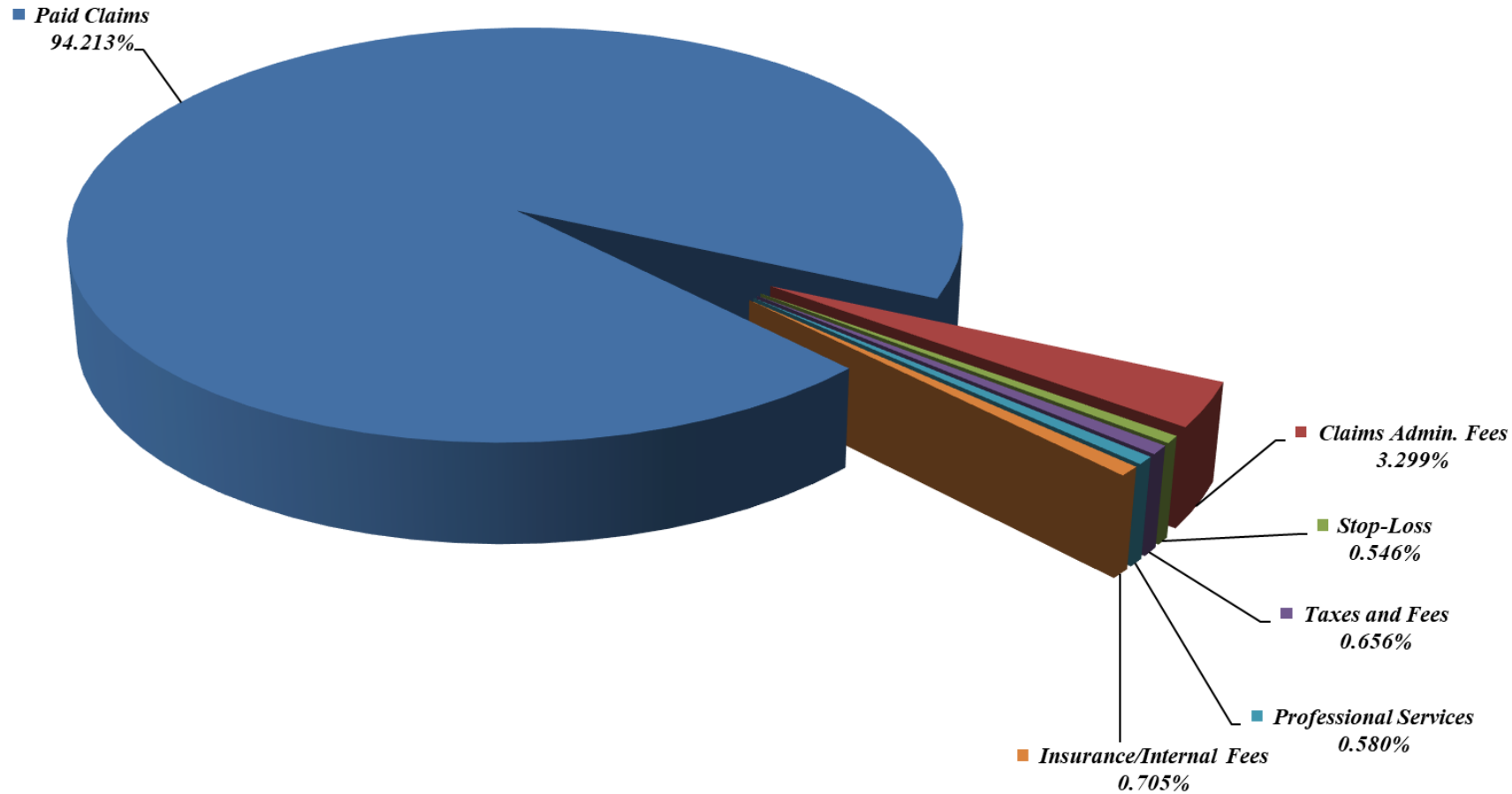
January 1, 2020 to August 31, 2020



Greater Tompkins County Municipal Health Ins. Consortium

2020 Expense Distribution

January 1, 2020 to August 31, 2020

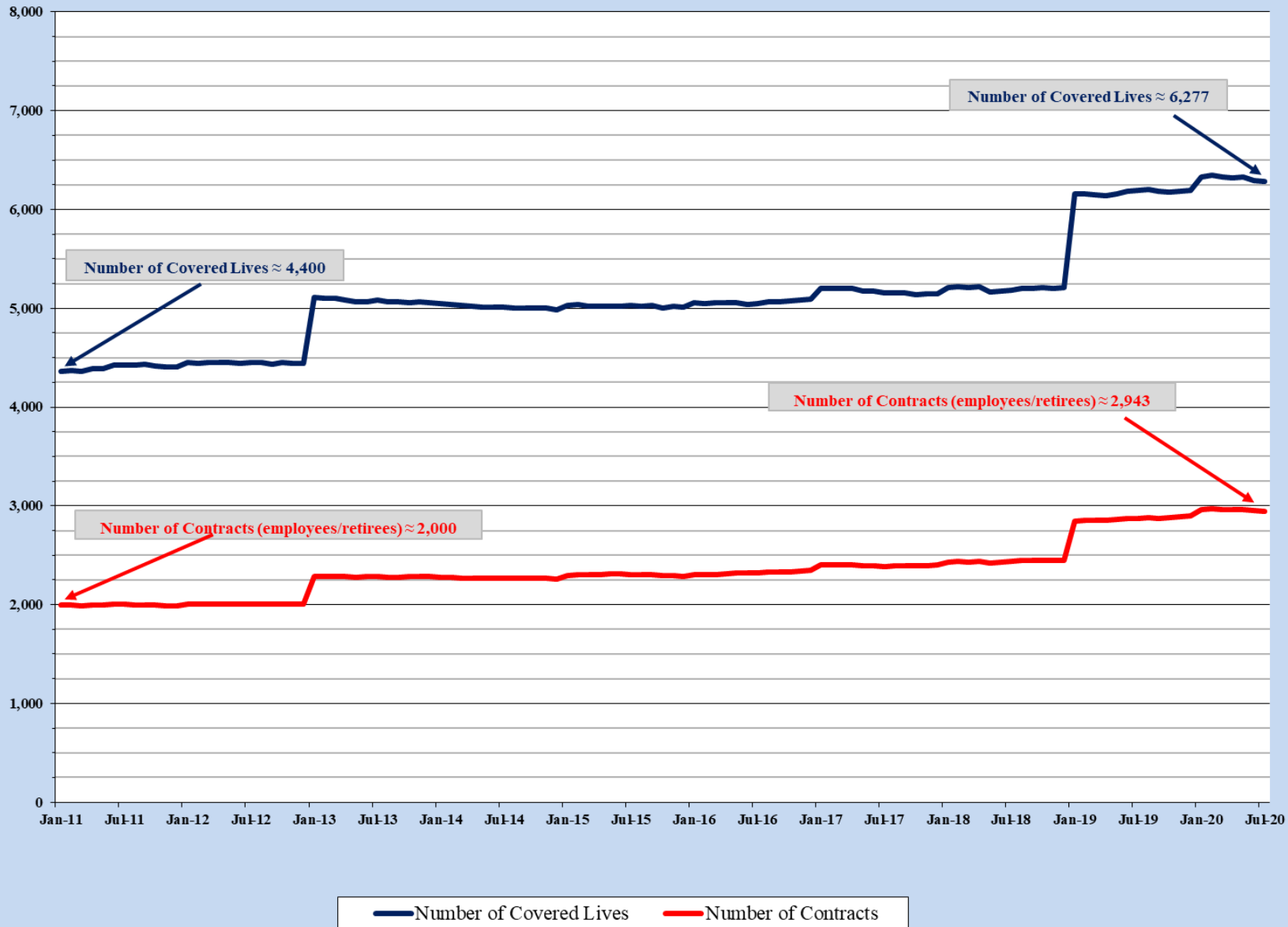


■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees

Greater Tompkins County Municipal Health Ins Consortium

2011-2020 Monthly Covered Lives and Contracts

January 1, 2011 to August 31, 2020



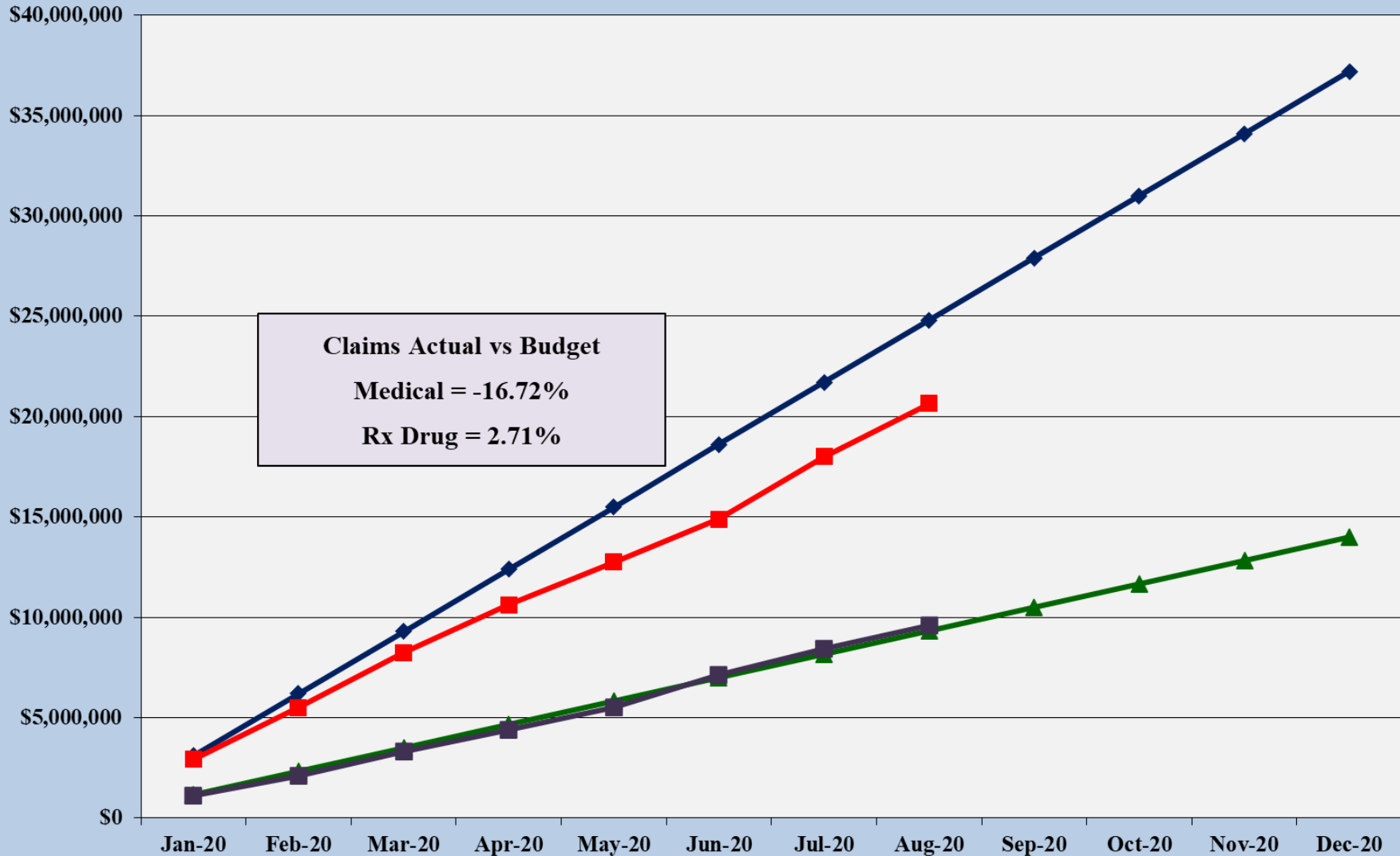


Section 3

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

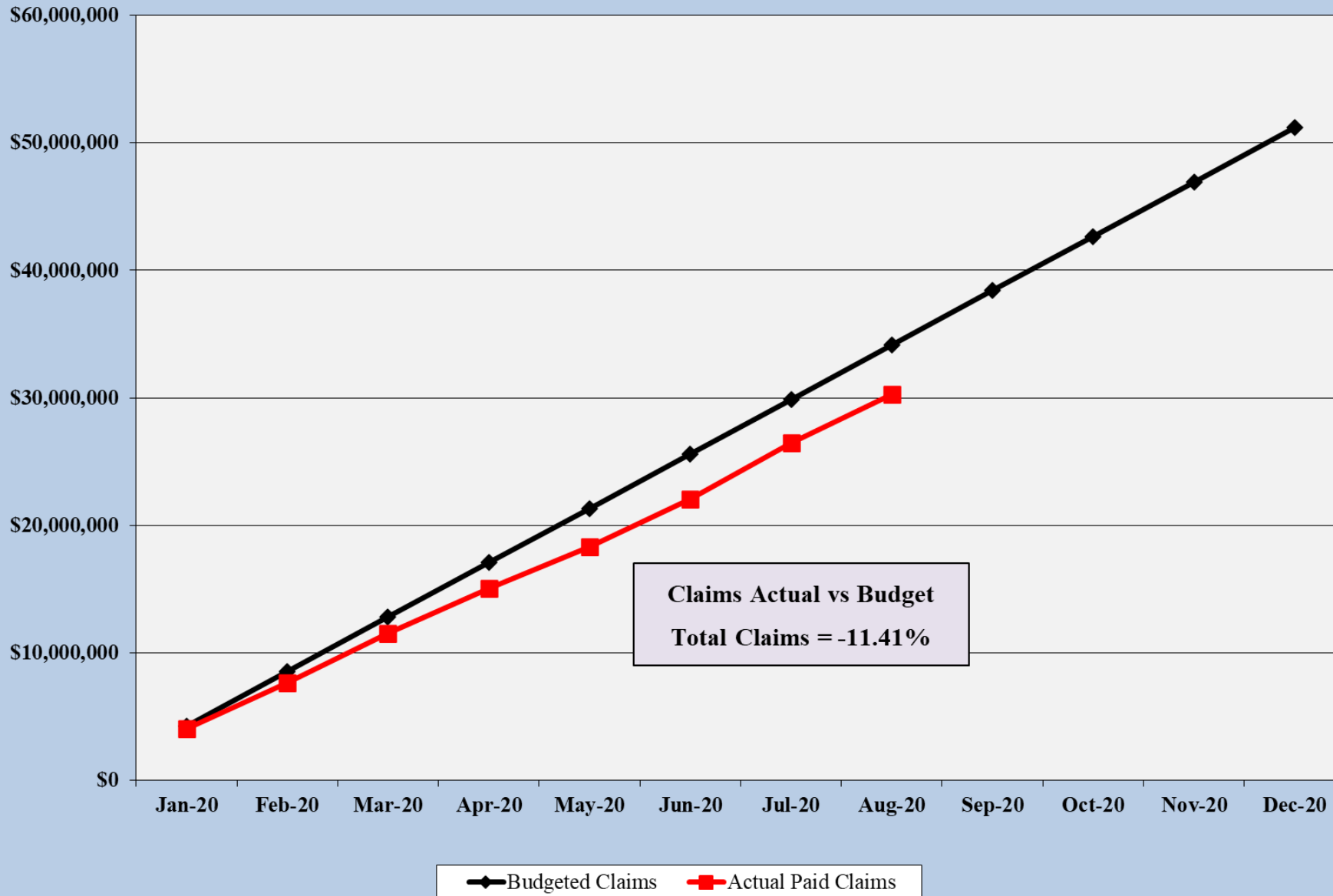


Claims Actual vs Budget
 Medical = -16.72%
 Rx Drug = 2.71%

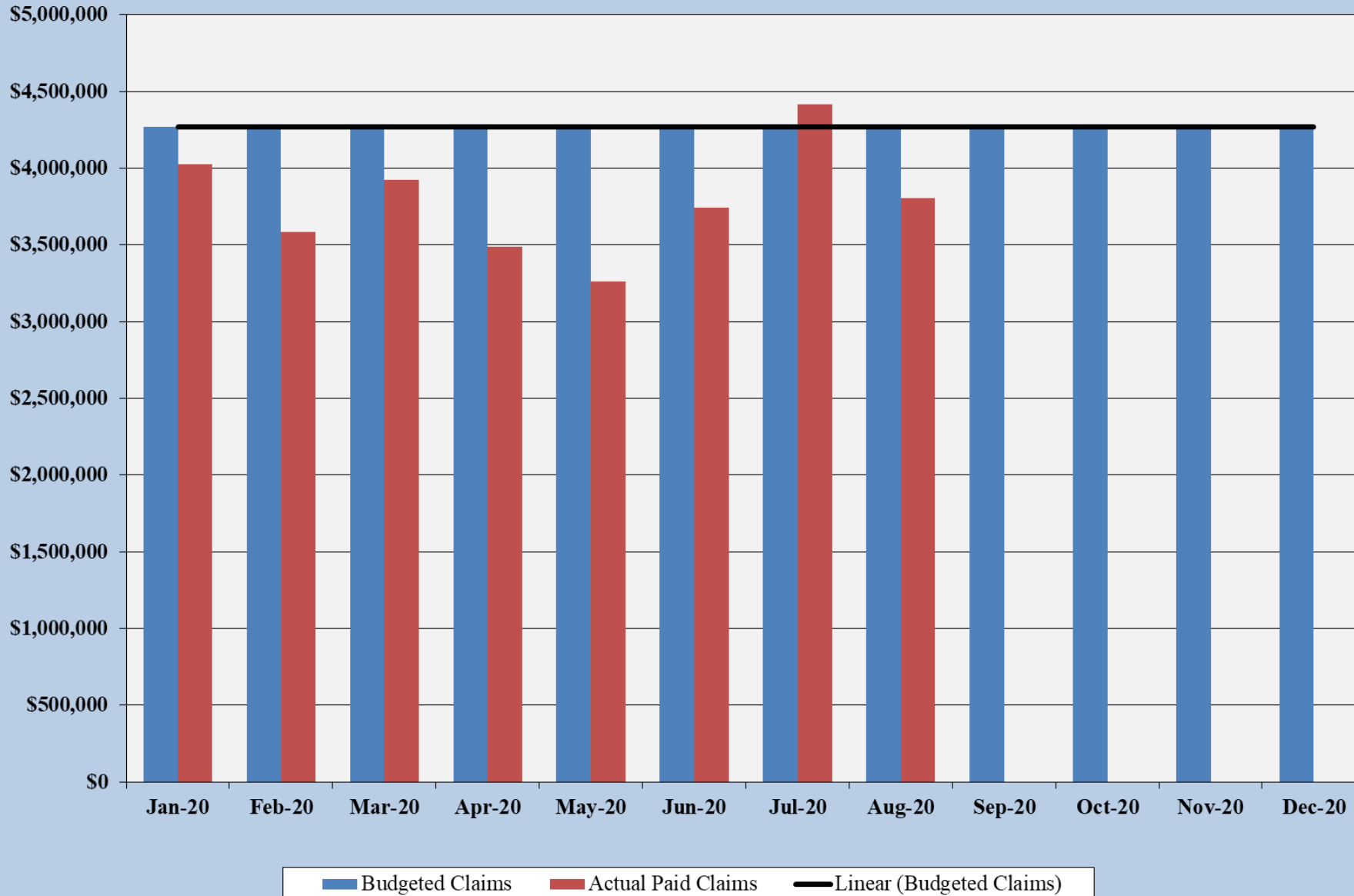
◆ Medical Plan Budgeted Claims
 ■ Medical Plan Actual Paid Claims
 ▲ Rx Plan Budgeted Claims
 ■ Rx Paid Claims

Greater Tompkins County Municipal Health Insurance Consortium

2020 Cumulative Paid Claims and Budgeted Claims by Month

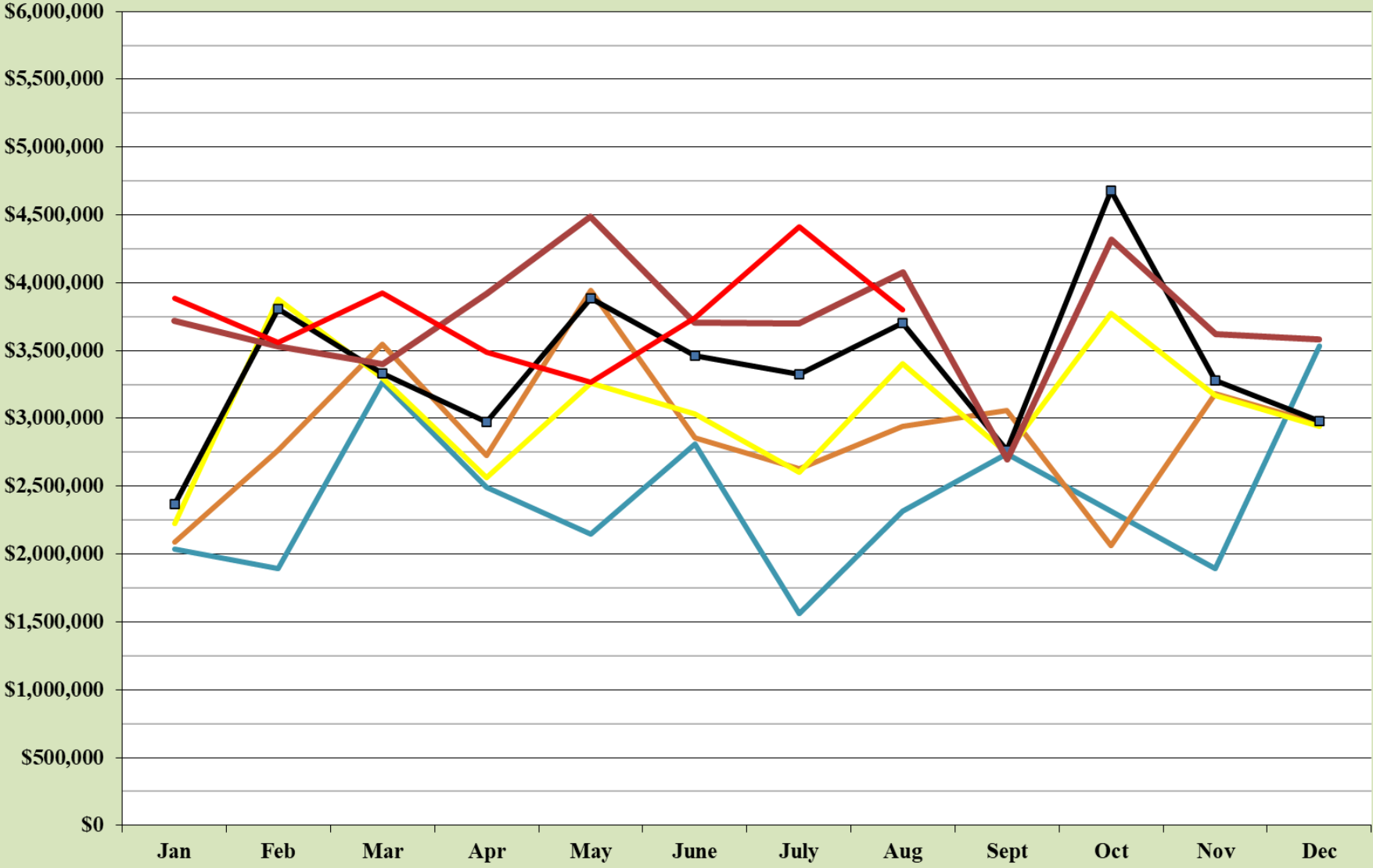


***Greater Tompkins County Municipal
Health Insurance Consortium***
2020 Budgeted vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Ins Consortium

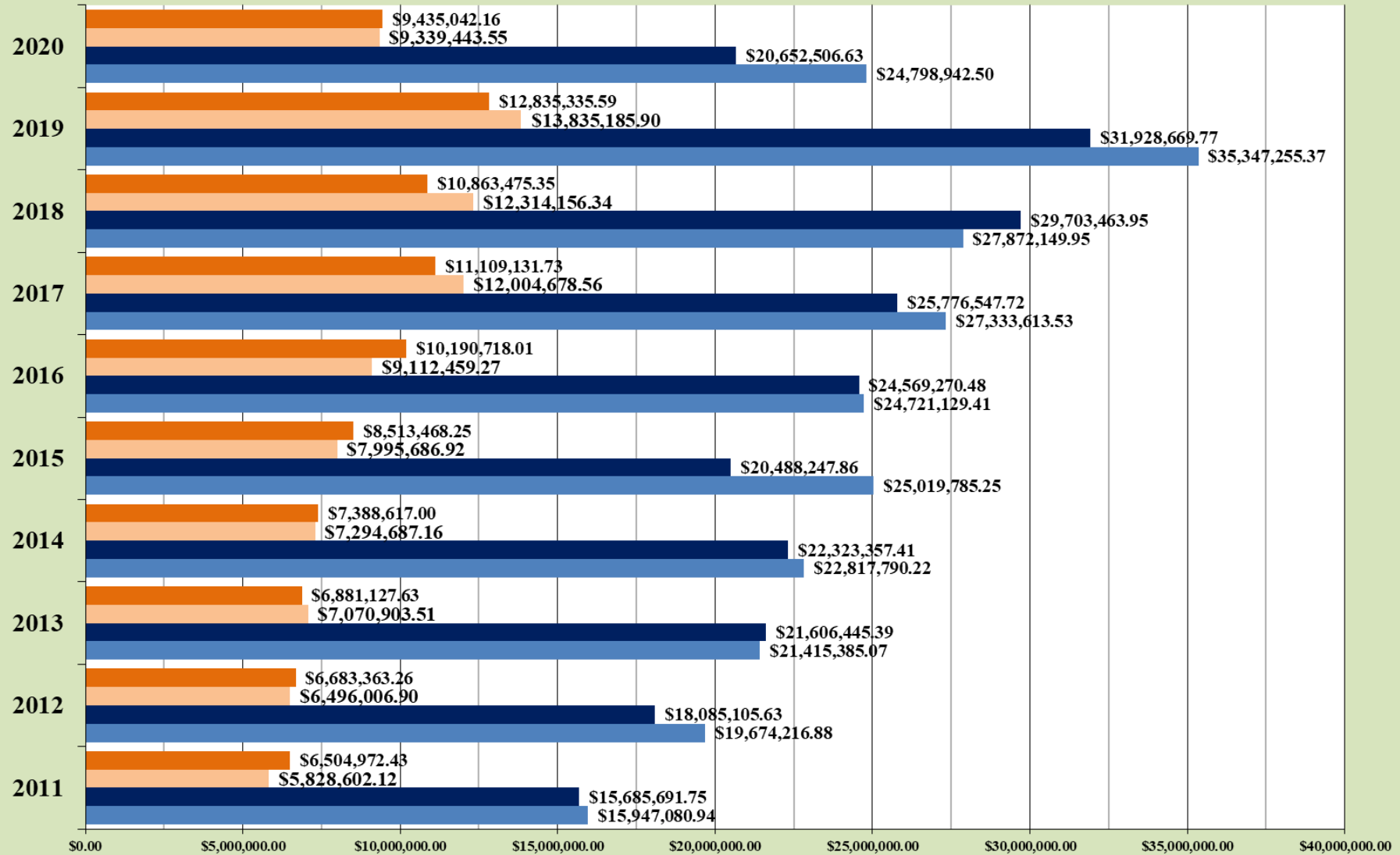
2015-2020 Monthly Paid Claims by Fiscal Year



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

Greater Tompkins County Municipal Health Ins Consortium

2011-2020 (as of 08/31/2020) Annual Paid Claims v Budgeted Claims

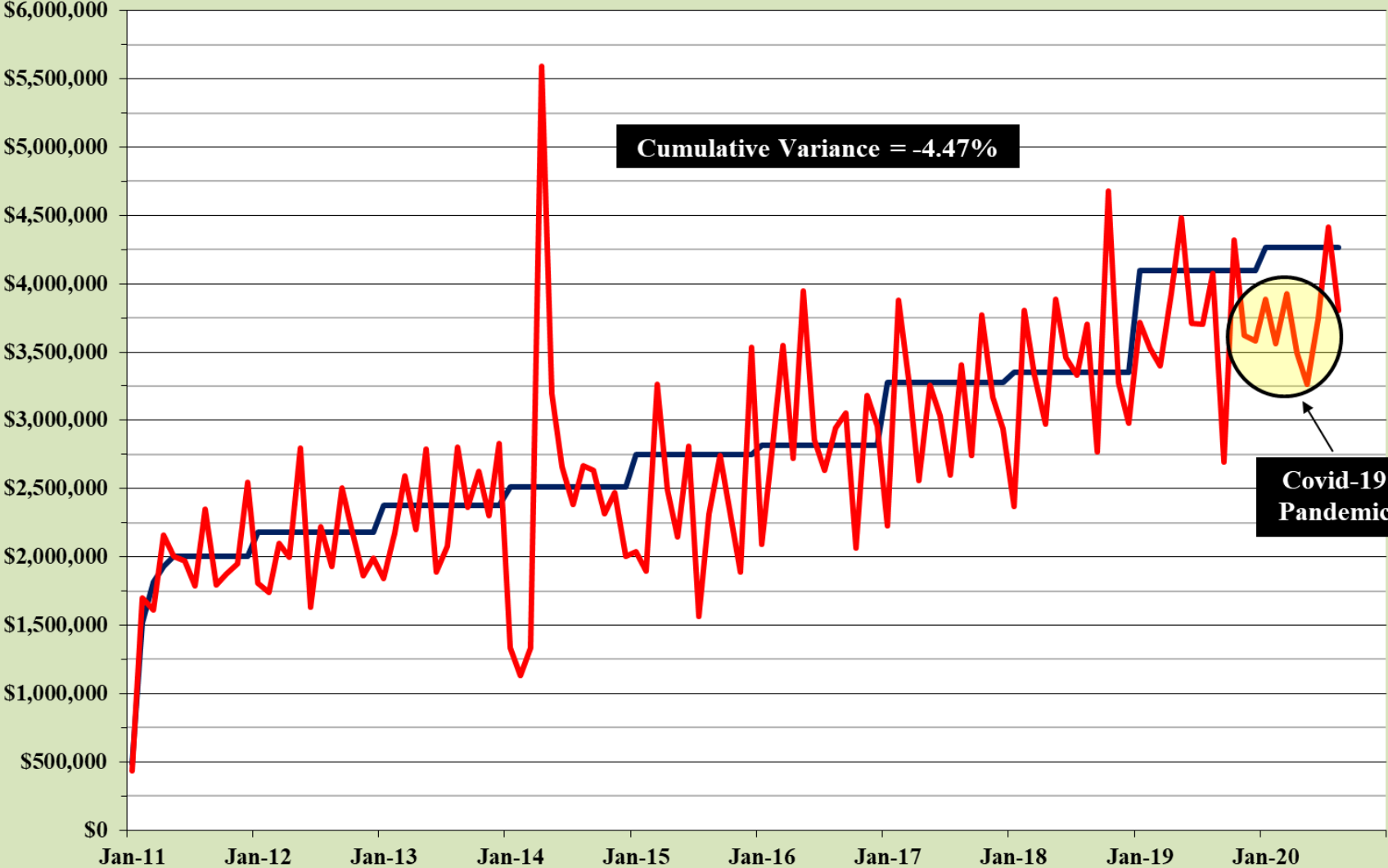


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

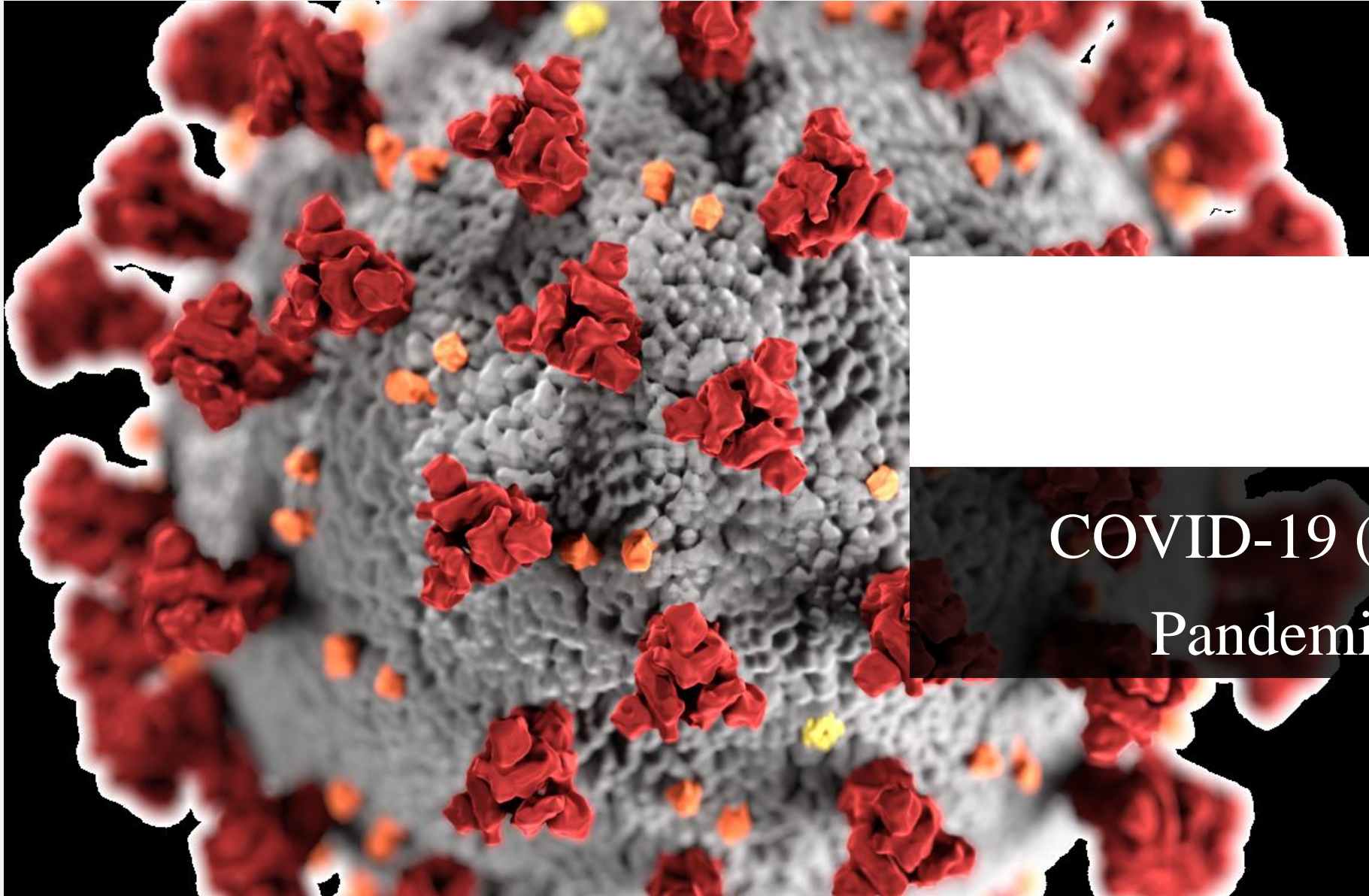
Greater Tompkins County Municipal Health Ins Consortium

2011-2020 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to August 31, 2020



— Budgeted Claims — Actual Paid Claims



Section 4

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 September 12th
 - a) There have been approximately 101,346 people in Tompkins County who have been tested for the presence of COVID-19 (coronavirus).
 - b) There have been approximately 382 Tompkins County residents who have tested positive for the coronavirus which is 0.38% of the tested population and approximately 0.371% of the County's total population with no reported deaths amongst county residents.
3. The other Counties in the Consortium have the following results:

| | | |
|-------------|-----------------------|------------------------------|
| a) Cayuga | 31,680 Persons Tested | 190 Positive Results (0.60%) |
| b) Cortland | 22,538 Persons Tested | 132 Positive Results (0.59%) |
| c) Seneca | 12,646 Persons Tested | 104 Positive Results (0.82%) |
| d) Tioga | 16,932 Persons Tested | 221 Positive Results (1.31%) |

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 monthly paid claims for the past two months, we see lower 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 | | | |
| | 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 | \$1,566,366.43 | \$62,316.83 | \$1,101,096.33 | \$66,660.46 | \$2,667,462.76 | \$128,977.29 |
| May-20 | \$2,211,727.69 | \$61,046.12 | \$1,107,376.77 | \$55,938.18 | \$3,319,104.46 | \$116,984.30 |
| Jun-20 | \$1,852,585.78 | \$65,283.97 | \$1,111,933.57 | \$66,819.98 | \$2,964,519.35 | \$132,103.95 |
| Jul-20 | \$2,385,688.98 | \$83,846.93 | \$1,305,357.66 | \$67,665.11 | \$3,691,046.64 | \$151,512.04 |
| Aug-20 | \$2,193,840.37 | \$59,698.92 | \$1,145,506.06 | \$61,227.91 | \$3,339,346.43 | \$120,926.83 |
| 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 |
| Totals | \$17,443,422.80 | \$784,859.89 | \$9,076,837.94 | \$535,879.96 | \$26,520,260.74 | \$1,320,739.85 |
| | 95.69% | 4.31% | 94.43% | 5.57% | 95.26% | 4.74% |

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

2020 First 3-Months Avg. Monthly Medical Claims
\$2,411,071.18

2020 Last 5-Months April-August Medical Claims
\$2,042,041.85

2020 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

2. The data on the previous pages shows the paid claims for 2020 were collectively about \$3.9 million below the budgeted amount for the time period.
3. Even though July was high as a 5-weekly payment month, we expect this trend to continue into the 3rd Quarter of this Fiscal Year as the medical community starts to slowly ramp back up to a more normal schedule.
4. Looking “down the road” a bit we do not see any major negative impacts to the Consortium from a paid claim’s 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 Consortium 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.

2020 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

5. The pandemic has “forced” covered members to embrace telehealth and telemedicine approaches to medical care as covered members have not been able to see their primary care physicians for minor or routine services in recent months.
 - a) In the first six (6) months of 2020, the Consortium has paid for 3,094 telehealth visits for 1,816 covered members at a total cost of \$324,873.02.
 - b) To put this in perspective, in 2019 there were a total of 40 telehealth visits associated with Consortium covered members for a total cost of \$996.98 for the entire year.
 - c) According to Excellus’ reports, the Consortium had a total of 90 covered members registered for telemedicine services as of January 2020.
 - d) Per Excellus as of June 2020, the number of covered members registered for the telemedicine program climbed to 148. We anticipate this number will be even higher as the Cooperative heads deeper into the 2020 Fiscal Year and members become growingly more comfortable with this type of medical care delivery model.



Section 5

2021 Fiscal Year Budget Overview Consortium Income

2021 GTCMHIC Budget - Income

Major Income Sources:

- 1. *Medical Plan Premiums*** – this is the income derived from the health insurance premium payments made by each Participating Municipality in the Consortium. These dollars include any premium contributions made by employers, employees, COBRA members, and retirees.
- 2. *Ancillary Benefit Premiums*** – this revenue source is associated with the Consortium’s fully-insured dental, vision, disability, accidental death & dismemberment, legal aid, and life insurance policies. These premiums are considered a “pass-through”.
- 3. *Interest Earnings*** – this income line-item shows the return on investments associated with the Consortium’s cash assets which are deposited and invested based on the Consortium’s investment policy with the assistance of Wilmington Trust. Historically, the return on these investments lowered the annual premium increases by between 0.75% and 1.00% on average.

2021 GTCMHIC Budget - Income

Major Income Sources (continued):

4. ***Rx Rebates*** – this represents the amount of income paid to the GTCMHIC from ProAct, Inc. associated with the pharmaceutical rebates ProAct, Inc. receives for purchases made by Consortium members.
5. ***Stop-Loss Claim Reimbursements*** – this income source is the result of members exceeding the specific stop-loss insurance deductible for the fiscal year. Monies received in stop-loss claim reimbursements are used to off-set the paid claims costs associated with high dollar claimants. Currently, the Consortium’s specific stop-loss deductible is \$1,000,000 with an individual who has a “laser” deductibles of a \$1,200,000 for the current policy period.
6. ***Other Income*** – this small revenue item is associated with any miscellaneous funds which may be received as refunds, credits, or some other kind of financial settlement. Since 2014 this revenue source has averaged less than \$6,000 per annum.

2021 Projected Income

| <i>Greater Tompkins County Municipal Health Insurance Consortium</i> | | | | | |
|--|---------------------------------|--|--|--|--|
| 2020 - 2025 Fiscal Year Budget Projections (cash basis) | | | | | 5.00% |
| | | | | <i>as of 08/31/2020</i> | |
| | | <i>Actual Results 2019 Fiscal Year</i> | <i>Projected Budget 2020 Fiscal Year</i> | <i>Updated Budget 2020 Fiscal Year</i> | <i>Projected Budget 2021 Fiscal Year</i> |
| Average Covered Lives | | 6,199 | 6,295 | 6,318 | 6,318 |
| Beginning Balance | | \$26,575,630.00 | \$30,971,196.85 | \$30,971,196.85 | \$30,356,295.09 |
| Income | | | | | |
| | Medical and Rx Plan Premiums | \$50,296,735.62 | \$52,745,788.78 | \$48,480,920.99 | \$55,875,290.81 |
| 9000 | Ancillary Benefit Plan Premiums | \$150,527.92 | | | |
| 9020 | Interest | \$465,101.14 | \$446,554.34 | \$370,946.00 | \$45,534.44 |
| 9010 | Rx Rebates | \$1,597,414.28 | \$1,400,000.00 | \$1,400,000.00 | \$1,400,000.00 |
| 9040 | Stop-Loss Claim Reimbursements | \$3,451.40 | \$0.00 | \$0.00 | \$0.00 |
| 9035 | Finance Charge Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 9030 | Other | \$10,640.45 | \$5,304.50 | \$5,304.50 | \$5,463.64 |
| Total Income | | \$52,523,870.81 | \$54,597,647.62 | \$50,257,171.49 | \$57,326,288.89 |

2022-2025 Projected Income

| Greater Tompkins County Municipal Health Insurance Consortium | | | | | |
|--|---------------------------------|--|--|--|--|
| 2020 - 2025 Fiscal Year Budget Projections | | 5.00% | 6.00% | 7.00% | 7.00% |
| | | <i>Projected Budget 2022 Fiscal Year</i> | <i>Projected Budget 2023 Fiscal Year</i> | <i>Projected Budget 2024 Fiscal Year</i> | <i>Projected Budget 2025 Fiscal Year</i> |
| Average Covered Lives | | 6,318 | 6,318 | 6,318 | 6,318 |
| Beginning Balance | | \$29,874,635.80 | \$29,213,990.31 | \$28,611,809.30 | \$28,696,262.85 |
| Income | | | | | |
| | Medical and Rx Plan Premiums | \$58,669,055.35 | \$62,189,198.68 | \$66,542,442.58 | \$71,200,413.56 |
| 9000 | Ancillary Benefit Plan Premiums | | | | |
| 9020 | Interest | \$298,746.36 | \$292,139.90 | \$286,118.09 | \$286,962.63 |
| 9010 | Rx Rebates | \$1,400,000.00 | \$1,400,000.00 | \$1,400,000.00 | \$1,400,000.00 |
| 9040 | Stop-Loss Claim Reimbursements | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 9035 | Finance Charge Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 9030 | Other | \$5,627.54 | \$5,796.37 | \$5,970.26 | \$6,149.37 |
| Total Income | | \$60,373,429.26 | \$63,887,134.95 | \$68,234,530.94 | \$72,893,525.56 |

2021-2025 Projected Income

Important Notes and Assumptions:

1. Premium Income includes a 5.00% increase in the premium equivalent rates for the 2021 Fiscal Year. The 2022 through 2025 Fiscal Years include a premium increases of 5.0%, 6.0%, 7.0% and 7.0%, respectively. Please be aware, the premium income is based on the current population being enrolled in their current health insurance plans.
2. Interest Income has been calculated at 0.15% of Consortium Assets for the 2021 Fiscal Year based on estimates provided by Wilmington Trust's recommendations. Future interest rate assumptions were set at 1.0% of Consortium Assets for the 2022 through 2024 Fiscal Years.
3. Rx Rebates are the pharmaceutical manufacturer rebates earned by the Consortium and the \$1.4 million is based on estimates as provided by ProAct, Inc. for the 2021 Fiscal Year.
4. "Other" Income is any miscellaneous revenue received by the Consortium and we utilized the most recent experience of the Consortium and applied that average going forward from the 2022 Fiscal Year through the 2025 Fiscal Year.



Section 6

2021 Fiscal Year Budget Overview Consortium Expenses

2021 Projected Expenses

Major Expense Categories:

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

2021 Projected Expenses

Major Expense Categories (continued):

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

2021 Projected Expenses

as of 08/31/2020

| | <i>Actual Results 2019 Fiscal Year</i> | <i>Projected Budget 2020 Fiscal Year</i> | <i>Updated Budget 2020 Fiscal Year</i> | <i>Projected Budget 2021 Fiscal Year</i> |
|-------------------------------------|--|--|--|--|
| <i>Expenses</i> | | | | |
| 1 Medical and Rx Paid Claims | \$44,950,982.36 | \$51,516,238.57 | \$47,934,676.22 | \$54,687,724.60 |
| 2 Claims Administration Fees | \$1,455,338.08 | \$1,494,267.91 | \$1,593,656.06 | \$1,641,465.74 |
| 3 Taxes and Fees | \$343,176.45 | \$365,226.19 | \$371,221.97 | \$391,304.07 |
| 4 Stop-Loss Insurance | \$639,190.30 | \$258,603.00 | \$263,000.00 | \$302,450.00 |
| 5 Professional Services | \$294,662.23 | \$363,985.00 | \$278,050.00 | \$285,921.50 |
| 6 Insurance/Internal Fees | \$270,453.45 | \$411,517.03 | \$406,860.00 | \$470,005.00 |
| 7 Ancillary Benefits | \$152,108.73 | \$0.00 | \$0.00 | \$0.00 |
| 7 Other/Miscellaneous Fees | \$22,392.36 | \$24,609.00 | \$24,609.00 | \$29,077.27 |
| Total Expenses | \$48,128,303.96 | \$54,434,446.70 | \$50,872,073.25 | \$57,807,948.19 |

2022-2025 Projected Expenses

| | | <i>Projected Budget 2022 Fiscal Year</i> | <i>Projected Budget 2023 Fiscal Year</i> | <i>Projected Budget 2024 Fiscal Year</i> | <i>Projected Budget 2025 Fiscal Year</i> |
|----------|-----------------------------------|--|--|--|--|
| | <i>Expenses</i> | | | | |
| 1 | Medical and Rx Paid Claims | \$57,731,939.67 | \$61,034,489.96 | \$64,533,420.52 | \$68,240,894.31 |
| 2 | Claims Administration Fees | \$1,690,709.71 | \$1,741,431.01 | \$1,793,673.94 | \$1,847,484.15 |
| 3 | Taxes and Fees | \$410,869.28 | \$431,412.74 | \$452,983.38 | \$474,591.43 |
| 4 | Stop-Loss Insurance | \$347,817.50 | \$399,990.13 | \$459,988.64 | \$528,986.94 |
| 5 | Professional Services | \$292,861.45 | \$301,647.29 | \$308,214.20 | \$317,460.63 |
| 6 | Insurance/Internal Fees | \$529,957.55 | \$549,557.67 | \$570,115.93 | \$591,698.09 |
| 7 | Ancillary Benefits | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 7 | Other/Miscellaneous Fees | \$29,919.59 | \$30,787.18 | \$31,680.79 | \$32,601.21 |
| | Total Expenses | \$61,034,074.74 | \$64,489,315.96 | \$68,150,077.39 | \$72,033,716.76 |

2021-2025 Projected Expenses

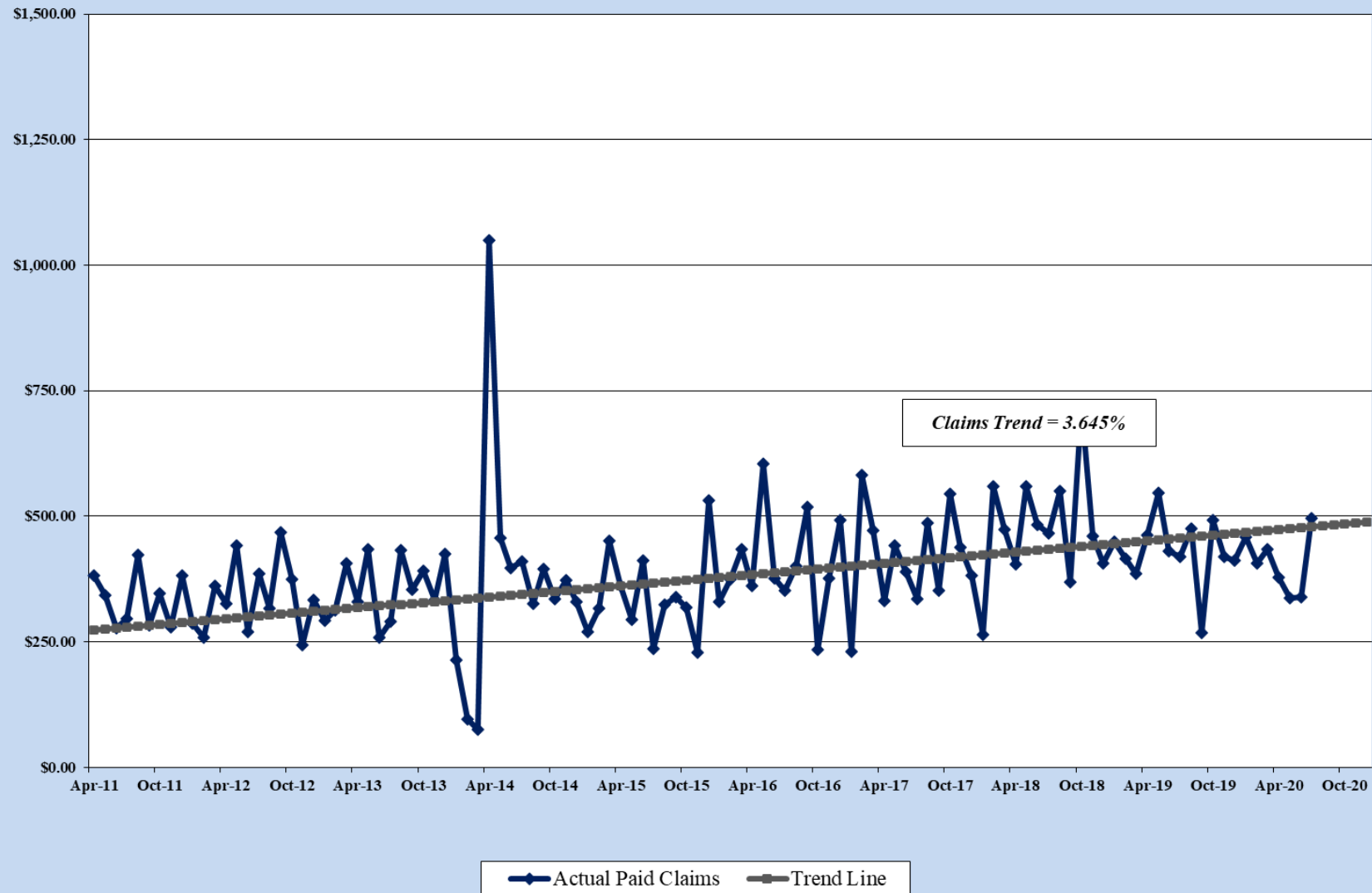
Important Notes and Assumptions:

1. The medical and pharmacy paid claims trends for the GTCMHIC from April 1, 2011 to August 31, 2020 has equaled 3.645% and 5.931%, respectively.
 - a) The Locey & Cahill, LLC Municipal Cooperative Health Benefit Plan Client paid claim trends models for medical and pharmacy claims produce an average annual cost increase of 4.033% and 6.496%, respectively.
 - b) The paid claims trends we utilized are based on a number of factors, including the trends noted above and Locey & Cahill, LLC's 25+ years of experience working with Municipal Cooperative Health Benefit Plans like the GTCMHIC.
 - c) The 2021 Paid Claims trends utilized for the budget projections were 5.00% for medical claims and 7.50% for prescription drug claims based on an updated per covered life claims projection which includes data as of August 31, 2020.
 - d) The following charts provide some background and detail regarding the paid claims trend information and data used by Locey & Cahill, LLC in the development of this budget report.

Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month Medical Paid Claims Trend

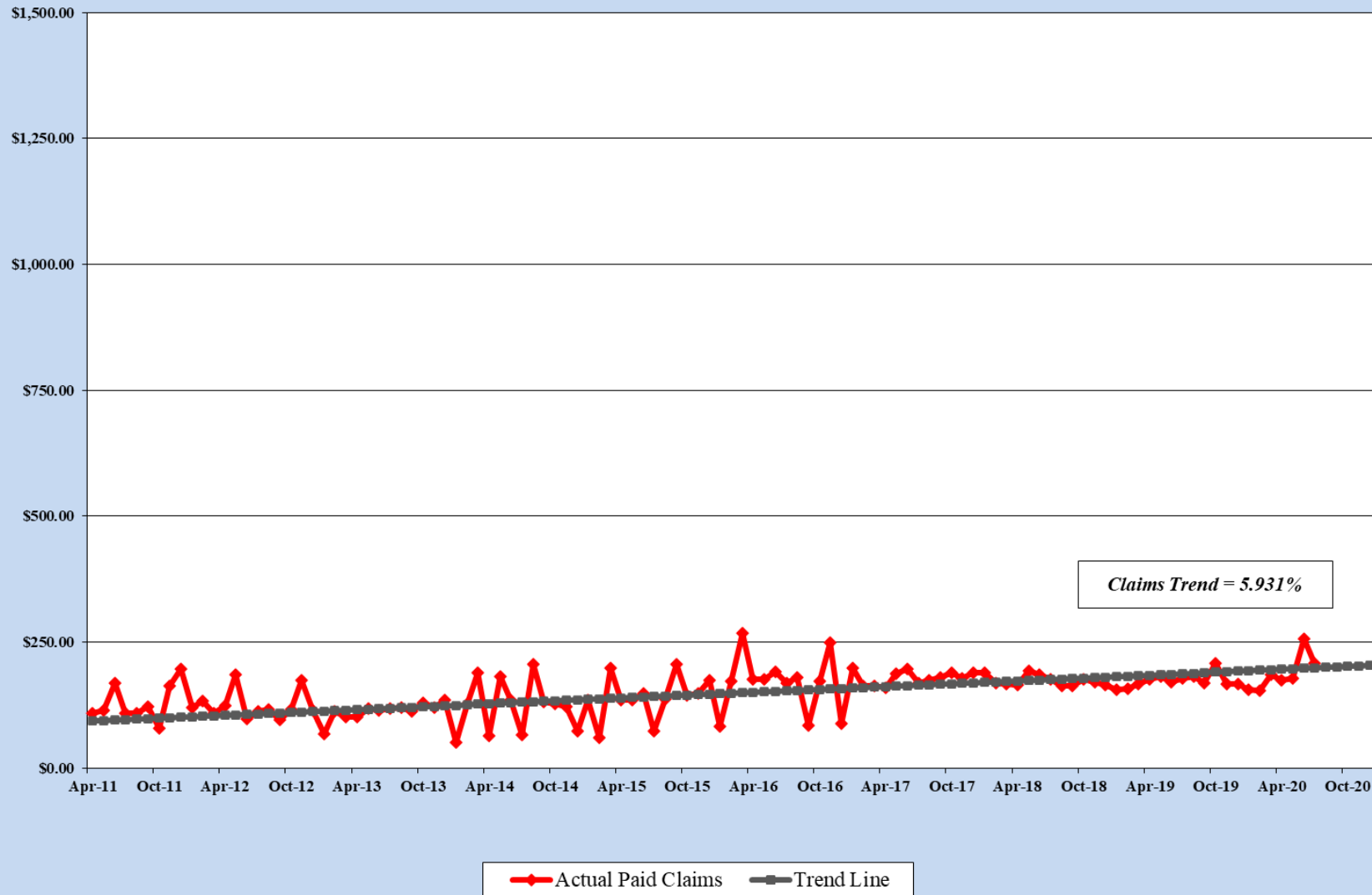
April 1, 2011 to August 31, 2020



Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month **Prescription Drug** Paid Claims Trend

April 1, 2011 to August 31, 2020

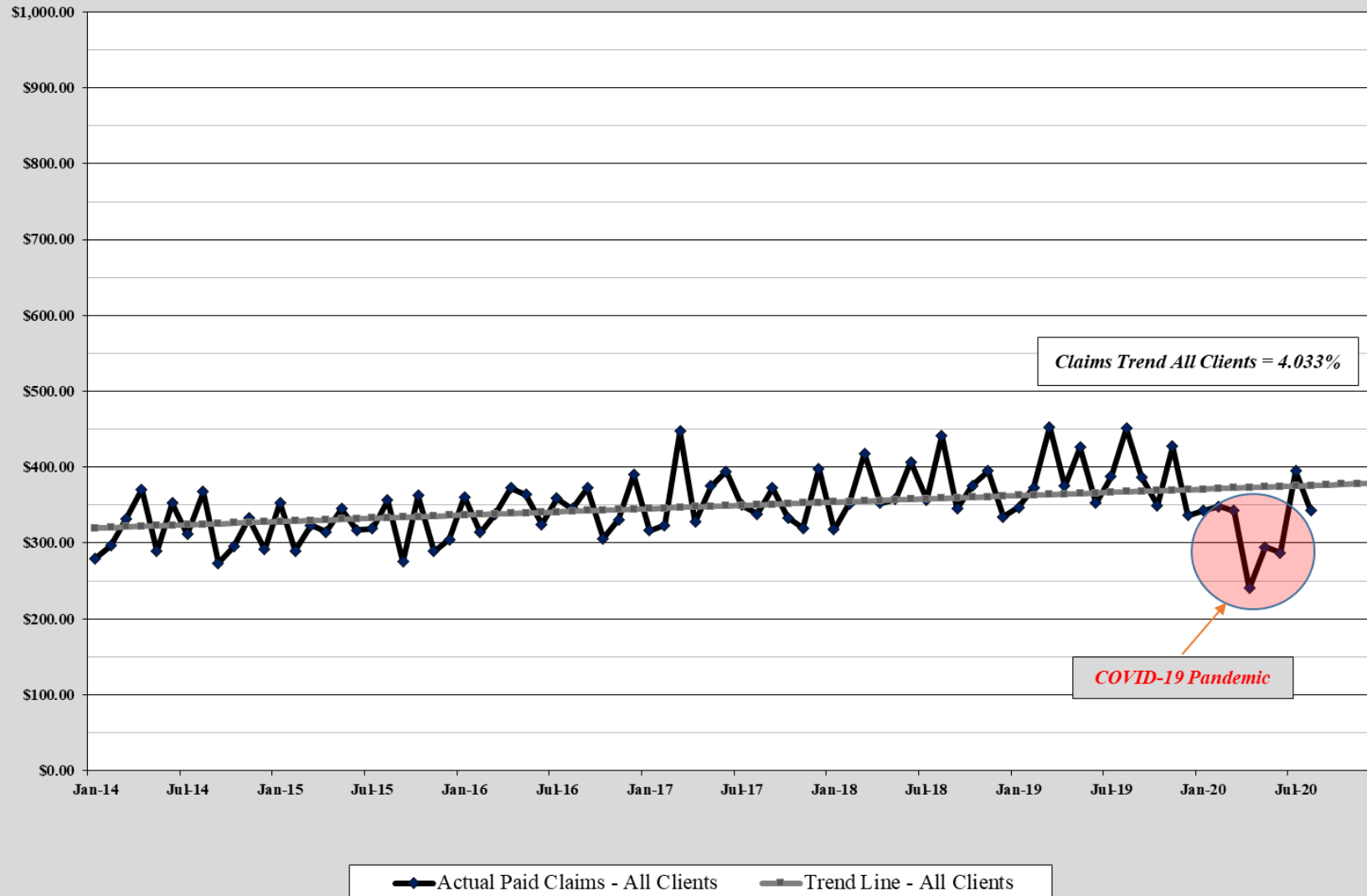


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Medical Paid Claims Trend

January 1, 2014 to August 31, 2020

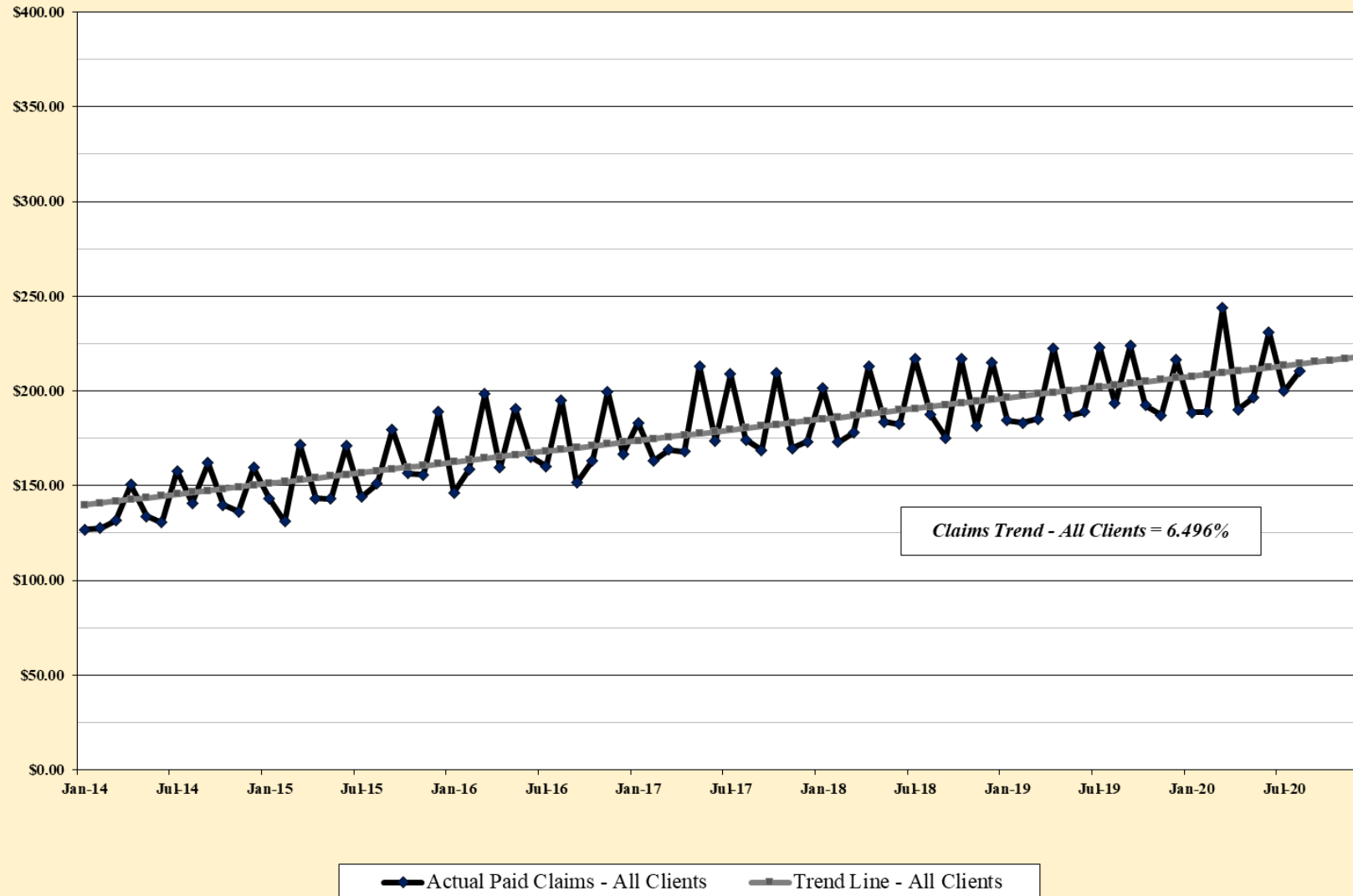


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Rx Paid Claims Trend

January 1, 2014 to December 31, 2020



2021-2025 Projected Expenses

Important Notes and Assumptions (continued):

2. The Excellus BlueCross BlueShield claims administrative fees are increased by 3.0% for the 2021 through 2025 Fiscal Years. The ProAct, Inc. claims administrative fees are similarly increased by 3.0% per annum for the 2021 through 2025 Fiscal Years.
3. The Taxes and Fees include the New York State Covered Lives Assessment (Graduate Medical Expense) which is a per contract per month fee that has been forecasted to increase by 5% per annum. The Patient Protection and Affordable Care Act (ACA) Patient Centered Outcomes Research Institute (PCORI) fee is set to sunset in 2029.
4. The specific stop-loss insurance premiums have been forecasted to increase at a rate of 15% per annum based on our experience with this market in recent years. This sector of the insurance marketplace has been hit hard over recent years with significant increases in large dollar claimants resulting in escalating premiums. This is an area of operations which is being closely scrutinized to ensure the Consortium is protected at a reasonable cost going forward.

2021-2025 Projected Expenses

Important Notes and Assumptions (continued):

5. We have updated the 2021 Fiscal Year expected costs associated with all professional services provided to the Consortium based on information from the Consortium's Executive Director and Treasurer. These fees have been trended at an annual rate of 3% for the 2022 through 2025 Fiscal Years.
6. As with the professional services, the internal coordination fees and insurance costs expected for the 2021 Fiscal Year have been updated based on information from the Consortium's Executive Director and Treasurer. These fees have also been trended at an annual rate of 3% for the 2022 through 2025 Fiscal Years.
7. The last major expense category is the "other" expenses which is for miscellaneous costs that do not fit in one of the other line-items cleanly. This is an extremely nominal expense item which has little impact on the overall budget. We trended this at 3% from the current cost projections.



Section 7

2021 Fiscal Year Budget Overview Consortium Assets

Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 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 4-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.

2020 Beginning Balance

ASSETS

Current Assets

Cash and Cash Equivalents

Unrestricted Investments

Accrued Interest

Accounts Receivable - Stop Loss and Drug Rebates

Premiums Receivable

Total Current Assets

OTHER ASSETS

Noncurrent Assets

Premium Claims Deposit

Restricted Cash and Cash Equivalents

Restricted Investments

Total Noncurrent Assets

Total Assets

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| | | |
| | \$ 11,304,684 | \$ 15,934,310 |
| | 6,340,983 | - |
| | 141,159 | - |
| | 380,746 | 442,347 |
| | 127,906 | 178,141 |
| | <u>18,295,478</u> | <u>16,554,798</u> |
| | | |
| | 647,700 | 647,700 |
| | - | 9,861,401 |
| | 13,136,929 | - |
| | <u>13,784,629</u> | <u>10,509,101</u> |
| | | |
| | <u>32,080,107</u> | <u>27,063,899</u> |

2020 Net Income, Liabilities & Reserves (08/31/2020)

| | <i>2020 Adopted Budget</i> | <i>2020 Revised Budget</i> | <i>2020 Year-to-Date</i> | <i>2020 Actual Results</i> | <i>Variance</i> | <i>% Difference</i> |
|--|---------------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------|-----------------------------|
| <i>Net Income</i> | -\$487,467.19 | -\$504,597.72 | -\$503,641.99 | \$4,340,372.75 | \$4,844,014.73 | |
| <i>Ending Balance</i> | \$30,483,729.66 | \$30,466,599.13 | \$30,467,554.86 | \$35,311,569.60 | \$4,844,014.73 | 15.90% |
| <i>Liabilities and Reserves</i> | | | | | | |
| 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 |
| <i>Total Liabilities and Reserves</i> | | \$17,122,767.36 | \$17,122,767.36 | \$17,122,767.36 | \$17,122,767.36 | |
| <i>Unencumbered Fund Balance</i> | | \$13,360,962.30 | \$13,343,831.77 | \$13,344,787.50 | \$18,188,802.24 | |

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 August 31, 2020, the unencumbered fund balance equals 34.48% 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 and with an increase in the Catastrophic Claims Reserve from \$2.8 million to \$4.5 million.



Section 5

2021 Fiscal Year Budget Overview Recommendations



2021 Budget Recommendations

1. Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law. The value of this reserve, as projected for the 2021 Fiscal Year, is \$2,793,764.54. This will satisfy an Article 47 statutory reserve requirement.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$6,529,615.85 for the 2021 Fiscal Year.

2021 Budget Recommendations (Continued)

3. Continue to evaluate the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000 for the 2020 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2021 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the number of individual high dollar claimants.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims (\$4,081,009.91). These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation in the overall paid claims.
5. Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.

2021 Budget Recommendations (Continued)

6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium's finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 5.0% increase in premiums for the 2021 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$530,000 for the 2021 Fiscal Year.

2021 Budget Recommendations (Continued)

8. In addition to the overall budget increase, Locey & Cahill, LLC is recommending a 1-month “premium holiday” to reduce the unencumbered fund balance position of the Consortium. This action is in response to the lower than expected medical claims expense due to the COVID-19 pandemic. We believe this action maintains the fund balance at a similar position to what was projected for the current fiscal year had the pandemic not occurred.

In conclusion, the final thought that we offer to the Board of Directors of the Consortium at this time is to consider the views, opinions, and recommendations expressed above and to consider approving the recommended budget with a 5% increase in overall premium revenue. Our goal is to have modest, steady premium growth over the next several fiscal periods while using a modest amount of fund balance each year to mitigate premium while adhering to the budget philosophy of the Consortium.

2011-2025 GTCMHIC Premium Increases

| <i>Fiscal Year</i> | <i>Budget Income % Increase</i> |
|-----------------------------|-------------------------------------|
| 2011 | 9.50% |
| 2012 | 9.50% |
| 2013 | 9.00% |
| 2014 | 8.00% |
| 2015 | 5.00% |
| 2016 | 3.00% |
| 2017 | 5.00% |
| 2018 | 4.00% |
| 2019 | 5.00% |
| 2020 | 5.00% |
| 2021 | 5.00% |
| 2022 | 5.00% |
| 2023 | 6.00% |
| 2024 | 6.00% |
| 2025 | 7.00% |
| <i>Average Increase</i> | <i>6.18%</i> |
| <i>5-Year Avg. Increase</i> | <i>4.80%</i> |

Historical Average Premium Rate Increases

2012-2021 Avg. Rate Increase = 6.18%

2017-2021 5-Year Avg. Rate Increase = 4.80%

Projected Average Premium Rate Increases

2011-2025 Avg. Rate Increase = 6.13%

2021-2025 5-Year Avg. Rate Increase = 5.80%





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

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RESOLUTION NO. – 2020 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2021

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and has given great consideration to the Consortium's 2021 budget and premium rates, and

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

WHEREAS, the 2021 budget reflects the proposed guidelines and provides for a premium holiday to members for coverage in the month of December 2020 to reduce the current fund balance,

WHEREAS, notable items included in the proposed budget are the following:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000; and
- Premium Revenue Increased by 5.0% in 2021

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium's 2021 budget as attached, including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.



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RESOLUTION NO. – 2020 – ADOPTION OF PREMIUM HOLIDAY FOR MEMBERS– DECEMBER 2020

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

WHEREAS, the Policy provides that the Board of Directors may annually consider a 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, and

WHEREAS, the 2020 Budget is expected to have an excess net income in an amount that in accordance with the Budget Guidelines Policy would allow for a premium holiday to be granted to members in December 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby approves a premium holiday for members for coverage for the month of December 2020,

RESOLVED, further, That the Executive Director is directed to work with the Consortium Treasurer to implement the premium holiday for members that will include the expectation that each municipality will include a mechanism to extend the holiday to employees and retirees who are enrolled and contribute to a Consortium benefit plan.

* * * * *



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RESOLUTION NO. - 2020 - ACCEPTANCE OF APPLICATIONS BY THE VILLAGE OF OWEGO, TOWNS OF BARTON, CATHARINE, CUYLER, DIX, HECTOR, AND TIOGA TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

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

WHEREAS, the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga, have submitted an official resolution authorizing the Village of Owego to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been reviewed and found acceptable by the Consortium’s Treasurer, Chief Financial Officer and/or the Consortium’s Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance, That the Board of Directors hereby accepts and welcomes the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga and the Village of Owego as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2021.



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RESOLUTION NO. - 2020 - ACCEPTANCE OF APPLICATION BY THE ITHACA DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, INC. TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

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

WHEREAS, the Ithaca Business Improvement District, Inc. has submitted an official resolution authorizing the Ithaca Business Improvement District, Inc. to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

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

RESOLVED, recommendation of the Audit and Finance pending approval by the Department Financial Services that it is a qualified municipal corporation, That the Board of Directors hereby accepts and welcomes the Ithaca Business Improvement District, Inc. as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2021.

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RESOLUTION NO. - 2020 – AMENDMENT TO RESOLUTION NO. 016-2020 - APPROVAL OF AMENDED INVESTMENT MANAGEMENT SERVICES CONTRACT – WILMINGTON TRUST INVESTMENT ADVISORS, INC.

WHEREAS, Resolution No. 016-2020 authorized the Consortium to enter into a new investment advisory agreement with Wilmington Trust Investment Advisors, Inc., with no change in the total fees, and

WHEREAS, the Consortium has been advised by Wilmington Trust that due to the impact on the financial markets as a result of Covid-19, Wilmington Trust will be reducing the rate of fees charged to the Consortium for the term of this contract, now therefore be it

RESOLVED, That the Consortium hereby amends its contract with Wilmington Trust Investment Advisors, Inc. (WTIA), and authorizes the Chair of the Board to execute a contract on behalf of the Consortium.

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