



Greater Tompkins County Municipal Health Insurance Consortium

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

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

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

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

Audit and Finance Committee

Agenda – June 27, 2023

3:00 PM

Town of Ithaca – Aurora Conference Room

1. Call to Order (3:00) J. Drake
2. Changes to Agenda
3. Approve Minutes – May 23, 2023
4. Executive Director (3:05) E. Dowd
 - a. Report
 - b. Lease Update
 - i. Resolution: Establishing a Capitalization Policy to Establish the Principles Related to the Accounting Treatment of the Greater Tompkins County Municipal Health Insurance Consortium's (GTCMHIC) Capital Assets
 - c. New Members
 - i. Town of Brutus
Resolution: Acceptance of Application by the Town of Brutus, to become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium, Effective January 1, 2024
 - d. Removal of Town of Onondaga from MCA
 - i. Resolution: Acceptance to Withdraw the Town of Onondaga as a participant in the Greater Tompkins County Municipal Health Insurance Consortium and to be Omitted within the 2024 Municipal Cooperative Agreement
5. Budget 2024 T. Apalovich
 - a. General Reserve Conversation
6. Financial Update (3:50) T. Apalovich
Locey & Cahill
 - a. Abstract Approval
 - b. Budget Performance Report
 - c. Report on large loss claim activity
7. Next meeting Agenda Topics (4:05)
2024 Budget
8. Adjourn (4:10)

Next Meeting: July 25, 2023

**Audit and Finance Committee
May 23, 2023
Town of Ithaca Aurora Room
MINUTES – DRAFT**

Present: Judith (Judy) Drake; Rordan Hart*; Eric Snow*; Amanda Anderson; Bud Shattuck;
Kate DeVoe; Scott Steve* (*arrived 3:17p*)
Excused: Peter Salton, Lorie Corsette
Absent:
Staff/Guests: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Steve Thayer; Teri
Apalovich, Finance Manager; Kylie Rodrigues*, Benefit Specialist; Steve Locey, Paul
Pelton, Rob Spenard, Locey and Cahill

*Remote due to extraordinary circumstances

Call to Order

Ms. Drake called the meeting to order at 3:02p.m.

Changes to the Agenda

There were no changes to the agenda.

Approve Minutes – April 25, 2023

It was MOVED by Mr. Shattuck, seconded by Ms. DeVoe and unanimously adopted by voice vote by members present, to approve the minutes of April 25, 2023, as submitted. MINUTES APPROVED.

Executive Director Report

Ms. Dowd reported that the Town of Brutus has submitted their application to become a member of the Consortium. The City of Geneva and Yates have both received potential member presentations from Consortium staff and their labor groups have asked for presentations as well. Ms. Dowd also said that Bud Shattuck suggested that the City of Auburn might also be interested in joining the Consortium.

DFS Audit Update

Ms. Dowd noted that the staff has been busy with several requests regarding the Department of Financial Services (DFS) audit. DFS has started to make recommendations to the Consortium. One item recommended is the need to include specific wording on all certificates of coverage. They have also referred the Consortium to general municipal law and indicated that the Audit Charter that the Consortium currently holds is in need of some revisions. Ms. Dowd said that the staff will be working on a resolution building an Audit Committee within the Finance Committee, the Consortium can keep the current Finance Committee Officers, but wouldn't be able to vote in the Audit Committee. The Audit Committee would probably only meet once or twice a year to commence, review, and accept the audit.

Lease Update

Ms. Dowd announced that the Consortium has signed a lease for the Consortium to reside in the Cayuga Heights Village. The Consortium is waiting to hear back from the builder to see when they will be able to commence building of the Consortium's side of the property. She said the staff is currently working on furniture purchases for office and meeting spaces.

Resolution: Authorization to Execute an Agreement with Excellus BCBS as the 2024 Pharmacy Benefits Manager for GTCMHIC

Ms. Dowd said that the Operations Committee completed a Request for Proposal (RFP) back in 2021 as there were concerns regarding the current pharmacy benefits provider. At that time, the Operations Committee reviewed three proposals. She said in 2021 the Operations Committee decided to stay with the current provider, but on a year-to-year basis to track the progress of their concerns about very specific technical, system issue areas, and prior authorizations approval time frames.

Executive Session

It was MOVED by Mr. Shattuck, seconded by Ms. DeVoe and unanimously adopted by voice vote by members present and via remote, to enter executive session at 3:21 p.m. to discuss matters relating to the possible formation of contracts with third parties. The meeting returned to open session at 3:42 p.m.

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

MOVED by Mr. Scott, seconded by Ms. DeVoe. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to submit to the Executive Committee.

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

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

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

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

* * * * *

Abstract Approval

Ms. Apalovich presented and reviewed the May 2023 monthly financial abstract; there were no questions or concerns. It was MOVED by Mr. Shattuck seconded by Ms. Anderson, and unanimously adopted by voice vote by members present and present via remotely, to approve the May 2023 monthly abstract. MOTION CARRIED.

Budget Performance Report

Mr. Pelton referred to the monthly Budget Performance Report, as of April 30, 2023 and covered the following key items:

1. The overall revenue of the Consortium is slightly below budget as of April 30, 2023. Locey & Cahill believes that the enhanced pharmaceutical manufacturer rebates and interest earnings, especially when longer term investments mature, will help the Consortium to stay close to its targeted budget number.
2. The combined Medical and Rx Paid Claims were 2.43% over budget, largely impacted by the Rx paid claims, through the first 4-months of the 2023 Fiscal Year. Locey & Cahill are keeping a close eye on the paid claims and how they evolve during the “new normal” post COVID-19 pandemic. Historically, the claims paid during the latter part of the calendar year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.
3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing close to the projected budget through the first 4-months of the 2023 Fiscal Year. With only 4 months “in the books”, Locey & Cahill said they will monitor the uptick in claims closely, especially as the Consortium begins the 2024 budget development cycle. In the end, Locey & Cahill is hopeful that long term financial planning will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the participating municipalities.
4. Lastly, the fiscal results experienced by the Consortium as of April 30, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. Based on the early claim activity, this appears to be a prudent decision. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, by building our reserves and meeting budget and reserve goals as outlined in the document.

Report on Large Loss Claim Activity

Mr. Spenard reported stop loss insurance report through March 2023. He said that there is a pending plan currently that’s going to be billed to the consortium in the next few weeks for \$226,000 and Locey & Cahill has been tracking their paid claims. Last year, this individual finished the year with \$133,000 in claims.

Mr. Spendard also presented that as of March 31, 2023, the Consortium has lowered its specific stop-loss insurance premium by approximately \$2,080,882.95 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,042,187.82. As of March 31st, the net gain on this pool, excluding investments, is \$1,038,695.13. This amount will be reduced each month by any chargeable loss as well as each monthly stop-loss premium made by the Consortium.

Resolution of Appreciation

Ms. Drake announced a resolution of appreciation of Mr. Thayer's service to the Consortium and congratulated him regarding his upcoming retirement.

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

MOVED by Ms. Drake, seconded by Mr. Shattuck. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

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

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

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

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

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

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

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

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

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

* * * * *

Next Meeting Agenda Topics

2024 Budget
Capitol Asset Policy (Amortization and depreciation)
AFC Charter
Rate Stabilization Reserve Conversation

Adjourn

The meeting was adjourned at 4:05 p.m.

Executive Director Report

June 2023

I couldn't have been more wrong in my March Executive Director Report when I mistakenly said, "... but it appears we are getting closer to the end of the data collection phase for our DFS audit..." Teri Apalovich, Finance Manager, has been consumed with replying to the onslaught of questions we have received this month and last. All the Consortium staff are now involved in preparing responses or pulling documents and Excellus and ProAct have been providing significant claims data to support the efforts of the audit. Most recently Locey & Cahill have joined in crafting responses and finding old documents. Many thanks to the team for all their work on this and we will keep you posted on our progress. As you will see from upcoming agendas, we are already drafting some policy changes because of feedback from DFS.

We are very excited to report that a move is in our future. We have signed a lease agreement for a property in Cayuga Heights. It is a new net zero building and the construction on our unit is not yet complete. Therefore, we expect that it will take another four months before we are at our new location and then we look forward to hosting all our meetings from the new offices.

Be on the lookout for a questionnaire regarding the August and September Board of Director meetings. We hope to utilize zoom and find a time and place to help us meet quorum. We will survey the Board to find out what will work best for the majority and plan around that.

Executive Committee

The Committee will be exploring Medicare Advantage plan offerings for 2024 at their next meeting and Kylie Rodrigues, Benefit Specialist, has offered to host some Medicare Basics webinars for those who need help understanding how our plans work for retirees age 65+. Once a plan has been selected to offer to the group, we will include the plan information during the Medicare Basics webinars. We hope to conduct these educational webinars well before you need to enroll and host open enrollment meetings for your active and retired employees.

A report was given in April by Segal on premium equivalent rates. In general, the results showed that our overall annual underwriting on premium equivalent rates has been accurate, but there are some plans that are supplementing other plans and over time we will need to adjust fees to make sure each plan can support itself, especially as groups move from old style indemnity plans to more contemporary metal level plans. We will continue to consolidate plans when we are able and gradually adjust premium rates to best support each plan. In addition, we will continue to work to see if we should offer more than two-tier premium options in the future.

Operations

The Operations Committee has been exploring the possibility of moving pharmacy benefit management to another provider. Concern over ProAct's technical errors, especially with accumulator issues and their management of prior authorizations has prompted the Committee to revisit the 2021 RFP decision to remain with ProAct. The Committee has received a new proposal from Excellus, the runner-up candidate in the RFP process and the Consortium's current medical administrator. In April, a proposal from Excellus was reviewed and action was taken to advance that proposal to the Audit and Finance Committee and the Board of Directors for action.

Audit and Finance

The Audit and Finance team recognized Steve Thayer for his dedicated service to the Consortium as our CFO. Steve plans to retire at the end of this month. We are sorry to lose him and as per our Municipal

Executive Director Report
June 2023

Cooperative Agreement his replacement at the City of Ithaca will serve as our CFO going forward. Teri and I are both on the interviewing panel and have made recommendations on candidates that will be moving forward in the process.

I hope you received a copy of the 2022 Annual Report with the annual audit approved by our Audit and Finance Team. Patrick Jordan from Insero presented the audit at our last meeting.

One recommendation from the DFS audit team is that we break out the Audit Committee and remove any officers from serving on the new committee. Officers will still be very involved in the Finance Committee and both committees will meet simultaneously.

Joint Committee on Plan Structure and Design

Both Excellus and ProAct were invited to the May meeting to present their utilization review analysis for the 2022 Plan Year. You can find copies of each report on our website [Excellus report link](#) and [ProAct report link](#).

In August, the Committee will be reviewing the possibility of offering Employee Assistance Programs for our members with pricing based on total Consortium need. The Committee will also be discussing the annual review of the actuarial value calculations for all the Consortium's metal level plans.

Nominations and Engagement

On behalf of the Nominations and Engagement Committee, I hope to be sending a survey out on ways you can all get involved in the Consortium. We have several new members, and we want to make sure everyone has a chance to serve on a committee or be more involved in the governance of this municipal cooperative health plan.

Claims and Appeals

BMI continues to audit our Excellus medical claims and a full report is expected in August. We hope to then start an audit of prescription management claims immediately after.

Please join our Executive Committee who are now all being informed about the Consortium through electronic copies of our newsletter by signing up to receive the Consortium Connection electronically. You can easily sign up, as they did, by following the instructions below. Don't miss out on regular updates and new information about our plans.

Our quarterly newsletter, Consortium Connection, is now paperless, please sign up on our website to continue to receive the newsletter electronically or follow this link to read June's newsletter:
<http://www.healthconsortium.net/newsletter>

Our presence on Facebook is growing, to see what is happening in wellness each month, please visit our Facebook site. [Link to FB page](#)

Respectfully submitted by Elin R. Dowd, Executive Director, June 13, 2023.



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Resolution XXX-2023: ESTABLISHING A CAPITALIZATION POLICY TO ESTABLISH THE PRINCIPLES RELATED TO THE ACCOUNTING TREATMENT OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM'S (GTCMHIC) CAPITAL ASSETS

WHEREAS, In order to provide all required services to the Consortium members, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) has made material investments in its physical assets, and

WHEREAS, The GTCMHIC is required to depreciate its exhaustible capital assets, including infrastructure, and

WHEREAS, The GTCMHIC has established a capitalization policy to establish the principles related to the accounting treatment of the GTCMHIC's capital assets, now, therefore be it,

RESOLVED, On recommendation of the Audit and Finance Committees, that the Executive Committee, on behalf of the Board of Directors, that effective immediately a Capitalization Policy listed below shall be implemented for the GTCMHIC, and

RESOLVED FURTHER, On an annual basis, or as deemed necessary, the Consortium Audit & Finance Committee shall review the Capital Asset Policy and shall approve policy revisions, if any, by formal resolution.

Greater Tompkins County Municipal Health Insurance Consortium

CAPITAL ASSET POLICY

ADOPTED: AUGUST 16, 2023

I. SCOPE

In order to provide all required services to the Consortium members, the Greater Tompkins County Municipal Health Insurance Consortium "Consortium" has made material investments in its physical assets. The Consortium is required to depreciate its exhaustible capital assets, including infrastructure.

II. PURPOSE

This policy is to establish the principles related to the accounting treatment of the Consortium's capital assets.



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III. CAPITAL ASSET DEFINITION AND OVERVIEW

Definition. Capital assets primarily include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and other tangible assets that are used in operations and have initial useful lives extending beyond a single reporting period.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

Overview. Capital assets are reported in the statement of net assets at historical cost. The cost of a capital asset should include capitalized interest and ancillary charges (i.e., freight and transportation charges) necessary to place the assets into use. Donated capital assets should be reported at their estimated fair market value at the time of donation, plus ancillary charges, if any.

Capital assets should be depreciated over their estimated useful lives unless they are either in-exhaustible (assets in which service potential is used up so slowly that the estimated useful life is extraordinary long, such as land and land improvements) or are infrastructure assets reported using the modified approach. In no event shall the useful life of an asset be less than the period of probable usefulness established for the purpose of debt issuance as found in Section 11 of the New York State Local Finance Law.

Depreciable assets are reported net of accumulated depreciation in the Statement of Net Assets. Accumulated depreciation may be reported on the face of the statement or disclosed in the Notes to Financial Statements. Capital assets that are not being depreciated, such as land or infrastructure assets reported using the modified approach, should be reported separately

CAPITALIZATION THRESHOLD

The Capitalization threshold is the cost established by the Consortium that must be met or exceeded if the asset is to be recorded and depreciated as a capital asset. As of the date of this Policy, the Consortium has established a threshold of \$5,000.

The threshold will be based on the cost of a single asset. All assets irrespective of the capitalization upon acquisition are recorded as expenditures or expenses in governmental funds. Assets that meet the capitalization threshold will be capitalized on the government – wide financial statements. Other costs incurred for repairs and maintenance are expensed as incurred.

DEPRECIATION AND CAPITALIZATION - ASSETS EXCEEDING THE THRESHOLD

Capital assets purchased with budgeted operating, capital or grant funds are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position.

Classification. All reported capital assets, except land and construction in progress, are depreciated. The following class of asset categories and useful lives are used for the Consortium:



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Asset Class	Life (In Years)
Land	Not Depreciated
Works of Art	See Below ⁽¹⁾
Land Improvements	15-50
Buildings	15-50
Building Improvements	15-50
Machinery and Equipment	5-30
Infrastructure	5-50
Vehicles	3-10
Small Equipment	3-10

- (1) Depreciation is not required for Works of Art and Historical Treasures that are inexhaustible. If collection/items are exhaustible, then depreciate over estimated useful life.

Depreciation. Capital assets shall be depreciated over their estimated useful lives in accordance with this Policy unless they are deemed inexhaustible.

The straight-line depreciation method (historical cost less estimated residual value, divided by useful life) is the method that shall be used by the Consortium for depreciating capital assets. Depreciation shall be calculated on an annual basis. A full year of depreciation shall be included in the year of completion or acquisition of the asset. Depreciation expense shall not be included in the year of disposition. Accumulated depreciation will be summarized and posted to the accounting general ledger.

ASSETS PROVIDED TO CONSORTIUM EMPLOYEES

Certain Consortium assets may be issued to individual employees for their exclusive use in the conduct of their work for the Consortium. This includes, but is not limited to, items such as laptops, tablets, cellular phones, and other types of department specific small equipment. Separated employees are responsible for returning all Consortium owned assets regardless of value.

LEASED EQUIPMENT OR ASSETS

Equipment shall be capitalized if the lease agreement meets any one of the following criteria:

1. The lease transfers ownership of the property to the lessee by the end of the lease term.



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2. The lease contains a bargain purchase option.
3. The lease term is equal to 5% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair market value of the leased property.

Leases that do not meet any of the above requirements shall be recorded as an operating lease and reported in the Notes to Financial Statements, if deemed material.

RESIDUAL VALUE

Residual value is the estimated fair market value of a capital asset or infrastructure remaining at the end of its useful life. To calculate depreciation for an asset, the estimated residual value must be established before depreciation can be calculated. The use of historical sales information is a valuable method for determining the estimated residual value. Proceeds from sale of assets shall be netted against residual value in computing net gain or loss from sale.

The Consortium generally purchases assets with the intent to use such assets until their usefulness is exhausted. Therefore, unless otherwise applicable, the Consortium policy shall generally be to estimate residual value as zero for all capital assets.

DISPOSITION OF CAPITAL ASSETS

When an asset is sold, a gain or loss shall be recognized when:

1. Cash is exchanged and the amount paid does not equal the net book value of the asset.
2. Cash is not exchanged, and the asset is fully depreciated or has a residual value.

When an asset is sold, a gain or loss shall not be reported when:

1. Cash exchanged equals the net book value, and the asset does not have a residual value.
2. Cash is not exchanged, and the asset is fully depreciated and has no residual value.

To compute a gain or loss from the sale of capital assets, proceeds received shall be subtracted from the asset's net book value.



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The methods of disposition to be used by the Consortium are as follows:

1. For dispositions with an estimated value up to \$5,000.00 dollars, the decision will be left to the discretion of the Consortium Executive Director.
2. For dispositions with an estimated value greater than \$5,000, there shall be required a written offer for sale and a written offer to purchase from three (3) offerors. A good faith effort shall be made to obtain the required number of offers to purchase. If the Consortium is unable to obtain the required number of offers to purchase, the attempts made shall be documented and become part of the disposition record. In no event will the inability to obtain the required number of offers to purchase be a bar to the disposition.
3. The above notwithstanding, the Consortium Executive Director may require standards which exceed those presented in this policy.

Documentation. Documentation of actions taken in connection with each method of disposition is required, as follows, and will be maintained as part of the disposition record.

1. Where a written offer for sale is required or made, a copy of that written offer for sale, and any written offer for purchase, submitted by offerors in response to that request.
2. Where a verbal offer for sale is required or made, a listing of the offerors contacted and the response, if any, that each offeror made.
3. Any memoranda, forms, notations, or other documentation used in establishing the basis of the disposition decision.
4. No documentation other than the independent estimate itself is required when the disposition is left to the discretion of the Consortium Executive Director.

Awards to Other than Highest Responsible Dollar Offeror. Whenever any disposition is awarded to other than the highest responsible dollar offeror, the reasons such an award furthers the purpose of the Consortium as set forth herein above shall be documented by the Consortium's Finance Manager and be maintained as part of the disposition record.

ANNUAL REVIEW & AMENDMENTS

On an annual basis, or as deemed necessary, the Consortium Audit & Finance Committee shall review the Capital Asset Policy and shall approve policy revisions, if any, by formal resolution.



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RESOLUTION NO. XXX- 2023 - ACCEPTANCE OF APPLICATION BY THE TOWN OF BRUTUS, TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2024

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

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

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

RESOLVED, on recommendation of the Audit and Finance Committees, That the Board of Directors hereby accepts and welcomes the Town of Brutus, as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2024, pending receipt, additional analysis, and approval of all required documentation.

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

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

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

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

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

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

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

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

Greater Tompkins County Municipal Hlth Insurance Consortium

MONTHLY ABSTRACT - June 2023

Type	Date	Pymt Num	Invoice #	Name	Memo	Amount
Check	5/31/2023	5242	BN342313	Bonadio & Co	1st Qtr Jurat	\$ 3,400.00
Check	5/31/2023	5243	6072023	Chase	Credit Card	\$ 1,127.90
Check	6/1/2023	5244	7473	Locey & Cahill	Consulting Fees	\$ 7,850.00
Check	5/31/2023	5245	May 2023 Phones	Tompkins County	May 2023 Phone	\$ 18.11
Check	5/23/2023	5246	2023-05	Town of Ithaca	May 2023 Payroll	\$ 31,991.47
Check	6/1/2023	5246	June 2023 Rent	Town of Ithaca	June 2023 Rent	\$ 800.00
Check	5/15/2023	5247	38870	CanaRx	05012023-05152023	\$ 6,453.80
Check	5/31/2023	5247	38964	CanaRx	05162023-05312023	\$ 7,727.80
Bill	5/11/2023	A5014622	5092023	Excellus Health Plan - Claims	05032023-05092023	\$ 1,045,478.39
Bill	5/18/2023	A5041437	5132023	Excellus Health Plan - Claims	05102023-05162023	\$ 847,748.44
Bill	5/18/2023	A5041437	04302023CL	Excellus Health Plan - Covered Lives	Covered Lives	\$ 35,769.20
Bill	5/15/2023	A5051944	05152023-GTC-TC	Proact, Inc	05012023-05152023	\$ 892,939.18
Bill	5/25/2023	A5069719	5202023	Excellus Health Plan - Claims	05172023-05232023	\$ 788,503.01
Bill	6/1/2023	A5100585	Jun-23	Excellus Health Plan - Group	June Admin Fees	\$ 144,059.48
Bill	5/31/2023	A5101060	5272023	Excellus Health Plan - Claims	05242023-05302023	\$ 824,306.88
Bill	6/5/2023	A5112138	Jun-23	HM Life Insurance	June Stop Loss	\$ 26,529.60
Bill	6/6/2023	A5140717	6032023	Excellus Health Plan - Claims	05312023-06062023	\$ 705,097.24
Bill	5/31/2023	A5140839	05312023-GTC-TC	Proact, Inc	05162023-05312023	\$ 875,737.18
Bill	6/13/2023	A5166050	6102023	Excellus Health Plan - Claims	06072023-06132023	\$ 701,304.04
Bill	6/15/2023	A5166050	05312023CL	Excellus Health Plan - Covered Lives	Covered Lives	\$ 35,163.13
						\$ 6,982,004.85



2023 Fiscal Year Budget Performance Report As of May 31, 2023

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Section 1

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

2023 Income Budget vs Actual (05/31/2023)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2023 Budget Performance Analysis

Results as of: 5/31/2023
of Months: 5

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Income							
	Medical and Rx Plan Premiums	\$58,409,919.48	\$62,109,184.32	\$25,878,826.80	\$25,701,277.48	-\$177,549.32	-0.69%
9020	Interest	\$450,000.00	\$450,000.00	\$187,500.00	\$146,152.34	-\$41,347.66	-22.05%
9010	Rx Rebates	\$2,900,000.00	\$2,900,000.00	\$1,450,000.00	\$1,527,679.45	\$77,679.45	5.36%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Income		\$61,759,919.48	\$65,459,184.32	\$27,516,326.80	\$27,375,109.27	-\$141,217.53	-0.51%

Key Facts:

1. Total Income was 0.51% below the amended budget for the first 5-months of the fiscal period. The amended budget reflects the changes in plan designs by participants as well as the additions of new members municipalities.

2023 Income Budget vs Actual (05/31/2023)

Key Facts (continued):

- The number of contracts insured by the Consortium increased by 8.94% and the number of covered lives grew by 9.45%, primarily as the result of adding new municipalities to the Consortium.

Monthly Average Covered Lives by Fiscal Year

<i>Year</i>	<i>Member</i>	<i>Spouse</i>	<i>Dependent</i>	<i>Total lives</i>
2011	1,995	1,056	1,348	4,400
2012	2,004	1,058	1,386	4,448
2013	2,281	1,228	1,567	5,077
2014	2,269	1,188	1,556	5,012
2015	2,301	1,173	1,546	5,021
2016	2,322	1,186	1,555	5,063
2017	2,397	1,208	1,567	5,172
2018	2,439	1,216	1,546	5,201
2019	2,867	1,436	1,867	6,170
2020	2,942	1,454	1,876	6,271
2021	3,035	1,406	1,862	6,303
2022	3,115	1,399	1,868	6,382
2023	3,396	1,514	2,074	6,985

* Member = Employee, Retiree, or COBRA Contract Holder

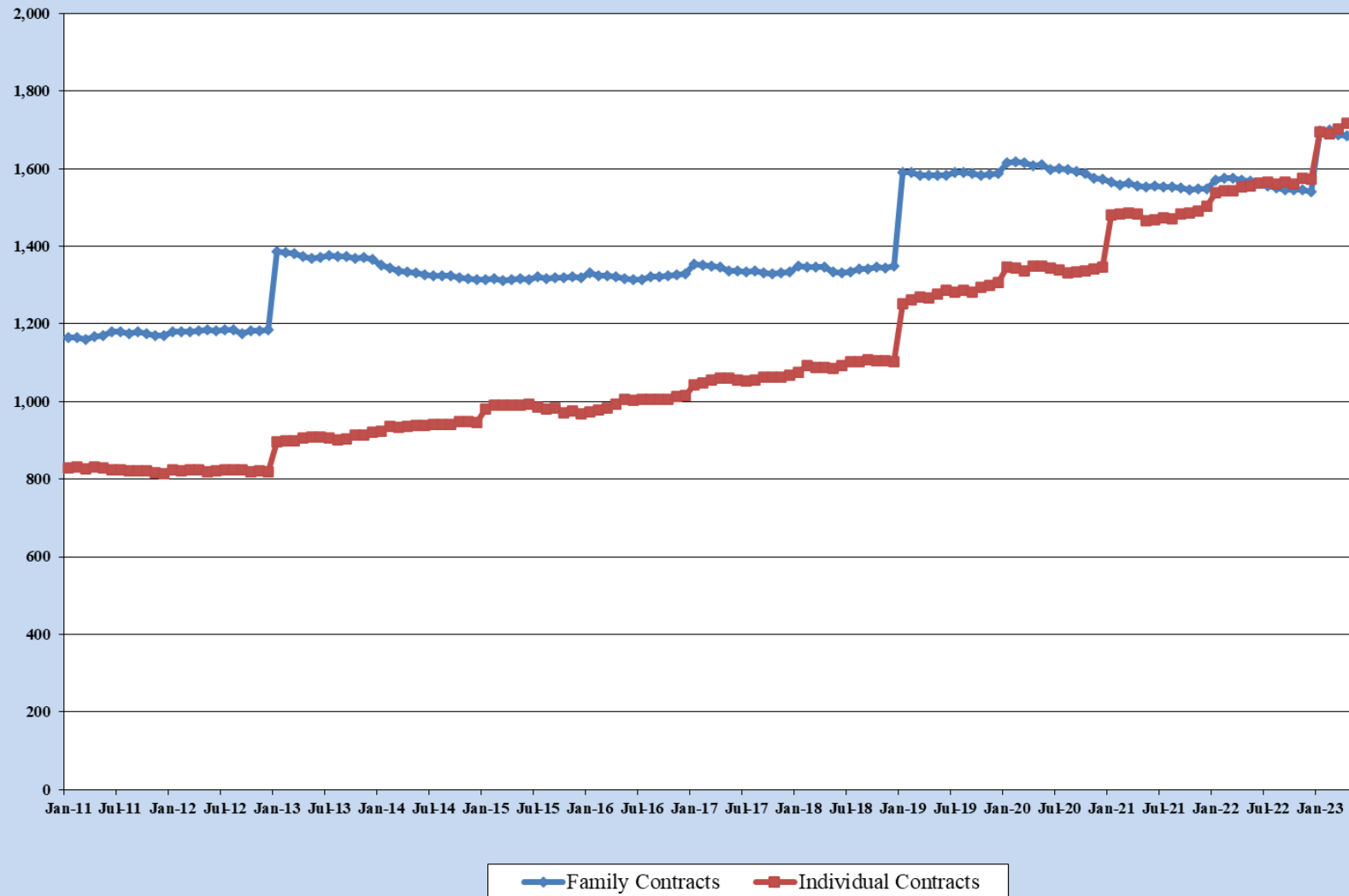
Monthly Average Contract Count by Fiscal Year

<i>Year</i>	<i>Family Contracts</i>	<i>Individual Contracts</i>	<i>Total Contracts</i>	<i>Avg. # of Lives Per Contract</i>	<i>Avg. # of Lives Per Family</i>
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	2,301	2.182	3.065
2016	1,322	999	2,322	2.181	3.073
2017	1,340	1,058	2,397	2.157	3.071
2018	1,343	1,096	2,439	2.133	3.057
2019	1,586	1,281	2,867	2.152	3.082
2020	1,600	1,342	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,559	1,558	3,117	2.047	3.094
2023	1,689	1,707	3,396	2.057	3.125

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Contract Count by Plan Type

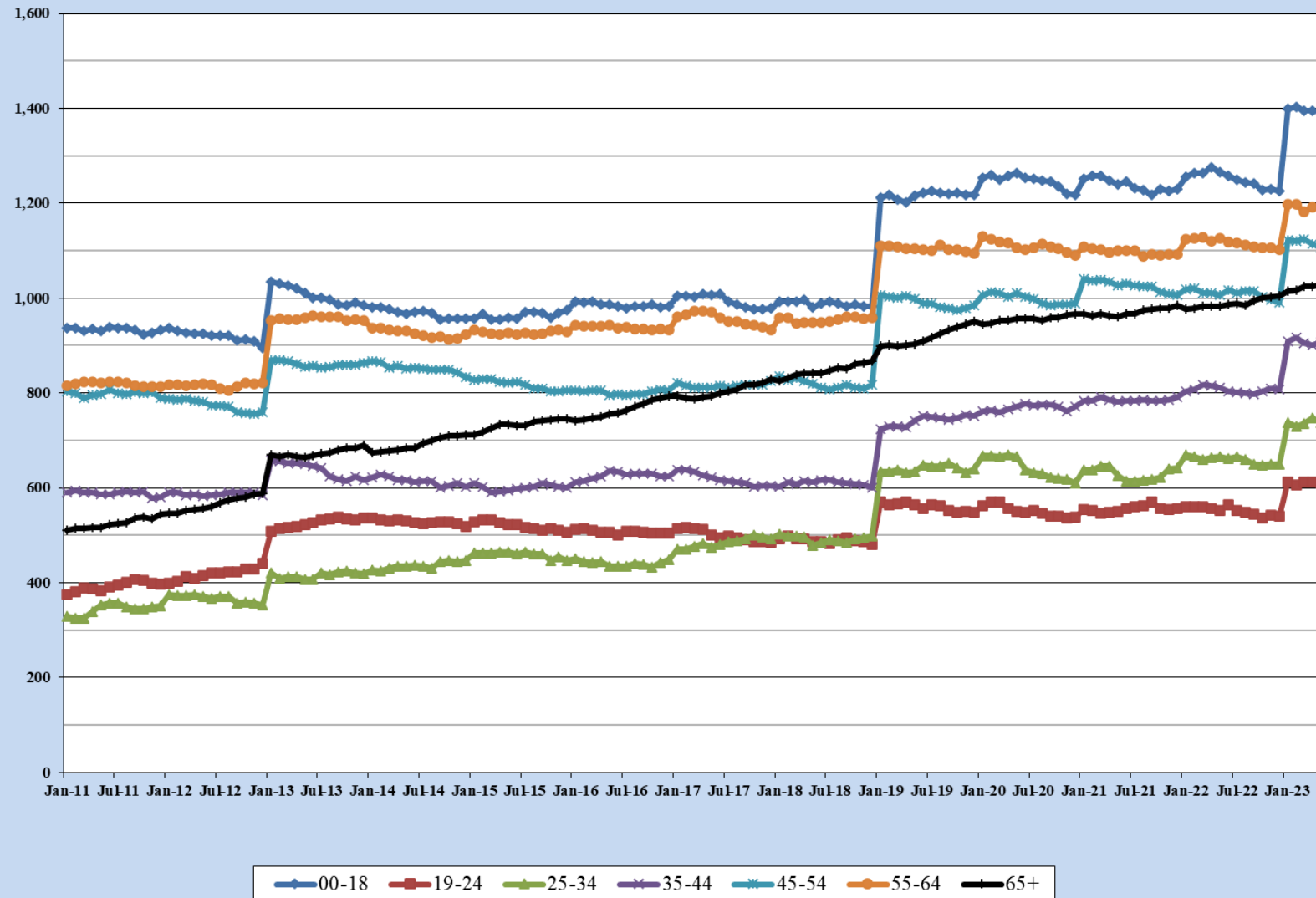
January 1, 2011 to May 31, 2023



Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band

January 1, 2011 to May 31, 2023

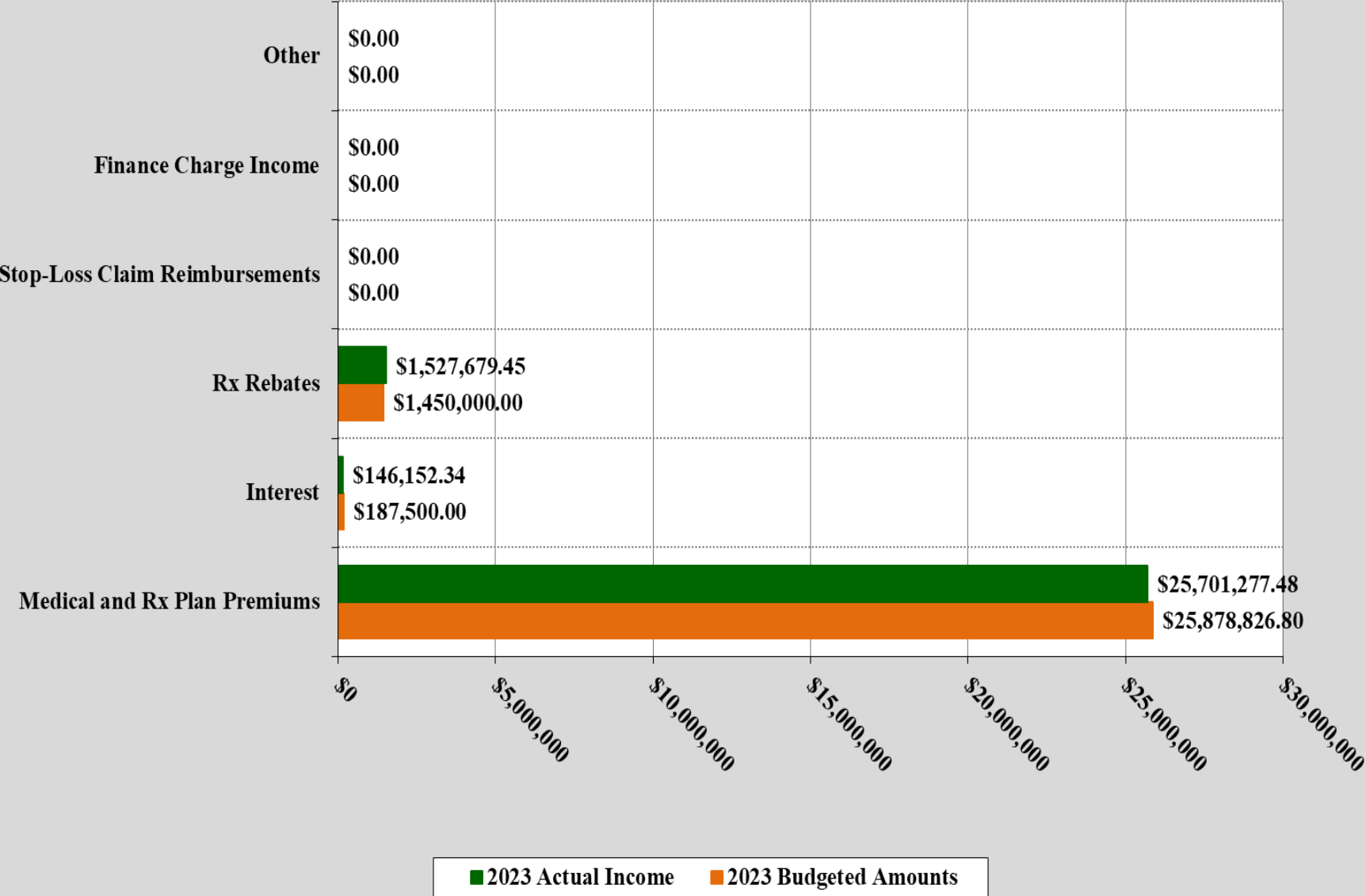


2023 Income Budget vs Actual (05/31/2023)

Key Facts (continued):

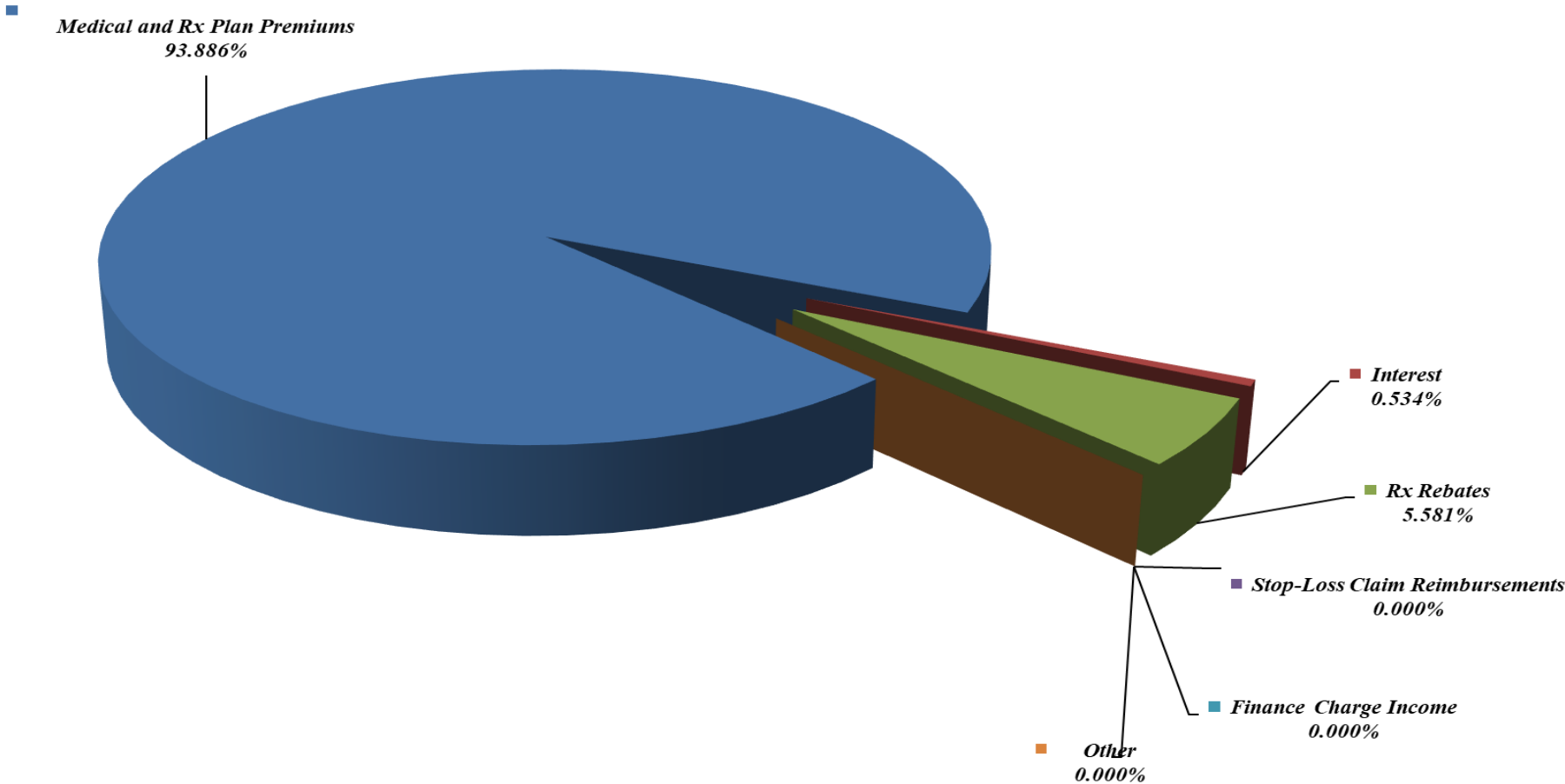
2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Interest earnings for shorter term investments have shown greater returns with market conditions improving.
3. The Consortium received the second pharmaceutical manufacturer rebate payment for 2023, received in April, in the amount of \$780,012.47, slightly exceeded the budget expectation.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was nothing recorded in Finance Charge Income and there were no receipts recorded in the “Other” income category as of May 31st. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

Greater Tompkins County Municipal Health Ins. Consortium
2023 Income Distribution
January 1, 2023 to May 31, 2023



Greater Tompkins County Municipal Health Ins. Consortium

2023 Income Distribution
January 1, 2023 to May 31, 2023





Section 2

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

2023 Expense Budget vs Actual Results (05/31/2023)

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,773,545.30	\$43,149,264.56	\$17,425,664.53	\$17,845,221.39	\$419,556.86	2.41%
	Advance Deposit / Pre-Paid Claims	\$39,415.00	\$139,700.00	\$139,700.00	\$139,700.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$17,640,630.54	\$18,787,861.39	\$7,587,405.56	\$8,321,639.52	\$734,233.96	9.68%
8121	Rx Paid Claims - CanaRx	\$178,747.40	\$178,747.40	\$74,478.08	\$61,379.70	-\$13,098.38	-17.59%
8084	Flu Clinic Fees	\$23,733.39	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8050	Medical Admin Fees	\$1,606,871.12	\$1,762,898.30	\$734,540.96	\$707,962.46	-\$26,578.50	-3.62%
	Rx Admin Fees	\$272,156.43	\$298,582.82	\$124,409.51	\$121,738.82	-\$2,670.69	-2.15%
8091	NYS Covered Lives Assessment	\$387,749.01	\$429,780.00	\$179,075.00	\$178,135.36	-\$939.64	-0.52%
9060	ACA PCORI Fee	\$19,830.73	\$21,756.29	\$21,756.29	\$0.00	-\$21,756.29	-100.00%
8110	Specific Stop-Loss Insurance (Actual)	\$795,720.20	\$872,984.63	\$363,743.60	\$134,627.65	-\$229,115.95	-62.99%
8000	Accounting Fees	\$19,570.00	\$19,570.00	\$8,154.17	\$12,800.00	\$4,645.83	56.97%
8010	Actuarial Fees	\$7,416.00	\$7,416.00	\$3,090.00	\$7,200.00	\$4,110.00	133.01%
8020	Audit Fees (Financial)	\$164,935.00	\$164,935.00	\$68,722.92	\$15,000.00	-\$53,722.92	-78.17%
8021	Audit Fees (Claims)	\$52,833.85	\$92,750.00	\$38,645.83	\$23,875.00	-\$14,770.83	-38.22%
8055	Consultant Fees (Barber & Strat Plan)	\$20,000.00	\$100,000.00	\$41,666.67	\$0.00	-\$41,666.67	-100.00%
8030	Consultant Fees (L&C)	\$94,399.50	\$94,399.50	\$39,333.13	\$39,250.00	-\$83.13	-0.21%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$5,150.00	\$2,420.00	-\$2,730.00	-53.01%
8065	Wellness Program Costs	\$12,500.00	\$12,500.00	\$5,208.33	\$496.19	-\$4,712.14	-90.47%
6600	Salaries	\$310,542.75	\$310,542.75	\$129,392.81	\$130,298.00	\$905.19	0.70%
66002	Fringe Benefits	\$124,217.10	\$124,217.10	\$51,757.13	\$40,569.87	-\$11,187.26	-21.61%

2023 Expense Budget vs Actual Results (05/31/2023)

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Expenses							
8060	Insurances (D&O / Prof. Liability)	\$64,092.60	\$65,014.00	\$27,089.17	\$27,089.15	-\$0.02	0.00%
8041	Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$2,500.00	\$2,500.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,881.43	\$12,881.43	\$5,367.26	\$2,825.42	-\$2,541.84	-47.36%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$1,041.67	\$0.00	-\$1,041.67	-100.00%
9055	Investment Management Services	\$24,000.00	\$24,000.00	\$10,000.00	\$3,000.00	-\$7,000.00	-70.00%
8150	Supplies Expense	\$4,202.40	\$7,500.00	\$3,125.00	\$696.37	-\$2,428.63	-77.72%
8151	Computer Equipment	\$5,000.00	\$5,000.00	\$2,083.33	\$0.00	-\$2,083.33	-100.00%
8152	Lease Expense / Parking Fees	\$60,000.00	\$60,000.00	\$25,000.00	\$6,133.00	-\$18,867.00	-75.47%
8153	Mileage- Travel Expenses	\$2,500.00	\$2,500.00	\$1,041.67	\$329.00	-\$712.67	-68.42%
8154	Software	\$0.00	\$0.00	\$0.00	\$645.80	\$645.80	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$196.25	\$196.25	0.00%
8156	Furniture and Fixtures	\$25,000.00	\$75,000.00	\$31,250.00	\$0.00	-\$31,250.00	-100.00%
8157	Training & Prof. Dev.	\$5,000.00	\$5,000.00	\$2,083.33	\$936.00	-\$1,147.33	-55.07%
8158	Subscriptions	\$1,000.00	\$1,000.00	\$416.67	\$0.00	-\$416.67	-100.00%
9060	Other Expenses / Supplies	\$7,822.85	\$7,822.85	\$3,259.52	\$0.00	-\$3,259.52	-100.00%
Total Expenses		\$62,771,172.60	\$66,854,484.02	\$27,156,152.13	\$27,826,664.95	\$670,512.82	2.47%
Net Income		-\$1,011,253.12	-\$1,395,299.70	\$360,174.67	-\$451,555.68	-\$811,730.35	

2023 Expense Budget vs Actual Results (05/31/2023)

	<i>2023 Adopted Budget</i>	<i>2023 Amended Budget</i>	<i>2023 Year-to-Date Budget</i>	<i>2023 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Paid Claims	\$58,656,071.63	\$62,255,573.35	\$25,227,248.18	\$26,367,940.61	\$1,140,692.43	4.52%
Claims Admin. Fees	\$1,879,027.55	\$2,061,481.12	\$858,950.47	\$829,701.28	-\$29,249.19	-3.41%
Stop-Loss	\$795,720.20	\$872,984.63	\$363,743.60	\$134,627.65	-\$229,115.95	-62.99%
Taxes and Fees	\$407,579.74	\$451,536.29	\$200,831.29	\$178,135.36	-\$22,695.93	-11.30%
Professional Services	\$384,014.35	\$503,930.50	\$209,971.04	\$101,041.19	-\$108,929.85	-51.88%
Insurance/Internal Fees	\$648,759.13	\$708,978.13	\$295,407.55	\$215,218.86	-\$80,188.69	-27.15%
Total Expenses	\$62,771,172.60	\$66,854,484.02	\$27,156,152.13	\$27,826,664.95	\$670,512.82	2.47%
Net Income	-\$1,011,253.12	-\$1,395,299.70	\$360,174.67	-\$451,555.68	-\$811,730.35	

The above provides an “easier to read” summary version of the expense data for the Consortium through May 31, 2023. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx and pre-paid claims account for 94.76% of the total expenses of the Consortium through the first 5-months of 2023. We show the overall paid claims to be 4.61% (including the advanced deposit for prepayment of claims) over budget for the 2023 Fiscal Year to Date, based on the amended budget as adjusted for the movement of contracts to other benefit plans and with the new municipal partners added to the program.

2023 Expense Budget vs Actual Results (05/31/2023)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to fine tune budget allocations and improve detailed reporting of expenses. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. The amended budget updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. Being only five months into the fiscal period many of the expense items are well below budget. Some items are an annual expense and have not been billed to the Consortium. We anticipate these items will be more in line with the budget as the Consortium works its way through the fiscal year.
3. For new members added to the Consortium, we do not anticipate their paid claims being mature until the 3rd month or so as the "run-out" claims (claims incurred on or before December 31, 2022) are the responsibility of their prior insurance carrier.

2023 Expense Budget vs Actual Results (05/31/2023)

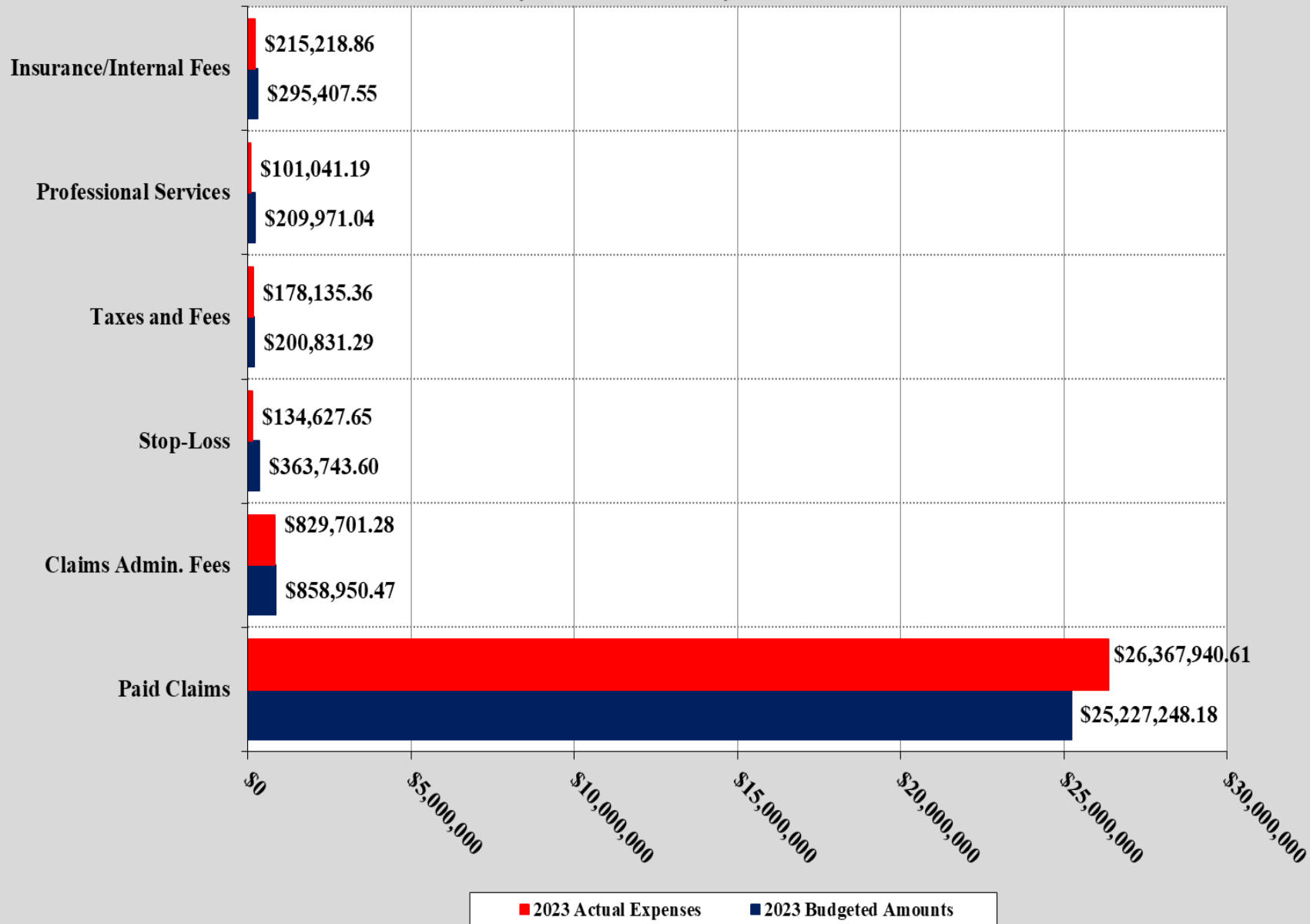
Key Facts:

4. Medical Paid Claims in the first 5-months were **2.41% over the amended budget**, including the advanced deposit, for the fiscal year. Other factors include:
 - a) An increase in the covered lives ($\uparrow 9.45\%$) and in the number of contracts ($\uparrow 8.94\%$) skews the early 2023 medical paid claims due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan and the Medicare Supplement Plan by several employer groups.
 - c) The continuation of identifying the “new normal” of elective and/or minor medical procedures being performed following COVID-19 pandemic.
 - d) We continue to monitor the impact of inflation on the medical community.
5. Rx Paid Claims were **9.68% over budget** for the first 5-months of the 2023 Fiscal Year. We continue to monitor pharmacy paid claims trend closely as pharmacy claims become a greater contributor to the number of large loss claims we are seeing across our entire book of business.

Greater Tompkins County Municipal Health Ins. Consortium

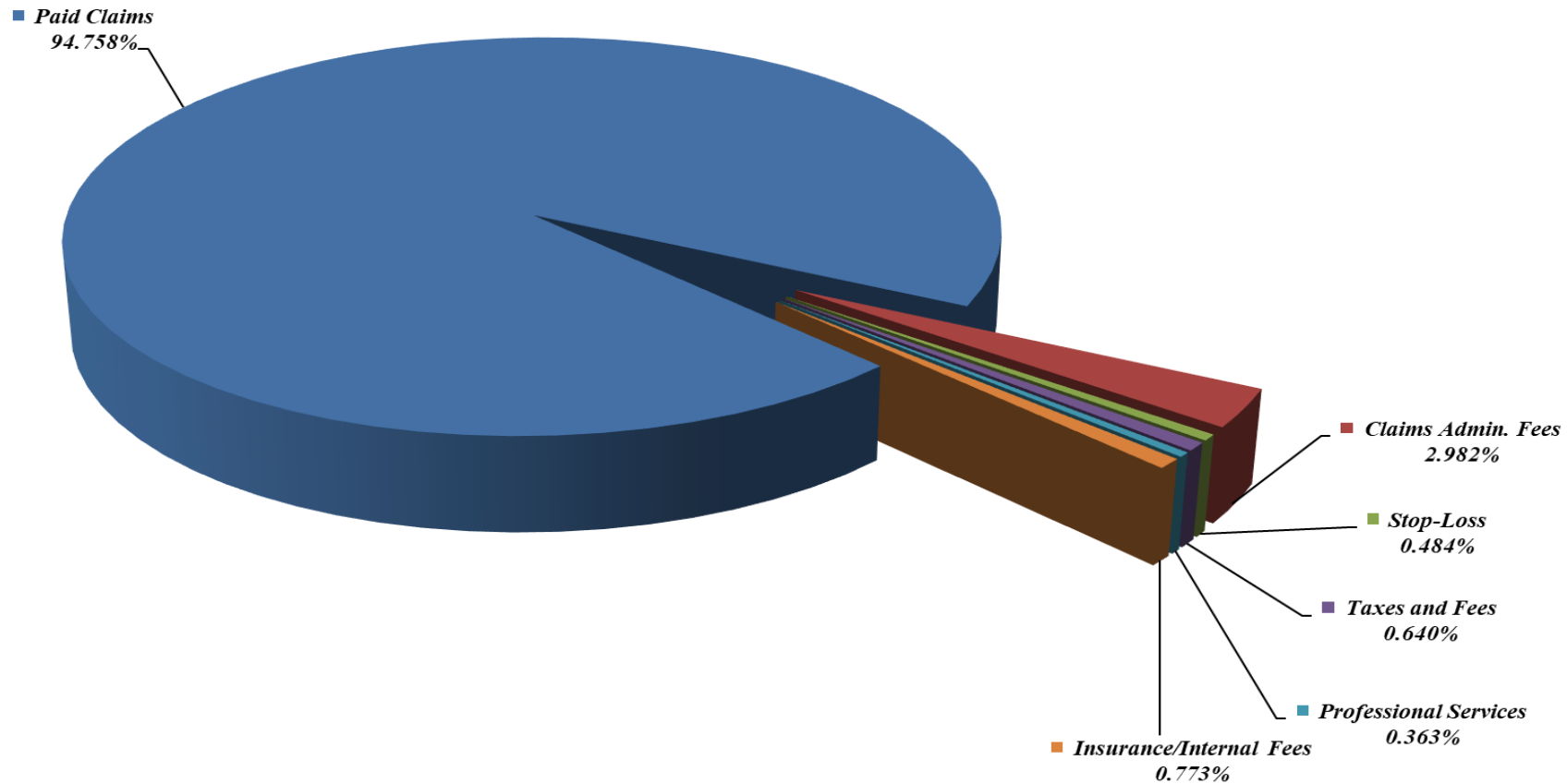
2023 Expense Distribution

January 1, 2023 to May 31, 2023



Greater Tompkins County Municipal Health Ins. Consortium

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



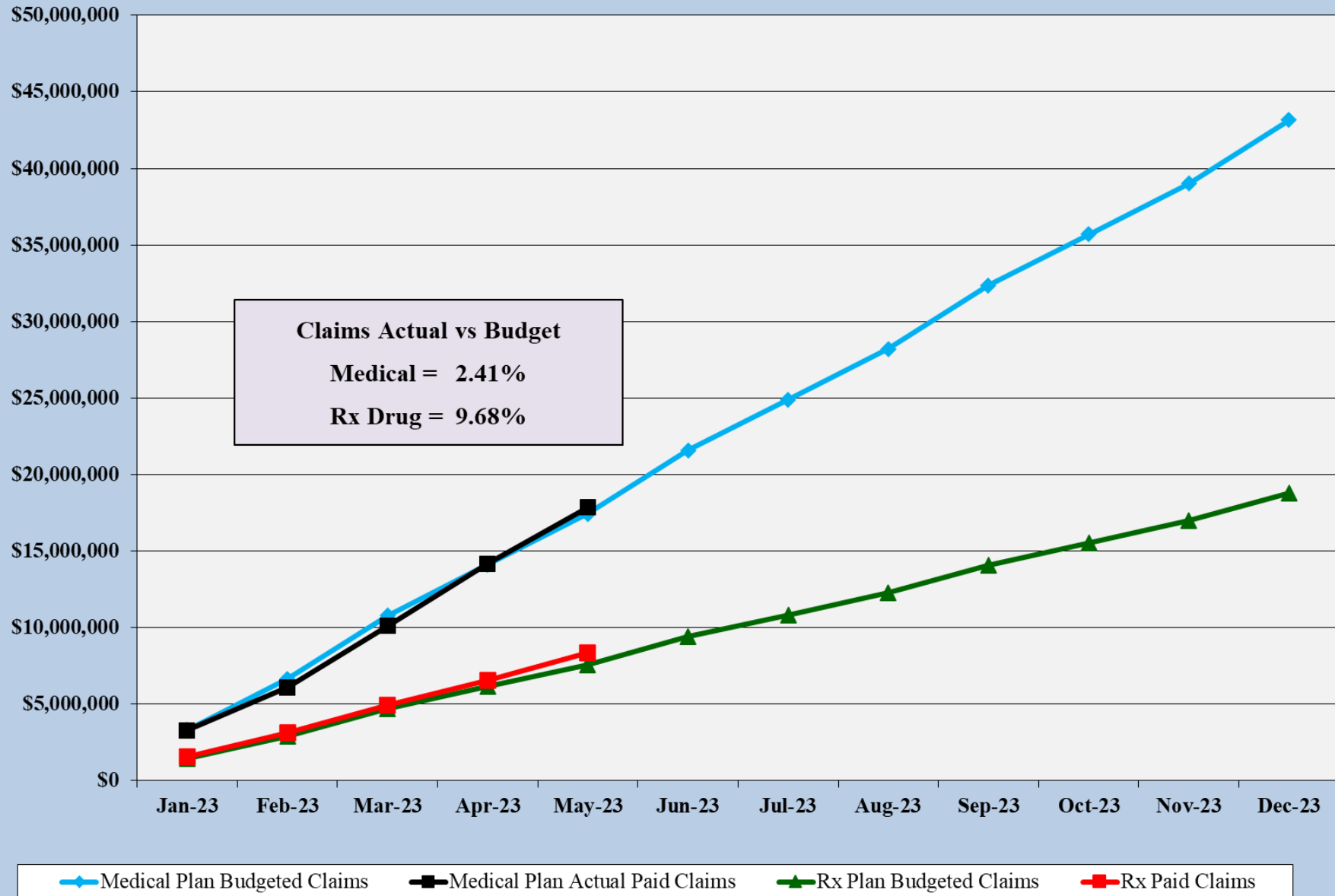
A 3D red line graph with a jagged, upward-trending line, ending in a large red arrow pointing towards the top right. The graph is set against a light gray grid background. The line is thick and has a slight shadow on the grid below it.

Section 3

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

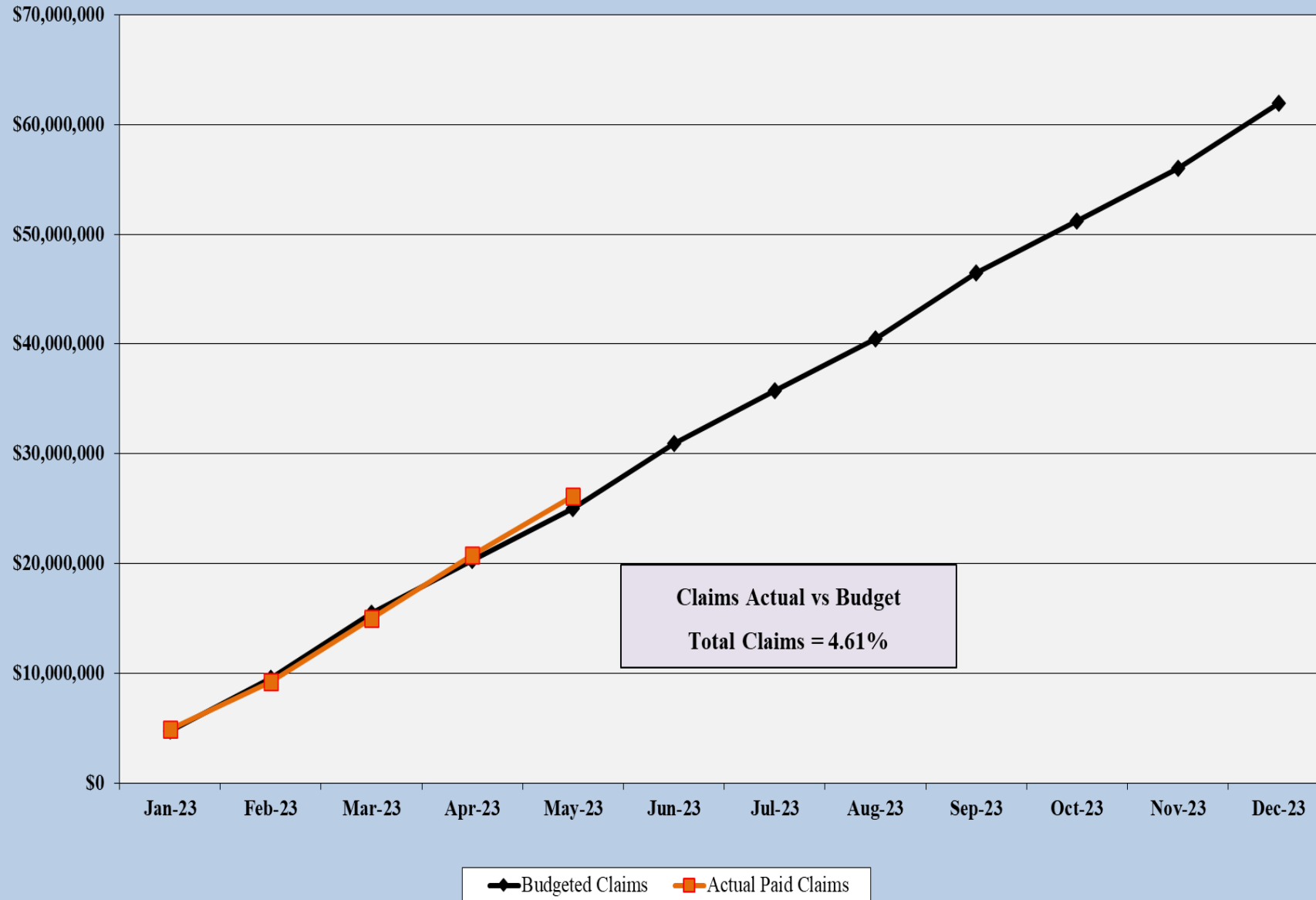
Greater Tompkins County Municipal Health Insurance Consortium

2023 Cumulative Paid Claims and Budgeted Claims by Month



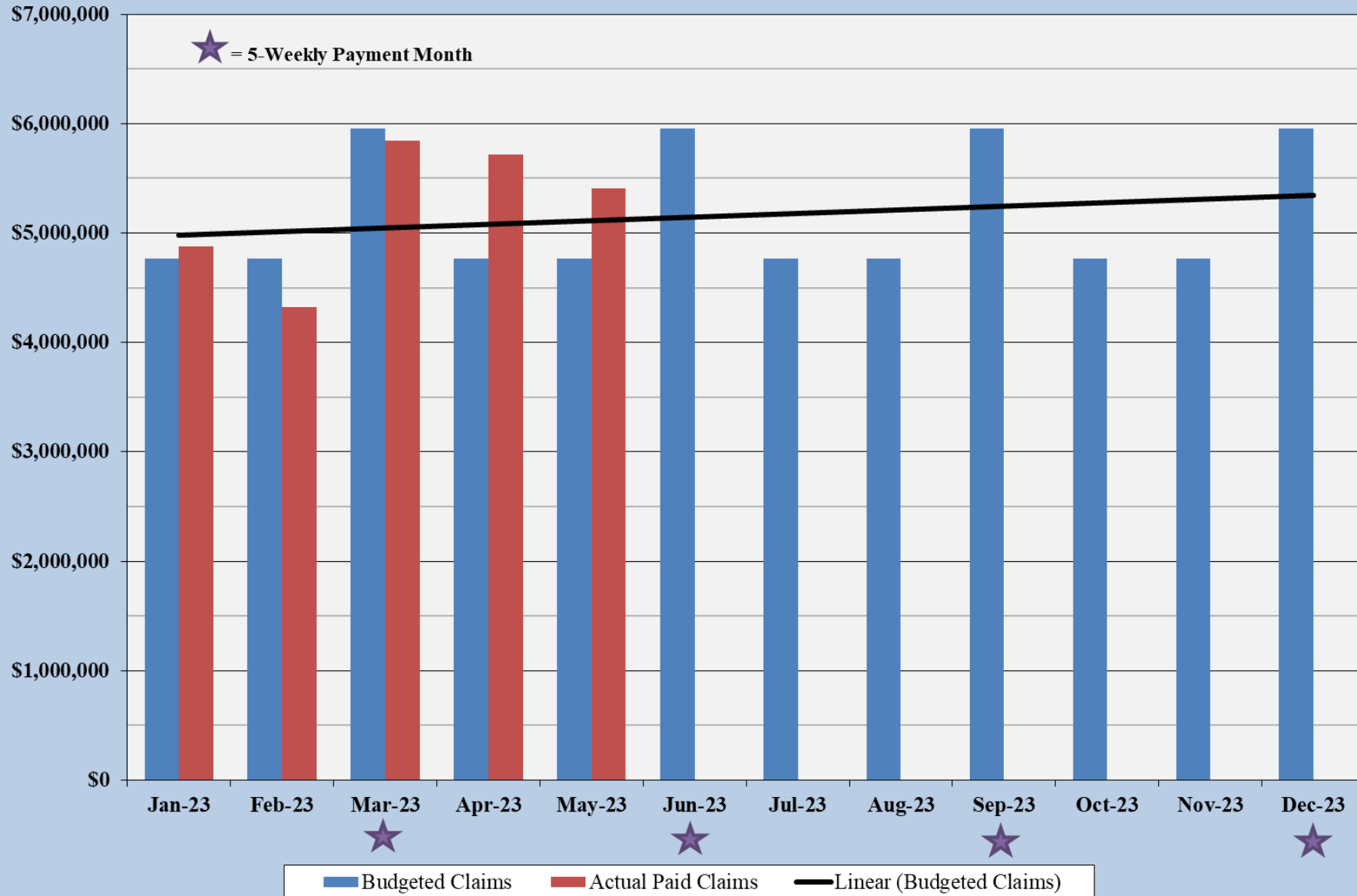
Greater Tompkins County Municipal Health Insurance Consortium

2023 Cumulative Paid Claims and Budgeted Claims by Month



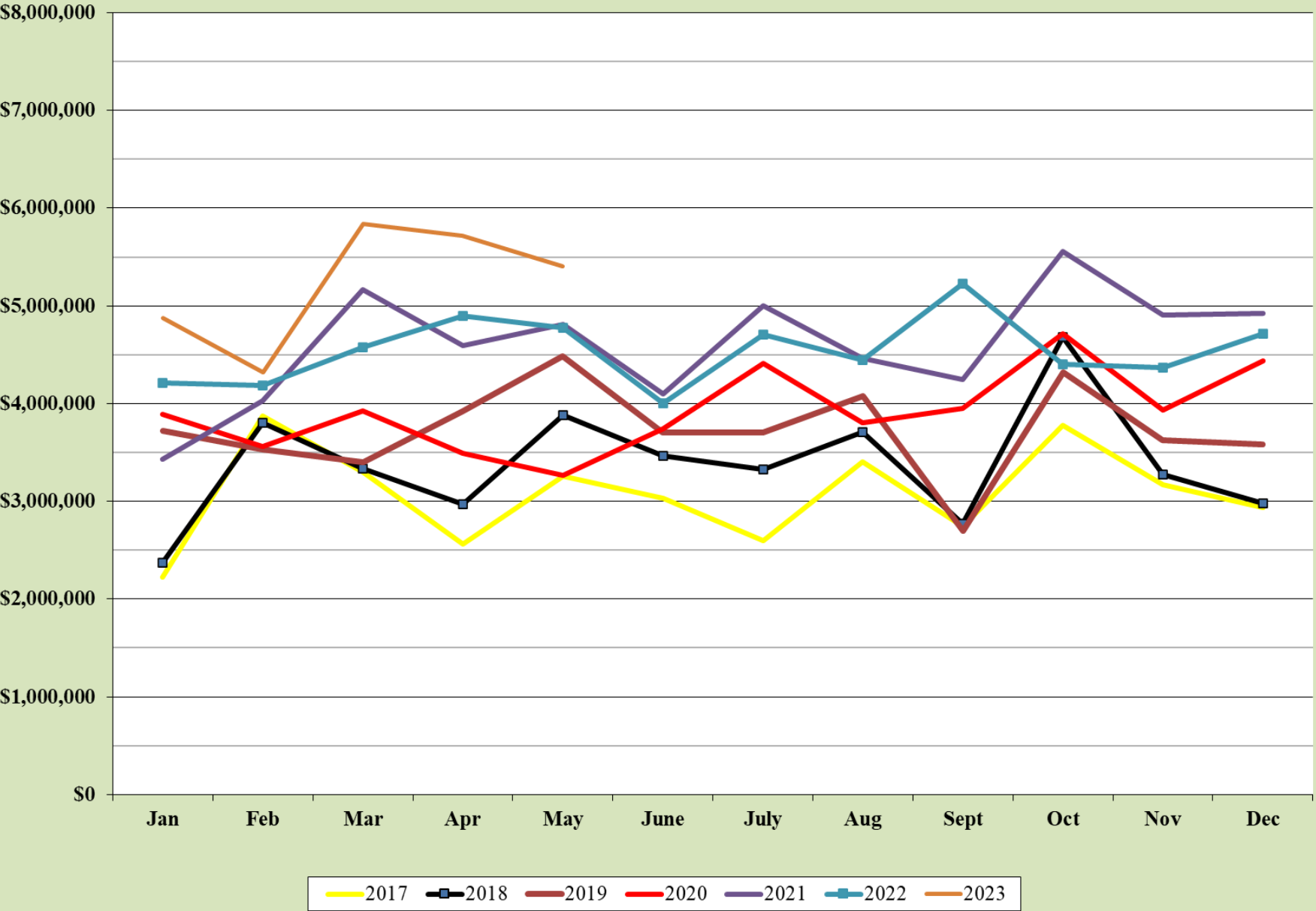
Greater Tompkins County Municipal Health Insurance Consortium

2023 Budgeted vs Actual Paid Claims by Month



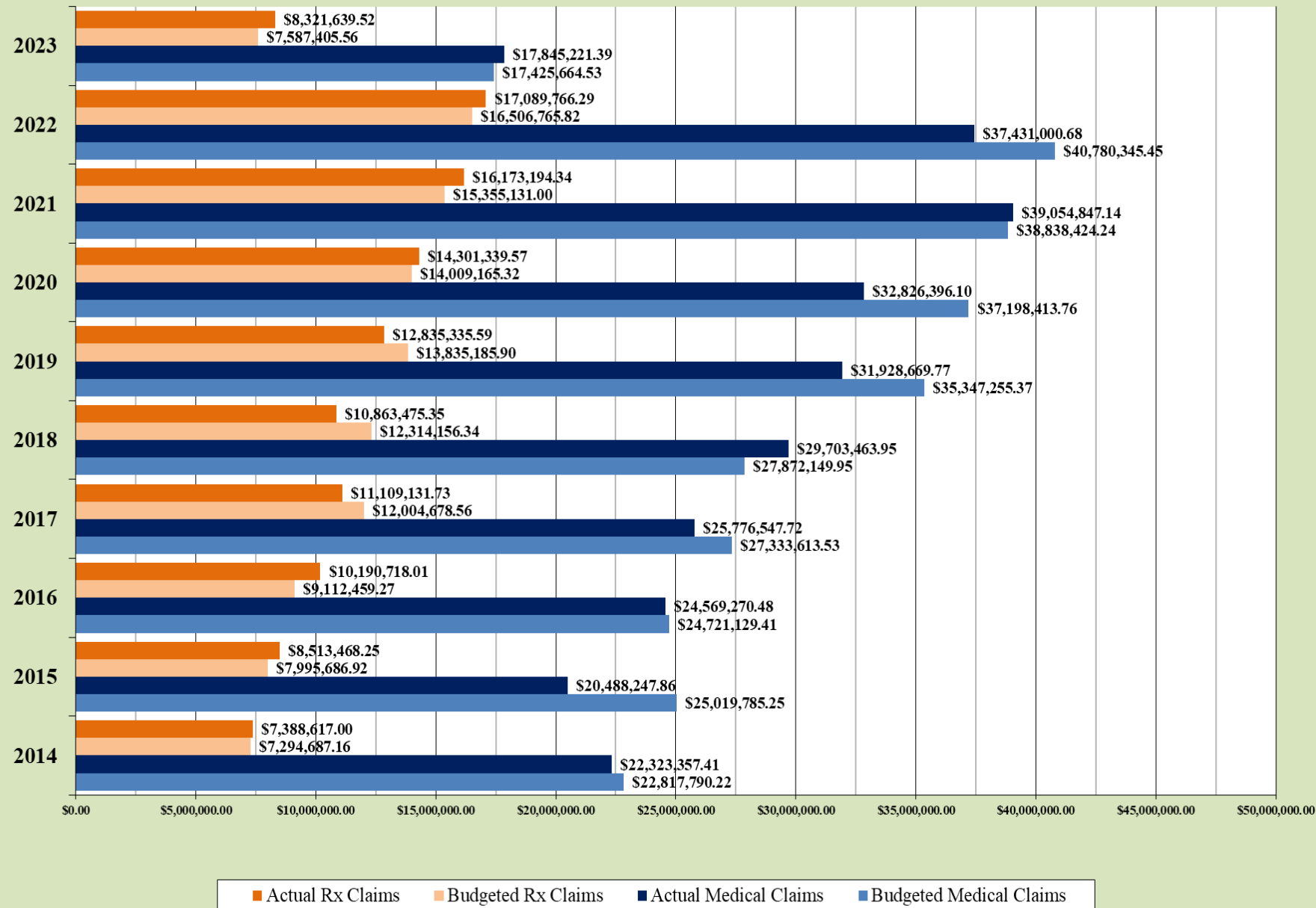
Greater Tompkins County Municipal Health Ins Consortium

2017-2023 Monthly Paid Claims by Fiscal Year



Greater Tompkins County Municipal Health Ins Consortium

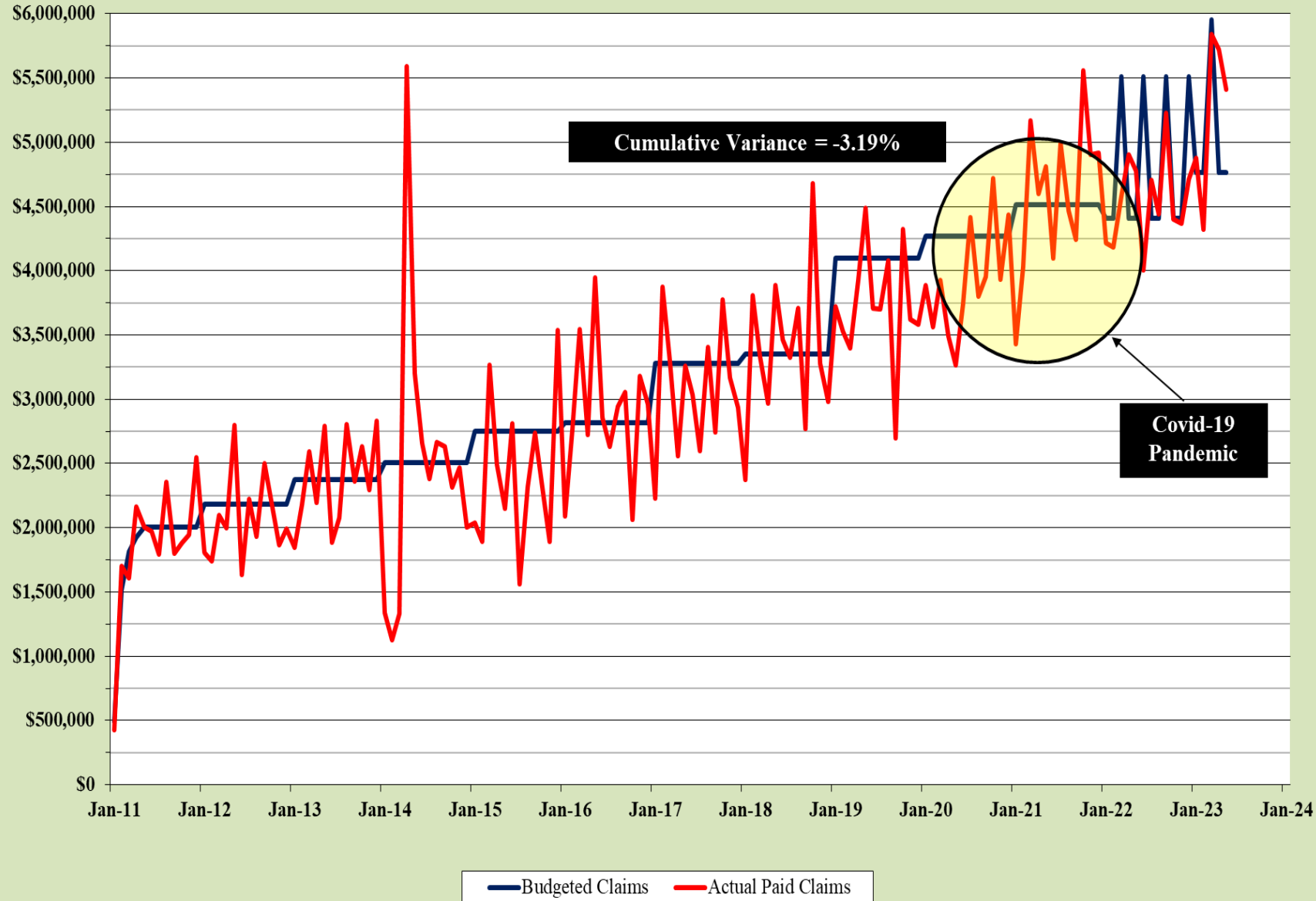
2014-2023 (as of 5/31/2023) Annual Paid Claims v Budgeted Claims



Greater Tompkins County Municipal Health Ins Consortium

2011-2023 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to May 31, 2023



APPROVED
**MEDICAL
CLAIM**



Section 4

High-Cost Claimants
Catastrophic Self-Insurance Pool



Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Large Loss and Catastrophic Claims History (as of April 30, 2023)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28	\$693,190.30
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,380,933.22	\$0.00	\$264,390.72
2021	\$1,000,000.00	6,303	66	23	8	6	5	\$14,096,053.18	\$0.00	\$270,471.20
2022	\$1,000,000.00	6,383	73	20	8	3	3	\$14,187,659.04	\$0.00	\$295,916.60
2023	\$1,000,000.00	6,988	13	3	0	0	0	\$2,012,594.85	\$0.00	\$107,361.59
Totals		71,519	458	128	40	24	16	\$86,150,837.57	\$2,619,537.80	\$6,279,621.82
Averages		5,501	35.231	9.846	3.077	1.846	1.231	\$6,626,987.51	\$201,502.91	\$483,047.83

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 41.71%

Large Loss and Catastrophic Claims History

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	Number of Large Loss Claimants	Large Loss Claimants % of Covered Lives	Stop-Loss Insurance Premium Paid	Stop-Loss Insurance Premium PMPM	Total Large Loss Claims Paid	Annual Paid Claims Total	Large Loss Claims % of Total Claims	Catastrophic Claims Reserve	Catastrophic Reinsurance Pool Payments
2011	\$250,000.00	4,400	13	0.30%	\$384,392.52	\$7.28	\$2,357,898.22	\$22,190,664.18	10.63%	n/a	n/a
2012	\$275,000.00	4,448	16	0.36%	\$361,366.41	\$6.77	\$3,904,221.28	\$24,768,468.89	15.76%	n/a	n/a
2013	\$300,000.00	5,077	22	0.43%	\$592,381.65	\$9.72	\$4,079,308.91	\$28,487,573.02	14.32%	n/a	n/a
2014	\$300,000.00	5,012	18	0.36%	\$720,784.39	\$11.98	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00	n/a
2015	\$400,000.00	5,021	23	0.46%	\$642,080.30	\$10.66	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00	n/a
2016	\$400,000.00	5,063	39	0.77%	\$766,281.18	\$12.61	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00	n/a
2017	\$450,000.00	5,172	24	0.46%	\$738,819.42	\$11.90	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00	n/a
2018	\$600,000.00	5,201	45	0.87%	\$442,185.54	\$7.08	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00	n/a
2019	\$600,000.00	6,174	46	0.75%	\$693,190.30	\$9.36	\$8,874,919.83	\$44,764,005.36	19.83%	\$2,800,000.00	n/a
2020	\$1,000,000.00	6,277	60	0.96%	\$264,390.72	\$3.51	\$11,380,933.22	\$47,284,890.14	24.07%	\$5,032,220.00	\$0.00
2021	\$1,000,000.00	6,303	66	1.05%	\$270,471.20	\$3.58	\$14,096,053.18	\$55,410,491.28	25.44%	\$4,986,101.85	\$805,827.97
2022	\$1,000,000.00	6,383	73	1.14%	\$295,916.60	\$3.86	\$14,187,659.04	\$54,694,907.67	25.94%	\$4,642,294.20	\$236,359.85
2023	\$1,000,000.00	6,988	13	0.19%	\$107,361.59	\$3.84	\$2,012,594.85	\$20,944,496.20	9.61%	\$4,808,739.38	
Totals		71,519	458	0.64%	\$6,279,621.82	\$7.32	\$86,150,837.57	\$469,050,732.48	18.37%		\$1,042,187.82
Averages (2011-2023)		5,501	35	0.64%	\$483,047.83	\$7.86	\$6,626,987.51	\$36,080,825.58	18.37%		

Large Loss = Claims Paid Totaling \$100,000 or More for the Fiscal Year

Catastrophic Claims = Large Loss Claims in Excess of the Stop-Loss Insurance Deductible or Self-Insurance Threshold

Catastrophic Reinsurance Pool Payments = Covered Member's Claims which Exceed \$500,000 up to the Specific Stop-Loss Deductible.

On Average 0.64% of the Covered Lives Account for 18.37% of Paid Claims

Catastrophic Claims Self-Insurance Pool Activity

		Actual 2020 Fiscal Year	Actual 2021 Fiscal Year	Actual 2022 Fiscal Year	4/30/2023 2023 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,506.00	\$706,791.00	\$723,382.00	\$800,904.00
Actual Premium Paid	\$1,000,000 Deductible	\$264,391.00	\$272,341.00	\$295,916.60	\$107,361.59
Premium Savings		\$498,115.00	\$434,450.00	\$427,465.40	\$693,542.41
Member # 000001179452	Deductible (Laser Applied)	\$1,000,000.00	\$1,000,000.00	\$700,000.00	\$700,000.00
	Actual Claims Paid	\$798,499.59	\$712,297.59	\$702,073.85	\$118,992.71
	Prior Year Lag Claims	\$0.00	\$0.00	\$0.00	\$121,885.00
	Catastrophic Claims Pool	\$0.00	\$0.00	\$2,073.85	\$0.00
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$686,798.19	\$0.00	\$0.00
	Prior Year Lag Claims	\$0.00	\$0.00	\$419.30	\$0.00
	Catastrophic Claims Pool	\$0.00	\$187,217.49	\$0.00	\$0.00
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$633,727.34	\$629,589.83	\$196,242.07
	Prior Year Lag Claims	\$0.00	\$0.00	\$42.02	\$16.36
	Catastrophic Claims Pool	\$0.00	\$133,769.36	\$129,589.83	\$0.00
Member # 00000346623	Deductible	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$387,223.45	\$604,696.17	\$227,715.51
	Prior Year Lag Claims	\$0.00	\$0.00	\$0.00	\$4.49
	Catastrophic Claims Pool	\$0.00	\$0.00	\$104,696.17	\$0.00
Catastrophic Claims Self-Insurance Pool Claims		\$0.00	\$805,827.97	\$236,359.85	\$0.00
Net Impact on Fund Balance		\$498,115.00	-\$371,377.97	\$191,105.55	\$693,542.41
Interest Earnings on Reserve		\$34,105.00	\$0.00	\$27,149.63	\$24,491.74
Net Gain / Loss on Investments		\$0.00	-\$19,009.15	-\$51,348.68	12/31/23 Adj
Total Savings to Consortium					\$1,026,773.53

The “Catastrophic Claims Self-Insurance Pool” was established by the Consortium’s Board of Directors prior to the start of the 2020 Fiscal Year to allow the Consortium to lower the cost of stop-loss insurance by raising the specific deductible and ultimately assuming more risk on an annual basis. To cover this risk, the Catastrophic Claims Reserve totaling \$4.5 million was converted to this “Pool”. In addition, each year the estimated premium variance between a \$600,000 specific deductible stop-loss insurance plan and a \$1 million specific deductible stop-loss insurance plan will be ceded into the “Pool”. Lastly, any interest earned on this “Pool” will be credited to the “Pool” to help replenish funds when/if catastrophic claims are paid out of the “Pool”.

Catastrophic Claims Self-Insurance Pool Activity

Catastrophic Claims Self-Insurance Pool	2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year	2023 Fiscal Year
Beginning Balance	\$ 4,500,000.00	\$ 5,032,220.00	\$ 4,641,832.88	\$ 4,808,739.38
Add: Premium Savings	\$ 498,115.00	\$ 434,450.00	\$ 427,465.40	\$ 693,542.41
Add: Interest Income	\$ 34,105.00	\$ -	\$ 27,149.63	\$ 24,491.74
Gain / (Loss) on Investments	\$ -	\$ (19,009.15)	\$ (51,348.68)	\$ -
Less: (Catastrophic Claims)	\$ -	\$ (805,827.97)	\$ (236,359.85)	\$ -
Ending Balance	\$ 5,032,220.00	\$ 4,641,832.88	\$ 4,808,739.38	\$ 5,526,773.53

2021 Fiscal Year - Interest Earnings and Losses on Investments are Blended Together

As of April 30, 2023, the Consortium has lowered its specific stop-loss insurance premium by approximately \$2,053,572.81 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,042,187.82. As of March 31st, the net gain on this pool, excluding investments, is \$1,011,384.99. This amount will be reduced each month by any chargeable loss as well as each monthly stop-loss premium made by the Consortium. It is important to remember that this figure does not take into consideration that the pool is also picking up an extra \$100,000 in risk per member annually.



Section 5

2023 Fiscal Year
Net Income, Liabilities, and Reserves

2023 Net Income, Liabilities & Reserves as of 5/31/2023

	2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Total Income	\$61,759,919.48	\$65,459,184.32	\$27,516,326.80	\$27,375,109.27	-\$141,217.53	-0.51%
Total Expenses	\$62,771,172.60	\$66,854,484.02	\$27,156,152.13	\$27,826,664.95	\$670,512.82	2.47%
Net Income	-\$1,011,253.12	-\$1,395,299.70	\$360,174.67	-\$451,555.68	-\$811,730.35	

9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$307,533.15	\$307,533.15	
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$8,396.68	\$8,396.68	

Adjusted Net Income	-\$1,011,253.12	-\$1,395,299.70	\$360,174.67	-\$152,419.21	-\$512,593.88	
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Ending Balance	\$27,604,250.55	\$28,227,508.93	\$29,054,983.30	\$29,470,389.42	\$415,406.12	1.43%
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Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$7,038,728.60	\$7,038,728.60	\$6,672,663.00	\$6,672,663.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,920,495.97	\$2,920,495.97	\$2,729,554.76	\$2,729,554.76	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$4,399,205.37	\$4,399,205.37	\$3,892,443.28	\$3,892,443.28	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,598,144.86	\$4,598,144.86	\$4,808,739.38	\$4,808,739.38	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$788,300.00	\$788,300.00	\$928,000.00	\$928,000.00	Increased by \$139,700 2/2023
Total Liabilities and Reserves		\$19,744,874.80	\$19,744,874.80	\$19,031,400.42	\$19,031,400.42	

Unencumbered Fund Balance	\$7,859,375.75	\$8,482,634.13	\$10,023,582.88	\$10,438,989.00
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The net cash assets (unencumbered fund balance) as of May 31, 2023 equals 16.81% of premium revenues. This includes full funding of the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.81 million.

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 2022 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

Liabilities and Reserves - Defined

RESERVES

- The reserves held by the Consortium are the cash assets which have been assigned to cover a direct liability or to assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue through the interest earned to the Consortium which has allowed the Consortium to hold premium increases down in previous years.
- The Consortium has historically maintained the following reserves:
 - Incurred But Not Report (IBNR) Claims Liability Reserve (statutory reserve)
 - Surplus Account (statutory reserve)
 - Catastrophic Claims Reserve (discretionary reserve)
 - Rate Stabilization Reserve (discretionary reserve)
- Please refer to the following slides for a detailed description of each reserve classification.

Liabilities and Reserves - Defined

INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2023 Fiscal Year budget forecasted this reserve to equal \$7,038,728.60 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2023 Fiscal Year, Excellus' estimate of this liability was \$5,138,400 which is approximately 8.7% 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 2023 Fiscal Year budget forecasted this reserve to equal \$2,920,495.97 (5.0% of projected premium income of \$58,409,919.48). In years where the Consortium approves premium holidays, the Consortium would calculate the Surplus Account reserve requirement based on the full expected premium, versus the artificially reduced premium collected.

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 policy 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 approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was at \$4,808,739.38 as of December 31, 2022.

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a sufficient level, the Board of Directors made the decision to establish the Rate Stabilization Reserve at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.
- It is our goal to work with the Consortium to ensure future fiscal year budgets are developed with this reserve being maintained.
- These funds would be used to “bridge the gap” during an associated hyper-inflationary period relative to paid claims allowing the Board of Directors to establish a multiple year plan to adjust revenue (premiums) and prevent a significant increase in premium rates during a single fiscal period.



Section 6

2023 Fiscal Year-to-Date Summary & Observations

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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

2023 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is a slightly below budget as of May 31, 2023. We believe that as the enhanced pharmaceutical manufacturer rebates and interest earnings, especially when longer term investments mature, will help the Consortium to stay close to its targeted budget number.
2. The combined **Medical and Rx Paid Claims were 4.61% over budget**, largely impacted by the Rx Paid Claims, through the first 5-months of the 2023 Fiscal Year. We are keeping a close eye on the paid claims and how they evolve during the “new normal” post COVID-19 pandemic. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.

2023 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing slightly below the projected budget through the first 5-months of the 2023 Fiscal Year. With only five months “in the books”, we will need to monitor the uptick in claims closely, especially as we begin the 2024 budget development cycle. In the end, we are hopeful that long term financial planning will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the Participating Municipalities.
4. Lastly, we want to point out that the fiscal results experienced by the Consortium as of May 31, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. Based on the early claim activity, this appears to be a prudent decision. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, which may allow for some premium relief to assist the Participating Municipalities during potential difficult financial times as COVID-19 relief monies dry up.