



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.healthconsortium.net • consortium@tompkins-co.org

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

Executive Committee Agenda March 3, 2021 - 3:30 p.m. Ithaca Town Hall/Zoom

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of Minutes: January 13, 2021
- 4) Chair's Report J. Drake
- 5) Executive Director's Report E. Dowd
 - a. Executive Director Report
 - b. Staffing Update
 - c. **Resolution:** Authorizing Extension of Office Space Lease Agreement with the Town of Ithaca
 - d. **Resolution:** Adoption of Consortium Budget Amendment Policy
 - e. Discussion of Revised Premium Payment Policy
- 6) Committee Reports/Resolutions:
 - a. Audit and Finance M. Cook
 - b. Operations L. Holmes
 - c. Joint Committee on Plan Structure and Design J. Bower
 - d. Nominations and Engagement E. Fairbrother
 - e. Claims and Appeals B. Shattuck
- 7) Financial Update (4:30) S. Locey/R. Snyder
 - a. Financial Review
 - b. Report on large loss claim activity
 - c. Accounts Receivable
 - d. Expenditure Report
- 8) Future Agenda Topics:
- 9) Executive Session: Performance Evaluation of the Executive Director
- 10) Adjournment (5:00)

Next Meeting: May 5, 2021

**Executive Committee
Minutes – DRAFT
January 13, 2021 – 3:30 p.m.
Via Zoom**

Members: Judy Drake, Peter Salton (arrived at 3:37 p.m.), Steve Thayer, Rordan Hart, Lisa Holmes, Ed Fairbrother (excused at 4:12 p.m.); Gary Mutchler, Chris Wagner, Bud Shattuck, Mack Cook

Excused: Jim Bower, Joint Committee on Plan Structure and Design Chair

Guests: Steve Locey, Rob Spenard, Locey & Cahill; Don Barber, Consultant; Rick Snyder, Treasurer; Directors: Lonnie Childs, Tom Gray, Ray Bunch, Nancy Webster

Staff: Elin Dowd, Executive Director; Michelle Cocco, Clerk of the Board

Call to Order

Ms. Drake, Chair, called the meeting to order at 3:33 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of December 1, 2020

It was MOVED by Ms. Holmes, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present, to approve the minutes of December 1, 2020 as submitted. MINUTES APPROVED.

Approval of Board of Directors Minutes of December 17, 2020

It was MOVED by Mr. Mutchler, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present, to approve the Board of Directors minutes of December 17, 2020 as submitted. MINUTES APPROVED.

Chair's Report

Change of Meeting Date

Due to a schedule conflict, the meeting date was changed to the first Wednesday of each month at 3:30 p.m.

Mr. Salton arrived at this time.

Ms. Drake announced that the Executive Director's performance appraisal process is about to begin and at the next meeting in March the Committee will review and discuss the self-evaluation prepared by Ms. Dowd. The Committee was asked to provide feedback to the Board Chair for completion of the evaluation.

Ms. Drake spoke of the Committee's new structure and said participation is important. She asked members for input on the structure of meetings and stated she will be asking committee chairs to provide regular reports at meetings; any resolutions will fall under the appropriate committee on the agenda. Mr. Mutchler said he would like to have the opportunity to ask questions about financial reports in advance of the meeting. Mr. Locey welcomed any member to contact him with questions relative to any financial report; he also asked that Ms. Dowd be copied on all e-mail communications.

Ms. Drake asked members for suggestions of areas they would like the Executive Director to work on in 2021. Mr. Hart said he thinks the Consortium needs to begin looking at the next Municipal

Cooperative Agreement revision and give consideration to the policy for late fees as he thinks it is likely that the Consortium will continue to carry a balance for TC3 given its history. He suggested if for several months during a year the Consortium will carry a very large balance for any entity, that carrying a balance be allowed but with consideration to charging a higher interest fee such as four percent.

Mr. Hart said he has been working on calculations for collective bargaining units for other municipalities relative to the cost of the Platinum Plan versus and older-style PPO plan and what it really means in terms of cost savings. He suggested if this works, that a calculated model could be used as he thinks there would be value in having a boilerplate calculator available for this type of comparison. Mr. Locey suggested an educational seminar be held every couple of years for attorneys that get involved with labor negotiations with municipalities to inform them of what the Consortium is, what benefit plans are available, what reporting is available, what resources would be available in terms of augmenting what they are already doing, and to assist with decision-making. It was suggested Mr. Hart reach out to Mayor Linda Woodard and Tompkins County as each have worked on this.

Mr. Cook and Mr. Thayer spoke in support of this suggestion and stated developing a mechanism to compare plans outside of the bargaining process could bring with it, credibility and standardization. Mr. Cook suggested that any outreach include CSEA representatives in Albany.

Ms. Drake asked members to submit further ideas for priorities to her or Ms. Dowd.

Executive Director Report

Ms. Dowd shared a note of appreciation from two Tompkins County Finance Department employees thanking the Consortium for the December premium holiday and the relief it provided to subscribers. She responded to comments made earlier and reported she has started conversations with the Tompkins County Administrator with regard to TC3 payments as the College will begin going into arrears for 2021 soon. She agreed with the suggestion about developing a template for plan comparisons and said it will be helpful for municipalities applying and also noted there has been good success in moving members to Metal Plans. Ms. Dowd reported on end-of-the-year activities and said the transfer of new members to the Plan went smoothly.

Ms. Dowd said one of her 2020 goals is to issue a Request for Proposals (RFP) for Prescription Drug Management which will allow for a comparison of the Consortium's current plan to others that are available. She reviewed the process and timeline that will be led by herself and Mr. Locey with the responsibility for RFP review being with the Operations Committee. A recommendation should be ready for the Board of Directors at its August meeting.

Ms. Dowd said due to a February 15 Department of Financial Services filing deadline, last year the Board delegated authority for approval of the Cyber Security Risk Assessment to the Operations Committee. She requested approval of the resolution below that will provide ongoing authority to the Operations Committee for approval of this assessment.

RESOLUTION NO. 001 - 2021 – DELEGATING AUTHORITY AND RESPONSIBILITY FOR CYBER SECURITY MATTERS TO THE OPERATIONS COMMITTEE

MOVED by Mr. Fairbrother, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present. RESOLUTION ADOPTED.

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

WHEREAS, in consultation with the Executive Director, the Tompkins County Information Technology Services Department annually undertakes a Cyber Security Risk Assessment on behalf of the Consortium and presents a report to the Operations Committee, and

WHEREAS, the Executive Director is required to annually file a Certificate of Compliance in February of each year with the Department of Financial Services, now therefore be it

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

RESOLVED, further, That the Operations Committee is directed to bring forward any action requiring additional approval to the Executive Committee for adoption.

* * * * *

Ms. Dowd reported on DFS Circular Letter 17 that was sent at the end of December regarding waiving utilization review and notification requirements on the Consortium's benefit plans. Initially, Excellus questioned whether the Consortium wanted to waive this requirement along with Excellus; however, upon further review she said the Consortium does not have the option to opt out because municipal cooperative health plans have been advised that certain utilization review and notification requirements must be suspended for sixty days from the date of the letter to assist hospitals with implementation of the State's surge of flex protocol. Ms. Dowd reviewed areas the Consortium has been directed to waive and by complying with that it will relieve an administrative burden to allow the State to focus on administering care. This will have no cost impact on the Consortium.

Mr. Fairbrother was excused at this time

Staffing Update

Ms. Dowd reported on the process for recruitment and hiring for the position of Finance Manager and said the position opening has been posted with a deadline of February 5th. She and Ms. Drake will review applications and will select candidates to be interviewed. The top candidates will then be interviewed by a panel that will include Mr. Thayer, Mr. Snyder, and Mr. Locey.

Financial Update

Mr. Locey said the year-end financial information is not available but will send that information to members when available. He reviewed the 2020 fiscal year medical paid claims and expense report including fees that are paid by the Consortium. One area that has been identified to look further into is the New York State Healthcare Reform Surcharge which is 9.19% of claims dollars and was initially intended to go towards helping to reimburse hospitals for indigent care and other things. The fund has been under scrutiny as of late because it is no longer is being used for health insurance, but the fee is still being paid. He said Locey and Cahill has targeted this as an item for Legislative discussion as it represents approximately a two percent (\$1 million) impact on the Consortium's overall annual premium.

Mr. Locey said the Consortium originally budgeted \$3.1 million monthly for medical claims and ended up spending about \$2.24 million on medical paid claims in 2020. Prescription drug claims are close to budget; \$1.17 million had been budgeted for the year; 2020 ended with the Consortium expending \$1.16 million.

Mr. Locey reported in 2020 the average person spent approximately \$290 out-of-pocket towards the cost of care; the plan paid approximately \$6,550 per person for the year for medical care. On a contract basis the average household spent slightly over \$600 towards the cost of care and the plan spent just under \$13,900. He said in 2021 they will be restructuring some of the group modeling of this information so that information can easily be gathered for subgroups for collective bargaining purposes. Large loss and Stop Loss reports thru November 30th were also reviewed with the Committee as well as an Excellus high dollar claimant report through December 31st. He said in terms of the decision to move up to the \$1 million deductible and to self-insure the level between \$.5 and \$1 million the premium savings will be much greater than expected.

Mr. Locey reviewed the updated budget report that included changes that were made internally, as well as adjustments for the number of contacts, movement of subscribers to different plans, and the receipt of prescription drug rebates. As a result of the modifications there was a slight increase in the net deficit for the end of the year, but the Consortium was still in very good shape and where it is expected to end the year and was well above the established targets.

Mr. Cook recognized the State's financial concerns but questioned whether the Consortium should raise the issue with the Legislature with regard to eliminating the HCRA tax requirement for municipal healthcare plans. Mr. Locey agreed this should be looked into and also suggested having a legislative day with local representatives to discuss other issues the Consortium would like to address at the State level. There was agreement by the Committee and Mr. Barber to explore this suggestion; Mr. Salton suggested reaching out to Anna Kelles, former Tompkins County Legislator, who was recently elected to the New York State Assembly. This item will be included on either the Executive Committee or the Audit and Finance Committee's next agenda.

Next Meeting Agenda

The following items will be included on future agendas:

- Continued discussion of plan underwriting/discounting of premiums on Metal Level Plans;
- Staffing update and Executive Director performance evaluation

The Committee will meet next on March 3rd at 3:30 p.m.

Adjournment

The meeting adjourned at 4:43 p.m.

**Executive Director Report
First Quarter 2021**

Executive Director Annual Performance Review

At the conclusion of the March Executive Committee meeting I am hoping to be able to share with you the approved 2021 Goals and Objectives set as part of the annual performance review process for the Executive Director. The year is already off to a very busy start, but I am encouraged by the possibility of creating an expanded team of Consortium employees that will be ready to tackle the goals and objectives set in place.

Policy Creation

There has been much discussion on the topic of late payments on the part of one Participant and there has been a call to action to create a policy that articulates a scaled late fee schedule and steps necessary to expel a Participant. The Municipal Cooperative Agreement in Section Q (3) outlines the circumstances to expel a Participant as follow:

Section Q

3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

- a. A Participant has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or
- b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2 / 3) of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2 / 3) of the Participants (exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.

It would be good for the organization to define the types of actions that *threaten the financial wellbeing or legal validity of the Consortium*. Certainly, the bar would have to be rather high to invoke this type of action. It would have to be a situation where the Participant truly acted in "bad faith" by knowingly taking advantage of the Consortium for their own benefit and risking the financial well-being of the other Participants. Even in that situation, the Consortium would have to provide the Participant with notice and an opportunity to remedy the matter before expelling them, consistent with the provisions found in Section Q (3) of the amended MCA.

The Audit and Finance Committee is reviewing revisions to our current late fee policy to define the consequences of Participants that are habitually late. I also think by creating a new policy we can eliminate speculation of what would happen if another entity did the same thing in the future.

In reviewing said policy it should be reviewed from the eyes of what is good for the entire Consortium and not based on a current situation of a specific Participant. Rather we should determine a course of action

relative to the TC3 situation and articulate our decision and then move forward with a policy that we want to implement for all municipalities in similar situations going forward.

The Audit and Finance Committee will also be reviewing an amendment to the Budget Creation Policy to include definitions for Adopted and Amended Budgets and matters pertaining to the reclassification of line items.

Blue4U

There are several health campaigns that suggest you should “know your numbers.” Usually those campaigns are referring to your four health numbers — blood pressure, cholesterol, blood sugar and body mass index — because they are key to understanding your physical well-being, and can be used to determine your risk for developing several diseases. The Blue4U program provides a free and easy way to secure those numbers.

The Joint Committee Meeting on Plan Structure and Design helped launch this year’s Blue4U biometric screening program available to all municipalities with metal level plans.

To help with the success of this program, Excellus partners with IH21 to conduct onsite biometric testing for employees on the Platinum, Gold, Silver or Bronze plans to secure their numbers. If your location isn’t hosting an on-site clinic, your eligible employees may still participate, either at a local urgent care center or at another clinic hosted by a nearby municipality. Urgent Care Centers providing tests and other clinics are on the website and will be updated periodically. Both testing opportunities require registering with Blue4U for inclusion in our program.

The Health Consortium Blue4U program runs from February through the end of March. Highlights of the program include:

Blue4U: On-Site

- *Onsite (where available) venipuncture (fasting, limited panel): Glucose plus full lipid profile (Total Cholesterol, HDL, LDL, Triglycerides), Hemoglobin A1c*
- *Assessment of height, weight (BMI), waist circumference and blood pressure*
- *Administration and Interpretation of Lifestyle questionnaire from an IH21 health coach*
- *Access to Blue4U wellness platform*

PBM RFP

The Operations Committee will be the host committee responsible for posting and reviewing all Request for Proposals to secure a new agreement with a Pharmacy Benefit Manager. The RFP should be posted the first week of March and responses secured within a five-week period once it has been posted. Decisions on a new agreement should be made by mid-year with an expected commencement to the new agreement by January 1, 2021.

Finance Manager

The first round of interviews to hire a Finance Manager have been completed. Currently there are three candidates that will go to the second round. Follow up interviews will be held the first week of March. Those involved in the second round of interviews include Judy Drake, Elin Dowd, Steve Locey, Rick Snyder, and Steve Thayer.

HCRA Tax Relief

Direction has come from the Audit and Finance Committee to work on a plan to bring attention to state legislators and assembly members to help find relief from HCRA tax to our member municipalities. I have asked Don Barber to work on this assignment with me and the following is some additional information provided from Don as we plan to start this activity.

The basic premise for requesting relief from HCRA tax is the principle of double taxation of taxpayers. Municipal governments are tax exempt for that reason. Article 47 allows only municipal governments to participate therefore the logical conclusion is that Article 47's should be exempt from HCRA.

According to recent research HCRA has evolved from its original intent into a slush fund for the State legislature. While this is interesting and gives reason for HCRA criticism, from my previous experience, I'm not sure it gives our argument any value as Legislators become defensive when their slush fund gets questioned. I think our best strategy is how much it saves our taxpayers and how little impact it has on the State budget.

While we may feel we can make a convincing argument on our own, it is always best to bring the other Article 47's along with us- to bring lobbying pressure on more legislators...

We will keep you abreast of our activities and solicit your support as we make progress on this assignment.

Split Co-Pays

I have been working on an audit with Excellus regarding some issues with claims adjudication related to copays on all PPO plans. In several cases subscribers may have been charged two co-pays related to one visit when our plan calls for only one co-pay. Excellus has identified the problem and is alerting providers to reimburse the subscriber directly for any copays collected in error. This problem represents a small percentage of our subscribers, but those that were doubled charged have been quite vocal. Please let me know if any of your employees have questions when they are contacted by their provider about the reimbursement.

Nominations and Engagement Committee

The Nominations and Engagement Committee has not met yet this year, but their first meeting has been scheduled for the end of the first quarter. This committee will be looking at ways to continue to keep our members engaged now that we have moved to our new governance model.

Claims and Appeals Committee

The Claims and Appeals Committee has not met yet this year but are scheduled to meet at the beginning of the second quarter. Two agenda items will be reviewed. First, the entire claims appeals process will be reviewed for both of our third-party benefit administrators. Second, they will review the Excellus claims audit currently under review with BMI.

Respectfully submitted by Elin R. Dowd, Executive Director, February 25, 2021.



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RESOLUTION NO. - 2021 – AUTHORIZING EXTENSION OF OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

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

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

WHEREAS, the lease agreement includes additional space to accommodate the Consortium's additional personnel needs, and

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

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee authorizes the Executive Director to sign said lease agreement dated _____ with the Town of Ithaca for office space for the period April 1, 2021 thru March 31, 2022.

* * * * *



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RESOLUTION NO. – 2021 – ADOPTION OF CONSORTIUM BUDGET AMENDMENT POLICY (Revised following Audit and Finance Committee meeting February 23, 2021)

WHEREAS, in accordance with Resolution No. 15 of 2020 – Adoption of Budget Guidelines and the Executive Committee Bylaws, the Executive Director creates a preliminary budget for presentation and approval at the Board of Directors Annual Meeting, and

WHEREAS, each year additional budget information becomes available after the budget has been adopted at the Annual Meeting and before the new fiscal year begins that may reflect changes in projected claims, fees and taxes, funding of services provided by contractors and third-party administrators, maintenance of all reserves, including those required by statute, purchase and maintenance of stop-loss insurance, and changes in projected revenue which are of such importance to merit amending the adopted budget, and

WHEREAS, an Amended Budget will be created early in the new fiscal year to reflect these changes and will be prepared monthly for performance against the Adopted budget, and

WHEREAS, other organizational and purchasing decisions made during a fiscal year, in accordance with the adopted Procurement Policy, may affect budgeted expenses or revenues in such a manner to require amending the operating budget throughout the year, and

WHEREAS, other reclassifications or intra-fund transfers may be needed to budgeted line items throughout the fiscal year, now therefore be it

RESOLVED, on recommendation of the Operations and Audit and Finance Committees, That the following Budget Amendment Process be adopted by the Executive Committee:

- A. ***End of previous year or subsequent year budget changes*** resulting from the addition of projected claims, fees and taxes, funding of services provided by contractors and third-party administrators, maintenance of all reserves, including those required by statute, purchase and maintenance of stop-loss insurance, and changes in projected revenue shall be presented and recommended by the Audit and Finance Committee and approved by and Executive Committee as the Amended Budget.
- B. ***Midyear budget adjustments***, for extra budgetary expenditures for discretionary expenses or unexpected expenses not accounted for in the Adopted or Amended budget resulting from organizational decisions may be made during the fiscal year in accordance with established policies.
- C. ***Reclassification or Intra-Fund Transfers*** may happen throughout the fiscal year when the Executive Director determines that all of the funds in one budget line will not be spent as previously approved or allocated during the current

RESOLUTION NO. – 2021 – ADOPTION OF CONSORTIUM BUDGET AMENDMENT POLICY

fiscal year and the funds may be transferred to another budget line resulting in no net change in expense or revenue. Should this transfer not trigger the approval process of the Consortium's policies established, these changes can be made independently and reported out to the Audit and Finance Committee at its next meeting.

Should the approvals from Audit and Finance Committee and/or Executive Committee be required under the Consortium's current policies, these reclassifications or intra-fund transfers will be noted in the approval resolution and, if approved, be documented in the Amended budget, and

RESOLVED, further, That the Amended Budget will be prepared monthly along with a comparison against the Adopted budget and when any changes are approved by the Executive Committee they shall be circulated to the entire Board of Directors.

DRAFT
Revised Premium Payment Policy
(as discussed by AFC 2/23/2021)

Premium fees will be established each year by the Board of Directors and approved at the Annual Meeting.

Premiums are expected to be paid as billed each month. No changes to the invoice amount are allowed. Any adjustments should be noted and sent to the Principal Accountant and those adjustments will be made on future invoices. Any checks received for an amount other than the invoiced amount will be sent back to the municipality. Invoices must be paid in the order they are received.

Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year, if mailing payments, please allow time for the payment to be received by the first.

A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants. An additional one percent (1%) shall be added to the late fee for each subsequent month that the invoice has not been paid up to a total compounded late fee of three percent (3%) For example, first month late 1%, second month late 2% and third month late 3%.

The Executive Director on behalf of the Consortium may waive the first penalty once per Plan Year for each Participant but will strictly enforce the penalty thereafter.

If an invoice has not been paid by 60 days a letter will be sent to the Participant letting them know their payment is late and the applicable late fee will be charged. All payments received after the 1st of the month will be reported at the Audit and Finance Committee meeting. If a payment has not been made by 90 days, the Executive Director will be notified, and the late payment will be discussed as an agenda item at the next Audit and Finance Committee Meeting. Follow up correspondence after 90 days will be made by the Executive Director until the Participant becomes current.

~~A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.~~

A repeated failure to make timely payments, including any applicable penalties, may be used by the Board to determine if adequate justification has been given for expulsion of the Participant according to Section Q (3) of the Municipal Cooperative agreement as such:

"3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

a. A Participant has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or

b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2 / 3) of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2 / 3) of the Participants (exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.



2021 Fiscal Year Budget Performance Report As of January 31, 2021

Locey & Cahill, LLC
250 South Clinton Street, Suite 340
Syracuse, NY 13202
Tel (315) 425-1424
Fax (315) 425-1394
E-mail: slocey@loceycahill.com



Section 1

2021 Fiscal Year-to-Date Income Budget vs Actual Results

2021 Income Budget vs Actual (01/31/2021)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2021 Budget Performance Analysis

Results as of: 1/31/2021

Includes Income Codes 6000 & 6010

of Months: 1

	2021 Adopted Budget	2021 Revised Budget	2021 Year-to-Date	2021 Actual Results	Variance	% Difference
Income						
Medical and Rx Plan Premiums *	\$55,875,290.81	\$55,002,327.38	\$4,583,527.28	\$4,490,016.62	-\$93,510.66	-2.04%
9020 Interest	\$45,534.44	\$45,534.44	\$3,794.54	\$6,361.70	\$2,567.16	67.65%
9010 Rx Rebates	\$1,400,000.00	\$1,700,000.00	\$0.00	\$0.00		
9040 Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00		
9035 Finance Charge Income	\$0.00	\$5,463.46	\$455.29	\$0.00	-\$455.29	n/a
9030 Other	\$5,463.64	\$0.00	\$0.00	\$0.00		
Total Income	\$57,326,288.89	\$56,753,325.28	\$4,587,777.11	\$4,496,378.32	-\$91,398.79	-1.99%

Key Facts:

1. Premium Income was 2.04% below budget for the first month of the fiscal period. Based on our preliminary analysis, the following factors contributed to this result:
 - a. 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.
 - b. The County of Tompkins moved all Medicare-aged retirees into the Consortium's Medicare Supplement Plan (MS4)

2021 Income Budget vs Actual (01/31/2021)

Key Facts (continued):

- c. The number of contracts insured by the Consortium increased by 3.58% and the number of covered lives grew by only 1.26%. The disparity in this number is primarily due to the County's move to the Consortium's Medicare Supplement Plan for their Medicare-aged retirees and their spouses.

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	2,943	1,457	1,875	6,275
2021	3,048	1,427	1,879	6,354

* Member = Employee, Retiree, or COBRA Contract Holder

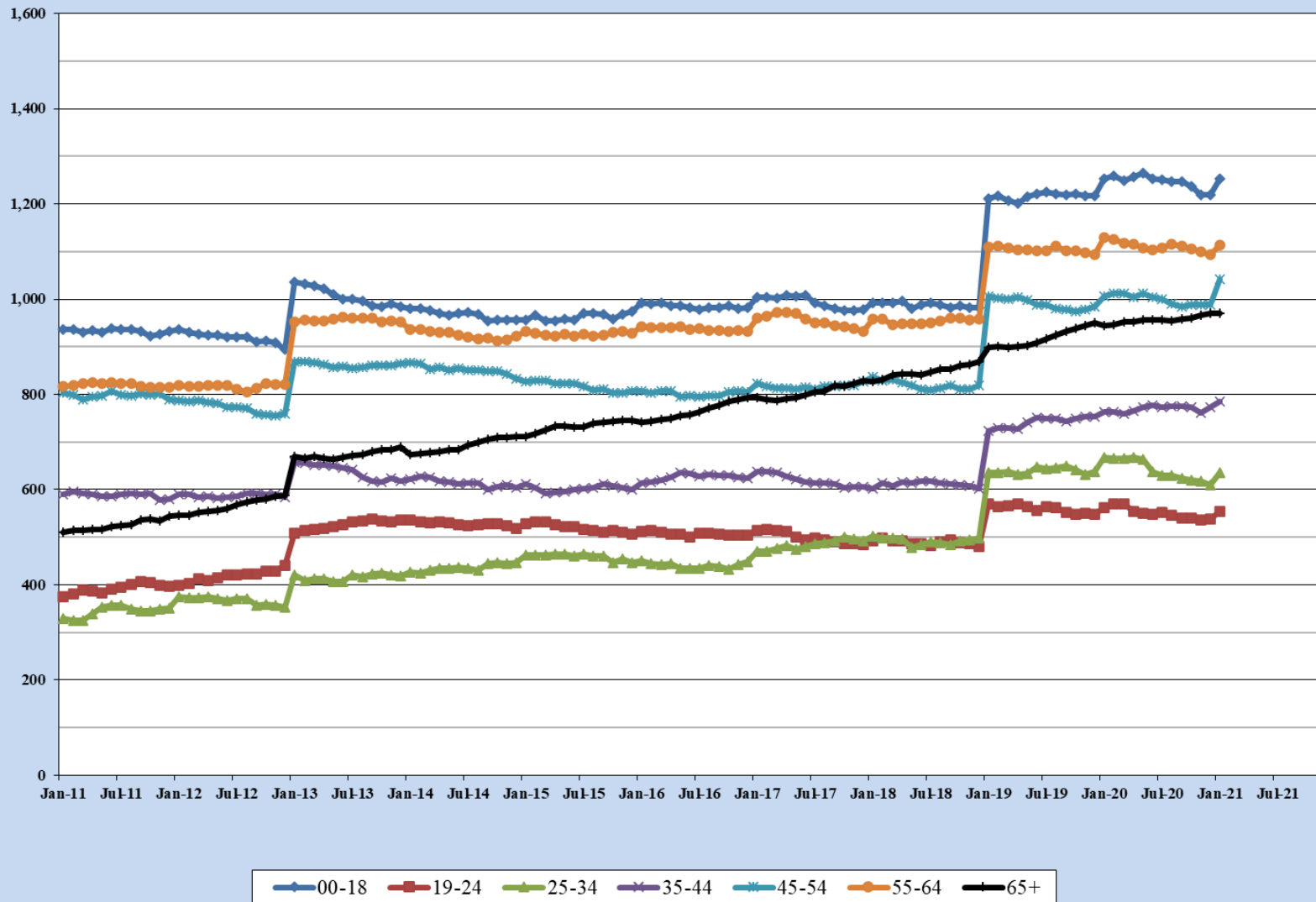
Monthly Average Contract Count by Fiscal Year

<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	1,601	1,342	2,943	2.132	3.082
2021	1,569	1,479	3,048	2.085	3.107

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band

January 1, 2011 to January 31, 2021



2021 Income Budget vs Actual (01/31/2021)

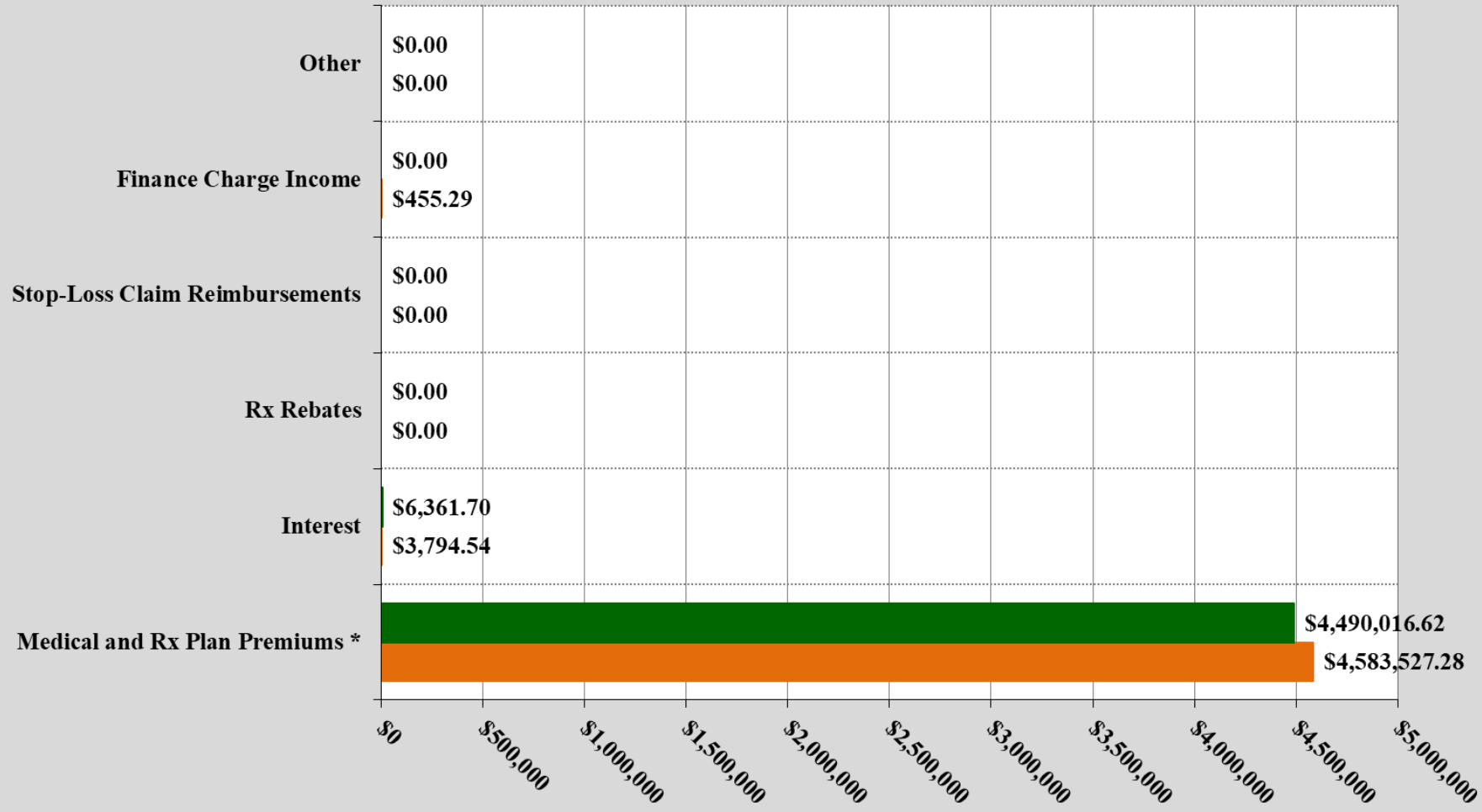
Key Facts (continued):

2. Interest Income to date was unexpectedly above budget in the first month of the fiscal year. However, it should be noted that as a result of interest rates falling dramatically during the COVID-19 pandemic the Consortium's budget was greatly reduced in this area for the 2021 Fiscal Year.
3. There have not been any pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2021 Fiscal Year as of this report. However, the Consortium does expect to receive in excess of \$1.7 million for the year.
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 a small amount (\$455.29) received in Finance Charge Income and there were no receipts recorded in the "Other" income category as of January 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

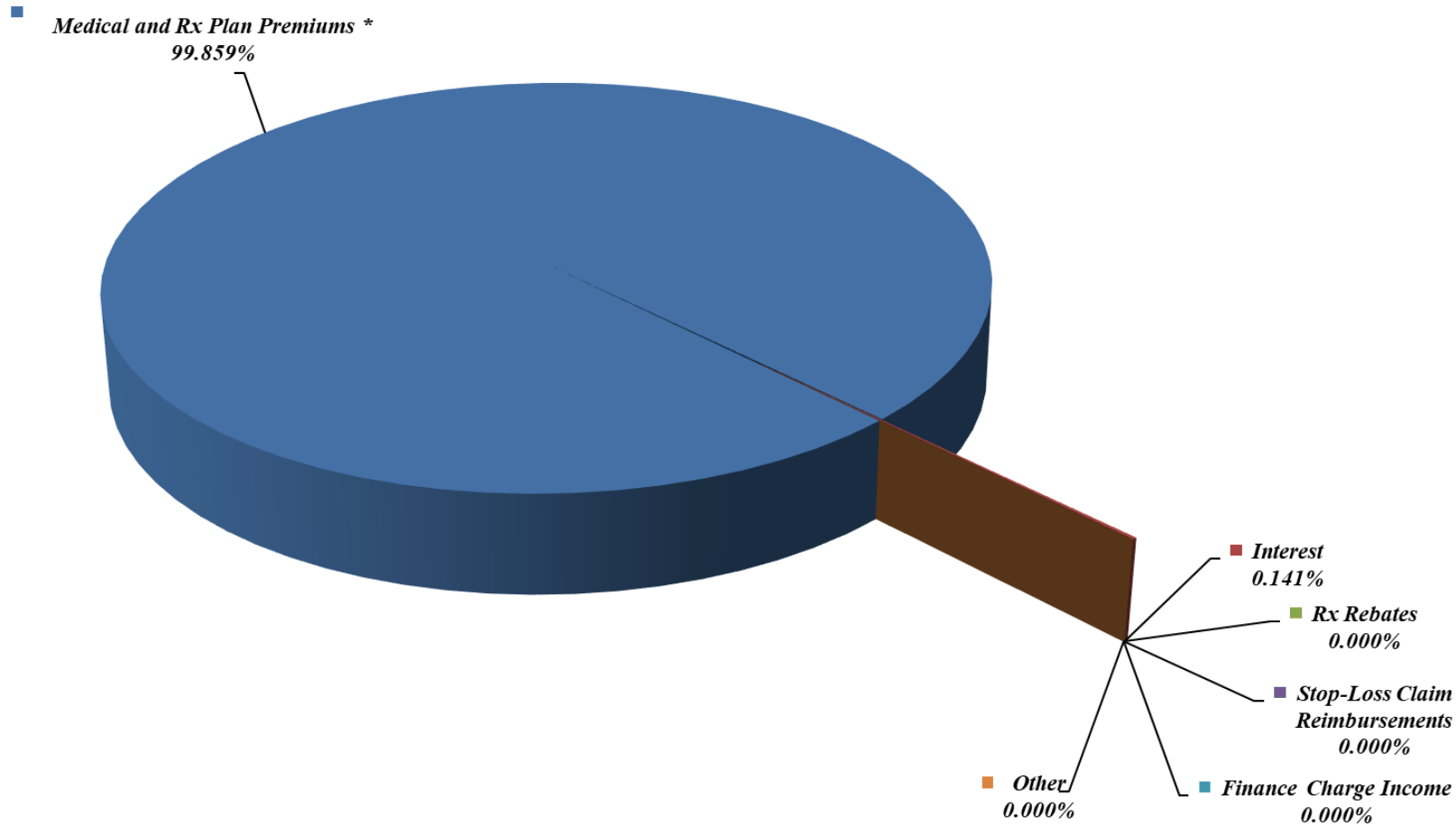
2021 Income Distribution

January 1, 2021 to January 31, 2021



■ 2020 Actual Income ■ 2020 Budgeted Amounts

Greater Tompkins County Municipal Health Ins. Consortium
2021 Income Distribution
January 1, 2021 to January 31, 2021



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



Section 2

2021 Fiscal Year-to-Date Expense Budget vs Actual Results

2021 Expense Budget vs Actual Results (01/31/2021)

Includes Expense Codes 8081, 8082, & 8083

Balance Sheet Item 3500

		2021	2021	2021	2021	Variance	% Difference
		Adopted Budget	Revised Budget	Year-to-Date	Actual Results		
Expenses							
8090	Medical Paid Claims	\$39,058,334.44	\$38,838,424.24	\$3,236,535.35	\$2,183,108.24	-\$1,053,427.11	-32.55%
	Advance Deposit / Pre-Paid Claims	\$109,150.71	\$109,150.71	\$0.00	\$0.00		
8120	Rx Paid Claims - ProAct	\$15,355,131.00	\$15,355,131.00	\$1,279,594.25	\$1,248,569.04	-\$31,025.21	-2.42%
8121	Rx Paid Claims - CanaRx	\$150,108.45	\$150,108.45	\$12,509.04	\$10,769.40	-\$1,739.64	-13.91%
8084	Flu Clinic Fees	\$15,000.00	\$15,000.00	\$1,250.00	\$0.00	-\$1,250.00	-100.00%
8050	Medical Admin Fees	\$1,440,535.40	\$1,477,304.64	\$123,108.72	\$123,444.25	\$335.53	0.27%
	Rx Admin Fees	\$200,930.34	\$200,930.34	\$16,744.20	\$16,100.30	-\$643.90	-3.85%
8091	NYS Covered Lives Assessment	\$373,317.01	\$373,317.01	\$31,109.75	\$28,762.98	-\$2,346.77	-7.54%
9060	ACA PCORI Fee	\$17,987.06	\$17,987.06	\$1,498.92	\$0.00	-\$1,498.92	-100.00%
8110	Specific Stop-Loss Insurance (Actual)	\$302,450.00	\$273,000.00	\$22,750.00	\$21,984.90	-\$765.10	-3.36%
8000	Accounting Fees	\$25,750.00	\$25,750.00	\$2,145.83	\$0.00	-\$2,145.83	-100.00%
8010	Actuarial Fees	\$53,045.00	\$15,000.00	\$1,250.00	\$6,100.00	\$4,850.00	388.00%
8020	Audit Fees (Financial)	\$13,390.00	\$13,390.00	\$1,115.83	\$0.00	-\$1,115.83	-100.00%
8021	Audit Fees (Claims)	\$41,200.00	\$41,200.00	\$3,433.33	\$16,600.00	\$13,166.67	383.50%
8055	Consultant Fees (Barber)	\$25,000.00	\$20,000.00	\$1,666.67	\$1,050.00	-\$616.67	-37.00%
8030	Consultant Fees (L&C)	\$90,176.50	\$90,176.50	\$7,514.71	\$7,415.00	-\$99.71	-1.33%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$1,030.00	\$0.00	-\$1,030.00	-100.00%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$2,083.33	\$923.14	-\$1,160.19	-55.69%
66001	Executive Director (Salary)	\$94,760.00	\$93,636.00	\$7,803.00	\$7,202.76	-\$600.24	-7.69%
66002	Fringe Benefits	\$67,980.00	\$110,374.87	\$9,197.91	\$3,330.18	-\$5,867.73	-63.79%
66003	Clerk of the Board (Salary)	\$37,080.00	\$72,134.40	\$6,011.20	\$5,297.37	-\$713.83	-11.88%
66004	Admin/Comp Asst (Salary)	\$52,530.00	\$0.00	\$0.00	\$0.00		
66005	Benefits Specialist (Salary)	\$41,250.00	\$43,680.00	\$3,640.00	\$0.00	-\$3,640.00	-100.00%
66006	Finance Director (Salary)	\$0.00	\$73,000.00	\$6,083.33	\$0.00	-\$6,083.33	-100.00%
8060	Insurances (D&O / Prof. Liability)	\$48,070.00	\$50,850.00	\$4,237.50	\$4,215.66	-\$21.84	-0.52%
8041	Internal Coordination (Finance)	\$80,000.00	\$68,660.00	\$5,721.67	\$5,893.97	\$172.30	3.01%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00		
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00		
8045	Internal Coordination (Town of Ithaca)	\$7,210.00	\$7,210.00	\$600.83	\$500.00	-\$100.83	-16.78%
8044	Internal Coordination (IT Support)	\$11,845.00	\$11,845.00	\$987.08	\$0.00	-\$987.08	-100.00%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$208.33	\$0.00	-\$208.33	-100.00%
9055	Investment Management Services	\$26,780.00	\$14,000.00	\$1,166.67	\$513.59	-\$653.08	-55.98%
8150	Supplies Expense	\$2,500.00	\$2,500.00	\$208.33	\$0.00	-\$208.33	-100.00%
8151	Computer Equipment	\$5,150.00	\$5,150.00	\$429.17	\$0.00	-\$429.17	-100.00%
8152	Lease Expense / Parking Fees	\$9,500.00	\$9,500.00	\$791.67	\$704.95	-\$86.72	-10.95%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$83.33	\$0.00	-\$83.33	-100.00%
9060	Other Expenses / Supplies	\$10,927.27	\$10,927.27	\$910.61	\$1,152.49	\$241.88	26.56%
Total Expenses		\$57,807,948.19	\$57,630,197.49	\$4,793,420.57	\$3,693,638.22	-\$1,099,782.35	-22.94%

2021 Expense Budget vs Actual Results (01/31/2021)

	<i>2021 Adopted Budget</i>	<i>2021 Revised Budget</i>	<i>2021 Year-to-Date</i>	<i>2021 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Paid Claims	\$54,687,724.60	\$54,467,814.40	\$4,529,888.64	\$3,442,446.68	-\$1,087,441.96	-24.01%
Claims Admin. Fees	\$1,641,465.74	\$1,678,234.98	\$139,852.92	\$139,544.55	-\$308.37	-0.22%
Stop-Loss	\$302,450.00	\$273,000.00	\$22,750.00	\$21,984.90	-\$765.10	-3.36%
Taxes and Fees	\$391,304.07	\$391,304.07	\$32,608.67	\$28,762.98	-\$3,845.69	-11.79%
Professional Services	\$285,921.50	\$242,876.50	\$20,239.71	\$32,088.14	\$11,848.43	58.54%
Insurance/Internal Fees	\$499,082.27	\$576,967.54	\$48,080.63	\$28,810.97	-\$19,269.66	-40.08%
Total Expenses	\$57,807,948.19	\$57,630,197.49	\$4,793,420.57	\$3,693,638.22	-\$1,099,782.35	-22.94%
Net Income	-\$481,659.30	-\$876,872.21	-\$205,643.46	\$802,740.10	\$1,008,383.56	

The above provides an “easier to read” summary version of the expense data for the Consortium through January 31, 2021. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 93.2% of the total expenses of the Consortium through the first month of 2021. It should be noted that we adjusted the pharmacy paid claims in order to recognize the second payment due in January. It was not recorded in the month’s reports from the Treasurer as the bill was not received timely due to a billing issue at ProAct, Inc. With this adjustment, we show the overall paid claims to be 24.01% below budget for the 2021 Fiscal Year-to-Date.

2021 Expense Budget vs Actual Results (01/31/2021)

Key Facts:

1. Over the past several months, we have 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. In addition, we updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. Being only one month 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, 2020) are the responsibility of their prior insurance carrier.

2021 Expense Budget vs Actual Results (01/31/2021)

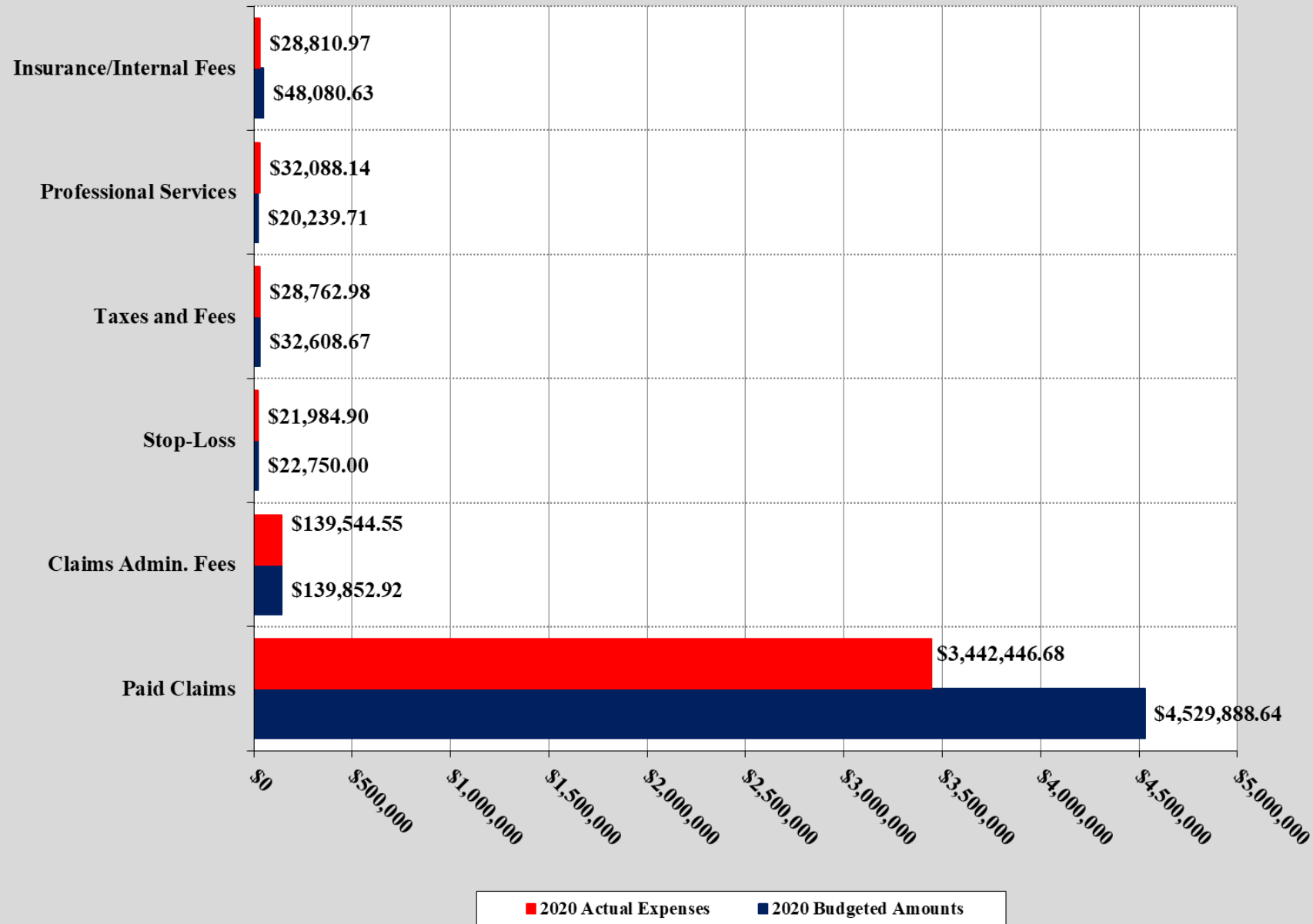
Key Facts:

5. Medical Paid Claims in the first month were **32.55% below the projected budget** for the year and this is the result of:
 - a) An increase in the covered lives ($\uparrow 1.26\%$) and in the number of contracts ($\uparrow 3.58\%$) skews the early 2021 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) 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.
6. Rx Paid Claims were **2.42% below budget** for the first month of the 2021 Fiscal Year. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during 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 any prior deviation from the trend was related to COVID-19.

Greater Tompkins County Municipal Health Ins. Consortium

2021 Expense Distribution

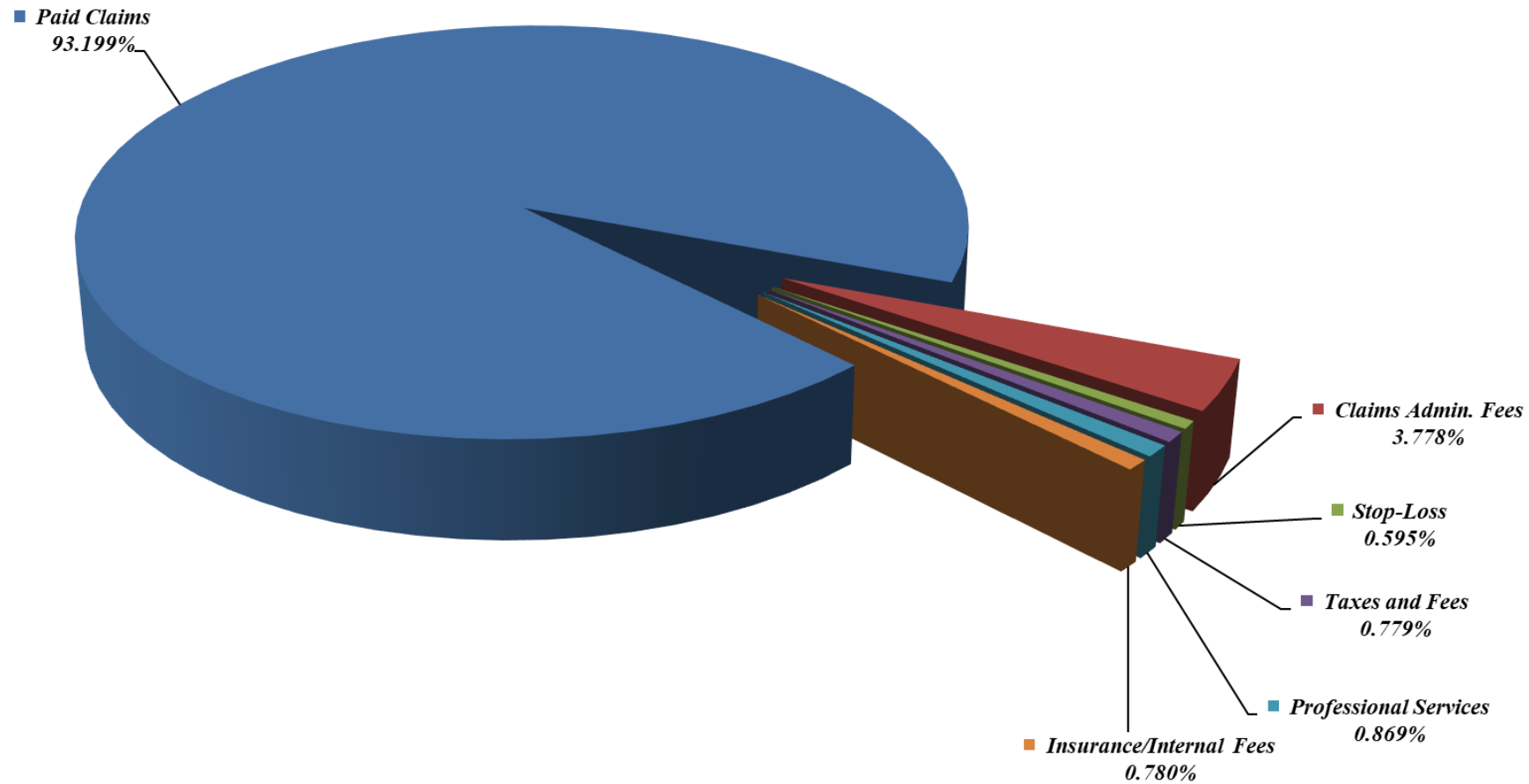
January 1, 2021 to January 31, 2021



Greater Tompkins County Municipal Health Ins. Consortium

2021 Expense Distribution

January 1, 2021 to January 31, 2021



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

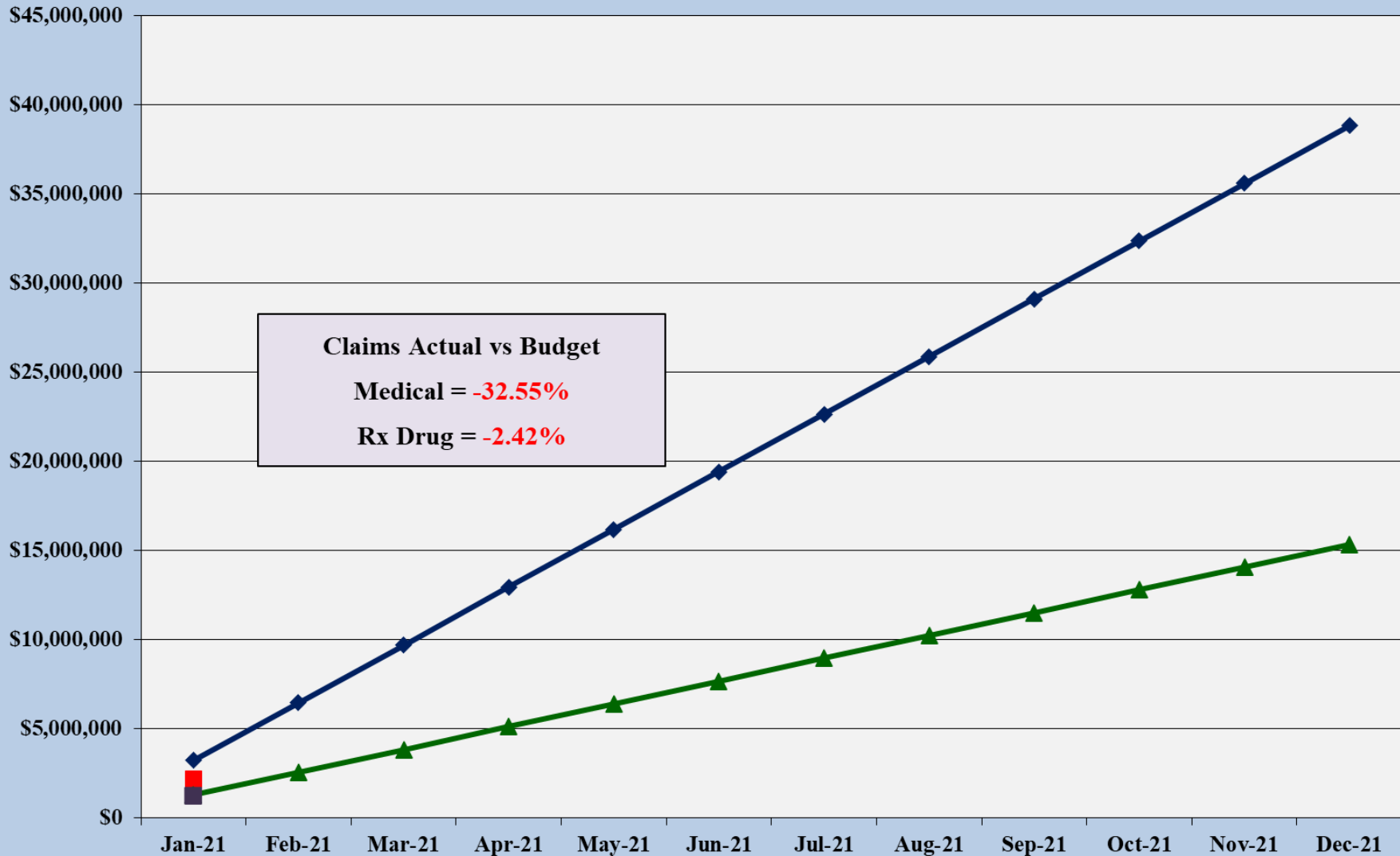


Section 3

2021 Fiscal Year-to-Date
Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

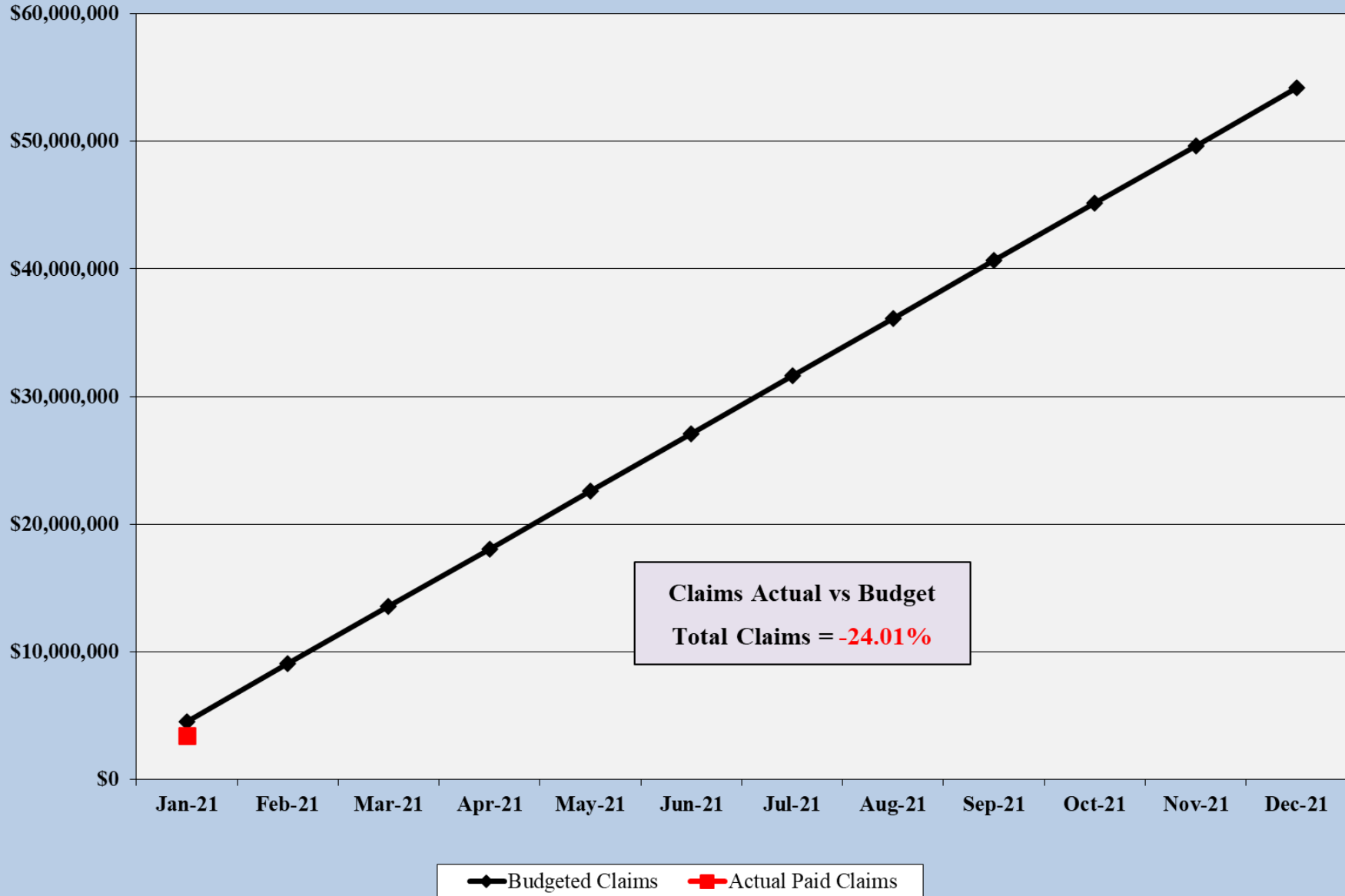
2021 Cumulative Paid Claims and Budgeted Claims by Month



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

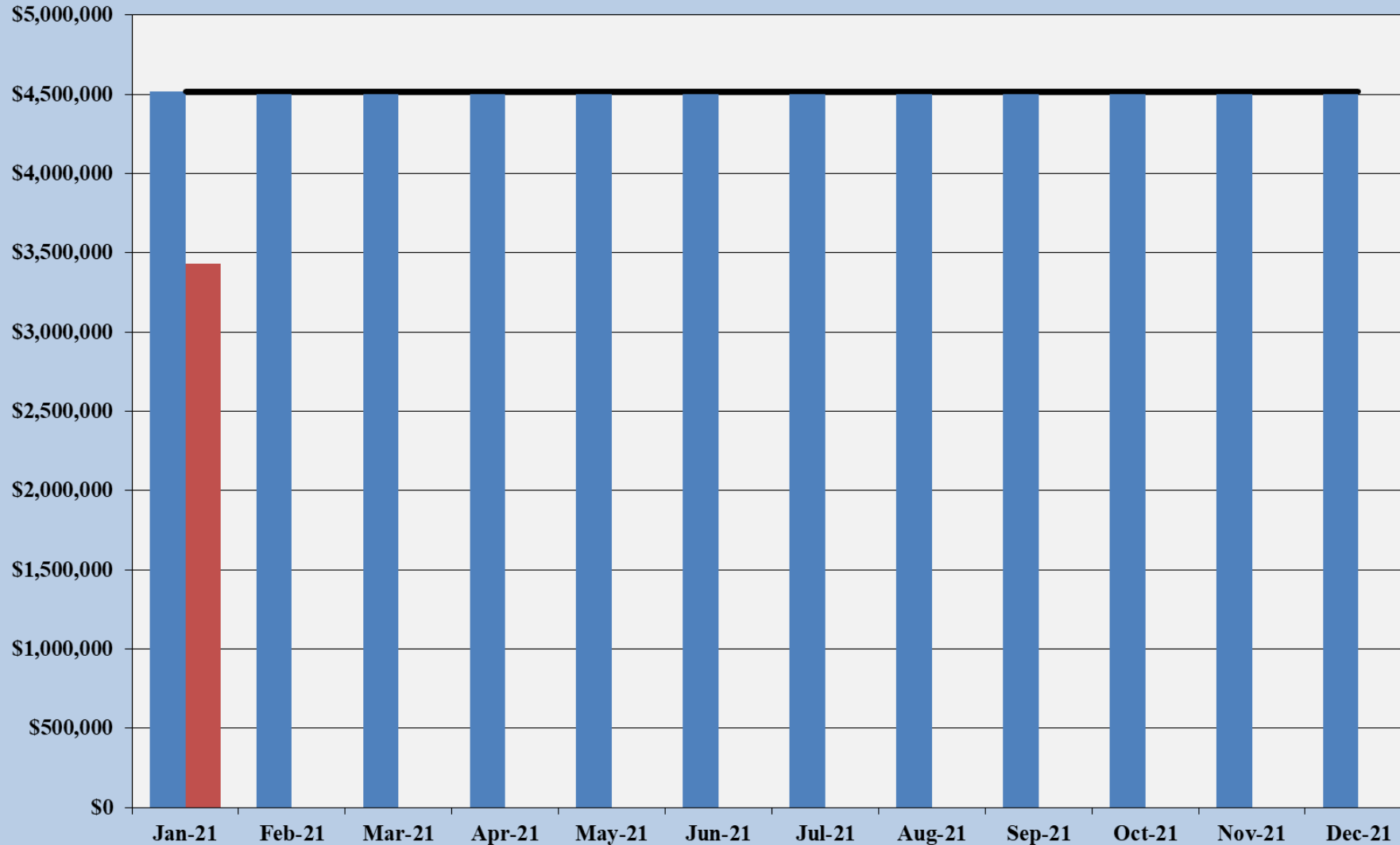
Greater Tompkins County Municipal Health Insurance Consortium

2021 Cumulative Paid Claims and Budgeted Claims by Month



Greater Tompkins County Municipal Health Insurance Consortium

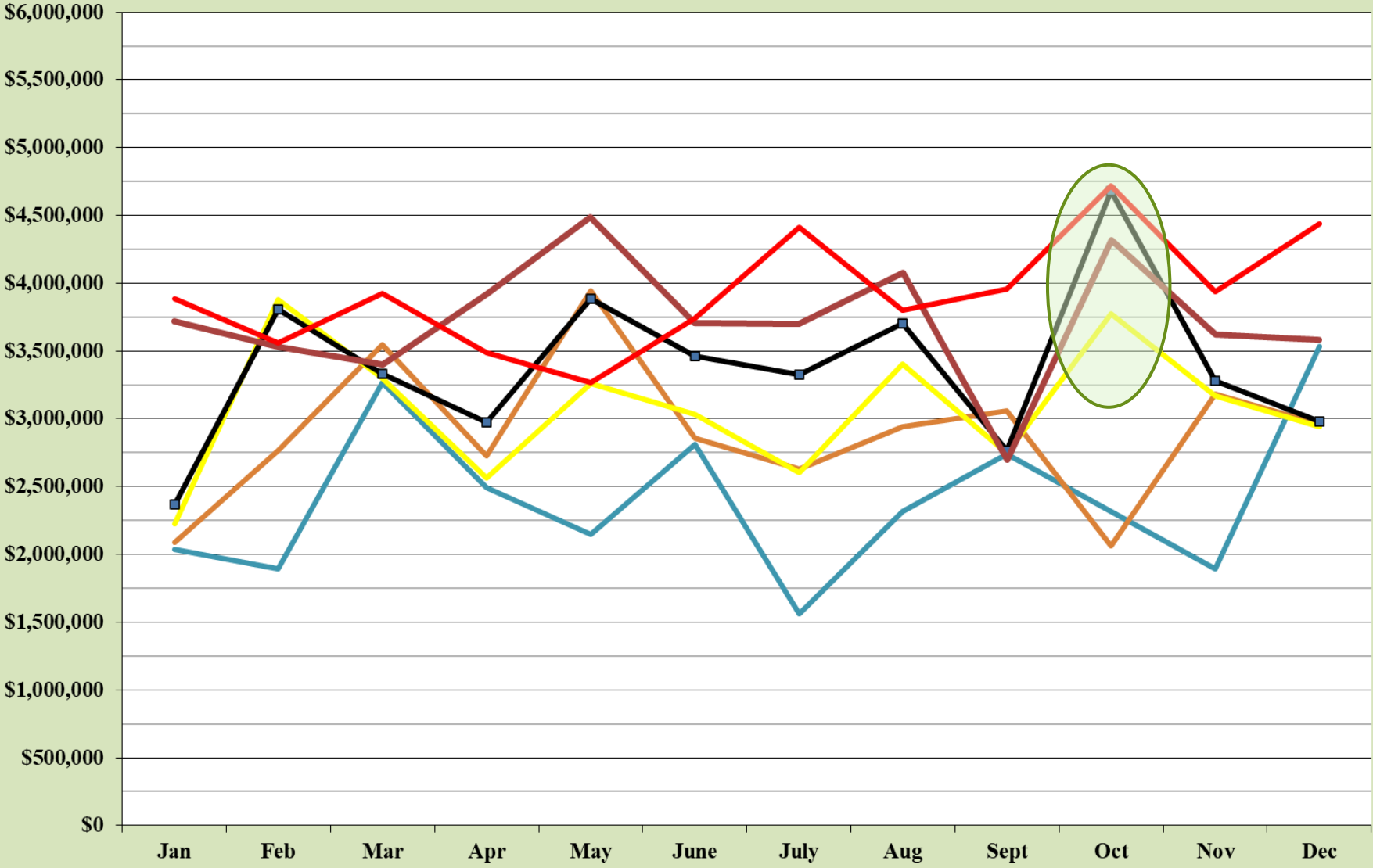
2021 Budgeted vs Actual Paid Claims by Month



Legend: Budgeted Claims (blue bar), Actual Paid Claims (red bar), Linear (Budgeted Claims) (black line)

Greater Tompkins County Municipal Health Ins Consortium

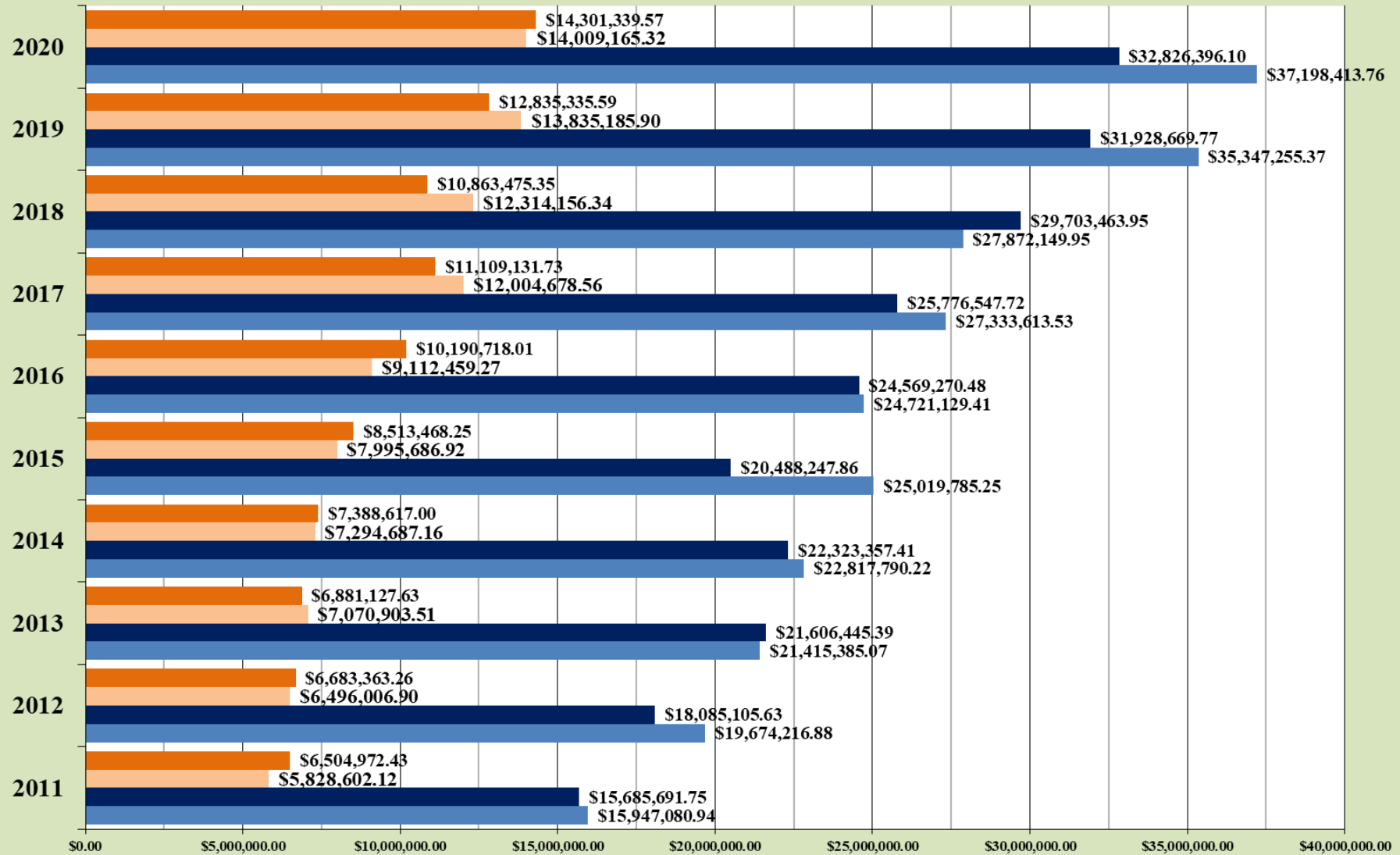
2015-2020 Monthly Paid Claims by Fiscal Year



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

Greater Tompkins County Municipal Health Ins Consortium

2011-2020 (as of 12/31/2020) Annual Paid Claims v Budgeted Claims

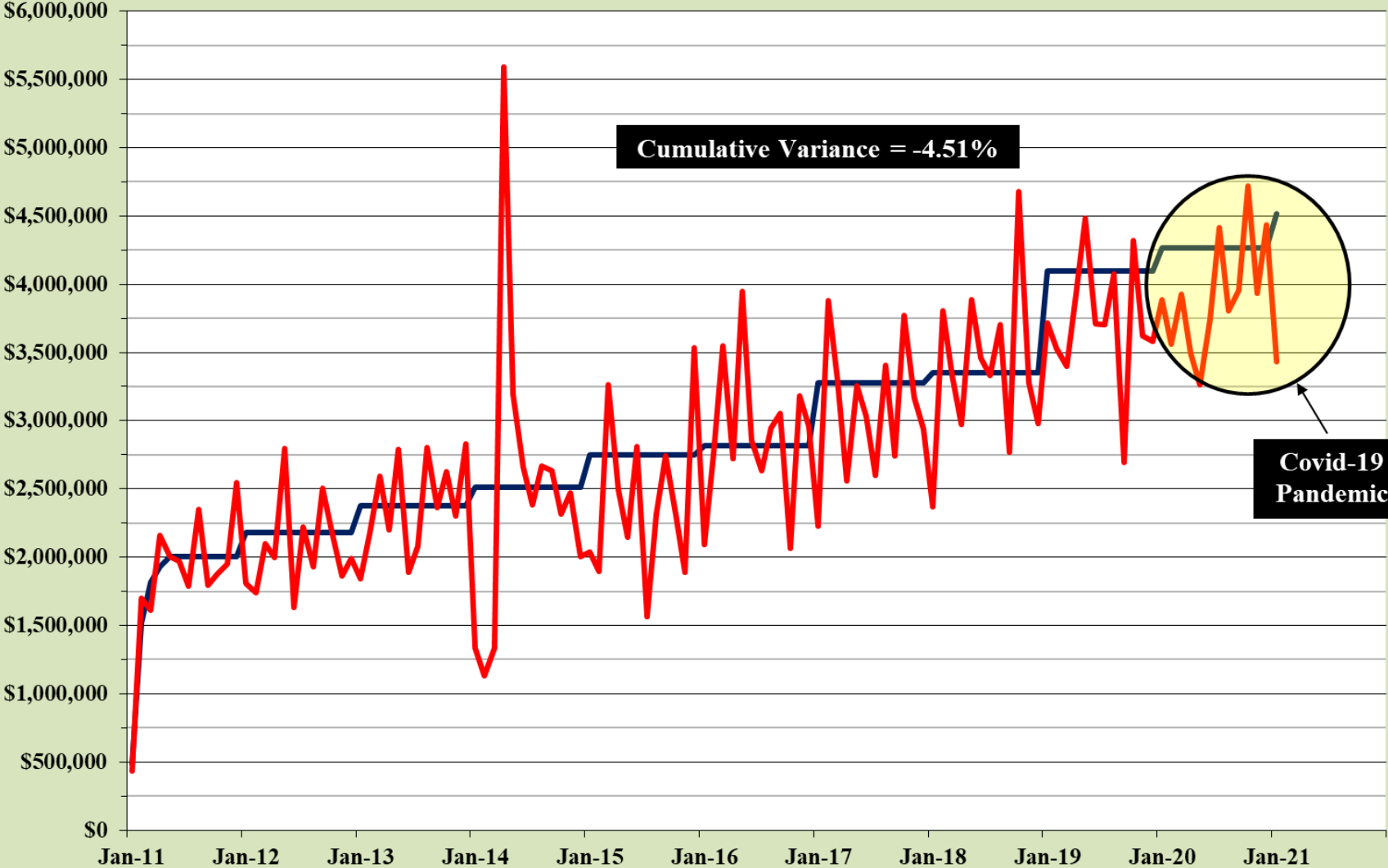


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2021 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to January 31, 2021

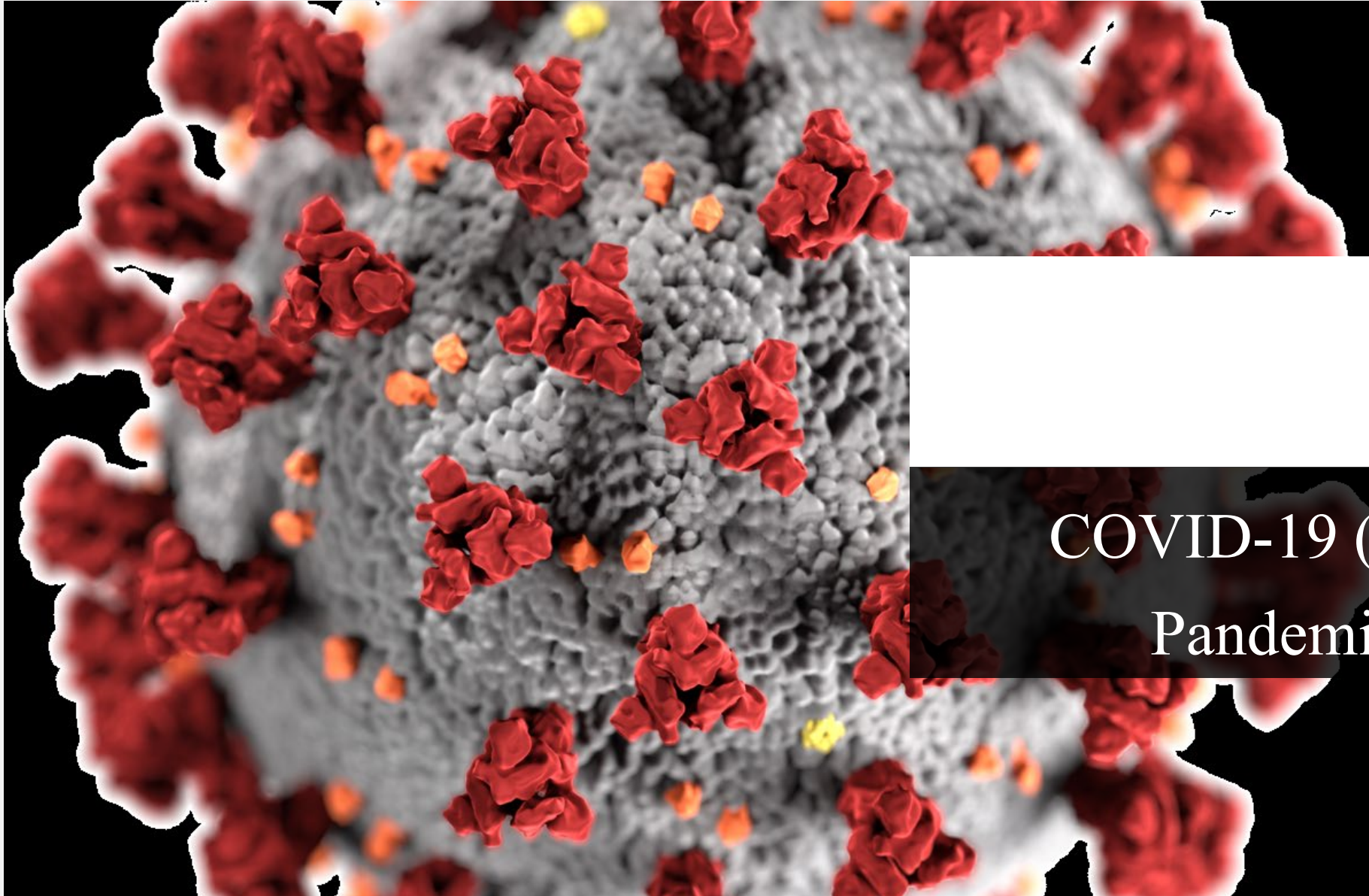


— Budgeted Claims — Actual Paid Claims

Greater Tompkins County Municipal Health Insurance Consortium

Lage Loss and Catastrophic Claims History (as of January 31, 2021)

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	59	17	5	3	1	\$10,244,118.02	\$0.00	\$264,390.72
2021	\$1,000,000.00	6,354	0	0	0	0	0	\$0.00	\$0.00	\$21,984.90
Totals	\$5,575,000.00	58,199	305	81	24	15	8	\$54,717,715.30	\$2,619,537.80	\$5,605,872.43
Averages	\$506,818.18	5,291	27.727	7.364	2.182	1.364	0.727	\$4,974,337.75	\$261,953.78	\$593,497.97



Section 4

COVID-19 (coronavirus) Pandemic Impact

2020-2021 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 February 21st
 - a) There have been approximately 1,274,102 tests conducted of people in Tompkins County for the presence of COVID-19 (coronavirus).
 - b) There have been 3,389 Tompkins County residents who have tested positive for coronavirus which is 0.266% of the tested population and approximately 3.29% 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	132,524 Tests Conducted	5,589 Positive Results (4.22%)
b) Cortland	107,161 Tests Conducted	3,078 Positive Results (2.87%)
c) Seneca	45,727 Tests Conducted	1,544 Positive Results (3.38%)
d) Tioga	72,844 Tests Conducted	2,752 Positive Results (3.78%)

2020-2021 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	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	\$2,111,230.35	\$62,345.71	\$1,235,251.26	\$56,696.14	\$3,346,481.61	\$119,041.85
Oct-20	\$2,862,694.70	\$77,831.64	\$1,153,522.01	\$57,915.13	\$4,016,216.71	\$135,746.77
Nov-20	\$2,281,919.11	\$51,901.97	\$1,181,973.81	\$56,654.85	\$3,463,892.92	\$108,556.82
Dec-20	\$2,220,439.60	\$57,836.28	\$1,295,553.58	\$59,278.69	\$3,515,993.18	\$117,114.97
Totals	\$26,919,706.56	\$1,034,775.49	\$13,943,138.60	\$766,424.77	\$40,862,845.16	\$1,801,200.26
	96.30%	3.70%	94.79%	5.21%	95.78%	4.22%

Per Excellus BCBS Reports

Per ProAct, Inc. Reports

Date	Medical Claims		Rx Claims		Combined Paid Claims	
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
Jan-21	\$2,839,595.60	\$98,932.82	\$1,248,569.04	\$83,001.85	\$4,088,164.64	\$181,934.67

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

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

2020 Last 9-Months April to December Medical Claims
\$2,187,388.11

2021 1st month of Medical Claims
\$2,839,595.60

2020-2021 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 \$3.8 million below the budgeted amount for the time period.
3. While October was a relatively high claims month, we show for the past 4-years October was above budget each year and this year October was a 5-weekly payment month for medical claims.
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.

2020-2021 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) During the 2020 Fiscal Year, the Consortium paid for 11,871 telehealth visits for 6,282 covered members at a total cost of \$1,185,518.42.
 - 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 January 2021, the number of covered members registered for the telemedicine program climbed to 155. It is clear to us from these numbers that most enrollees are more comfortable using this type of technology with their own personal physician as opposed to enrolling in a service offered by an insurance carrier.



Section 5

2020 Fiscal Year-End
Net Income, Liabilities, and Reserves

2020 Net Income, Liabilities & Reserves

	2020 <i>Adopted Budget</i>	2020 <i>Revised Budget</i>	2020 <i>Year-to-Date</i>	2020 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Total Income	\$54,597,647.62	\$54,597,647.62	\$54,597,647.62	\$50,548,679.12	-\$4,048,968.50	-7.42%
Total Expenses	\$54,921,219.12	\$54,938,349.65	\$54,938,349.65	\$50,202,771.33	-\$4,735,578.32	-8.62%
Net Income	-\$323,571.50	-\$340,702.03	-\$340,702.03	\$345,907.79	\$686,609.82	

Ending Balance	\$31,409,025.35	\$31,391,894.82	\$31,391,894.82	\$32,078,504.64	\$686,609.82	2.19%
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Liabilities and Reserves						
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
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$761,400.00	\$761,400.00	\$761,400.00	
Total Liabilities and Reserves		\$17,884,167.36	\$17,884,167.36	\$17,884,167.36	\$17,884,167.36	

Unencumbered Fund Balance	\$13,524,857.99	\$13,507,727.46	\$13,507,727.46	\$14,194,337.28
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* Premium Holiday Issued in December 2020

Prior to the “premium holiday”, the 2020 Fiscal Year Net Income was substantially above the projected budget for the year. This resulted in the net cash assets (unencumbered fund balance) being well above the targeted level as set by the Consortium’s Audit & Finance Committee. 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. Even with the “premium holiday”, the Consortium still finished the year with an Unencumbered Fund Balance which exceeded the budget projections.

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 will show below budget for the fiscal year due to the premium holiday. As a result, the Consortium may be required to calculate this reserve based on the full expected premium for the fiscal period which means this reserve level may be slightly higher at the end of the year than the projected amount.

Liabilities and Reserves - Defined

CATASTROPHIC CLAIMS RESERVE

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

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

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



Section 5

2021 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					

2021 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is a little below budget as of January 31, 2021. We believe that as the Consortium moves through the year, the result will be closer to the overall budget. This result will be achieved mostly as a result of the enhanced pharmaceutical manufacturer rebates being received from ProAct, Inc. Unfortunately, even with the increased management of the cash assets by the Consortium's Financial Team which includes the assistance from Wilmington Trust, the pandemic will cause the interest income to be well below the results seen in prior years.
2. The combined **Medical and Rx Paid Claims were 24.01% below budget** through the first month of the 2021 Fiscal Year. This result was achieved in large part due to a decrease in minor and/or elective medical procedures due to the recent pandemic. We are keeping a close eye on the paid claims and we are cautiously optimistic that the Consortium will finish the year near or below budget. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met. In addition, we do anticipate some modest compression in medical claims costs as covered members have procedure performed which had been delayed due to the pandemic.

2021 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first month of the 2021 Fiscal Year. With only one month “in the books”, the financial indicators are pointing toward another positive fiscal year, resulting in a slight net income which will be used to bolster the Consortium’s Reserves and Fund Balance. In the end, we are hopeful that this positive result will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the Participating Municipalities.
4. Lastly, we want to point out that the fiscal results experienced by the Consortium as of January 31, 2021 clearly support the Board of Director’s decision to increase premium rates by a modest 5% for the 2021 Fiscal Years and put in place the premium holiday for December 2020. Any additional funds set aside from this year after the premium holiday will give the Consortium Board of Directors the opportunity to continue to keep premium increases at a very modest level for the next several fiscal periods. It may also allow for some additional premium relief to assist the Participating Municipalities during what will clearly be a tough financial picture for the next several years.

Greater Tompkins Cty Mun Health Ins Consortium
A/R Aging Summary
As of February 10, 2021

PARTICIPANT NAME	1 - 30
ACCRUAL ADJUSTMENTS	\$0.00
CITY OF CORTLAND	\$420,391.14
CITY OF ITHACA	\$0.00
EXPRESS SCRIPTS INC.	\$0.00
FACULTY STUDENT ASSOC OF TC3	\$21,829.44
HM LIFE INSURANCE CO OF NY	\$0.00
OVERHEAD	\$0.00
PROACT INC REBATES	\$0.00
PROACT, INC	\$0.00
T.C. PUBLIC LIBRARY	\$0.00
TC3 CULINARY	\$4,678.36
TC3 FARMING PROGRAM	\$2,199.42
TC3 Retirees	\$146,481.20
TOMPKINS CORT COMM COLL	\$305,242.20
TOWN OF CUYLER	\$2,499.22
TOWN OF DIX	\$2,739.76
TOWN OF SPENCER	\$7,497.66
VILLAGE OF TRUMANSBURG	\$30,248.70
TOTALS	\$943,807.10

Greater Tompkins County Municipal Health Insurance Consortium

2021 Vendor Payments Detail Report (January)

VENDOR NAME	TYPE	DATE	NUMBER	MEMO	ACCOUIT	CLEAR	SPLIT	AMOUNT
Armory Associates, LLC	Bill	1/29/2021	Inv#1630	Cortland 2020 GASB 75	4000 · Accounts payable		8010 · Actuary expenses	-\$6,100.00
BMI Audit Services, LLC	Bill	1/6/2021	INV-5978	Inv-5978	4000 · Accounts payable		8020 · Audit fees (Financial)	-\$16,600.00
	Bill Pmt -Check	1/11/2021	2397	Inv-5978	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$16,600.00
Bonadio & Co., LLP								
CanaRx Group, Inc.	Bill	1/15/2021	Inv#27288	1/1-1/15/2021 Inv#27288	4000 · Accounts payable		8121 · Rx Claims-CanaRX	-\$8,344.30
	Bill Pmt -Check	1/19/2021	2401		1000 · Tompkins Trust Co. - checking		4000 · Accounts payable	-\$13,039.90
	Bill	1/31/2021	Inv#27410	1/16-1/31/21	4000 · Accounts payable		8121 · Rx Claims-CanaRX	-\$2,425.10
Catalog and Commerce Solutions, LLC	Bill	1/1/2021	Inv# 2212	Website Management	4000 · Accounts payable		9060 · Other expense	-\$600.00
	Bill Pmt -Check	1/4/2021	2396	Website Management	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$600.00
CHASE	Bill	1/19/2021	January 2021	January 2021 Credit Card	4000 · Accounts payable		-SPLIT-	-\$1,375.63
	Bill Pmt -Check	1/19/2021	2402	January 2021 Credit Card	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$1,375.63
Don Barber	Bill Pmt -Check	1/4/2021	2394	December 2020	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$725.00
	Bill	1/31/2021	January 2021	January 2021	4000 · Accounts payable		8055 · Consultant Fees (Barber&Others) (Executive Director F	-\$1,050.00
Excellus Health Plan - Claims	Bill	1/19/2021	January		4000 · Accounts payable		-SPLIT-	-\$145,429.15
	Bill Pmt -Check	1/19/2021	2403		1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$145,429.15
Excellus Health Plan - Claims	Bill	1/7/2021	01072021	12/30-01/05	4005 · Claims Payables		-SPLIT-	-\$566,791.68
	Bill Pmt -Check	1/7/2021	A787118	12/30-01/05	1000 · Tompkins Trust Co. - checking	*	4005 · Claims Payables	-\$566,791.68
	Bill	1/14/2021	01142021	01/06-01/12	4005 · Claims Payables		-SPLIT-	-\$511,506.16
	Bill Pmt -Check	1/14/2021	A806368/	01/06-01/12	1000 · Tompkins Trust Co. - checking	*	4005 · Claims Payables	-\$511,506.16
	Bill	1/21/2021	01212021	1/13-1/19/2021	4005 · Claims Payables		-SPLIT-	-\$561,935.24
	Bill Pmt -Check	1/21/2021	A817010	1/13-1/19/2021	1000 · Tompkins Trust Co. - checking	*	4005 · Claims Payables	-\$561,935.24
	Bill Pmt -Check	1/21/2021	A817010/a	Covered Lives December	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$27,154.29
	Bill	1/28/2021	01282021	1/20-1/26/2021	4005 · Claims Payables		-SPLIT-	-\$542,875.16
	Bill Pmt -Check	1/28/2021	A831474	1/20-1/26/2021	1000 · Tompkins Trust Co. - checking	*	4005 · Claims Payables	-\$542,875.16
	Bill	1/31/2021	01312021-CL	January Covered Lives	4000 · Accounts payable		8091 · Covered Lives Expense (GME Tax) (Covered Lives (GM	-\$28,762.98
Hancock Estabrook, LLP								

Greater Tompkins County Municipal Health Insurance Consortium

2021 Vendor Payments Detail Report (January)

VENDOR NAME	TYPE	DATE	NUMBER	MEMO	ACCOUT	CLEAR	SPLIT	AMOUNT
Haylor, Freyer & Coon, Inc.	Bill	1/1/2021	Inv#769788	Directors and Officers Ins	4000 · Accounts payable		-SPLIT-	-\$31,400.00
	Bill	1/1/2021	Inv#769790	Professional Liability	4000 · Accounts payable		-SPLIT-	-\$19,188.03
	Bill Pmt -Check	1/11/2021	2398		1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$50,588.03
INSERO & Co.								
Locey & Cahill, LLC	Bill	1/6/2021	Inv#17052	January 2021	4000 · Accounts payable		8030 · Consulting fees (L&C)	-\$7,415.00
	Bill Pmt -Check	1/11/2021	2399	January 2021	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$7,415.00
ProAct, Inc.	Bill Pmt -Check	1/7/2021	A787153	12/16/20-12/31/20	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$554,942.35
	Bill	1/15/2021	01152021-GTC	0101-0115	4000 · Accounts payable		-SPLIT-	-\$625,689.95
Tompkins County Board of Representatives								
Tompkins County Dept of Finance	Bill	1/31/2021	1312021	January 2021	4000 · Accounts payable		8041 · Compensation - Tompkins cty. (Finance Support)	-\$5,893.97
Town of Ithaca, NY	Bill	1/4/2021	Jan 2021 Rent	January 2021 Rent	4000 · Accounts payable		8152 · Lease Expense/Parking	-\$400.00
	Bill Pmt -Check	1/4/2021	2395	January 2021 Rent	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$400.00
	Bill	1/18/2021	2021-01	January 2021	4000 · Accounts payable		-SPLIT-	-\$16,735.26
	Bill Pmt -Check	1/19/2021	2404		1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$36,034.84
Wilmington Trust	Bill Pmt -Check	1/11/2021	2400	20201031-87321-B	1000 · Tompkins Trust Co. - checking	*	4000 · Accounts payable	-\$3,568.11
	Bill	1/31/2021	20210131-87321-A		4000 · Accounts payable		9055 · INVESTMENT MANAGEMENT SERVICES	-\$513.59
								-\$6,141,498.15