



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."

Executive Committee Agenda

September 1, 2021 - 3:30 p.m.

Ithaca Town Hall/Zoom

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of Minutes: July 7, 2021
- 4) Chair's Report (3:35) J. Drake
 - a. Motion: Appointment to Audit and Finance Committee (Amanda Anderson)
 - b. Strategic Planning Discussion
 1. Discussion: Establishing Strategic Planning Subcommittee and Securing a Facilitator
 2. Resolution: Urging New York State to Issue an Executive Order Allowing Remote Attendance at Public Meetings and to Consider Amending Public Officers Law §103(c)
- 5) Executive Director's Report (3:45) E. Dowd
 - a. Executive Director Report
 - b. Update on Executive Director Goals and Objectives
 - c. DFS Update: Certificate of Authority and New Member Process
 - d. Review Suspension of Owning Your Own Health Committee
- 6) Committee Reports/Resolutions: (4:00)
 - a. Operations Committee L. Holmes
E. Dowd
 1. PBM RFP Update
 - a. Resolution: Establishing Operations RFP Review Subcommittee
 - b. Resolution: Authorization to Enter into a Contract with ____ for Prescription Benefit Management Services – 2022
 - c. Resolution: Approval of Business Continuity Plan
 - b. Joint Committee on Plan Structure and Design J. Bower
 - c. Nominations and Engagement Committee E. Fairbrother
 - a. Resolution: 2022 Committee Structure
 - b. Resolution: Adoption of Policy Establishing Term Limits for Officers and Standing Committee Members
 - d. Claims and Appeals Committee B. Shattuck
 - a. Resolution: Acceptance of 2018 and 2019 Medical Claims Audit Report
 - b. Resolution: Authorizing Contract for Prescription Drug Claims Audit with BMI – 2019 and 2020 Claims
 - e. Audit and Finance Committee M. Cook
 - c. Resolution: Adoption of Budget, Premium Rates, and Reserve Amounts for 2022
- 7) Financial Update (5:00) S. Locey/T. Apalovich
- 8) Future Agenda Topics:
- 9) Adjournment (5:15)

Next Meetings: November 3, 2021; December 15, 2021

**Executive Committee
Minutes – DRAFT
July 7, 2021 – 3:30 p.m.
Via Zoom**

Present: Judy Drake, Jim Bower, Lisa Holmes (arrived at 4:00 p.m.), Gary Mutchler, Bud Shattuck, Mack Cook
Remote: Ed Fairbrother, Rordan Hart, Chris Wagner
Absent: Peter Salton
Excused: Steve Thayer
Guests: Steve Locey, Rob Spenard, Locey & Cahill; Don Barber, Consultant; Rick Snyder, Treasurer; Ruby Pulliam, Tompkins County Commissioner of Human Resources
Staff: Elin Dowd, Executive Director; Michelle Cocco, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues

Call to Order

Ms. Drake, Chair, called the meeting to order at 3:31 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of May 5, 2021

It was MOVED by Mr. Mutchler, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present, to approve the minutes of May 5, 2021 as submitted. MINUTES APPROVED.

Chair's Report

Ms. Drake said there has been discussion by several committees relating to strategic planning and asked members to provide input on what they would like to accomplish through a strategic planning process.

Mr. Mutchler spoke of rules the Consortium is required to follow and said he would like to know how much business the Consortium can do remotely using Zoom. He also questioned how the Consortium will involve participants from its expanded territory once the Department of Financial Services approves the Certificate of Authority. He recognized the Consortium's technical abilities and questioned how those resources can be used to advance further opportunities to attend meetings remotely. Mr. Mutchler spoke of the complexity of Medicare and said he would also like to look at what Medicare plan options will be in the future.

Ms. Drake noted the Consortium has a mission and vision statement that was developed during the early stages of the Consortium. It is now the time to talk about moving each of the elements forward and making sure good direction is given to the organization.

Mr. Cook said he would like to look at managing the Consortium's growth and risk associated with growth.

Mr. Hart said something that continues to be raised is how to include certain municipalities if the Consortium begins to expand beyond the counties contiguous to Tompkins County. If a determination is made that will be allowed to happen, he thinks the Consortium should predetermine a criteria in order to avoid taking on adverse medical risk. He recommended developing criteria

before the Consortium is faced with making a decision. A second area that is important to him is continuity of operations. He spoke of the difficulty in getting people to be involved but feels this is extremely important for the Consortium in the long-term.

Mr. Shattuck spoke of the importance in setting up a succession plan. He also stated municipalities get into the Consortium because of cost which is a concern of the heads of municipalities. Employees of a municipality only care about the health insurance and it is hard for many of the municipalities to keep both those who are receiving health insurance and paying the bills involved. He said at one time someone went out to meet with municipalities to talk about health plans and discussed plans for being proactive in keeping members healthy; this is something the Consortium may have to get back to doing.

Mr. Barber suggested that as the Consortium builds its staff there be discussion of other areas staff could branch out to as a part of strategic planning. He suggested there also be discussion of the Consortium's governance structure and the role of the Board of Directors going forward.

Ms. Drake asked who should be involved in moving the strategic planning process forward. There was consensus that discussion start with a subcommittee to bring back recommendations to the Executive Committee that could be refined and presented to the full Board. Ms. Drake suggested and members agreed to begin this effort later in the year after the budget process is complete and to include a facilitator to keep the process in order and to ensure that everyone has the opportunity to present ideas.

At this time Ms. Drake initiated a poll of members and asked what they feel the Consortium does well. Responses included:

- The Consortium does a great job providing health care to members;
- Provides great service to members;
- Does a great job with financial planning including risk management and funding the correct reserves well;
- Expansion of governance has worked well;
- Good at transparency; and
- Flexibility with legal requirements related to pandemic and Open Meetings Law that the Consortium is required to abide by

Executive Director Report

Ms. Dowd introduced Kylie Rodrigues, Benefits Specialist, who has experience with Medicare and will be able to provide greater service to members and help members navigate the Medicare system. Ms. Apalovich has taken on additional duties including putting out a timeline for the quarterly Jurat process; she has also taken leadership on other work and has alleviated the Tompkins County Finance Department of some of the work previously done by that Department.

RESOLUTION NO. 005 - 2021 – RATIFICATION OF PROVISIONAL APPOINTMENT OF BENEFITS SPECIALIST – KYLIE RODRIGUES

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

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) created the Benefits Specialist position by Resolution No. 035 on December 17, 2020, and

WHEREAS, the Selection Committee has determined that Kylie Rodrigues possesses the necessary knowledge and skills to satisfactorily perform the duties of the Benefits Specialist position, and

WHEREAS, Kylie Rodrigues has been provisionally appointed by the GTCMHIC's Executive Director based on a full-time schedule of 37.5 hours per week, at the hourly rate of \$28.00 effective June 28, 2021 with full-time benefits, now therefore be it

RESOLVED, That the Executive Committee hereby ratifies the Executive Director's provisional appointment of Kylie Rodrigues as Benefits Specialist, effective June 28, 2021, pending results of the Civil Service exam for said position.

* * * * *

Ms. Dowd reported the survey that was conducted on behalf of the Nominations and Engagement Committee and said items were suggested for inclusion on the August Board meeting agenda (that will be an educational meeting). Those items include providing more information about plans the Consortium offers as well as the budget process. In addition, she will be working with Locey and Cahill to present more information about Medicare-eligible plans.

Ms. Dowd called attention to items on her goals and objectives and reported she has been introduced to the Deputy Director of the Health Department for the Department of Financial Services (DFS). Upon having a conversation with the Deputy Director, Ms. Dowd was informed that the Consortium's request for an updated Certificate of Authority is being expedited and she expects to have a response soon. Ms. Dowd said she is hopeful that the Consortium has started a new and positive relationship with DFS and expressed appreciation to former Senator Jim Seward for assisting with this. Ms. Dowd reported on prospective Consortium members and said three municipalities from areas outside the current territory have contacted the Consortium.

Ms. Holmes arrived at this time and introduced Ruby Pulliam, who was recently appointed an Alternate Director for Tompkins County.

Ms. Dowd reported the Operations Committee has been working on the responses to the Request for Proposals for the Prescription Benefits Manager. Paul Pelton from Locey and Cahill produced a rubric that compiled information from the eight responses. Areas that were looked at initially included compatibility in the network, customer services availability, discount levels, rebate programs, how the proposal was put together, whether there was a three-year guarantee, and other areas. Following that review, the number of candidates was brought down to four companies that have been asked to provide additional information. The next meeting will be held on July 15th; the target date for a new contract is January 1, 2022. Ms. Dowd said she just received a quote from BMI for prescription drug claims auditing.

During the second part of the year Ms. Dowd will be working with Locey and Cahill to assist in looking at the response to Covid-19 and how claims are developing in the second half of the year in comparison to past experience.

Presentation of Preliminary 2022 Budget

Ms. Dowd and Ms. Apalovich presented a spreadsheet of the 2022 Budget. Claims are still tracking at the 5% and 7.5% levels with an average overall claims experience of 6%. Ms. Dowd reviewed budget lines and noted numbers will continue to change as the year progresses; however, at this time the premium rate increase is in the range of 5%. She noted that the Excellus rate increase that was recently released was at 8.2%. The budget uses net income as a way to draw down the

unencumbered fund balance to the 21% goal level but continues to build the Rate Stabilization and Catastrophic Claims Reserves.

Mr. Locey said for 2021 they had tried to calculate what claims would have been if the pandemic had not occurred and then trend off that. The June claims information was just received, and claims continue to trend below budget; however, it has been reported that utilization is starting to increase. He agrees with the preliminary budget and proposed rate increase in premium of 5% at this time, noting that paid claims could be adjusted downward once additional data is received.

Ms. Drake questioned the trend of 7.5% for prescription drug claims and asked if that should be adjusted slightly upward. Mr. Locey said the trend on the drug side has been consistent through the pandemic and they feel comfortable with the proposed level.

Report from the Operations Committee

Ms. Holmes, Chair, said as Ms. Dowd reported, the Committee has been working on evaluating the responses to the RFP for Pharmacy Benefits Manager. The Committee will continue that process at its next meeting on July 15th.

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported in addition to the work being done on wellness initiatives, there have been outreach efforts to increase labor participation and to fill vacant seats on the Board of Directors. He has been talking with people to try to get people to step into a different role and has had conversations with CSEA to stress the importance of labor participation. He said the Committee has had great conversations about wellness and the rollout of another competition.

Report from the Nominations and Engagement Committee

Mr. Fairbrother, Chair, reported the Committee reviewed the Board Survey and compliance with the Open Meetings Law. There was a fair amount of time discussing term limits and members with terms expiring at the end of the year; a complete slate will be reviewed at the next meeting. Ms. Dowd reported all current officers have expressed a willingness to continue to be involved.

Report from the Claims and Appeals Committee

Mr. Shattuck, Chair, reported the Committee will meet on July 20th.

Report from the Audit and Finance Committee

Mr. Cook, Chair, reported the Committee, he, and Mr. Barber have been working on the Health Care Reform Act Tax (HCRA) and requested Mr. Barber provide an update. Mr. Barber explained all of the municipalities within the Consortium are receiving an impact on property taxes because sales tax revenue has been held back by the State to fund a Distressed Provider Assistance Account in the amount of \$50 million for two years. They are currently trying to gather the amount of sales tax that is being withheld from municipalities but estimates that amount being in the range of \$500,000 to \$600,000 annually. The impact is that property tax has to be raised to cover this. He said when this was initially questioned of the Assembly representative to Tompkins County, the Consortium was told it was the result of Covid-19; however, it was included in the State budget prior to the pandemic. Mr. Barber said he and Mr. Cook will be working with State Legislators and retired Senator Jim Seward to understand the impact and in trying to undo this tax for the Consortium.



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."

RESOLUTION NO. - 2021 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2022

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have given great consideration to the Consortium's 2022 budget and premium rates, and

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

WHEREAS, the 2022 budget reflects the proposed guidelines and the notable items included in the proposed budget are the following:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000; and
- Increase Premium Revenue by 5.0% in 2022

now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2022 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

* * * * *

Mr. Locey said the HCRA tax equates to two percent of the Consortium's overall premium budget. Mr. Cook said the private sector is subject to this tax as well; however, unlike the private sector, municipalities are paying through an intercept off the sales tax which means public sectors in New York are being double-taxed.

Mr. Cook said a second area being looked at is the long-term impact of Covid as it did impact premiums for 2020 that will carry over into future years. They are looking at bringing into the discussion as to whether this is a reimbursable expense through the American Rescue Act.

Mr. Cook said the future role of the Committee is changing as the Consortium has onboarded the skill set that has traditionally been municipalities' contribution to the Consortium. He suggested the Committee has to do some strategic planning in this area as well.

Financial Update

Mr. Locey presented a financial report through May 31st and reported premium income is 2% below budget which is largely due to the movement of members to different plans from higher cost plans and Medicare-age retirees moving to the Medicare Supplement Plan. With regard to expenses and the budget versus actual claims, there continues to be better-than-expected results with the Consortium being \$600,000 below budget in overall medical claims; net income is \$250,000 over the expected level (a loss of \$600,000 was expected). Prescription drug claims are on budget. In summary, total claims are below budget by 2.4% at this point. Mr. Locey reported to date there have been no large losses and there are no issues at this time with late payments.

Mr. Locey will be providing information relative to trending and will begin modeling for 2022 and outlying years once June information is received. He suggested members keep in mind that any new people coming in should be reminded that while the Consortium may have an increase next year, everyone received a full month of premium thru the premium holiday. He also spoke of risk variance and said strategic planning from a regional perspective will be important, including how the Consortium grows and rates different areas. This includes charging a fair rate for risk and making any necessary adjustments. It will also be important as there are big shifts in the movement to plans to make sure rates are fair and commensurate with risk. Mr. Locey said the Consortium is in a strong financial position and believes it is well-positioned to handle additional growth.

Next Meeting Agenda

The following items will be included on the next agenda:

- Strategic Planning – establishing subcommittee, meeting dates, and facilitator
- Premium Payment Policy

Adjournment

The meeting adjourned at 4:45 p.m.



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."

Resolution No. – 2021 - Urging New York State to Issue an Executive Order Allowing for Remote Attendance at Public Meetings and to Suspend and Consider Amending New York Public Officers Law (Open Meetings Law)

WHEREAS, on March 12, 2020, in an effort to contain the spread of the novel coronavirus, otherwise known as COVID-19, New York Governor Andrew M. Cuomo issued Executive Order 202.1 which suspended portions of Article 7 of the New York Public Officers Law "to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in-person access to meetings and authorizing such meetings to be held remotely by videoconference, provided that the public has the ability to view or listen to such proceedings and that such meetings are recorded and later transcribed," and

WHEREAS, Governor Cuomo successively extended such suspension by Executive Orders on a monthly basis through June 25, 2021, and

WHEREAS, on June 24th, 2021, by Executive Order 210, Governor Cuomo rescinded Executive Orders 202 through 202.111, including Executive Order 202.1, effective June 25, 2021, the Governor concluding that "the State of New York [has] successfully flattened the curve of COVID-19 cases in New York," and, therefore, the Executive Orders were "no longer necessary," and

WHEREAS, the Governor's rescission of Executive Order 202.1 now requires that public meetings convene in-person at a central location and allow public attendance there and at any locations from which members of the public body attend remotely by videoconference, and

WHEREAS, since the issuance of Executive Order 210, the increased prevalence of the Delta Variant of COVID-19 has caused a resurgence of coronavirus cases throughout the United States, New York State and Tompkins County, prompting local governments to reinstate public health advisories that call for the indoor masking of individuals, whether vaccinated or not, and recommend limitations on the size of indoor gatherings, including municipal meetings, and

WHEREAS, it is important that public officials, each with their individual family and health circumstances, be able to attend public meetings in a manner that allows them to maintain a level of safety that they feel is appropriate for them, and

WHEREAS, no legislative remedy to this problem of in-person public meetings mandated by OML during a global pandemic through amendment of Article 7 of the New York Public Officers Law is likely to occur before January 2022, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Greater Tompkins County Municipal Health Insurance Consortiums respectfully requests that the Governor of the State of New York immediately re-impose through Executive Order those portions of previous Executive Order 202.1 that suspended portions of Article 7 of the New York Public Officers Law, commonly referred to as the "Open Meetings Law," so as to permit municipal governing boards and

Resolution No. – 2021 - Urging New York State to Issue an Executive Order Allowing for Remote Attendance at Public Meetings and to Consider Amending New York Public Officers Law (Open Meetings Law)

other, similar municipal bodies, to conduct public meetings remotely in a manner similar to, and with like restrictions, as Executive Order 202.1 permitted, and that such suspension continue until such time as the coronavirus pandemic has passed or legislative remedies have been made to Open Meetings Law,

RESOLVED, further, That the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium, also requests the New York State Legislature amend Public Officers Law §103(c) to strike the requirement of public in-person access to every site where a member of a public body may participate in a remote meeting, so long as the public has the opportunity to attend the meeting either remotely or at a predetermined, public location where members are present in-person,

RESOLVED, that a copy of this Resolution shall be sent to The Honorable Kathy C. Hochul, Lieutenant Governor and New York Governor-Designate, the Honorable Pamela Helming, New York State Senator, Dr. Anna R. Kelles, New York State Assemblymember, and the Association of Towns of New York State.

* * * * *

Executive Director Report August 2021

Executive Director Update

At last, we have a full team working for the Consortium with four of us on Board to help serve this wonderful organization. Our most recent staff member is Kylie Rodrigues. Kylie is our new Benefits Specialist and will be spending her time working with Benefit Clerks to help with their Consortium needs, especially problem resolution. In addition, Kylie will be building our wellness program and working on how to effectively communicate with our members and subscribers.

I am very excited about the strength of our team. Teri Apalovich is taking on several new responsibilities; she is lessening our reliance on outside resources and has already streamlined the billing system. Michelle Cocco continues to be a trusted and reliable asset. Most recently Michelle is working on understanding how we can serve all our members while respecting a return to traditional open meetings law. I anticipate being able to spend more time on building relationships with our members, working on strategic initiatives and continuing to build my knowledge of plan development and program review.

One problem area that we have been working to resolve has been the improvement of customer service for our subscribers from both ProAct and Excellus. I recently attended two important meetings with both the Excellus and ProAct teams to find solutions to our customer service concerns. I am pleased with the progress we are making with both teams, and I hope to announce some changes for each organization shortly.

Certificate of Authority

The Department of Financial Services has approved our Certificate of Authority to operate in nine new counties. Applications from prospective members are being reviewed now and we expect additional interest once we can communicate our ability to serve these new territories.

Audit and Finance Committee

The first draft of the 2022 Budget was presented at the June meeting to see how a 5% increase would work to fulfill claims needs, fund reserves, and meet our other budget requests. Although our claims data was immature in June with less than half the year reported, Steve Locey continues to monitor our claims situation and provide feedback on our trends relative to our plan and the market. At the conclusion of July, we are still trending closely with budget and the 5% recommendation still seems reasonable.

Distressed Provider Assistance Account (DPAA) and NYS Health Care Reform Act (HCRA) Tax and American Rescue Plan

The following information contains the final report on the research done to see if there is a significant overlap in the HCRA tax created by the Health Care Reform Act of 1996 and the Distressed Provider Assistance Account and a draft letter to our membership relative to premiums paid in 2020 and 2021 that might be reimbursable from the funding provided by the American Rescue Plan.

American Rescue Plan

From January 2020 to the end of July 2021 the Consortium has accumulated a total of \$5.5 million in plan costs related to COVID testing, diagnosis, treatment, and vaccinations. The Audit and Finance Committee has discussed that there is a logical and defensible model regarding reimbursement for increased costs to be made to the State Office of Community Renewal, which will be monitoring how municipalities will be spending American Rescue Plan (ARP) monies. The Consortium has prepared a report to share with our members what their aggregate share of costs related to Covid -19 have been. Members can request this report if applying for reimbursement through the Covid-19 relief funds that were received. The thought process for having the ability to request reimbursement comes from the logic that future premium increases are related to claims experience and the expense for COVID related treatment, diagnosis, and vaccination can be tied to an increase in premium costs. The model to identify this increase in costs related to COVID has been created by Locey and Cahill and is available to any member who would like to see the aggregated cost assigned to each municipality.

The Committee also discussed that it makes sense for municipalities to recoup this money and place it back in their General Fund to use at their digression. Some Committee members are taking this position and advocating for their organization to utilize this logic as reimbursement for premium relief.

At the request of the Committee, we are sharing this information with you. Teri Apalovich, Consortium Finance Manager and Steve Locey, Plan Consultant, are available for any questions you may have regarding this discussion.

A copy of this memo will also be advanced to the Chief Elected Official of each member municipality.

Distressed Provider Assistance Account (DPAA) and NYS Health Care Reform Act (HCRA) Tax

Don Barber and Mack Cook suggested we explore that by paying the combination of both Distressed Provider Assistance Account (DPAA) and NYS Health Care Reform Act (HCRA) tax to be a dual taxation for members of the GTCMHIC. Towards that end, Don Barber was commissioned with exploring this concept and to find ways to help eliminate this burden for our members.

After several months of trying to get a definitive answer on what the DPAA was supporting, Don was able to secure the following definition from Jordan Lesser, Legislative Counsel for Assemblymember Anna Kellis. Jordan Lesser's feedback is as follows:

"After speaking with the Assembly Committee on Insurance, and the Ways and Means Committee, I was able to learn the following about DPAA and Tompkins County Municipal Health Insurance Consortium taxation.

The HCRA tax is used to pay for general fund Medicaid costs year to year, along with Indigent Care and a handful of other things. The \$250 million is a county sales tax intercept that was enacted SFY 2020 and again in SFY 2021 to provide relief to financially distressed hospitals and nursing homes across the State outside of the Medicaid budget. This funding works similarly to the Enhanced Safety Net Hospital and Critical Access Hospital funding in the Medicaid budget that is distributed to financially distressed institutions as identified by the DOH.

The DPAA provides additional general fund relief inside the Medicaid Global cap by supplanting funds. It wasn't a response to COVID, as the pandemic was just in its infancy, and nobody was sure how long or what affect it would have on the State's financial situation. The sites you offer from the Governor's briefing book are separate programs entirely.

With that said, this is more an additional tax rather than a “double tax”. In order for the Medicaid Budget to stay within the statutory framework of the Global Cap in SYF 2020 the Medicaid Redesign Team II (MRT II) proposed and enacted extensive reforms to the Medicaid system to save general fund money and correct the Medicaid deficit. The DPAA was a way for the State to shift funds for distressed providers outside of the Global Cap without cutting support. This was done in part because the county share of Medicaid was capped at 2015 levels, and so the alternative to eliminating that 2015 cap (and making counties pay more) was to introduce an additional tax to support Medicaid general fund relief. For perspective, Tompkins County is saving \$11.8 million in SFY 2021 and \$12.5 million in SFY 2022 because of the 2015 cap. So although they are paying more now to fund the DPAA along with HCRA, they are nowhere near what they would be paying if the 2015 local takeover wasn’t in affect.”

After reviewing the information with our Consultant Don Barber and the Audit and Finance Committee it is of the opinion that having the Consortium make a case for “double taxation” will not hold up with State Legislators as originally planned. Instead, we prepare this memo to assist local government and statewide organizations to pursue this issue further. Don Barber is available to provide background information as necessary for those wishing to advance the cause.

Strategic Planning

As the Consortium looks ahead to starting strategic planning this fall, Mack Cook will be leading the Audit and Finance Committee through discussions. This conversation will center around adjusting the Audit and Finance Committee agenda and its charter relative to having full-time staff and the best use of the Committee’s time and energy going forward.

The Executive Committee will discuss, at their September meeting, commencing a Consortium Strategic Planning dialogue to be facilitated by an outside consultant. Other aspects of the planning process will be shared as we make progress on scheduling the event.

Operations Committee

The Operations Committee has reviewed eight competitive Pharmacy Benefit Manager proposals and has narrowed the candidates down to three based on responses to our initial request. All three candidates have been interviewed by the Committee and a meeting to review the final candidate will take place on August 30th. A recommendation will be put before the Board at the September meeting. Considerations have been given to overall cost of each program and, level of service in several areas including customer service, network, access to care, formulary, and the prior authorization process. If a decision is finalized at the September meeting, we will still be on track to commence a new agreement by January 1, 2022.

Nominations and Engagement Committee

The Nominations and Engagement Committee supported sending out a Board survey and we had about a 60% return rate. The responses gave us the following insight to how to keep Board members engaged:

- We are effectively communicating and sharing information at an appropriate level.
- Board members wish to continue meeting through a hybrid model that involves both in person and on-line meetings.
- The August meeting should focus on overall plan knowledge and budget information.
- The Newsletter is being read and the feedback on content is positive.
- There are new members that are willing to serve on committees and in new roles.

Executive Director Report
August 2021

A recommendation for Committee and Officer term limits will head to the Executive Committee meeting next month and then on to the full Board in September. The Committee has also put a full slate of candidates for Officer and Committee membership together to be voted on in September.

Claims and Appeals Committee

The Claims and Appeals Committee has closed the 2021 pharmacy benefit manager audit and is in the process of commencing the medical claims audit. We will continue utilizing BMI as our auditor. In addition, the Committee is reviewing the claims appeals process and how to best communicate more effectively to our members the steps involved when they need to file an appeal.

The Joint Committee on Plan Structure and Design

There has been much discussion at the Joint Committee on involvement at the Board and Committee level and the 2022 list of Committee membership will show the success Chair Jim Bower has made with getting new labor representatives involved. In addition, regional labor leadership members will also be attending more Consortium meetings in the future.

The Committee has also increased participation in the Wellness program by offering suggestions on what to include as areas of focus for our monthly programs. Earlier in the year both Excellus and ProAct Utilization Reviews were shared at the Committee level and helped lead discussions on valuable programs that will assist in improving our claims levels.

Respectfully submitted by Elin R. Dowd, Executive Director, August 23, 2021.

Executive Director Goals and Objectives	Progress	Date of Completion	Comments
Respond to new momentum to move from traditional Indemnity and PPO Plans to Metal Level Plans			
<ul style="list-style-type: none"> Analyze overall effect on the Consortium and future premiums Review necessary changes to continue rate stabilization goals and objectives Recommend changes through committee process and secure support 			
Effective outreach to labor representatives and state legislators	In progress		Currently working with Senator Seward on crafting a plan on dual tax
<ul style="list-style-type: none"> Work with Board, committees, and consultants to determine message we want to communicate Prepare communication plan and necessary support materials Execute plan with Board and Consultant support 			Working with Anna Kelles office on dual taxation and open meetings
			to invite regional labor representatives to Joint Committee and Board meetings
Prepare for COVID 19 Backlash			
<ul style="list-style-type: none"> Remain aware of any market reactions to health care costs and delivery due to pandemic Review current costs to Consortium Anticipate market changes in planning process React swiftly while maintaining vision of organization 	In progress		Currently reporting COVID data on montly AFC reports and working to determine ARA related data.
			Under review with budget process
			Have not observed any significant movement
Establish infrastructure and supporting practices and processes to sustain growth in membership	In progress		
<ul style="list-style-type: none"> Support new organizational structure to transition from Board of Director to Executive Committee Governance model Continue to keep Board members engaged in Consortium activities Approval of Certificate of Authority in 19 counties Evaluate resources necessary for growth Determine marketing plan and expected growth levels Work with Operations Committee to articulate what an inclusive, diverse, and equitable organization we desire to be and begin executing a plan to meet our goals. 			Work in progress but mometum is gaining with operating under this new s
	Complete		minations and engagement continues to find ways to engage committee members through committee s
			Ongoing process
			Have a press release in draft form
			Exploeing resources to utilize to achieve this goal
Secure New Agreement with Pharmacy Benefit Manager and Maintain CanaRx Relationship	In progress		Bids received, to be reviewed with Operations Committee May 24th.
<ul style="list-style-type: none"> Create RFP Request bids Review and recommend new PBM agreement Determine transition plan, if necessary Execute new contract for 1/1/2022 start date 			Complete
			Complete
			EC to review potential candidates in July
Execute approved staffing plan and transition responsibilities to new positions	Complete and Ongoing		
<ul style="list-style-type: none"> Recruit and hire finance manager and benefit clerk Transition responsibility for invoicing, member updates, budgeting, and financial reporting to Consortium Provide additional member support on problem resolution Expand wellness program Establish templates that can be easily populated with new information as needed 	Complete		Finance Manager hired, Benefit Specialist expected start date of J
	Complete		
			Monthly activities going out to each municipality
Establish templates for new members and current members to review all plan options	Complete		Locey & Cahill have provided the necessary information to make this a reality for 2022 recruiting
<ul style="list-style-type: none"> Understand information needed to make decisions Work with partners to establish templates 	Complete		Teri Aplovich has created excel templates to assist in decision ma
	Complete		Michelle Cocco has streamlined application process and set up ten
Work with Executive Committee on Establishing a Strategic Planning Process	In progress		
<ul style="list-style-type: none"> Determine expected outcomes Explore resources needed including outside consultants Set timeline to start formal process 			
Determine how and when to launch RFP process for Investment Manager	In progress		Teri Apalovich is starting this process
<ul style="list-style-type: none"> Secure expectations of Audit and Finance Committee and Executive Committee Work with Operations Committee on process to commence Mentor Finance Manager on RFP Process Launch RFP process and secure data necessary for decision to be made by Board of Directors 			
Additional Communication Goals			
<ul style="list-style-type: none"> Continue to build relationship with DFS Create formal correspondence to members on premium increases Ongoing Board outreach to keep Board members involved 	In progress		See above, new relationship with Deputy Director McKennedy
	In progress		Working on draft
			Ongoing
Locey and Cahill Projects			
<ul style="list-style-type: none"> PBM RFP Plan Comparison Templates Analyze overall effect to the organization with recent and expected migration from traditional plans to metal level plans COVID market adjustments to premiums for next year Support with assembly and state presentations Support with labor representative presentations 	In progress		
	Done		
	Done		
Barber Projects			
<ul style="list-style-type: none"> Continue Newsletter Work with Nominations on Board engagement New member support Support with assembly and state presentations 	In progress		
	In progress		
	In progress		Leadership in HCRA project

State of New York

DEPARTMENT OF FINANCIAL SERVICES

WHEREAS IT APPEARS THAT

Greater Tompkins County Municipal Health Insurance Consortium

Home Office Address Ithaca, New York

Organized under the Laws of New York

has complied with the necessary requirements of or pursuant to law, it is hereby

certified to do within this State the business of

a municipal cooperative health benefit plan as authorized by Section 4704 of the New York Insurance Law in the County(s) of the county of Broome, the county of Cayuga, the county of Chemung, the county of Chenango, the county of Cortland, the county of Madison, the county of Onondaga, the county of Ontario, the county of Oswego, the county of Schuyler, the county of Seneca, the county of Steuben, the county of Tioga, the county of Tompkins, the county of Wayne, the county of Yates.



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Albany, New York, this 18th day of August, 2021

Shirin Emami
Acting Superintendent

By *Colleen M. Draper*

Colleen M. Draper
Special Deputy Superintendent



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."

RESOLUTION NO. ___ – 2021 – ESTABLISHING OPERATIONS RFP REVIEW SUBCOMMITTEE

WHEREAS, the current Prescription Benefit Management services contract expires on December 31, 2021, and

WHEREAS, the Consortium received eight responses to the Request for Proposals that was issued on March 1, 2021, and

WHEREAS, the Operations Committee wishes to create a subcommittee to include representatives of interested municipalities and labor to work in consultation with the Executive Director and Locey & Cahill to evaluate the eight responses that were received, and

WHEREAS, the RFP Subcommittee shall forward a recommendation to the Operations and Executive Committees for consideration and approval by the Board of Directors, and

WHEREAS, the Executive Committee was electronically polled and voted to approve the creation of a subcommittee, now therefore be it

RESOLVED, That the Executive Committee hereby ratifies the action taken by poll of the Executive Committee to create an RFP Review Subcommittee effective June 1, 2021 and to appoint the following membership:

Judy Drake, Chair
Chris Wagner
Ed Fairbrother
Nancy Webster (Labor)
Sarah Thomas
Denise Malone
Sunday Earle

RESOLVED, further, that this subcommittee shall exist through the approval of a contract by the Board of Directors.



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."

RESOLUTION NO. ____ - 2021 - AUTHORIZATION TO ENTER INTO A CONTRACT WITH _____ FOR PRESCRIPTION BENEFIT MANAGEMENT SERVICES - 2022

WHEREAS, the Consortium issued a Request for Proposals for Prescription Benefit Management Services and created the RFP Review Committee, and

WHEREAS, eight proposals were received, all proposals were reviewed and evaluated according to the review criteria and weighting stated in the RFP, and

WHEREAS, the Prescription Benefits Manager Request for Proposals Review Committee conducted interviews of three applicants and has directed the Executive Director to forward a recommendation that a contract for Prescription Benefit Management Services be awarded to _____, now therefore be it

RESOLVED, on recommendation from the RFP Subcommittee, Operations and Executive Committees, That the GTCMHIC Board of Directors authorizes a three-year contract for Prescription Benefit Management services with _____; the initial contract period shall be January 1, 2022 through December 31, 2024 with the option to continue the contract thereafter for two (2) successive one-year terms at the discretion of the Greater Tompkins County Municipal Health Insurance Consortium.



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."

RESOLUTION NO. ____ - 2021 – ADOPTION OF BUSINESS CONTINUITY AND DISASTER RESPONSE PLAN

WHEREAS, the Department of Financial Services has advised in Insurance Circular Letter No. 7 (2021) that the Consortium must develop a Business Continuity and Disaster Response Plan (BCPDRP) each year, and

WHEREAS, the purpose of a Business Continuity and Disaster Response Plan is to ensure the organization's system of procedures to restore critical business functions in the event of unplanned disaster, and

WHEREAS, Consortium staff has worked in cooperation with the Tompkins County Information Technology Services Department in creating the Consortium's first approved Business Continuity and Disaster Response Plan, and

WHEREAS, upon approval, the Plan will be maintained by the Executive Director of the Consortium and shall be made available to all Consortium Participants, Consortium employees, and the Tompkins County Information Technology Services Department, and

WHEREAS, the Business Continuity and Disaster Response Plan shall be updated and approved annually, now therefore be it

RESOLVED, on recommendation of the Operations Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves the Business Continuity and Disaster Response Plan dated September 1, 2021.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE
CONSORTIUM (N9182)

Business Continuity and Disaster Response Plans

BY: TERI APALOVICH

Contents

Overview2

 Objectives2

 Scope2

 Physical Location2

 Training2

 Responsible Parties.....3

 Third-Party Business Partners.....3

 Critical Partners3

 1)Tompkins County Information Technology Services (ITS)3

 2) Excellus BCBS4

 3) Proact.....4

 4) Town of Ithaca4

 Financial Stability4

 1) Specific Stop-Loss Insurance and Catastrophic Claims Reserve.....4

 2) Rate Stabilization Reserve.....4

 3) Incurred but Not Reported (IBNR) Claims Liability Reserve.....4

 4) Surplus Account Reserve.....4

 Identifying a Disaster4

 Remote Work.....5

 Communication Channels.....5

 Claims Handling Procedures5

 Restoration Priority5

 Critical Computer Programs, Operating Systems and Data Files.....6

 Contingency Plans.....6

 Plan Testing.....6

 Periodic Review6

Storage of Plan.....7

Overview

This plan has been revised in response to Insurance Circular Letter No. 7 (2021). The Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”), is a self-insured, self-funded, insurance company authorized and certified under Article 47 of NYS Insurance law in October 2010 and jointly owned by its municipal partners. The Consortium’s mission is to be an efficient inter-municipal cooperative that provides high-quality, cost-stable health insurance for members, their employees, families, and retirees.

Consortium membership is available to municipalities in Broome, Cayuga, Chemung, Chenango, Cortland, Madison, Onondaga, Ontario, Oswego, Schuyler, Seneca, Steuben, Tioga, Tompkins, Wayne and Yates Counties. The Board of Directors is made up of directors from all municipal members and six labor representatives.

Objectives

To continue providing quality health care to the members, employees, families, and retirees of the Consortium by maintaining close coordination and planning links with our critical partners on an ongoing basis.

Scope

A key component of the Consortium’s Business Continuity and Disaster Response Plan is to ensure our critical partners have their own plans in place. The Consortium plan contracts with the below critical partners:

- Tompkins County Information Technology Services – Network & Phone Administrator.
- Excellus Blue Cross Blue Shield (BCBS) – third party administrator for health care claims adjudication and utilization of BCBS Provider network.
- Proact – Pharmacy Benefit Manager.
- Town of Ithaca – Landlord/Employer of Record
- Other Consultants, Legal Advisors, Actuaries and Auditors as necessary.

Physical Location

The Consortium offices are physically located at 215 North Tioga Street, Ithaca, New York. Document servers are located within Tompkins County and maintained by such as part of our Third party contract with Tompkins County Information Technology Services.

Training

New Employees of the Consortium will be provided this Plan as part of the on-boarding requirement to read and understand in the case of a disaster. In addition, each employee will participate in, or be made aware of, the annual business impact analysis and future testing of the Business Continuity and Disaster Response Plan.

Responsible Parties

The following are the Consortium’s primary and secondary crisis managers and will serve as the company contacts.

Title	Name	Phone Number	Email Address
Executive Director	Elin Dowd	607-274-5590	edowd@tompkins-co.org
Chair of the Board	Judith Drake	607-273-1722 ext 115	Jdrake@town.ithaca.ny.us

It will be the responsibility of the Executive Director (or Chair of the Board) to declare a situation a disaster and activate the Business Continuity and Disaster Plan.

Third-Party Business Partners

Title	Company	Name	Phone Number	Email Address
Director of ITS	Tompkins County	Greg Potter	607-274-5416	gpotter@tompkins-co.org
Account Manager - Medical	Excellus BCBS	Kelli Lasher	315-317-5996	Kelli.lasher@excellus.org
Account Manager - PBM	Proact	Corey Prashaw	315-287-3652 ext 3634	coreyprashaw@proactrx.com
HR Manager	Town of Ithaca	Judith Drake	607-273-1722 ext 115	Jdrake@town.ny.us

Critical Partners

1)Tompkins County Information Technology Services (ITS)

Tompkins County is in the process of adopting a revised Comprehensive Emergency Management Plan (CEMP). This is a formal, all-hazards plan that describes how Tompkins County will organize and respond to emergencies and disasters throughout the County. The County views emergency management planning as a continuous process that is linked closely with training and exercises to establish a comprehensive preparedness agenda and organizational culture that prioritizes increased disaster resiliency. The Tompkins County Department of Emergency Response will maintain the CEMP through a program of continuous improvement, including ongoing involvement of County departments and of agencies and individuals with responsibilities and interests in this plan and its supporting documents. ITS works very closely with the Department of Emergency Response and is a critical partner to local emergency response services and programs. As a result, ITS is directly involved in efforts towards the continuous improvement of the Tompkins County CEMP and the incorporation and advancement of resiliency of technology. The Greater Tompkins County Municipal Health Insurance Consortium IT and data requirements are managed using the same model and practices used for all other County Departments. As a third-party business partner to the Consortium, ITS is able to provide the County standards, critical requirements, and recovery strategies of IT continuity planning and services since they have been incorporated into the County operations and infrastructure. ITS will consider the Consortium’s IT continuity needs each time the CEMP is revised and tested.

2) Excellus BCBS

Business Resilience Program and Pandemic Planning Summary in place through The Lifetime Healthcare Companies to maintain claims functions, data processing, network services, security, and remote access.

3) Proact

Contingency Operations Policy in place through KPH Healthcare Services, Inc to maintain claims functions, data processing, network services, security, and remote access.

4) Town of Ithaca

Public Employer Health Emergency Plan in place to maintain the usefulness of the Consortium office space.

Financial Stability

The Consortium continues to remain a financially strong organization with a robust unencumbered fund balance and the below four additional reserves,

1) Specific Stop-Loss Insurance and Catastrophic Claims Reserve

Catastrophic Claims Reserve is set at \$4.5M. This is an area which is reviewed by the Board of Directors on an annual basis to ensure a balance is achieved between risk and the cost of stop-loss insurance.

2) Rate Stabilization Reserve

The Consortium's goal is to maintain reasonable, prudent, and modest premium increases for the foreseeable future. The rate set for the reserve is 7.5% of the paid claims for the year.

3) Incurred but Not Reported (IBNR) Claims Liability Reserve

The Consortium continues to see a decrease in the IBNR calculation as determined by the Consortium's Actuaries, Armory Associates, LLC. The IBNR Calculation for 2019 was 5.39%. While this does not directly impact the mandated 12% of paid claims reserve required by the NYS Department of Financial Services, it does provide creditable data demonstrating the IBNR Reserve at 12% is very conservative and amply protects the Consortium for its claims' liability.

4) Surplus Account Reserve

This statutory account is maintained at 5% of the annual premium in compliance with Article 4706(a)(5) of the New York State Insurance Law.

Identifying a Disaster

A disaster may be classified as a fire, tornado, power outage, explosion, bomb threat, hazardous spill or any other situation that would warrant evacuation of the community to protect the lives and safety of the residents and staff. Disasters could also include pandemics and epidemics. This disaster plan would be implemented if the Town of Ithaca, Tompkins County, New York State, or the United States were to declare a disaster.

Remote Work

All employees of the Consortium can work remotely using laptops and the ITS managed Virtual Private Network (VPN), assuming network and Internet services remain constant. ITS maintains two Internet Service Providers (ISP) connecting the Consortium to the Internet. This connection to the Internet is critical and ITS is continuously evaluating configurations and technology to improve resiliency and performance. The two ISP are configured to be load balanced and redundant. If one fails the other will automatically route all traffic. In addition, ITS encrypts all Consortium devices and will be implementing Multi-Factor Authentication (MFA) to improve security for remote access in 2021. ITS has also deployed software which provides the ability for technical assistance and remote management of all devices for end users.

Communication Channels

Communication with Third-Party Critical Partners will be maintained via Email or Telephone as necessary during Disasters. (Contact names and numbers provided in the previous Third-Party Business Partners table)

Claims Handling Procedures

All claims handling is done by our Third-Party Business Partners – Excellus Blue Cross Blue Shield (Medical claims) and Proact (Prescription Claims). It will be Excellus and Proacts responsibility to ensure they have adequate personnel and information technology systems to maintain Claims processing if this Disaster Response plan is activated.

Restoration Priority

Third-Party Business Partners – Claims Processing

Tompkins County ITS – Network, Computer Programs, Data

Tompkins County ITS – Telecommunication

Critical Computer Programs, Operating Systems and Data Files

1. Office 365 – Email, Teams, Calendaring, group data exchange, file repository and all other Office 365 modules related to the five accounts as managed by ITS under the Tompkins County Microsoft tenant.
2. Microsoft Active Directory – Access control, identity management, role-based rights for access to the Tompkins County network and managed devices.
3. Unstructured Data – Digital file storage is connected to the Tompkins County Storage Area Network (SAN) with specific permissions to Consortium employees. The general management of data and records under this category is by the Consortium with assistance provided by ITS. The SAN product implemented and supported by Tompkins County is based on NetApp technology, with complete backups and redundancy between two County owned data centers.
4. Quickbooks – Desktop version maintained/backed up on Tompkins County’s network.
5. Zoom & YouTube Channel (virtual meetings) – A new YouTube Channel and Zoom have been configured and implemented at the start of the COVID-19 pandemic response. ITS has provided and continues to assist with the virtual meeting use under general cyber security practices.
6. VPN Client - Remote access Virtual Private Network accounts have been created with client configurations on laptops. The VPN use allows for a secure connection to internal IT resources hosted in the Tompkins County data centers.
7. Laserfiche Electronic Document Management System (EDMS) – Form creation, electronic processes, records management, and storage.
8. Web Site – Hosted by a vendor (Discover-eGov) with the site developed and managed by Consortium.
9. Excellus – Management of Health Insurance accounts and details.
10. ProAct – Pharmacy benefit management.
11. Hardware/Network Inventory –
 - 4 Dell Latitude Windows 10 laptops
 - RICOH MP C307 copier
 - Cisco 3650 data switch
 - 4 Mitel/Shoretel Voice Over Internet 230G Phones (VOIP)
 - Network Connection – Dark fiber connection from the Consortium office to the County network is jointly managed by the Town of Ithaca and ITS with FirstLight providing this leased service.

Contingency Plans

In the event one of our Third-Party Business partners experiences a business interruption, we will utilize the Contingency plans that those partners have in effect. (i.e. Excellus can no longer process electronic claims, faxed claims could be an alternative plan).

Plan Testing

This plan will be reviewed for effectiveness on an annual basis by sitting and reviewing the process with our Third-Party Business Partners to see if all process/procedures in this plan will work in the case of a disaster. If any deficiencies are found while doing this testing, a revised Plan will be given to the Consortium’s Executive Committee for approval.

Periodic Review

This plan will be updated as Third-Party Business Partners change and will be reviewed and approved on an annual basis, at a minimum, by the Executive Committee

Storage of Plan

Business Continuity and Disaster Response Plan will be distributed to all Consortium employees. The master copy of the Business Continuity and Disaster Response Plan will be maintained by the Executive Director of the Consortium. A copy of the Business Continuity and Disaster Response Plan will be stored within the Tompkins County Information Technology Services department and in a format that allows access if the servers are down and will allow for printing on demand.



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."

RESOLUTION NO. - 2021 – CREATION OF 2022 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

RESOLVED, upon recommendation of the Consortium's Nominations and Engagement and Executive Committees, That the Board of Directors hereby adopts the following committee structure and membership effective January 1, 2022:

Executive Committee (effective January 1, 2022)

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS: Bimonthly beginning in January on 1st Wednesday

- | | |
|----------------------------------------|-------------------------------------------------------------|
| 1. Board Chair, Chair (Drake) | 7. Operations Chair (<u>Wagner</u>) (Holmes) |
| 2. Board Vice Chair, Vice Chair (Hart) | 8. Nominations and Engagement Chair (Fairbrother) |
| 3. Chief Fiscal Officer (Thayer) | 9. Claims and Appeals Chair (Shattuck) |
| 4. Secretary (Salton) | 10. At-large (<u>Holmes</u>) (Wagner) |
| 5. JCPSD Chair (Bower) | 11. At-large (Mutchler) |
| 6. AFC Chair (Cook) | |

STANDING COMMITTEES:

Audit and Finance Committee

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members ; two-year staggered terms

MEETINGS: Monthly; 4th Tuesday

Terms expire 12/31/23

1. Mack Cook, Chair
2. Tim Arnold, Labor (~~Munson~~)
3. Rordan Hart
4. Amanda Anderson

Terms expire 12/31/22

5. Laura Shawley
6. Eric Snow
7. Bud Shattuck
8. Peter Salton
9. Steve Thayer, Chief Fiscal Officer (No set term)

Operations Committee

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

MEMBERSHIP: Seats may be filled by non-Directors; 8 members with two-year staggered terms

RESOLUTION NO. - 2021 – CREATION OF 2021 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

MEETINGS: Bi-monthly beginning in January; 4th Monday

Terms Expiring 12/31/23

Ed Fairbrother
~~Nancy Webster~~ ~~Doug Perine~~, Labor
Sunday Earle

Terms Expiring 12/31/22

Chris Wagner, Chair
Lisa Holmes, Chair
Schelley Michell-Nunn

Terms Expiring 12/31/23

LuAnn King
Mark Emerson

Nominations and Engagement Committee

CHARGE: The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
 - a. the work of committees;
 - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
 - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms

MEETINGS: Approximately 4x/year.

Terms expire 12/31/23

1. Ed Fairbrother, Chair
2. ~~Richard Neilens~~ ~~Laura Shawley~~
3. Jim Bower, Labor ~~Nancy Webster~~

Terms expire 12/31/2022

4. Gary Mutchler
5. Terrance Baxter

Claims and Appeals Committee

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

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms

MEETINGS: As needed (2-4x/year)

Terms expire 12/31/23

1. Bud Shattuck, Chair
2. Donna Dawson
3. Tom Brown

Terms expire 12/31/2022

4. Don Fischer
5. Tanya DiGennaro

Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives.

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS: Bi-monthly (beginning in February)

Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee’s Bylaws.



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.”

RESOLUTION NO. - 2021– ADOPTION OF POLICY ESTABLISHING TERM LIMITS FOR OFFICERS AND STANDING COMMITTEE MEMBERS

WHEREAS, the Nominations and Engagement Committee has discussed and weighed the pros and cons of instituting term limits for Consortium Officers, and

WHEREAS, the Committee believes term limits will make it easier to diversify the Board and provide opportunities for new ideas and new perspectives to be brought to the Consortium Board and its various committees, now therefore be it

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby adopts the following policy “Establishing Term Limits for Officers and Standing Committee Members”,

RESOLVED, further, That this Policy will be incorporated into the Executive Committee Bylaws,

Term Limits for Officers and Standing Committee Members

Term limits shall be in place as follows and effective based on any full term starting on or after January 1, 2022.

- Operations, Audit and Finance, Nominations and Engagement, and the Claims and Appeals Committee membership – limit of three consecutive full two-year terms.
- Chairs of Standing Committees – limit of five one-year terms.
- Officers and Executive Committee Members – limit of five consecutive full one-year terms.
- Once a Chair of the Board has reached their term limit, they may continue to serve on the Executive Committee in an At-large seat for up to five consecutive one-year terms.
- Once an officer or committee member has termed out, there shall be a waiting period of one full year before becoming eligible to serve as a committee member and two full years before being eligible to serve as an officer.

By majority vote of the total number of Directors (including any unfilled seats), the Executive Committee may waive this term limit provision when necessary to maintain fully-constituted committees other than the Executive Committee. Action by the Board of Directors shall be required to waive terms limits for appointments to the Executive Committee.



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."

RESOLUTION NO. - 2021 – ACCEPTANCE OF 2018 AND 2019 MEDICAL CLAIMS AUDIT REPORT

WHEREAS, the New York State Department of Financial Services during its initial audit recommended that the Consortium conduct periodic medical claims audits, and

WHEREAS, by Resolution No. 008 of 2020 the Board of Directors authorized a contract with BMI Audit Services to perform a medical claims audit to ensure medical claims are paid by Excellus are in accordance with benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, BMI has completed the medical claims audit and presented the final report to the Claims and Appeals Committee, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee, on behalf of the Board of Directors, accepts the final audit report presented by BMI on 2018 and 2019 Medical Claims.

* * * * *



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."

RESOLUTION NO. _____ - 2021 - AUTHORIZING CONTRACT FOR PRESCRIPTION DRUG CLAIMS AUDIT – 2019 AND 2020 CLAIMS

WHEREAS, the Consortium has determined there is value in conducting periodic medical and prescription drug claims audits, and

WHEREAS, the Consortium's has developed a pattern of conducting these claims audits on alternate years for medical one year and then pharmaceutical claims the next and

WHEREAS, the Consortium is now prepared to undertake a prescription drug claims audit as part of its fiduciary responsibility to ensure claims paid by ProAct are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices for the years 2019 and 2020 and

WHEREAS, in anticipation of initiating a prescription drug claims audit the Executive Director has obtained a contract proposal from BMI Audit Services, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee, on behalf of the Board of Directors, hereby authorizes the Consortium to engage the firm of BMI to perform an audit of the Consortium's prescription drug claims for an amount not to exceed \$35,000.



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."

RESOLUTION NO. - 2021 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2022

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have given great consideration to the Consortium's 2022 budget and premium rates, and

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

WHEREAS, the 2022 budget reflects the proposed guidelines and the notable items included in the proposed budget are the following:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000; and
- Increase Premium Revenue by 5.0% in 2022

now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2022 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

* * * * *



2022 Fiscal Year
Preliminary Budget Presentation
August 26, 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 Budget vs Actual Results

2021 Income Budget vs Actual (07/31/2021)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2021 Budget Performance Analysis

Results as of: 7/31/2021

of Months: 7

Includes Income Codes 6000 & 6010

Includes Expense Codes 8081, 8082, & 8083

Balance Sheet Item 3500

	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	\$32,084,690.97	\$31,328,076.90	-\$756,614.07	-2.36%
9020 Interest	\$45,534.44	\$45,534.44	\$26,561.76	\$27,660.79	\$1,099.03	4.14%
9010 Rx Rebates	\$1,400,000.00	\$1,700,000.00	\$850,000.00	\$1,115,281.75	\$265,281.75	31.21%
9040 Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00		
9035 Finance Charge Income	\$0.00	\$5,463.46	\$3,187.02	\$0.00	-\$3,187.02	n/a
9030 Other	\$5,463.64	\$0.00	\$0.00	\$0.00		
Total Income	\$57,326,288.89	\$56,753,325.28	\$32,964,439.75	\$32,471,019.44	-\$493,420.31	-1.50%

Key Facts:

1. Premium Income is 2.36% below budget based on the first 7-months of 2021. This was the result of the following factors:
 - 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 (07/31/2021)

Key Facts (continued):

2. Interest Income to date is approximately 4.1% above budget. However, it should be noted that the estimated budget was significantly modified from pre-COVID levels. We recommend that this adjustment remain in place for 2022, as interest rates have yet to show signs of recovery.
3. The pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 1st half of the 2021 Fiscal Year were above the budgeted amount. We anticipate this trend to continue, and that total Rx Rebates will exceed the amount budgeted for 2021, with payments estimated to exceed \$2 million.
4. To date, the Consortium has not received any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1,000,000 in 2021. As of July 31, 2021, there have been no claims in excess of \$1,000,000, resulting in the Consortium not receiving any funds from Excellus BCBS related to the 2021 Policy.
5. There is no “Other” income as of July 31, 2021. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and typically will have little to no impact on the overall financial position of the Consortium.



Section 2

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

2021 Expense Budget vs Actual Results (07/31/2021)

Includes Expense Codes 8081, 8082, & 8083 Balance Sheet Item 3500		2021 Adopted Budget	2021 Revised Budget	2021 Year-to-Date	2021 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$39,058,334.44	\$38,838,424.24	\$22,655,747.47	\$21,924,334.21	-\$731,413.26	-3.23%
	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	\$8,957,159.75	\$9,219,048.25	\$261,888.50	2.92%
8121	Rx Paid Claims - CanaRx	\$150,108.45	\$150,108.45	\$87,563.26	\$81,647.60	-\$5,915.66	-6.76%
8084	Flu Clinic Fees	\$15,000.00	\$15,000.00	\$8,750.00	\$10,976.00	\$2,226.00	25.44%
8050	Medical Admin Fees	\$1,440,535.40	\$1,477,304.64	\$861,761.04	\$850,804.05	-\$10,956.99	-1.27%
	Rx Admin Fees	\$200,930.34	\$200,930.34	\$117,209.37	\$124,712.67	\$7,503.31	6.40%
8091	NYS Covered Lives Assessment	\$373,317.01	\$373,317.01	\$217,768.26	\$202,426.93	-\$15,341.33	-7.04%
9060	ACA PCORI Fee	\$17,987.06	\$17,987.06	\$0.00	\$16,691.50		
8110	Specific Stop-Loss Insurance (Actual)	\$302,450.00	\$273,000.00	\$159,250.00	\$155,794.89	-\$3,455.11	-2.17%
8000	Accounting Fees	\$25,750.00	\$25,750.00	\$15,020.83	\$12,800.00	-\$2,220.83	-14.79%
8010	Actuarial Fees	\$53,045.00	\$15,000.00	\$8,750.00	\$8,500.00	-\$250.00	-2.86%
8020	Audit Fees (Financial)	\$13,390.00	\$13,390.00	\$13,390.00	\$14,000.00	\$610.00	4.56%
8021	Audit Fees (Claims)	\$41,200.00	\$41,200.00	\$24,033.33	\$20,750.00	-\$3,283.33	-13.66%
8055	Consultant Fees (Barber)	\$25,000.00	\$20,000.00	\$11,666.67	\$6,350.00	-\$5,316.67	-45.57%
8030	Consultant Fees (L&C)	\$90,176.50	\$90,176.50	\$52,602.96	\$51,905.00	-\$697.96	-1.33%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$7,210.00	\$1,320.00	-\$5,890.00	-81.69%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$14,583.33	\$1,077.89	-\$13,505.44	-92.61%
66001	Executive Director (Salary)	\$94,760.00	\$93,636.00	\$54,621.00	\$54,020.70	-\$600.30	-1.10%
66002	Fringe Benefits	\$67,980.00	\$110,374.87	\$64,385.34	\$30,313.61	-\$34,071.73	-52.92%
66003	Clerk of the Board (Salary)	\$37,080.00	\$72,134.40	\$42,078.40	\$41,364.57	-\$713.83	-1.70%
66004	Admin/Comp Asst (Salary)	\$52,530.00	\$0.00	\$0.00	\$0.00		
66005	Benefits Specialist (Salary)	\$41,250.00	\$43,680.00	\$25,480.00	\$3,150.00	-\$22,330.00	n/a
66006	Finance Manager (Salary)	\$0.00	\$73,000.00	\$42,583.33	\$21,538.40	-\$21,044.93	-49.42%
8060	Insurances (D&O / Prof. Liability)	\$48,070.00	\$50,850.00	\$29,662.50	\$29,509.63	-\$152.87	-0.52%
8041	Internal Coordination (Finance)	\$80,000.00	\$68,660.00	\$40,051.67	\$41,227.63	\$1,175.96	2.94%
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	\$4,205.83	\$3,500.00	-\$705.83	-16.78%
8044	Internal Coordination (IT Support)	\$11,845.00	\$11,845.00	\$6,909.58	\$6,295.00	-\$614.58	-8.89%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$1,458.33	\$319.48	-\$1,138.85	-78.09%
9055	Investment Management Services	\$26,780.00	\$14,000.00	\$8,166.67	\$9,481.09	\$1,314.42	16.09%
8150	Supplies Expense	\$2,500.00	\$2,500.00	\$1,458.33	\$879.75	-\$578.58	-39.67%
8151	Computer Equipment	\$5,150.00	\$5,150.00	\$3,004.17	\$2,422.78	-\$581.39	-19.35%
8152	Lease Expense / Parking Fees	\$9,500.00	\$9,500.00	\$5,541.67	\$5,929.70	\$388.03	7.00%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$583.33	\$0.00	-\$583.33	-100.00%
9060	Other Expenses / Supplies	\$10,927.27	\$10,927.27	\$6,374.24	\$4,013.22	-\$2,361.02	-37.04%
Total Expenses		\$57,807,948.19	\$57,630,197.49	\$33,549,030.67	\$32,957,104.55	-\$591,926.12	-1.76%

2021 Expense Budget vs Actual Results (07/31/2021)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to monitor budgeted funds to assure that they are accounted for under the proper line-item based on their code. This was done to provide a more detailed summary of the internal and external professional support costs for the Board of Directors of the Consortium.
2. Due to the early reporting period in the fiscal year, many of the expense items are well below budget as some items have not been provided or billed to the Consortium. These items will be more in line with the budget as the year goes on.
3. Paid claims (benefits) accounted for 94.778% of the total expenses for the GTCMHIC through July 31, 2021. This means that a modest 5.222% was used to pay for all the other operating expenses of the Consortium, including stop-loss insurance which has accounted for 0.473% of the spending to date.

2021 Expense Budget vs Actual Results (07/31/2021)

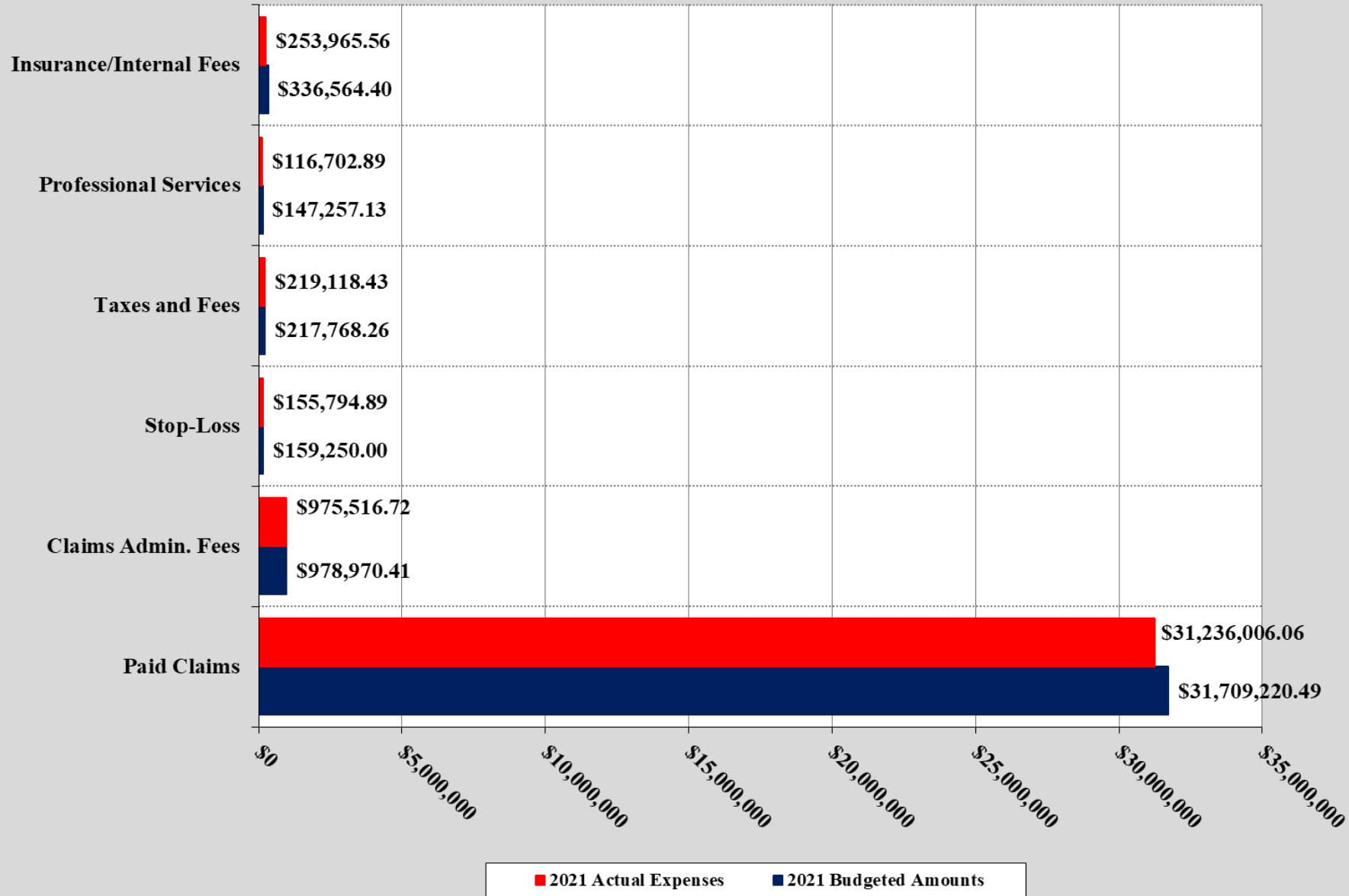
Key Facts:

5. Medical Paid Claims are currently 3.23% below the projected budget for the year and this is the result of:
 - a) An increase in the covered lives ($\uparrow 0.83\%$) and in the number of contracts ($\uparrow 3.42\%$) has had an impact on the 2021 medical paid claims paid to date due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan by several employer groups.
 - c) A decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community continues to impact total claims paid.
 - d) The number of large loss claimants and a decrease in the severity of the cases reported to date, continues to be a positive trend.
6. Rx Paid Claims are currently 2.92% above budget, with four consecutive months being above budget. We hope to change this trend with the PBM RFP. We believe that the Consortium will experience a positive impact from the RFP process in the overall cost of claims and Rx Rebates.

Greater Tompkins County Municipal Health Ins. Consortium

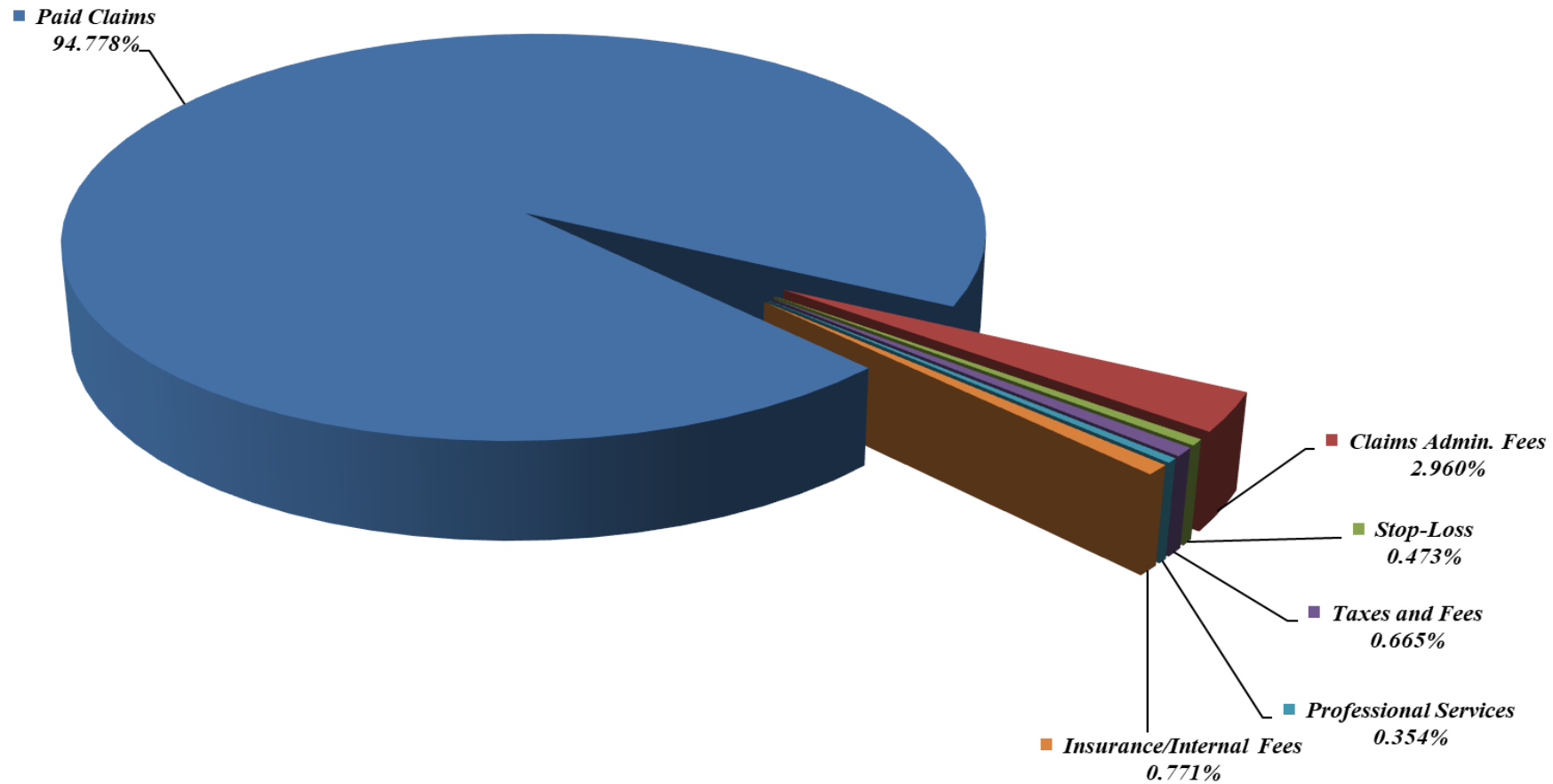
2021 Expense Distribution

January 1, 2021 to July 31, 2021



Greater Tompkins County Municipal Health Ins. Consortium

2021 Expense Distribution
January 1, 2021 to July 31, 2021

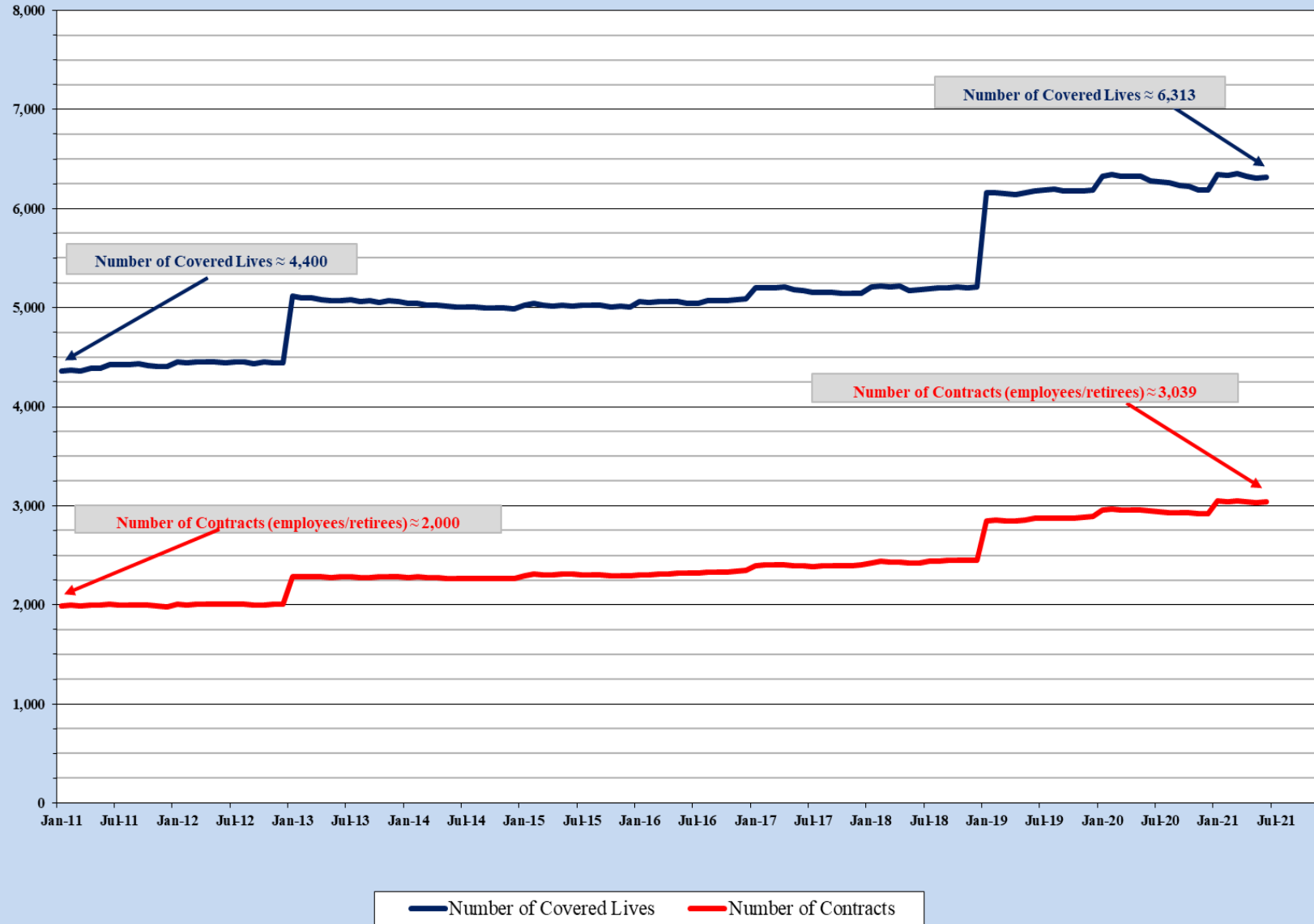


■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees

Greater Tompkins County Municipal Health Ins Consortium

2011-2021 Monthly Covered Lives and Contracts

January 1, 2011 to July 31, 2021



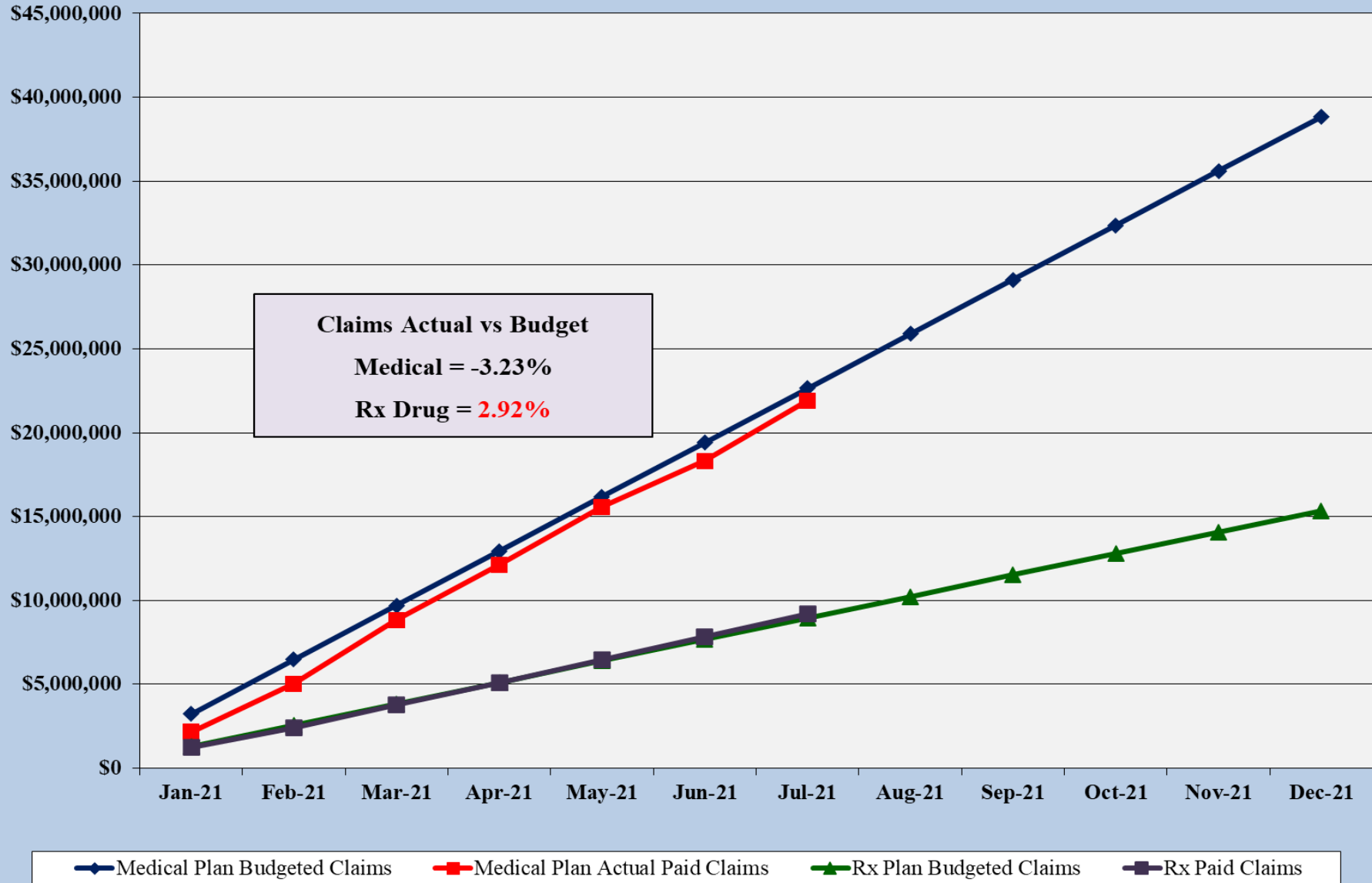


Section 3

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

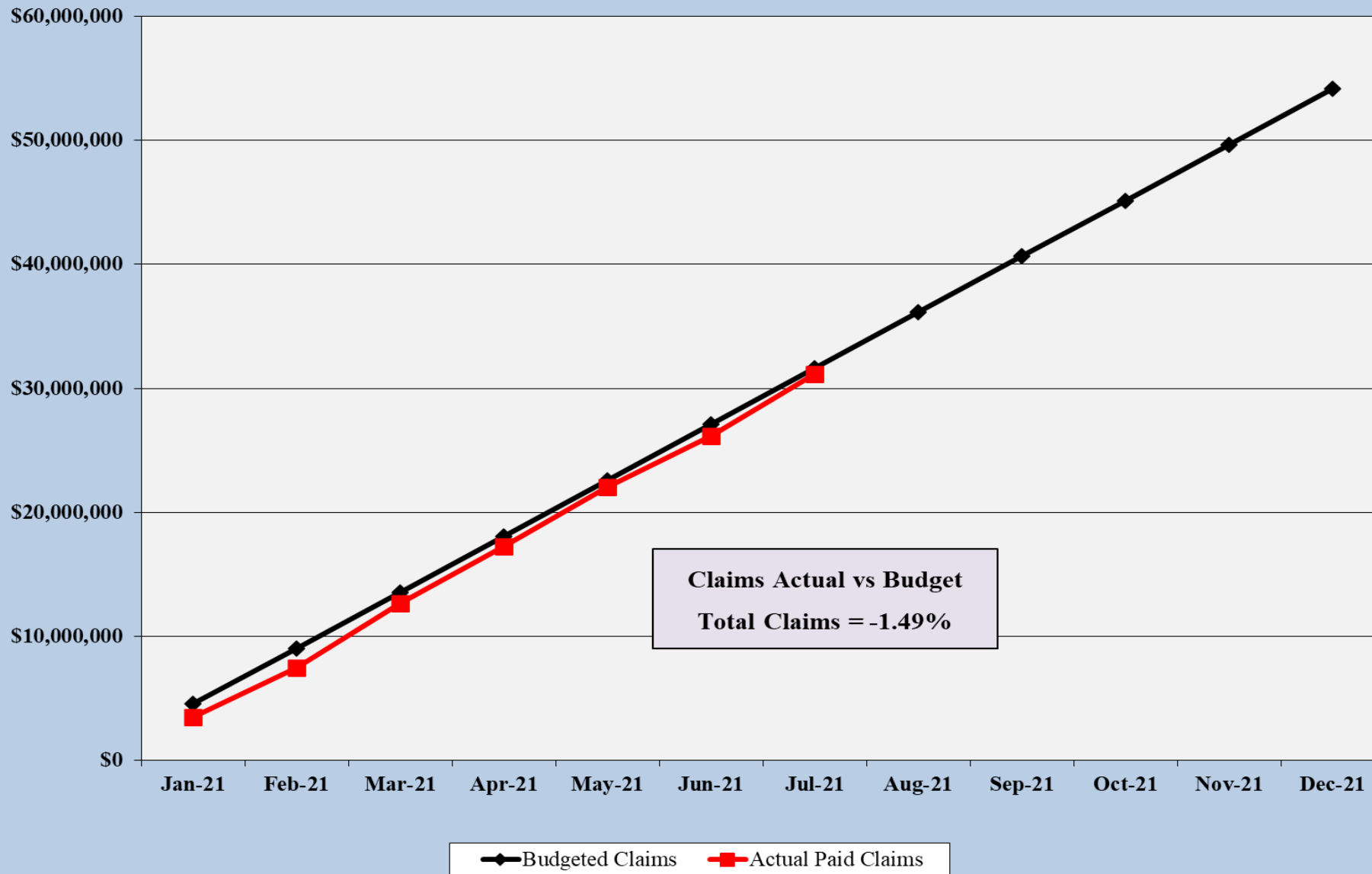
Greater Tompkins County Municipal Health Insurance Consortium

2021 Cumulative Paid Claims and Budgeted Claims by Month



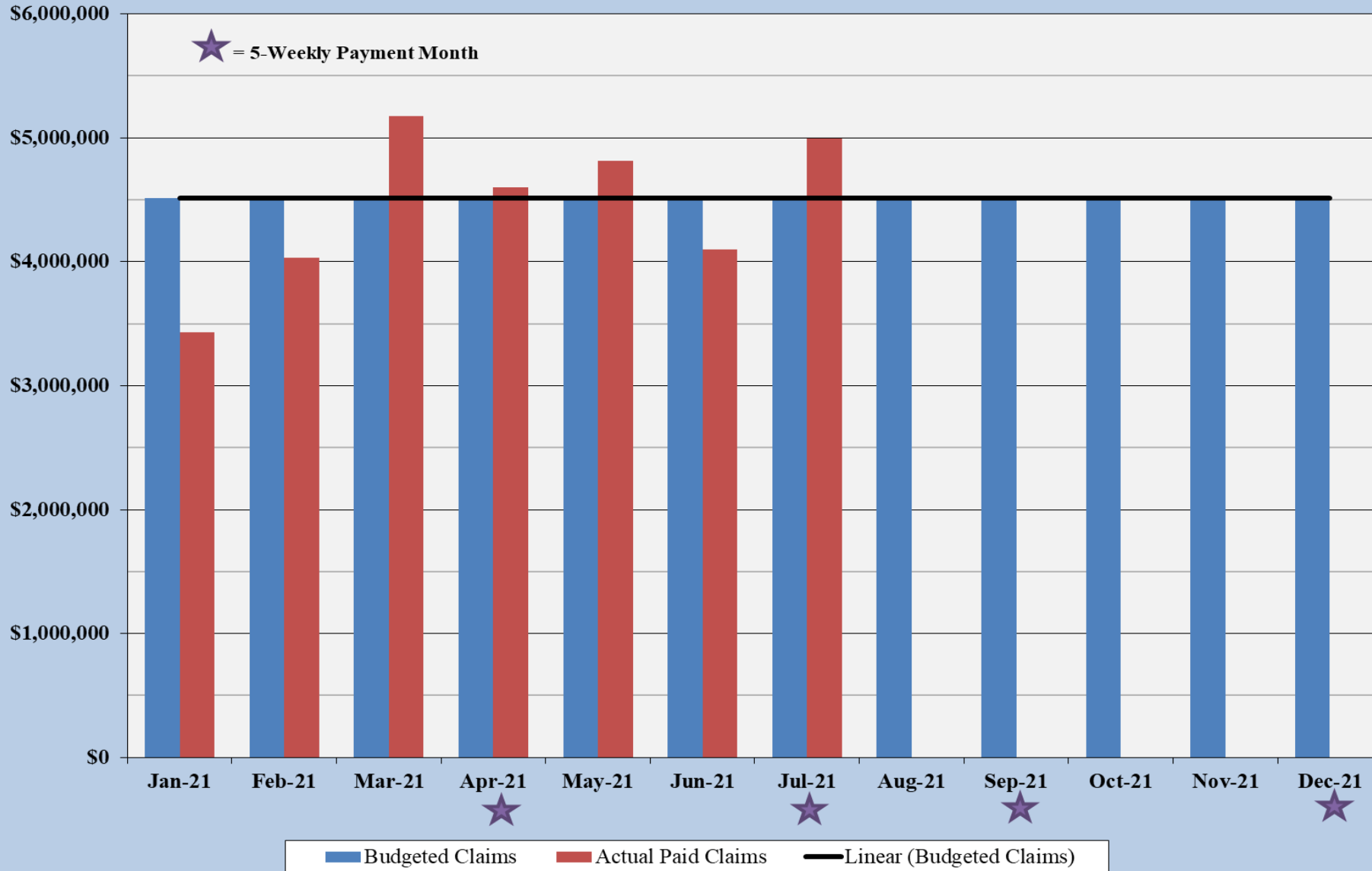
Greater Tompkins County Municipal Health Insurance Consortium

2021 Cumulative Paid Claims and Budgeted Claims by Month



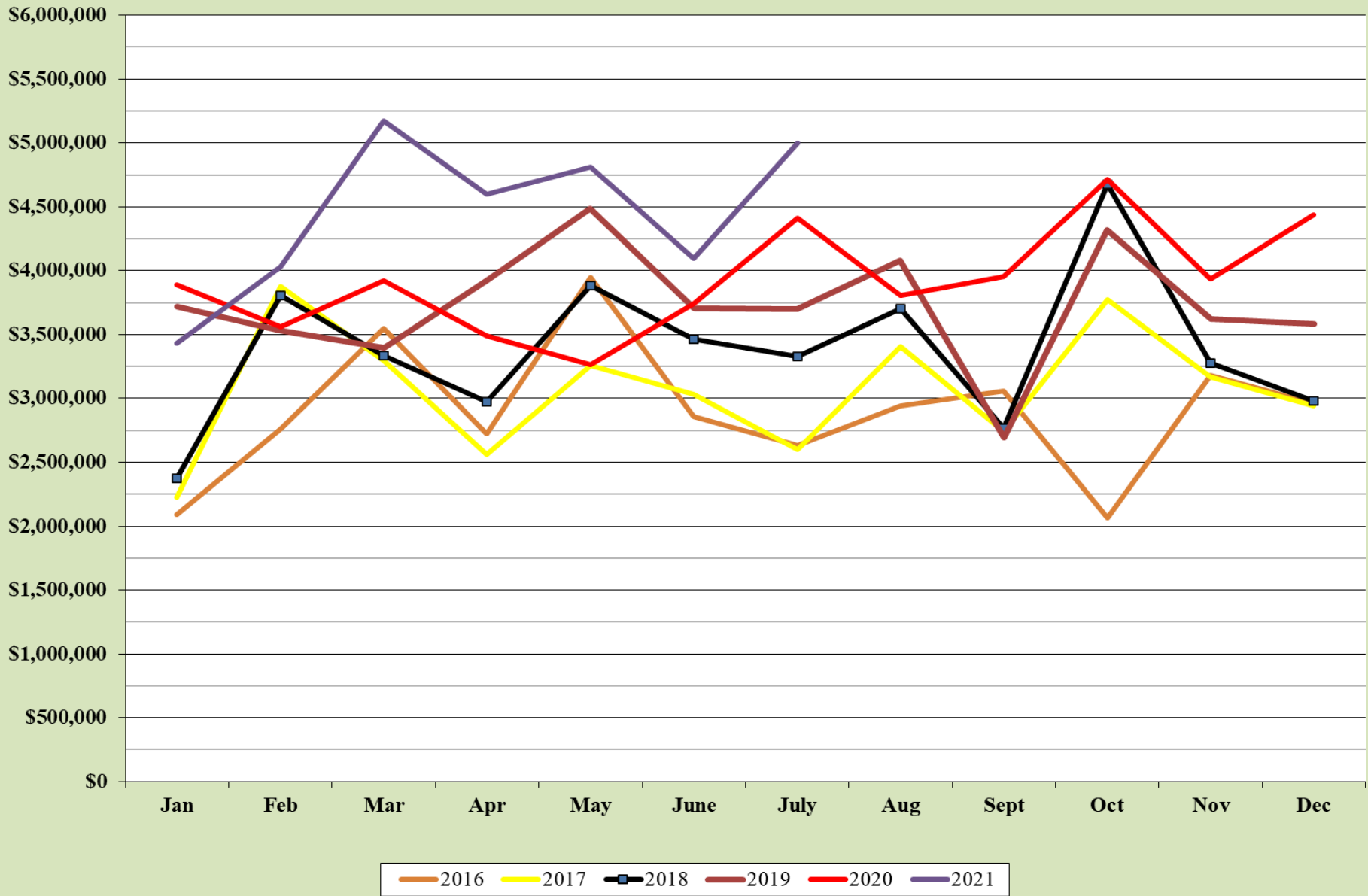
Greater Tompkins County Municipal Health Insurance Consortium

2021 Budgeted vs Actual Paid Claims by Month



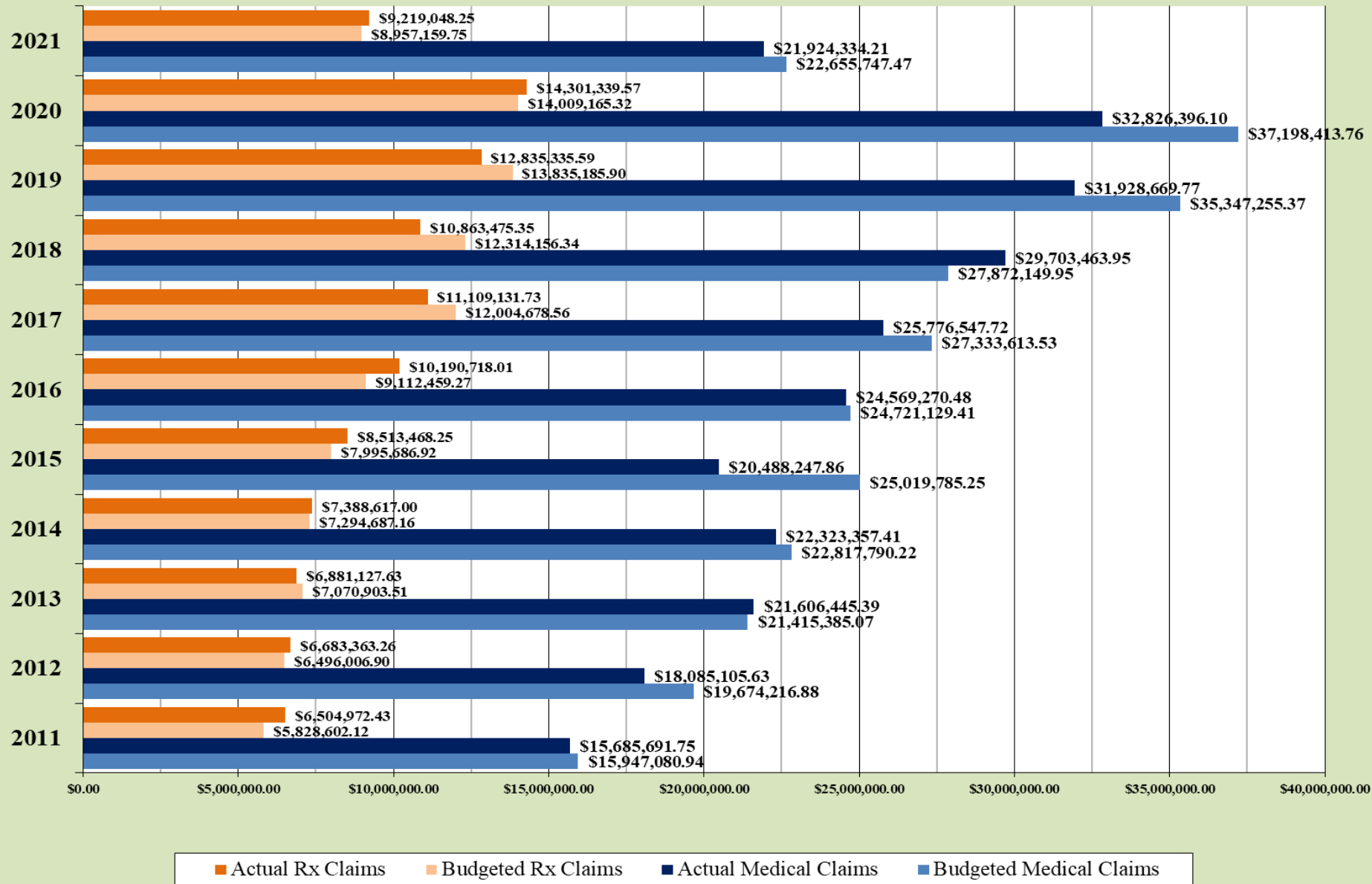
Greater Tompkins County Municipal Health Ins Consortium

2016-2021 Monthly Paid Claims by Fiscal Year



Greater Tompkins County Municipal Health Ins Consortium

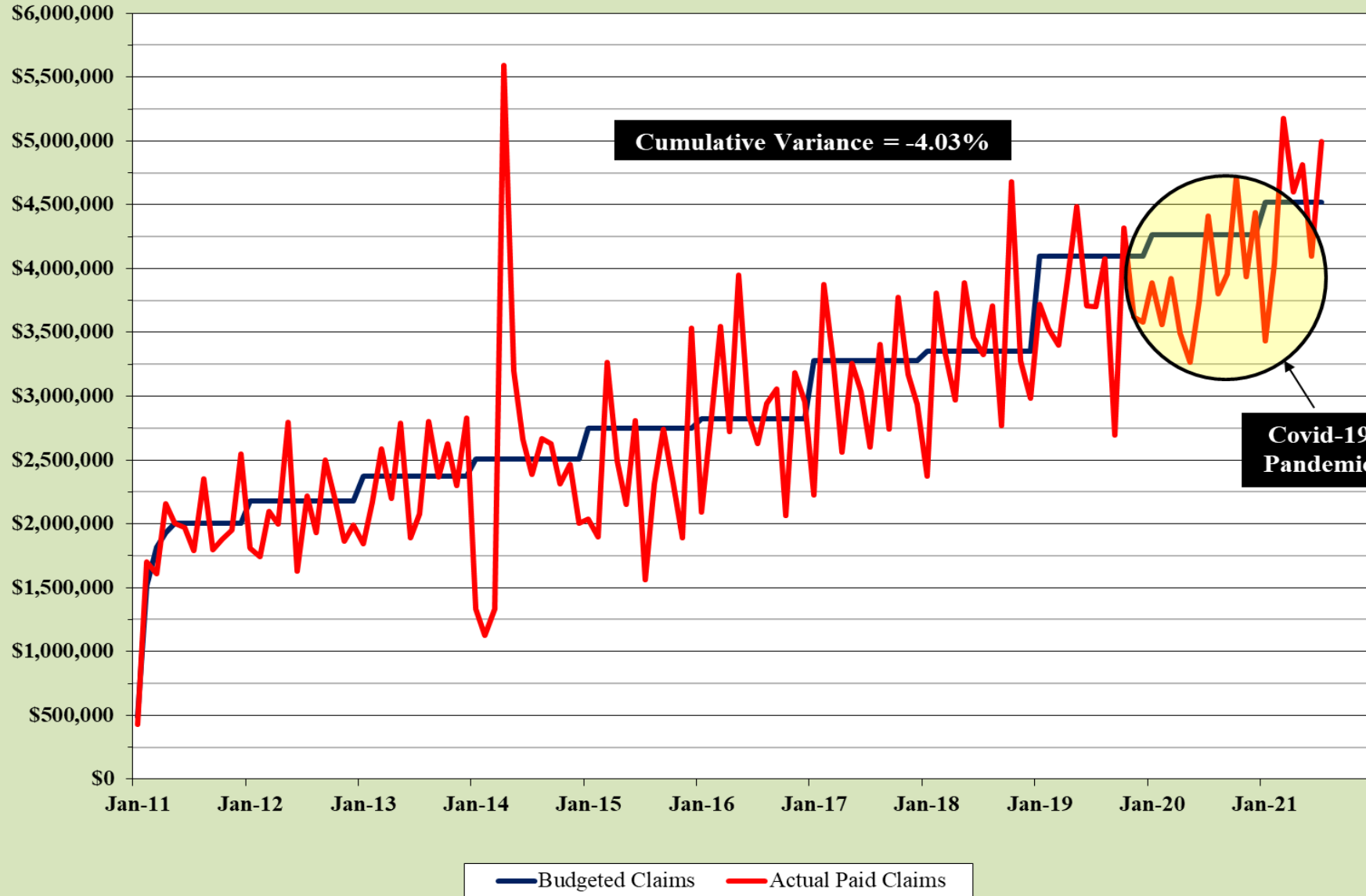
2011-2021 (as of 07/31/2021) Annual Paid Claims v Budgeted Claims

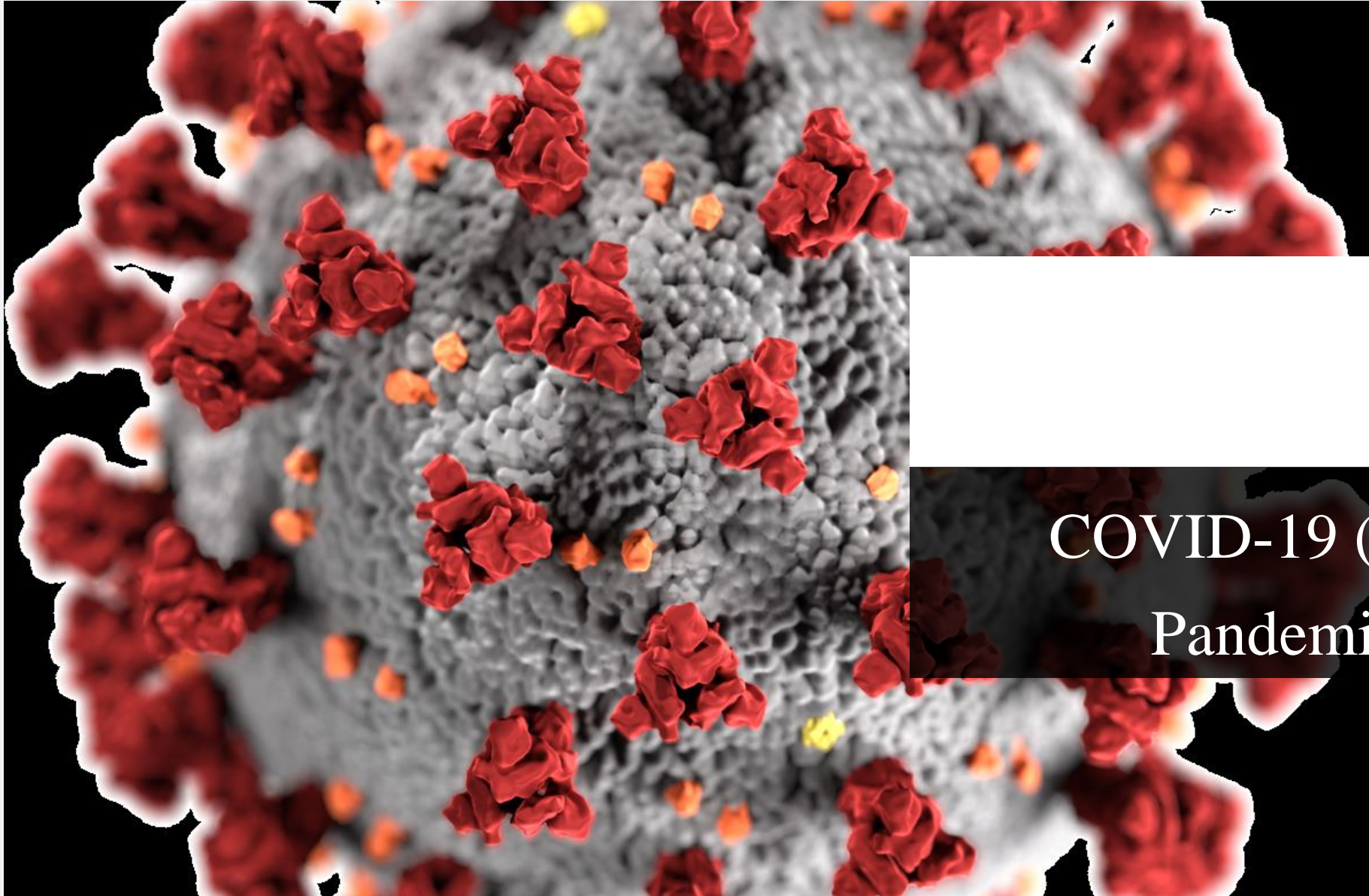


Greater Tompkins County Municipal Health Ins Consortium

2011-2021 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to July 31, 2021





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 August 16th
 - a) There have been approximately 2,417,285 COVID-19 tests administered in Tompkins County.
 - b) There have been approximately 4,661 Tompkins County residents who have tested positive for the coronavirus which is 0.2% of those test resulting in a positive result, or the equivalent of 4.52% of the County's total population. There have been 54 deaths amongst county residents associated with COVID-19.
3. The other Counties in the Consortium have the following results:

a) Cayuga	214,481 Persons Tested	6,711 Positive Results (3.13%)
b) Cortland	188,386 Persons Tested	4,101 Positive Results (2.18%)
c) Seneca	72,817 Persons Tested	2,088 Positive Results (2.87%)
d) Tioga	121,788 Persons Tested	3,981 Positive Results (3.27%)

2020/2021 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium

1. Paid claims during COVID-19 were below budget, primarily due to the delay or cancellation of minor and/or elective procedures. As shown below, claims have begun to rise, although still below budget, as the medical community begins to ramp up. This trend must be monitored as COVID-19 continues to evolve.

Date	Per Excellus BCBS Reports		Per ProAct, Inc. Reports		Combined Paid Claims	
	Medical Claims		Rx Claims			
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
Jan-21	\$2,839,595.60	\$98,932.82	\$1,248,569.04	\$83,001.85	\$4,088,164.64	\$181,934.67
Feb-21	\$2,289,069.96	\$110,494.29	\$1,174,685.51	\$75,743.36	\$3,463,755.47	\$186,237.65
Mar-21	\$2,675,627.93	\$107,491.17	\$1,369,738.41	\$89,412.10	\$4,045,366.34	\$196,903.27
Apr-21	\$2,810,948.88	\$129,816.25	\$1,315,680.71	\$76,476.00	\$4,126,629.59	\$206,292.25
May-21	\$2,919,393.05	\$98,910.49	\$1,350,738.38	\$71,267.17	\$4,270,131.43	\$170,177.66
Jun-21	\$2,225,447.79	\$90,369.48	\$1,368,008.21	\$76,190.10	\$3,593,456.00	\$166,559.58
Jul-21	\$2,939,073.55	\$104,367.51	\$1,391,231.89	\$70,344.97	\$4,330,305.44	\$174,712.48
Aug-21						
Sep-21						
Oct-21						
Nov-21						
Dec-21						
Totals	\$18,699,156.76	\$740,382.01	\$9,218,652.15	\$542,435.55	\$27,917,808.91	\$1,282,817.56
	96.19%	3.81%	94.44%	5.56%	95.61%	4.39%

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-December Medical Claims
\$2,187,388.11

2021 First 7-Months Medical Claims
\$2,671,308.11

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 2020/2021 were collectively about \$3.12 million below the budgeted amount for the time period of April 2020 through July 2021.
3. We expect this trend to continue through the 2021 year as the medical community continues to navigate the ever-changing landscape of COVID-19.
4. We continue to believe that the Consortium is well positioned to remain fiscally stable during this pandemic. 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 is still some hesitancy by many who would typically schedule elective procedures had there not been coronavirus or other illness concerns.

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) From January 2020 through July 2021, the Consortium has paid for 20,668 telehealth visits a total cost of \$2,106,358.28.
 - 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 July 2021, the number of covered members registered for the telemedicine program increased to 165. We anticipated this number to be higher due to COVID-19, but growth has slowed, with only one additional member since January 2021.



Section 5

2022 Fiscal Year Budget Overview Consortium Income

2022 GTCMHIC Budget - Income

Major Income Sources:

- 1. *Medical Plan Premiums*** – this is the income derived from the health insurance premium payments made by each Participating Municipality in the Consortium. These dollars include any premium contributions made by employers, employees, COBRA members, and retirees.
- 2. *Interest Earnings*** – this income line-item shows the return on investments associated with the Consortium’s cash assets which are deposited and invested based on the Consortium’s investment policy with the assistance of Wilmington Trust. Historically, the return on these investments lowered the annual premium increases by between 0.75% and 1.00% on average.
- 3. *Rx Rebates*** – this represents the amount of income paid to the GTCMHIC from ProAct, Inc. associated with the pharmaceutical rebates ProAct, Inc. receives for purchases made by Consortium members.

2022 GTCMHIC Budget - Income

Major Income Sources (continued):

4. ***Stop-Loss Claim Reimbursements*** – this income source is the result of members exceeding the specific stop-loss insurance deductible for the fiscal year. Monies received in stop-loss claim reimbursements are used to off-set the paid claims costs associated with high dollar claimants. Currently, the Consortium’s specific stop-loss deductible is \$1,000,000. This year there are no individuals that have a higher “laser” deductible.

5. ***Other Income*** – this small revenue item is associated with any miscellaneous funds which may be received as refunds, credits, or some other kind of financial settlement. Since 2014 this revenue source has averaged less than \$6,000 per annum.

2022 Projected Income

<i>Greater Tompkins County Municipal Health Insurance Consortium</i>					
2021 - 2026 Fiscal Year Budget Projections (cash basis)				<i>As Revised for New Entrants</i>	5.00%
		<i>Actual Results 2019 Fiscal Year</i>	<i>Actual Results 2020 Fiscal Year</i>	<i>Adopted Budget 2021 Fiscal Year</i>	<i>Projected Budget 2022 Fiscal Year</i>
Average Covered Lives		6,174	6,275	6,330	6,330
Beginning Balance		\$26,575,630.00	\$30,971,196.85	\$31,317,104.64	\$30,440,232.43
Income					
	Medical and Rx Plan Premiums	\$50,296,735.62	\$48,192,484.79	\$55,002,327.38	\$57,752,443.75
9000	Ancillary Benefit Plan Premiums	\$150,527.92	\$0.00		
9020	Interest	\$465,101.14	\$321,110.04	\$45,534.44	\$45,660.35
9010	Rx Rebates	\$1,597,414.28	\$1,975,716.32	\$1,700,000.00	\$3,000,000.00
9040	Stop-Loss Claim Reimbursements	\$3,451.40	\$29,295.28	\$0.00	\$0.00
9035	Finance Charge Income	\$0.00	\$30,072.69	\$5,463.46	\$5,627.36
9030	Other	\$10,640.45	\$0.00	\$0.00	\$0.00
Total Income		\$52,523,870.81	\$50,548,679.12	\$56,753,325.28	\$60,803,731.46

2023-2026 Projected Income

<i>Greater Tompkins County Municipal Health Insurance Consortium</i>					
2021 - 2026 Fiscal Year Budget Projections		6.00%	7.00%	7.00%	7.00%
		<i>Projected Budget 2023 Fiscal Year</i>	<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>
Average Covered Lives		6,330	6,330	6,330	6,330
Beginning Balance		\$30,433,330.08	\$31,110,370.48	\$32,433,433.30	\$34,489,297.38
Income					
	Medical and Rx Plan Premiums	\$61,217,590.37	\$65,502,821.70	\$70,088,019.22	\$74,994,180.56
9000	Ancillary Benefit Plan Premiums				
9020	Interest	\$304,333.30	\$311,103.70	\$324,334.33	\$344,892.97
9010	Rx Rebates	\$3,400,000.00	\$3,400,000.00	\$3,400,000.00	\$3,400,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00
9035	Finance Charge Income	\$5,796.18	\$5,970.07	\$6,149.17	\$6,333.65
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$64,927,719.86	\$69,219,895.48	\$73,818,502.72	\$78,745,407.19

2022-2026 Projected Income

Important Notes and Assumptions:

1. Premium Income includes a 5.00% increase in the premium equivalent rates for the 2022 Fiscal Year. The 2023 through 2026 Fiscal Years include a premium increases of 6.0%, 7.0%, 7.0% and 7.0%, respectively. Please be aware, the premium income is based on the current population being enrolled in their current health insurance plans.
2. Interest Income has been adjusted to a modest level as interest rates are anticipated to be a challenge through 2022. Future interest rate assumptions were set at 1.0% of Consortium Assets for the 2022 through 2026 Fiscal Years at this time.
3. Rx Rebates are the pharmaceutical manufacturer rebates earned by the Consortium. Based on the mid-year performance during 2021, and the current PBM RFP, we are conservatively recommending a budget figure of \$3.0 million for the 2022 Fiscal Year.
4. “Other” Income is any miscellaneous revenue received by the Consortium. Being that this number is negligible, we are recommending to budget a modest number for 2022. We will monitor this and re-evaluate this each year as we moved forward to the 2023-2026 Fiscal Years.



Section 6

2022 Fiscal Year Budget Overview Consortium Expenses

2022 Projected Expenses

Major Expense Categories:

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

2022 Projected Expenses

Major Expense Categories (continued):

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

2022 Projected Expenses

		<i>Actual Results 2020 Fiscal Year</i>	<i>Adopted Budget 2021 Fiscal Year</i>	<i>Projected Budget 2022 Fiscal Year</i>
Expenses				
8090	Medical Paid Claims	\$32,826,396.10	\$38,838,424.24	\$40,780,345.45
	Advance Deposit / Pre-Paid Claims	\$0.00	\$109,150.71	\$37,344.64
8120	Rx Paid Claims - ProAct	\$14,458,494.04	\$15,355,131.00	\$16,506,765.82
8121	Rx Paid Claims - CanaRx	\$131,534.80	\$150,108.45	\$161,366.59
8084	Flu Clinic Fees	\$19,003.86	\$15,000.00	\$20,037.48
8050	Medical Admin Fees	\$1,388,746.82	\$1,477,304.64	\$1,521,623.78
8093	Excellus ITS Fees			
	Rx Admin Fees	\$198,741.50	\$200,930.34	\$206,958.25
8091	NYS Covered Lives Assessment	\$303,866.81	\$373,317.01	\$391,982.86
9060	ACA PCORI Fee	\$15,681.96	\$17,987.06	\$18,886.41
8115	ACA Transitional Reins. Program Fee	\$0.00	\$0.00	\$0.00
8110	Specific Stop-Loss Insurance (Budget)	\$762,505.96	\$876,881.85	\$1,008,414.13
	Specific Stop-Loss Insurance (Actual)	\$264,390.72	\$273,000.00	\$313,950.00
	Aggregate Stop-Loss Insurance			

		<i>Actual Results 2020 Fiscal Year</i>	<i>Adopted Budget 2021 Fiscal Year</i>	<i>Budget 2022 Fiscal Year</i>
Expenses				
8000	Accounting Fees	\$17,400.00	\$25,750.00	\$19,000.00
8010	Actuarial Fees	\$39,850.00	\$15,000.00	\$10,000.00
8020	Audit Fees (Financial)	\$13,000.00	\$13,390.00	\$14,420.00
8021	Audit Fees (Claims)	\$53,875.00	\$41,200.00	\$51,295.00
8055	Consultant Fees (Barber + Others)	\$14,024.26	\$20,000.00	\$20,000.00
8030	Consultant Fees (L&C)	\$86,520.00	\$90,176.50	\$91,650.00
TBD	Consultant Fees (Strat Plan & DEI)	\$0.00	\$0.00	\$25,000.00
8070	Legal Fees	\$5,183.75	\$12,360.00	\$12,000.00
66001	Executive Director Salary	\$91,800.02	\$93,636.00	\$96,450.00
66002	Fringe Benefits	\$45,989.11	\$110,374.87	\$119,635.00
66003	Clerk of the Board Salary	\$30,226.00	\$72,134.40	\$74,300.00
66004	Admin/Comp Asst. Salary	\$40,193.63	\$0.00	\$0.00
66005	Benefits Specialist Salary	\$0.00	\$43,680.00	\$56,240.00
66006	Finance Director Salary	\$0.00	\$73,000.00	\$72,100.00
8060	Insurances (D&O / Prof. Liability)	\$43,612.63	\$50,850.00	\$55,650.00
8041	Internal Coordination (Finance)	\$68,485.54	\$68,660.00	\$20,000.00
8045	Internal Coordination (Town of Ithaca)	\$7,000.00	\$7,210.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$6,489.32	\$11,845.00	\$6,485.00
9065	Marketing Expenses	\$0.00	\$2,500.00	\$2,575.00
8065	Wellness Program Costs	\$0.00	\$25,000.00	\$25,000.00
9055	Investment Management Services	\$18,541.31	\$14,000.00	\$12,360.00
8150	Supplies Expense (Postage/Printing)	\$0.00	\$2,500.00	\$4,080.00
8151	Computer Equipment (Software)	\$0.00	\$5,150.00	\$11,545.00
8152	Lease Expense / Parking Fees	\$6,414.85	\$9,500.00	\$13,370.00
8153	Mileage- Travel Expenses	\$312.23	\$1,000.00	\$1,000.00
9060	Other Expenses	\$6,997.07	\$10,927.27	\$12,595.00
Total Expenses		\$50,202,771.33	\$57,630,197.48	\$60,783,832.66

2023-2026 Projected Expenses

		<i>Projected Budget 2023 Fiscal Year</i>	<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>
Expenses					
8090	Medical Paid Claims	\$42,819,362.72	\$44,960,330.86	\$47,208,347.40	\$49,568,764.77
	Advance Deposit / Pre-Paid Claims	\$39,211.87	\$41,172.46	\$43,231.09	\$45,392.64
8120	Rx Paid Claims - ProAct	\$17,744,773.26	\$19,075,631.26	\$20,506,303.60	\$22,044,276.37
8121	Rx Paid Claims - CanaRx	\$173,469.08	\$186,479.26	\$200,465.21	\$215,500.10
8084	Flu Clinic Fees	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
8050	Medical Admin Fees	\$1,567,272.49	\$1,614,290.67	\$1,662,719.39	\$1,712,600.97
8093	Excellus ITS Fees				
	Rx Admin Fees	\$213,167.00	\$219,562.01	\$226,148.87	\$232,933.33
8091	NYS Covered Lives Assessment	\$411,582.00	\$432,161.10	\$453,769.16	\$476,457.62
9060	ACA PCORI Fee	\$19,830.74	\$20,822.27	\$20,822.27	\$20,822.27
8115	ACA Transitional Reins. Program Fee	\$0.00	\$0.00	\$0.00	\$0.00
8110	Specific Stop-Loss Insurance (Budget)	\$1,159,676.25	\$1,333,627.68	\$1,533,671.84	\$1,763,722.61
	Specific Stop-Loss Insurance (Actual)	\$361,042.50	\$415,198.88	\$477,478.71	\$549,100.51
	Aggregate Stop-Loss Insurance				

2023-2026 Fiscal Budget Projections		<i>Projected Budget 2023 Fiscal Year</i>	<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>
<i>Expenses</i>					
8000	Accounting Fees	\$19,570.00	\$20,157.10	\$20,761.81	\$21,384.67
8010	Actuarial Fees	\$10,300.00	\$10,609.00	\$10,927.27	\$11,255.09
8020	Audit Fees (Financial)	\$14,852.60	\$15,298.18	\$15,757.12	\$16,229.84
8021	Audit Fees (Claims)	\$52,833.85	\$54,418.87	\$56,051.43	\$57,732.97
8055	Consultant Fees (Barber + Others)	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
8030	Consultant Fees (L&C)	\$94,399.50	\$97,231.49	\$100,148.43	\$103,152.88
TBD	Consultant Fees (Strat Plan & DEI)	\$25,750.00	\$26,522.50	\$27,318.18	\$28,137.72
8070	Legal Fees	\$12,360.00	\$12,730.80	\$13,112.72	\$13,506.11
66001	Executive Director Salary	\$99,343.50	\$102,323.81	\$105,393.52	\$108,555.32
66002	Fringe Benefits	\$123,224.05	\$126,921.83	\$130,729.49	\$134,651.37
66003	Clerk of the Board Salary	\$76,529.00	\$78,824.87	\$81,189.62	\$83,625.30
66005	Benefits Specialist Salary	\$57,927.20	\$59,665.02	\$61,454.97	\$63,298.62
66006	Finance Director Salary	\$74,263.00	\$76,490.89	\$78,785.62	\$81,149.19
8060	Insurances (D&O / Prof. Liability)	\$61,215.00	\$67,336.50	\$74,070.15	\$81,477.17
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$6,679.55	\$6,879.94	\$7,086.33	\$7,298.92
9065	Marketing Expenses	\$2,652.25	\$2,731.82	\$2,813.77	\$2,898.19
8065	Wellness Program Costs	\$25,750.00	\$26,522.50	\$27,318.18	\$28,137.72
9055	Investment Management Services	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29
8150	Supplies Expense (Postage/Printing)	\$4,202.40	\$4,328.47	\$4,458.33	\$4,592.08
8151	Computer Equipment (Software)	\$8,801.35	\$12,155.39	\$9,065.39	\$12,155.39
8152	Lease Expense / Parking Fees	\$13,482.26	\$13,598.73	\$13,718.69	\$13,842.25
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
8156	Furniture & Fixtures	\$12,822.85	\$13,057.54	\$13,299.26	\$13,548.24
Total Expenses		\$64,187,827.55	\$67,833,652.01	\$71,691,916.47	\$75,790,548.62

2022-2026 Projected Expenses

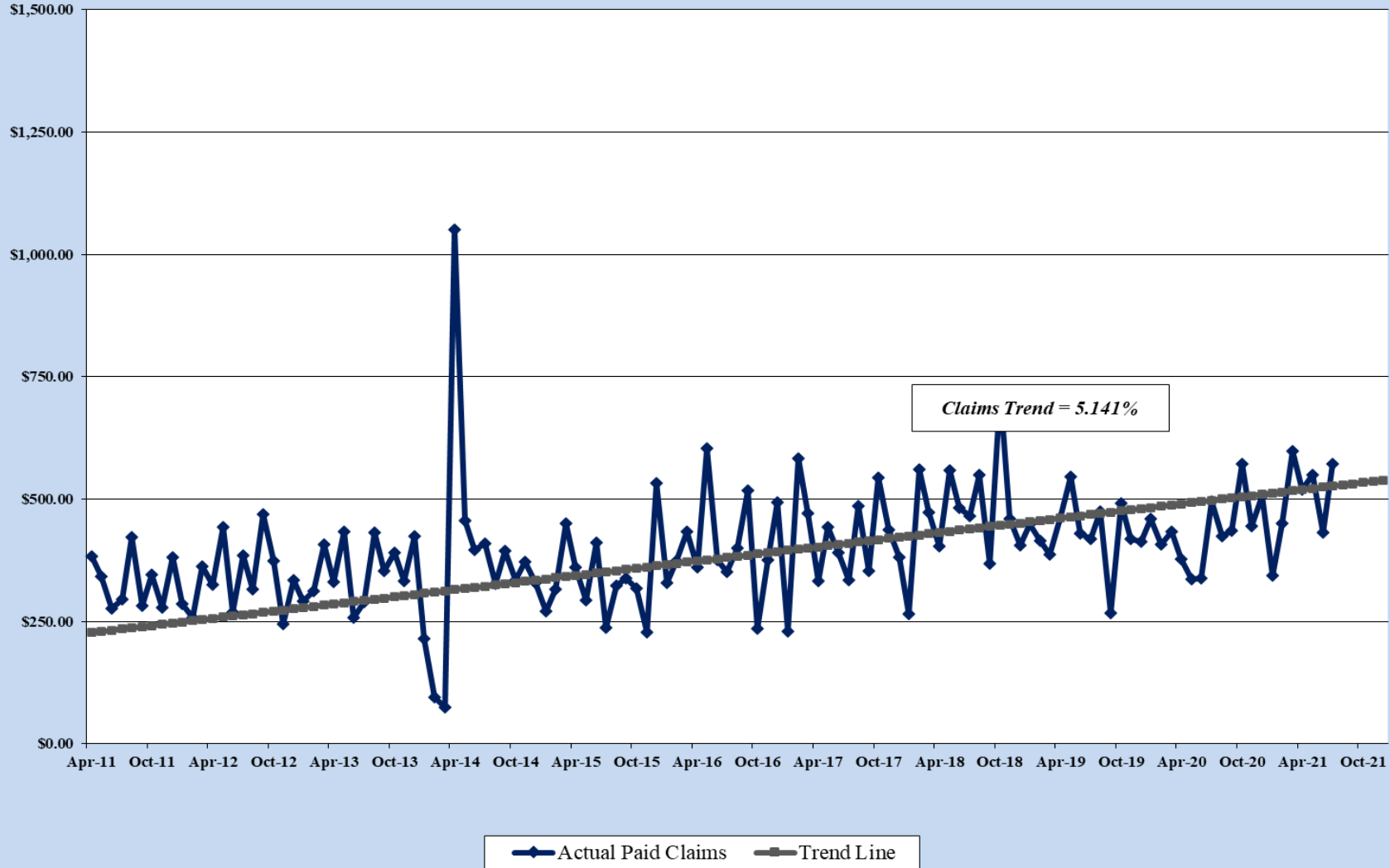
Important Notes and Assumptions:

1. The medical and pharmacy paid claim trends for the GTCMHIC from April 1, 2011 to July 31, 2021 has equaled 5.141% and 6.502%, respectively.
 - a) The Locey & Cahill, LLC Municipal Cooperative Health Benefit Plan Client paid claim trends models for medical and pharmacy claims produce an average annual cost increase of 3.479% and 7.275%, respectively.
 - b) The paid claim trends we utilized are based on a number of factors, including the trends noted above and Locey & Cahill, LLC's 25+ years of experience working with Municipal Cooperative Health Benefit Plans like the GTCMHIC.
 - c) The 2022 Paid Claims trends utilized for the budget projections were 5.00% for medical claims and 7.50% for prescription drug claims based on an updated per covered life claims projection which includes data as of July 31, 2021.
 - d) The following charts provide some background and detail regarding the paid claims trend information and data used by Locey & Cahill, LLC in the development of this budget report.

Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month Medical Paid Claims Trend

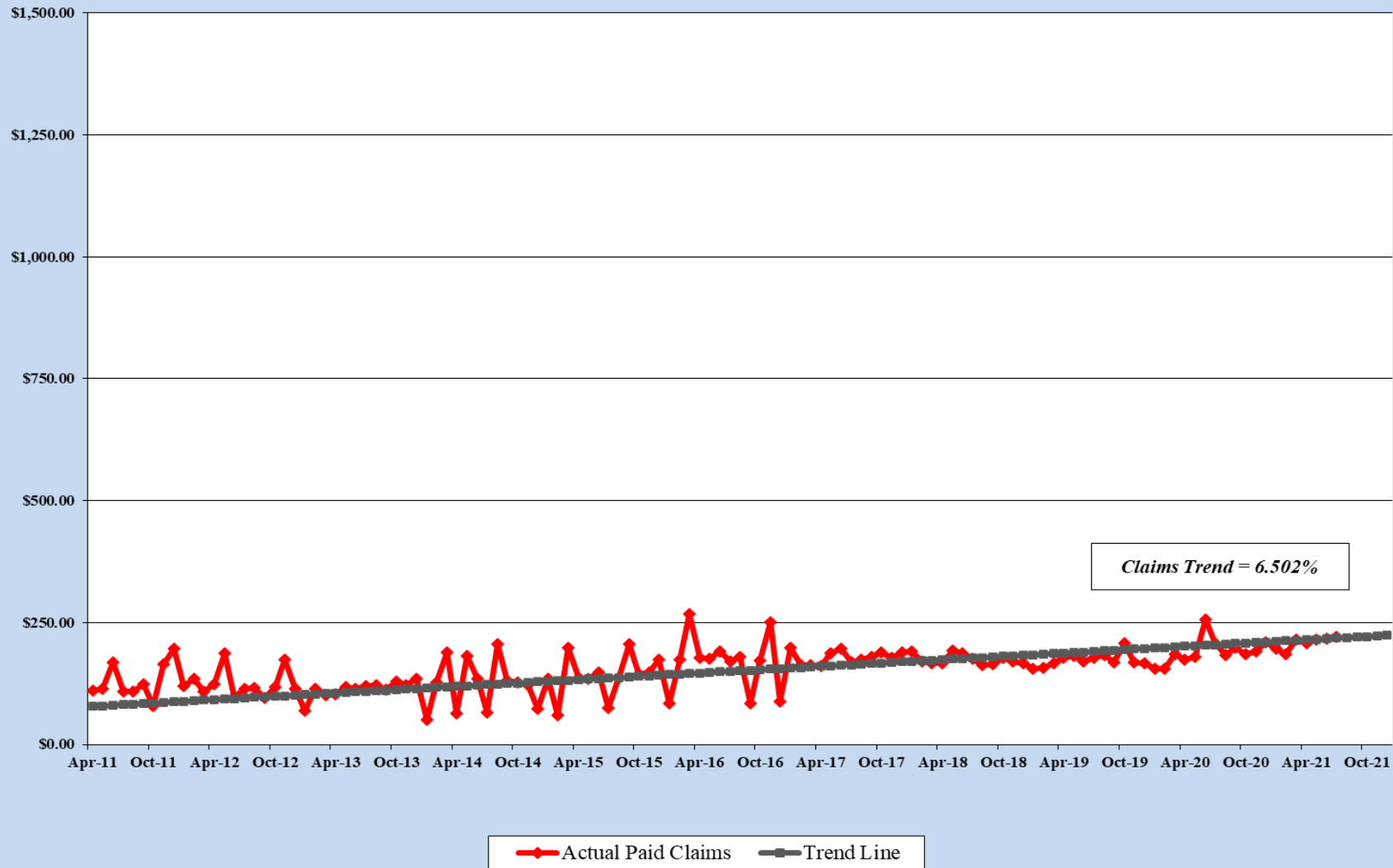
April 1, 2011 to July 31, 2021



Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month Prescription Drug Paid Claims Trend

April 1, 2011 to July 31 2021

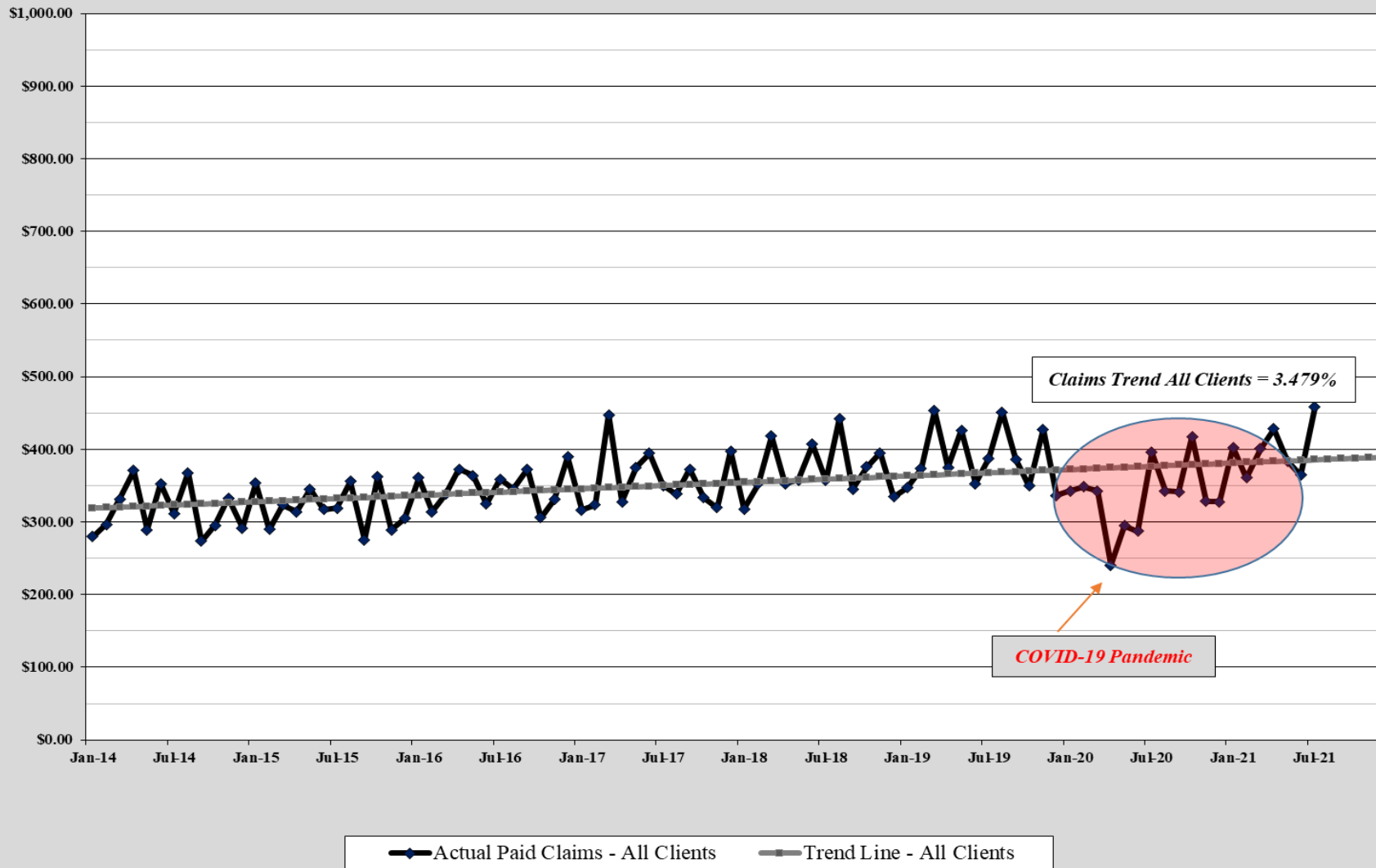


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Medical Paid Claims Trend

January 1, 2014 to July 31, 2021

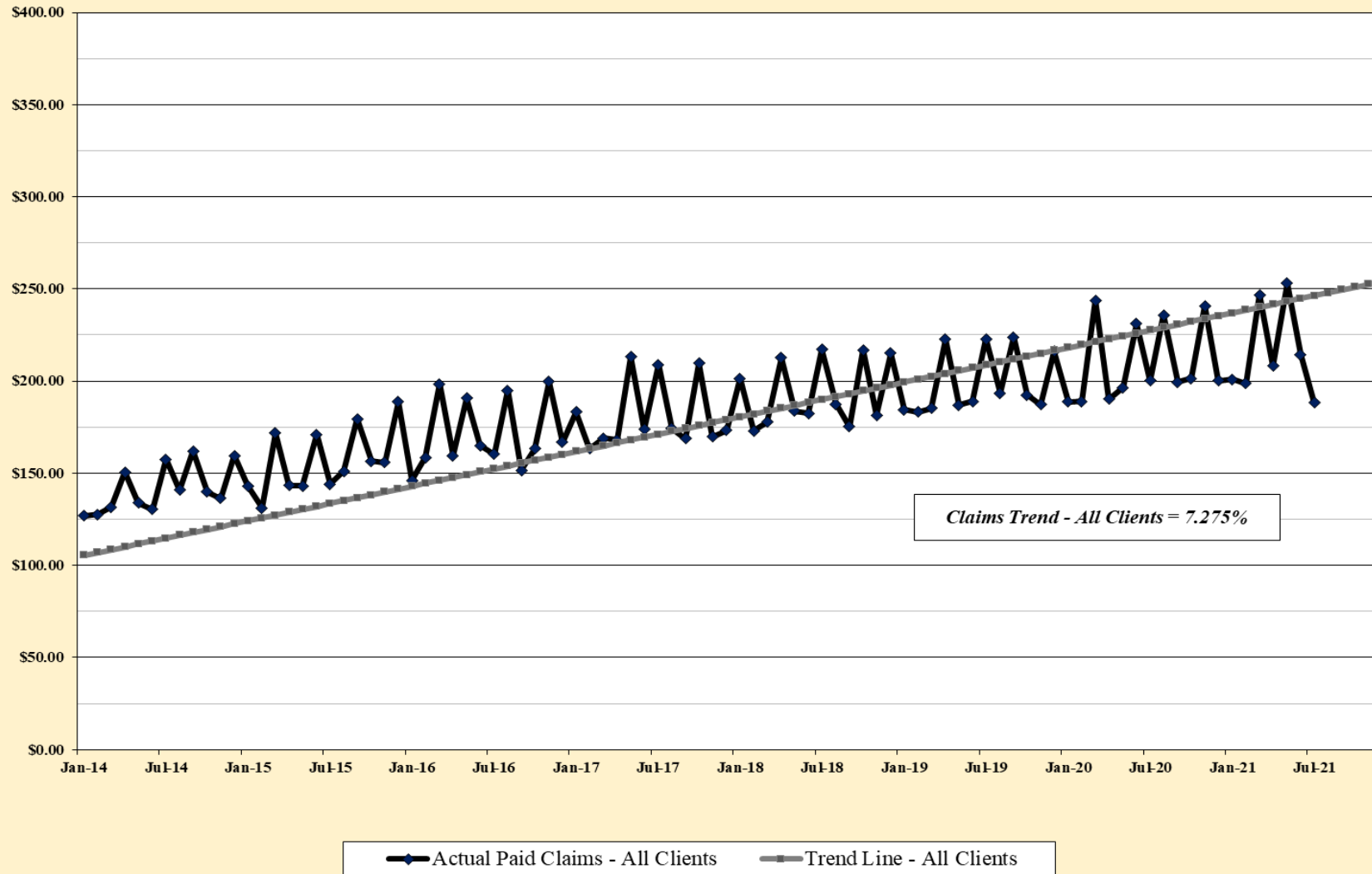


Locey & Cahill, LLC

Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Rx Paid Claims Trend

January 1, 2014 to July 31, 2021



2022-2026 Projected Expenses

Important Notes and Assumptions (continued):

2. The Excellus BlueCross BlueShield claims administrative fees are increased by 3.0% for the 2022 through 2026 Fiscal Years. The ProAct, Inc. claims administrative fees are similarly increased by 3.0% per annum for the 2022 through 2026 Fiscal Years. We can review the Rx administrative fees upon awarding of the PBM contract.
3. The Taxes and Fees include the New York State Covered Lives Assessment (Graduate Medical Expense) which is a per contract per month fee that has been forecasted to increase by 5% per annum. The Patient Protection and Affordable Care Act (ACA) Patient Centered Outcomes Research Institute (PCORI) fee is set to sunset in 2029.
4. The specific stop-loss insurance premiums have been forecasted to increase at a rate of 15% per annum based on our experience with this market in recent years. This sector of the insurance marketplace has been hit hard over recent years with significant increases in large dollar claimants resulting in escalating premiums. This is an area of operations which is being closely scrutinized to ensure the Consortium is protected at a reasonable cost going forward.

2022-2026 Projected Expenses

Important Notes and Assumptions (continued):

5. We have updated the 2022 Fiscal Year expected costs associated with all professional services provided to the Consortium based on information from the Consortium's Executive Director and Treasurer. These fees have been trended at an annual rate of 3% for the 2023 through 2026 Fiscal Years.
6. As with the professional services, the internal coordination fees and insurance costs expected for the 2022 Fiscal Year have been updated based on information from the Consortium's Executive Director and Treasurer. These fees have also been trended at an annual rate of 3% for the 2023 through 2026 Fiscal Years.
7. The last major expense category is the "other" expenses which is for miscellaneous costs that do not fit in one of the other line-items cleanly. This is an extremely nominal expense item which has little impact on the overall budget. We trended this at 3% from the current cost projections.



Section 7

2022 Fiscal Year Budget Overview Consortium Assets

Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2021 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 2021 Fiscal Year budget forecasted this reserve to equal \$6,503,226.63 (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 2021 Fiscal Year, Excellus' estimate of this liability was \$4,318,500.00 which is approximately 11% 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 2021 Fiscal Year budget forecasted this reserve to equal \$2,750,116.37 (5.0% of projected premium income of \$55,002,327.38). It should be noted that the Consortium's premium income is below the budgeted amount through the first 7-months of the fiscal period which may impact this reserve level at the end of the year.

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 2021 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 2021 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.

2021 Beginning Balance

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 8,343,168	\$ 11,304,684
Unrestricted Investments	7,686,088	6,340,983
Accrued Interest	58,725	141,159
Accounts Receivable - Stop Loss and Drug Rebates	-	380,746
Premiums Receivable	-	127,906
Total Current Assets	<u>16,087,981</u>	<u>18,295,478</u>
OTHER ASSETS		
Noncurrent Assets		
Premium Claims Deposit	761,400	647,700
Restricted Investments	<u>16,662,408</u>	<u>13,136,929</u>
Total Noncurrent Assets	<u>17,423,808</u>	<u>13,784,629</u>
Total Assets	<u>33,511,789</u>	<u>32,080,107</u>

2021 Net Income, Liabilities & Reserves (07/31/2021)

	2021 <i>Adopted Budget</i>	2021 <i>Revised Budget</i>	2021 <i>Year-to-Date</i>	2021 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
<i>Net Income</i>	-\$481,659.30	-\$876,872.21	-\$584,590.92	-\$486,085.11	\$98,505.81	

<i>Ending Balance</i>	\$30,835,445.34	\$31,201,632.43	\$30,732,513.71	\$31,592,419.53	\$859,905.81	2.80%
-----------------------	-----------------	-----------------	-----------------	-----------------	--------------	-------

<i>Liabilities and Reserves</i>						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	\$4,500,000.00	Established by Board Policy
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$761,400.00	\$761,400.00	\$761,400.00	
<i>Total Liabilities and Reserves</i>		\$17,884,167.36	\$17,884,167.36	\$17,884,167.36	\$17,884,167.36	

<i>Unencumbered Fund Balance</i>	\$12,951,277.98	\$13,317,465.07	\$12,848,346.36	\$13,708,252.17
----------------------------------	-----------------	-----------------	-----------------	-----------------

The 2021 Fiscal Year is on target to meet the adopted financial plan for the year. This has resulted in the net cash assets (unencumbered fund balance) being in line with the targeted level as set by the Consortium's Audit & Finance Committee. As of July 31, 2021, the unencumbered fund balance equals 24.92% of the expected premium income for the year. This result was achieved while maintaining the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and the Catastrophic Claims Reserve at \$4.5 million.

2022-2026 Net Income, Liabilities & Reserves

			<i>Budget</i>	<i>Projected Budget</i>	<i>Projected Budget</i>	<i>Projected Budget</i>	<i>Projected Budget</i>
			<i>2022 Fiscal Year</i>	<i>2023 Fiscal Year</i>	<i>2024 Fiscal Year</i>	<i>2025 Fiscal Year</i>	<i>2026 Fiscal Year</i>
	<i>Net Income</i>		<i>\$49,064.82</i>	<i>\$840,620.80</i>	<i>\$1,488,851.43</i>	<i>\$2,231,119.78</i>	<i>\$3,061,438.23</i>
	<i>Ending Balance</i>		<i>\$30,489,297.25</i>	<i>\$31,329,918.05</i>	<i>\$32,818,769.48</i>	<i>\$35,049,889.26</i>	<i>\$38,111,327.48</i>
	<i>Liabilities and Reserves</i>						
Statutory Reserves	4010	IBNR Reserve	\$6,896,221.84	\$7,290,989.24	\$7,709,243.90	\$8,152,441.40	\$8,622,131.23
	5010	Surplus Account	\$2,887,622.19	\$3,060,879.52	\$3,275,141.09	\$3,504,400.96	\$3,749,709.03
Discretionary Reserves	5014	Claims / Rate Stabilization Reserve	\$4,310,138.65	\$4,556,868.28	\$4,818,277.44	\$5,095,275.88	\$5,388,832.02
	5012	Catastrophic Claims Reserve	\$5,797,052.67	\$5,797,052.67	\$5,797,052.67	\$5,797,052.67	\$5,797,052.67
	Total Liabilities and Reserves		\$19,891,035.35	\$20,705,789.70	\$21,599,715.09	\$22,549,170.91	\$23,557,724.95
	<i>Unencumbered Fund Balance</i>		<i>\$10,598,261.90</i>	<i>\$10,624,128.34</i>	<i>\$11,219,054.39</i>	<i>\$12,500,718.34</i>	<i>\$14,553,602.53</i>
			<i>18.35%</i>	<i>17.35%</i>	<i>17.13%</i>	<i>17.84%</i>	<i>19.41%</i>



Section 5

2022 Fiscal Year Budget Overview Recommendations



2022 Budget Recommendations

1. Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law. The value of this reserve, as projected for the 2022 Fiscal Year, is \$2,887,622.19. This will satisfy an Article 47 statutory reserve requirement.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$6,874,453.35 for the 2022 Fiscal Year.

2022 Budget Recommendations (Continued)

3. Continue to evaluate the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000 for the 2021 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2022 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the number of individual high dollar claimants.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims (\$4,296,533.35). These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation in the overall paid claims.
5. Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.

2022 Budget Recommendations (Continued)

6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium's finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 5.0% increase in premiums for the 2022 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$550,000 for the 2022 Fiscal Year.

2022 Budget Recommendations (Continued)

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

2011-2026 GTCMHIC Premium Increases

<i>Fiscal Year</i>	<i>Budget Income % Increase</i>
2011	9.50%
2012	9.50%
2013	9.00%
2014	8.00%
2015	5.00%
2016	3.00%
2017	5.00%
2018	4.00%
2019	5.00%
2020	5.00%
2021	5.00%
2022	5.00%
2023	6.00%
2024	7.00%
2025	7.00%
2026	7.00%
<i>Average Increase</i>	6.08%
<i>5-Year Avg. Increase</i>	4.80%

Historical Average Premium Rate Increases

2011-2022 Avg. Rate Increase = 6.08%

2018-2022 5-Year Avg. Rate Increase = 4.80%

Projected Average Premium Rate Increases

2011-2026 Avg. Rate Increase = 6.18%

2022-2026 5-Year Avg. Rate Increase = 6.40%

