



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 December 7, 2022 – 3:30 p.m. Ithaca Town Hall- Aurora Room

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of Minutes: October 5, 2022
- 4) Chair's Report (3:40) J. Drake
 - a. Long-Term Planning Discussion
- 5) Executive Director's Report (3:45) E. Dowd
 - a. Executive Director Report
 - b. Medicare Advantage Update
 - c. Update on Long Term Planning Objectives 2022
 - d. Town of Onondaga Update
- 6) Action Items: (4:00)
 - Resolution:** Amendment to Resolution No. 011-2020 "Authorization by the Board of Directors to Remove Benefit Plans from the Consortium's Menu of Benefit Plan Offerings" By Restricting Plan Enrollment E. Dowd
 - Resolution:** Directive to Prescription Benefit Manager-Medicare Supplement Immunization and Insulin Products Benefit E. Dowd
 - Resolution:** Approval of new contract for Plan Consultant – Locey & Cahill, LLC January 1, 2023 – December 31, 2026 E. Dowd
 - Resolution:** Contract for Actuarial Services – Armory Associates – FY 2022 E. Dowd
 - Resolution:** Extension of Contract for Investment Management Services – Wilmington Trust Advisors, Inc. E. Dowd
 - Resolution:** Authorization to Purchase Insurance Policies: Errors and Omissions, Directors and Officers, and Directors and Officers Liability, Employment Coverage, and a Fidelity Bond E. Dowd
 - Resolution:** Authorization Information Technology Services Agreement with Tompkins County – January 1, 2023 thru December 31, 2023 E. Dowd
 - Resolution:** Authorize Purchase of Stop Loss Insurance for 2023 S. Locey

- 7) Committee Reports/Resolutions: (4:20)
 - a. Nominations and Engagement E. Fairbrother
 - b. Claims and Appeals B. Shattuck
 - c. Audit and Finance S. Thayer
 - d. Operations L. Holmes
 - e. Joint Committee on Plan Structure and Design K. DeVoe
- 8) Financial Update (4:45) S. Locey
 - a. Financial Review
 - b. Report on large loss claim activity
- 9) Future Agenda Topics: (5:00)
- 10) Adjournment (5:10)

Next Meeting: February 1, 2023 3:30 p.m.

**Executive Committee
Minutes – DRAFT
October 5, 2022 – 3:30 p.m.
Town of Ithaca/Remote via Zoom**

Present: Judy Drake (Chair); Rordan Hart; Lisa Holmes; Peter Salton (Arrived 3:39p)
Present via remote: Eric Snow*; Ed Fairbrother*; Bud Shattuck*
Excused: Steve Thayer; Gary Mutchler
Absent: Ray Bunce; Teri Apalovich, Finance Manager
Guests: Steve Locey, Paul Pelton, Rob Spenard, Locey & Cahill;
Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board;

* - attended remotely due to extraordinary circumstances

Call to Order

Ms. Drake, Chair, called the meeting to order at 3:34 p.m.

Changes to the Agenda

The Committee Reports and Financial Update were removed. The other committees have not met since the Board of Directors Meeting on September 22, 2022, and the Financial Update will be presented at the upcoming Audit & Finance Committee meeting.

Approval of Minutes of September 7, 2022 (Executive Committee) and September 22, 2022 (Board of Directors)

It was MOVED by Ms. Drake seconded by Mr. Hart, and unanimously adopted by voice vote by members present, to approve the minutes of September 7, 2022 & September 22, 2022, as submitted. MINUTES APPROVED.

Chair's Report

Ms. Drake thanked the members who attended the Board of Directors meeting at Tompkins Cortland Community College in September and expressed it was nice to see individuals in person for questions and comments.

Executive Director's Report

Ms. Dowd reported that the Consortium has been spending a lot of time with new members, answering questions, sending data, and discussing plan selection(s). New members are looking forward to becoming members of the Consortium in 2023. She also reported that some current members are switching to new plans and Ms. Rodrigues has been holding presentations for those individuals. *(Mr. Salton arrived 3:39p)* The Consortium is also gearing up for open enrollment period of which Ms. Rodrigues is also holding Benefit Clerk trainings regarding pertinent information.

Ms. Dowd clarified the 2-year-old Locey & Cahill memo included in the agenda packet as a request from the Audit & Finance Committee. The memo was added as a point of reference to this Committee. Mr. Locey added that this document is part of what they are using to evaluate the current contract with ProAct, to confirm all the components and verify there were not any significant metric changes.

Ms. Dowd reported that Ms. Apalovich has sent out all the new premiums. All committee members should have received 2023 Premium notifications. Also, Ms. Apalovich has given the Department of Financial Services (DFS) all the information requested so far for the audit. The finance portion of the audit is supposed to begin this month.

Ms. Dowd explained that new large municipality members as well as existing municipalities are asking many questions about plan participation, such as having multiple plans and choices. This topic has created some concern with municipalities and their part with negotiations. The Consortium would like to move away from outdated, costly indemnity plans. Ms. Dowd said the Consortium is not planning to eliminate all indemnity plans, but would like to consolidate to the most common plan with the greatest population, such as a plan Tompkins County and Tompkins Cortland Community College are currently enrolled in. Ms. Dowd stated the Operations Committee is currently working on a resolution.

Ms. Dowd stated the Budget Amendment Process will include new members coming on board, plan changes, and how the investments look. A resolution will be put in place in the future and the Consortium is currently gathering information for that process.

Resolution to Adopt Medicare Advantage Plan Offerings

Ms. Dowd explained the Consortium has been discussing Medicare Advantage for an extended period. A Request for Proposal (RFP) went out to see what the market would offer. Tompkins County was not included in the RFP as they indicated they were not planning to switch from their current plan. United Health Care, Aetna, and Excellus all responded to the RFP and were very similar. The Consortium chose Aetna on the resolution due to the following reasons:

- Aetna would allow the Consortium to offer two plans. One plan mirrors the Platinum Plan, and the other plan mirrors the Medicare Supplement Plan
- If the Consortium is a Medicare provider, in network and out of network would be the same without any balance billing. Excellus and Aetna have a similar network, United did not.
- Excellus was more costly than Aetna

Mr. Salton questioned cost comparison and network between Excellus and Aetna. Ms. Dowd and Mr. Locey confirmed the cost of Excellus was greater than Aetna by approximately \$100 per month. The agenda handout packet (Pgs. 32-40) were referenced with the amounts per plan.

Ms. Dowd also discussed some additional information for consideration regarding the quotations received. The Consortium has 90 days from approving a quote to start the plan, and many municipalities will not be ready to make a move by January 1, 2023. She said the Consortium does not currently know which municipalities would like to move and when. Ms. Dowd also indicated that the price would be adjusted if less than the original 450 individuals

indicated on the quote adopted the plan. The Consortium also does not currently know what will happen with the active population, which is why the Consortium keeps talking about risk assessment, or changes to the level of RX Rebates going forward.

Mr. Salton asked if others knew what plan(s) our retirees currently enrolled with. Mr. Locey responded many individuals have plans separate from the Consortium and many of the Consortium's municipalities, along with their collective bargaining units, may have a significant difference in rates.

Ms. Dowd referred to the Medicare Advantage Plan resolution and outlined selections regarding Aetna and the two plans they offer.

Ms. Dowd said what is not mentioned in the resolution is a possible set up of the plan in stages. Stage one would be to see what happens if the Consortium offers the plan for 2023. In 2024, the Consortium would re-evaluate the risk assessment having more data and then decide. She said there are currently eight municipalities that are offering an outside plan and have new members who have not made any decisions.

Ms. Drake asked what will happen to those eight municipalities and when can they move. Ms. Dowd said they can start February or March 2023. If they have a current plan in place, they can drop in a 30- or 60-day period.

RESOLUTION NO. ____ – 2022 – AUTHORIZING MEDICARE ADVANTAGE PASS-THROUGH BENEFITS- AETNA

MOVED by Mr. Salton, seconded by Mr. Fairbrother.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, the Consortium believes that offering a Medicare Supplement Plan is an appropriate option for Medicare eligible retirees; however, due to federal subsidies currently available to fully-insured plans the Consortium's Medicare Supplement Plan is unable to compete with the lower costs of some Medicare Advantage Plans, and

WHEREAS, although the Consortium cannot set up a Medicare Advantage program within the fund, the Consortium can provide a convenient, pass-through option as is done with other ancillary benefits offered through the Consortium, and

WHEREAS, the Executive Committee, has determined that it is in the Consortium's best interest to develop a relationship with Aetna to offer two Medicare Advantage Plan options to be solely administered by Aetna for medical and prescription claims.

WHEREAS, Aetna has agreed to give consideration in future years for Premium Rates to vary based on growth in enrollment numbers, now therefore be it

RESOLVED, That the Executive Committee, on behalf of the Board of Directors hereby approves the 2023 Medicare Advantage plans, Aetna Medicare S02 ESA PPO Plan and the Aetna Medicare C04 ESA PPO Plan; Medicare Advantage pass-through option, for inclusion in the Greater Tompkins County Municipal Health Insurance Consortium's available benefit plan menu to be effective January 1, 2023.

RESOLVED, That the Consortium, on behalf of the Consortium Board of Directors, will add an additional 2% administrative fee to the quoted Medicare Advantage plan premium to cover billing and benefit support expenses incurred by the Consortium.

RESOLVED, That any Consortium municipal member who offers the Consortium Medicare Advantage Plan option is obligated to pay a minimum of 50% cost share of the premium rate of the Medicare Advantage plan.

RESOLVED, further, That the Chair of the Board be authorized to execute the 2023 contract on behalf of the Consortium.

Ms. Drake also added that there is a 2% administrative fee added to the plan for the Consortium to cover billing and benefit support expenses incurred by the Consortium.

Mr. Fairbrother said his municipality is very happy with their Medicare Advantage Plan they currently have. It has saved individuals money and has had very little provider issues with individuals traveling to different areas. Mr. Shattuck added he is on board with the 2024 plan and added he liked Ms. Dowd's explanation of working through stages as it will be helpful to gain more information throughout 2023 to be fully prepared for 2024.

Mr. Salton voiced it has been clear that a lot of time has put into researching and writing this resolution. Ms. Holmes voiced that she felt this was a very positive decision for the consortium.

The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite approved locations, and locations due to extraordinary circumstances

Ms. Dowd said that she will be talking with Aetna. She plans to speak with them that it is likely that there will be a 2024 start.

Mr. Salton asked if there is expectation of the premium significantly changing in 2024. Mr. Locey said based on experience, it may increase after the second year.

In closing, Ms. Dowd spoke of Ms. Drake and herself attending a New York State and Civil Servant conference. She said it was a positive experience getting the Consortium's name out to other municipalities. Based on conversations at the conference, it was discussed that one of the issues that may be affecting certain Municipalities joining the Consortium is the Consortium's partial name, "Tompkins County", intertwined with the Consortium's entire formal name. Discussion included would New York State allow the Consortium to change the name. Ms. Drake felt this would be a topic to start researching and changing of the Consortium's logo. Ms. Dowd included that Tompkins County would continue to support the Consortium's back office, such as email, etc. but, going forward, they will not be involved with the Consortium's Risk Assessment and Cyber Security due to the recent audit portion of the IT controls. Ms. Dowd included that Ms. Apalovich has been exploring new vendors for those roles.

Adjournment

The meeting adjourned at 4:34 p.m.

Next Meeting: December 7, 2022

Respectfully submitted by Lynne Sheldon, Clerk of the Board



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RESOLUTION NO. - 2022 – AMENDMENT TO RESOLUTION NO. 011-2020 “AUTHORIZATION BY THE BOARD OF DIRECTORS TO REMOVE BENEFIT PLANS FROM THE CONSORTIUM’S MENU OF BENEFIT PLAN OFFERINGS” BY RESTRICTING PLAN ENROLLMENT

WHEREAS, to achieve administrative efficiencies the Consortium removed from the Consortium’s Menu of Benefit Plan Offerings effective January 1, 2021 the following benefit plans:

1. Indemnity Plan MM3

Plan Description:

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

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

Plan Descriptions:

MS1 - Medicare Supplement Plans with No Prescription Drug Coverage

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

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

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

, and

WHEREAS, to achieve further administrative efficiencies the Consortium wishes to continue consolidation and streamlining its menu of benefit plan offerings, and

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

WHEREAS, the removal of these plans from the Consortium’s menu of benefit plans has been recommended by the Consortium’s Consultants, now therefore be it

RESOLVED, on recommendation of the Operations Committee and the Joint Committee on Plan Structure and Design, That the Executive Committee, on behalf of the Board of Directors, hereby Amends Resolution No. 011-2020 “Authorization by the Board of Directors to Remove Benefit Plans from the Consortium’s Menu of Benefit Plan Offerings” to include the following benefit plans be removed from the Consortium’s Menu of Benefit Plan Offerings, and any new Participants will be restricted from enrolling in the following plans due to low enrollment.

MM3- Classic Blue MM RX (No ProAct Prescription coverage) \$50/\$150 Deductible & \$400/\$1,200 Out-of-Pocket Maximum

End Date: December 31, 2022

PPO3- PPO \$20/35 with \$2,000/\$6,000 Out-of-Pocket Maximum and \$750/\$2,250 Out of Network Deductible

End Date: December 31, 2022

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

End Date: December 31, 2023



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**RESOLUTION NO. _____ – 2022 – DIRECTIVE TO PRESCRIPTION BENEFIT MANAGER-
MEDICARE SUPPLEMENT IMMUNIZATION AND INSULIN PRODUCTS
BENEFIT**

WHEREAS, on August 16, 2022, the 117th United States Congress passed the Inflation Reduction Act, in which set clear federal guidelines for Medicare Part D plans to follow, and

WHEREAS, the prescription drug coverage for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) to maintain a level of creditable coverage for Medicare-age retirees must follow all Part D plan federal mandates, and

WHEREAS, the Inflation Reduction Act, mandated the elimination of any cost-share for Advisory Committee on Immunization Practices (ACIP)- recommended immunizations covered under Medicare Part D plans. According to the Department of Health and Human Services, Medicare Part D plans cover all vaccines that are, commercially available, reasonable, and necessary to prevent illness and not covered by Medicare Part B, and

WHEREAS, the Inflation Reduction Act further mandated a maximum \$35 copay for a 30-day supply per prescription for any insulin product, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design, that the Executive Committee hereby directs Proact to provide full coverage for standard Part D covered immunization for all the Consortium Medicare Supplement plans,

RESOLVED, further, That all insulin products maintain a \$35 copay or less, for a 30-day supply per prescription for all the Consortium Medicare Supplement plans,

RESOLVED, further, That this directive shall be effective January 1, 2023.

STATE OF NEW YORK)
GTCMHIC) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Executive Committee on behalf of the Board of Directors on .

Lynne Sheldon, Clerk of the GTCMHIC Board



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RESOLUTION NO. - 2022 – APPROVAL OF NEW CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – JANUARY 1, 2023 – DECEMBER 31, 2026

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium continue to retain Locey & Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium’s contract with Locey and Cahill, LLC, and

WHEREAS, Locey & Cahill, LLC presented an agreement that shall become effective of January 1, 2023 and remain in effect through December 31, 2023. Thereafter, the Consortium has the option to extend this contract in one-year increments through December 31, 2026.

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby approves its contract with Locey & Cahill, LLC of the agreement contract for the period January 1, 2023 through December 31, 2023.



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Resolution XXX- 2022 - EXTENDING CONTRACT FOR ACTUARIAL SERVICES - ARMORY ASSOCIATES - FISCAL YEAR 2022

WHEREAS, the Greater Tompkins County Health Insurance Consortium issued a Request for Proposals for Actuarial Services on January 4, 2016 and awarded a contract to Armory Associates of Syracuse, and

WHEREAS, in 2019 Armory Associates presented a three-year proposal for fiscal years 2020, 2021, and 2022, and

WHEREAS, the Consortium wishes to continue its relationship with Armory Associates under the terms outlined in the revised agreement for actuarial services, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee, on behalf of the Board of Directors hereby extends its contract with Armory Associates for the third year of the current agreement, and

RESOLVED, further, That the Executive Director is hereby authorized to execute this contract on behalf of the Consortium.



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RESOLUTION NO. XXX-2022– EXTENSION OF CONTRACT FOR INVESTMENT MANAGEMENT SERVICES – WILMINGTON TRUST ADVISORS, INC.

WHEREAS, the Consortium secures services from Wilmington Trust Advisors, Inc. for investment management services as it pertains to our Investment Management Policy pursuant to Resolution No. 16 of 2020 and wishes to extend its contractual relationship into 2023, and

WHEREAS, the Consortium directed the Finance Manager to commence an Investment Management Request for Proposal (RFP) in 2023 to determine options available to assist in managing our reserves and unencumbered fund balance, and

WHEREAS, the Board of Directors approved a new Investment Policy Statement ([Resolution No. 017-2022](#)) in September 2022 and postponed the RFP until 2023 to allow Wilmington Trust to garner any new investment options available under the policy, therefore now be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee, on behalf of the Board of Directors, authorizes the Consortium to extend its contract with Wilmington Trust Advisors, Inc. (WTIA) for investment management services beginning January 1, 2023 through the conclusion of the RFP process and/or selection of a new Investment Manager.



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RESOLUTION NO. – 2022 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2023 THRU DECEMBER 31, 2023

WHEREAS, the Tompkins County Information Technology Services Department (ITS) has provided technical support to the Consortium since it began operations in 2011, and

WHEREAS, the Consortium wishes to continue its contract arrangement with the Tompkins County Information Technology Services Department that was formalized in 2020, and

WHEREAS, the 2023 Memorandum of Agreement, between the Greater Tompkins County Municipal Health Insurance Consortium and the Tompkins County Information Technology Services Department (ITS) for the provision of technology services provided to the Consortium, including support in compliance with 23 NYCRR 500, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2023 for ITS support provided to the Consortium from January 1, 2023 thru December 31, 2023, and

RESOLVED, further, That the Executive Director is hereby authorized to execute this contract on behalf of the Consortium.



2022 Fiscal Year Budget Performance Report As of October 31, 2022

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

2022 Fiscal Year-to-Date Income Budget vs Actual Results

2022 Income Budget vs Actual Results (10/31/2022)

		2022 <i>Adopted Budget</i>	2022 <i>Amended Budget</i>	2022 <i>Year-to-Date</i>	2022 <i>Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
<i>Income</i>							
	Medical and Rx Plan Premiums	\$57,752,443.75	\$55,937,315.28	\$46,614,429.40	\$45,606,034.40	-\$1,008,395.00	-2.16%
9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$131,196.02	\$131,196.02	
9020	Interest	\$45,660.35	\$45,660.35	\$38,050.29	\$67,092.73	\$29,042.44	76.33%
9010	Rx Rebates	\$3,000,000.00	\$3,000,000.00	\$2,000,000.00	\$1,608,600.12	-\$391,399.88	-19.57%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total Income</i>		\$60,798,104.10	\$58,982,975.63	\$48,652,479.69	\$47,412,923.27	-\$1,239,556.42	-2.55%

Key Facts:

1. Total Income was 2.55% below the amended budget, with premium income being 2.16% below the amended budget for the first 10-months of the fiscal year. The amended budget reflects the changes in plan designs and demographics of the participants as detailed below:
 - a. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
 - b. Changes in covered lives and contract counts.
 - c. We received the Rx Rebate payment related to the 2nd quarter of 2022 on November 2nd. We will also receive the 2021 fiscal year reconciliation payment in November.

2022 Income Budget vs Actual Results

Key Facts (continued):

- c. The number of contracts insured by the Consortium increased by 2.76% and the number of covered lives grew by only 1.49%. The disparity in this number is primarily due to the County's move to the Consortium's Medicare Supplement Plan for their Medicare-aged retirees and their spouses.

Monthly Average Covered Lives by Fiscal Year

Year	Member	Spouse	Dependent	Total lives
2011	1,995	1,056	1,348	4,400
2012	2,004	1,058	1,386	4,448
2013	2,281	1,228	1,567	5,077
2014	2,269	1,188	1,556	5,012
2015	2,301	1,173	1,546	5,021
2016	2,322	1,186	1,555	5,063
2017	2,397	1,208	1,567	5,172
2018	2,439	1,216	1,546	5,201
2019	2,867	1,436	1,867	6,170
2020	2,942	1,454	1,876	6,271
2021	3,035	1,406	1,862	6,303
2022	3,118	1,403	1,875	6,397

* Member = Employee, Retiree, or COBRA Contract Holder

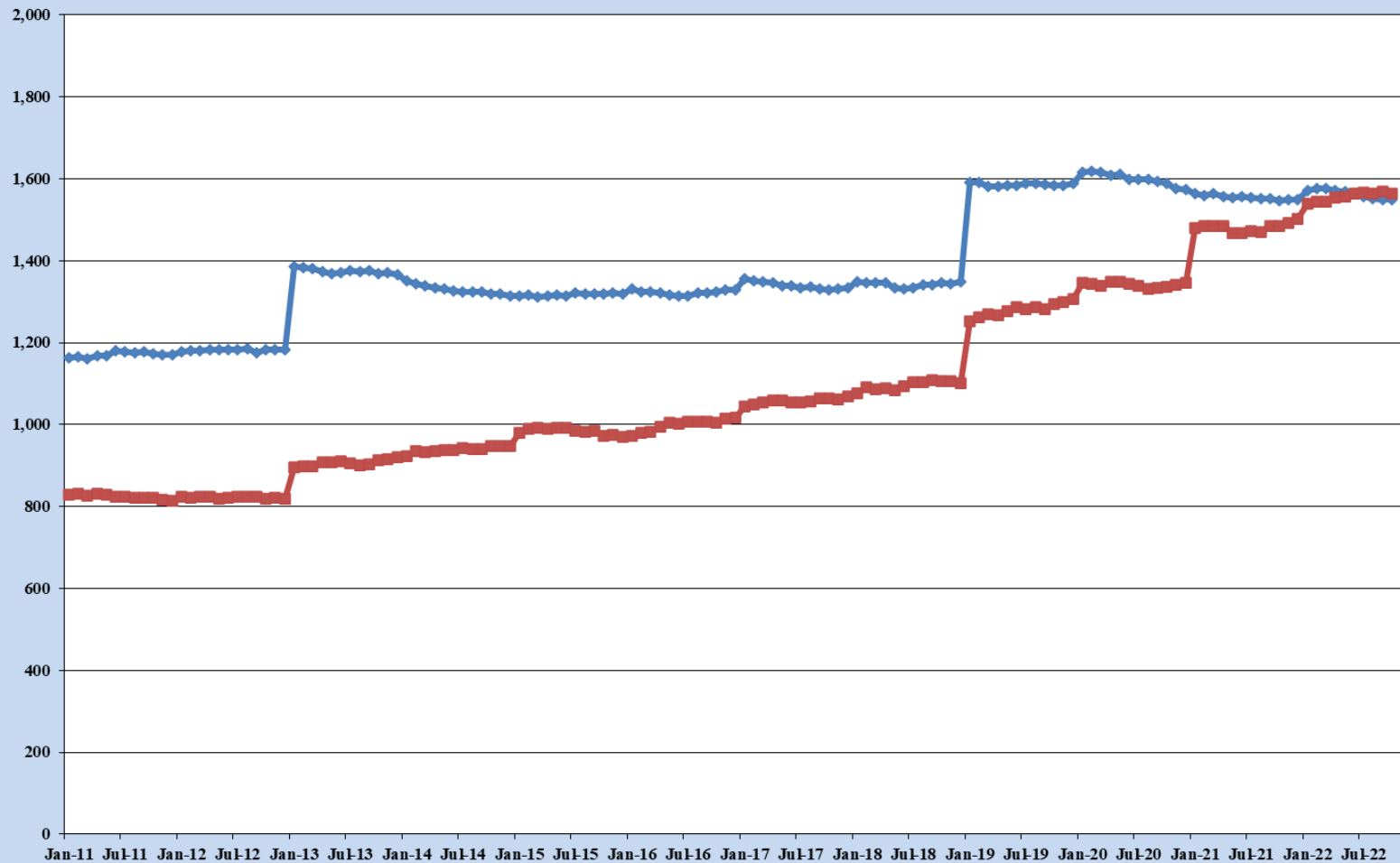
Monthly Average Contract Count by Fiscal Year

Year	Family Contracts	Individual Contracts	Total Contracts	Avg. # of Lives Per Contract	Avg. # of Lives Per Family
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	2,301	2.182	3.065
2016	1,322	999	2,322	2.181	3.073
2017	1,340	1,058	2,397	2.157	3.071
2018	1,343	1,096	2,439	2.133	3.057
2019	1,586	1,281	2,867	2.152	3.082
2020	1,600	1,342	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,563	1,557	3,120	2.050	3.096

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Contract Count by Plan Type

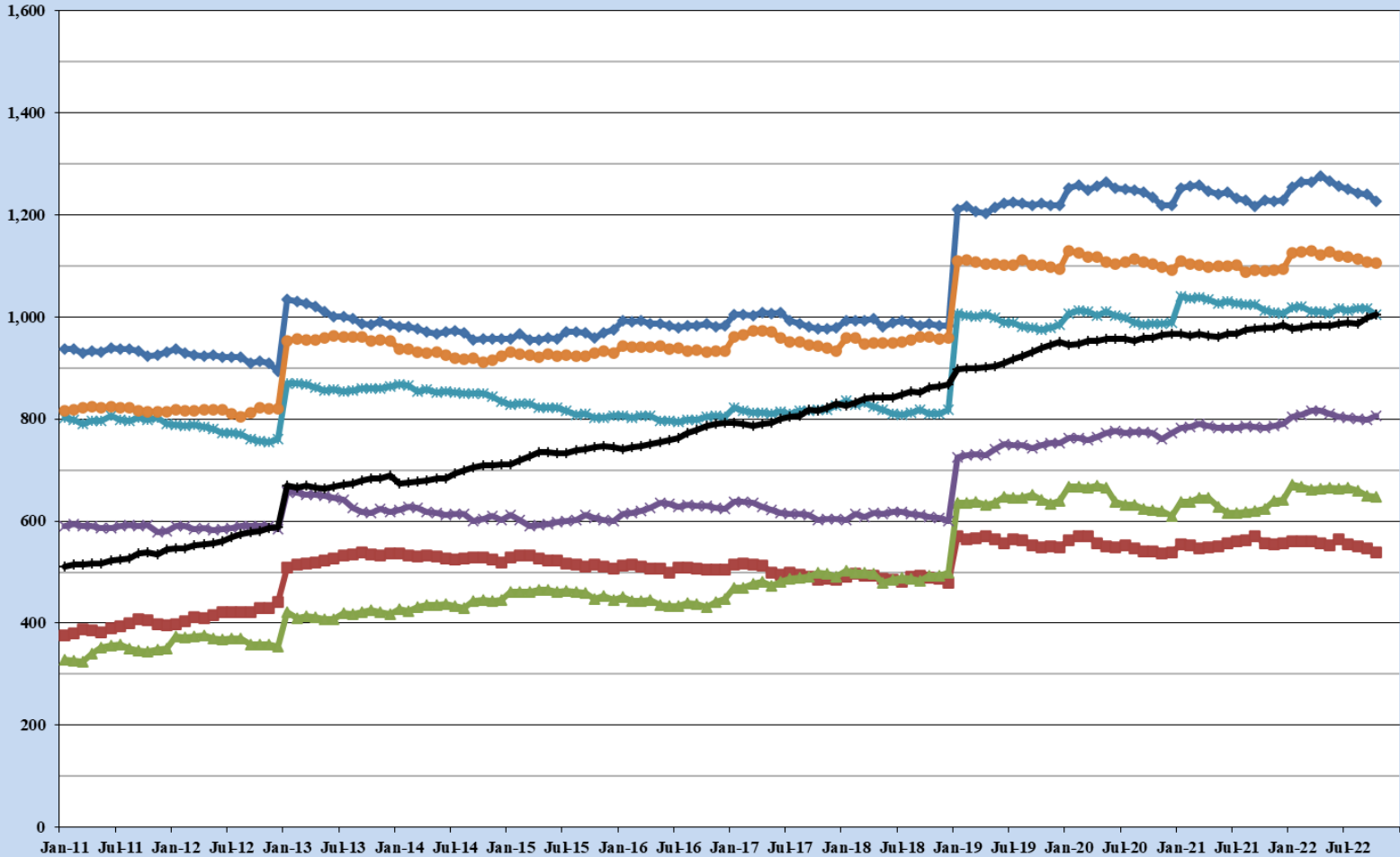
January 1, 2011 to October 31, 2022



Family Contracts Individual Contracts

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band
January 1, 2011 to October 31, 2022



◆ 00-18
 ■ 19-24
 ▲ 25-34
 ✦ 35-44
 ◆ 45-54
 ◆ 55-64
 ◆ 65+

2022 Income Budget vs Actual Results (10/31/2022)

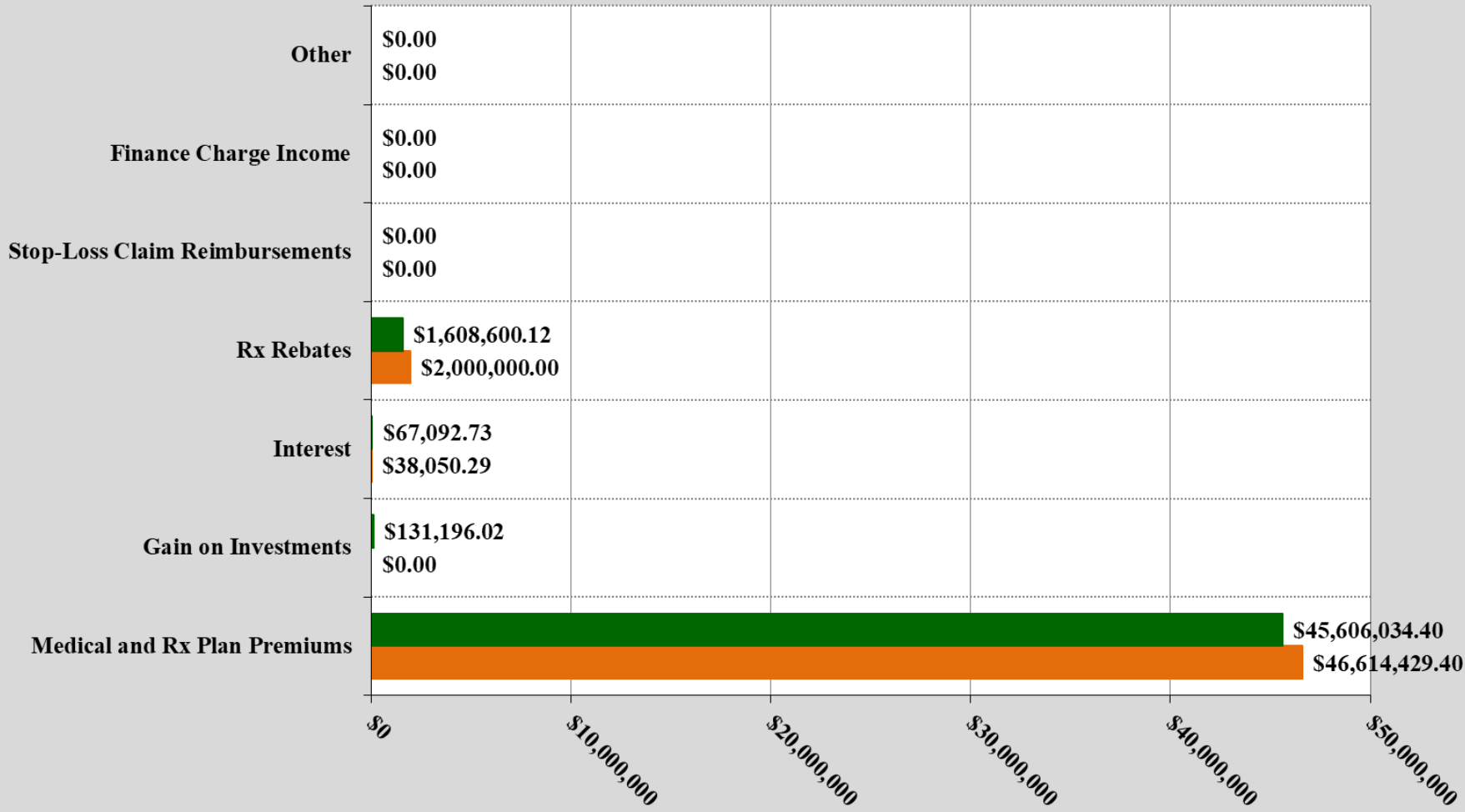
Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Gains on investments are booked as revenues, while losses on investments are recorded as expenditures. While interest earnings were limited during the COVID-19 pandemic, the trend has shifted with current market conditions.
3. There has been three pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2022 Fiscal Year to date. The Consortium did experience an enhancement to the July payment of \$727,509.70, however, it did not hit the budgeted expectation. The April – June 2022 payment was made on November 2, 2022 in the amount of \$742,253.43. We are expecting a large reconciliation payment for the 2021 Rx Rebate settlement prior to November 30, 2022. There will also be a reconciliation due in 2023 related to the 2022 rebate payments.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was no Other Income as of October 31st. Miscellaneous income, typically, has a negligible impact on the overall financial position of the Consortium.

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to October 31, 2022

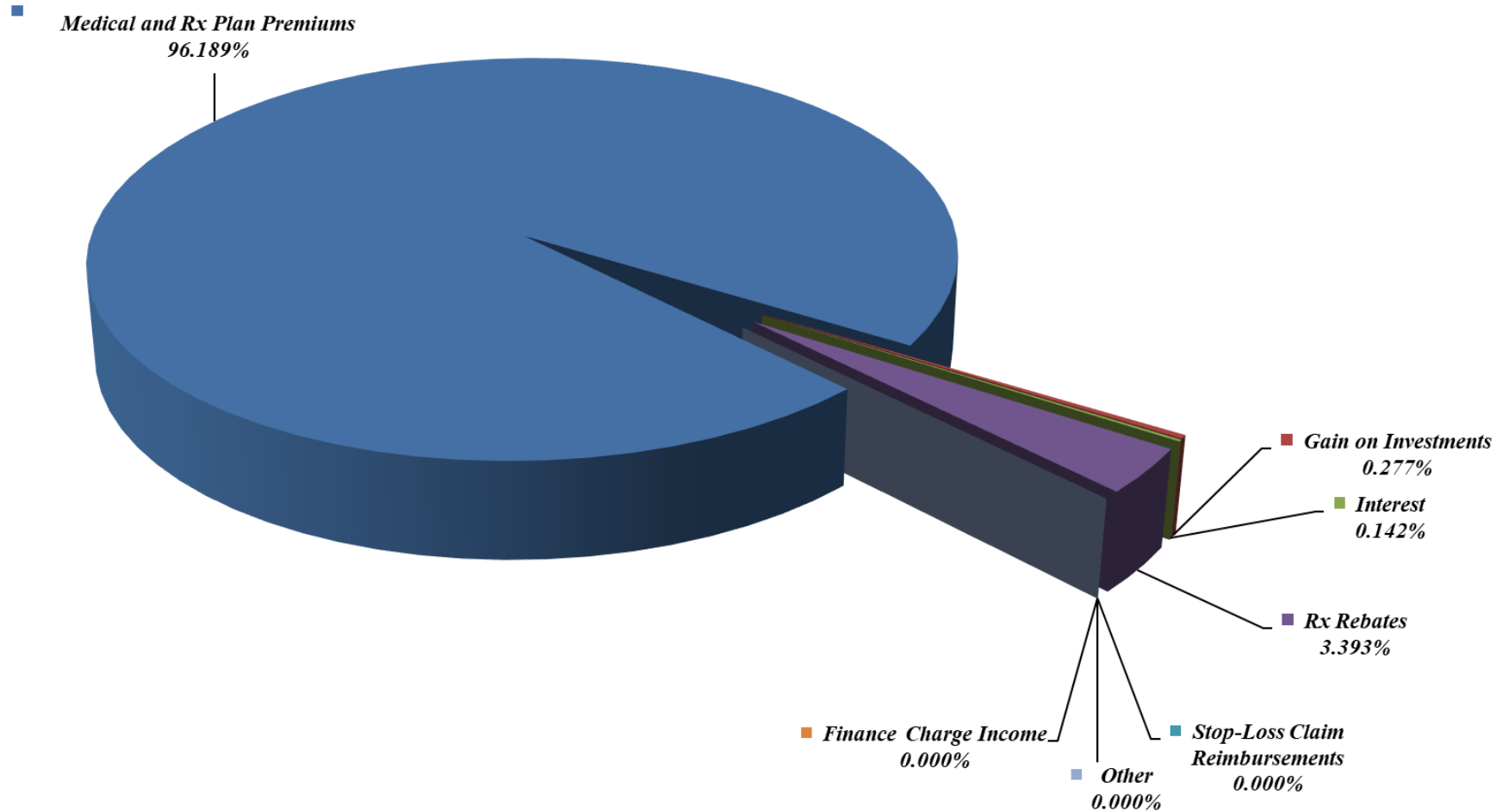


■ 2022 Actual Income ■ 2022 Budgeted Amounts

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to October 31, 2022





Section 2

2022 Fiscal Year-to-Date Expense Budget vs Actual Results

2022 Expense Budget vs Actual Results (10/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,780,345.45	\$40,780,345.45	\$33,656,308.74	\$31,353,096.60	-\$2,303,212.14	-6.84%
	Advance Deposit / Pre-Paid Claims	\$37,344.64	\$65,900.00	\$65,900.00	\$65,900.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$16,506,765.82	\$13,649,825.58	\$14,019,737.05	\$369,911.47	2.71%
8121	Rx Paid Claims - CanaRx	\$161,366.59	\$161,366.59	\$134,472.16	\$142,165.80	\$7,693.64	5.72%
8084	Flu Clinic Fees	\$20,037.48	\$23,042.13	\$19,201.78	\$0.00	-\$19,201.78	-100.00%
8050	Medical Admin Fees	\$1,521,623.78	\$1,502,656.92	\$1,252,214.10	\$1,297,036.41	\$44,822.31	3.58%
	Rx Admin Fees	\$206,958.25	\$226,592.82	\$188,827.35	\$217,939.07	\$29,111.72	15.42%
8091	NYS Covered Lives Assessment	\$391,982.86	\$319,060.15	\$265,883.46	\$307,032.59	\$41,149.13	15.48%
9060	ACA PCORI Fee	\$18,886.41	\$18,886.41	\$18,886.41	\$17,585.37	-\$1,301.04	-6.89%
8110	Specific Stop-Loss Insurance (Actual)	\$313,950.00	\$723,382.00	\$602,818.33	\$246,427.51	-\$356,390.82	-59.12%
8000	Accounting Fees	\$19,000.00	\$19,000.00	\$15,833.33	\$15,400.00	-\$433.33	-2.74%
8010	Actuarial Fees	\$10,000.00	\$10,000.00	\$8,333.33	\$7,200.00	-\$1,133.33	-13.60%
8020	Audit Fees (Financial)	\$14,420.00	\$14,420.00	\$13,390.00	\$14,500.00	\$1,110.00	8.29%
8021	Audit Fees (Claims)	\$51,295.00	\$51,295.00	\$42,745.83	\$19,875.00	-\$22,870.83	-53.50%
8055	Consultant Fees (Barber & Strat Plan)	\$45,000.00	\$25,000.00	\$20,833.33	\$0.00	-\$20,833.33	-100.00%
8030	Consultant Fees (L&C)	\$91,650.00	\$91,650.00	\$76,375.00	\$76,250.00	-\$125.00	-0.16%
8070	Legal Fees	\$12,000.00	\$12,000.00	\$10,000.00	\$5,357.00	-\$4,643.00	-46.43%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$20,833.33	\$1,290.22	-\$19,543.11	-93.81%
66001	Executive Director (Salary)	\$96,450.00	\$96,450.00	\$80,375.00	\$81,607.24	\$1,232.24	1.53%
66002	Fringe Benefits	\$119,635.00	\$119,635.00	\$99,695.83	\$72,723.07	-\$26,972.76	-27.06%

2022 Expense Budget vs Actual Results (10/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
66003	Clerk of the Board (Salary)	\$74,300.00	\$74,300.00	\$61,916.67	\$48,047.16	-\$13,869.51	-22.40%
66004	Admin/Comp Asst (Salary)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
66005	Benefits Specialist (Salary)	\$56,240.00	\$56,240.00	\$46,866.67	\$47,586.00	\$719.33	1.53%
66006	Finance Manager (Salary)	\$72,100.00	\$72,100.00	\$60,083.33	\$61,007.76	\$924.43	1.54%
8060	Insurances (D&O / Prof. Liability)	\$55,650.00	\$53,004.00	\$44,170.00	\$48,555.00	\$4,385.00	9.93%
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$16,666.67	\$16,666.67	\$0.00	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$5,000.00	\$5,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,485.00	\$6,681.00	\$5,567.50	\$5,567.50	\$0.00	0.00%
9065	Marketing Expenses	\$2,575.00	\$8,000.00	\$6,666.67	\$1,714.13	-\$4,952.54	-74.29%
9055	Investment Management Services	\$12,360.00	\$12,360.00	\$10,300.00	\$8,960.14	-\$1,339.86	-13.01%
8150	Supplies Expense	\$4,080.00	\$4,080.00	\$3,400.00	\$3,477.11	\$77.11	2.27%
8151	Computer Equipment	\$11,545.00	\$11,545.00	\$9,620.83	\$5,516.31	-\$4,104.52	-42.66%
8152	Lease Expense / Parking Fees	\$13,370.00	\$13,370.00	\$11,141.67	\$9,731.35	-\$1,410.32	-12.66%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$833.33	\$480.99	-\$352.34	-42.28%
8154	Software	\$0.00	\$0.00	\$0.00	\$1,179.60	\$1,179.60	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$953.76	\$953.76	0.00%
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$1,666.67	\$0.00	-\$1,666.67	-100.00%
8157	Training & Prof. Dev.	\$0.00	\$2,000.00	\$1,666.67	\$348.00	-\$1,318.67	-79.12%
8158	Subscriptions	\$0.00	\$1,000.00	\$833.33	\$219.97	-\$613.36	-73.60%
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$719,756.52	\$719,756.52	
9060	Other Expenses / Supplies	\$12,595.00	\$7,595.00	\$6,329.17	\$592.18	-\$5,736.99	-90.64%
Total Expenses		\$60,792,011.28	\$61,143,723.29	\$50,535,482.07	\$48,946,483.08	-\$1,588,998.99	-3.14%

2022 Expense Budget vs Actual Results (10/31/2022)

	Budget	Revised Budget	Year-to-Date	Actual		
Paid Claims	\$57,505,859.98	\$57,537,419.99	\$47,525,708.25	\$45,580,899.45	-\$1,944,808.80	-4.09%
Claims Admin. Fees	\$1,728,582.03	\$1,729,249.74	\$1,441,041.45	\$1,514,975.48	\$73,934.03	5.13%
Stop-Loss	\$313,950.00	\$723,382.00	\$602,818.33	\$246,427.51	-\$356,390.82	-59.12%
Taxes and Fees	\$410,869.27	\$337,946.56	\$284,769.87	\$324,617.96	\$39,848.09	13.99%
Professional Services	\$268,365.00	\$248,365.00	\$208,344.17	\$139,872.22	-\$68,471.95	-32.86%
Insurance/Internal Fees/Investment Losses (\$719,756.52)	\$564,385.00	\$567,360.00	\$472,800.00	\$1,139,690.46	\$666,890.46	141.05%
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$50,535,482.07	\$48,946,483.08	-\$1,588,998.99	-3.14%
Net Income	\$6,092.82	-\$2,160,747.66	-\$1,883,002.38	-\$1,533,559.81	\$349,442.57	

The above provides an “easier to read” summary version of the expense data for the Consortium through October 31, 2022. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 93.12% of the total expenses through October 2022. Overall paid claims are 4.09% (including the advanced deposit for prepayment of claims) below budget to date, based on the amended budget. It should be noted that based on the recommendation of the Consortiums Auditor, investment gains & losses are now recorded in accounts 9005 (Insurance and Internal Fees Above) and amounted to \$719,756.52 in losses, offset by \$131,196.02 in gains as of October 31, 2022. (YTD net loss = \$588,560.50)

2022 Expense Budget vs Actual Results (10/31/2022)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. In addition, we updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. As of October, the Consortium is tracking slightly ahead of budget projections, especially when considering the impact of the gains and losses on investments. Many of the expense items are below budget. As more annual expense items are billed, we anticipate those items to be more in line with the budget as the Consortium works its way through the fiscal year.
3. It is important to remember that when new members are added to the Consortium, their paid claims typically mature approximately by the 3rd month following the transition to the Consortium. The "run-out" claims (claims incurred on or before December 31st each year) are the responsibility of their prior insurance carrier.

2022 Expense Budget vs Actual Results (10/31/2022)

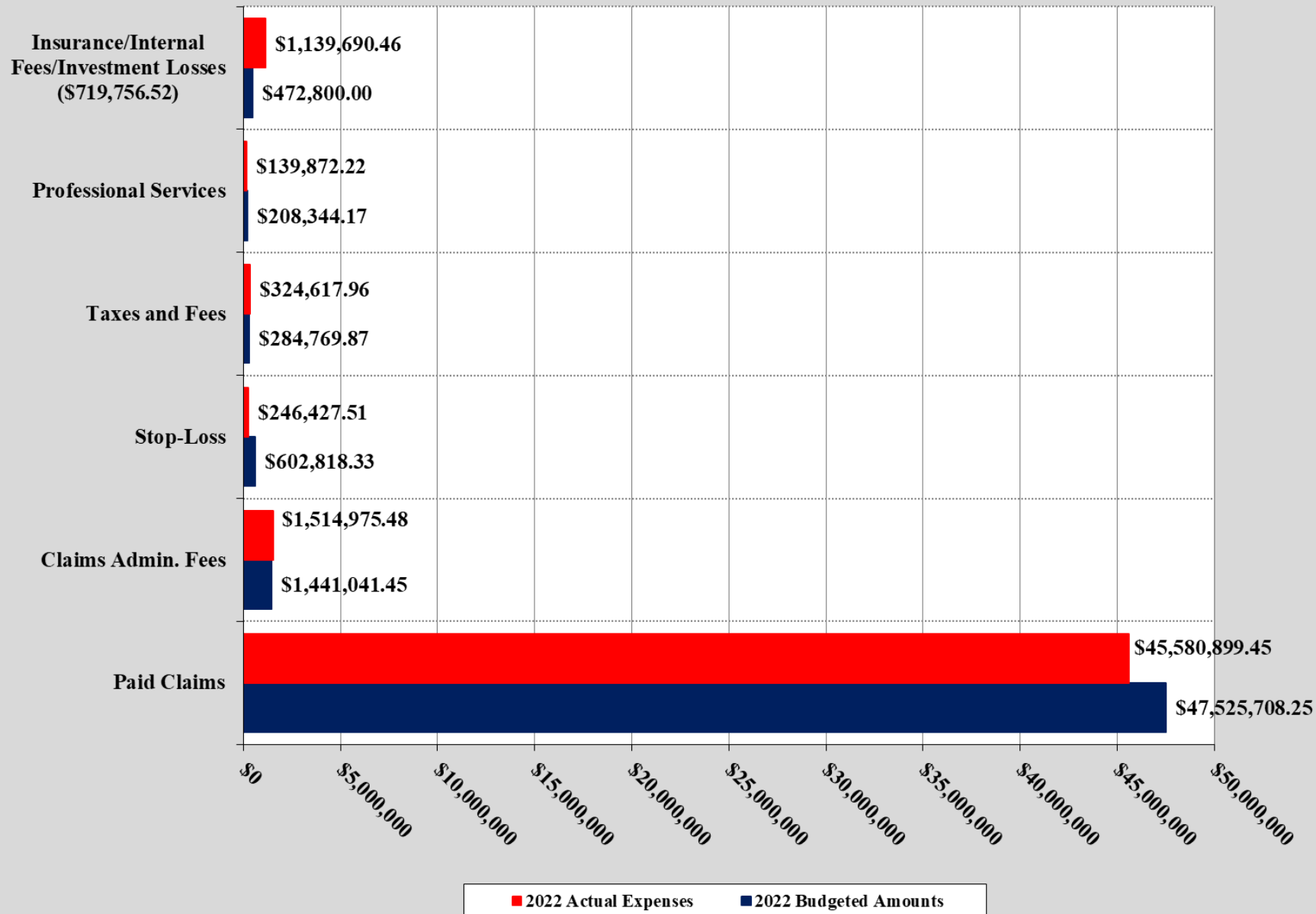
Key Facts:

4. Medical Paid Claims in the first 10-months were **6.83% below the amended budget** for the Fiscal Year to Date. This is the result of:
 - a) An increase in the covered lives ($\uparrow 1.49\%$) and in the number of contracts ($\uparrow 2.76\%$) skews the early 2022 medical paid claims due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan and the Medicare Supplement Plan by several employer groups.
 - c) A substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
5. Rx Paid Claims were 2.71% over budget for the first 10-months of the 2022 Fiscal Year. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2023 Fiscal Year.

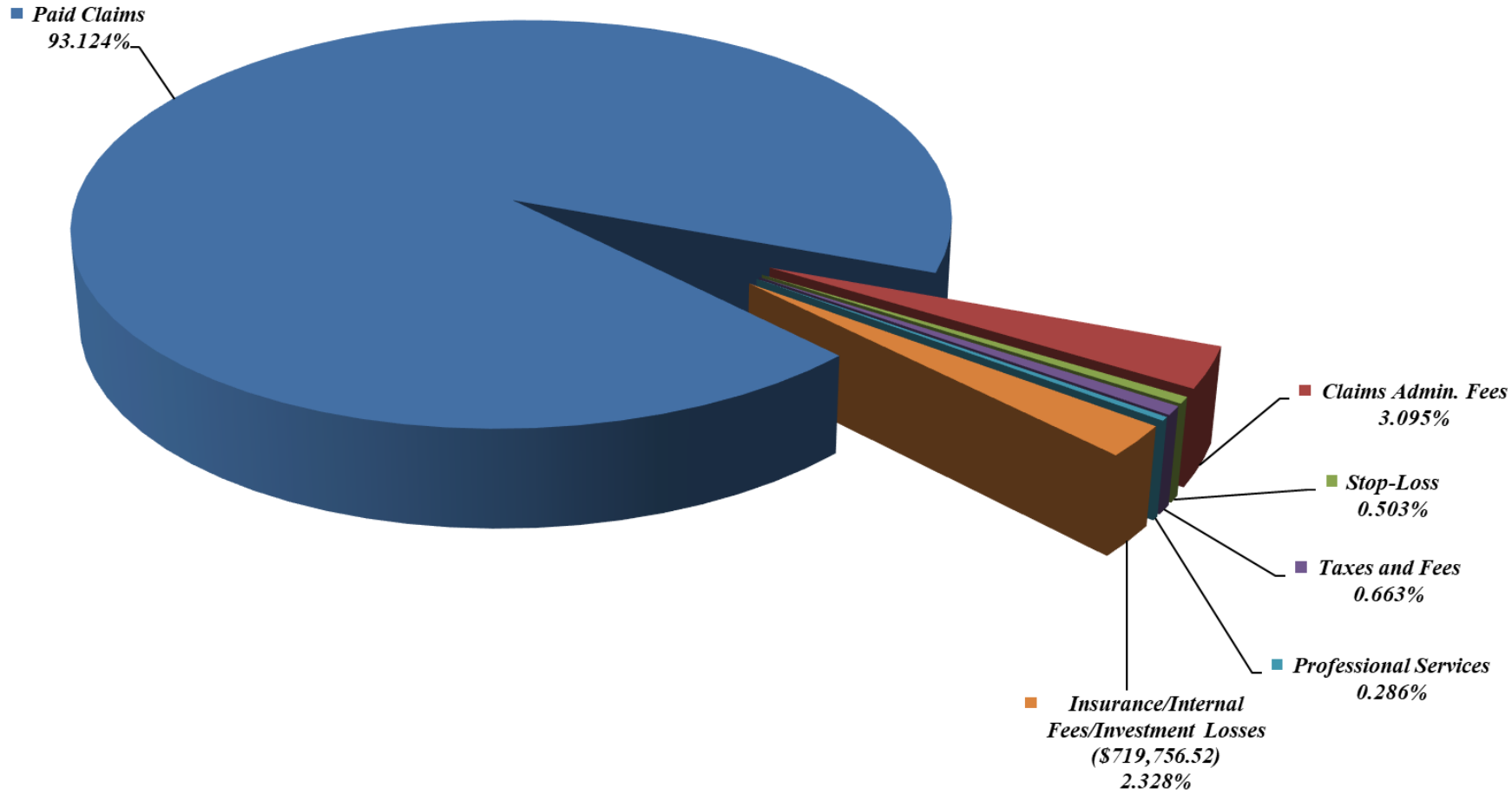
Greater Tompkins County Municipal Health Ins. Consortium

2022 Expense Distribution

January 1, 2022 to October 31, 2022



Greater Tompkins County Municipal Health Ins. Consortium
 2022 Expense Distribution
 January 1, 2022 to October 31, 2022



■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees/Investment Losses (\$719,756.52)

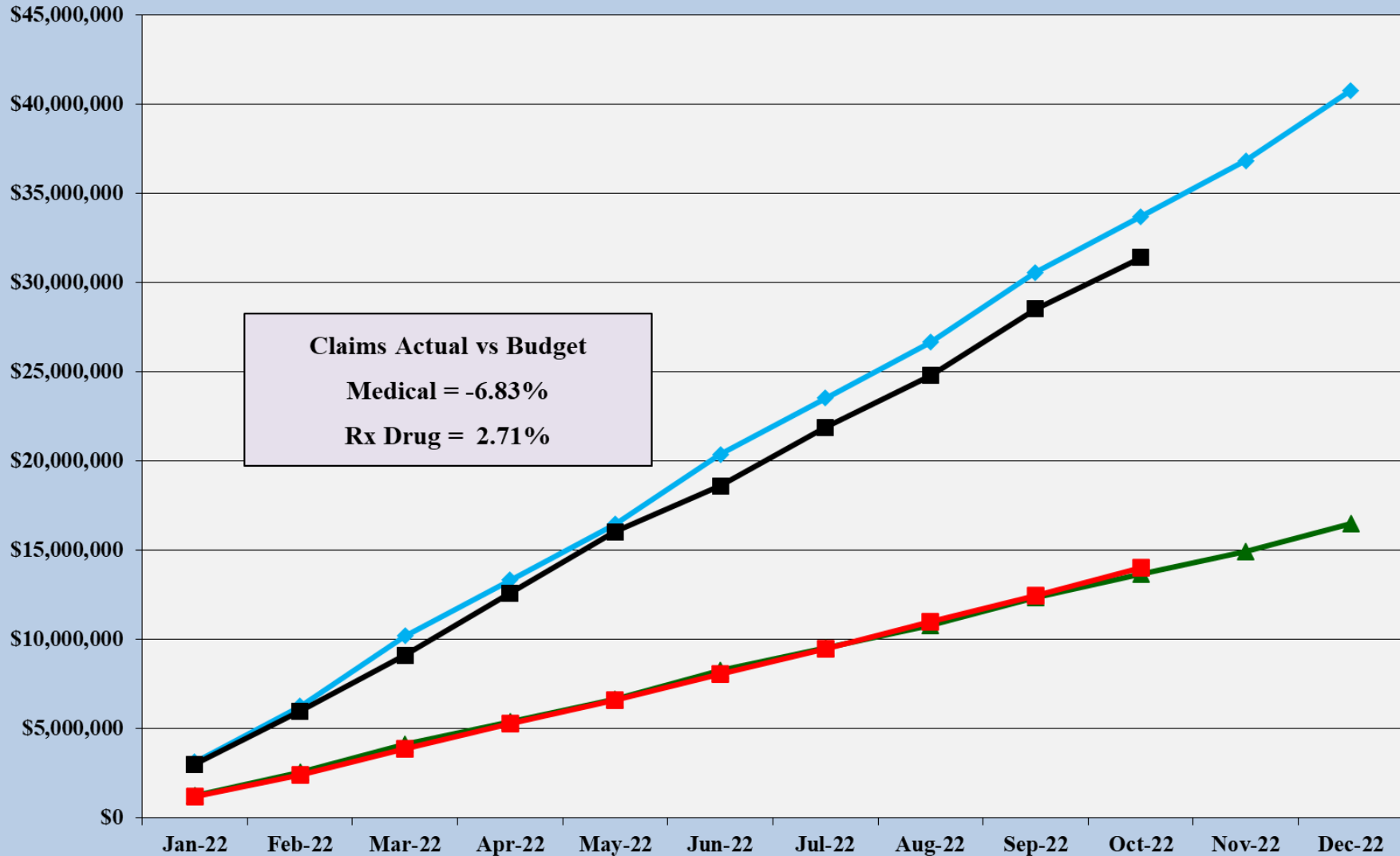


Section 3

2022 Fiscal Year-to-Date
Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month

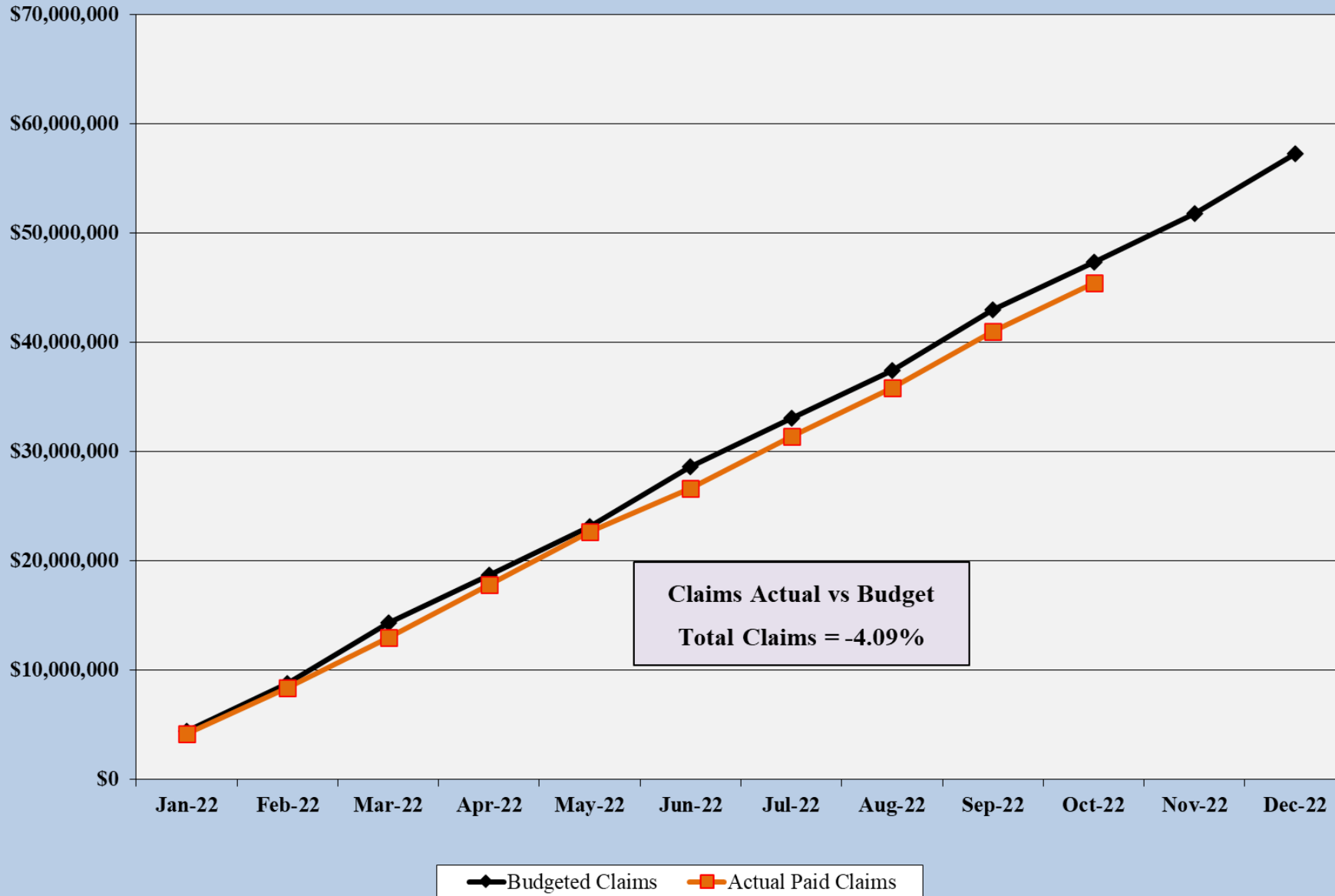


Claims Actual vs Budget
 Medical = -6.83%
 Rx Drug = 2.71%

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

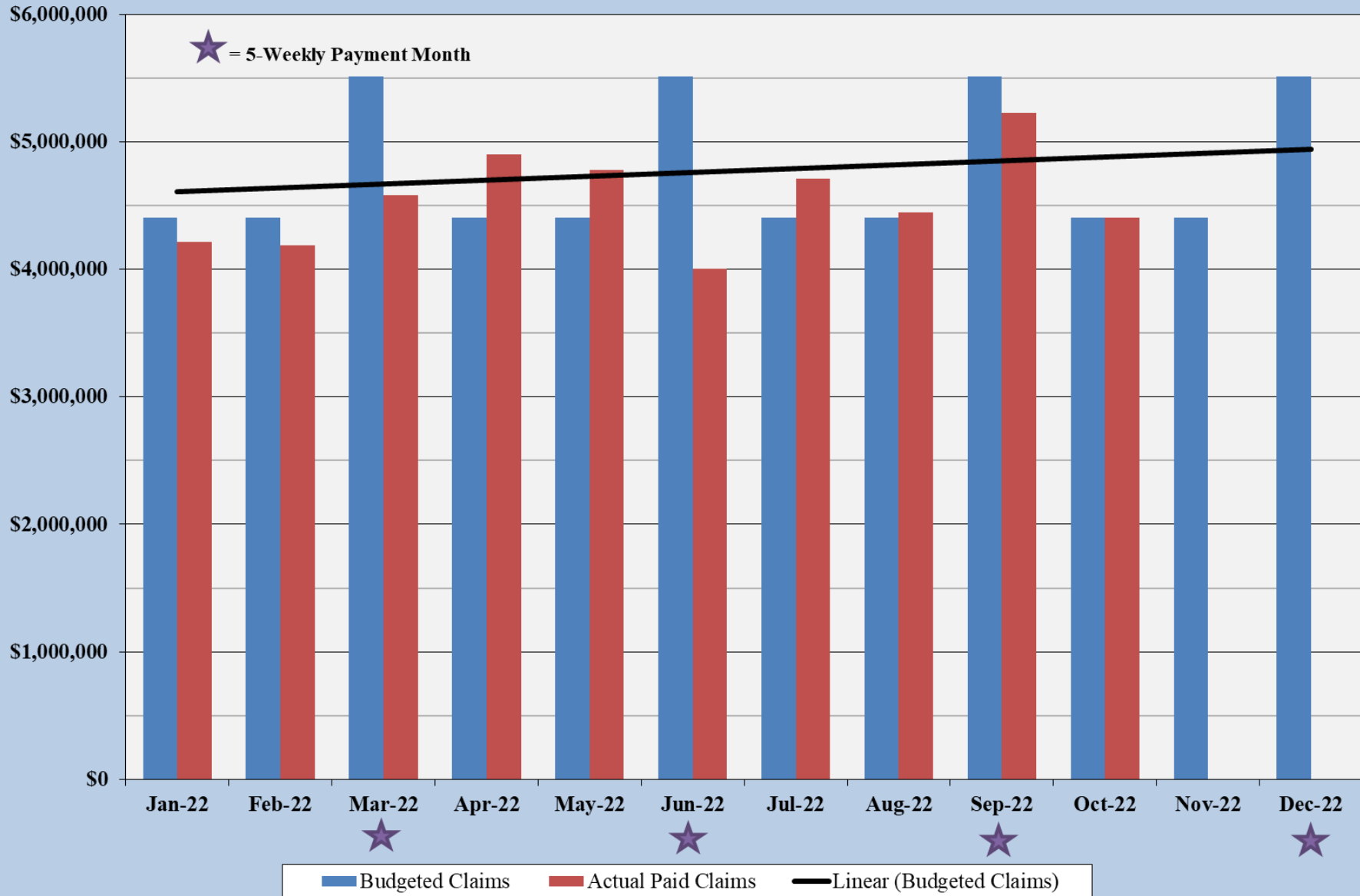
Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month



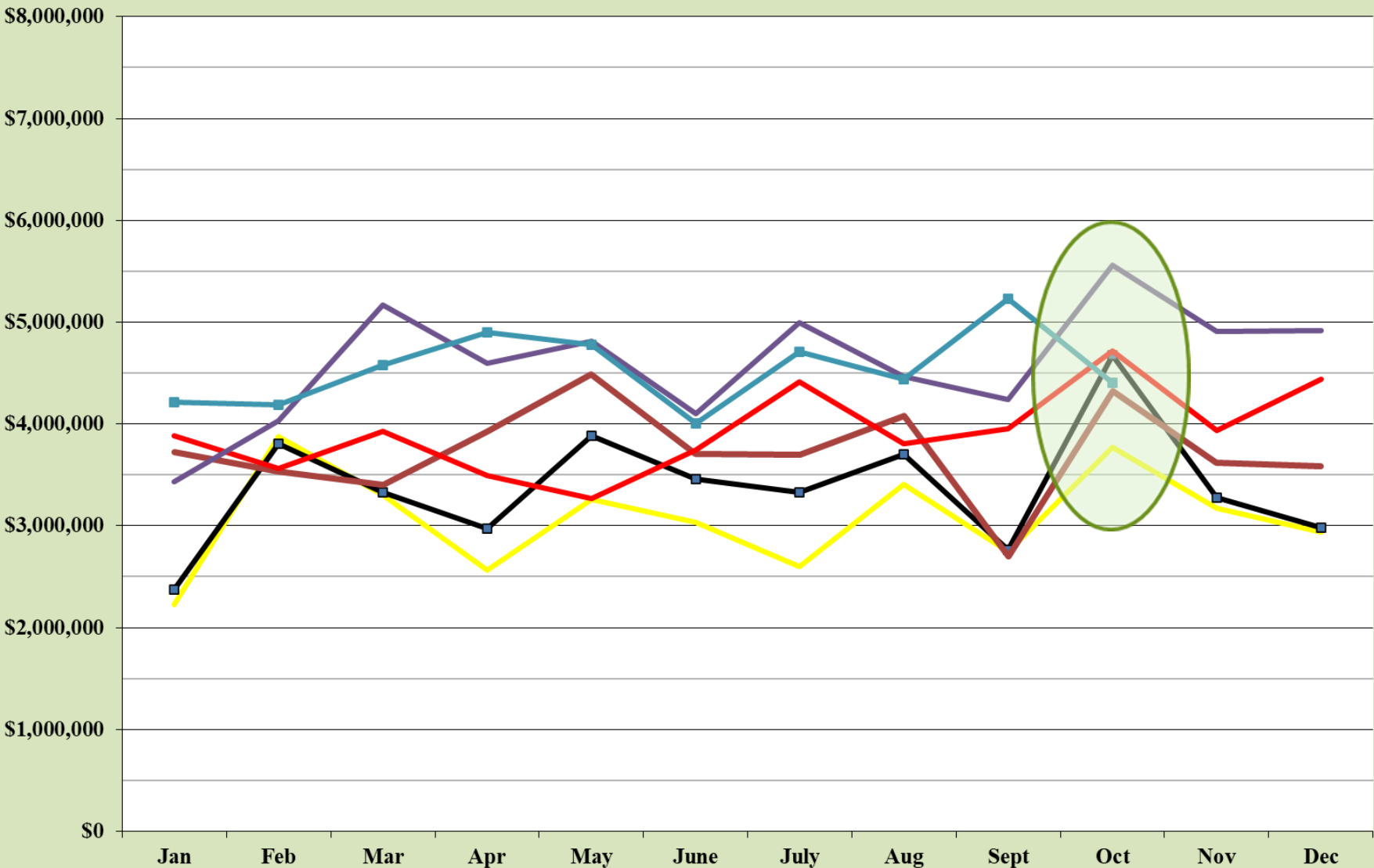
Greater Tompkins County Municipal Health Insurance Consortium

2022 Budgeted vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Ins Consortium

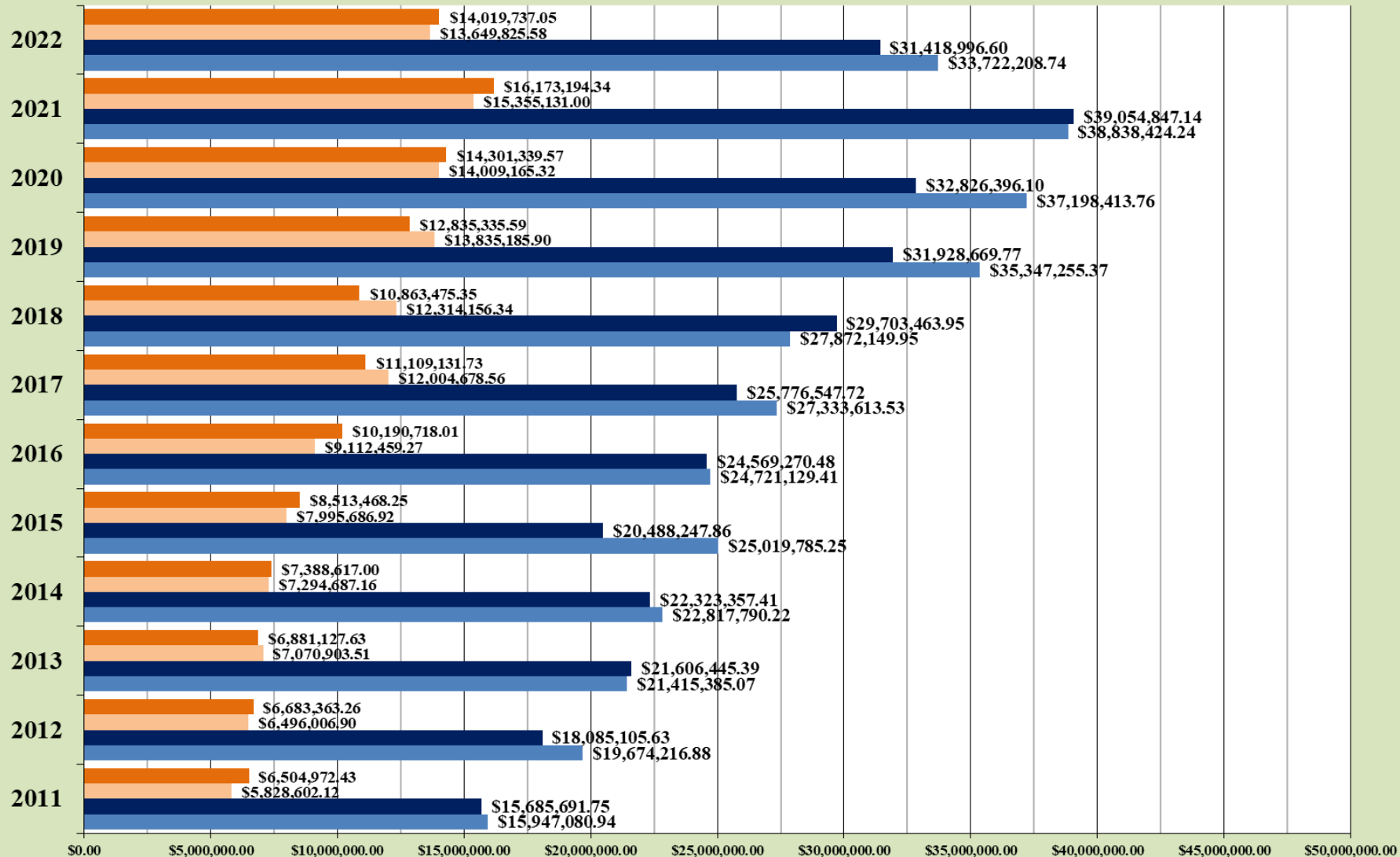
2017-2022 Monthly Paid Claims by Fiscal Year



—■ 2017
 —■ 2018
 —■ 2019
 —■ 2020
 —■ 2021
 —■ 2022

Greater Tompkins County Municipal Health Ins Consortium

2011-2022 (as of 10/31/2022) Annual Paid Claims v Budgeted Claims

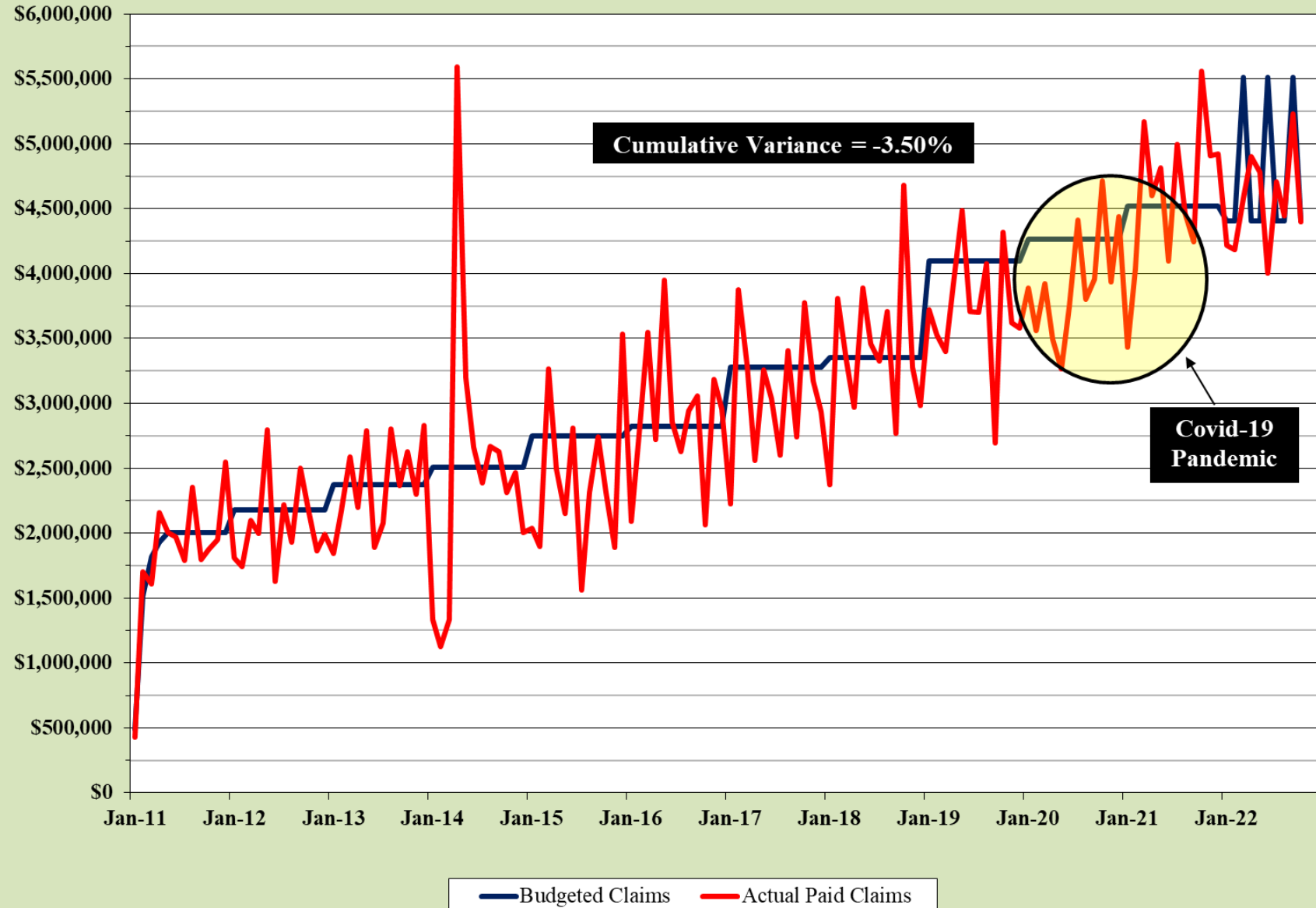


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2022 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to October 31, 2022



APPROVED
**MEDICAL
CLAIM**



Section 4

High-Cost Claimants Catastrophic Self-Insurance Pool

Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Large Loss and Catastrophic Claims History (as of October 31, 2022)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid	Notes
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52	Medical Claims Only
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41	Medical Claims Only
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65	Medical Claims Only
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39	Laser of \$1,000,000 on Unique ID 000010930774
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30	Includes ProAct Rx Claims
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18	Laser of \$1,000,000 on Unique ID 000001179452
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42	Laser of \$1,000,000 on Unique ID 000001179452
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54	
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28	\$693,190.30	Laser of \$1,000,000 on Unique ID 000001179452 Laser of \$1,200,000 on Unique ID 000010930774
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,290,214.72	\$0.00	\$264,390.72	Laser of \$1,200,000 on Unique ID 000010930774 if transplant performed
2021	\$1,000,000.00	6,303	66	23	8	6	5	\$14,096,053.18	\$0.00	\$270,471.20	
2022	\$1,000,000.00	6,397	53	17	4	3	3	\$10,024,817.05	\$0.00	\$246,427.51	
Totals		64,545	425	122	36	24	16	\$79,884,682.23	\$2,619,537.80	\$6,122,771.14	Loss Ratio = 42.78% as of 10/31/2022
Averages	\$547,916.67	5,379	35.417	10.167	3.000	2.000	1.333	\$6,657,056.85	\$218,294.82	\$510,230.93	

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 42.78%

Large Loss and Catastrophic Claims History

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	Number of Large Loss Claimants	Large Loss Claimants % of Covered Lives	Stop-Loss Insurance Premium Paid	Stop-Loss Insurance Premium PMPM	Total Large Loss Claims Paid	Annual Paid Claims Total	Large Loss Claims % of Total Claims	Catastrophic Claims Reserve	Catastrophic Reinsurance Pool Payments
2011	\$250,000.00	4,400	13	0.30%	\$384,392.52	\$7.28	\$2,357,898.22	\$22,190,664.18	10.63%	n/a	n/a
2012	\$275,000.00	4,448	16	0.36%	\$361,366.41	\$6.77	\$3,904,221.28	\$24,768,468.89	15.76%	n/a	n/a
2013	\$300,000.00	5,077	22	0.43%	\$592,381.65	\$9.72	\$4,079,308.91	\$28,487,573.02	14.32%	n/a	n/a
2014	\$300,000.00	5,012	18	0.36%	\$720,784.39	\$11.98	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00	n/a
2015	\$400,000.00	5,021	23	0.46%	\$642,080.30	\$10.66	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00	n/a
2016	\$400,000.00	5,063	39	0.77%	\$766,281.18	\$12.61	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00	n/a
2017	\$450,000.00	5,172	24	0.46%	\$738,819.42	\$11.90	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00	n/a
2018	\$600,000.00	5,201	45	0.87%	\$442,185.54	\$7.08	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00	n/a
2019	\$600,000.00	6,174	46	0.75%	\$693,190.30	\$9.36	\$8,874,919.83	\$44,764,005.36	19.83%	\$2,800,000.00	n/a
2020	\$1,000,000.00	6,277	60	0.96%	\$264,390.72	\$3.51	\$11,290,214.72	\$47,284,890.14	23.88%	\$5,032,220.00	\$0.00
2021	\$1,000,000.00	6,303	66	1.05%	\$270,471.20	\$3.58	\$14,096,053.18	\$55,410,491.28	25.44%	\$4,986,101.85	\$805,827.97
2022	\$1,000,000.00	6,397	53	0.83%	\$246,427.51	\$12.84	\$10,024,817.05	\$45,580,899.45	21.99%	\$4,642,294.20	\$0.00
Totals		64,545	425	0.66%	\$6,122,771.14	\$7.91	\$79,884,682.23	\$438,992,228.06	18.20%		\$805,827.97
Averages (2011-2022)		5,379	35	0.66%	\$510,230.93	\$8.94	\$6,657,056.85	\$36,582,685.67	18.20%		

On Average 0.66% of the Covered Lives Account for 18.20 of Paid Claims

Catastrophic Claims Self-Insurance Pool Activity

Greater Tompkins County Municipal Health Insurance Consortium
Catastrophic Claims Self-Insurance Pool Activity Report

		Actual	Actual	10/31/2022
		2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,505.96	\$876,881.85	\$723,382.00
Actual Premium Paid	\$1,000,000 Deductible	\$264,390.72	\$270,471.20	\$246,427.51
Premium Savings		\$498,115.23	\$606,410.65	\$476,954.49
Member # 000001179452	Deductible (Laser Applied)	\$1,000,000.00	\$1,000,000.00	\$700,000.00
	Actual Claims Paid	\$798,499.59	\$712,297.59	\$632,786.85
	Catastrophic Claims Pool	\$0.00	\$0.00	\$0.00
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$686,798.19	\$419.30
	Catastrophic Claims Pool	\$0.00	\$186,798.19	\$0.00
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$633,727.34	\$525,843.95
	Catastrophic Claims Pool	\$0.00	\$133,727.34	\$25,843.95
Member # 000012168307	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$836,622.21	\$0.00
	Catastrophic Claims Pool	\$0.00	\$336,622.21	\$0.00
Member # 000001551134	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$648,218.91	\$0.00
	Catastrophic Claims Pool	\$0.00	\$148,218.91	\$0.00
Member # 00000346623	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$387,223.45	\$525,855.91
	Catastrophic Claims Pool	\$0.00	\$0.00	\$25,855.91
Catastrophic Claims Self-Insurance Pool Claims		\$0.00	\$805,366.65	\$51,699.86
Net Impact on Fund Balance		\$498,115.23	-\$198,956.00	\$451,110.54
Interest Earnings on Reserve		\$1,670.36		\$15,038.36
Total Savings to Consortium				\$766,978.49

* **Budgeted Premium** is defined as the premium amount the Consortium would have paid if they continued with the previous stop-loss insurance policy of a \$600,000 Deductible
 * **Actual Premium Paid** is defined as the actual premium amount paid by the Consortium for the current stop-loss insurance policy of a \$1,000,000 Deductible
 * **Laser Applied** is defined as the laser deductible the stop-loss insurance company would have applied to the specific individual if a \$600,000 Deductible stop-loss insurance policy was selected

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



Section 5

2022 Fiscal Year Net Income, Liabilities, and Reserves

2022 Net Income, Liabilities & Reserves

	2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Income						
Total Income	\$60,798,104.10	\$58,982,975.63	\$48,652,479.69	\$47,412,923.27	-\$1,239,556.42	-2.55%
Expenses						
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$50,535,482.07	\$48,946,483.08	-\$1,588,998.99	-3.14%
Net Income	\$6,092.82	-\$2,160,747.66	-\$1,883,002.38	-\$1,533,559.81	\$349,442.57	
Ending Balance	\$29,123,540.98	\$27,745,000.50	\$27,234,445.78	\$28,372,188.35	\$1,137,742.57	4.18%
Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,866,608.00	\$6,866,608.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,669,495.09	\$2,669,495.09	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$4,004,100.63	\$4,004,100.63	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,642,294.20	\$4,642,294.20	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$788,300.00	\$788,300.00	\$788,300.00	Increased by \$65,900 2/17/22
Total Liabilities and Reserves		\$17,884,167.36	\$18,397,169.21	\$18,970,797.92	\$18,970,797.92	
Unencumbered Fund Balance		\$11,239,373.62	\$9,347,831.29	\$8,263,647.86	\$9,401,390.43	

The net cash assets (unencumbered fund balance) is currently at 16.81% of budgeted premium revenues. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.64 million. Also, fund balance was reduced in 2020 by the “premium holiday” that was authorized for all municipalities.

Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2022 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

Liabilities and Reserves - Defined

RESERVES

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

Liabilities and Reserves - Defined

INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2022 Fiscal Year budget forecasted this reserve to equal \$6,874,453.35 (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 2022 Fiscal Year, Excellus' estimate of this liability was \$4,713,900 which is approximately 8% of the expected claims cost for the year.

Liabilities and Reserves - Defined

SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The Amended 2022 Fiscal Year budget forecasts this reserve to equal \$2,796,865.76 (5.0% of projected premium income of \$55,937,315.28). In years where the Consortium approves premium holidays, the Consortium would calculate the Surplus Account reserve requirement based on the full expected premium, versus the artificially reduced premium collected.

Liabilities and Reserves - Defined

CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors made the approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was funded at \$4,642,294.20 as of December 31, 2021.

Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

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



Section 6

2022 Fiscal Year-to-Date Summary & Observations

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2022 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is 2.55% below budget as of October 31, 2022. Once we recognize the October Rx Rebate payment that was received in November, as well as receive the 2021 Rx Rebate reconciliation payment anticipated by the end of November, the revenue picture will be enhanced. The management of the cash assets by the Consortium's Financial Team, in collaboration with Wilmington Trust, will see improvement with the current market conditions.
2. The combined **Medical and Rx Paid Claims were 4.09% below budget** through the first 10-months of the 2022 Fiscal Year. We are keeping a close eye on the paid claims and how they continue to evolve. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.

2022 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected against the amended budget with two months remaining in the 2022 Fiscal Year. We will need to continue to monitor overall claim trends, especially as we add new municipalities and amend 2023 budget. We are hopeful that the positive claims trend will continue and allow the Consortium to maintain modest premium increases for future budget years, providing stability to municipalities budgets.
4. The results experienced by the Consortium as of October 31, 2022 support the Board of Director's decision to increase premium rates, by a modest 5%, for the current 2022 Fiscal Year. With careful planning and monitoring, it may allow for some additional premium relief to assist the Participating Municipalities during potential difficult financial times as COVID relief monies dry up.
5. It is important to monitor the impact of the new accounting for gains and losses on investments, and how that reporting impacts the actual vs. budget comparisons. The current impact of these transactions as of October 31, 2022, is a net loss of \$588,560.50.

Greater Tompkins County Municipal Health Insurance Consortium Medical Loss Ratio (Paid Claims ÷ Premium)

