

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

Members: Judy Drake, Peter Salton (arrived at 3:37 p.m.), Steve Thayer, Rordan Hart, Lisa Holmes, Ed Fairbrother (excused at 4:12 p.m.); Gary Mutchler, Chris Wagner, Bud Shattuck, Mack Cook
Excused: Jim Bower, Joint Committee on Plan Structure and Design Chair
Guests: Steve Locey, Rob Spenard, Locey & Cahill; Don Barber, Consultant; Rick Snyder, Treasurer; Directors: Lonnie Childs, Tom Gray, Ray Bunch, Nancy Webster
Staff: Elin Dowd, Executive Director; Michelle Cocco, Clerk of the Board

Call to Order

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

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of December 1, 2020

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

Approval of Board of Directors Minutes of December 17, 2020

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

Chair's Report

Change of Meeting Date

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

Mr. Salton arrived at this time.

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

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

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

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

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

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

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

Executive Director Report

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

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

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

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

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

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

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

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

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

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

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

Mr. Fairbrother was excused at this time

Staffing Update

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

Financial Update

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

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

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

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

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

Next Meeting Agenda

The following items will be included on future agendas:

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

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

Adjournment

The meeting adjourned at 4:43 p.m.