

**Executive Committee
Minutes – APPROVED
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.

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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.

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.