

**Executive Committee
Minutes – APPROVED
December 15, 2021 – 4:00 p.m.
Town of Ithaca/Zoom**

Present: Steve Thayer, Bud Shattuck, Peter Salton, Judy Drake, Mack Cook, Ed Fairbrother, Rordan Hart, Gary Mutchler, Lisa Holmes, Jim Bower
Vacancy: One seat
Guests: Steve Locey, Rob Spenard, Locey & Cahill; Don Barber, Consultant, Rick Snyder, Treasurer
Staff: Elin Dowd, Executive Director; Michelle Cocco, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues, Benefits Specialist

Call to Order

Ms. Drake, Chair, called the meeting to order at 4:05 p.m.

Changes to the Agenda

The resolution entitled Amendment of Resolution No. 9 of 2020 “Adoption of Catastrophic Claims Reserve Policy” by Resolution Clarifying Intent of Catastrophic Claims Self-Insurance Pool was withdrawn from the agenda and will be considered at a future meeting.

Approval of Minutes of November 3, 2021

It was MOVED by Mr. Fairbrother, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present, to approve the minutes of November 3, 2021 as submitted. MINUTES APPROVED.

Chair’s Report

Ms. Drake reported the Consortium received a card from Beth Miller, former Excellus Account Manager, expressing appreciation for the gift and recognizing her efforts working with the Consortium. She also reported Mack Cook will be retiring from his position in the City of Cortland and will likely no longer be a representative to the Consortium. At its meeting yesterday the Audit and Finance Committee expressed its appreciation to Mr. Cook for his many contributions to the Consortium.

Ms. Dowd reminded members that a special meeting will be held on January 12th to discuss long-term planning for the Consortium. Comments that have been submitted are being compiled in preparation of that meeting; members were asked to submit further comments by the end of the year.

Ms. Drake recognized Don Barber for pioneering the Consortium and announced he will not be renewing his contract in 2022. She thanked him for his many years of hard work and dedication to the Consortium. Mr. Barber said the success the Consortium has achieved over the years is remarkable and a highlight of his life that he will treasure.

Mr. Hart said the Consortium is a rare exception to an example frequently set of government of being unable to accomplish something. As one of the original founders of the Consortium who was skeptical, he thanked Mr. Barber for pushing everyone to achieve something that is an example of something that couldn’t have turned out better and without Mr. Barber’s leadership.

Other members of the Committee echoed Mr. Hart's comments, expressing appreciation and noting that Mr. Barber's contributions and tireless efforts have been of enormous value to municipalities in and outside of Tompkins County.

Executive Director Report

Ms. Dowd thanked both Mr. Cook and Mr. Barber for their many contributions to the Consortium and specifically to Mr. Barber for his mentorship since she became Executive Director.

Ms. Dowd reported on additional items not included in her written report provided in the agenda packet. She said there have been a lot of plan changes; last night she and Ms. Rodrigues provided information to the City of Ithaca PBA (Police Benevolent Association) that will be moving to the Platinum Plan. Tompkins County has also negotiated with two groups to move to the Platinum Plan in 2022 and there are other groups that are discussing plan changes for 2023. She said there will need to be discussion of a modified budget for 2022 to address plan changes and premium.

Ms. Dowd announced the Consortium has a new Excellus Account Manager and will introduce him in January. She called attention to a chart included in the agenda packet to demonstrate a historical view of administrative costs. She will be sending this out to Directors to show administrative costs in relation to the Consortium's growth.

Ms. Dowd reported the Consortium will have vacancies on committees that will need to be addressed. The Nominations and Engagement Committee will be discussing this at an upcoming meeting in January. She also reported a press release was issued announcing the Consortium's growth and approval by DFS to operate in an expanded territory.

Ms. Dowd reported she will be reviewing her goals and objectives during the first quarter of 2022 and announced all subscribers should have received by now their new Excellus identification cards.

Mr. Hart asked Ms. Dowd to provide him with a copy of the Ithaca Police Department's coverage as he has been asked questions and would like to have accurate information.

RESOLUTION NO. 023 - 2021 – ESTABLISH BOARD OF DIRECTORS MEETING SCHEDULE – 2022

MOVED by Mr. Bower, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present.

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby adopts the following meeting schedule for 2022:

BOARD OF DIRECTORS 2022 Meeting Schedule

August 25 – Board Educational Session (including presentation of proposed 2023 Budget)
September 22 – Annual Meeting (Adopt Budget, Set Premium Rates, Accept New Participants)

Executive Committee
December 15, 2021

Meeting time: 5:00 p.m.
Location: TBD

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**RESOLUTION NO. 024 – 2021 – AUTHORIZING INFORMATION TECHNOLOGY
SERVICES AGREEMENT WITH TOMPKINS COUNTY –
JANUARY 1, 2022 THRU DECEMBER 31, 2022**

MOVED by Ms. Holmes, seconded by Mr. Bower, and unanimously adopted by voice vote by members present.

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

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, assistance with the Consortium's compliance with NYCRR 500 Cybersecurity requirements, audio and visual assistance, development of a secure online enrollment program, and general computer support, 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 Executive Director is proposing no changes to the 2020 Memorandum of Understanding, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2022 based on a rate for an average of seven (7) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2022 thru December 31, 2022 for a total of \$5,040,

RESOLVED, that the amount of \$5,040 will be submitted as a single invoice by ITS in January, 2022, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

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

RESOLVED, further, that the TC Information Technology Services Agreement will be kept on file in the Consortium's records.

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**RESOLUTION NO. 024 - 2021 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT –
LOCEY & CAHILL, LLC – JANUARY 1, 2022 – DECEMBER
31, 2022**

MOVED by Mr. Salton, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present.

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

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium issued a Request for Proposals and by Resolution adopted on October 28, 2010, selected Locey & Cahill, LLC of Syracuse to provide consulting services for the Consortium, 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 and 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, and

WHEREAS, Locey and Cahill presented a three-year proposal with terms commencing 2019 through 2022, 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 Locey & Cahill, LLC for the third year of the current agreement for the period January 1, 2022 through December 31, 2022,

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

**RESOLUTION NO. 026 - 2021 – EXTENSION OF CONTRACT FOR INVESTMENT
MANAGEMENT SERVICES – WILMINGTON TRUST
ADVISORS, INC.**

MOVED by Mr. Fairbrother, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present. Ms. Dowd said the Consortium has an evergreen contract with Wilmington Trust which allows the contract to be terminated at any time with proper notice. At the Audit and Finance Committee meeting an Investment Management RFP Subcommittee was established; that process will begin shortly.

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 2022, and

WHEREAS, as is fiscally prudent the Consortium has directed the Finance Manager to commence an Investment Management Request for Proposal (RFP) to determine options available to assist in managing our reserves and unencumbered fund balance, said RFP shall go out to market as soon as reasonable, now therefore 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, 2022 through the conclusion of the RFP process and/or selection of a new Investment Manager.

RESOLUTION NO. 027 – 2021 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2022 WITH EXCELLUS BLUECROSS BLUESHIELD

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

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, and

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of the Stop Loss insurance policy with a deductible of \$1 million for the policy period January 1, 2022 to December 31, 2022 with Excellus BlueCross BlueShield to include claims incurred from January 1, 2022 thru December 31, 2022 and paid during the period of January 1, 2022 thru March 31, 2023.

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

RESOLUTION NO. 028 - 2021 - AUTHORIZATION TO ANNUALLY PURCHASE INSURANCE POLICIES: ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS LIABILITY, EMPLOYMENT PROTECTION COVERAGE, AND A FIDELITY BOND

MOVED by Mr. Shattuck, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present.

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium shall annually purchase coverage for these policies:

- Errors and Omissions Insurance with a \$1,000,000 limit with \$25,000 retention;
- Directors and Officers Liability Insurance at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000; and

- A Fidelity Bond.

RESOLVED, further, That the Executive Director is authorized to execute the renewal documents for the policies listed above.

RESOLVED, further, That this authorization shall continue to be in effect provided there are no changes to coverage or limits.

**RESOLUTION NO. 029 - 2021 – DIRECTIVE TO PRESCRIPTION BENEFIT MANAGER –
MEDICARE SUPPLEMENT 90-DAY FILL**

MOVED by Mr. Bower, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

WHEREAS, ProAct followed a directive to mirror Platinum Plan medication benefits with members being limited to a 30-day prescription drug fill, and

WHEREAS, subscribers of a Classic Blue Plan have the availability of a 90-day fill at a retail pharmacy, and

WHEREAS, the Consortium would like to institute a directive, whereby Medicare Supplement Plan benefits for a 90-day fill at a retail pharmacy mirror Classic Blue benefits for a 90-day fill at a retail pharmacy, and

WHEREAS, this directive would be in-line with Medicare prescription coverage guidelines, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design, that the Executive Committee hereby directs ProAct to allow a 90-day refill at an In-Network retail pharmacy for all Consortium Medicare Supplement plans,

RESOLVED, further, That the 90-day fill co-pay rate will be a 30-day fill x 3, and shall not be subject to the Mail Order 90-day fill discount,

RESOLVED, further, That this directive shall not impact any restrictions for 90-day fills of controlled substances,

RESOLVED, further, That this directive shall be effective immediately upon approval by the Executive Committee.

**RESOLUTION NO. 030 - 2021 – DESIGNATION OF RECORDS ACCESS OFFICER AND
APPEALS COMMITTEE – PUBLIC ACCESS TO
RECORDS (FREEDOM OF INFORMATION LAW)
REQUESTS**

MOVED by Ms. Holmes, seconded by Mr. Hart, and unanimously adopted by voice vote by members present.

WHEREAS, 21 NYCRR PART 1401 requires the Consortium to is required to establish procedures for the public to have access to records, and

WHEREAS, the Consortium is required to designate a Records Access Officer to be responsible for insuring appropriate agency response to public requests for access to records, and

WHEREAS, the Consortium is also required to designate a person or body to hear appeals regarding denial of access to records under the Freedom of Information Law, and

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee, on behalf of the Board of Directors, hereby designates the Executive Director as the Records Access Officer for the Consortium,

RESOLVED, further, That the Records Access Officer is delegated responsibility for developing and making available to the public, procedures for requests for public access to records (Freedom of Information Law),

RESOLVED, further, That the Executive Committee is designated to serve as the Appeals Committee for FOIL-related matters, in subject to compliance of the New York State Public Officer's Law.

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GTCMHIC FREEDOM OF INFORMATION LAW (FOIL) PROCEDURES

Adopted December 15, 2021

It is the intent of the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") to provide the public with transparency and access to records in compliance with New York State and Federal Freedom of Information Law (FOIL); Public Officers Law, Article 6, §§84-90; 21 NYCRR Part 1401 (Committee on Open Government). The objective is to have procedures in place describing how to access and acquire copies of records.

The Consortium's website (www.healthconsortium.net) maintains copies of public information for public access. Records maintained by the Consortium includes, but is not limited to:

- 1) Board and committee agendas
- 2) Approved committee minutes
- 3) Approved resolutions
- 4) Approved policies
- 5) Board and committee membership
- 6) Financial reports including budgets
- 7) Municipal Cooperative Agreement
- 8) Municipal membership listing with contact information
- 9) Health insurance plans and premiums by municipality
- 10) Videos of the Consortium's meetings held via Zoom are maintained by the Consortium and are uploaded to the Consortium's YouTube Channel.

1. A request for records not publicly available on the Consortium's website may be submitted in writing to the address below. **A fee may be charged as allowed in 21 NYCRR PART 1401.8. Requests will be responded to within five business days.**

Greater Tompkins County Municipal Health Insurance Consortium

ATTN: Records Access Officer

RE: FOIL Request

PO Box 7, Ithaca, NY 14851

or by e-mail:

Consortium@tompkins-co.org

2. Once a FOIL request is received it will be reviewed by the Records Access Officer granting or denying access in whole or in part.

3. A response to the requestor is required within five (5) business days of receipt of the request by:

- Granting the request in whole or in part;
- Denying the request in whole or in part, including the reason for denial;
- Acknowledging the receipt of the request in writing, including an approximate date of a decision of approval or denial, which shall not be more than twenty (20) days after the acknowledgment.

If circumstances are known that prevent the disclosure within the stated timeframe, a statement must be provided in writing stating the reason for the inability to grant the request and a certain date must be provided within a reasonable period when the request will be granted.

- If the Consortium fails to respond to a request within the specified timeframes, the request will be deemed as a denial of access.

Approved Access to Records

1. Once a records request is approved, the request will be routed to the appropriate staff for fulfillment.

2. The Consortium shall make all records available for public inspection and copying during general business hours (8:30 a.m.- 4:30 p.m).

3. When the Consortium has the ability to retrieve records maintained in an electronic database and doing so requires less employee time than a manual retrieval of paper records, the Consortium is required to retrieve the records electronically. In such case, the Consortium may charge a fee in accordance with 21 NYCRR Part 1401.8 (Fees).

Denial of Access to Records

1. The Consortium shall make all records available for public inspection and copying except, in accordance with Public Officers Law, Article 6, Section 87, those records or portions thereof that:

- are specifically exempted from disclosure by state or federal statute;
- if disclosed would constitute an unwarranted invasion of personal privacy under the provisions of subdivision two of section eighty-nine of Public Officers Law, Article 6;
- if disclosed would impair present or imminent contract awards or collective bargaining negotiations;

- are trade secrets or are submitted to a department by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise;
- if disclosed could endanger the life or safety of any person;
- are examination questions or answers which are requested prior to the final administration of such questions; or
- if disclosed, would jeopardize the capacity of an entity that has shared information with the Consortium to guarantee the security of its information technology assets, such assets encompassing both electronic information systems and infrastructures.

Note: The Consortium has the authority to redact portions of a record prior to the disclosure of the record to the requestor in accordance with Public Officers Law, Article 6, Section 87.

2. Denial of access to records shall be in writing stating the reason for denial and advising the requestor of the right to appeal the denial to the Executive Committee. This statement shall include the name, title, address, and business phone number of the Executive Committee Chair.

3. The Executive Committee shall serve as the Appeals Committee to determine appeals regarding denial of access to records under the Freedom of Information Law.

4. An appeal may be made within thirty (30) days of a denial. The appeal should be sent to the following address: Greater Tompkins County Municipal Health Insurance Consortium, ATTN: Executive Committee, RE: FOIL Appeal, PO Box 7, Ithaca, NY 14851, or by e-mail: Consortium@tompkins-co.org

5. An appeal to the denial of access to records shall be decided and communicated to the requestor in writing within ten (10) business days of the receipt of an appeal. The appeal decision shall state either the approval, granting records access or explaining the reason(s) for further denial.

6. Failure to respond to an appeal within the required period of time shall constitute a denial of an appeal.

7. The Appeals Committee (Executive Committee) shall deliver upon receipt, copies of all appeals to the Committee on Open Government. Committee on Open Government Department of State One Commerce Plaza, 99 Washington Ave., Suite 650 Albany, NY 12231

PUBLIC NOTICE

PUBLIC ACCESS TO RECORDS - FREEDOM OF INFORMATION LAW (FOIL)

The amended Freedom of Information Law, which took effect on January 1, 1978, gives the public access to records of state and local agencies. The Greater Tompkins County Municipal Health Insurance Consortium has established procedures outlining public access to records. **A fee may be charged as allowed in 21 NYCRR PART 1401.8.** These procedures are available on the Consortium's website.

FOIL requests can be submitted to the following:

Executive Committee
December 15, 2021

Records Access Officer
Greater Tompkins County Municipal Health Insurance Consortium
PO Box 7
Ithaca, NY 14851
(607) 274-5590
consortium@tompkins-co.org

Any FOIL request that is denied may be appealed to the Executive Committee at the address above.

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RESOLUTION NO. 031 - 2021 – RESCINDING RESOLUTION NO. 8 OF 2017 “DELEGATING RESPONSIBILITY FOR APPROVAL OF INDEPENDENT FINANCIAL AUDIT”

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

WHEREAS, prior to the new governance structure that became effective in 2021 the Board of Directors delegated responsibility for specific functions to the Audit and Finance Committee, and

WHEREAS, changes to Consortium operations have occurred under the new structure and warrant the need to amend prior resolutions delegating specific responsibilities, and

WHEREAS, due to the reduction in Board of Director meetings it may no longer be timely to present a report to the full Board in person on the approved audit, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That Resolution No. 8 of 2017 “Provide Audit and Finance Committee the Authority to Approve the Annual Independent Financial Audit”, is hereby rescinded,

RESOLVED, further, That the Audit and Finance Committee shall maintain authority to approve the Annual Independent Financial Audit with notice provided to the Board of Directors.

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RESOLUTION NO. 032 - 2021 – AMENDMENT OF RESOLUTION NO. 2 OF 2016 - ADOPTION OF MISSION AND VISION STATEMENT FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Bower, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present.

WHEREAS, the Board of Directors adopted a Mission and Vision Statement for the Greater Tompkins County Municipal Health Insurance Consortium on January 28, 2016, and

WHEREAS, in August, 2021 the NYS Department of Financial Services approved the expanded scope of the Consortium’s reach from seven to sixteen counties within the geographical boundaries of the Counties of Broome, Cayuga, Chenango, Chemung, Cortland, Madison, Onondaga, Ontario, Oswego, Tioga, Tompkins, Schuyler, Seneca, Steuben, Wayne, and Yates, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee on behalf of the Board of Directors, hereby adopts the amended Mission and Vision Statement of the Greater Tompkins County Municipal Health Insurance Consortium to reflect the Consortium's expanded territory.

Belief: Individually and collectively we invest in realizing high quality, affordable, dependable Health Insurance.

Mission Statement: The Greater Tompkins County Municipal Health Insurance Consortium is an efficient inter-municipal cooperative that provides high-quality, cost-stable health insurance for members and their employees and retirees.

Vision Statement: The Greater Tompkins County Municipal Health Insurance Consortium provides its municipal partners in sixteen counties within the geographical boundaries of the Counties of Broome, Cayuga, Chenango, Chemung, Cortland, Madison, Onondaga, Ontario, Oswego, Tioga, Tompkins, Schuyler, Seneca, Steuben, Wayne, and Yates, a menu of health insurance plans to the benefit of the employees, retirees, and their families.

- The Consortium administers operations by collaborating with claims administrators, providers, and employee representatives in an effort to manage its costs, efficiencies, and success.
- The Consortium strives to provide a trust-worthy, responsive, and efficient vehicle that enables access to its quality products, models a new health insurance paradigm, and educates its members to become more directly involved in their own personal health.
- The Consortium promotes a culture of preventative health care for the well-being of its members.

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**RESOLUTION NO. 033 - 2021 – RESCINDING RESOLUTION NO. 32 OF 2018
“DELEGATING AUTHORITY AND RESPONSIBILITY FOR
DEVELOPING CYBER SECURITY POLICIES TO THE
AUDIT AND FINANCE COMMITTEE**

MOVED by Mr. Salton, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present.

WHEREAS, changes to Consortium operations have occurred under the new governance structure that warrant the need to rescind prior resolutions delegating specific responsibilities, and

WHEREAS, due to the change in governance, Cyber Security matters are no longer the responsibility of the Audit and Finance Committee, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That Resolution No. 32 of 2018 “Delegating Authority and Responsibility for Developing Cyber Security Policies and Procedures to the Audit and Finance Committee” is hereby rescinded,

RESOLVED, further, That the Executive Committee, in consultation with the Executive Director, may delegate responsibility for operational functions to the appropriate standing committee of the Board of Directors.

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**RESOLUTION NO. 034 – 2021 - ADOPTION OF AMENDED INVOICE PAYMENT
PROCEDURE (REPLACING PROCEDURE ADOPTED
DECEMBER 10, 2019 BY THE AUDIT AND FINANCE
COMMITTEE**

MOVED by Ms. Drake, seconded by Mr. Salton, and unanimously adopted by voice vote by members present.

WHEREAS, the Operations and Audit and Finance Committees were presented with recommendations of Consortium staff for streamlining current invoice payment procedures, and

WHEREAS, the Operations and Audit and Finance Committees have reviewed and recommended an amended Invoice Payment Procedure be approved by Executive Committee, now therefore be it

RESOLVED, on recommendation of the Operations and Audit and Finance Committees, That the Executive Committee, on behalf of the Board of Directors, hereby approves the following amended Invoice Payment Procedure effective January 1, 2022 to replace the procedure approved December 10, 2019 by the Audit and Finance Committee.

GTCMHIC Invoice Approval Procedure
(Adopted December 15, 2021; effective January 1, 2022)

All invoices will be in the Monthly Financial Abstract Report submitted by the Finance Department for review at the Audit and Finance Committee Meeting. The Monthly Financial Abstract Report will detail monthly and year-to-date expenditures. The primary purpose of this report is to enable the Audit and Finance Committee to initiate appropriate action and to monitor and approve expenditures against budget line items and contractual agreements.

The Audit and Finance Committee will approve The Monthly Financial Abstract Report for payment and all invoices will be processed for payment according to the following procedures.

Previously Approved Expenditures Ready for Payment

Invoices listed below are considered ready for payment when received and will be entered for Payment by the Finance Department without further approval as assigned by the budget process or contract. The Monthly Financial Abstract Report will provide details for all pre-payments made for the following:

- Claims invoices and administrative fees from our third-party benefit administrators (medical and prescription drug) including flu clinic fees,
- State and Federal taxes and fees,
- Stop-loss,
- Business Insurance,
- Tompkins County invoices,
- Town of Ithaca Payroll invoices,
- Town of Ithaca Rent invoices.
- Contract progress payment invoices (e.g., Actuary, Claims Auditor, Bonadio,)
- Invoices for non-fixed price contract payment under \$10,000 (e.g., Consortium Consultant, newsletter production, and printing,)

- Invoices for supplies, expense reimbursements and day to day operations under \$10,000.

Audit and Finance Committee Approval Needed

Invoices not listed as Previously Approved for Payment shall be included in the Monthly Financial Abstract Report for approval at the next Audit and Finance Committee meeting.

- Invoices for non-fixed price contract payment over \$ 10,000 (e.g., financial auditor);
- Invoices for services not previously approved by contractual arrangement,
- Contract final invoices (e.g., Actuary, Auditor, Claims Auditor).

If the Audit and Finance Committee will not be meeting by the time the invoice becomes due, the Executive Director will first petition the contractor for a time extension until the Audit and Finance Committee meets. Should that petition be denied, the invoice must be approved by the Board Chair and reported to the Committee at the next meeting.

Board Chair Approval Needed

Any reimbursements made to the Executive Director must be approved by the Board Chair and will be included in the Monthly Financial Abstract Report at the next Audit and Finance Committee meeting.

Payment of Approved Invoices

- Medical and Prescription Claims/Admin Fee invoices will be paid via ACH as required by contract terms,
- Credit Card statement will be paid in advance to have payment received prior to due date.

The Monthly Financial Abstract Report will be presented at each Audit and Finance Committee meeting for review. All invoices approved by the Audit and Finance Committee will have checks prepared by the Finance Department and signed by the Executive Director. If the Executive Director is not available, then the Treasurer or Chief Financial Officer will sign the checks for payment.

Reconciliation

After the bank statements have been received the Finance Department will reconcile all related financial statements and send to the Treasurer for final approval.

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RESOLUTION NO. 035 - 2021 – RESOLUTION TO RECOGNIZE AND ACCEPT THE 2020 CATASTROPHIC CLAIMS RESERVE

Ms. Dowd said even though the documented process did not include the delta on the premium; the delta on the premium was included on the Consortium's 2020 financials that were part of the audit. This recognizes and accepts the amount in that 2020 audit.

MOVED by Mr. Salton, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 9 of 2020 the Board of Directors adopted policies with respect to the Catastrophic Claims Reserve for the 2020 Fiscal Year, and

WHEREAS, the adopted policy states the Catastrophic Claims Reserve would increase to \$4.5 million and “Interest income earned on funds held in the Catastrophic Claims Reserve shall be retained within same”, and

WHEREAS, in 2021 it was identified that at the end of 2020 when calculating the Catastrophic Claims Reserve, financial reporting included not only the addition of interest income, but also savings from Stop Loss premiums from the \$600,000 level to the \$1 million level being retained in the Reserve (Per Board Policy - \$4,500,000.00, Stop-loss difference adjustment -\$498,115.00, Interest - \$34,105.00; Total = \$5,032,220.00), now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee on behalf of the Board of Directors, retroactively acknowledges and approves the increase to the Catastrophic Claims Reserve for the 2020 Fiscal Year in the amount of \$498,115 from the unrestricted fund balance to bring the total of this reserve fund to \$5,032,220 as was reported in the 2020 audited financial statements of the Consortium.

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Report from the Nominations and Engagement Committee

Mr. Fairbrother, Chair, reported the Committee will meet on January 10th at 3:30 p.m.

Report from the Claims and Appeals Committee

Mr. Shattuck, Chair, reported the Committee will meet to discuss the BMI Prescription Drug Audit in early March.

Report from the Audit and Finance Committee

Mr. Cook, Chair, said the Committee in thankful for the Consortium’s Finance staff and the valuable work performed, noting it has taken a lot of work off of the Committee. He thanked Ms. Dowd for professionally bringing a lot of the Consortium’s finance work in-house and said the work is outstanding.

Report from the Operations Committee

Ms. Holmes, Chair, reported the Committee met on November 22nd and endorsed many of the resolutions that were on this agenda. She thanked Doug Perine, Vice Chair, for convening the Committee while she was busy working on the County’s budget process.

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported the Committee met on December 2nd and heard a presentation from CanaRx and endorsed the 90-day fill resolution that was approved earlier. He has continued to reach out to members and speak about vacancies on the labor side of the Committee as well as three vacancies on the Board of Directors.

Ms. Rodrigues provided a brief update on wellness initiatives and stated the monthly themes continue. The Maintain Don't Gain Challenge is underway and has had a great level of participation. Efforts are underway to prepare for the Blue4U Program that will take place in March and April of 2022.

Financial Update

Mr. Locey reported on financial results through November 30th and said premium income is down slightly due to the movement of members to different plans. He said one additional prescription drug rebate is expected before year-end; this will bring this income to approximately \$500,000 over budget for the year. There have been no Stop Loss recoveries this year; however, a few claimants have ended up between the \$.5 million and \$1 million level. Although prescription drug claims are slightly over budget. In aggregate the Consortium is only slightly over 1% in claims expense. Mr. Locey spoke of total expense and stated \$.95 of each dollar goes towards the payment of claims which continues to demonstrate the Consortium is extremely efficient.

Mr. Locey reviewed the large loss and catastrophic claims history over the last couple of years, demonstrating the growth that has occurred, particularly over the last year. There are a couple of claimants between the \$.5 and \$1 million range; therefore, funds from the Self Insurance Reserve will need to be used. The first person was lasered for the last several years which means the Consortium would have been responsible for claims up \$1 million of expense regardless of what Stop Loss policy was purchased. That claimant was not included in the model in terms of reimbursement. The remaining four went over \$.5 million and as discussion takes place on the Catastrophic Claims Reserve a look will be taken at taking the balance that was in the reserve, adding interest, adding the delta of what was actually paid out in premium, and the budgeted number of the Stop Loss deductible of \$600,000, versus what will be paid out from the \$1 million. This will be the additional income going into the self-insurance pool and monies would be taken from that for any claimant that goes above \$.5 million but not exceeding the \$1 million when the Stop Loss cap kicks in.

Mr. Spenard noted Excellus lowered the lasered deductible from \$1 million to \$700,000 for the lasered individual; therefore, there may be a change in how much will come out of the fund balance versus the reserve for that individual.

Mr. Locey reviewed the loss ratio of the Consortium from 2011 to 2020 has been and said the Consortium has done well keeping the average in the 90% range. At this point he said it is important to make sure revenue meets expenses, making sure reserves are adequate without too much growth in fund balance. Going forward the goal is modest and stable premium rate increases, modest growth in overall expense, and making sure there is a modest loss or gain in fund balance with a break even over time.

Ms. Apalovich reported there are no outstanding receivables and no expenditure report to discuss at this meeting.

Future Agenda Topics

The Committee will continue discussion of long-term planning at the next meeting on January 12, 2022 at 3:30 p.m. Future agenda topics include discussion of a five-year staffing plan and continued discussion of the Catastrophic Claims Reserve/Pool.

Executive Committee
December 15, 2021

Adjournment

The meeting adjourned at 5:07 p.m.