

**Executive Committee
Minutes – APPROVED
February 2, 2022 – 3:30 p.m.
Town of Ithaca/Zoom**

Present: Steve Thayer, Bud Shattuck, Peter Salton, Judy Drake, Ed Fairbrother, Rordan Hart, Gary Mutchler, Jim Bower, Eric Snow, Ray Bunce
Excused: Lisa Holmes
Guests: Steve Locey, Rob Spenard, Paul Pelton Locey & Cahill; Ruby Pulliam, Tompkins County Human Resources Commissioner; Jim Doring, Town of Preble Director; Brandon Holt, Kelli Lasher, Excellus
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 3:32 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of January 12, 2022

It was MOVED by Mr. Mutchler, seconded by Mr. Salton, and unanimously adopted by voice vote by members present, to approve the minutes of January 12, 2022 as submitted. MINUTES APPROVED.

Chair's Report

At this time Kelli Lasher of Excellus introduced Brandon Holt who has assumed the responsibility of being the Consortium's Account Manager. Ms. Lasher said Mr. Holt works with two other consortiums, is familiar with Article 47, and has been working closely with Locey and Cahill. Mr. Holt said he has been in the employee benefits industry for the past ten years and has worked with many different sizes and structures of groups. He looks forward to working with the Consortium and extended an offer for anyone to reach out to him if a need arises.

Executive Director Report

Ms. Dowd said January was a busy month. She welcomed Mr. Holt and said she looks forward to continuing to strengthen the Consortium's relationship with Excellus. She commented that questions will continue to go through Consortium staff until the transition to Mr. Holt is complete.

Ms. Dowd said a written report was included in the agenda packet and called attention to a few highlights. She has already received several inquiries about membership for 2023 from a variety of entities and continues to answer questions and develop information to respond to inquiries. She reported there were several plan changes at the end of 2021 in Tompkins County and the City of Ithaca. As a result of this change, staff is working with Excellus to look at all of the Consortium's different plans that are in the system that are coded differently and trying to do clean-up of those plans. Also, as a result of the movement of members to different plans, a recommendation will be made at the next Audit and Finance Committee meeting to address a decrease in premium revenue as a result of the movement.

Ms. Dowd reported on a system platform change that happened at ProAct that has kept Consortium staff and Excellus very busy. As a result of this change Excellus has been asked to verify all of the plans that ProAct has and make sure that communication is going smoothly. Excellus has also had to verify that out-of-pocket maximums are in the system accurately. She said there have been some municipalities that had wrong member coding and this resulted in members being told incorrectly about copays or deductibles at the pharmacy. There were also retail pharmacy errors as a result of incorrect BIN numbers on identification cards and coding issues from one system to another. These issues have caused problems for end users which creates problems for benefit clerks and then results in a lot of time being spent by Ms. Rodrigues working on resolution. She has been keeping a log and has spent a lot of time working with municipalities, members, and pharmacies to resolve issues. Ms. Dowd said efforts will continue to log time spent, evaluate relationships, and look at how members can be better-served.

Ms. Dowd also reported on a change in the ProAct Formulary that has resulted in several questions. She said although many of the changes were positive, approximately 20% of the changes were very significant. Locey and Cahill currently meets with ProAct on a regular basis and a regular part of those meetings includes a review of a log of questions and concerns created by Ms. Rodrigues. She said she and Ms. Rodrigues will be requesting a meeting with ProAct to discuss all issues, including those related to the Formulary.

Mr. Locey said they are trying to determine why members are experiencing problems and said where tier changes have occurred a drug has been identified that would be a lower cost. Other than volume, he doesn't think there is much of a difference from previous years when there has been a formulary change. He reported this year ProAct made a change, whereby they are now doing drug pricing and rebates in-house and this resulted in a significant number of changes. He is still trying to understand what communication did or did not take place in advance to get people moved before they arrived at a pharmacy.

In response to Ms. Drake, Mr. Locey said a PBM (Prescription Benefit Manager) controls the formulary. He has seen situations where a client has tried to manipulate a formulary but it did not work out well and said neither the Consortium or Locey and Cahill have the resources to understand the drugs and the many different associated aspects that are part of the process. He said Locey and Cahill is looking into what was disclosed during the RFP (Request for Proposals) process and whether it was known that this would happen during that time as it may have led to better planning.

Ms. Dowd recognized the work of all Consortium staff and reported on a letter received from a member specifically acknowledging outstanding customer service and problem resolution by Kylie Rodrigues.

Long-Term Business Planning

Ms. Dowd reported in preparation for the next meeting, work is being done on the new member process and said the outline is being shared with Consortium committees and information and suggestions are being added to the list.

RESOLUTION NO. 002-2022 – AUTHORIZING EXTENSION OF OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

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

Mr. Salton asked if the Consortium at some point will look at leasing a different type of office space. Ms. Dowd said as part of the long-term business planning Ms. Drake has asked that a look be taken at a five-year staffing plan that will include looking at that; it will first be shared with the Operations Committee. She said the current office will not service staff well in the long-term and she hopes to make this part of the long-term business plan as well as looking at what type of space is needed for meetings.

Ms. Drake reviewed the history behind the space being created in the Town of Ithaca for Consortium staff, noting there was a need to quickly tie into Tompkins County's network system which was already in the Town of Ithaca. She said there are considerations that will need to be discussed when this topic comes up. Mr. Salton said he hopes the discussion will include looking at whether the Consortium should be more externally focused. He commented that if offices will be considered, employees are generally happier in pleasant offices. Ms. Drake said there is a lot to consider, including looking at remote versus in-person work as well. Ms. Dowd said Tompkins County is aware that if there are opportunities in the future, the Consortium is interested in growing with them. She also said that if the Consortium continues its relationship with the County, specifically with regard to IT services, it will need to make sure that any new location can be established as a remote location; all of these aspects will need to be included in discussions.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, in 2019 the Executive Committee negotiated a lease agreement with The Town of Ithaca for office space, and

WHEREAS, the Consortium's legal counsel reviewed and approved the language contained in the lease agreement, and

WHEREAS, the lease agreement includes additional space to accommodate the Consortium's additional personnel needs, and

WHEREAS, the term of the lease is for one year with the ability to extend annually with all utilities being the responsibility of the landlord, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee authorizes the Executive Director to sign said lease agreement dated March 31, 2022 with the Town of Ithaca for office space for the period April 1, 2022 thru March 31, 2023.

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Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported he has been reaching out to labor groups in an effort to increase attendance at meetings and is hopeful about contact information he has received. The Committee will meet tomorrow and will hold elections for Chair and Vice Chair. He reported Doug Perine will be stepping down from being the Chair of Tompkins County's White Collar Unit in March.

Ms. Dowd reported the Consortium now has a Facebook page and invited members to visit and like the page. This was an initiative of the Joint Committee in efforts to reach out and communicate directly with members. She said the Committee continues to be very active in helping to create and communicate the Consortium's wellness program. Ms. Rodrigues reported on an effort to identify a Wellness Champion in worksites to help alleviate requests

made of Benefit Clerks to relay information to members. A request has been made that municipalities consider having a volunteer to be a Wellness Champion; the responsibilities will be reviewed at tomorrow's Joint Committee meeting.

Report from the Nominations and Engagement Committee

Mr. Fairbrother, Chair, reported the only committee member vacancy that exists currently is on this Committee. Ms. Dowd confirmed this and said efforts to identify a member to fill the vacancy have not yet been successful and asked if there were any suggestions or volunteers; none were offered. Ms. Drake asked members to provide Ms. Dowd or Mr. Fairbrother with suggestions for filling this seat.

Ms. Drake welcome Ray Bunce and Eric Snow as the newest members of the Executive Committee.

Report from the Claims and Appeals Committee

Mr. Shattuck, Chair, reported BMI is finishing up the prescription drug claims audit and will share the information when it becomes available. The Committee will meet next on March 14th.

Report from the Audit and Finance Committee

Mr. Thayer, Chair, reported he has assumed the position of Committee Chair. The Committee met last on December 14th and will meet next on February 22nd. At that meeting there will be discussion of the Request for Proposals for Investment Management Services and a report of what was discussed at the Subcommittee meeting. There will also be continued discussion of the Catastrophic Claims Policy and budget amendments for 2022.

Report from the Operations Committee

Ms. Dowd reported on behalf of Lisa Holmes and said a meeting was held last month and the Committee discussed the annual Cyber Security audit that has now been filed with the Department of Financial Services. She expressed appreciation to Tompkins County for continuing to do the risk assessment. The Committee reviewed new information on open enrollment periods and effective communication tools to make sure the process moves smoothly. She said all committees are being asked to provide feedback on what they want to see in the Consortium Newsletter and ideas for improving communication with subscribers; the Operations Committee provided good feedback. The Committee will discuss the Business Continuity Plan at its next meeting.

Report from the Investment Management RFP Subcommittee

Mr. Hart, Chair, reported the Committee held its initial meeting in January. The Committee has been tasked with reviewing the RFP as there is a desire to see what is available in terms of an investment firm to manage and invest the Consortium's large sum of money in its unencumbered balance and reserve funds.

The Committee spent a lot of time discussing a section of the Consortium's Investment Policy pertaining to what the Consortium can invest in. He said General Municipal Law (GML) only allows for certain types of investments to be made on behalf of municipalities and it is on

the opinion of Counsel that the Consortium is bound to that Law because all of its members with the exception of one is a municipality. However, Mr. Hart said the Consortium's Policy only allows for a small subset of what GML allows for. The Committee spent much of the meeting discussing whether the Policy should be expanded to allow for other types of investments. This was referred to the Audit and Finance Committee for discussion and direction on whether to amend the Policy. There may be changes made to the RFP depending on direction given by the Audit and Finance Committee.

2021 Financial Review

Mr. Pelton reported on 2021 income and said the Consortium finished the year 1.9% below budget which was largely due to the movement of members from Indemnity and PPO plans to the Platinum Plan and the Classic Blue Secure Plan. Locey and Cahill is studying the impact of these changes and will present information at the next Audit and Finance Committee meeting. Prescription drug rebates of approximately \$2.4 million will help to offset this revenue shortfall. He reported to date there have not been any large losses that will result in any Stop Loss reimbursement; however, he reminded members that although no large claims are expected, claims that were incurred by December 31st can be paid through March 31st. Mr. Pelton reported on interest income and noted that although the information presented shows a negative number there will be no loss of principal for the year. Mr. Pelton reported covered lives were up .5% and total contracts were up 3.16% for the year.

Mr. Pelton reported 2021 medical claims were .56% above budget and prescription drug claims were 5.33% above budget. He said there was an increase in the number of catastrophic claims, particularly late in the year, with 63 participants having claims in excess of \$100,000 with five of those claimants having claims in excess of \$500,000, compared to only one in 2020. He said as of December 31, 2021 the total high claimant expenditures was \$8.2 million; this compares to \$6.8 million in 2020. For prescription drug expenses, that same group of claimants had \$3.4 million in claims in 2020; as of December 31, 2021, the total was \$5.0 million. In total, this group of claimants had a \$3 million impact on expenditures. Ms. Dowd noted that these high claims are the result of five individuals with chronic conditions and this wasn't an increase directly related to Covid.

Mr. Salton noted that one percent of the Consortium's covered lives have claims in excess of \$100,000 and asked if this is typical for this size group. Mr. Locey said it is typical; an insurance plan needs a lot of people paying in who have low or no use of the plan to cover the individuals who are significant users of the plan. He said although it is cyclical and unpredictable Locey and Cahill will continue to monitor high cost claims and look for trends. Mr. Spenard noted two of the top three highest claimants and one of the remaining high claimants are no longer covered on the Plan.

Ms. Apalovich noted that although they are close, 2021 numbers are not final.

Accounts Receivable/Expenditure Report

Ms. Apalovich reported there is nothing outstanding in accounts receivable. At its next meeting the Committee will likely have an abstract presented for approval.

Next Agenda Items

Upcoming agenda topics include: a five-year staffing plan, Executive Director Performance Review, and long-term planning, .

Executive Committee
February 2, 2022

Executive Session

It was MOVED by Mr. Hart, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present, to enter into executive session at 4:52 p.m. to discuss collective bargaining. It was MOVED by Mr. Salton, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present, to return to open session at 5:16 p.m.

Adjournment

The meeting adjourned at 5:16 p.m.