

**Executive Committee
Minutes – APPROVED
April 6, 2022 – 3:30 p.m.
Town of Ithaca/Zoom**

Present: Steve Thayer, Bud Shattuck, Peter Salton (arrived at 3:34 p.m.), Judy Drake, Rordan Hart, Gary Mutchler, Lisa Holmes, Jim Bower, Ed Fairbrother
Excused: Ray Bunce, Eric Snow
Guests: Laura Granger, Stephanie Redmond; Directors; Steve Locey, Rob Spenard, Paul Pelton, Locey & Cahill
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 3:31 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of March 2, 2022

It was MOVED by Mr. Mutchler, seconded by Mr. Bower, and unanimously adopted by voice vote by members present, to approve the minutes of March 2, 2022 as submitted. MINUTES APPROVED.

Ms. Drake said at the last meeting a suggestion was made to hold the May 4th long-term meeting in person in the form of a retreat at the pavilion at Stewart Park and asked for feedback from members.

Mr. Salton arrived at this time

There was consensus by those present to confirm this from 3:30 p.m. to 5:15 p.m. The space will be reserved and a new meeting invite will be sent to members.

Logo Design

Ms. Drake spoke of the Consortium's expanded territory and a draft revised logo design was presented for input that represents the Consortium's growth to a 16-county region. Mr. Hart asked to see the image with Tompkins County centered in the dark blue patch of the design. In response to a question as to what would be involved in a change of name for the Consortium, Ms. Drake and Ms. Dowd spoke of the complexity that would be related to a name change. There was interest in exploring how to utilize an abbreviated name that would be more reflective of what the Consortium is and would like to be. Members were asked to submit feedback to Ms. Dowd.

Ms. Drake thanked Consortium staff for the hard work that has been done up to this point in the year.

Executive Director's Report

Ms. Dowd reported she provided a written report in the packet, noting some of the committee information is minimal because most committees have moved to meeting quarterly and are scheduled to meet in the next month.

Ms. Dowd reported it is the end of the 2021 reporting period and Ms. Apalovich has taken the lead in the year-end Jurat (financial filing) and the financial audit that is close to completion.

Ms. Rodrigues has been working on ProAct system changes; the process is not yet 100 percent, but Ms. Dowd noted changes are being gone through thoughtfully and carefully.

Ms. Dowd reported there is a lot of activity, whereby members are being encouraged to migrate to other plans. Although a move may look cost effective in the immediate future, such as moving to Medicare Advantage plans, she spoke of the adverse selection of taking a group out of the Consortium. She said there is other plan movement that is causing a look to be taken at the Consortium's premiums for all plans and performance as it relates to ongoing rate stabilization in the Consortium. We are looking at not only how we can react and respond to this but what are the shared resources that can be taken advantage of and what kinds of educational information can be put together to help members understand long-term impacts for members and the Consortium. She said this is a topic that will be discussed as part of long-term planning for the Consortium, but she wanted to make the Committee aware of this. Locey and Cahill and the Consortium team will continue to work together and look at what resources are needed to effectively communicate the risk to the municipality as well as the Consortium.

Mr. Fairbrother said the Town of Big Flats went to the Advantage Plan with a Binghamton Group for retirees and said United Health Care has been asking to come in and talk to the Town. He said the Town is very happy with the Consortium and is not interested in leaving. He is also aware of another municipality that is facing this.

Mr. Hart said if municipalities are going to be made aware of the long-term danger to them and the Consortium it is important they are aware there is also some significant long-term dangers for subscribers. He said insurance companies make a significant amount of money on the Advantage Plan and a significant reason is due to non-coverage out-of-network that the subscriber isn't aware of. This is particularly a significant concern for subscribers who like to vacation or move out of State.

Ms. Dowd said Mr. Hart makes a good point that will be included in educational materials that are being compiled. One of the things Mr. Locey is looking at is contract language and benefits available in New York State for retirees and what is and is not lawful for retirees for changing coverage.

Mr. Locey said the reason insurance companies are able to offer Medicare Advantage Plans at the lower cost is because the Federal government is over-subsidizing Medicare Advantage Programs. They are receiving a large subsidy per covered life to mirror the benefits under Medicare's Part A and B and this is driving them to be able to provide the rates they are offering. He said some of the benefits are more restrictive, there are closed formularies, out-of-network benefit issues, and other issues related to benefits. Another concern is that at some point the Federal government may have to pull back on some of the Medicare spending and this could be an area that is targeted. Mr. Locey spoke of experience with other clients and said the low rate offered by insurance companies is typically offered for a couple of years and is followed by an extremely large increase. This results in the frequent movement to different plans and retirees do not like this.

Mr. Locey said a call will be held this week with the New York State Department of State to talk about countywide shared services incentives and what consortiums like this can do to take advantage of some of those incentives when they have already been conducting themselves in a collaborative manner and driving efficiencies. The discussion will include questions about what groups can do to access some of those funds by changing benefit plans or redirecting people into other plans. He said this continual poaching of clients out of consortium programs is making consortiums less stable and is a long-term risk that needs to be addressed.

Catastrophic Claims Self-Insurance Pool

Ms. Dowd reported on the Catastrophic Claims Self-Insurance Pool (formerly the Catastrophic Claims Self-Insurance Reserve) and said at the last Executive Committee meeting a change was made as to how we are managing this and there will continue to be discussion throughout the year. She assured members this will continue to get reviewed to see that it best meets the organization in the long-run.

Wellness

Ms. Dowd reported on wellness activities and said a highlight of the March program was included in the agenda packet to inform members of the program. The first Benefit Clerk meeting of the year was held last week that included new educational material to make sure Benefit Clerks have what they need to be able to operate effectively and efficiently. That meeting was attended by 35 Benefit Clerks; the next one will be held in May.

Dependent Verification Audit

Ms. Dowd said approximately five years ago a dependent verification audit was conducted and identified a large number of claims being paid for dependents that were no longer eligible to be on the Plan. She gave an example of situations such as when a spouse has continued to be on the Plan but is no longer eligible. Benefits Clerks will have between now and mid-May to conduct this dependent verification. She noted that although a deadline has been set the Consortium is willing to work with municipalities on a timeframe to get this done. Ms. Dowd said information was circulated on this but will also be sent to the management level contacts at each municipality.

New Member Process

Ms. Dowd reviewed efforts that have been made to streamline and improve the application process that includes revisions to forms and updates to the website. She said it is likely a request will come forward to abolish the resolution that establishes the forms and process and to avoid continual amendments but noted that the Committee will be kept informed of the process.

New Member Marketing

Ms. Dowd spoke of marketing material that has been developed and available for members to disseminate when they are meeting with groups.

Staffing

Ms. Dowd announced the upcoming retirement of Michelle Cocco from the position of Clerk of the Board of Directors and said the process for recruitment has commenced. Ms. Dowd spoke of the five-year staffing plan for the Consortium and said this will be discussed with the Operations Committee which has oversight for this as well as the long-term planning discussion. She added that Tompkins County has issued a Request for Proposals for a salary survey and said the Consortium may want to utilize information received through that process. Ms. Holmes, Tompkins County Administrator, will provide information as it becomes available.

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported at the last meeting he and Mrs. Shawley were re-elected to the positions of Chair and Vice Chair of the Committee. The Committee reviewed housekeeping items, including a review of the Bylaws which will come back to the next meeting with suggested amendments. Mr. Bower reported Jeanne Grace has moved from an Alternate Labor Director to a Delegate for Labor Director position on the Board of Directors. He said the Committee continues to struggle with labor participation and reported there are two additional labor Director

vacancies due to the resignations of Doug Perine and Nancy Webster from Tompkins County CSEA. He continues to work on recruitment to fill other labor vacancies.

The Committee has been provided with useful information on the Blue4U Program, Advanced Care planning, and wellness information. Mr. Bower noted the creation of a Facebook page will be a great resource for the Consortium. A request was made to send the advanced care planning information to the Committee.

Report from the Nominations and Engagement Committee

Ms. Dowd reported the Committee has not met since the last meeting. The next meeting will be held April 11th; there will be a focus on engagement, both of new and current members, as well as planning for the August Board Retreat. A suggestion was made to reach out to municipalities when there is a change at the administration level and provide educational information about the Consortium.

Report from the Claims and Appeals Committee

Mr. Shattuck, Chair reported the BMI report on the prescription drug claims audit should be ready soon. When this is reviewed, a meeting of the Committee will be scheduled.

Report from the Audit and Finance Committee

Mr. Thayer, Chair, reported at the next meeting on April 26th the Committee will be presented with the annual financial audit, the Investment Management Request for Proposals, and will continue discussion on the Catastrophic Claims Self-Insurance Pool.

Report from the Operations Committee

Ms. Holmes, Chair, reported the Committee has not met since the last Executive Committee meeting. The next meeting will be held on April 25th and there will be discussion of strategic planning initiatives and the five-year staffing plan.

Report from the Investment Management RFP Subcommittee

Mr. Hart, Chair, reported a meeting will be held on April 13th. A revised Investment Policy will be drafted for approval to be able to expand the types of instruments that can be invested in by the Consortium.

Financial Update

Mr. Locey presented financial results through February 28, 2022 and reported revenue was two percent above budget. He said they believe all of the contracts and covered lives are included in the information but are following up on that. In 2022 the Consortium added approximately 120 covered lives and 70 contracts with the four new municipalities. He called attention to the change in the number of family and single contracts and said much of that is due to movement of individuals to the Medicare Supplement Plan as that splits one family contract into two separate contracts. Mr. Locey reported on expenses through the first two months and said both medical and prescription drug claims were approximately five percent below budget; however, March prescription drug claims indicate they have gone up and bring claims to close to the budgeted amount for the first quarter of 2022. There was a net income of approximately \$190,000 which is less than the budgeted amount; however, there was less expense and results

in a positive amount of the end of the period. Mr. Locey noted March will be five-payment month which will result in claims being higher than normal.

Mr. Locey said he has expressed a concern to Ms. Dowd about a concern for 2023 and 2024 relative to inflation, medical staffing issues, and delayed procedures, and said this will continue to keep an eye on expenses going forward.

Mr. Locey reported on high-cost claimants and to date there are two individuals with claims in excess of \$200,000 through February. Mr. Spenard said there was a claimant that came through this week who had a total of \$126,000 in claims and this claimant did not show up on the 2021 Stop Loss report; therefore, it appears to be a new claimant going forward. In terms of the self-insurance pool impact, the net has been a positive and the money saved on Stop Loss premium has been able to cover all of the costs associated with claims between \$.5 and \$1 million. The net impact is a savings of \$130,000; however, this will continue to be evaluated.

Ms. Apalovich reported on accounts receivable and said at this time there are no outstanding accounts.

Next Meeting

The next meeting will be an educational retreat to discuss long-term planning.

Executive Session

It was MOVED by Mr. Mutchler, seconded by Ms. Holmes, to enter into executive session at 4:47 p.m. to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

On motion of Mr. Mutchler, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present, the meeting returned to open session at 5:33 p.m.

Adjournment

The meeting adjourned at 5:33 p.m.