Executive Committee

Minutes

September 7, 2022 – 3:30 p.m.

Town of Ithaca/Remote via Zoom

Present: Steve Thayer; Peter Salton; Judy Drake (Chair); Rordan Hart; (Excused 4:45p) Gary Mutchler; Eric Snow; Ed Fairbrother

Excused: Jim Bower; Lisa Holmes; Bud Shattuck

Absent: Ray Bunce

Guests: Scott Steve, Cortland City Mayor (3:38p-3:56p); Steve Locey, Paul Pelton, Locey & Cahill;

Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues, Benefits Specialist, Morgan Randazzo, ProAct

**Call to Order**

 Ms. Drake, Chair, called the meeting to order at 3:36 p.m.

**Changes to the Agenda**

 The order of the agenda was modified slightly as quorum number was counted and confirmed at 3:44pm. The meeting order was switched as the Chair’s Report and the Executive Director’s Report preceded the approval of the minutes.

**Chair’s Report**

 Due to the short wait of quorum confirmation, Ms. Drake asked the Committee for feedback of the Board of Directors Informational Session held the week prior. Positive feedback was made by members. There was also a great reception of the Medicare vs. Medicare Advantage comparison presentation by Ms. Rodrigues. Committee members expressed the informative contents for members, retirees, and personally. The members indicated the information will be passed along to their employees.

 Ms. Drake thanked the members who attended the Informational Session in-person and stressed how important having a quorum is for a successful meeting. She also expressed the necessity of the continuation of the Committee’s Chair as a voting member, due to the necessity of an extra vote needed at past meetings having a lack of quorum.

**Executive Director’s Report**

Ms. Dowd reported that the Consortium staff is preparing for the yearly Board of Directors Meeting. One top discussion currently is Medicare vs. Medicare Advantage Plan, with hopes of a final decision resolution at the Board Meeting. Some other discussions for the Board include finalizing the 2023 Budget, Municipal Cooperative Agreement (MCA) changes, and updates on the Department of Financial Services (DFS) IT audit currently taking place.

 Ms. Dowd mentioned there are 8 new members to present to the Board of Directors, and one more to present to the Audit and Finance Committee next week.

Ms. Dowd also reported that there are current members who are planning to switch from traditional indemnity plans to metal level plans.

 Ms. Dowd announced her staff is reviewing items pertaining to contract renewals as many of the Consortium’s contracts are up for renewal the final quarter of this year.

**Approval of Minutes of August 3, 2022**

 It was MOVED by Mr. Thayer seconded by Mr. Salton, and unanimously adopted by voice vote by members present, to approve the minutes of August 3, 2022, as submitted. MINUTES APPROVED.

**Discussion/Resolution: Authorizing Healthcare Benefits Renewal with Third Party Medical Claims – Administrator – Excellus BlueCross BlueShield**

 Ms. Dowd mentioned that all third-party contracts must be approved per our MCA by our Board of Directors. Ms. Dowd said the Consortium has received a very appealing contract from Excellus BlueCross BlueShield with less than a 3% increase on Administrative Fees.

Mr. Locey added that the contract holds many of the same terms as last year, however, the contract could be impacted by the Medicare Advantage Plan decision. Some of the concerns include:

* A per contract/per month fee. If the Consortium should lose the approximate 500 contracts from Medicare agencies to the Medicare Advantage, that could increase the Administrative Fee from this year to next year.
* There is a clause in the renewal stating that if the Consortium has an enrollment variation of greater than +/- 10%, BlueCross BlueShield could require a re-rating of the group, and take the renewal back under advisement.
* Locey & Cahill is discussing the necessary cash advance of a week’s prepayment of claims to cover a lag from the time Excellus pays claims to the time Excellus can bill the Consortium

**RESOLUTION NO. - 2022 - Authorizing HEALTHCARE BENEFITS RENEWAL (ADMINISTRATIVE SERVICES AGREEMENT) with Third Party Administrator - Excellus BlueCross BlueShield**

 It was MOVED by Mr. Hart, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present to pass on the resolution for vote to the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors on September 22, 2022.

 WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

 WHEREAS, the current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third parties for the furnishing of goods and services, and

 WHEREAS, the Audit and Finance Committee has determined that it is in the Consortium’s best interest to continue its relationship with Excellus BlueCross BlueShield for the administration of the Consortium’s medical claims, and

 WHEREAS, Excellus BlueCross BlueShield charges the Consortium an additional integration fee for the carve out pharmacy services which include enrollment file transfer and accumulator integration, and

 WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Administration Rates to vary based on growth in enrollment numbers and has set discounts at four different contract band levels, 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 approves the 2023 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2023, 2024, and 2025,

 RESOLVED, further, That the Chair of the Board be authorized to execute the 2023 contract on behalf of the Consortium.

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**Discussion/Resolution: Approval of Amended Prescription Benefit Management Contract thru December 31, 2023 – ProAct**

Ms. Dowd reminded that the Operation Committee decided to stay with ProAct last year, but there were items that were of concerns. The Operations Committee continues to address these concerns. Originally, there was a three-year pricing contract with ProAct, of which the Consortium only signed a one-year agreement to iron out these concerns. There have not been any changes to the pricing or contract, so there will need to be action to continue with a contract through 2023.

 Locey & Cahill have been in conversations with ProAct regarding the rebate schedule. The Consortium is anticipating additional significant refunds due to a 2021 reconciliation, and additional refunds for the current year.

 Locey and Cahill have also had conversations with ProAct pertaining to the potential impact of the prescription rebates relative to future Medicare Advantage Plan individuals. Locey & Cahill feel that ProAct has moved in a positive direction with the Consortium’s concerns as ProAct is determined to keep the Consortium as their client.

**RESOLUTION NO. - 2022 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2023 – PROACT**

 It was MOVED by Mr. Mutchler, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present to pass on the resolution to the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium.

WHEREAS, the Board of Directors by Resolution No. 029-2018 authorized a two-year extension of the Consortium’s contract with ProAct for Prescription Benefits Manager services, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for an additional year pursuant to the Contract Addendum proposed September 9, 2021, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended per the terms outlined in the Addendum for the period January 1, 2023 through December 31, 2023,

RESOLVED, further, That Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium is hereby authorized to execute said contract with ProAct, Inc.

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**Resolution: Authorizing Contract for Premium Equivalent Actuarial Audit Services**

 Ms. Dowd discussed that the Long-Term Planning group, along with some of the other Consortium’s Committees, have recommended auditing our current premium levels by using an outside firm to come in and audit numbers into a projection study for the Consortium. This study would support discussion about the Consortium’s offered plans in general, if the plans are priced effectively, and if there is momentum to move away or towards a particular plan, how that would affect other plans. The Consortium has had a previous relationship with Segal, who is interested in preparing the study for us, and has provided the Consortium with a quote.

 Ms. Drake verified with Ms. Apalovich if the current budget had available funds for this study, and a resolution was written to not exceed a certain dollar amount.

 Mr. Salton asked the group to recap previous conversations regarding Segal. Mr. Hart explained that the Consortium has a great respect for Locey & Cahill, but there is a need as some municipalities feel that the Consortium’s fund balances are too large. When a third-party looks at where our premiums are, then this would help to alleviate the thoughts of the Consortium having too large of a fund balance and using a third party would also separate the long-standing relationship the Consortium has with Locey & Cahill. On the reversal, the third-party audit may find that the Consortium’s premiums need to be increased. Mr. Hart added that with the additional municipalities joining the Consortium, this in an ideal time for this audit, particularly in a long-range planning discussion. Mr. Fairbrother agreed with Mr. Hart and voiced that the Consortium is too large of an organization not to have a solid fund balance.

**RESOLUTION NO. 018 - 2022 - Approval to Secure Contract with the Segal Company to Commence a Parallel Premium Equivalency Rating Exercise**

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

 WHEREAS, Locey & Cahill, Plan Consultants, perform a premium equivalent rating exercise annually during the budgeting process; and

 WHEREAS, the Consortium desires to perform a “parallel” rating exercise or “audit” to ensure that the plans are being rated appropriately so that each plan is viable on its own or to define any vulnerabilities within the rates; and

 WHEREAS, by performing an “audit” of the current premium equivalent rates it is an investment in the future success of the Consortium as members make plan enrollment shifts and new members join the Consortium; and

 WHEREAS, the Consortium has had a relationship for the past few years with the Segal Company regarding analyzing and consulting on various topics, including advising on retiree plan options and an analysis of the organization prior to hiring full-time staff members, now therefore be it

 RESOLVED, that the Executive Committee recommends securing a contract with the Segal Company for a parallel premium equivalent exercise “audit” as outlined in Segal’s July 27, 2022, proposal, at a rate not to exceed $75,000, and authorizes the Executive Director to provide the necessary information to commence the parallel exercise.

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**Review Medicare Advantage and EGWP Request for Quotes**

 Ms. Dowd announced that the Consortium is looking for ways to lower retiree costs with a Medicare Advantage Plan. The Consortium is in the first stages and looking for recommendations to narrow provider choices and verification if this is the direction the Consortium would like to continue. Locey & Cahill prepared a Request for Proposal (RFP). There were 5 different companies who responded. Locey & Cahill presented a [spreadsheet](file:///C%3A%5CUsers%5Clsheldon%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5CAgendas%5CAgenda%20Backup%5CSeptember%207%2C%202022%5C2023%20GTMHIC%20Medicare%20Advantage%20Response%20-%20Summary%20Analysis.pdf) for the Committee to view.

 Mr. Locey expressed that any changes made will have an impact on everyone else. The Committee will need to think about the impact this could make on the Consortium’s Excellus BlueCross BlueShield coverage and would they re-rate us which would increase the per month amount. Another concern is with ProAct and how this would affect the Consortium’s RX Rebates. On the provider network side, there also may be some differences and limitations.

 Mr. Salton asked if these plans were low deductible plans, Mr. Locey concurred.

 Ms. Dowd added that one item that is not shown on the presentation is if the Consortium looked at fully insured on the medical portion, and self-funded on the prescription drug portion. All vendors quoted with just the medical portion, so if the Consortium wanted to leave prescription drugs with ProAct or select another vendor, we would have that option. However, with the current information we have the fully insured medical rate does not come down enough to support a self-funded claims payment, plus an administrative fee. Ms. Dowd stressed that given the information we have reviewed to data fully insured on both medical and prescription was more financially appealing. In a Medicare Advantage plan the premiums for a retiree would be in addition to their payment made towards their Medicare Part B. Mr. Locey said that they will provide this information for the Committee to view next meeting.

 Ms. Drake added she would like to see the MS4 and where the premium is with a comparison of what we are already offering, and the differences.

 Mr. Fairbrother spoke of his municipality’s retirees using United Health Care for two years and their retirees are in favor of staying with their current plans.

 Mr. Hart expressed anticipation of the formulary data that Mr. Locey will provide the Committee.

 Ms. Dowd added Tompkins County would not be included in these calculations in the very near future.

 Mr. Salton felt municipalities, currently as employers are not at a comfort level with all the information currently, and those that have a hefty retiree load, it may take some time to learn more. He also is concerned of how this will affect the premiums for others.

 Ms. Dowd is hearing from the Committee that the Consortium is anticipating more information on this topic and Ms. Drake felt this should be on the agenda for the Board of Directors, and not rushed and should be further discussion at the October meeting.

**Draft Resolution for 2023 Budget**

 Ms. Drake spoke that the usual report of the budget with supporting documents will be presented to the Audit and Finance Committee. Most of the members in attendance at this Executive Committee Meeting will also attend the Audit and Finance meeting. Further budget draft discussion will take place at the Audit and Finance Committee meeting. The final draft will be presented to the Board of Directors Meeting on September 22, 2022

**Future Agenda Topics**

 Renewal Locey & Cahill Contracted Services

 Stop Loss Insurance Renewal

 Medicare Advantage request for quotes

**Adjournment**

 The meeting adjourned at 5:01 p.m.

*Respectfully submitted by Lynne Sheldon, Clerk of the Board*