



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590

www.healthconsortium.net • consortium@tompkins-co.org

“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

AGENDA Governance Structure Committee January 16, 2018 – 5:00 P.M.

Heyman Conference Room, Old Jail

1. Welcome and Introductions (5:00)
2. Changes to the Agenda (5:05)
3. Establish Committee Structure (5:07)
 - a. Membership Appointed by the Board
 - b. Leadership
 - c. Meeting schedule
 - d. Actions by Vote or Consensus?
4. Current Consortium Operational and Governance Structure (5:15) Barber
 - a. Scope of Work of this Committee
5. Article 47 Governance Structure Requirements (5:30) Locey
6. Work of Previous Governance Structure Committee - 2017 (5:40) Barber
 - a. Identified Issues
 - b. Survey
 - c. Delegation Model
 - d. Committee Report
7. Discussion of Committee Direction and Information Desire for Next Meeting (6:00)
8. Adjournment (6:30)

Next Meeting: _____

Governance Structure

Group	GTCMHIC- Art 47 Health	NYMIR- Art 61 Property/Casualty	SWSCHP- Art 47 Health
Owners	Municipal Partners	Subscribers- meet annually to elect Board of Governors	Municipal Partners
Governing Board & Responsibility	One Governor from each municipal partner- all aspects of governance- serve w/o remuneration	BoG is made up of at least 9 elected subscriber reps- 3 yr term (no term limit)- elected by majority vote of subscribers - meet 4 times per year: adopt rules, establish admin policies, determine types of policies, suspend or remove AIF, no remuneration	One Governor from each municipal partner- all aspects of governance- serve w/o remuneration- meets no less than once per year (Annual Meeting no later than 12/15)
Subset of Governing Board and if so, their responsibility?	<i>None-</i>	Attorney-in-Fact is not a subset, but the legal entity able to enter into contracts, receive revenue, invest, pay expenses, issue insurance policies as directed by BoG	Executive Committee- at least 7 Governors with 2 year terms. Ex Com selects officers. Responsibility to regulate and manage routing affairs and act with full authority of BoG with exception to terminate the plan or a member
Other means of voting than presence at a meeting	Realtime Audio/Visual	Proxy for subscribers- BoG establishes any voting mechanism other than being present	Proxy, telephonic or electronic connection, email poll
Advisory Committees	Yes, Joint Committee is required in bylaws; 3 others established by BoD: AFC, OYOH, Appeals	Yes, 4 standing committees meet quarterly	Benefits committee with labor representation and 4 members of either Ex Com or COO- 4 year term

Governance Structure Committee
Identified Governance Structure Issues to Address

- Labor Representation on Governing Board
- Compliance with Article 47
- Weighted Voting
- Decision making process
- Balancing partner ownership with ability/desire to participate in decision making
- Process to provide operation's information to partners
- Finding a balance for those partners that don't have time to get involved with those partners that do

To: GTCMHIC Board of Directors
From: Governance Structure Committee (GSC)
Date: September 8, 2017

Subject: Report on Governance Model Survey and GSC Deliberations to Date

Committee Chair, Mr. Fracchia, reported at the July 27, 2017 Board of Directors meeting that the Governance Structure Committee (GSC) was formed to address the potential impact of the increasing size of the Consortium on its current governance structure. The Consortium started out with 13 participating municipalities, now has 28, and has the potential to grow to 133 members plus labor representatives.

To have context of where the Consortium is now and how it might prepare itself for a change in governance structure, the GSC first reviewed the current GTCMHIC Municipal Cooperative Agreement and Article 47 of the NYS Insurance Law. The Committee then studied potential structures, such as models used by the New York State Municipal Insurance Reserve (MYMIR) and the Statewide Schools Cooperative Health Plan (SWSCHP), as well as the Health Benefits Plan Trust model under NYS Article 44. From this work, the Committee learned that there were many avenues to travel down and felt it would be good to get feedback from the Board of Directors before pursuing any particular course. A survey was developed that outlined promising models that could be used while staying within Article 47. This survey was given to each GTCMHIC Director for feedback.

A summary of the survey results is attached. The results show that the current GTCMHIC governance model received the highest affirmation (3.91 out of a possible 5). However, a very close second (at 3.74) is the model delegating responsibilities and authority to Standing Committees, possibly resulting in fewer Board meetings. Based on these results, the GSC focused on ideas to implement the model receiving the second highest rating, which is being referred to as the *Delegating to Committee Option*. The GSC reviewed all of the Board actions since 2014 to identify items that could be appropriately assigned to Standing Committees. The GSC separated decisions/actions into two categories: (a) those considered fiduciary responsibility of the Board as required by Article 47, and (b) all other actions that could be delegated to committees.

Specific Board actions discussed:

1. Committee formation, charge of responsibility, and membership
2. Approval of New municipal partners
3. Approval of Contracts and Contract Extension for:
 - a. Claims Administration
 - b. Stop-Loss Insurance
 - c. Financial Auditor and Actuary
 - d. Legal Counsel
 - e. Benefit Plan Consultant and Executive Director
4. Establishing Annual Budget, Premium Equivalent Rates, and Reserve Funds

5. Benefit Plan Changes and Adoption of New Plans
6. All Policies including Investment, Code of Ethics, Dependent Certificate for example
7. Election of Officers, Appointment of Treasurer and Establish their Responsibilities
8. Establish Board Meeting Schedule

Specific Delegated Responsibilities discussed:

1. Creation and Execution of RFP's
2. Approval of Contracts under \$_____ or
3. Acceptance of Audit Results
4. Audit Receipts and Disbursement of funds established in the Annual Budget
5. Establish bank where funds are held
6. Negotiation of Contract Language
7. Administrative Guidelines/Recommendations
8. Policies that are not fiduciary in nature
9. Ancillary Benefits
10. Operational decisions for items included in the adopted budget (flu clinics for example)
11. Marketing decisions (although specific partners directly affected will be consulted)
12. Purchase all insurance products included in the adopted budget except Stop-Loss

GSC also discussed creating an appeals process in the event a delegated decision made by committee is of concern to a Director. Process details need to be developed. However the GSC did discuss the concept whereby the appellate option could only be exercised by participating directors.

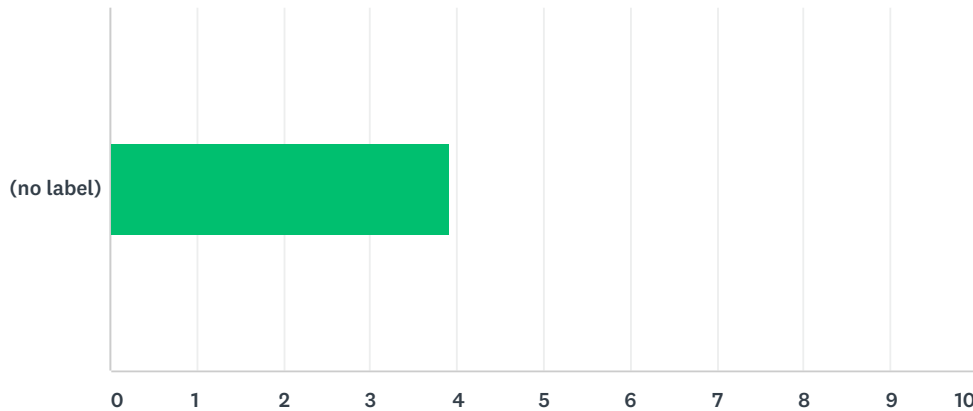
GSC also discussed improving the language in the MCA regarding the authority of the Executive Committee, particularly regarding the creation of special subcommittees and their charge. Any recommendation from these subcommittees would come to the Board as recommendations from the Executive Committee.

Finally, the GSC discussed that should the Board decide to pursue more discussion of this *Delegating to Committee Option*, the membership of this model should be intentional and approved by the Board, and that the Committee charge of authority along with Board delegated responsibilities be clearly articulated in a Board resolution. GSC also recognized that should the Board decide to proceed with this model, there would be the need to seek legal counsel for further development of the details and for determining the necessity that the MCA be amended.

The GSC plans to meet after the September 28th Board meeting to begin to develop a solid proposal based on feedback and direction from the Board. And return to the board in a few months with a clearer picture of the specific language and an assessment of the benefits and/or drawbacks of such an approach.

Q1 Remain with current model of each municipality appointing a director, which has the opportunity to vote on all issues except those delegated to other parties by Board resolution.

Answered: 23 Skipped: 0



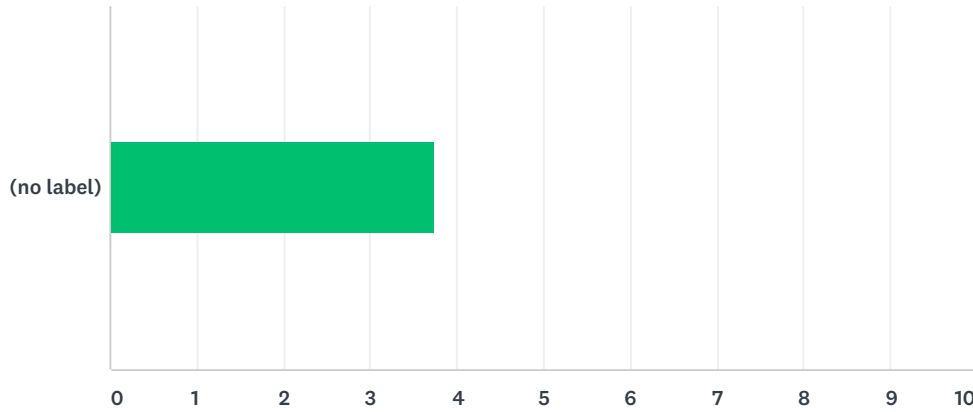
	STRONGLY LIKE	SOMEWHAT LIKE	NEUTRAL	SOMEWHAT DISLIKE	STRONGLY DISLIKE	TOTAL	WEIGHTED AVERAGE
(no label)	21.74%	60.87%	8.70%	4.35%	4.35%	23	3.91
	5	14	2	1	1		

#	COMMENTS:	DATE
1	I believe I prefer this model, with respect to being a Board Member and having greater influence regarding matters.... I would like to learn more about the possibility of weighted voting.	8/14/2017 1:50 PM
2	I think we are able to remain with the current structure for the time being. However, it is a good idea to look at other structures as the Consortium grows. We may need to identify the number that will trigger the actual structure change.	8/9/2017 10:26 AM
3	Gives small municipalities a direct voice at meetings.	8/8/2017 11:58 AM
4	An issue of this model is that a municipality with relatively few covered lives has the same vote as a county with 1,000 covered lives	8/7/2017 9:53 PM
5	I like the involvement but see that it may be a bother for the smaller out of Tompkins County members.	8/2/2017 8:31 AM
6	for now until and unless our group grows substantially	8/2/2017 6:32 AM

Q2 Amend the current model with each partner appointing a director, but the Directors would delegate more authority to Standing Committees. Standing committees would handle specific decisions, thereby, reducing the need for the Board to meet as often.

Answered: 23 Skipped: 0

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)



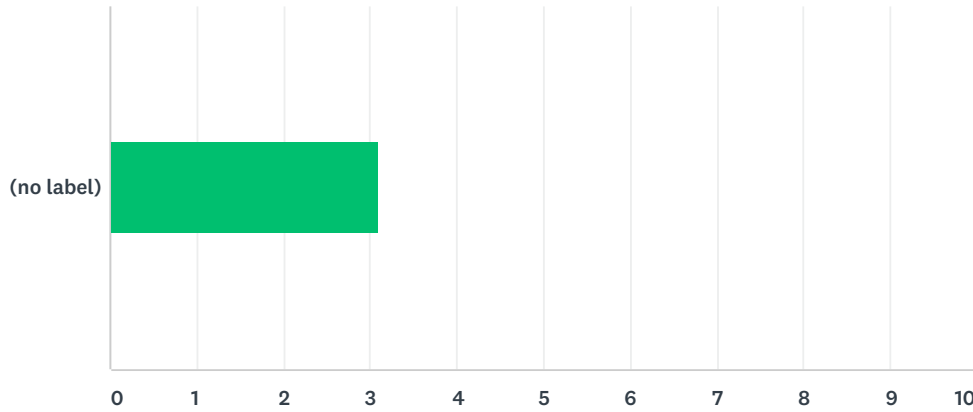
	STRONGLY LIKE	SOMEWHAT LIKE	NEUTRAL	SOMEWHAT DISLIKE	STRONGLY DISLIKE	TOTAL	WEIGHTED AVERAGE
(no label)	17.39%	52.17%	17.39%	13.04%	0.00%	23	3.74
	4	12	4	3	0		

#	COMMENTS:	DATE
1	I do think that this could be effective, although care would need to be taken with regard to what matters were delegated, and in the selection of committee members.	8/14/2017 1:50 PM
2	The standing committees are on top of the details and are searching out ideas and solutions. We would be comfortable delegating more decisions to them.	8/9/2017 1:29 PM
3	I think this is a good option as long as the committees have oversight and are aware of their scope of power.	8/9/2017 10:26 AM
4	Committees make a board superfluous. If committees do most of the Board's work, it can take over operating the organization. This could be a problem if you stack a committee with hand-picked like minded people and could present conflict of interest issues if a committee get in the wrong hands. Checks and balances problem.	8/7/2017 9:53 PM
5	keeps a director at each municipality but less meetings for them.	8/2/2017 8:31 AM

Q3 While maintaining current responsibility of Board of Directors, consolidate Directors by several different model options such as employers of comparable size and by County, large employers maintaining their single director which could allow for consideration to remove weighted voting system, for towns with villages consolidate them as one unit. Note that these consolidated directors would be elected by the represented municipal boards. The number of labor directors may be reduced in these scenarios to maintain 15% Board presence.

Answered: 23 Skipped: 0

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)



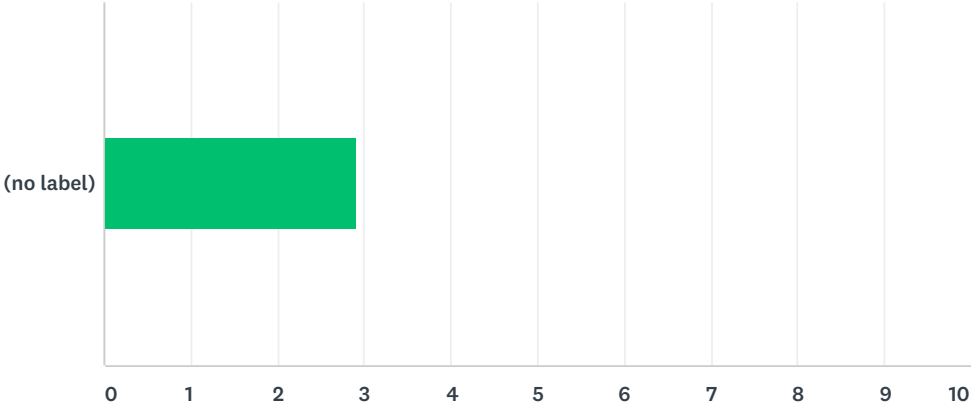
	STRONGLY LIKE	SOMEWHAT LIKE	NEUTRAL	SOMEWHAT DISLIKE	STRONGLY DISLIKE	TOTAL	WEIGHTED AVERAGE
(no label)	13.04% 3	30.43% 7	21.74% 5	21.74% 5	13.04% 3	23	3.09

#	COMMENTS:	DATE
1	This model sounds like it could be the most efficient. If I understand correctly, municipalities from certain groups or geographical areas would meet to discuss their issues then, a representative appointed by them would have a seat on the Consortium Board. I think the number of labor representatives is not as important as long as the ratio remains the same. The point is to give labor an amount of influence that will equalize the influence of municipal representatives.	8/9/2017 10:26 AM
2	logistical nightmare. Who determines "large" and "small"? What if a town or village drops out? Or remains "in" with no one currently on the program?	8/8/2017 11:58 AM
3	Towns and villages enjoy an uneasy relationship. It's endemic. Putting them together might be difficult.	8/7/2017 9:53 PM
4	seems confusing.	8/2/2017 8:31 AM
5	A UN Security Council style model, where the original (Tompkins County) Consortium members permanently retain their seat and vote, and non-Tompkins municipalities rotate and/or are consolidated should be considered.	8/2/2017 7:33 AM

Q4 Consolidate directors by electing a certain number of at-large Directors or Trustees. The responsibility of these Trustees would remain similar to current model, but would have term limits. Under this model, the current Directors would still meet annually to elect the Trustees. At that annual meeting, all municipal directors would also vote on Article 47 mandated responsibilities like MCA changes, benefit plan changes, setting a budget, securing Stop-Loss insurance, and approving claims administration contracts.

Answered: 23 Skipped: 0

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

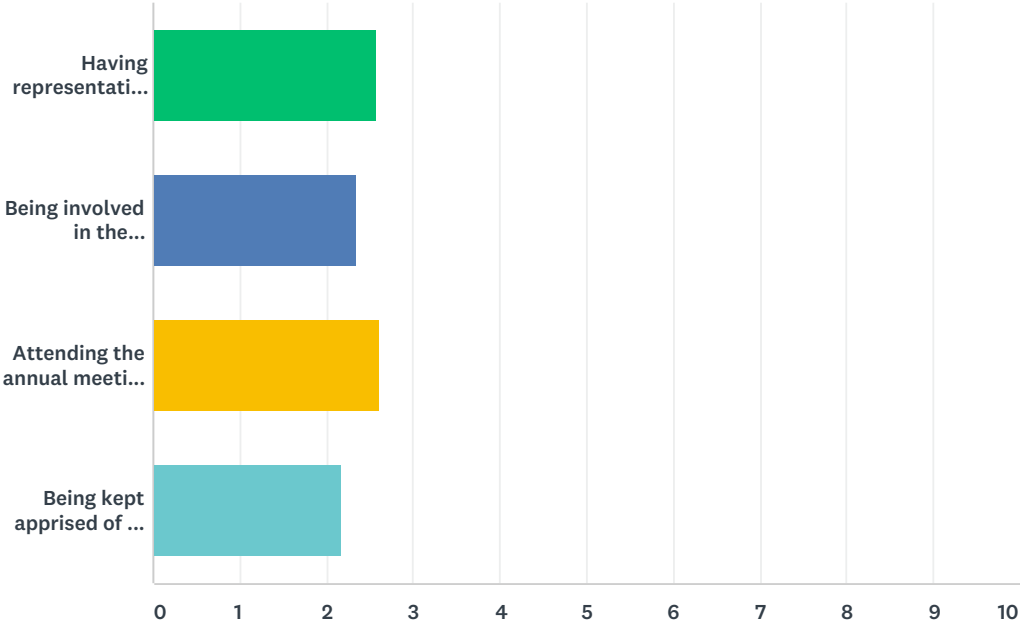


	STRONGLY LIKE	SOMEWHAT LIKE	NEUTRAL	SOMEWHAT DISLIKE	STRONGLY DISLIKE	TOTAL	WEIGHTED AVERAGE
(no label)	17.39% 4	17.39% 4	21.74% 5	26.09% 6	17.39% 4	23	2.91

#	COMMENTS:	DATE
1	I am not sure I'd be comfortable with this model, due to the fact that it further removes the County from voting on decisions that impact employees...	8/14/2017 1:50 PM
2	This may be too complex. Too much power concentrated among too few. Scenario would make it difficult for a municipality to have information needed in a timely manner.	8/7/2017 9:53 PM
3	Would need to focus on keeping member municipalities updated on issues. would still require strong committee structures. Would need to make sure there is cross representation of smaller municipalities and each county somehow.	8/2/2017 8:31 AM

Q5 Rank the importance of each item below to your municipality:

Answered: 23 Skipped: 0



	VERY IMPORTANT	IMPORTANT	NOT IMPORTANT	TOTAL	WEIGHTED AVERAGE
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Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

Having representation and a vote at the Board of Directors meeting	60.87% 14	34.78% 8	4.35% 1	23	2.57
Being involved in the operations of the Consortium by attending committee meetings	43.48% 10	47.83% 11	8.70% 2	23	2.35
Attending the annual meeting when the budget (and premium rates) are set	65.22% 15	30.43% 7	4.35% 1	23	2.61
Being kept apprised of the operations of the Consortium, without the requirement to attend meetings	39.13% 9	39.13% 9	21.74% 5	23	2.17

#	COMMENTS	DATE
1	Answered from the point of view of a labor representative	8/9/2017 10:26 AM

Q6 The Governance Committee has reviewed the governance structure of several inter-municipal collaborations, but there may be more out there to consider. Please share the names of any inter-municipal agreements that you are aware of that involve a governance structure.

Answered: 6 Skipped: 17

#	RESPONSES	DATE
1	N/A	8/9/2017 10:26 AM
2	I have none	8/8/2017 10:47 AM
3	https://www.pnwbooces.org/Health-Benefits-Consortium/Health-Benefits-Consortium-Home.aspx http://www.nyssba.org/clientuploads/nyssba_pdf/ConsortiumReportFinal.pdf http://ohiopublicentityconsortium.org/	8/7/2017 9:46 PM
4	NYMIR, PERMA,	8/2/2017 8:31 AM
5	Springport- Fleming water board - totally different	8/2/2017 6:32 AM
6	Municipal Electric Utilities Assoc of NYS New York Municipal Power Agency Public Employer Risk Management Association	8/1/2017 2:36 PM

Q7 Should the Consortium move to a representative type model, such model would require less hands-on decision making by all the partners. Therefore it will be imperative that municipal directors stay informed about Consortium activities and changes in the health insurance business environment to make prudent decisions. List suggestions of methods to provide information to the municipal partners so they can remain informed.

Answered: 12 Skipped: 11

#	RESPONSES	DATE
1	would quarterly updates for the partners work?	8/16/2017 5:12 PM

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2	Meeting summaries from all the committees.	8/9/2017 1:29 PM
3	Newsletter, website, social media, educational retreats, etc.	8/9/2017 10:26 AM
4	municipalities/directors should still have available to them minutes, agendas, spreadsheets and reports to keep them informed	8/8/2017 11:58 AM
5	E-mail, website, mailings to HR directors	8/8/2017 10:55 AM
6	E mail	8/8/2017 10:47 AM
7	Minutes and monthly summaries of same. More would be needed in terms of interim communications on a monthly basis.	8/7/2017 9:53 PM
8	no	8/7/2017 9:46 PM
9	newsletter directed to municipalities, attend meeting like TCCOG to keep municipalities updated.	8/2/2017 8:31 AM
10	only if growth dictates this. reps would need to be elected by the towns/villages they are representing. (districts)	8/2/2017 6:32 AM
11	email works fine!	8/2/2017 6:13 AM
12	Camera via Go To Meeting Timely mailing of the minutes Bi-weekly blog by the Executive Director	8/1/2017 2:36 PM

Q8 Please add any additional comments, questions or concerns.

Answered: 3 Skipped: 20

#	RESPONSES	DATE
1	None	8/9/2017 10:26 AM
2	do not lose small town representation	8/8/2017 10:47 AM
3	could consider an AKA name of Intermunicipal Health Insurance Consortium -CNY (IHIC-CNY)	8/2/2017 8:31 AM

To: Board of Directors
From: Governance Structure Committee
Date:

Subject: Report on Director Survey and Deliberations to Date

Committee Chair, Mr. Fracchia, report at the July 27, 2017 Board of Directors meeting that the Committee was formed to address the increasing size of the Consortium and its current governance structure. The Committee first reviewed at the current Municipal Cooperative Agreement and Article 47 and to put it in the context of where the Consortium is now and where it could grow. The Consortium started out with 13 municipalities, now has 28, and could grow to 133 plus labor representatives. The Committee then studied potential structures and Article 44. From this work, the Committee learned that there were many avenues to travel down and felt it would be good to get feedback from the Board of Directors. A survey was developed and given to each Director for feedback of some models the Committee felt could be used while staying within Article 47.

The survey results summary is attached. The Governance Structure Committee (GSC) learned from these results that the current model received the highest affirmation (3.91 out of a possible 5). However the model with some responsibilities being delegated to committees possibly resulting in fewer Board meetings was a very close second at 3.74.

Based on these results, the GSC focused on ideas to implement the Committee Delegating Option. The GSC reviewed all of the Board actions since 2014. The GSC separated decisions/actions into two categories required of the Board by Article 47 and actions that could be considered the fiduciary responsibility and all others that could be delegated to committees.

Specific Board categories discussed were:

1. Committee formation, charge of responsibility, and membership
2. New municipal partners
3. Approval of Contracts and Contract Extension for:
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10. Operational decisions for items included in the adopted budget (flu clinics for example)
11. Marketing decisions (although specific partners directly affected will be consulted)
12. Purchase all insurance products included in the adopted budget except Stop-Loss

GSC also discussed creating an appeals process for delegated decisions made by committee back to the Board level. The exact process details are not developed at this time. However the GSC did discuss the concept whereby the appellate option would not be available to municipal partners that do not have an appointed director or that the appointed directors not in attendance did not respond to post meeting requirement stated in Section R.5 of MCA.

GSC also discussed providing more definition to the authority of the Executive Committee than language in the MCA; including the creation of special subcommittees and their charge. Any recommendation from these subcommittees would come to the Board as recommendations from the Executive Committee.

Finally GSC discussed, should the Board decide to pursue more discussion of this Committee Delegation model that the committee membership should be intentional, approved by the Board, and that the Committee charge of authority along with Board delegated responsibilities be clearly articulated in Board resolution. GSC also recognized the need to seek legal counsel about this model should the Board decide to proceed with further development of the details and for determining the necessity that the MCA be amended.