



Greater Tompkins County Municipal Health Insurance Consortium

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

Executive Committee Agenda

August 3, 2022 - 3:30 p.m.

Ithaca Town Hall/Zoom Meeting

(See meeting invite or contact Consortium@tompkins-co.org for information to join meeting)

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of June 1, 2022 Minutes
- 4) Chair's Report (3:35) J. Drake
- 5) Executive Director's Report (3:45) E. Dowd
 - a) Executive Director Report
 - b) Resolution: Clarification Regarding Municipal Retirees in Relation to Municipal Cooperative Agreement (MCA) Requirement
 - c) Discussion/Resolution:
 - Authorization by the Board of Directors to Remove Benefit Plans from the Consortium's Menu of Benefit Plan Offerings and Restricting Plan Enrollment
 - Rules Regarding Plan Options for Municipal Employers
 - d) Resolution/Discussion: 2023 Plan Changes due to Actuarial Value Calculator
- 6) Municipal Cooperative Agreement (MCA) Revisions
- 7) Draft 2023 Budget
- 8) Committee Reports/Resolutions: (4:00)

Operations

L. Holmes

1. Resolution: Adoption of Amended Application Process
2. Resolution: Create Job Classification System and Wage Scale for the Greater Tompkins County Municipal Health Insurance Consortium

Joint Committee on Plan Structure and Design

J. Bower

Nominations and Engagement

E. Fairbrother

1. Resolution: Amendment to Resolution No 014-2021 – Creation of 2022 Committee Structure and Appointments of Members - Appointment of Kate DeVoe to Audit and Finance Committee
2. 2023 Slate of Officers and Committee Members

Claims and Appeals

B. Shattuck

Audit and Finance

S. Thayer

1. Resolution: Adoption of Amended Investment Management Policy

- 9) Financial Update (4:30)
 - a) Financial Review

S. Locey/T. Apalovich

- 10) Future Agenda Topics:

- 11) Adjournment (5:15)

Next Meeting: September 7th as needed

October 5, 2022

**Executive Committee
Minutes – DRAFT
June 1, 2022 – 3:30 p.m.
Town of Ithaca/Zoom**

Present: Steve Thayer, Peter Salton, Judy Drake, Rordan Hart, Gary Mutchler, Lisa Holmes, Eric Snow
Excused: Bud Shattuck, Jim Bower
Absent: Ray Bunce, Ed Fairbrother
Guests: Ruby Pulliam, Alt. Director; Scott Steve, Cortland City Mayor; Mary Albrecht; Stephanie Redmond; Directors; Steve Locey, Rob Spenard, Paul Pelton, Locey & Cahill; Lynne Sheldon, Incoming Clerk of the Board
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 3:34 p.m.

Public Hearing

It was MOVED by Mr. Salton, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present, to call a public hearing to order at 5:35 p.m. for the purpose of hearing public comments on a proposed resolution entitled: "Adopting NYS Open Meetings Law Procedures for the Consortium's Board of Directors and Committees" in compliance with New York State Chapter 56 of the Laws of 2022. Said resolution authorizes members who experience an extraordinary circumstance and establishes written procedures for members to attend meetings by videoconference.

Ms. Drake asked if anyone wished to speak. There were no members of the public who wished to speak. It was MOVED by Ms. Holmes, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present, to close the public hearing at 5:36 p.m.

There were no comments from Committee members.

RESOLUTION NO. 005 – 2022 - ADOPTION OF OPEN MEETINGS LAW PROCEDURES FOR THE CONSORTIUM'S BOARD OF DIRECTORS AND COMMITTEES

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

WHEREAS, Subdivision (c) of section 103 of the Public Officers Law, as added by Chapter 289 of the laws of 2000, is amended through July 1, 2024 to require that a public body shall provide an opportunity for the public to attend, listen, and observe meetings in at least one physical location at which a member participate, and

WHEREAS, January 1, 2024 the NYS Committee on Open Government will submit a report to the State concerning the application and implementation of this law and any further recommendations governing the use of videoconferencing by public bodies to conduct meetings, and

WHEREAS, said law allows a public body, in its discretion, to use videoconferencing to conduct its meetings pursuant to the requirements of the law provided that a minimum

number of members are present to fulfill the public body's quorum requirement in the same physical location or locations where the public can attend, and the following criteria are met:

- A public body has held a public hearing and adopted a resolution by June 8, 2022 authorizing the use of videoconferencing for itself and its committees or subcommittees and the public body has established written procedures governing member and public attendance consistent with the legislation, and such written procedures are conspicuously posted on the public website of the public body.
- The members of the public body shall be physically present at any such meeting unless such member is unable to be physically present at any such meeting location due to extraordinary circumstances, as set forth in the resolution and written procedures adopted, including disability, illness, caregiving responsibilities, or any other significant or unexpected factor or event which precludes the member's physical attendance at such meeting. A request shall be submitted to the Clerk of the Board at least 48 hours in advance of the meeting.
- Except in the case of executive sessions conducted pursuant to law, the public body shall ensure that members of the public body can be heard, seen and identified, while the meeting is being conducted, including but not limited to any motions, proposals, resolutions, and any other matter formally discussed or voted upon.
- The minutes of the meetings involving videoconferencing shall include which, if any, members participated remotely and shall be available to the public if videoconferencing is used to conduct a meeting; the public notice for the meeting shall inform the public that videoconferencing will be used, where the public can view and/or participate in such meeting, where required documents and records will be posted or available, and identify the physical location for the meeting where the public can attend.
- The public body shall provide that each meeting conducted using videoconferencing shall be recorded and such recordings posted or linked on the public website of the public body within five business days following the meeting, and shall remain so available for a minimum of five years thereafter. Such recordings shall be transcribed upon request.
- Open meetings of any public body that are broadcast or that use videoconferencing shall utilize technology to permit access by members of the public with disabilities consistent with the 1990 Americans with Disabilities Act (ADA), as amended, and corresponding guidelines.
- A member who is participating from a remote location that is not open to in-person physical attendance by the public may not count toward a quorum of the public body (but may participate and vote if there is a quorum of members at a physical location open to the public).
- "In person" participation requirements of the Law shall not apply during a state disaster emergency declared by the governor pursuant to section twenty-eight of the executive law, or a local state of emergency proclaimed by the chief executive of a county, city, village or town pursuant to section twenty-four of the executive law, if the public body determines that the circumstances necessitating the emergency declaration would affect or impair the ability of the public body to hold an in person meeting.

now therefore be it

RESOLVED, That a public hearing was duly advertised and held on June 1, 2022,

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee hereby adopts the use of videoconferencing for meetings of the Consortium's Board

of Directors and Standing Committees pursuant to the requirements set in Subdivision (c) of section 103 of the Public Officers Law and summarized above,

RESOLVED, further, That members shall be permitted to attend meetings remotely due to extraordinary circumstances, such as disability, illness, caregiving responsibilities, or any other significant or unexpected factor or event which precludes the member's physical attendance at such meeting,

RESOLVED, further, That the Consortium shall allow members to attend remotely via an established satellite location with participation counting quorum,

RESOLVED, further, that the Consortium hereby adopts the following procedures for members attending remote meetings:

- A calendar of meetings will be posted on the Consortium's website that includes date, time, physical locations(s) where a member of the public may attend, and directions for receiving instructions for joining the meeting remotely by videoconferencing;
- Members attending remotely from a satellite location must provide notice of the publicly-accessible location from which they will attend as soon as possible but no later than within 48 hours of the meeting for posting on the Consortium's website;
- Members attending remotely from a publicly-accessible location where proper notice has been given will be counted towards quorum;
- Members attending remotely shall maintain visual contact throughout the meeting;
- Meetings of Consortium committees shall be recorded, posted to the Consortium's YouTube page, and retained for a period of five years.

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Changes to the Agenda

The resolution entitled Approval of Amended Investment Management Policy was withdrawn and will be discussed further by the Audit and Finance Committee.

Approval of Minutes of April 6, 2022

It was MOVED by Mr. Mutchler, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present, to approve the minutes of April 6, 2022 as submitted. MINUTES APPROVED.

Chair's Report

Long-Term Planning Update

Ms. Drake reported the May retreat was canceled due to poor attendance. Since that time there have been conversations between her, Ms. Dowd, Mr. Hart, and Mr. Locey about how to keep long-term planning moving forward as there is a need to get direction. A decision was made to have a smaller group meet and bring specific topics back to this Committee at its regular meetings. She said individuals who can provide input on specific topics will be invited to participate in discussions with the smaller group.

Resolution: Clarification Regarding Municipal Retirees in Relation to Municipal Cooperative Agreement (MCA) Requirement

Ms. Dowd reviewed the reasons for this resolution being presented and said initially there was a broker who was contacting Consortium members and asking them to become part of a shared service that was particularly for Medicare Advantage. Also, there were some new members that had to be grandfathered in because the Consortium didn't have a comparable retiree plan to what the municipality was currently offering. Recently there has been a lot of the Consortium's larger members moving to either Medicare Supplement Plans or moving from the old model with some retirees remaining on the plan they were on. As healthcare expenses are climbing and less expensive options in the market, some of the Consortium's members have asked for a plan comparison and some have determined that a Medicare Advantage Plan would be more advantageous to them.

Ms. Dowd said while going through that process and reviewing the Consortium's Municipal Cooperative Agreement (MCA) a topic that rearose was the plans that the Consortium is offering and how to manage retirees going forward. Three years ago there was discussion of doing a Medicare Advantage Plan as a pass-through and following quotes being received from Excellus the Board voted down the resolution and it did not go forward. Ms. Dowd said at this point this needs to be addressed. The Consortium's legal counsel has advised that the way the MCA is written is that all employee groups, including retiree groups, need to be in the Consortium as the MCA does not allow for groups to be excluded. Those groups that were excluded when they became members also need to be grandfathered. Ms. Dowd said the work group felt that the question of whether the Consortium will allow groups to pull their retirees out and remain in the Consortium with just their active employees is one option; the other is to continue to require all groups to be in. Ms. Dowd said there are financial implications to the Consortium if a group was to pull out all of their retirees.

Mr. Locey explained that when the Consortium was first formed the idea was to have one consolidated risk pool for all active employees and retirees. Since that time there has been a greater movement of retirees to Medicare Advantage Plans. This is due to the Federal Government continuing to substantially subsidize those Plans which is why insurance companies can offer the plans at a lower cost. He said if that group was moved out of the Consortium it will impact those left behind in a number of ways. The total population would decrease and cause more volatility, fixed costs would be spread over a smaller population, a significant amount of prescription drug rebates would be lost because retirees tend to use more pharmaceuticals, and there would be less subsidization if they aren't spending average claims expense as the extra premium is being used to offset other expenses.

Mr. Locey said having these members move out would add a lot of cost to the group and the cost to the remaining population would go up. There have been attempts to address this with the Medicare Supplement Plan because the Consortium is limited in what plans it can offer. That Plan offered some relief but didn't jeopardize the financial balance of the rest of the group. He said the one thing that will hurt the Consortium more than anything in the long-run is adverse risk selection. There are several studies that have shown that having a diverse population and a large contract pool in a single risk environment is the cheapest way to provide coverage for everyone. If what the Consortium started with, in terms of having a single risk pool amongst all of the insured bodies, the dynamics from a financial and budgeting perspective will need to be carefully looked at.

Mr. Salton asked what prevents the Consortium from providing Medicare Advantage Plans to retirees. Mr. Locey said because Medicare Advantage Plans are fully-insured plans, they can

only be offered by an Article 43 or 32 insurance company. The Consortium would just have to pay premium to an insurance company and would not have the ability to retain that premium and pay claims out of it. The insurance company would not only get the premium but would also receive the subsidy from the Federal Government. The Consortium is not able to get that subsidy; the closest it can get is the Retiree Drug Subsidy but that is only about \$600 per covered life that can come back to the employer. Mr. Salton said it is his understanding that what is preventing the Consortium from providing its own Medicare Advantage Plan is because there is no statute that provides a pass-through of the Federal subsidy. Ms. Locey confirmed this to be correct.

Mr. Locey commented that there is no direct oversight of the Medicare Advantage Plan rates from the Department of Financial Services; they have experience with their other clients where they have received low rates initially for Medicare Advantage Plans but have had to get new quotes after a couple of years due to substantial increases.

Mr. Locey raised another issue with regard to implementing a global solution for the Consortium. He said not everyone is at the same place with regard to retiree coverage and what is offered; therefore, coming up with a single global solution will be very complex.

Ms. Drake asked if Ms. Dowd or Mr. Locey had a recommendation on the options included in the resolution. Ms. Dowd referred to the Consortium's initial reason for coming together was rate stability. The decision between option A or B is not rate stability of the Consortium but once a group pulls their retirees out the Consortium's rate stability protection no longer applies. She also said Consortium needs to be respectful that contracts are changing and the ability to negotiate different types of benefits that are cost effective for an organization when it doesn't offer a comparable solution impacts a municipality. The Consortium also doesn't want see a municipality pull all of its actives and retirees out.

Mr. Salton said he would like to see data showing what the potential impact would be of either option. Mr. Locey said with other groups they have found that by pulling out the Medicare age retirees it could be between a six to ten percent increase on the active's rate, exclusive of trend.

Mr. Hart thinks there is a chance the Federal government could increase subsidies for Medicare Advantage because they save so much money by having people opt out of traditional Medicare. Although he has concerns that people don't understand things like the impact of the network, the Consortium's issue is its premium rate stability moving forward. In response to Mr. Hart, Mr. Locey estimated 15% (1,000) of the Consortium's covered lives are Medicare-age retirees.

Mr. Hart said the first option could be amended to make it effective on a future date. If the Consortium knows how many Medicare-age retirees could be pulled, and then attempt between now and the future date is made to bring in enough municipalities with active employees to stabilize the risk pool, then the accommodation in policy can be made without the financial shock up front.

Ms. Drake spoke of discussions that have taken place in the past on this topic, stressing the importance in making a decision. Ms. Holmes said another risk of doing nothing is premium increases and not being able to offer anything competitive to bring in new members or risking losing existing members. She said for Tompkins County there is only one small bargaining unit where retiree coverage is part of the agreement. For the vast majority of unions it is not negotiated and the County has no plans to change retiree coverage.

No motion was made to move this resolution forward at this time. The resolution was WITHDRAWN.

Whereas, Section A (5.) of the Municipal Cooperative Agreement states that “Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver”, and

WHEREAS, the Consortium continues to support having all collective bargaining units or employee groups in the Consortium risk pool to maintain rate stabilized premiums, and

WHEREAS, there have been some exceptions made, upon entrance, to allow retirees of new members with fully-insured Medicare Advantage Plans to remain with said coverage, and

WHEREAS, the Consortium does not offer Medicare Advantage Plans, and

WHEREAS, several active members are reviewing cost-effective options for their retiree population, including moving from current Consortium coverage to fully insured Medicare Advantage plans with other carriers, and

WHEREAS, the Consortium believes that offering a Medicare Supplement Plan is an excellent option for Medicare eligible retirees; however, due to federal subsidies currently available to fully-insured plans the Consortium’s Medicare Supplement Plan is unable to compete with the lower costs of a Medicare Advantage Plan, and

WHEREAS, although the Consortium cannot set up a Medicare Advantage program within the fund the Consortium can provide a convenient, pass-through option as is done with other ancillary benefits offered through the Consortium, now therefore be it

RESOLVED, That the Executive Committee, on behalf of the Board of Directors, hereby wishes to amend Section A (5.) of the Municipal Cooperative Agreement to exclude retirees age 65+ from the required participation in the medical plan(s) by some, but not all, collective bargaining units or employee groups, thus allowing members to participate in a post-employment health care plan or Medicare Advantage Plan of their choosing or through a mechanism to act as a pass through for a Medicare Advantage Program as a retiree plan option for municipalities within the Consortium,

or

RESOLVED, That the Executive Committee, on behalf of the Board of Directors, will hereby enforce That Section A (5) “Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver” will remain in force for all active and retired employee groups of each member, and any member currently enrolled in a fully-insured Medicare Advantage Plan, not offered through the Consortium, will be grandfathered in as a Board approved waiver effective June 1, 2022.

RESOLUTION NO. 006 - 2022 – RESOLUTION OF APPRECIATION OF MICHELLE COCCO’S DEDICATED YEARS OF SERVICE TO THE CONSORTIUM

MOVED by Ms. Drake, seconded by Mr. Hart. Mr. Snyder recalled when he came to the Tompkins County and first became involved in the Consortium. He spoke of the early group of

people who put together the Consortium's framework, noting the many sacrifices many of the sacrifices that were made to make the Consortium viable. He spoke of the dedication that was in place during many undertakings over the years and expressed appreciation to Ms. Cocco for being part of that.

Ms. Cocco thanked everyone for support over the years, particularly Don Barber, Judy Drake, and Elin Dowd. She said Ms. Dowd has put an exceptional team in place for the Consortium.

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

WHEREAS, when the Consortium was formed during 2010 it was fortunate to garner the support of many outside consultants, advisors, and administrator, and

WHEREAS, Michelle Cocco in addition to her full-time Deputy Clerk position with Tompkins County was supporting the Tompkins County Council of Government and additionally was hired to provide administrative support to the Consortium through Locey and Cahill, LLC, and

WHEREAS, Michelle was an employee through Locey and Cahill, LLC from April 11, 2011 until July 1, 2019 when she was officially appointed as the Clerk of Board for the Consortium, and

WHEREAS, for many years, in addition to her full-time job at Tompkins County, Michelle worked nights and weekends for the Consortium, often sending out emails at the very wee hours of the day, and

WHEREAS, Michelle has been the backbone of the Consortium as she has been the meeting organizer, the minute taker, the file creator, the main contact, the record keeper, developer of the records management system and general advisor on all things under general municipal law and open meetings law, and

WHEREAS, Michelle was instrumental in the creation and design of the Consortium's websites, and assisted with the original and subsequent logo and letterhead designs, and

WHEREAS, Michelle has survived two NYS Department of Financial Services system audits, and

WHEREAS, Michelle has created a Clerk of the Board policy and procedure manual to assist the new Clerk with a successful transition; and like most of her work that manual shows her attention to detail and the care and concern she has for making sure this organization continues at a high functional level, and

WHEREAS, Michelle's role has changed over the years, but her commitment to advancing the mission of the Consortium has always remained steadfast, and

WHEREAS, Michelle is now at a stage in life where she can celebrate retirement both from Tompkins County as well as the Consortium, as she will be retiring June 17, 2022 after working continuously with the Consortium since 2011, and

WHEREAS, Michelle is wished much happiness as she sets sail to explore parts unknown, changes her title to Grandma and finds time to explore other experiences that bring her joy with her friends and family, now therefore be it

RESOLVED, That the Board of Directors, staff, consultants, advisors, and associates, acknowledge the retirement of Michelle Cocco and are appreciative for her many devoted and exemplary years of service,

RESOLVED, further, That on this 1st day of June 2022, the Executive Committee expresses its sincere gratitude to Michelle Cocco for her distinguished and dedicated service to the Greater Tompkins County Municipal Health Insurance Consortium.

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Executive Director's Report

Ms. Dowd reported she provided a written report in the packet. She introduced Lynne Sheldon who will officially start employment on June 6th as Clerk of the Board.

RESOLUTION NO. 007 - 2022 – APPOINTMENT OF CLERK OF THE BOARD– LYNNE SHELDON

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

WHEREAS, due to a planned retirement of Michelle Cocco the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) will have a vacancy in the title of Clerk of the Board, and

WHEREAS, the Executive Director and Selection Committee has conducted interviews and has determined that Lynne Sheldon possesses the necessary knowledge and skills to satisfactorily perform the duties of the Clerk of the Board position and makes the recommendation of appointment, now therefore be it

RESOLVED, That the Executive Committee on behalf of the Board of Directors, hereby approves the Executive Director's recommendation of appointment of Lynne Sheldon as the Clerk of the Board based on a full-time schedule of 40 hours per week, at the hourly rate commensurate within the range approved in the Consortium's budget and salary guidelines effective June 6, 2022, with full-time benefits.

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Discussion: Amendment of Resolution No. 011-2020 – Authorization by the Board of Directors to Remove Benefit Plans from the Consortium's Menu of Benefit Plan Offerings and Restricting Plan Enrollment

Ms. Dowd said the Consortium adopted a resolution a couple of years ago that eliminated plans that were no longer being used and approved a plan to phase out plans. She spoke of the administrative work that is required to maintain plans and said at this time a request is being made that when there is below ten members enrolled in a plan that the plan be eliminated. It also includes a sunset for plans whereby if someone is being taken off a plan such as Classic Blue, that they not be allowed to move back into an Indemnity or PPO plan at retirement. Ms. Dowd asked for feedback to accompany this resolution when it goes back to the Operations Committee.

Mr. Thayer said the City of Ithaca allowed the ability for retirees to return to their original plan upon retirement but included a sunset date on that internally. He said he could support the resolution if it included a sunset date a few years out. Ms. Holmes said the County's current

contract that includes the CVP (Comprehensive Value Plan) will expire in 2023; therefore, that date would be acceptable.

There was consensus to send this resolution back to the Operations Committee with a sunset date and will then go to the Joint Committee on Plan Structure and Design.

Report from the Operations Committee

Ms. Holmes, Chair, reported the Committee met on April 25th and held a special meeting on May 23rd. The Committee received feedback at the May 23 meeting about the Consortium's Prescription Benefit Management contract.

RESOLUTION NO. 008 - 2022 - ADOPTION OF AMENDED ONLINE ENROLLMENT POLICY AND COMMERCIAL GROUP HEALTH INSURANCE APPLICATION/CHANGE FORM

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

WHEREAS, non-online subscriber enrollment has many opportunities for things to slip through the cracks and can result in delays due to the length of time between when a subscriber submits their enrollment change and when it is in the "system", and

WHEREAS, the Consortium's vision statement includes: "*The Consortium administers operations by collaborating with claims administrators, providers, and employee representatives in an effort to manage its costs, efficiencies, and success,*" and

WHEREAS, adopting a policy whereby all enrollment changes being submitted online complies with the Vision Statement and works in concert with the Excellus software system to optimize delivery of service, and

WHEREAS, Excellus has committed to process timelines for online enrollment, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee, on behalf of the Board of Directors, adopts the amended "Online Enrollment Policy" ensure all enrollment changes as soon as practicable will be done "online".

RESOLUTION NO. 009 - 2022 – ADOPTION OF POLICY REGARDING REINSTATEMENT OR TERMINATION OF SUBSCRIBERS

MOVED by Ms. Holmes, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present. Ms. Holmes said it is a requirement of an Article 47 to outline how retrospective terminations are handled.

WHEREAS, as a self-funded plan, the Consortium has **120 days** from the receipt date to make additions, changes, reinstatements and terminations with the Plan Administrator, and

WHEREAS, any change past 60 days requires a "Retro Activity Exception Form", and

WHEREAS, additions and changes should not be allowed after the 60-day period unless there is a qualifying event and a retro exception request submitted with supporting documentation, and

WHEREAS, this policy has been created to help administer any retroactive requests post 60 days of the qualifying event to add or delete a subscriber and is intended to:

- Prevent adverse selection.
- Ensure subscriber and group satisfaction.
- Ensure timely and accurate reimbursement to providers for services rendered to members.
- Meet limitations regarding the ability to retract claims.
- Reduce administrative and provider costs when claims are adjusted or retracted.
- Comply with Federal and NYS requirements

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 following policy to govern the length of time transactions must be submitted.

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RESOLUTION NO. 010 - 2022 – ADOPTION OF BUSINESS CONTINUITY AND DISASTER RESPONSE PLAN - 2022

MOVED by Ms. Holmes, seconded by Mr. Salton, and unanimously adopted by voice vote by members present. A copy of the Plan will be included with the final adopted resolution.

WHEREAS, the Department of Financial Services has advised in Insurance Circular Letter No. 7 (2021) that the Consortium must develop a Business Continuity and Disaster Response Plan (BCPDRP) each year, and

WHEREAS, the purpose of a Business Continuity and Disaster Response Plan is to ensure the organization's system of procedures to restore critical business functions in the event of unplanned disaster, and

WHEREAS, Consortium staff has worked in cooperation with the Tompkins County Information Technology Services Department in creating the Consortium's first approved Business Continuity and Disaster Response Plan that was originally adopted September 1, 2021, and

WHEREAS, upon approval, the Plan will be maintained by the Executive Director of the Consortium and shall be made available to all Consortium Participants, Consortium employees, and the Tompkins County Information Technology Services Department, and

WHEREAS, the Business Continuity and Disaster Response Plan shall be updated and approved annually, now therefore be it

RESOLVED, on recommendation of the Operations Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves the Business Continuity and Disaster Response Plan dated April 25, 2022.

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Report from the Joint Committee on Plan Structure and Design

Ms. Dowd said a report from this Committee was included in her written Executive Director report.

Report from the Nominations and Engagement Committee

Ms. Dowd said a report from this Committee was included in her written Executive Director report.

Report from the Claims and Appeals Committee

Ms. Dowd said a report from this Committee was included in her written Executive Director report. The Committee will be issuing a Request for Proposals for medical claims auditing services.

Report from the Audit and Finance Committee

Mr. Thayer, Chair, reported the Committee met on May 24th and will continue discussion on the Investment Management Policy that was withdrawn earlier in the meeting. He said 2023 budget discussions will be starting soon.

RESOLUTION NO. 011- 2022 – AMENDMENT OF RATE STABILIZATION RESERVE POLICY TO DEFINE CLAIMS

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

WHEREAS, the Consortium’s Finance Manager recommends it would be prudent to define claims in the Consortium’s Rate Stabilization Reserve Policy, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, that the Executive Committee, on behalf of the Board of Directors, That the Rate Stabilization Reserve Policy be amended to define claims to be: “DFS Jurat NY4 Line 17 Total hospital and medical, which includes Medical and Prescription claims, NYS Graduate Medical Education Tax, Patient Care Outcomes Research Institute Fee (PCORI) less any Stop Loss Recovery received”.

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RESOLUTION NO. 012 – 2022 – AUTHORIZATION TO PARTICIPATE IN NYCLASS

MOVED by Mr. Thayer, seconded by Mr. Snow, and unanimously adopted by voice vote by members present. Mr. Thayer said this will provide the Consortium with more flexibility on its operating funds to allow for greater growth in interest income; a number of municipalities are already involved in NYCLASS.

WHEREAS, New York General Municipal Law, Article 5-G, Section 119-o (Section 119-o) empowers municipal corporations [defined in Article 5-G, Section 119-n to include school districts, boards of cooperative educational services, counties, cities, towns and villages, and districts] to enter into, amend, cancel, and terminate agreements for the performance among themselves (or one for the other) of their respective functions, powers, and duties on a cooperative or contract

basis, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium wishes to invest portions of its available funds in cooperation with other corporations and/or districts pursuant to the NYCLASS (New York Cooperative Liquid Assets Securities System) Municipal Cooperation Agreement Amended and Restated as of March 28, 2019, and

WHEREAS, wishes to satisfy the safety and liquidity needs of their funds, 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 authorizes Elin R. Dowd, Executive Director, on behalf of the Greater Tompkins County Municipal Health Insurance Consortium, to participate in the NYCLASS Program under the terms of the NYCLASS Municipal Cooperation Agreement Amended and Restated as of March 28, 2019.

Financial Update

Mr. Pelton presented financial results through April 30, 2022. Revenue was under budget by approximately three percent which is primarily due to prescription drug rebates; however, this gap should close to approximately one percent with the expected payment under the new agreement. With regard to total claims, the Consortium was \$860,000 below budget of which \$106,000 is on the prescription drug side. The Admin. Fees are slightly over budget and is due to prior authorization fees; this is being monitored as well as what impact the Formulary change has had. He said other areas are close to budget but noted it is still early in the year.

Mr. Spenard reported on large losses in April 2022 and said there has been an increase over the prior year in terms of total paid claims. In April 2021 there was \$700,000 and this year the total is approximately \$1.2 million for individuals with claims in excess of \$100,000. He also noted that last year the pandemic was still in place. He notified the Committee of a high claim utilization report that was received today that included an individual with a claim with \$117,000; this will continue to be monitored.

Mr. Pelton reviewed funding for the Catastrophic Claims Pool, noting how the 2021 fiscal year ties into the financial report. He also reviewed claims related to Covid-19 and said they continue to monitor what the trend looks like going into the budget process.

Ms. Apalovich had no accounts receivable report.

Next Meeting

The next agenda will include Approval of Amended Investment Management Policy and the resolution entitled Amendment of Resolution No. 011-2020 – Authorization by the Board of Directors to Remove Benefit Plans from the Consortium’s Menu of Benefit Plan Offerings and Restricting Plan Enrollment.

Adjournment

The meeting adjourned at 5:12 p.m.

Executive Director Report July 2022

The Consortium staff has been busy working with potential new municipal members helping do plan comparisons and advising on the application process. We anticipate four or five new applicants to be reviewed for 2023 membership and more for 2024. In addition to meeting with new applicants, Kylie Rodrigues and Elin Dowd have been out visiting current members to help grow and strengthen all our relationships.

We have been notified that the New York State Department of Financial Services is planning an audit of the Consortium to include years 2016 through 2020. The audit will begin in July, starting with Information Technology. This portion of the audit will ensure we are cybersecurity and business continuity compliant. Auditors will then move on to the financial aspect in October. The State charges by the hour, which will adversely affect our budget. We anticipate the audit will run for several months and cost us upwards of \$300K.

In preparation for decisions related to offering a fully insured Medicare Advantage Plan, a request for proposal/quote has been posted on BidNet. Locey & Cahill will be very involved in reviewing the information related to this request and advising the Consortium on the best way to proceed.

Executive Committee

The Executive Committee continues to address issues related to advancing our mission through long-term business planning meetings. There has been a lot of discussion on the possibility of offering a fully insured Medicare Advantage Plan to our municipal members. Conversations regarding offering such a plan and the ramifications to the Consortium will continue throughout the next few months.

Audit and Finance Committee

The first draft of the 2023 budget was reviewed at the July meeting. Ongoing discussions will continue to look at the premium adjustment needed to support our claims, fund our reserves, and meet other obligations. The following information is being reviewed to determine funding levels necessary for 2023.

Medical and Rx Claims Trending – Review of high-cost claims and post covid claims trending.

Audit Fees (Financial) - \$150,000 DFS Audit (2023 + \$100K 2024) – Recommendation based on fees billed to other Article 47 organizations within the last year.

Consultant Fees (TBD) - \$25,000 to use for “potential” Consultants, if needed with Long Term Planning or other projects.

Salaries – Include wages based on a new salary schedule reviewed with Operations Committee at the recommendation of our Human Resources Manager. Salaries will be combined as one line item going forward.

Fringes – Currently at 40% of Salaries

Marketing Expenses – This has been decreased from \$8,000 to \$2,500, primarily for printing brochures and other informational material including merchandise with Consortium logos.

Wellness Program Costs – This has been decreased from \$25,000 to \$12,500 which includes the cost to implement the monthly wellness updates and wellness subscriber challenges.

Investment Management Services – This has increased from \$12,400 to \$25,000, due to the market changes and potential earnings.

Lease Expense – Discussion to follow regarding the possibility of the Consortium renting some new space for its headquarters at current market price of \$24.00 per square foot.

Mileage Expense – Increase from \$1,000 to \$2,500

Furniture & Fixtures – Increased from \$2,000 to \$25,000 for desks etc. if the Consortium moves to a new site or for improvements at current location.

Training/Prof Dec – Increased from \$2,000 to \$5,000 with the possibility to attend a national benefit association conference.

Executive Director Report
July 2022

Last week, the Federal Reserve raised rates again by 75 basis points to a range of 2.25% - 2.50%, in line with expectations, and anticipates further increases moving forward. Working with Wilmington Trust, we have been able to garner better returns on the reinvestment of recent maturities.

We have just learned that our Treasurer, Rick Snyder, will retire in November.

Operations Committee

A salary structure has been proposed by our HR Manager to avoid any ambiguity around salary administration and job classification going forward. A resolution was passed and will be reviewed at the Executive Committee level in August.

The Consortium Connection Newsletter is going paperless in 2023 and we have heard from 4 subscribers who have requested to receive the newsletter in paper format due to no internet or email access. However, several subscribers have already signed up to receive the newsletter electronically in 2023.

Work has begun to review the 2023 MCA to make sure the addition of two new counties is considered in our coverage area. The MCA is also being reviewed to see how staff may take on some of the responsibilities of the areas that will be vacated by the Treasurers resignation later this year. Changes will come before the Board in August for action in September.

Nominations and Engagement Committee

The Nominations and Engagement Committee continues to meet to secure candidates to fill vacancies created due to resignations. Discussions have also started on topics for our Board retreat in August and the Annual September Board meeting. One of the goals for this Committee remains how to keep people engaged in the organization as we continue to grow.

Anyone interested in serving on a committee should let either Ed Fairbrother or Elin Dowd know before August 8th.

Claims and Appeals Committee

An RFP will commence in early August to review all options available to us towards securing a firm to continue auditing our third-party claims administrators.

The Joint Committee on Plan Structure and Design

I just received news that our current Chair of the Joint Committee on Plan Structure and Design plans on taking a leave from this position at the end of the year. James Bower has been very instrumental in garnering labor representation in committees and at the Board level and we will miss his involvement going forward.

In August, the Committee will review necessary changes to health plans required to remain in compliance with Affordable Care Act actuarial value calculations. This year the Silver Plan will have to make some adjustments to remain compliant with government regulations and our practices.

Don't forget to support our Wellness initiatives by signing up as a participant in the Walk to End Alzheimer's on September 10th. See Kylie Rodrigues for more information at krdrigues@tompkins-co.org.

The June 2022 Newsletter can be found here Consortium Connection June 2022 We are going paperless in 2023, subscribe on our website today to continue to receive the newsletter electronically.

Respectfully submitted by Elin R. Dowd, Executive Director, July 31, 2022.



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

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RESOLUTION NO. – 2022 – CLARIFICATION REGARDING PARTICIPANT MEDICARE-AGED RETIREES IN RELATION TO MUNICIPAL COOPERATIVE AGREEMENT (MCA) REQUIREMENT

WHEREAS, Section A (5.) of the 2022 Amendment to the Municipal Cooperative Agreement states that " Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver", and

WHEREAS, the Consortium continues to support having all collective bargaining units or employee groups in the Consortium risk pool to maintain stabilized premium rates and prevent adverse risk selection, and

WHEREAS, the Consortium's has deemed the term "employee groups" to include active employees, COBRA continuation of coverage members, non-Medicare-aged retirees, and Medicare-aged retirees, and

WHEREAS, there have been some exceptions made, upon entrance, to allow Medicare-aged retirees of new Participants with fully-insured Medicare Advantage Plans to remain with said coverage, and

WHEREAS, the Consortium does not currently offer a Medicare Advantage Plan or Plans, and

WHEREAS, several Participants are reviewing cost-effective options for their Medicare-aged retiree population, including moving from current Consortium coverage to fully insured Medicare Advantage plans with other carriers, and

WHEREAS, the Consortium believes that offering a Medicare Supplement Plan is an excellent option for Medicare eligible retirees; however, due to federal subsidies currently available to fully-insured plans the Consortium's Medicare Supplement Plan is unable to compete with the lower costs of some Medicare Advantage Plans, and

WHEREAS, although the Consortium cannot set up a Medicare Advantage program within the fund, the Consortium can provide a convenient, pass-through option as is done with other ancillary benefits offered through the Consortium, now therefore be it

RESOLVED, That the Consortium, on behalf of the Board of Directors, will hereby enforce That Section A (5) "Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver" will remain in force for all active and retired employee groups of each Participant,

RESOLVED, further, That any Participant selecting to withdraw an employee group shall request such waiver prior to September 1st of each year for consideration by September 30th or for new Participants as part of the application process.

**RESOLUTION NO. – 2022 –CLARIFICATION REGARDING PARTICIPANT MEDICARE-
AGED RETIREES IN RELATION TO MUNICIPAL
COOPERATIVE AGREEMENT (MCA) REQUIREMENT**

RESOLVED, further, That the Consortium will secure an approved vendor by October 1, 2022 to provide a fully insured Medicare Advantage product to act as a pass through as a Medicare-aged retiree plan option commencing January 1, 2023 for Participants of the Consortium,

RESOLVED, further, That the Consortium will review annually charging a risk assessment fee to any Participant using a fully insured Medicare Advantage Plan product purchased from a source other than the Consortium.

RESOLVED, further, That any Participant currently enrolled in a fully insured Medicare Advantage Plan, not offered through the Consortium, at the time when this resolution is approved, will be grandfathered in as a Board approved waiver effective July 1, 2022, provided the Consortium has secured a similar product to offer to all Participants effective on January 1, 2023, this waiver will expire on December 31, 2024 and the Participant will be required to move to the Consortium Medicare Advantage Plan on a pass-through basis or be subjected to a risk assessment fee.

RESOLVED, further, That all Participants requesting a waiver to provide a fully insured Medicare Advantage Plan to their eligible employee groups on/or after January 1, 2023 will be required to use the Consortium secured Medicare Advantage Plan product.

* * * * *



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

RESOLUTION NO. ____-2022 – Actuarial Value Standard Deviation Amendment

MOVED by _____, seconded by _____, and _____
by voice vote by members present.

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon reviewing the results of the actuarial value calculations for the Consortium utilizing the Centers for Medicare and Medicaid Services (“CMS”) actuarial value calculator and methodology it was noted that the percent de minimis variation (a.k.a., standard deviation) was amended for the Bronze High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, the percent de minimis variation (a.k.a., standard deviation) allowed for each of the Consortium’s metal level plans will be as follows:

Platinum Preferred Provider Organization Plan	+2% / -2% (92.49% to 87.50%)
Gold High Deductible Health Plan	+2% / -2% (82.49% to 77.50%)
Silver High Deductible Health Plan	+2% / -2% (72.49% to 67.50%)
Bronze High Deductible Health Plan	+5% / -2% (65.49% to 57.50%)

. STATE OF NEW YORK)
) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors on September 22, 2022.



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RESOLUTION NO. ____-2022 – APPROVAL OF ADJUSTMENTS TO THE SILVER HIGH DEDUCTIBLE HEALTH PLAN

MOVED by _____, seconded by _____, and _____ by voice vote by members present.

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon entering data into the federal actuarial calculator for 2023 it has been determined that adjustments need to be made to the Silver High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, a benefit plan adjustment to the Deductible and Out-of-Pocket Maximum will be made to the Consortium’s Silver High Deductible Health Plan as follows:

Silver HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$2,500/\$5,000		\$3,750/\$7,500	
Out-of-Pocket Single/Family	\$6,000/\$12,000		\$9,000/\$18,000	
Actuarial Value	72.91%		72.91%	

. STATE OF NEW YORK)
) ss:
 COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors on September 22, 2022.



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202~~3~~² AMENDMENT

TO THE

MUNICIPAL COOPERATION AGREEMENT

(Adopted September 22, 2021; effective January 1, 2023)

THIS AGREEMENT (the "Agreement") made effective as of the 1st day of October 2010 (the "Effective Date"), and as amended herein, by and among each of the signatory municipal corporations hereto (collectively, the "Participants").

W H E R E A S:

1. Article 5-G of the New York General Municipal Law (the "General Municipal Law") authorizes municipal corporations to enter into cooperative agreements for the performance of those functions or activities in which they could engage individually;

2. Sections 92-a and 119-o of the General Municipal Law authorize municipalities to purchase a single health insurance policy, enter into group health plans, and establish a joint body to administer a health plan;

3. Article 47 of the New York Insurance Law (the "Insurance Law" or "N.Y. Insurance Law"), and the rules and regulations of the New York State Superintendent of Financial Services (the "Superintendent") set forth certain requirements for governing self-insured municipal cooperative health insurance plans;

4. Section 4702(f) of the Insurance Law defines the term "municipal corporation" to include a county, city, town, village, school district, board of cooperative educational services, public library (as defined in Section 253 of the New York State Education Law) and district (as defined in Section 119-n of the General Municipal Law); and

5. The Participants have determined to their individual satisfaction that furnishing the health benefits (including, but not limited to, medical, surgical, hospital, prescription drug, dental, and/or vision) for their eligible officers, eligible employees (as defined by the Internal Revenue Code of 1986, as amended, and the Internal Revenue Service rules and regulations), eligible retirees, and the eligible dependents of eligible officers, employees and retirees (collectively, the "Enrollees") (such definition does not include independent contractors and/or consultants) through a municipal cooperative is in their best interests as it is more cost-effective and efficient. Eligibility requirements shall be determined by each Participant's collective bargaining agreements and/or their personnel policies and procedures.

NOW, THEREFORE, the parties agree as follows:

A. PARTICIPANTS.

1. The Participants hereby designate themselves under this Agreement as the Greater Tompkins County Municipal Health Insurance Consortium (the "Consortium") for the purpose of providing health benefits (medical, surgical, hospital, prescription drug, dental, and/or vision)

2022 Municipal Cooperation Agreement

to those Enrollees that each Participant individually elects to include in the Greater Tompkins County Municipal Health Insurance Consortium Medical Plan(s) (the "Medical Plan(s)"), as that term is defined by Section 4702 (e) of the Insurance Law.

2. The following Participants shall comprise the current membership of the Consortium:

Municipality Name	Effective Date
City of Ithaca	1/1/2011
County of Tompkins	1/1/2011
Town of Caroline	1/1/2011
Town of Danby	1/1/2011
Town of Dryden	1/1/2011
Town of Enfield	1/1/2011
Town of Groton	1/1/2011
Town of Ithaca	1/1/2011
Town of Ulysses	1/1/2011
Village of Cayuga Heights	1/1/2011
Village of Dryden	1/1/2011
Village of Groton	1/1/2011
Village of Trumansburg	1/1/2011
City of Cortland	1/1/2013
Town of Lansing	1/1/2013
Town of Willet	1/1/2015
Village of Homer	1/1/2015
Town of Marathon	1/1/2016
Town of Truxton	1/1/2016
Town of Virgil	1/1/2016
Town of Aurelius	1/1/2017
Town of Cincinnatus	1/1/2017
Town of Montezuma	1/1/2017
Town of Moravia	1/1/2017
Town of Preble	1/1/2017
Town of Scipio	1/1/2017

Municipality Name	Effective Date
Town of Springport	1/1/2017
Village of Union Springs	1/1/2017
Town of Homer	1/1/2018
Town of Newfield	1/1/2018
Town of Owasco	1/1/2018
County of Seneca	1/1/2019
Town of Big Flats	1/1/2019
Town of Mentz	1/1/2019
Town of Niles	1/1/2019
Town of Sennett	1/1/2019
Village of Freeville	1/1/2019
Village of Horseheads	1/1/2019
Village of Lansing	1/1/2019
Town of Horseheads	1/1/2020
Town of Spencer	1/1/2020
Lansing Library	1/1/2020
Village of Watkins Glen	1/1/2020
Town of Catharine	1/1/2021
Town of Cuyler	1/1/2021
Town of Dix	1/1/2021
Town of Hector	1/1/2021
Town of Tioga	1/1/2021
Village of Owego	1/1/2021
Town of Erwin	1/1/2022
Town of Throop	1/1/2022
Village of Minoa	1/1/2022
Village of Fayetteville	1/1/2022

Addition of municipalities approved at the 9/22/2022 Annual Board Meeting

3. Membership in the Consortium may be offered to any municipal corporation as defined in N.Y. Insurance Law Section 4702(f) within the geographical boundaries of the Counties of Tompkins, Broome, Cayuga, Chenango, Chemung, Cortland, Livingston, Madison, Monroe, Onondaga, Ontario, Oswego, Tioga, Schuyler, Seneca, Steuben, Wayne, and Yates, provided however that, in the sole discretion of the Board (as defined below), the applicant provides satisfactory proof of its financial responsibility. Membership shall be subject to the terms and conditions set forth in this Agreement, any amendments hereto, and applicable law. Upon admission of any new Participant, the Consortium shall amend Section A(2) of this Agreement to reflect that change in membership, which must be submitted to the New York State Department of Financial Services (“DFS”) for approval. The geographic boundaries of the Consortium shall not be expanded beyond the above-listed counties without amendment of the MCA, submitted to DFS for approval, and prior DFS approval of an amendment to the Certificate of Authority.

4. The Board, in its sole discretion, and by a two-thirds (2/3) vote of the entire Board, may elect to permit additional municipal corporations located within the geographical boundaries set forth in Section A(3) to become Participants subject to satisfactory proof, as determined by the Board, of such municipal corporation’s financial responsibility. Such corporations must agree to continue as a Participant for a minimum of three (3) years upon entry.

5. Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver. Participants with a waiver allowing active employees not enrolled in Consortium benefit plan options, must, within 3 (three) years of the date of enrolling in the Consortium, fully enroll all of their active employees in Consortium plan options. Failure to comply with this provision may be grounds for termination from participation in the Consortium as defined in Section Q(3).

6. Initial membership of additional participants shall become effective as soon as practical but preferably on the first day of the Plan Year following the adoption by the Board of the resolution to accept a municipal corporation as a Participant. Such municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon entry.

7. A municipal corporation that was previously a Participant, but is no longer a Participant, and which is otherwise eligible for membership in the Consortium, may apply for re- entry after a minimum of three (3) years has passed since it was last a Participant. Such re-entry shall be subject to the approval of two-thirds (2/3) of the entire Board. This re-entry waiting period may be waived by the approval of two-thirds (2/3) of the entire Board. In order to re-enter the Consortium, a municipal corporation employer must have satisfied in full all of its outstanding financial obligations to the Consortium. A municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon re-entry.

B. PARTICIPANT LIABILITY.

1. The Participants shall share in the costs of, and assume the liabilities for benefits (including medical, surgical, and hospital) provided under the Medical Plan(s) to covered officers, employees, retirees, and their dependents. Each Participant shall pay on demand such Participant's share of any assessment or additional contribution ordered by the governing board of the municipal cooperative health benefit plan, as set forth in Section L(4) of this Agreement or as ordered by the Superintendent or under Article 74 (seventy four) of the New York State Insurance Law. The pro rata share shall be based on the Participant's relative "premium" contribution to the Medical

Plan(s) as a percentage of the aggregate "premium" contribution to the Medical Plan(s), as is appropriate based on the nature of the assessment or contribution.

2. New Participants (each a "New Participant") who enter the Consortium may, at the discretion of the Board of Directors, be assessed a fee for additional financial costs above and beyond the premium contributions to the Medical Plan(s). Any such additional financial obligations and any related terms and conditions associated with membership in the Consortium shall be determined by the Board, and shall be disclosed to the New Participant prior to its admission.

3. Each Participant shall be liable, on a pro rata basis, for any additional assessment required in the event the Consortium funding falls below those levels required by the Insurance law as follows:

- a. In the event the Consortium does not have admitted assets (as defined in Insurance Law Section 107) at least equal to the aggregate of its liabilities, reserves, and minimum surplus required by the Insurance Law, the Board shall, within thirty (30) days, order an assessment (an "Assessment Order") for the amount that will provide sufficient funds to remove such impairment and collect from each Participant a pro-rata share of such assessed amount.
- b. Each Participant that participated in the Consortium at any time during the two (2) year period prior to the issuing of an Assessment Order by the Board shall, if notified of such Assessment Order, pay its pro rata share of such assessment within ninety (90) days after the issuance of such Assessment Order. This provision shall survive termination of the Agreement of withdrawal of a Participant.
- c. For purposes of this Section B(3), a Participant's pro-rata share of any assessment shall be determined by applying the ratio of the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all Participants subject to the assessment to the contribution or premium equivalent earned during such period attributable to such Participant.

C. BOARD OF DIRECTORS.

1. The governing board of the Consortium, responsible for management, control and administration of the Consortium and the Medical Plan(s), shall be referred to as the "Board of Directors" (the "Board"). The voting members of the Board shall be composed of one representative of each Participant and representatives of the Joint Committee on Plan Structure and Design (as set forth in Section C(11)), who shall have the authority to vote on any official action taken by the Board (each a "Director"). Each Director, except the representatives of the Joint Committee on Plan Structure and Design, shall be designated in writing by the governing body of the Participant.

2. If a Director designated by a Participant cannot fulfill his/her obligations, for any reason, as set forth herein, and the Participant desires to designate a new Director, it must notify the Consortium's Chairperson in writing of its selection of a new designee to represent the Participant as a Director.

3. Directors shall receive no remuneration from the Consortium for their service and shall serve a term from January 1 through December 31 (the "Plan Year").

4. No Director may represent more than one Participant.

5. No Director, or any member of a Director's immediate family, shall be an owner, officer, director, partner, or employee of any contractor or agency retained by the Consortium, including any third-party contract administrator.

6. Except as otherwise provided in Section D of the Agreement, each Director shall be entitled to one vote. A majority of the entire Board, not simply those present, is required for the Board to take any official action, unless otherwise specified in this Agreement. The “entire Board”, as used herein and elsewhere in this Agreement, shall mean the total number of Directors when there are no vacancies.

While physical presence is strongly encouraged, Directors who cannot be physically present at any meeting may attend remotely utilizing videoconferencing that allows for real time audio and visual participation and voting in the meeting upon confirmation that communication is with all participants as it progresses.

7. Each Participant may designate in writing an alternate Director to attend the Board's meeting when its Director cannot attend. The alternate Director may participate in the discussions at the Board meeting and will, if so designated in writing by the Participant, be authorized to exercise the Participant's voting authority. Only alternate Directors with voting authority shall be counted toward a quorum. The Joint Committee on Plan Structure and Design may designate alternate Directors as set forth in Section C(11).

8. A majority of the Directors of the Board shall constitute a quorum. A quorum is a simple majority (more than half) of the entire Board. A quorum is required for the Board to conduct any business. This quorum requirement is independent of the voting requirements set forth in Section C(6). The Board shall meet on an annual basis, at a time and place within the State of New York determined by a vote of the Board. The Board shall hold an annual meeting (the “Annual Meeting”) in September of each Plan Year.

9. Special meetings of the Board may be called at any time by the Chairperson or by any two (2) Directors. Whenever practicable, the person or persons calling such special meeting shall give at least a three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event the three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

10. In the event that a special meeting is impractical due to the nature and/or urgency of any action which, in the opinion of the Chairperson, is necessary or advisable to be taken on behalf of the Consortium, the Chairperson may send resolutions regarding said actions via electronic communication to each and all of the Directors. The Directors may then electronically communicate their approval or disapproval of said resolution via signed document to the Chairperson. In accordance with NY Business Corporation Law Section 708(b), unanimous consent is required for the Chairperson to act on behalf of the Board in reliance upon such approvals. Any actions taken by the Chairperson pursuant to this paragraph shall be ratified at the next scheduled meeting of the Board.

11. The Chair of the Joint Committee on Plan Structure and Design and any At-Large Labor Representatives (as defined in Section K) (collectively the “Labor Representatives”) shall serve as Directors and shall have the same rights and obligations as all other Directors. The Joint Committee on Plan Structure and Design may designate in writing alternate Directors to attend the Board's meetings when the Labor Representatives cannot attend. The alternate Director may, if designated in writing, be authorized to exercise the Labor Representatives' voting authority.

D. WEIGHTED VOTING.

1. Except as otherwise provided in this Agreement, any two or more Directors, acting jointly, may require a weighted vote on any matter that may come before the Board. In such event, the voting procedure set forth in this Section D shall apply in lieu of any other voting procedures set forth in this Agreement. Such weighted voting procedures shall apply solely with respect to the matter then before the Board.

2. For purposes of this Section D, each Director shall receive votes as follows:

- a. Each Director representing a Participant with five hundred (500) or fewer Enrollees shall be entitled to one (1) vote.
- b. Each Director representing a Participant with more than five hundred (500) Enrollees shall be entitled to a number of votes equaling the total number of votes assigned under subsection 2(a) above minus the number of Labor Representative votes, divided evenly by the number of Participants eligible under this subsection 2(b) and rounded down to the nearest whole number.
- c. The Labor Representatives shall be entitled to one (1) vote each.

3. Attached as Addendum “A” to this Agreement is an example of the application of the voting formula contained in subparagraph “2” of this Section.

4. Notwithstanding anything to the contrary contained in this Agreement, any action taken pursuant to this Section D shall require the approval of two-thirds (2/3) of the total number of votes, if all votes had been cast.

E. ACTIONS BY THE BOARD

1. Subject to the voting and quorum requirements set forth in this Agreement, the Board is required, in accordance with N.Y. Insurance Law § 4705, to take action on the following matters:

- a. In accordance with N.Y. Insurance Law § 4705 (d) (5), to approve an annual budget for the Consortium, which shall be prepared and approved prior to October 1st of each year, and determine the annual premium equivalent rates to be paid by each Participant for each Enrollee classification in the Medical Plan(s) on the basis of a community rating methodology in accordance with N.Y. Insurance Law Section 4705(d)(5)(B) and filed with and approved by the Superintendent.
- b. To audit receipts and disbursements of the Consortium and provide for independent audits, and periodic financial and operational reports to Participants in accordance with N.Y. Insurance Law § 4705 (e)(1).
- c. To establish a joint fund or funds to finance all Consortium expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses in accordance with N.Y. Insurance Law § 4705(d)(4).

- d. To select and approve the benefits provided by the Medical Plan(s) including the plan document(s), insurance certificate(s), and/or summary plan description(s) in accordance with N.Y. Insurance Law Section 4709, a copy of the Medical Plan(s) effective on the date of this Agreement is incorporated by reference into this Agreement.
- e. In accordance with N.Y. Insurance Law § 4705(d)(2) and N.Y. General Municipal Law § 119-o(2)(d) & (2)(i), the Board may contract with third parties, if appropriate, which may include one or more Participants, for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Consortium, including, without limitation, accounting services, legal counsel, contract administration services, consulting services, purchase of insurances and actuarial services. Provided, however (a) the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services contracts, as required in Section 92-a(6) of the General Municipal Law; (b) payment for contracted services shall be made only after such services are rendered; (c) no Director or any member of such Director's immediate family shall be an owner, officer, director, partner or employee of any contract administrator retained by the Consortium; and (d) all such agreements shall otherwise comply with the requirements of Section 92-a(6) of the General Municipal Law.
- f. To purchase stop-loss insurance on behalf of the Consortium and determine each year the insurance carrier or carriers who are to provide the stop-loss insurance coverage during the next Plan Year, as required by N.Y. Insurance Law Sections 4707 and 4705(d)(3).
- g. To designate one governing Board member to retain custody of all reports, statements, and other documents of the Consortium, in accordance with N.Y. Insurance Law Section 4705(c)(2), and who shall also take minutes of each Board meeting which, if appropriate, shall be acted upon by the Board in a subsequent meeting.
- h. In accordance with N.Y. Insurance Law § 4705(e)(1), to choose the certified public accountant and the actuary to provide the reports required by this Agreement and any applicable law.
- i. In accordance with N.Y. Insurance Law § 4705 (d)(5)(A), designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state.
- j. In accordance with N.Y. Insurance Law § 4705 (a)(6), designate the fiscal officer of a participating municipal corporation to be the Chief Fiscal Officer of the municipal cooperative health benefit plan, and who will serve on the Executive Committee.

2. Subject to the voting and quorum requirements set forth in this Agreement, the Board is authorized to take action on the following matters:

- a. To fix the frequency, time and place of regular Board meetings.

- b. To have a plan consultant (the “Plan Consultant) contract in place for the upcoming Plan Year, prior to October 1st of each year.
- c. To determine and notify each Participant prior to October 15th of each Plan Year of the monthly premium equivalent for each enrollee classification during the next Plan Year commencing the following January 1st.
- d. To take all necessary action to ensure that the Consortium obtains and maintains a Certificate of Authority in accordance with the Insurance Law.
- e. To take any other action authorized by law and deemed necessary to accomplish the purposes of this Agreement.
- f. Annually elect Directors to the Executive Committee to oversee operations and develop recommendations for Board actions stated in this Section E.

F. EXECUTIVE COMMITTEE

1. The Executive Committee of the Consortium shall consist of at least eleven (11) and no greater than fifteen (15) Directors. Executive Committee Directors are elected annually, but shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design.

2. The Secretary shall be responsible for maintaining all records in accordance with Article E, Section 1.g.

3. The Executive Committee shall establish meeting dates at its Organizational Meeting. The Executive Committee shall meet no less frequently than once per quarter.

4. Special meetings of the Executive Committee may be called at any time by the Chairperson or by any two (2) Executive Committee Directors. Whenever practicable, the person or persons calling such special meeting shall give at least three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

5. The Executive Committee shall:

- a. Conduct business according to its Bylaws within its delegated authority, subject to approval and/or ratification of its actions at the next scheduled Board meeting.
- b. Create sub-committees as necessary to monitor operations and make recommendations, to the Executive Committee and/or Board, to facilitate operations.
- c. Manage the Consortium between meetings of the Board, subject to such approval by the Board as may be required by this Agreement.

- d. Develop Bylaws for its operations.
- e. In consultation with a nomination committee, fill any vacancy on the Executive Committee from among the Board's members as set forth in its Bylaws.
- f. Establish administrative guidelines for the efficient operation of the Consortium.
- g. ~~Annually appoint a treasurer (the "Treasurer") who may or may not be a Director and who shall be the treasurer, or equivalent financial officer, for one of the Participants. The Treasurer's duties shall be determined by the Chief Fiscal Officer to whom he/she will report.~~
- h. Take all necessary action to ensure the Consortium is operated and administered in accordance with the laws of the State of New York.

G. OFFICERS

1. At the Annual Meeting, the Board shall elect from its Directors a Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary, who shall serve for a term of one (1) year or until their successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.

2. Officers of the Consortium and employees of any third-party vendor, including without limitation the officers and employees of any Participant, who assist or participate in the operation of the Consortium, shall not be deemed employees of the Consortium. Each third-party vendor shall provide for all necessary services and materials pursuant to annual contracts with the Consortium. The officers of the Consortium shall serve without compensation from the Consortium, but may be reimbursed for reasonable out-of-pocket expenses incurred in connection with the performance of such officers' duties.

3. Officers shall serve at the pleasure of the Board and may be removed or replaced upon a two-thirds (2/3) vote of the entire Board. This provision shall not be subject to the weighted voting alternative set forth in Section D.

H. CHAIRPERSON; VICE CHAIRPERSON; SECRETARY

1. The Chairperson shall be the Chief Executive Officer of the Consortium.

2. The Chairperson, or in the absence of the Chairperson, the Vice Chairperson, shall preside at all meetings of the Board.

3. In the absence of the Chairperson, the Vice Chairperson shall perform all duties related to that office.

4. The Secretary shall retain custody of all reports, statements, and other documents of the Consortium and ensure that minutes of each Board meeting are taken and transcribed which shall be acted on by the Board at a subsequent meeting, as appropriate.

I. CHIEF FISCAL OFFICER

1. The Chief Fiscal Officer shall act as the chief financial administrator of the Consortium and disbursing agent for all payments made by the Consortium, and shall have custody of all monies either received or expended by the Consortium. The Chief Fiscal Officer may delegate duties and tasks to the ~~Finance Manager~~~~Treasurer~~ to assist in accomplishing this function. However, the Chief Fiscal Officer may never delegate his/her ultimate authority and shall remain responsible for ensuring that the Consortium's finances are operated and administered in accordance with the laws of the State of New York. The Chief Fiscal Officer shall be the City Controller of the City of Ithaca. The Chief Fiscal Officer shall receive no remuneration from the Consortium. The Consortium shall reimburse the Participant that employs the Chief Fiscal Officer for reasonable and necessary out-of-pocket expenses incurred by the Chief Fiscal Officer in connection with the performance of his or her duties that relate to the Consortium.

2. All monies collected by the Chief Fiscal Officer relating to the Consortium, shall be maintained and administered as a common fund. The Chief Fiscal Officer shall, notwithstanding the provisions of the General Municipal Law, make payment in accordance with procedures developed by the Board and as deemed acceptable to the Superintendent.

3. The Chief Fiscal Officer shall be bonded for all monies received from the Participants. The amount of such bond shall be established annually by the Consortium in such monies and principal amount as may be required by the Superintendent.

4. All monies collected from the Participants by the Chief Fiscal Officer in connection with the Consortium shall be deposited in accordance with the policies of the Participant which regularly employs the Chief Fiscal Officer and shall be subject to the provisions of law governing the deposit of municipal funds.

5. The Chief Fiscal Officer may invest monies not required for immediate expenditure in the types of investments specified in the General Municipal Law for temporary investments or as otherwise expressly permitted by the Superintendent.

6. The Chief Fiscal Officer shall account for the Consortium's reserve funds separate and apart from all other funds of the Consortium, and such accounting shall show:

- a. the purpose, source, date, and amount of each sum paid into the fund;
- b. the interest earned by such funds;
- c. capital gains or losses resulting from the sale of investments of the Consortium's reserve funds;
- d. the order, purpose, date and amount of each payment from the reserve fund; and
- e. the assets of the fund, indicating cash balance and schedule of investments.

7. The Chief Fiscal Officer shall cause to be prepared and shall furnish to the Board, to participating municipal corporations, to unions which are the exclusive bargaining representatives of Enrollees, the Board's consultants, and to the Superintendent:

- a. an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan;
- b. an annual report and quarterly reports describing the Consortium's current financial status; and
- c. an annual independent actuarial opinion on the financial soundness of the Consortium, including the actuarial soundness of contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

8. Within ninety (90) days after the end of each Plan Year, the Chief Fiscal Officer shall furnish to the Board a detailed report of the operations and condition of the Consortium's reserve funds.

J. PLAN ADMINISTRATOR

The Board, by a two-thirds (2/3) vote of the entire Board, may annually designate an administrator and/or insurance company of the Medical Plan (the "Plan Administrator") and the other provider(s) who are deemed by the Board to be qualified to receive, investigate, audit, and recommend or make payment of claims, provided that the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services and/or insurance contracts and payment for such contracted services shall be made only after such services are rendered or are reasonably expected to be rendered. All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.

K. JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN

1. There shall be a Joint Committee on Plan Structure and Design (the "Joint Committee"), which shall consist of (a) a representative of each collective bargaining unit that is the exclusive collective bargaining representative of any Enrollee or group of Enrollees covered by the Medical Plan(s) (the "Union Members"); and (b) a representative of each Participant (the "Management Members"). Management Members may, but are not required to be, Directors.

2. The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Medical Plan(s), and shall develop findings and recommendations with respect to such matters. The Chair of the Joint Committee shall report such findings and recommendations to the Board at any regular or special meeting of the Board.

3. The Joint Committee shall select (a) from among the Union Members, an individual who shall serve as Chair of the Joint Committee; and (b) from among the Management Members,

an individual who shall serve as Vice Chair of the Joint Committee. The Joint Committee shall establish its own parliamentary rules and procedures.

4. Each eligible union shall establish such procedures by which its representative to the Joint Committee is chosen and such representative shall be designated in writing to the Chairperson of the Board and the Chair of the Joint Committee.

5. The Union Members on the Joint Committee on Plan Structure and Design shall select from among the Union Members an individual to serve as an additional at-large voting Labor Member on the Board of Directors of the Consortium. If the number of municipal members on the Consortium rises to seventeen (17), the union members of the Joint Committee on Plan Structure and Design shall select from among the Union Members an additional at-large voting Labor Member on the Board of Directors of the Consortium. The at-large voting Labor Member(s) along with the Joint Committee Chair shall collectively be the “Labor Representatives” as defined in Section C(11) of this Agreement. If the number of municipal members on the Consortium rises to twenty-three (23), the Union Members may select from among their members a third At-Large Labor Representative to serve as a Director. Thereafter, for every increase of five (5) additional municipal members added to the Consortium Union Members may select from among their members one (1) At-large Labor Representative to serve as Director with a maximum of ten (10) Labor Representatives. Attached hereto as Addendum “B” is a table illustrating the addition of At-Large Labor Representatives as set forth in this Section. Any At-Large Labor Representative designated according to this section shall have the same rights and obligations as all other Directors.

L. PREMIUM CALCULATIONS/PAYMENT.

1. The annual premium equivalent rates shall be established and approved by a majority of the entire Board. The method used for the development of the premium equivalent rates may be changed from time to time by the approval of two-thirds (2/3) of the entire Board, subject to review and approval by the Superintendent. The premium equivalent rates shall consist of such rates and categories of benefits as is set forth in the Medical Plan[s] that is determined and approved by the Board consistent with New York law.

2. In accordance with N.Y. Insurance Law §§ 4706 & 4707, the Consortium shall maintain reserves and stop-loss insurance to the level and extent required by the Insurance Law and as directed by the Superintendent.

3. Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year. A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants.

The Consortium may waive the first penalty once per Plan Year for each Participant, but will strictly enforce the penalty thereafter. A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.

4. The Board shall assess Participants for additional contributions, if actual and anticipated losses due to benefits paid out, administrative expenses, and reserve and surplus requirements exceed the amount in the joint funds, as set forth in Section B(3) above.

5. The Board, in its sole discretion, may refund amounts in excess of reserves and surplus, or retain such excess amounts and apply these amounts as an offset to amounts projected to be paid under the next Plan Year's budget.

M. EMPLOYEE CONTRIBUTIONS.

If any Participant requires an Enrollee's contribution for benefits provided by the Consortium, the Participant shall collect such contributions at such time and in such amounts as it requires. However, the failure of a Participant to receive the Enrollee contribution on time shall not diminish or delay the payment of the Participant's monthly premium equivalent to the Consortium, as set forth in this Agreement.

N. ADDITIONAL BENEFITS.

Any Participant choosing to provide more benefits, coverages, or enrollment eligibility other than that provided under the Medical Plan(s), will do so at its sole expense. This Agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility, the additional benefits and the payment for such additional benefits, shall not be part of the Consortium and shall be administered solely by and at the expense of the Participant.

O. REPORTING.

The Board, through its officers, agents, or delegates, shall ensure that the following reports are prepared and submitted:

1. Annually after the close of the Plan Year, not later than one-hundred twenty (120) days after the close of the Plan Year, the Board shall file a report with the Superintendent showing the financial condition and affairs of the Consortium, including an annual independent financial audit statement and independent actuarial opinion, as of the end of the preceding plan year.

2. Annually after the close of the Plan Year, the Board shall have prepared a statement and independent actuarial opinion on the financial soundness of the Consortium, including the contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

3. The Board shall file reports with the Superintendent describing the Consortium's then current financial status within forty-five (45) days of the end of each quarter during the Plan year.

4. The Board shall provide the annual report to all Participants and all unions, which are the exclusive collective bargaining representatives of Enrollees, which shall be made available for review to all Enrollees.

5. The Board shall submit to the Superintendent a report describing any material changes in any information originally provided in the Certificate of Authority. Such reports, in addition to the reports described above, shall be in such form, and containing such additional content, as may be required by the Superintendent.

P. WITHDRAWAL OF PARTICIPANT

1. Withdrawal of a Participant from the Consortium shall be effective only once annually on the last day of the Plan Year.

2. Notice of intention of a Participant to withdraw must be given in writing to the Chairperson prior to September 1st of each Plan Year. Failure to give such notice shall automatically extend the Participant's membership and obligations under the Agreement for another Plan Year, unless the Board shall consent to an earlier withdrawal by a two-thirds (2/3) vote.

3. Any withdrawing Participant shall be responsible for its pro rata share of any Consortium deficit that exists on the date of the withdrawal, subject to the provisions of subsection "4" of this Section. The withdrawing Participant shall be entitled to any pro rata share of surplus that exists on the date of the withdrawal, subject to the provisions of subsection "4" of this Section. The Consortium surplus or deficit shall be based on the sum of actual expenses and the estimated liability of the Consortium as determined by the Board. These expenses and liabilities will be determined one (1) year after the end of the Plan Year in which the Participant last participated.

4. The surplus or deficit shall include recognition and offset of any claims, expenses, assets and/or penalties incurred at the time of withdrawal, but not yet paid. Such pro rata share shall be based on the Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount may then be applied to the surplus or deficit which existed on the date of the Participant's withdrawal from the Consortium. Any pro rata surplus amount due the Participant shall be paid to the Participant one year after the effective date of the withdrawal. Any pro rata deficit amount shall be billed to the Participant by the Consortium one year after the effective date of the withdrawal and shall be due and payable within thirty (30) days after the date of such bill.

Q. DISSOLUTION; RENEWAL; EXPULSION

1. The Board at any time, by a two-thirds (2/3) vote of the entire Board, may determine that the Consortium shall be dissolved and terminated. If such determination is made, the Consortium shall be dissolved ninety (90) days after written notice to the Participants.

a. Upon determination to dissolve the Consortium, the Board shall provide notice of its determination to the Superintendent. The Board shall develop and submit to the Superintendent for approval a plan for winding-up the Consortium's affairs in an orderly manner designed to result in timely payment of all benefits.

b. Upon termination of this Agreement, or the Consortium, each Participant shall be responsible for its pro rata share of any deficit or shall be entitled to any pro rata share of surplus that exists, after the affairs of the Consortium are closed. No part of any funds of the Consortium shall be subject to the claims of general creditors of any Participant until all Consortium benefits and other Consortium obligations have been satisfied. The Consortium's surplus or deficit shall be based on actual expenses. These expenses will be determined one year after the end of the Plan Year in which this Agreement or the Consortium terminates.

c. Any surplus or deficit shall include recognition of any claims/expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on

each Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount would then be applied to the surplus or deficit which exists at the time of termination.

2. The continuation of the Consortium under the terms and conditions of the Agreement, or any amendments or restatements thereto, shall be subject to Board review on the fifth (5th) anniversary of the Effective Date and on the fifth (5th) anniversary date thereafter (each a "Review Date") to the extent deemed required by Article 5-G of the New York General Municipal Law (the "General Municipal Law").

a. At the annual meeting a year prior to the Review Date, the Board shall include as an agenda item a reminder of the Participants' coming obligation to review the terms and conditions of the Agreement.

b. During the calendar year preceding the Review Date, each Participant shall be responsible for independently conducting a review of the terms and conditions of the Agreement and submitting to the Board of Directors a written resolution containing any objection to the existing terms and conditions or any proposed modification or amendment to the existing Agreement, such written resolution shall be submitted to the Board on or before March 1st preceding the Review Date. Failure to submit any such resolution shall be deemed as each Participant's agreement and authorization to the continuation of the Consortium until the next Review Date under the existing terms and conditions of the Agreement.

c. As soon as practicable after March 1st, the Board shall circulate to all Participants copies of all resolutions submitted by the Participants. Subject to Section S hereof, any resolutions relating to the modification, amendment, or objection to the Agreement submitted prior to each Review Date shall be considered and voted on by the Participants at a special meeting called for such purpose. Such special meeting shall be held on or before July 1st preceding the Review Date.

d. Notwithstanding the foregoing or Section T hereof, if at the Annual Meeting following any scheduled Review Date the Board votes on and approves the budget and annual assessment for the next year, the Participants shall be deemed to have approved the continuation of the Consortium under the existing Agreement until the next Review Date.

3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

a. A Participant has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or

b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2/3) of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2/3) of the Participants

(exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.

R. REPRESENTATIONS AND WARRANTIES OF PARTICIPANTS.

Each Participant by its approval of the terms and conditions of this Agreement hereby represents and warrants to each of the other Participants as follows:

1. The Participant understands and acknowledges that its participation in the Consortium under the terms and conditions of this Agreement is strictly voluntary and may be terminated as set forth herein, at the discretion of the Participant.

2. The Participant understands and acknowledges that the duly authorized decisions of the Board constitute the collective will of each of the Participants as to those matters within the scope of the Agreement.

3. The Participant understands and acknowledges that the decisions of the Board made in the best interests of the Consortium may on occasion temporarily disadvantage one or more of the individual Participants.

4. The Participant represents and warrants that its designated Director or authorized representative understands the terms and conditions of this Agreement and is suitably experienced to understand the principles upon which this Consortium operates.

5. The Participant understands and acknowledges that all Directors, or their authorized representatives, are responsible for attending all scheduled meetings. Provided that the quorum rules are satisfied, non-attendance at any scheduled meeting is deemed acquiescence by the absent Participant to any duly authorized Board-approved action at the meeting.

6. The Participant understands and acknowledges that, absent bad faith or fraud, any Participant's vote approving any Board action renders that Board action immune from later challenge by that Participant.

S. RECORDS

The Board shall have the custody of all records and documents, including financial records, associated with the operation of the Consortium. Each Participant may request records and documents relative to their participation in the Consortium by providing a written request to the Chairperson and Chief Fiscal Officer. The Consortium shall respond to each request no later than thirty (30) days after its receipt thereof, and shall include all information which can be provided under applicable law.

T. CHANGES TO AGREEMENT

Any change or amendment to this Agreement shall require the unanimous approval of the Participants, as authorized by a majority vote of their respective legislative bodies, as required by N.Y. Insurance Law § 4705(a).

U. CONFIDENTIALITY

Nothing contained in this Agreement shall be construed to waive any right that a covered person possesses under the Medical Plan(s) with respect to the confidentiality of medical records and that such rights will only be waived upon the written consent of such covered person.

V. ALTERNATIVE DISPUTE RESOLUTION ("ADR").

1. General. The Participants acknowledge and agree that given their budgeting and fiscal constraints, it is imperative that any disputes arising out of the operation of the Consortium be limited and that any disputes which may arise be addressed as quickly as possible. Accordingly, the Participants agree that the procedures set forth in this Section V are intended to be the exclusive means through which disputes shall be resolved. The Participants also acknowledge and agree that by executing this Agreement each Participant is limiting its right to seek redress for certain types of disputes as hereinafter provided.

2. Disputes subject to ADR. Any dispute by any Participant, Board Member, or Committee Person arising out of or relating to a contention that:

a. The Board, the Board's designated agents, a Committee person, or any Participant has failed to adhere to the terms and conditions of this Agreement or any duly-passed resolution of the Board;

b. The Board, the Board's designated agents, a Committee person, or any Participant has acted in bad faith or fraudulently in undertaking any duty or action under the Agreement; or

c. Any other dispute otherwise arising out of or relating to: (i) the terms or conditions of this Agreement; (ii) any duly-passed decision, resolution, or policy by the Board of Directors; or (iii) otherwise requiring the interpretation of this Agreement shall be resolved exclusively through the ADR procedure set forth in paragraph (3) below.

3. ADR Procedure. Any dispute subject to ADR, as described in subparagraph (2), shall be resolved exclusively by the following procedure:

a. Board Consideration: Within ninety (90) days of the occurrence of any dispute, the objecting party (the "Claimant") shall submit a written notice of the dispute to the Chairperson specifying in detail the nature of the dispute, the parties claimed to have been involved, the specific conduct claimed, the basis under the Agreement for the Participant's objection, the specific injury or damages claimed to have been caused by the objectionable conduct to the extent then ascertainable, and the requested action or resolution of the dispute. A dispute shall be deemed to have occurred on the date the objecting party knew or reasonably should have known of the basis for the dispute.

i. Within sixty (60) days of the submission of the written notice, the Executive Committee shall, as necessary, request further information from the Claimant, collect such other information from any other interested party or source, form a recommendation as to whether the Claimant has a valid objection or claim, and if so, recommend a fair resolution of said claim. During such period, each party shall provide the other with any reasonably requested

information within such party's control. The Executive Committee shall present its recommendation to the Board in writing, including any underlying facts, conclusions or support upon which it is based, within such sixty (60) day period.

ii. Within sixty (60) days of the submission of the Executive Committee's recommended resolution of the dispute, the Board shall convene in a special meeting to consider the dispute and the recommended resolution. The Claimant and the Executive Committee shall each be entitled to present any argument or material it deems pertinent to the matter before the Board. The Board shall hold discussion and/or debate as appropriate on the dispute and may question the Claimant and/or the Executive Committee on their respective submissions. Pursuant to its regular procedures, the Board shall vote on whether the Claimant has a valid claim, and if so, what the fair resolution should be. The weighted voting procedure set forth in Section D shall not apply to this provision. The Board's determination shall be deemed final subject to the Claimant's right to arbitrate as set forth below.

b. Arbitration. The Claimant may challenge any Board decision under subparagraph (V)(3)(a)(ii) by filing a demand for arbitration with the American Arbitration Association within thirty (30) days of the Board's vote (a "Demand"). In the event a Claimant shall fail to file a Demand within thirty (30) days, the Board's decision shall automatically be deemed final and conclusive. In the event the Participant files a timely Demand, the arbitrator or arbitration panel may consider the claim:

provided however;

i. in no event may the arbitrator review any action taken by the Board that occurred three (3) or more years prior to when the Chairperson received notice of the claim; and

ii. in no event may the arbitrator award damages for any period that precedes the date the Chairperson received notice of the claim by more than twenty-four (24) months.

c. The Participants agree that the procedure set forth in this Section V shall constitute their exclusive remedy for disputes within the scope of this Section.

W. MISCELLANEOUS PROVISIONS

1. This instrument constitutes the entire Agreement of the Participants with respect to the subject matter hereof, and contains the sole statement of the operating rules of the Consortium. This instrument supersedes any previous Agreement, whether oral or written.

2. Each Participant will perform all other acts and execute and deliver all other documents as may be necessary or appropriate to carry out the intended purposes of this Agreement.

3. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be

deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Any claims made under Section V(3)(b) except to the extent otherwise limited therein, shall be governed by New York substantive law.

5. All notices to any party hereunder shall be in writing, signed by the party giving it, shall be sufficiently given or served if sent by registered or certified mail, return receipt requested, hand delivery, or overnight courier service addressed to the parties at the address designated by each party in writing. Notice shall be deemed given when transmitted.

6. This Agreement may be executed in two or more counterparts each of which shall be deemed to be an original but all of which shall constitute the same Agreement and shall become binding upon the undersigned upon delivery to the Chairperson of an executed copy of this Agreement together with a certified copy of the resolution of the legislative body approving this Agreement and authorizing its execution.

7. The provisions of Section V shall survive termination of this Agreement, withdrawal or expulsion of a Participant, and/or dissolution of the Consortium.

8. Article and section headings in this Agreement are included for reference only and shall not constitute part of this Agreement.

9. No findings or recommendations made by the Joint Committee on Plan Structure and Design or by the Chair of the Joint Committee shall be considered a waiver of any bargaining rights under any contract, law, rule, statute, or regulation.

10. The Chairperson and Executive Director are each designated attorneys-in-fact to receive service of any summons or other legal process in any action, suit or proceeding arising out of any contract, agreement, or transaction involving the Consortium. Service may be effected on either the Chairperson or Executive Director without requiring service to both.”

X. APPROVAL, RATIFICATION, AND EXECUTION

1. As a condition precedent to execution of this Municipal Cooperative Agreement and membership in the Consortium, each eligible municipal corporation desiring to be a Participant shall obtain legislative approval of the terms and conditions of this Agreement by the municipality’s governing body.

2. Prior to execution of this Agreement by a Participant, the Participant shall provide the Chairperson with the resolution approving the municipality’s participation in this Consortium and expressly approving the terms and conditions of this Municipal Cooperative Agreement. Each presented resolution shall be maintained on file with the Consortium.

3. By executing this Agreement, each signatory warrants that he/she has complied with the approval and ratification requirements herein and is otherwise properly authorized to bind the participating municipal corporation to the terms and conditions of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned has caused this Amended Agreement to be executed as of the date adopted by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium and subsequently adopted by all participating municipalities.

Addendum “A”

Example of Weighted Voting Formula under Section D(2)

If 11 Participants have 500 or fewer enrollees each and 2 Participants have more than 500 enrollees each, under subparagraph “a” the 11 each get 1 vote. Under subparagraph “b” the 2 large Participants get 4 votes each, which is calculated by taking the total number of votes under subparagraph “a” [11] subtracting the number of Labor Representative votes [2], dividing by the number of eligible Participants under subsection “b” [2], and rounding the result [4.5] down to the nearest whole number [4]. The Labor Representative shall have 1 vote, irrespective of the votes available to the Participants.

Addendum "B"

Illustration of At-Large Labor Representative Calculation

Total Number of Participants	Total Number of At-Large Labor Representatives
< 17	1
17-22	2
23-27	3
28-32	4
33-37	5
38-42	6
43-47	7
47-52	8
53-57	9
58+	10

4 **Greater Tompkins County Municipal Health Insurance Consortium**

2022 - 2027 Fiscal Year Budget Projections

5.00%		6.50%	7.00%	7.00%	7.00%	6.00%
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	Amended Budget 2022 Fiscal Year	Year to Date As of June 30, 2022	Projected Budget 2023 Fiscal Year	Projected Budget 2024 Fiscal Year	Projected Budget 2025 Fiscal Year	Projected Budget 2026 Fiscal Year	Projected Budget 2027 Fiscal Year
Average Covered Lives	6,427	6,427	6,427	6,427	6,427	6,427	6,427
Beginning Balance	\$29,714,361.31	\$29,714,361.31	\$28,983,173.66	\$28,654,515.42	\$28,838,981.92	\$29,742,191.67	\$31,284,352.68

Projected 12/31/22

Income									
	Medical and Rx Plan Premiums	\$55,937,315.28	\$27,479,853.32	\$58,532,087.57	\$62,629,333.70	\$67,013,387.06	\$71,704,324.15	\$76,006,583.60	
9000	Gain on Investments	\$0.00	Not in Budget	Not in Budget	Not in Budget	Not in Budget	Not in Budget	Not in Budget	
9020	Interest	\$45,660.35	\$18,568.26	\$305,478.36	\$302,179.28	\$304,011.44	\$313,031.04	\$328,440.15	
9010	Rx Rebates	\$3,000,000.00	\$881,090.42	\$3,500,000.00	\$3,500,000.00	\$3,500,000.00	\$3,500,000.00	\$3,500,000.00	
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Income		\$58,982,975.63	\$28,379,512.00	\$62,337,565.93	\$66,431,512.98	\$70,817,398.50	\$75,517,355.20	\$79,835,023.76	
Expenses									
1	8090	Medical Paid Claims	\$40,780,345.45	\$18,535,561.33	\$40,924,678.79	\$42,970,912.73	\$45,119,458.37	\$47,375,431.29	\$49,744,202.85
		Advance Deposit / Pre-Paid Claims	\$65,900.00	\$65,900.00	\$39,415.00	\$41,385.75	\$43,455.04	\$45,627.79	\$47,909.18
	8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$8,059,996.05	\$17,328,991.51	\$18,628,665.87	\$20,025,815.81	\$21,527,752.00	\$23,142,333.40
	8121	Rx Paid Claims - CanaRx	\$161,366.59	\$78,214.10	\$168,160.32	\$180,772.34	\$194,330.26	\$208,905.03	\$224,572.91
8084	Flu Clinic Fees	\$23,042.13	\$0.00	\$23,042.13	\$23,042.13	\$23,042.13	\$23,042.13	\$23,042.13	
2	8050	Medical Admin Fees	\$1,502,656.92	\$781,523.72	\$1,609,938.86	\$1,658,237.03	\$1,707,984.14	\$1,759,223.66	\$1,812,000.37
		Rx Admin Fees	\$226,592.82	\$133,005.48	\$273,991.29	\$285,711.03	\$297,782.36	\$310,215.83	\$323,022.30
3	8091	NYS Covered Lives Assessment	\$319,060.15	\$185,006.08	\$388,512.77	\$410,688.41	\$433,972.83	\$458,421.47	\$484,092.54
	9060	ACA PCORI Fee	\$18,886.41	\$0.00	\$19,830.73	\$20,822.27	\$21,863.38	\$22,956.55	\$24,104.38
4	8110	Specific Stop-Loss Insurance Premium Payments	\$723,382.00	\$148,483.84	\$831,889.30	\$956,672.70	\$1,100,173.60	\$1,265,199.64	\$1,454,979.59
		Aggregate Stop-Loss Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	8000	Accounting Fees	\$19,000.00	\$12,200.00	\$19,570.00	\$20,157.10	\$20,761.81	\$21,384.67	\$22,026.21
	8010	Actuarial Fees	\$10,000.00	\$7,200.00	\$7,416.00	\$7,638.48	\$7,867.63	\$8,103.66	\$8,346.77
	8020 & 8021	Audit Fees (Financial)	\$14,420.00	\$14,500.00	\$164,935.00	\$169,883.05	\$15,757.12	\$16,229.84	\$16,716.73
		Audit Fees (Claims)	\$51,295.00	\$19,875.00	\$52,833.85	\$54,418.87	\$56,051.43	\$57,732.97	\$59,464.96
	8030	Consultant Fees (L&C)	\$91,650.00	\$45,750.00	\$94,399.50	\$97,231.49	\$100,148.43	\$103,152.88	\$106,247.47
		Consultant Fees (Strat Plan - TBD)	\$25,000.00	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
	8070	Legal Fees	\$12,000.00	\$5,115.00	\$12,360.00	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29
	8065	Wellness Program Costs	\$25,000.00	\$125.00	\$12,500.00	\$12,875.00	\$13,261.25	\$13,659.09	\$14,068.86
	6600	Salaries	\$299,090.00	\$137,398.66	\$310,542.75	\$320,124.90	\$329,796.45	\$339,690.34	\$349,881.05
	66002	Fringe Benefits	\$119,635.00	\$36,769.18	\$124,217.10	\$127,943.61	\$131,781.92	\$135,735.38	\$139,807.44
8060	Insurances (D&O / Prof. Liability)	\$53,004.00	\$29,133.00	\$64,092.60	\$70,501.86	\$77,552.05	\$85,307.25	\$93,837.98	
8041	Internal Coordination (Finance)	\$20,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$3,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	
8044	Internal Coordination (IT Support)	\$6,681.00	\$3,340.50	\$6,881.43	\$7,087.87	\$7,300.51	\$7,519.52	\$7,519.52	
9065	Marketing Expenses	\$8,000.00	\$830.37	\$2,500.00	\$8,487.20	\$8,741.82	\$9,004.07	\$9,004.07	
9055	Investment Management Services	\$12,360.00	\$5,983.91	\$24,000.00	\$24,720.00	\$25,461.60	\$26,225.45	\$27,012.21	
8150	Supplies Expense (incl Postage)	\$4,080.00	\$2,765.67	\$4,202.40	\$4,328.47	\$4,458.33	\$4,592.08	\$4,729.84	
8151	Computer Equipment (incl Software)	\$11,545.00	\$6,163.57	\$5,000.00	\$5,150.00	\$5,304.50	\$5,463.64	\$5,627.54	

8	8152	Lease Expense / Parking Fees	\$13,370.00	\$4,904.95	\$60,000.00	\$61,800.00	\$63,654.00	\$65,563.62	\$67,530.53
	8153	Mileage- Travel Expenses	\$1,000.00	\$276.57	\$2,500.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
	8156	Furniture and Fixtures	\$2,000.00	\$0.00	\$25,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
	8157	Training / Professional Development	\$2,000.00	\$348.00	\$5,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
	8158	Subscriptions	\$1,000.00	\$219.97	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
	9005	Loss on Investments	\$0.00	Not in Budget	Not in Budget	Not in Budget	Not in Budget	Not in Budget	Not in Budget
	9060	Other Expenses	\$7,595.00	\$747.25	\$7,822.85	\$8,057.54	\$8,299.26	\$8,548.24	\$8,804.69
	Total Expenses			\$61,143,723.29	\$28,334,337.20	\$62,666,224.18	\$66,247,046.48	\$69,914,188.75	\$73,975,194.19

Net Income	(\$2,160,747.66)	\$45,174.80	(\$328,658.24)	\$184,466.50	\$903,209.75	\$1,542,161.01	\$1,543,226.94
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Ending Balance	\$27,553,613.65	\$29,759,536.11	\$28,654,515.42	\$28,838,981.92	\$29,742,191.67	\$31,284,352.68	\$32,827,579.62
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Liabilities and Reserves

Statutory Reserves	IBNR Reserve	\$6,144,909.49	\$6,866,608.00	\$7,018,114.53	\$7,421,373.46	\$7,848,732.19	\$8,301,690.99	\$8,781,847.26
	Surplus Account	\$2,637,289.44	\$2,669,495.09	\$2,926,604.38	\$3,131,466.69	\$3,350,669.35	\$3,585,216.21	\$3,800,329.18
Discretionary Reserves	Claims / Rate Stabilization Reserve	\$3,840,568.43	\$4,004,100.63	\$4,386,321.58	\$4,638,358.41	\$4,905,457.62	\$5,188,556.87	\$5,488,654.54
	Catastrophic Claims Reserve (Ending)	\$4,986,101.85	\$4,642,294.20	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86
Total Liabilities and Reserves		\$17,608,869.21	\$18,182,497.92	\$18,929,185.35	\$19,789,343.42	\$20,703,004.03	\$21,673,608.92	\$22,668,975.83

Unencumbered Fund Balance	\$9,944,744.44	\$9,725,330.07	\$9,049,638.50	\$9,039,187.64	\$9,610,743.75	\$10,158,603.79
	17.78%	16.62%	14.45%	13.49%	13.40%	13.37%

Assumptions 2023 to 2027 Fiscal Years

- Premium Revenue Increased by 6.5% in 2023, 7.0% in 2024 - 2026 and 6.0% in 2027
- Interest Income = Estimated at 1.0% of the Total Cash Asset Balance Per Annum
- Prescription Drug Rebates Estimated at \$3,500,000 Per Year Based on Advice from ProAct, Inc. PBM RFP Submittal
- Paid Claims Trend for Fiscal Years 2023 through 2027 are 5.0% for Medical Claims and 7.5% for Prescription Drug Claims
- Administrative Fees Per Agreement with Excellus BCBS then Increased by 3.0% for the Fiscal Years of 2023 through 2027
- New York State Graduate Medical Expense Increased by 5% Per Annum
- Specific Stop-Loss Insurance trended by 15% each year.
- Aggregate Stop-Loss Insurance Removed Based on NYS DFS Approval.
- All Professional Services Fees Increased by 3% Per Fiscal Year
- All Insurance and Internal Coordination Fees Increased by 3% Per Annum
- IBNR Reserve Set at 12% of Expected Incurred Claims Pursuant to §4706(a)(1)
- Surplus Account Set at 5% of Earned Premium Pursuant to §4706(a)(5)(A)
- Claims/Rate Stabilization Reserve Set at 7.5% of Expected Medical and Rx Paid Claims for the 2022-2027 Fiscal Years.
- Catastrophic Claims Reserve Set at \$4.5 Million for 2020 Per GTCMHIC Board of Directors Resolution then Increased by Each Year Thereafter by the Variance Between the Budgeted Premium and the Actual Premium.



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**RESOLUTION NO. – 2022 – ADOPTION OF AMENDED APPLICATION PROCESS
(AMENDS RESOLUTION NOS. 6 OF 2019, 2 OF 2015, 7 OF
2018, 26 OF 2014, AND 5 OF 2012 – APPLICATION
MATERIALS MUNICIPALITIES MUST PRESENT FOR
APPLICATION TO JOIN THE CONSORTIUM**

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") Board of Directors initially adopted Resolution No. 005 of 2012 to provide guidance to eligible employers to apply for membership in the Consortium, and

WHEREAS, during the Consortium's growth there have been numerous amendments to the original resolution and application process, and

WHEREAS, it is the recommendation of Consortium staff to replace specific components of the prior resolutions, such as deadlines and information requested of applicants to requirements that are better aligned with current practices and the Consortium's Municipal Cooperative Agreement, 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, amends the Policy for Municipal Corporations seeking membership in the Consortium and Resolution Nos. 6 of 2019, 7 of 2018, 2 of 2015, 26 of 2014, and 5 of 2012 - Application Materials Municipalities Must Present for Application to Join the Consortium,

RESOLVED, further, that the application process, shall be reviewed annually if necessary by the appropriate committee of the Board of Directors.

Policy for Municipal Corporations seeking Membership in the Consortium

Annually a deadline will be posted as part of the application process when each of these documents need to be submitted by prospective new members.

1. Submit application for membership with the Municipal Corporation's required financial and operational documents, as follows:
 - a. for Municipal Corporations with taxing authority (county, city, town, or village), two years of State Comptroller AUD reports; or
 - b. for Municipal Corporations without taxing authority:
 - i. five years of audited financial statements;
 - ii. internal governance documents and/or rules such as bylaws, resolutions, and/or statutes creating the Municipal Corporation; and
 - iii. financial documents confirming funding sources, funding mechanisms, account balances, assets, investments, contractual obligations, and any debts, contingent liabilities, and/or lawsuits.

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RESOLUTION NO. – 2022 – ADOPTION OF AMENDED APPLICATION PROCESS
(AMENDS RESOLUTION NOS. 6 OF 2019, 2 OF 2015, 7 OF
2018, 26 OF 2014, AND 5 OF 2012 – APPLICATION
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2. Submit the Municipal Corporation's most recent monthly premium billing statements from all health insurance carriers providing benefits to all active employees and retirees.

Said premium billing statements should include the name of the Municipal Corporation and the month for the which the billing is related. In addition, said premium bills must include the number of contracts (employee, employee + spouse, employee + child (children), and family) and the monthly premium rate for each plan of benefit.

3. For Municipal Corporations who are currently experience-rated or who operate a self-insured employer-sponsored health insurance plan, they must submit a minimum of three (3) years of monthly paid claims (medical and pharmacy separately) data and monthly covered lives counts.
4. Upon notification that the GTCMHIC Board of Directors has approved the Municipal Corporation's application to become a Participant in the GTCMHIC the prospective member must submit both a signed Municipal Cooperative Agreement (MCA) of the GTCMHIC and a resolution authorizing the Municipal Corporation's Chief Officer to sign the Municipal Cooperative Agreement (MCA) of the GTCMHIC.
5. When appropriate submit a Broker Termination Letter to current insurance carrier.
6. Confirm by November 15th the names of all employees, retirees, and dependents to be covered in the Consortium's health insurance plans.
7. Notify the GTCMHIC of the name and contact information for the person within your organization for benefit administration; and who will attend a new member orientation.
8. Comply with the Consortium's Online Enrollment Policy.
9. Municipal Corporations **without taxing authority**, provide the Consortium with a secure financial instrument equal to the value of 25% of the estimated annual premium as determined by the Consortium as protection against expulsion or cancellation due to a default in premium payment. Said financial instrument may include the following:
 - a. A Secured Bank Account;
 - b. Letter of Credit; or
 - c. Surety Bond

Please note, municipal corporations with taxing authority (county, city, town, or villages) will be exempt from this provision.

10. Submit payment by December 31st to the Consortium for first month premiums, pay as invoiced in November of application year.
11. As soon as practicable upon acceptance, provide written notification to the Consortium of the municipality's appointment of Director and Alternate to the Consortium.
12. As soon as practicable upon acceptance, provide written notification to the Consortium of the municipality's appointment of a representative to the Joint Committee on Plan

**RESOLUTION NO. 45 – 2022 – ADOPTION OF AMENDED APPLICATION PROCESS
(AMENDS RESOLUTION NOS. 6 OF 2019, 2 OF 2015, 7 OF
2018, 26 OF 2014, AND 5 OF 2012 – APPLICATION
MATERIALS MUNICIPALITIES MUST PRESENT FOR
APPLICATION TO JOIN THE CONSORTIUM**

Structure and Design.

13. Take the necessary steps to comply with the GTCMHIC's dependent verification process.
14. All Municipal Corporations applying for Membership in the GTCMHIC are hereby advised that missing any of these steps by the due date indicated will result in the Municipal Corporation not being accepted into the Consortium for the upcoming year.

* * * * *



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RESOLUTION NO. – 2022 – CREATE JOB CLASSIFICATION SYSTEM AND WAGE SCALE FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, The Consortium created the Executive Director position through the Town of Ithaca as the Employer of Record in December 2018; and

for WHEREAS, The Consortium currently has four full time positions and there are needs additional positions being identified through Long-Range Planning process; and

WHEREAS, The Executive Director and Human Resources Manager have created a formal system for classifying positions and establishing a wage scale, which are best practices for ensuring non-discriminatory employment actions; and

WHEREAS, The Operations Committee has reviewed the proposed Job Classification Structure and the 2022 Wage Scale which will be annually modified by a Cost-of-Living adjustment through the budget process; now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee on behalf of the Board of Directors, hereby approves the GTCMHIC Job Classification Structure and Wage Scale; and be it further and,

RESOLVED, the Wage Scale will be annually revised by a Cost-of-Living adjustment established during the budget process.

* * * * *

GTCMHIC JOB CLASSIFICATION SYSTEM WAGE SCALE

JOB CLASSIFICATION LISTING			DRAFT FOR DISCUSSION				DRAFT FOR DISCUSSION								
			2022 SALARY SCALE				2023 SALARY SCALE								
CLASS	CIVIL SERVICE TITLE		103.00%				103.00%				steps % raise / \$ raise	differential between steps	Next step increase per hour	Next step increase percentage	
			HIRING Rate	Step 1 - 1st Anniv	Step 2 - 2nd Anniv	Step 3 3rd Anniv JOB RATE	HIRING Rate	Step 1 - 1st Anniv	Step 2 - 2nd Anniv	Step 3 3rd Anniv JOB RATE					
			% inc by step =	3.3%	3.2%	3.1%	% inc by step =	3.3%	3.2%	3.1%					
	POSITIONS														
E	Executive Director ***	HOURLY 40 HR Annual	\$ 42.20 \$ 87,769.14	\$ 43.59 \$ 90,662.62	\$ 44.98 \$ 93,556.11	\$ 46.37 \$ 96,449.60	\$ 43.77 \$ 91,043.68	\$ 45.21 \$ 94,045.12	\$ 46.66 \$ 97,046.56	\$ 48.10 \$ 100,048.00	47.761 \$ 3,598.40	3.73%	27%		
D	Benefits Manager Finance Manager	HOURLY 40 HR Annual	\$ 33.55 \$ 69,787.54	\$ 34.66 \$ 72,088.22	\$ 35.76 \$ 74,388.91	\$ 36.87 \$ 76,689.60	\$ 34.56 \$ 71,888.54	\$ 35.70 \$ 74,258.50	\$ 36.84 \$ 76,628.45	\$ 37.98 \$ 78,998.40	37.976 \$ 2,308.80	3.01%	5%	\$ 2.18	6%
C	Clerk of the Board	HOURLY 40 HR Annual	\$ 32.00 \$ 66,550.85	\$ 33.05 \$ 68,744.83	\$ 34.11 \$ 70,938.82	\$ 35.16 \$ 73,132.80	\$ 32.96 \$ 68,557.22	\$ 34.05 \$ 70,817.34	\$ 35.13 \$ 73,077.47	\$ 36.22 \$ 75,337.60	36.215 \$ 2,204.80	3.01%	15%	\$ 2.05	6%
B	Benefits Specialist	HOURLY 40 HR Annual 37.5 HR Annual	\$ 27.92 \$ 58,071.10 \$ 54,441.66	\$ 28.84 \$ 59,985.54 \$ 56,236.44	\$ 29.76 \$ 61,899.97 \$ 58,031.22	\$ 30.68 \$ 63,814.40 \$ 59,826.00	\$ 28.76 \$ 59,812.48 \$ 56,074.20	\$ 29.70 \$ 61,784.32 \$ 57,922.80	\$ 30.65 \$ 63,756.16 \$ 59,771.40	\$ 31.60 \$ 65,728.00 \$ 61,620.00	31.600 \$ 1,913.60	3.00%	8%	\$ 1.81	6%
A	Admin/Computer Assistant	HOURLY 40 HR Annual	\$ 25.94 \$ 53,944.80	\$ 26.79 \$ 55,723.20	\$ 27.65 \$ 57,501.60	\$ 28.50 \$ 59,280.00	\$ 26.71 \$ 55,553.68	\$ 27.59 \$ 57,385.12	\$ 28.47 \$ 59,216.56	\$ 29.35 \$ 61,048.00	29.355 \$ 1,768.00	2.98%		\$ 1.65	6%

*** Salaried position

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Job Evaluation - Office Positions

Job Evaluation - Office Positions Scale

Job Title		Title	Score	Class	POINTS
6/7/2022	TOTAL	Administrative/Computer Asst	700	A	401-800
Executive Director	1795				
Clerk of the Board	1290	Benefits Specialist	1115	B	801-1199
Admin/Comp Assitant	700				
Finance Manager	1615				
Benefits Manager- est.	1665	Clerk of the Board	1290	C	1200-1499
Benefits Specialist	1115				
		Finance Manager	1615	D	1500-1699
		Benefits Manager	1665		
		Executive Directore	1795	E	1700+
Evaluation considered by Operations comm for creation					



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RESOLUTION NO. – 2022 – AMENDMENT TO RESOLUTION NO. 014-2021 – CREATION OF 2022 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS – APPOINTMENT OF KATE DEVOE TO AUDIT AND FINANCE COMMITTEE

WHEREAS, a vacancy on the Audit and Finance Committee exists because of the resignation of member Tim Arnold, and

WHEREAS, it is deemed to be in the best interest of Committee to continue to have a member who will represent the interests of labor on the Committee, now therefore be it

RESOLVED, on recommendation of the Nomination and Engagement Commit, That the Executive Committee, on behalf of the Board of Directors, appoints Kate DeVoe to the Audit and Finance Committee effective immediately with a term expiring December 31, 2023.



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RESOLUTION NO. -2022 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

WHEREAS, the Board of Directors at its Annual Meeting established a Committee structure and appointed members to the Consortium's standing committees, and

RESOLVED, upon recommendation of the Consortium's Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby appoints the following committee structure and membership to 2023 committees effective January 1, 2023:

Executive Committee

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS (subject to change): Bimonthly beginning in January on 1st Wednesday

- | | |
|--|---|
| 1. Board Chair, Chair (Hart) | 7. Operations Chair (Holmes) |
| 2. Board Vice Chair, Vice Chair (Holmes) | 8. Nominations and Engagement Chair (Fairbrother) |
| 3. Chief Fiscal Officer (Thayer) | 9. Claims and Appeals Chair (Shattuck) |
| 4. Secretary (Salton) | 10. At-large (Snow) |
| 5. JCPSD Chair (Bower) | 11. At-large (Mutchler) |
| 6. AFC Chair/At-large (Ray Bunce) | 12. Past Chair (Drake) |

STANDING COMMITTEES:

Audit and Finance Committee

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members; two-year staggered terms

MEETINGS (subject to change): Monthly; 4th Tuesday

Terms expire 12/31/23

1. Steve Thayer, Chair (CFO, no set term)
2. Kate DeVoe, Labor
3. Rordan Hart, Vice Chair
4. Amanda Anderson
5. Lorie Corsette

Terms expire 12/31/24

6. City of Cortland
7. Eric Snow
8. Bud Shattuck
9. Peter Salton

RESOLUTION NO. - 2022 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

Operations Committee

CHARGE: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

MEMBERSHIP: Seats may be filled by non-Directors; 8 members with two-year staggered terms
MEETINGS (subject to change): Bi-monthly beginning in January; 4th Monday

Terms Expiring 12/31/24

Lisa Holmes, Chair

Laura Granger

Schelley Michell-Nunn

Janine Bond (addt'l seat)

Judy Drake, Vice Chair

Rita McCarthy

Terms Expiring 12/31/23

Ed Fairbrother

Labor

Sunday Earle

Terms Expiring 12/31/23

LuAnn King

Mark Emerson

Nominations and Engagement Committee

CHARGE: The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
 - a. the work of committees;
 - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
 - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms

MEETINGS: Approximately 4x/year.

Terms expire 12/31/23

1. Ed Fairbrother, Chair

2. VACANT

3. Jim Bower, Labor

Terms expire 12/31/24

4. Gary Mutchler, Vice Chair

5. Terrance Baxter

Claims and Appeals Committee

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

RESOLUTION NO. 014 - 2021 – CREATION OF 2022 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

Claims and Appeals Committee (Continued)

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms

MEETINGS: As needed (2-4x/year)

Terms expire 12/31/23

- 1. Bud Shattuck, Chair
- 2. Donna Dawson
- 3. Tom Brown

Terms expire 12/31/24

- 4. Don Fischer, Vice Chair
- 5. Tanya DiGennaro

* * * * *

Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): Bi-monthly (beginning in February)
Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee’s Bylaws.

* * * * *



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

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

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

RESOLUTION NO. – 2022 – APPROVAL OF AMENDMENT TO THE INVESTMENT MANAGEMENT POLICY

WHEREAS, the Consortium’s Investment Management Policy currently restricts the Consortium from investing in additional investment vehicles that are authorized under General Municipal Law (GML), and

WHEREAS, upon discussion by the Investment Management Subcommittee, there is interest in allowing the Consortium’s Investment Manager to have the ability to invest and capitalize on other investments that are permitted under GML and structure a portfolio based on the Consortium’s cash flow needs, utilizing instruments that would produce the best return, now therefore be it

RESOLVED, on recommendation of the Investment Management, Audit and Finance, and Executive Committees, That the Board of Directors hereby approves the Consortium’s amended Investment Management Policy.

* * * * *

EXHIBIT "A"

INVESTMENT POLICY

FOR

GREATER TOMPKINS COUNTY MUNICIPAL INSURANCE CONSORTIUM

Article I Purpose and Objectives

A. The purpose of this Investment Policy (the "**Policy**") is to set forth the parameters within which the funds of the Greater Tompkins County Municipal Health Insurance Consortium (the "**Consortium**") are to be managed. In methods, procedures, and practices, the Policy formalizes the framework for the Consortium's investment activities that must be exercised to ensure effective and judicious management of its funds.

B. This Policy applies to all moneys and other financial resources of the Consortium with regard to depositing and investing its assets, and the Policy shall represent the investment constraints of all invested assets.

C. The primary objectives for implementation of the Policy, in priority order, are: (1) to conform with all applicable federal, state and other legal requirements; (2) to adequately safeguard principal; (3) to provide sufficient liquidity to meet all operating requirements of the Consortium; and (4) to obtain a reasonable rate of return.

Article II Delegation of Authority

A. Pursuant to Section J(5) of the Municipal Cooperation Agreement of the Consortium,¹ the Board of Directors of the Consortium (the "**Board**") may delegate certain responsibilities set forth herein to the Chief Fiscal Officer of the Consortium (the "**CFO**").

B. As set forth in Article II, Section (A) above, the Board hereby delegates to the CFO, the authority to administer the Consortium's investment program (the "**Investment Program**"), and to establish written procedures for the operation of the Investment Program consistent with this Policy, and all applicable federal and state laws². However, any such written procedures shall become effective only upon approval by the Board.

Article III Standards of Care

A. Prudence.

1. Each person responsible for managing and investing the Consortium's financial assets shall act in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. When making investment and management decisions, the primary objectives for implementation of the Policy set forth in Article I, Section (C) above shall be considered.

¹ See Section J(5) of the 2014 Amendment to the Municipal Cooperation Agreement.

² See Section 10 and 11 of the New York State (the "**State**") General Municipal Law, and Section 4706(b) of the State Insurance Law.

2. In making decisions regarding management and investment of the Consortium's financial assets, the following non-exclusive factors shall be considered, if relevant:

- i. general economic conditions;
- ii. the possible effect of inflation or deflation;
- iii. the role that each investment or course of action plays within the overall investment portfolio of the Consortium;
- iv. the expected total return from income and the appreciation of its investments;
- v. other resources of the Consortium;
- vi. the needs of the Consortium and the specific funds to make distributions and to preserve capital; and
- vii. an asset's special relationship or special value, if any, to the purposes of the Consortium.

B. Ethics and Conflicts of Interest. Officers, members, and employees of the Consortium involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the Investment Program, or that could impair their ability to make impartial investment decisions. Officers, members, and employees involved in the investment process shall disclose to the Consortium's Executive Director and the Board any material financial interests they have in financial institutions that conduct business with the Consortium and shall further disclose any personal financial/investment positions that could be related to the performance of the Consortium's investment portfolio. Officers, members, and employees involved in the Investment Program shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Consortium; and shall be bound by the Consortium's Code of Ethics Policy.

Article IV **Suitable and Authorized Investments**

A. The following investments are permitted by the Policy:

1. U.S. Treasury & Government Guaranteed. Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided that the Full Faith and Credit of the United States of America must be pledged to any such direct obligation or guarantee ("**Direct Obligations**").

2. US Government Agencies

3. Municipals. Obligations issued or guaranteed by any of the following:

- i. Obligations of New York State; or
- ii. With the approval of the State Comptroller, obligations issued pursuant to Section 24.00 or 25.00 of the State Local Finance Law (i.e. Tax Anticipation Notes and Revenue Anticipation Notes), by any municipality, school district or district corporation in the State, other than the Consortium.

4. Time Deposits. Special time deposit accounts, or non-negotiable certificates of deposit ("CD") in a State "banking institution"³ or federally chartered banks, savings and loans or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with State Law.

5. Obligations of other (non-NY) US states, or their political subdivisions, having the power to levy taxes that are backed by the full faith and credit of such state or political subdivision and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

6. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization

7. Obligations of domestic corporations rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization

8. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies.

9. Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by one nationally recognized statistical rating organization and having maturities of no longer than sixty days from the date they are pledged.

Article V **Investment Parameters**

A. Diversification. Investments of funds of the Consortium shall be diversified to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or specific sector. The diversification strategy shall be reviewed as frequently as circumstances require, but at least annually.

The following diversification parameters have been established:

Sector Type	Sector Max (%)	Issuer Max (%)	Ratings Requirement ¹	Max Maturity
US Treasury and Government Guaranteed	100%	N/A	N/A	10 Years ²
Municipals	30%	5%	Top Three Ratings Categories	10 Years
Time Deposits and Certificates of Deposit	50%	FDIC Limit	N/A, so long as FDIC-guaranteed	5 Years
Non New York State Municipals	10%	N/A	Top Three Ratings Categories	10 Years
Puerto Rico	10%	N/A	Top Three Ratings Categories	10 Years
Domestic Corporations	10%	N/A	Top Four Ratings Categories	10 Years
Mortgage Related Securities	10%	N/A		10 Years
Commercial Paper	10%	N/A	Highest short-term category	60 days

¹ By a Nationally Recognized Statistical Ratings Organization ("NRSRO")

² Government guaranteed mortgage-backed securities shall have a maximum weighted average life of 10 years

B. Subsequent Credit Downgrades. In the event of a downgrade of a security below the minimum credit standards for a new investment of that security, the CFO shall evaluate the downgrade on a case-by-case basis, and promptly notify the Board and recommend a course of action. If the CFO and/or the Board has retained a professional investment advisor, the investment advisor shall promptly notify the CFO of any downgrade below the minimum credit standards and recommend a course of action.

Article VI **Investment Institutions**

A. All financial institutions and dealers with which the Consortium transacts business shall be creditworthy, and have an appropriate level of experience, capitalization, size and other factors that make the financial institution or the dealer capable and qualified to transact business with the Consortium.

B. The CFO shall evaluate the financial position of all financial institutions and dealers with which the Consortium transacts business, and maintain a listing of proposed depositaries, trading partners, and custodians. Recent Reports of Condition and Income (i.e. call reports) shall be obtained for proposed banks, and security dealers that are not affiliated with a bank, shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as "primary dealers."

Article VII

³ As such term is defined in Section 9-r of the State Banking Law.

Qualifications of Broker-Dealers

A. The Consortium shall maintain a list of approved security broker-dealers selected by a process of due diligence, which process shall require all broker-dealer candidates to supply the following:

1. Audited financial statements demonstrating compliance with State and federal capital adequacy guidelines;
2. Proof of certification from the Financial Industry Regulatory Authority;
3. Proof of State Registration required by the State General Municipal Law;
4. Evidence of adequate insurance coverage; and
5. Certification and acknowledgement of having read, understood and agreeing to comply with this Policy.

B. Approved security broker-dealers may include primary dealers or regional dealers registered with the Securities Exchange Commission ("**SEC**") that comply with SEC net capital standards under Section 15c3-1 of the Securities Exchange act of 1934 (the "**Exchange Act**").

C. The Consortium is authorized to employ an external investment advisor that shall maintain its own list of approved and qualified security broker-dealers, subject to the same process of due diligence set forth in Article VII, Section (A) above.

Article VIII **Competitive Transactions**

A. To ensure that transactions meet best execution requirements, the Consortium has established the following procedures:

1. The CFO or the investment advisor, to the extent applicable, shall seek to obtain at least three (3) competitive bids or offers on any necessary contract related to the purchase and sale of investments; and
2. The CFO or the investment advisor, to the extent applicable, shall document any competitive bids, offers, or quotations received in reliance on this Article.

B. If the Consortium hires an external investment advisor as permitted by Article VII, Section C of this Policy, the advisor must retain documentation demonstrating compliance with this Article, to the extent it is applicable, and provide such documentation to the Consortium upon request.

Article IX Securing Deposits and Investments

A. All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, the "**Deposits**") made by officers of the Consortium that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with applicable law, shall be secured by the following vehicles listed below: Although allowed by State General Municipal Law, the CFO, after consultation with the Investment Advisor, may limit the selection of eligible securities from the list for collateralizing deposits.

1. A pledge of "**eligible securities**"⁴ with an aggregate market value that is at least equal to the aggregate amount of the Deposits;
2. A pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the aggregate amount of the Deposits;
3. An "**eligible surety bond**"⁵ payable to the government for an amount at least equal to one hundred percent (100%) of the aggregate amount of the Deposits and the agreed-upon interest, if any, executed by an insurance company authorized to do business in the State, whose claims-paying ability is rated in the highest rating category by at least two (2) nationally recognized statistical rating organizations;
4. An "**eligible letter of credit**,"⁶ payable to the Consortium as security for the payment of one hundred forty percent (140%) of the aggregate amount of the Deposits and the agreed-upon interest, if any. An "eligible letter of credit" shall be an irrevocable letter of credit issued in favor of the Consortium for a term not to exceed ninety (90) days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one (1) of the three (3) highest rating categories by at least one (1) nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements; and/or
5. An irrevocable letter of credit issued in favor of the Consortium by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one (1) nationally recognized statistical rating organization, as security for the payment of one hundred percent (100%) of the aggregate amount of the Deposits, and the agreed-upon interest, if any.

Article _____ X Safekeeping and Custody

A. Third-Party Safekeeping. All investment securities purchased for or held as collateral on deposits or investments shall be held by an independent third-party safekeeping institution, such as a bank, trust company, or third-party custodial agent who may not otherwise be a counter-party to an investment transaction, selected by the Consortium (the "**Independent Safekeeping Institution**"), and subject to security and custodial agreements as follows:

1. Consistent with Section 10(3)(a) of the State General Municipal Law, the security agreement shall provide that eligible securities are being pledged to secure the Deposits together with agreed-upon interest, if any, and any costs or expenses arising out of the collection of the Deposits

upon a default. It shall also provide the conditions under which the securities held may be sold, presented for payment, substituted or released and the events of default which will enable the local government⁷ to exercise its rights against the pledged securities. Such agreement shall include all provisions deemed necessary and sufficient to secure in a satisfactory manner the local government's interest in the collateral.

2. The custodial agreement shall provide that the pledged securities will be held by the Independent Safekeeping Institution as agent of, and custodian for, a local government, and will be kept separate and apart from the general assets of the Independent Safekeeping Institution, and it shall also provide for the manner in which the Independent Safekeeping Institution shall confirm the receipt, substitution or release of the collateral. Such agreement shall further provide for the frequency of revaluation of collateral by the Independent Safekeeping Institution, and the substitution of collateral when a change in the rating of a security causes ineligibility pursuant to the State General Municipal Law.⁸

3. The security and custodial agreements shall also include all other provisions necessary to provide the Consortium with a perfected security interest in the eligible securities and to otherwise secure the local government's interest in the collateral, and may contain other provisions that the Board deems necessary.

⁴ As defined in Section 10(1)(f) of the State General Municipal Law

⁵ See State General Municipal Law Section 11(1)(g).

⁶ See State General Municipal Law Section 11(1)(h).

⁷ As such term is defined in Section 10(1)(a) of the State General Municipal Law.

B. Internal Controls. The CFO shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be designed to prevent the loss of funds arising from fraud, employee error, and misrepresentation by third-parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Consortium. The system of internal controls shall further provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where such funds are kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the Investment Program.

Article XI **Performance Standards/Evaluation**

A. Assets will be managed in accordance with the parameters specified within this Policy. Performance should be compared to a relevant benchmark or benchmark(s), at regular intervals, but at least on a quarterly basis.

B. Prior to any reporting period, a performance benchmark or benchmarks will be established by the Board. The benchmark(s) shall be reflective of the actual securities being managed and risks undertaken; and the benchmark(s) shall have a similar weighted average maturity and credit profile as the portfolio.

Article XII **Reporting/Disclosure**

A. The CFO shall prepare or have prepared an investment report each quarter, including a summary that provides an analysis of current investments (the "**Investment Report**"). The Investment Report shall be prepared in a manner that will allow the Board to ascertain whether investment activities during the reporting period have conformed to the Policy.

B. The Investment Report shall include, at a minimum, the following:

1. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate;
2. Average maturity and duration of investments;
3. Maturity distribution; and
4. Average portfolio credit quality.

⁸ See Section 10(3)(a) of the State General Municipal Law.

Article XIII
Review of Policy

The Board shall review the Policy at least annually, within one hundred twenty (120) days of the end of the fiscal year, to reflect developments affecting the Consortium's finances and activities, and to ensure its consistency with the primary objectives set forth in Article I, Section (C) herein.

Article XIV
Policy Adoption



2022 Fiscal Year Budget Performance Report As of June 30, 2022

Locey & Cahill, LLC
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Syracuse, NY 13202
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Section 1

2022 Fiscal Year-to-Date Income Budget vs Actual Results

2022 Income Budget vs Actual (06/30/2022)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2022 Budget Performance Analysis

Results as of: 6/30/2022

of Months: 6

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Income							
	Medical and Rx Plan Premiums *	\$57,752,443.75	\$55,937,315.28	\$27,968,657.64	\$27,479,853.32	-\$488,804.32	-1.75%
9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$86,198.14	\$86,198.14	
9020	Interest	\$45,660.35	\$45,660.35	\$22,830.18	\$18,568.26	-\$4,261.92	-18.67%
9010	Rx Rebates	\$3,000,000.00	\$3,000,000.00	\$1,000,000.00	\$881,090.42	-\$118,909.58	-11.89%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Income		\$60,798,104.10	\$58,982,975.63	\$28,991,487.82	\$28,465,710.14	-\$525,777.68	-1.81%

Key Facts:

1. Total Income was 1.81% below the amended budget, with premium income being 1.75% below the amended budget for the first half of the fiscal year. The amended budget reflects the changes in plan designs and demographics of the participants as detailed below:
 - a. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
 - b. Changes in covered lives and contract counts.
 - c. Enhanced Rx Rebates will be in effect following the June 2022 payment.

2022⁵⁸ Income Budget vs Actual (06/30/2022)

Key Facts (continued):

- c. The number of contracts insured by the Consortium increased by 2.90% and the number of covered lives grew by only 1.89%. The disparity in this number is primarily due to the County's move to the Consortium's Medicare Supplement Plan for their Medicare-aged retirees and their spouses.

Monthly Average Covered Lives by Fiscal Year

<i>Year</i>	<i>Member</i>	<i>Spouse</i>	<i>Dependent</i>	<i>Total lives</i>
2011	1,995	1,056	1,348	4,400
2012	2,004	1,058	1,386	4,448
2013	2,281	1,228	1,567	5,077
2014	2,269	1,188	1,556	5,012
2015	2,301	1,173	1,546	5,021
2016	2,322	1,186	1,555	5,063
2017	2,397	1,208	1,567	5,172
2018	2,439	1,216	1,546	5,201
2019	2,867	1,436	1,867	6,170
2020	2,942	1,454	1,876	6,271
2021	3,035	1,406	1,862	6,303
2022	3,122	1,414	1,886	6,422

* Member = Employee, Retiree, or COBRA Contract Holder

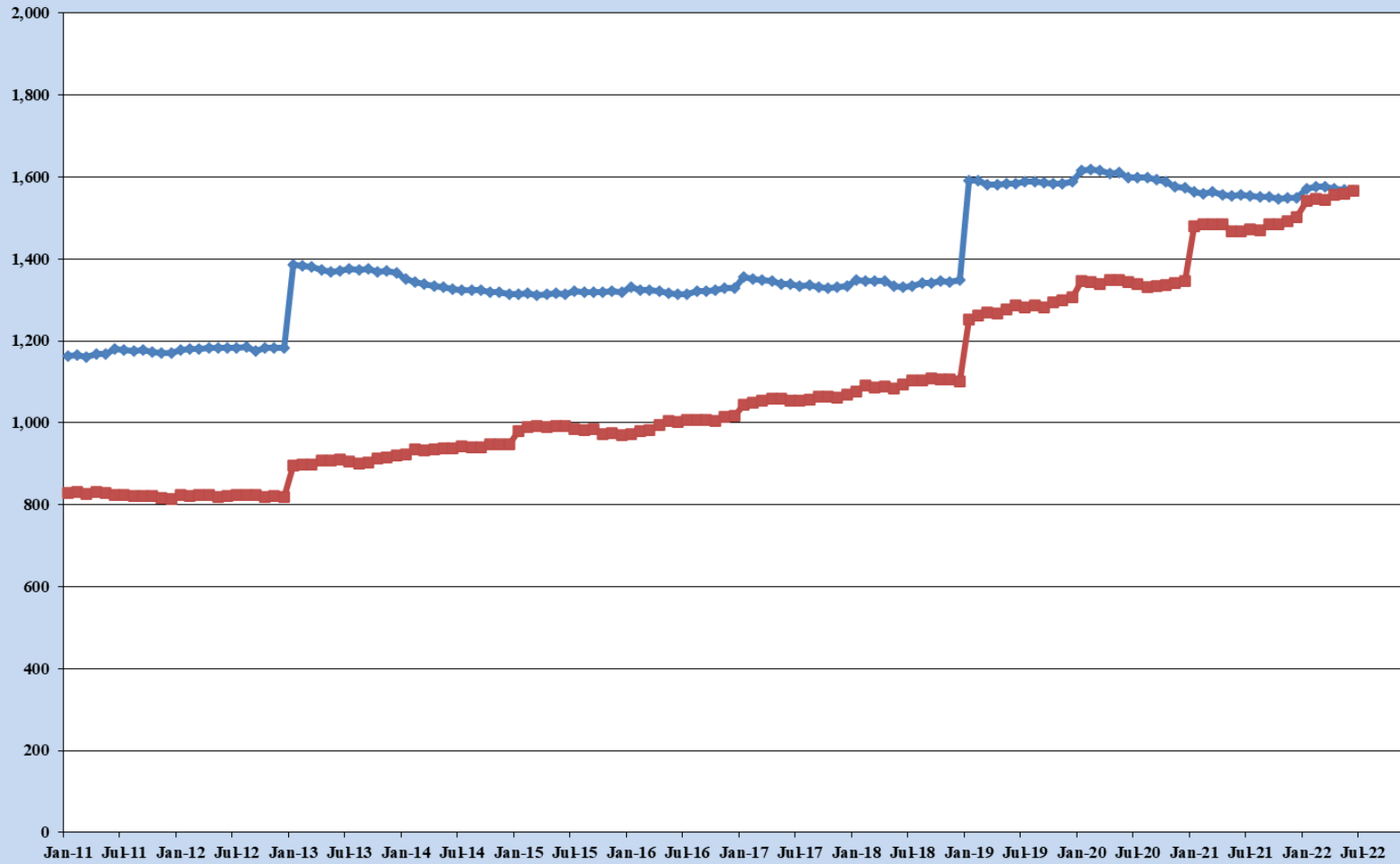
Monthly Average Contract Count by Fiscal Year

<i>Year</i>	<i>Family Contracts</i>	<i>Individual Contracts</i>	<i>Total Contracts</i>	<i>Avg. # of Lives Per Contract</i>	<i>Avg. # of Lives Per Family</i>
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	2,301	2.182	3.065
2016	1,322	999	2,322	2.181	3.073
2017	1,340	1,058	2,397	2.157	3.071
2018	1,343	1,096	2,439	2.133	3.057
2019	1,586	1,281	2,867	2.152	3.082
2020	1,600	1,342	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,572	1,552	3,124	2.056	3.098

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Contract Count by Plan Type

January 1, 2011 to June 30, 2022

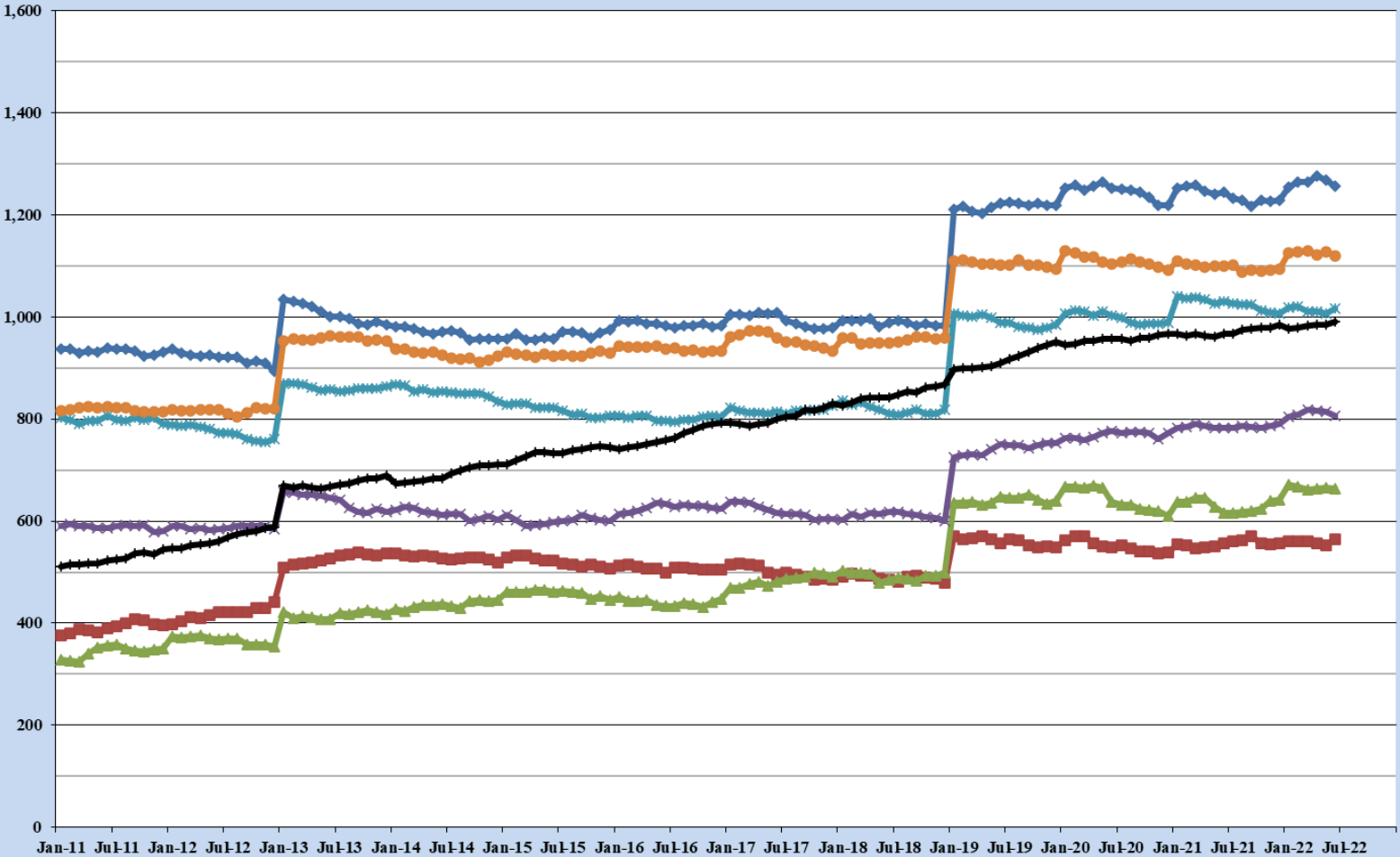


Family Contracts Individual Contracts

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band

January 1, 2011 to June 30, 2022



2022 Income Budget vs Actual (06/30/2022)

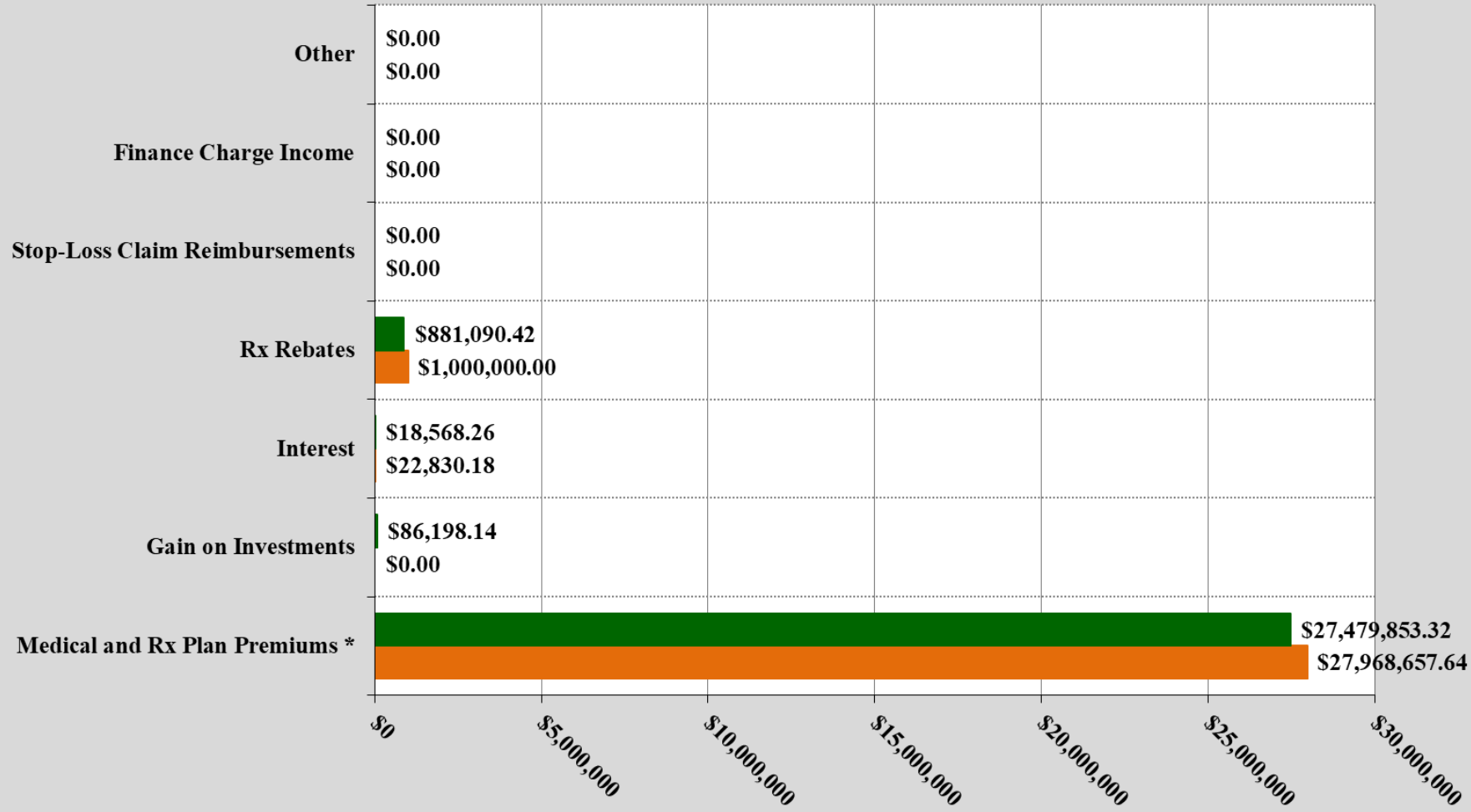
Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Gains on investments are booked as revenues, while losses on investments are recorded as expenditures. The COVID-19 pandemic, greatly reduced the Consortium’s interest earnings potential.
3. There has been two pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2022 Fiscal Year as of this report. The Consortium should experience enhanced RX Rebates based on the new agreement kicks in for the calendar year 2022. The January – March 2022 payment will be made in July and the April – June 2022 payment will be made in October. As part of the PBM RFP, ProAct, Inc. estimated the new quarterly payments to be approximately \$1m based on prior usage.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was no Finance Charge or Other Income as of June 30st. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to June 30, 2022

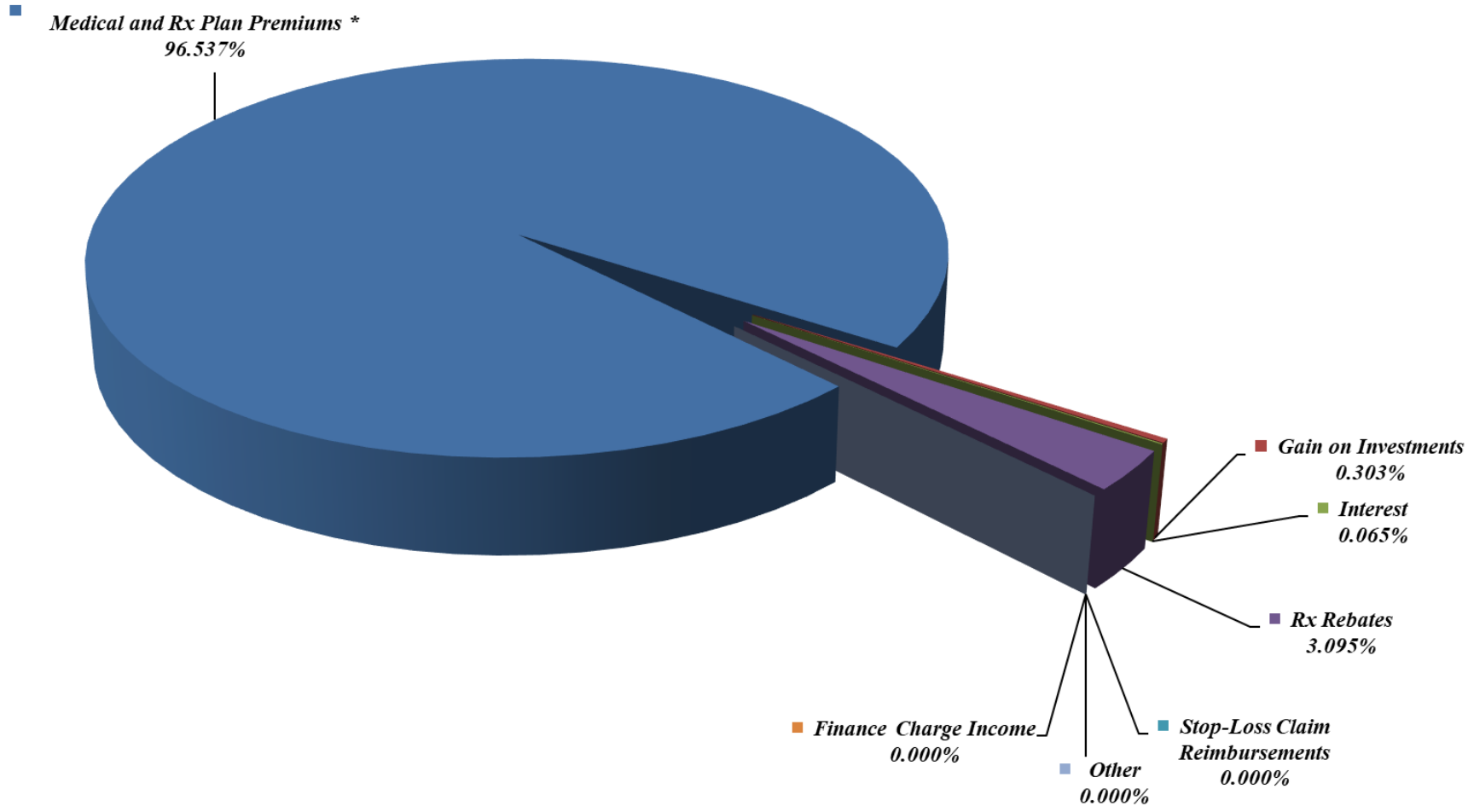


■ 2022 Actual Income ■ 2022 Budgeted Amounts

Greater Tompkins County Municipal Health Ins. Consortium

2022 Income Distribution

January 1, 2022 to June 30, 2022





Section 2

2022 Fiscal Year-to-Date Expense Budget vs Actual Results

2022 Expense Budget vs Actual Results (06/30/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,780,345.45	\$40,780,345.45	\$20,324,272.73	\$18,535,561.33	-\$1,788,711.40	-8.80%
	Advance Deposit / Pre-Paid Claims	\$37,344.64	\$65,900.00	\$65,900.00	\$65,900.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$16,506,765.82	\$8,253,382.91	\$8,059,996.05	-\$193,386.86	-2.34%
8121	Rx Paid Claims - CanaRx	\$161,366.59	\$161,366.59	\$80,683.30	\$78,214.10	-\$2,469.20	-3.06%
8084	Flu Clinic Fees	\$20,037.48	\$23,042.13	\$11,521.07	\$0.00	-\$11,521.07	-100.00%
8050	Medical Admin Fees	\$1,521,623.78	\$1,502,656.92	\$751,328.46	\$781,523.72	\$30,195.26	4.02%
	Rx Admin Fees	\$206,958.25	\$226,592.82	\$113,296.41	\$133,005.48	\$19,709.07	17.40%
8091	NYS Covered Lives Assessment	\$391,982.86	\$319,060.15	\$159,530.08	\$185,006.08	\$25,476.01	15.97%
9060	ACA PCORI Fee	\$18,886.41	\$18,886.41	\$18,886.41	\$0.00	-\$18,886.41	-100.00%
8110	Specific Stop-Loss Insurance (Actual)	\$313,950.00	\$723,382.00	\$361,691.00	\$148,483.84	-\$213,207.16	-58.95%
8000	Accounting Fees	\$19,000.00	\$19,000.00	\$9,500.00	\$12,200.00	\$2,700.00	28.42%
8010	Actuarial Fees	\$10,000.00	\$10,000.00	\$5,000.00	\$7,200.00	\$2,200.00	44.00%
8020	Audit Fees (Financial)	\$14,420.00	\$14,420.00	\$13,390.00	\$14,500.00	\$1,110.00	8.29%
8021	Audit Fees (Claims)	\$51,295.00	\$51,295.00	\$25,647.50	\$19,875.00	-\$5,772.50	-22.51%
8055	Consultant Fees (Barber & Strat Plan)	\$45,000.00	\$25,000.00	\$12,500.00	\$0.00	-\$12,500.00	
8030	Consultant Fees (L&C)	\$91,650.00	\$91,650.00	\$45,825.00	\$45,750.00	-\$75.00	-0.16%
8070	Legal Fees	\$12,000.00	\$12,000.00	\$6,000.00	\$5,115.00	-\$885.00	-14.75%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$12,500.00	\$125.00	-\$12,375.00	-99.00%
66001	Executive Director (Salary)	\$96,450.00	\$96,450.00	\$48,225.00	\$48,222.46	-\$2.54	-0.01%
66002	Fringe Benefits	\$119,635.00	\$119,635.00	\$59,817.50	\$36,769.18	-\$23,048.32	-38.53%

2022 Expense Budget vs Actual Results (06/30/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Expenses							
66003	Clerk of the Board (Salary)	\$74,300.00	\$74,300.00	\$37,150.00	\$25,007.16	-\$12,142.84	-32.69%
66004	Admin/Comp Asst (Salary)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
66005	Benefits Specialist (Salary)	\$56,240.00	\$56,240.00	\$28,120.00	\$28,119.00	-\$1.00	0.00%
66006	Finance Manager (Salary)	\$72,100.00	\$72,100.00	\$36,050.00	\$36,050.04	\$0.04	0.00%
8060	Insurances (D&O / Prof. Liability)	\$55,650.00	\$53,004.00	\$26,502.00	\$29,133.00	\$2,631.00	9.93%
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$10,000.00	\$10,000.00	\$0.00	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,485.00	\$6,681.00	\$3,340.50	\$3,340.50	\$0.00	0.00%
9065	Marketing Expenses	\$2,575.00	\$8,000.00	\$4,000.00	\$830.37	-\$3,169.63	-79.24%
9055	Investment Management Services	\$12,360.00	\$12,360.00	\$6,180.00	\$5,983.91	-\$196.09	-3.17%
8150	Supplies Expense	\$4,080.00	\$4,080.00	\$2,040.00	\$2,128.72	\$88.72	4.35%
8151	Computer Equipment	\$11,545.00	\$11,545.00	\$5,772.50	\$5,455.81	-\$316.69	-5.49%
8152	Lease Expense / Parking Fees	\$13,370.00	\$13,370.00	\$6,685.00	\$4,904.95	-\$1,780.05	-26.63%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$500.00	\$276.57	-\$223.43	-44.69%
8154	Software	\$0.00	\$0.00	\$0.00	\$707.76	\$707.76	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$636.95	\$636.95	0.00%
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$0.00	\$0.00	\$0.00	0.00%
8157	Training & Prof. Dev.	\$0.00	\$2,000.00	\$0.00	\$348.00	\$348.00	0.00%
8158	Subscriptions	\$0.00	\$1,000.00	\$0.00	\$219.97	\$219.97	0.00%
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$571,394.15	\$571,394.15	
9060	Other Expenses / Supplies	\$12,595.00	\$7,595.00	\$3,797.50	\$747.25	-\$3,050.25	-80.32%
Total Expenses		\$60,792,011.28	\$61,143,723.29	\$30,552,034.85	\$28,905,731.35	-\$1,646,303.50	-5.39%
Net Income		\$6,092.82	-\$2,160,747.66	-\$1,560,547.04	-\$440,021.21	\$1,120,525.83	

2022 Expense Budget vs Actual Results (06/30/2022)

	Budget	Revised Budget	Year-to-Date	Actual		
Paid Claims	\$57,505,859.98	\$57,537,419.99	\$28,735,760.00	\$26,739,671.48	-\$1,996,088.52	-6.95%
Claims Admin. Fees	\$1,728,582.03	\$1,729,249.74	\$864,624.87	\$914,529.20	\$49,904.33	5.77%
Stop-Loss	\$313,950.00	\$723,382.00	\$361,691.00	\$148,483.84	-\$213,207.16	-58.95%
Taxes and Fees	\$410,869.27	\$337,946.56	\$178,416.49	\$185,006.08	\$6,589.60	3.69%
Professional Services	\$268,365.00	\$248,365.00	\$130,362.50	\$104,765.00	-\$25,597.50	-19.64%
Insurance/Internal Fees/Investment Losses	\$564,385.00	\$567,360.00	\$281,180.00	\$813,275.75	\$532,095.75	189.24%
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$30,552,034.85	\$28,905,731.35	-\$1,646,303.50	-5.39%
Net Income	\$6,092.82	-\$2,160,747.66	-\$1,560,547.04	-\$440,021.21	\$1,120,525.83	

The above provides an “easier to read” summary version of the expense data for the Consortium through June 30, 2022. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 92.51% of the total expenses through June 2022. Overall paid claims are 6.95% (including the advanced deposit for prepayment of claims) below budget to date, based on the amended budget. It should be noted that based on the recommendation of the Consortiums Auditor, investment gains & losses are now recorded in accounts 9005 (Insurance and Internal Fees Above) and amounted to \$571,394.15 in losses, offset by \$86,198.14 in gains as of June 30, 2022. (YTD net loss = \$485,196.01)

2022⁶⁸ Expense Budget vs Actual Results (06/30/2022)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. In addition, we updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. Mid way through the fiscal year, the Consortium is tracking very close to budget projections, especially when considering the impact of the gains and losses on investments. many of the expense items are below budget. As more annual expense items, that have not been billed to the Consortium, we anticipate those items to be more in line with the budget as the Consortium works its way through the fiscal year.
3. It is important to remember that when new members are added to the Consortium, their paid claims typically mature approximately by the 3rd month following the transition to the Consortium. The "run-out" claims (claims incurred on or before December 31st each year) are the responsibility of their prior insurance carrier.

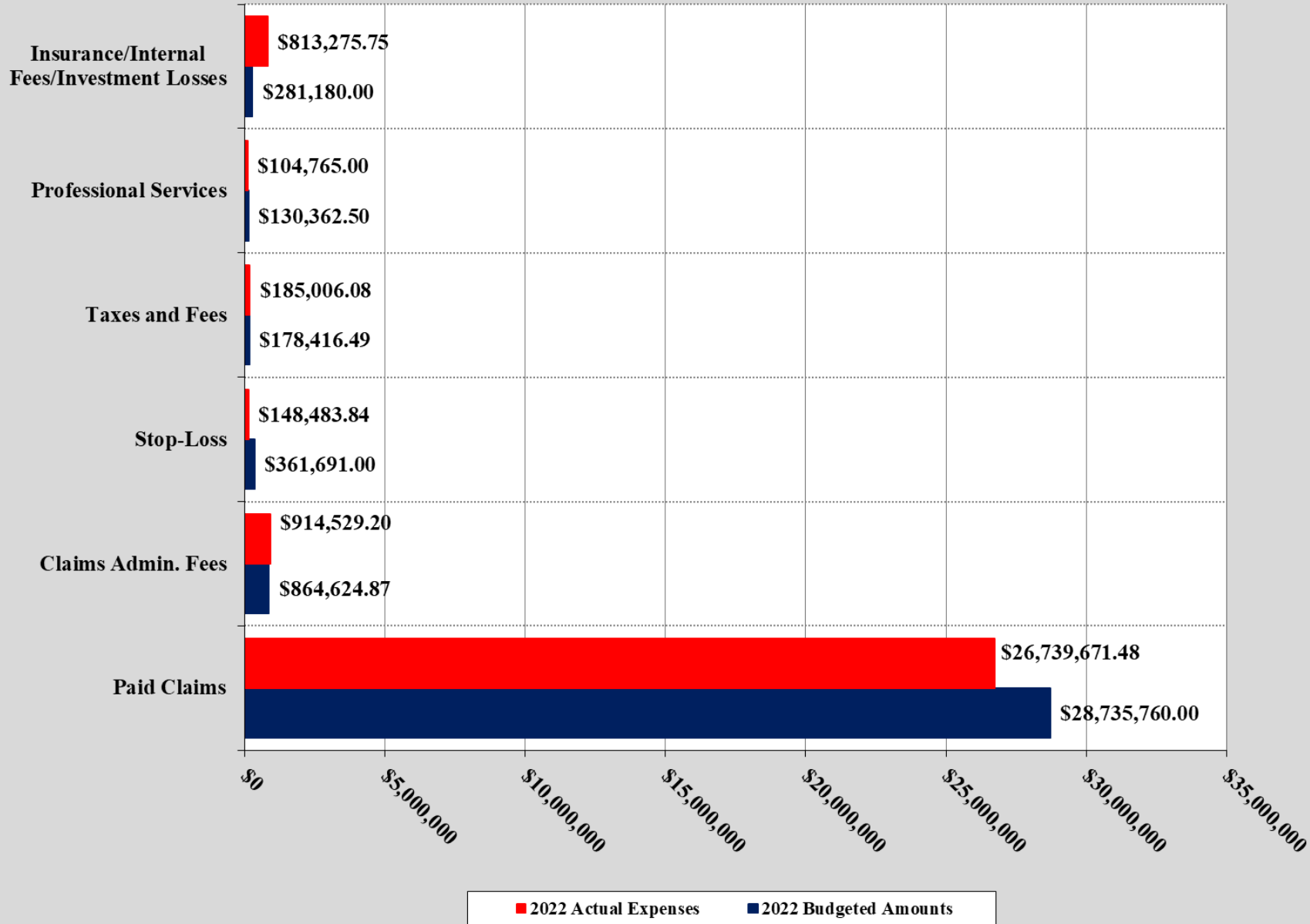
2022 Expense Budget vs Actual Results (06/30/2022)

Key Facts:

4. Medical Paid Claims in the first 6-months were **8.77% below the amended budget** for the Fiscal Year to Date. This is the result of:
 - a) An increase in the covered lives ($\uparrow 1.89\%$) and in the number of contracts ($\uparrow 2.90\%$) skews the early 2022 medical paid claims due to the “run-in lag”.
 - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan and the Medicare Supplement Plan by several employer groups.
 - c) A substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
5. Rx Paid Claims were **2.34% below budget** for the first 6-months of the 2022 Fiscal Year. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2022 Fiscal Year. It should be noted that based on our analysis, the recent pandemic did not substantively change the cost of pharmaceutical claims and therefore we do not believe any prior deviation from the trend was related to COVID-19.

Greater Tompkins County Municipal Health Ins. Consortium

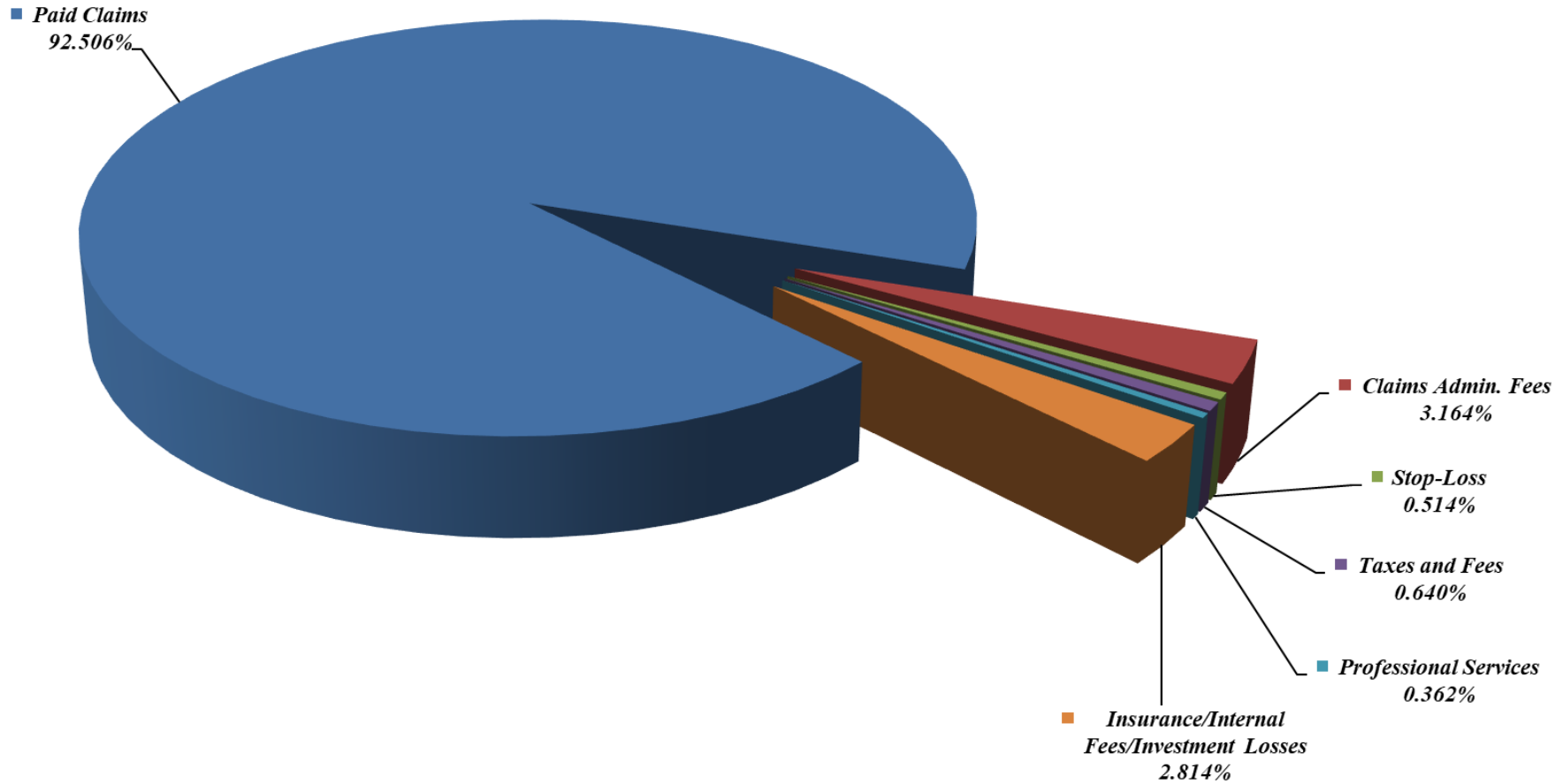
2022 Expense Distribution
January 1, 2022 to June 30, 2022



Greater Tompkins County Municipal Health Ins. Consortium

2022 Expense Distribution

January 1, 2022 to June 30, 2022



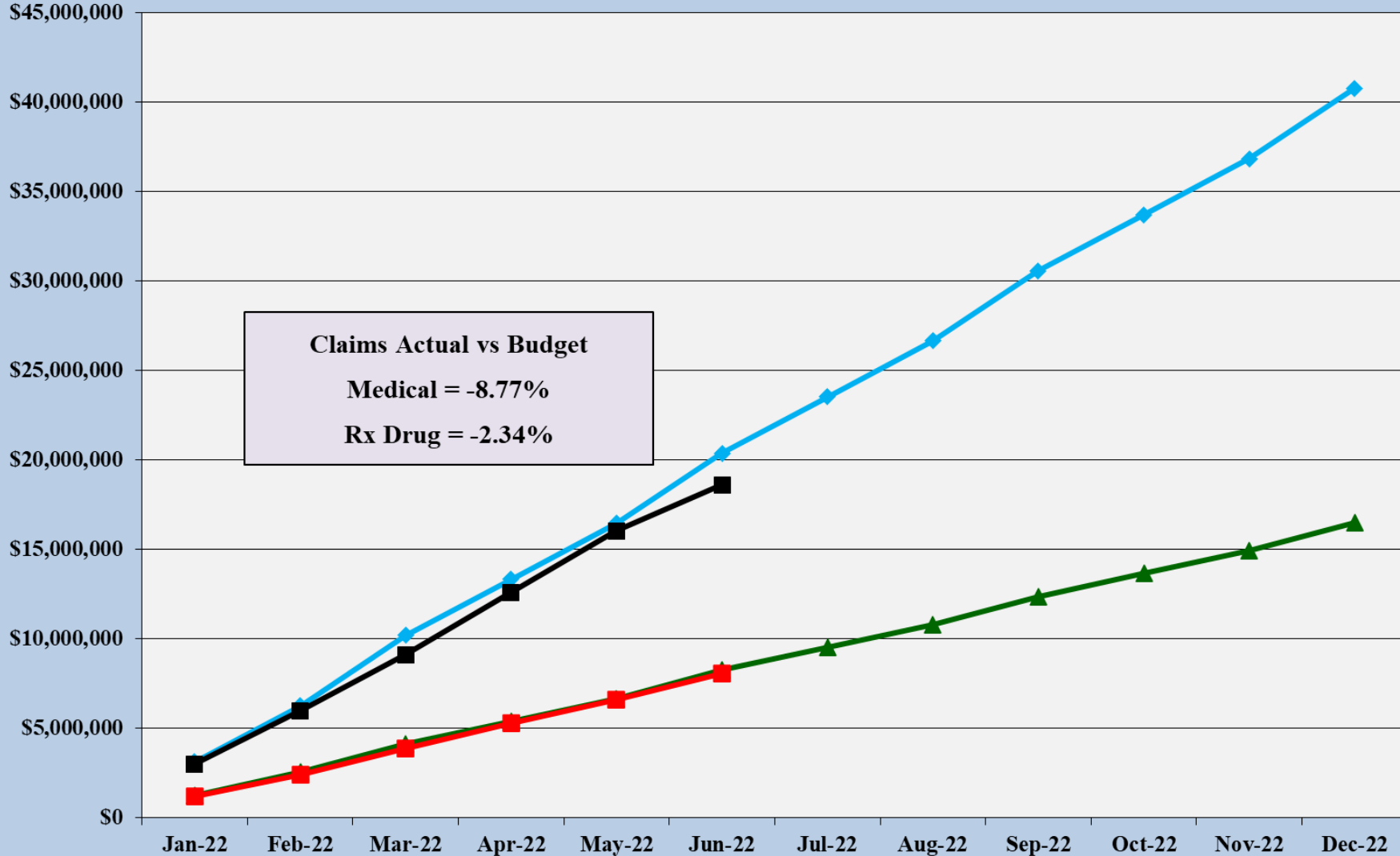


Section 3

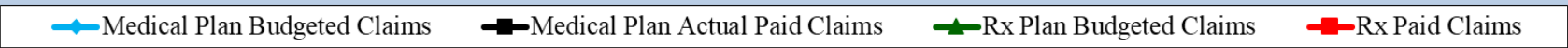
2022 Fiscal Year-to-Date Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month

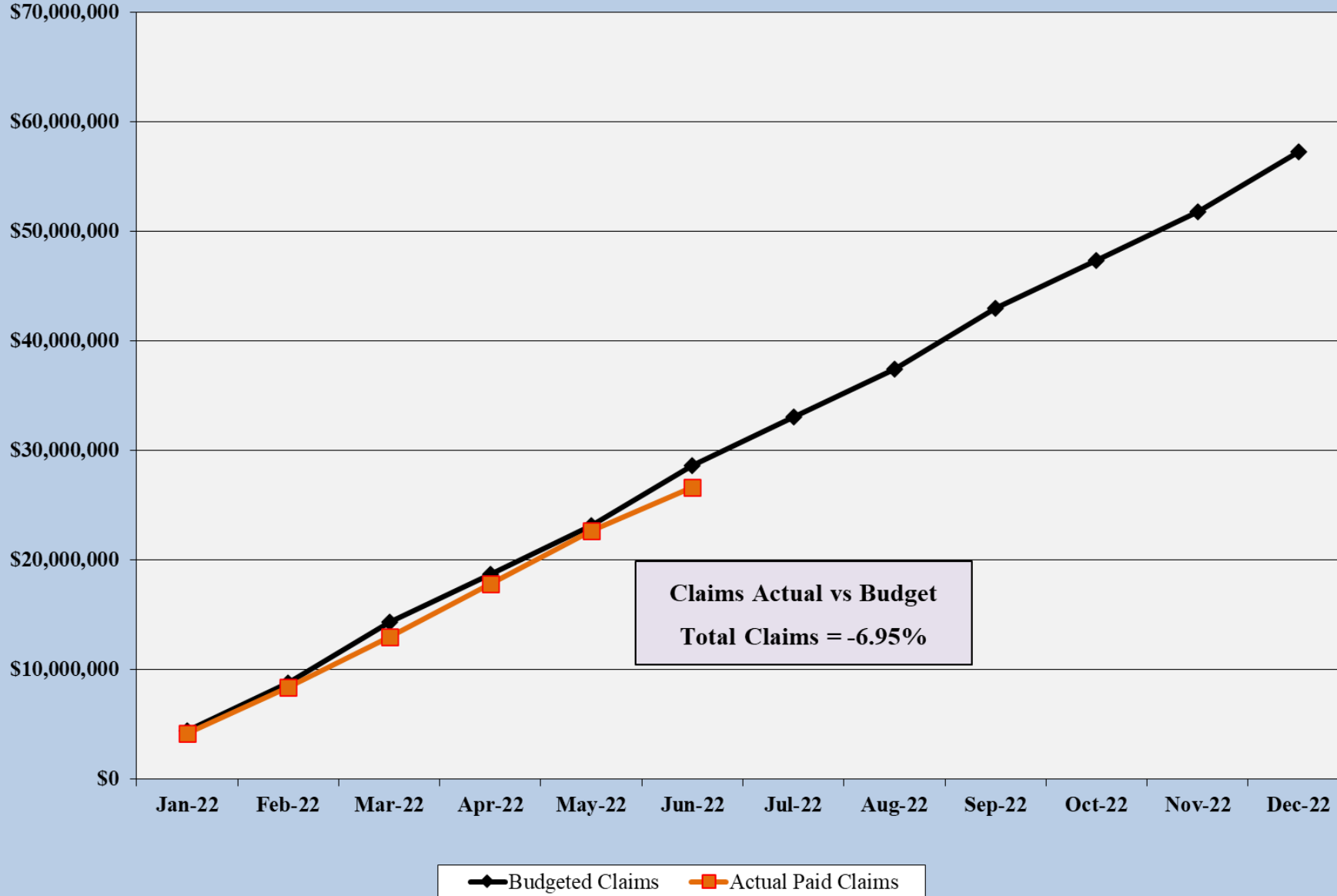


Claims Actual vs Budget
Medical = -8.77%
Rx Drug = -2.34%



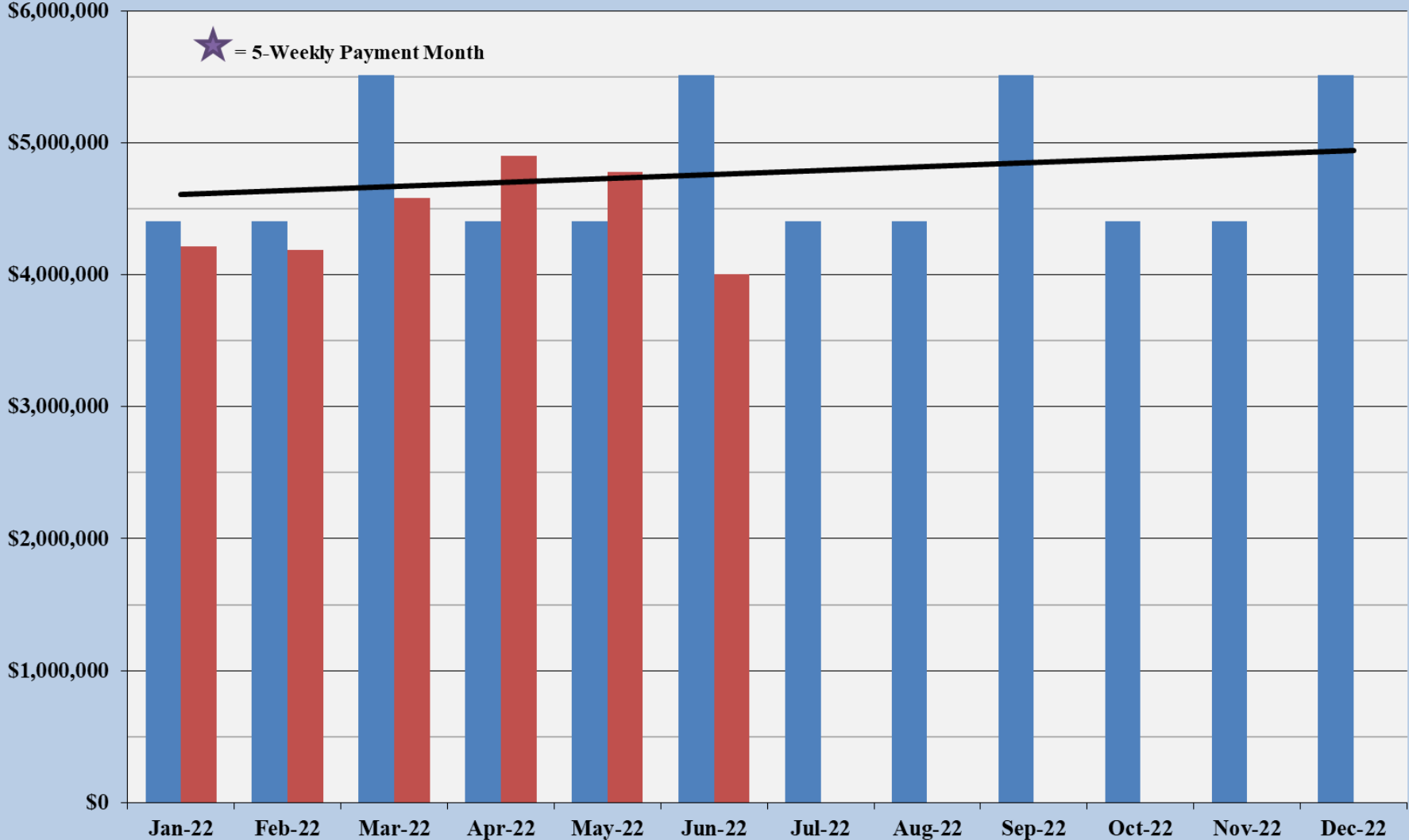
Greater Tompkins County Municipal Health Insurance Consortium

2022 Cumulative Paid Claims and Budgeted Claims by Month



Greater Tompkins County Municipal Health Insurance Consortium

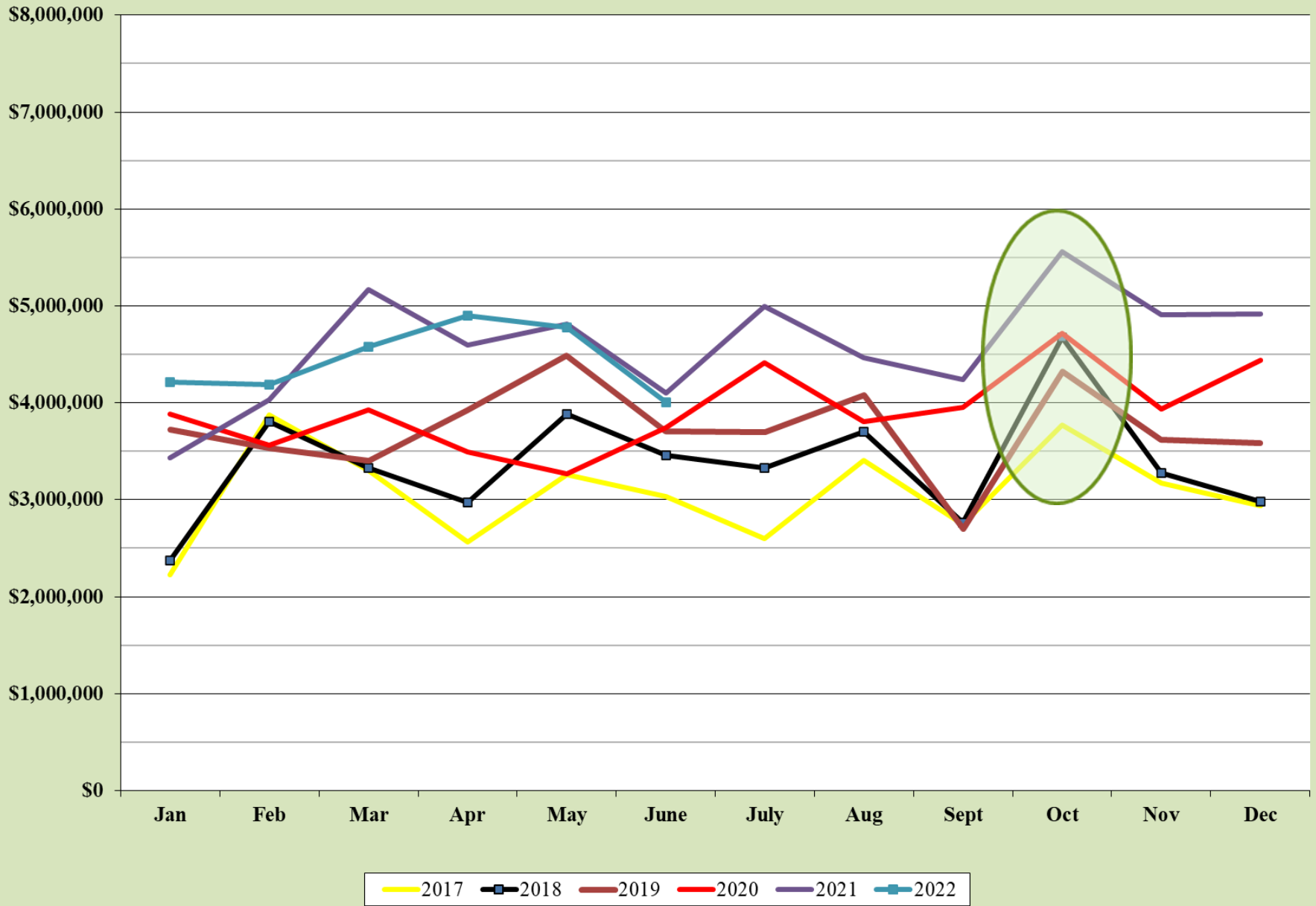
2022 Budgeted vs Actual Paid Claims by Month



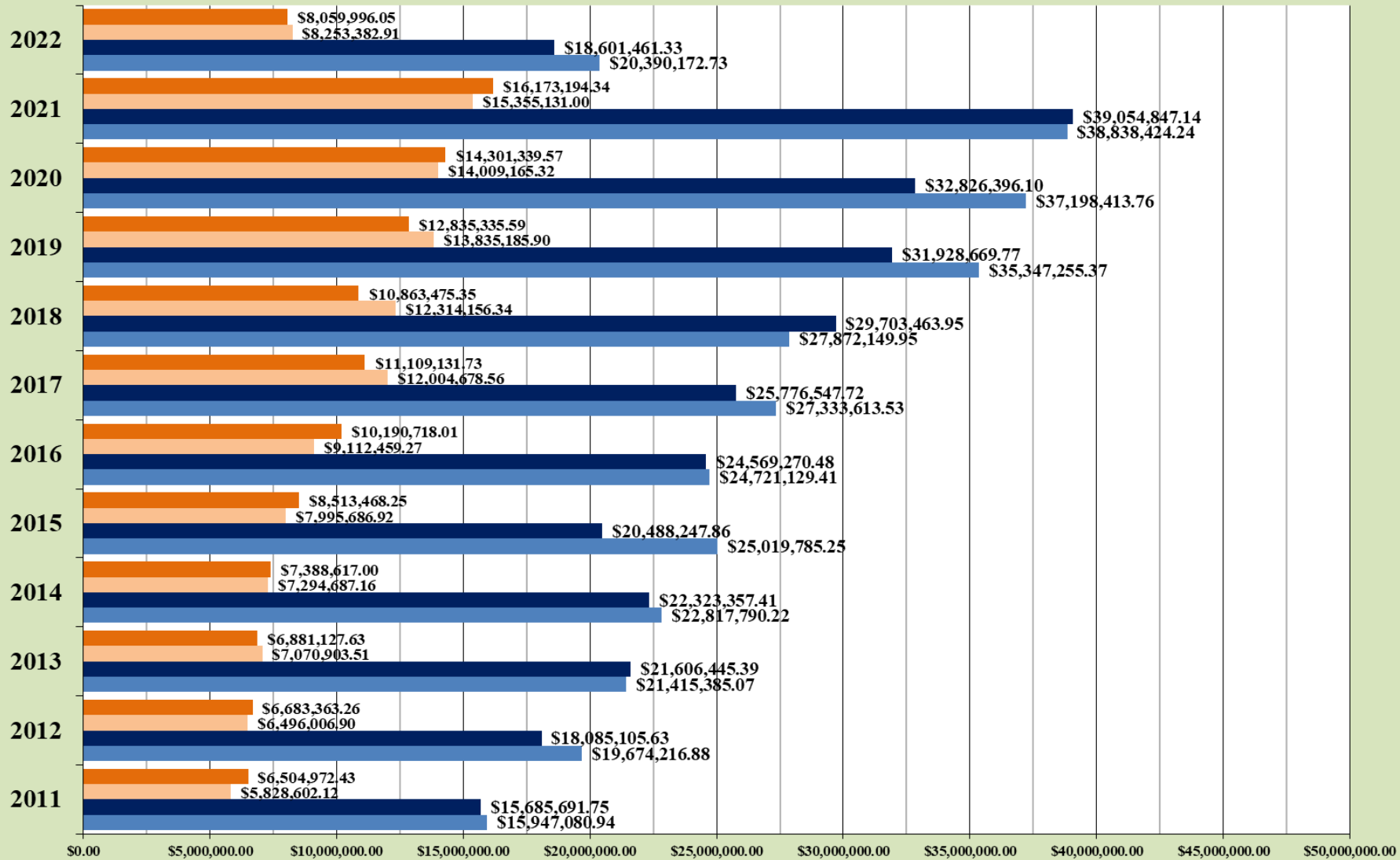
Legend: Budgeted Claims (blue bar), Actual Paid Claims (red bar), Linear (Budgeted Claims) (black line)

Greater Tompkins County Municipal Health Ins Consortium

2017-2022 Monthly Paid Claims by Fiscal Year



77 Greater Tompkins County Municipal Health Ins Consortium
 2011-2022 (as of 06/30/2022) Annual Paid Claims v Budgeted Claims

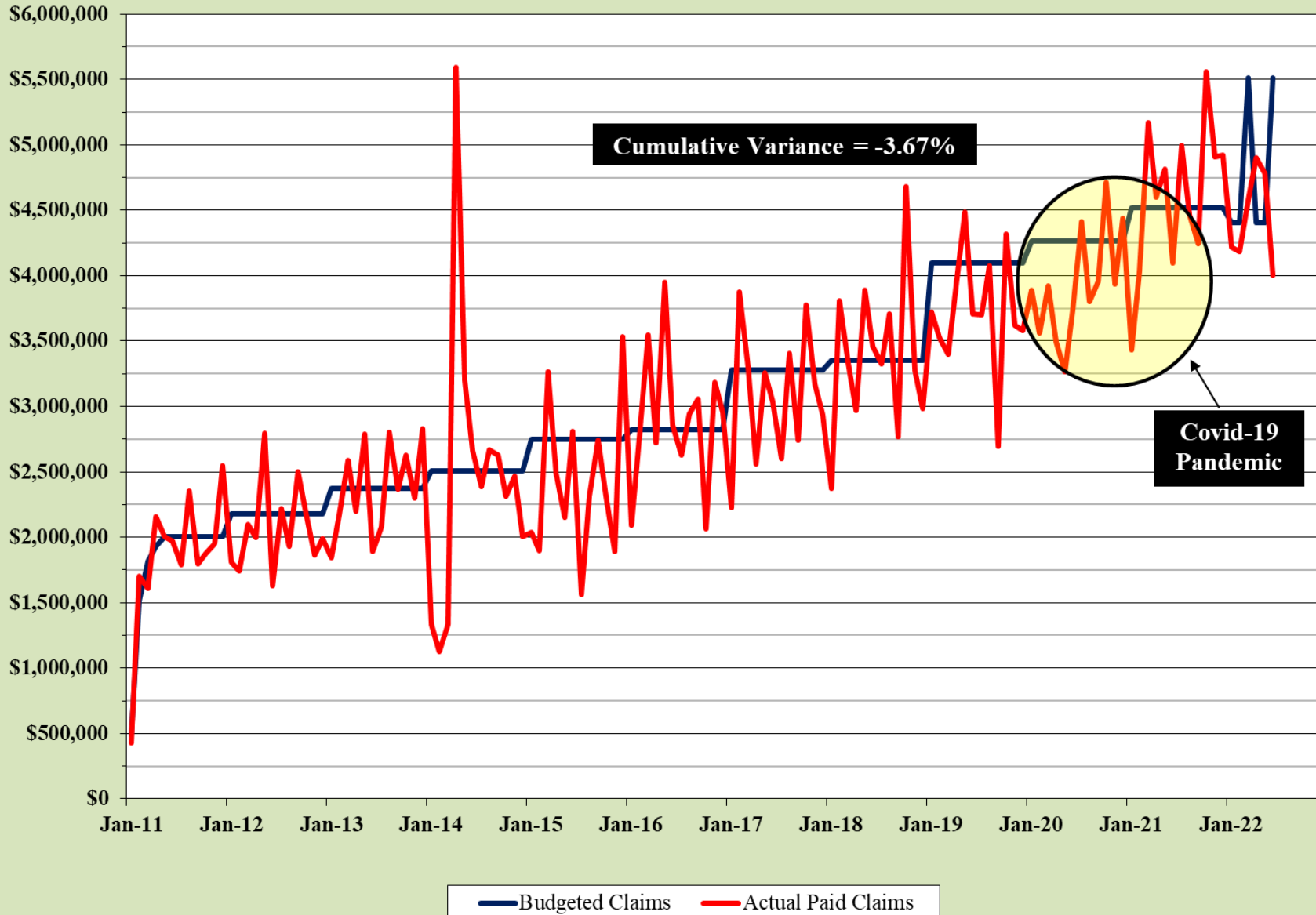


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2022 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to June 30, 2022



APPROVED
**MEDICAL
CLAIM**



Section 4

High-Cost Claimants
Catastrophic Self-Insurance Pool

80 Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Large Loss and Catastrophic Claims History (as of June 30, 2022)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28	\$693,190.30
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,290,214.72	\$0.00	\$264,390.72
2021	\$1,000,000.00	6,303	66	23	8	6	5	\$14,096,053.18	\$0.00	\$270,471.20
2022	\$1,000,000.00	6,422	21	5	2	0	0	\$3,600,949.26	\$0.00	\$148,483.84
Totals		64,570	393	110	34	21	13	\$73,460,814.44	\$2,619,537.80	\$6,024,827.47
Averages	\$547,916.67	5,381	32.750	9.167	2.833	1.750	1.083	\$6,121,734.54	\$218,294.82	\$502,068.96

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 43.48%

81 Large Loss and Catastrophic Claims History

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	Number of Large Loss Claimants	Large Loss Claimants % of Covered Lives	Stop-Loss Insurance Premium Paid	Stop-Loss Insurance Premium PMPM	Total Large Loss Claims Paid	Annual Paid Claims Total	Large Loss Claims % of Total Claims	Catastrophic Claims Reserve
2011	\$250,000.00	4,400	13	0.30%	\$384,392.52	\$7.28	\$2,357,898.22	\$22,190,664.18	10.63%	n/a
2012	\$275,000.00	4,448	16	0.36%	\$361,366.41	\$6.77	\$3,904,221.28	\$24,768,468.89	15.76%	n/a
2013	\$300,000.00	5,077	22	0.43%	\$592,381.65	\$9.72	\$4,079,308.91	\$28,487,573.02	14.32%	n/a
2014	\$300,000.00	5,012	18	0.36%	\$720,784.39	\$11.98	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00
2015	\$400,000.00	5,021	23	0.46%	\$642,080.30	\$10.66	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00
2016	\$400,000.00	5,063	39	0.77%	\$766,281.18	\$12.61	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00
2017	\$450,000.00	5,172	24	0.46%	\$738,819.42	\$11.90	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00
2018	\$600,000.00	5,201	45	0.87%	\$442,185.54	\$7.08	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00
2019	\$600,000.00	6,174	46	0.75%	\$693,190.30	\$9.36	\$8,874,919.83	\$44,764,005.36	19.83%	\$2,800,000.00
2020	\$1,000,000.00	6,277	60	0.96%	\$264,390.72	\$3.51	\$11,290,214.72	\$47,284,890.14	23.88%	\$5,032,220.00
2021	\$1,000,000.00	6,303	66	1.05%	\$270,471.20	\$3.58	\$14,096,053.18	\$55,410,491.28	25.44%	\$4,986,101.85
2022	\$1,000,000.00	6,422	21	0.33%	\$148,483.84	\$7.71	\$3,600,949.26	\$26,739,671.48	13.47%	\$4,642,294.20
Totals		64,570	393	0.61%	\$6,024,827.47	\$7.78	\$73,460,814.44	\$420,151,000.09	17.48%	
Averages (2011-2022)		5,381	33	0.61%	\$502,068.96	\$8.51	\$6,121,734.54	\$35,012,583.34	17.48%	

On Average 0.61% of the Covered Lives Account for 17.48% of Paid Claims

82 Catastrophic Claims Self-Insurance Pool Activity

		<i>Actual</i>	<i>Actual</i>	<i>6/30/2022</i>
		2020	2021	2022
		Fiscal Year	Fiscal Year	Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,505.96	\$876,881.85	\$301,409.17
Actual Premium Paid	\$1,000,000 Deductible	\$264,390.72	\$270,471.20	\$148,483.84
Premium Savings		\$498,115.23	\$606,410.65	\$152,925.33
Member # 000001179452	Deductible (Laser Applied)	\$1,000,000.00	\$1,000,000.00	\$700,000.00
	Actual Claims Paid	\$798,499.59	\$712,297.59	\$284,106.60
	Catastrophic Claims Pool	\$0.00	\$0.00	\$0.00
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$686,798.19	\$419.30
	Catastrophic Claims Pool	\$0.00	\$186,798.19	\$0.00
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$633,727.34	\$312,539.75
	Catastrophic Claims Pool	\$0.00	\$133,727.34	\$0.00
Member # 000012168307	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$836,622.21	\$0.00
	Catastrophic Claims Pool	\$0.00	\$336,622.21	\$0.00
Member # 000001551134	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$648,218.91	\$0.00
	Catastrophic Claims Pool	\$0.00	\$148,218.91	\$0.00
Catastrophic Claims Self-Insurance Pool Claims		\$0.00	\$805,366.65	\$0.00
Net Impact on Fund Balance		\$498,115.23	-\$198,956.00	\$152,925.33

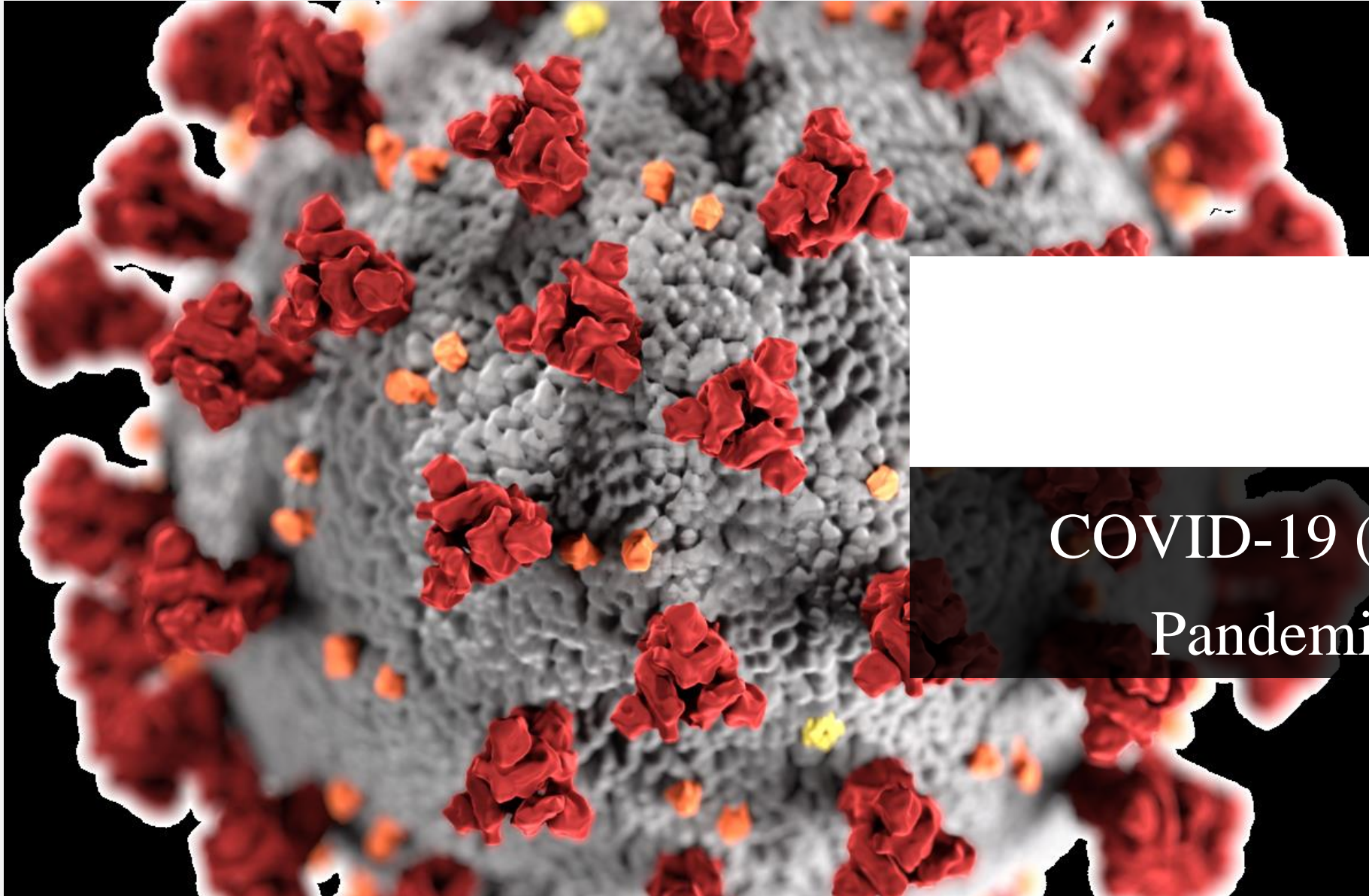
The “Catastrophic Claims Self-Insurance Pool” was established by the Consortium’s Board of Directors prior to the start of the 2020 Fiscal Year to allow the Consortium to lower the cost of stop-loss insurance by raising the specific deductible and ultimately assuming more risk on an annual basis. To cover this risk, the Catastrophic Claims Reserve totaling \$4.5 million was converted to this “Pool”. In addition, each year the estimated premium variance between a \$600,000 specific deductible stop-loss insurance plan and a \$1 million specific deductible stop-loss insurance plan will be ceded into the “Pool”. Lastly, any interest earned on this “Pool” will be credited to the “Pool” to help replenish funds when/if catastrophic claims are paid out of the “Pool”.

- * **Budgeted Premium** is defined as the premium amount the Consortium would have paid if they continued with the previous stop-loss insurance policy of a \$600,000 Deductible
- * **Actual Premium Paid** is defined as the actual premium amount paid by the Consortium for the current stop-loss insurance policy of a \$1,000,000 Deductible
- * **Laser Applied** is defined as the laser deductible the stop-loss insurance company would have applied to the specific individual if a \$600,000 Deductible stop-loss insurance policy was selected

⁸³ Catastrophic Claims Self-Insurance Pool Activity

Catastrophic Claims Self-Insurance Pool	<i>Actual</i>	<i>Actual</i>	<i>as of 6/30/2022</i>
	2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Beginning Balance	\$4,500,000	\$5,032,220	\$4,642,294
Interest Income	\$34,105	(\$19,009)	\$ 3,417
Premium Savings	\$498,115	\$434,450	\$152,925
(Catastrophic Claims)	\$0	(\$805,367)	\$0
Ending Balance	\$5,032,220	\$4,642,294	\$4,798,637

As of June 30, 2022, the Consortium has lowered its specific stop-loss insurance premium by approximately \$1,257,451.21, and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$805,366.65. This is a net gain for the Consortium of \$452,084.56. This figure does not take into consideration that the pool is also picking up an extra \$100,000 in risk per member annually.



Section 5

COVID-19 (coronavirus)
Pandemic Impact

2020-2022 COVID-19 Pandemic Impact

Tompkins County Key Facts:

1. Tompkins County has approximately 103,000 residents.
2. According to the New York State Department of Health web-site, as of July 10th
 - a) There have been approximately 3,029,702 tests conducted of people in Tompkins County for the presence of COVID-19 (coronavirus).
 - b) There have been 22,845 Tompkins County residents who have tested positive for coronavirus which is 0.754% of the tested population and the equivalent of approximately 22.18% of the County's total population.
3. The other Counties in the Consortium have the following results:

a) Cayuga	371,089 Tests Conducted	17,900 Positive Results (4.82%)
b) Cortland	292,237 Tests Conducted	11,712 Positive Results (4.01%)
c) Seneca	130,414 Tests Conducted	6,632 Positive Results (5.09%)
d) Tioga	218,626 Tests Conducted	12,228 Positive Results (5.59%)

2020-2022 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium

- Initially, paid claims were below budget. The first five months have shown claims that were trending at a pre-covid level. We will continue to monitor this closely throughout the year and as we begin 2023 budget development.

Date	Per Excellus BCBS Reports		Per ProAct, Inc. Reports		Combined Paid Claims	
	Medical Claims		Rx Claims		Combined Paid Claims	
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
Jan-21	\$2,839,595.60	\$98,932.82	\$1,248,569.04	\$83,001.85	\$4,088,164.64	\$181,934.67
Feb-21	\$2,289,069.96	\$110,494.29	\$1,174,685.51	\$75,743.36	\$3,463,755.47	\$186,237.65
Mar-21	\$2,675,627.93	\$107,491.17	\$1,369,738.41	\$89,412.10	\$4,045,366.34	\$196,903.27
Apr-21	\$2,810,948.88	\$129,816.25	\$1,315,680.71	\$76,476.00	\$4,126,629.59	\$206,292.25
May-21	\$2,919,393.05	\$98,910.49	\$1,350,738.38	\$71,267.17	\$4,270,131.43	\$170,177.66
Jun-21	\$2,225,447.79	\$90,369.48	\$1,368,008.21	\$76,190.10	\$3,593,456.00	\$166,559.58
Jul-21	\$2,939,073.55	\$104,367.51	\$1,391,231.89	\$70,344.97	\$4,330,305.44	\$174,712.48
Aug-21	\$2,445,790.17	\$84,249.79	\$1,413,203.61	\$71,440.93	\$3,858,993.78	\$155,690.72
Sep-21	\$2,165,302.31	\$74,853.70	\$1,326,045.62	\$66,343.27	\$3,491,347.93	\$141,196.97
Oct-21	\$3,318,384.27	\$84,534.66	\$1,438,407.36	\$68,773.90	\$4,756,791.63	\$153,308.56
Nov-21	\$2,485,674.77	\$72,775.62	\$1,352,074.71	\$70,272.02	\$3,837,749.48	\$143,047.64
Dec-21	\$2,900,092.94	\$75,817.13	\$1,424,414.79	\$66,626.52	\$4,324,507.73	\$142,443.65
Totals	\$32,014,401.22	\$1,132,612.91	\$16,172,798.24	\$885,892.19	\$48,187,199.46	\$2,018,505.10
	96.58%	3.42%	94.81%	5.19%	95.98%	4.02%

Date	Medical Claims		Rx Claims		Combined Paid Claims	
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
	Jan-22	\$2,426,933.11	\$134,155.07	\$1,203,450.31	\$98,207.62	\$3,630,383.42
Feb-22	\$2,309,898.10	\$129,751.42	\$1,205,280.98	\$84,099.74	\$3,515,179.08	\$213,851.16
Mar-22	\$2,449,232.07	\$139,029.83	\$1,464,645.06	\$97,869.59	\$3,913,877.13	\$236,899.42
Apr-22	\$2,736,466.11	\$150,673.36	\$1,470,594.04	\$83,843.78	\$4,207,060.15	\$234,517.14
May-22	\$2,805,237.09	\$109,059.38	\$1,319,556.86	\$81,209.79	\$4,124,793.95	\$190,269.17
Jun-22	\$1,945,740.82	\$91,056.99	\$1,450,977.24	\$82,379.69	\$3,396,718.06	\$173,436.68

2019 Average Monthly Medical Claims = **\$2,373,649.24**

2020 First 3-Months Avg. Monthly Medical Claims
\$2,411,071.18

2020 Last 9-Months (4/20-12/20) Medical Claims
\$2,187,388.11

2021 Average Monthly Medical Claims = **\$2,667,866.77**

2022 1st 6-months of Medical Claims = **\$2,445,584.55**

20⁸⁷20-2022 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

2. The Excellus data shows the medical paid claims for 2020-2022 Fiscal Years as of June 30, 2022 were collectively more than \$6.16 million below the budgeted amount for the time period.
3. Each year, since 2017, the month of October showed a spike in claims.
4. As COVID evolves, we continue to monitor the impact to the Consortium from a paid claim's perspective as:
 - a) The hospitals and doctors can only perform so many procedures in a day which we believe means that there will not be any major compression when they start performing services on a more regular schedule.
 - b) Most of the severe cases have involved older members who are on Original Medicare Parts A and B which limits the claims exposure to the Consortium to some extent.
 - c) There will likely be some hesitation in patients seeking care due to concerns that they may expose themselves to the coronavirus or other illness.

2020-2022 COVID-19 Pandemic Impact

Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

5. The pandemic has “forced” covered members to embrace telehealth and telemedicine approaches to medical care as covered members have not been able to see their primary care physicians for minor or routine services in recent months.
 - a) During the 2020 & 2021 Fiscal Years, the Consortium paid for 11,867 & 13,636 telehealth visits; for 6,282 & 6,814 covered members; at a total cost of \$1,185,518.42 & \$1,374,179.10 respectively. (YTD 6/2022 = 5,942 visits; 3,040 members; \$546,328.05)
 - b) To put this in perspective, in 2019 there were a total of 40 telehealth visits associated with Consortium covered members for a total cost of \$996.98 for the entire year.
 - c) According to Excellus’ reports, the Consortium had a total of 90 covered members registered for telemedicine services as of January 2020.
 - d) Per Excellus as of June 2022, the number of covered members registered for the telemedicine program modestly increased to 178, an increase of 6 from May.



Section 6

2021 Fiscal Year-End
Net Income, Liabilities, and Reserves

2022⁹⁰ Net Income, Liabilities & Reserves

	2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
Income						
Total Income	\$60,798,104.10	\$58,982,975.63	\$28,991,487.82	\$28,465,710.14	-\$525,777.68	-1.81%
Expenses						
Total Expenses	\$60,792,011.28	\$61,143,723.29	\$30,552,034.85	\$28,905,731.35	-\$1,646,303.50	-5.39%
Net Income	\$6,092.82	-\$2,160,747.66	-\$1,560,547.04	-\$440,021.21	\$1,120,525.83	
Ending Balance						
	\$29,123,540.98	\$27,745,000.50	\$27,556,901.13	\$29,465,726.95	\$1,908,825.83	6.93%
Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,866,608.00	\$6,866,608.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,669,495.09	\$2,669,495.09	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$4,004,100.63	\$4,004,100.63	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,642,294.20	\$4,642,294.20	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$788,300.00	\$788,300.00	\$788,300.00	Increased by \$65,900 2/17/22
Total Liabilities and Reserves		\$17,884,167.36	\$18,397,169.21	\$18,970,797.92	\$18,970,797.92	
Unencumbered Fund Balance		\$11,239,373.62	\$9,347,831.29	\$8,586,103.21	\$10,494,929.03	

The net cash assets (unencumbered fund balance) is currently at 18.76% of budgeted premium revenues. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.64 million. Also, fund balance was reduced in 2020 by the “premium holiday” that was authorized for all municipalities.

⁹¹Liabilities and Reserves - Defined

LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2022 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

⁹²Liabilities and Reserves - Defined

RESERVES

- The reserves held by the Consortium are the cash assets which have been assigned to cover a direct liability or to assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue through the interest earned to the Consortium which has allowed the Consortium to hold premium increases down in previous years.
- The Consortium has historically maintained the following reserves:
 - Incurred But Not Report (IBNR) Claims Liability Reserve (statutory reserve)
 - Surplus Account (statutory reserve)
 - Catastrophic Claims Reserve (discretionary reserve)
 - Rate Stabilization Reserve (discretionary reserve)
- Please refer to the following slides for a detailed description of each reserve classification.

⁹³Liabilities and Reserves - Defined

INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2022 Fiscal Year budget forecasted this reserve to equal \$6,874,453.35 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2022 Fiscal Year, Excellus' estimate of this liability was \$4,713,900 which is approximately 8% of the expected claims cost for the year.

⁹⁴Liabilities and Reserves - Defined

SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The Amended 2022 Fiscal Year budget forecasts this reserve to equal \$2,796,865.76 (5.0% of projected premium income of \$55,937,315.28). In years where the Consortium approves premium holidays, the Consortium would calculate the Surplus Account reserve requirement based on the full expected premium, versus the artificially reduced premium collected.

⁹⁵Liabilities and Reserves - Defined

CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors made the approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was funded at \$4,642,294.20 as of December 31, 2021.

⁹⁶Liabilities and Reserves - Defined

RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a sufficient level, the Board of Directors made the decision to establish the Rate Stabilization Reserve at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.
- It is our goal to work with the Consortium to ensure future fiscal year budgets are developed with this reserve being maintained.
- These funds would be used to “bridge the gap” during an associated hyper-inflationary period relative to paid claims allowing the Board of Directors to establish a multiple year plan to adjust revenue (premiums) and prevent a significant increase in premium rates during a single fiscal period.



Section 7

2022 Fiscal Year-to-Date Summary & Observations

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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

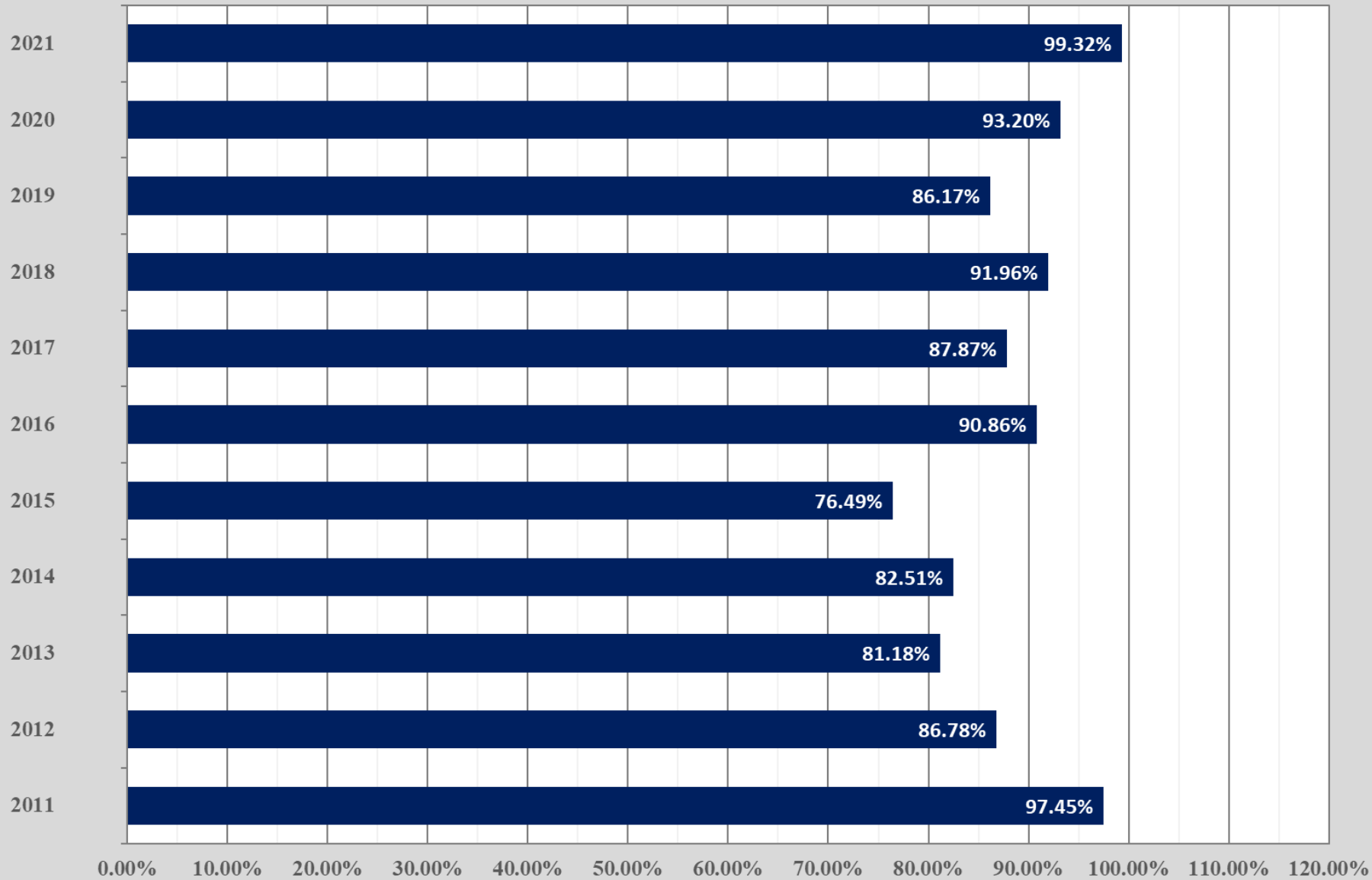
2022⁹⁸ Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is a slightly below budget as of June 30, 2022. We believe that as the Consortium moves through the year, this result will gradually change as enhanced pharmaceutical manufacturer rebates received from ProAct, Inc. increase in the second half of the year. Unfortunately, even with the increased management of the cash assets by the Consortium's Financial Team, in collaboration with Wilmington Trust, interest income is still a challenge.
2. The combined **Medical and Rx Paid Claims were 6.95% below budget** through the first 6-months of the 2022 Fiscal Year. We are keeping a close eye on the paid claims and how they evolve with the changes in the COVID pandemic. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.

2022⁹⁹ Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected against the amended budget at the mid-point of the 2022 Fiscal Year. We will need to continue to monitor the “post-COVID” claims trends, especially as we head into the 2023 budget cycle. We are hopeful that the early positive claims trends will continue and allow the Consortium to maintain modest premium increases for 2023 and in the future, providing stability to municipalities budgets.
4. The results experienced by the Consortium as of June 30, 2022 support the Board of Director’s decision to increase premium rates, by a modest 5%, for the 2022 Fiscal Year. With careful planning and monitoring, it may allow for some additional premium relief to assist the Participating Municipalities during potential difficult financial times as COVID relief monies dry up.
5. It is important to monitor the impact of the new accounting for gains and losses on investments, and how that reporting impacts the actual vs. budget comparisons. The current impact of these transactions as of June 30, 2022 is a net loss of \$485,196.01.

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Greater Tompkins County Municipal Health Insurance Consortium
Medical Loss Ratio (Paid Claims ÷ Premium)



■ Medical Loss Ratio