



Greater Tompkins County Municipal Health Insurance Consortium

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

Audit and Finance Committee **Revised Agenda – July 23, 2019 – 3:30 p.m.** Legislature Chambers

1. Call to Order (3:30) M. Cook
2. Changes to Agenda (3:30)
3. Approve Minutes of June 25, 2019 (3:32)
4. Presentation on the Consortium's Investment Portfolio (3:35) M. Avery/Z Oasim
5. Discussion Regarding a Unified Narrative Supporting Existing Fund Balance Level (4:00) M. Cook
6. Financial Update (4:10) S. Locey
 - a. BMI Medical Claims Audit Findings
 - b. Fiscal Year Results to Date
 - c. Report on Large Loss Claim Activities
 - d. Account Receivables R. Snyder
7. Executive Director's Report (4:25) E. Dowd
 - a. General Update and Reports from Other Committees
 - b. Consortium Staffing Update
 - d. Medicare Advantage RFP Update
 - e. Set Special Budget Meeting; Determine August 27 and September 24 Meeting Dates
 - e. Invoices: June 2019: Invoice for Laptops, Armory Associates, American Dining (TC3), Hancock Estabrook
8. Self-funded stop loss update (internal captive) (4:40) E. Dowd
9. **RESOLUTION:** Adoption of Policy for Determining Departing Municipality's Pro Rata Share of Assets (5:00)
10. Discussion regarding compliance with Section A3 of MCA (5:15) M. Cook
11. Next meeting Agenda Topics (5:25)
12. Adjourn (5:30)

Proposed Next Meeting: August 5, 2019

**Audit and Finance Committee
Minutes - Draft
June 25, 2019
Old Jail Conference Room**

Present: Mack Cook, Bud Shattuck, Rordan Hart, Ann Rider Olivia Hersey, Peter Salton, Chuck Rankin, Laura Shawley (arrived at 3:37 p.m.), Steve Thayer (arrived at 3:43 p.m.)
Guests: Judy Drake, Board of Directors Chair; Elin Dowd, Executive Director; Don Barber, Consultant; Rick Snyder, Treasurer; Steve Locey, Robert Spenard, Locey and Cahill

Call to Order

Mr. Cook, Chair, called the meeting to order at 3:35 p.m.

Approval of Minutes of May 28, 2019

It was MOVED by Mr. Shattuck, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present, to approve the minutes of May 28, 2019 as corrected. MINUTES APPROVED.

Mrs. Shawley arrived at this time.

Changes to the Agenda

There were no changes to the agenda.

Executive Director's Report

Ms. Dowd reported she and Mr. Snyder met yesterday with Jerry Mickelson regarding several items including an adjustment of fees for auditing of the 2019 financial statements. The adjustment reflects an increase of \$1,500 from the original contract and is attributable to the increase in participants and plan growth since 2017. Insero & Co. offered a courtesy discount for 2018 but has requested the increase for 2019.

RESOLUTION NO. - 2019 – APPROVAL OF ADJUSTMENT OF FEE FOR AUDITING CONSORTIUM'S 2019 FINANCIAL STATEMENTS – INSERO & CO. LLP

MOVED by Mr. Shattuck, seconded by Ms. Rider, and unanimously adopted by voice vote by members present.

WHEREAS, the Board of Directors by Resolution No. 026 of 2017 approved a contract with Insero & Co. LLP for auditing of the Consortium's financial records for fiscal years 2017, 2018, and 2019, and

WHEREAS, due to the increased number of municipal participants that have entered the Consortium since 2017 and the resulting significant plan growth, Insero & Co. LLP has presented the Consortium with a proposal to amend the 2019 approved fee for audit services in the amount of \$11,500 to \$13,000, now therefore be it

RESOLVED, That the Audit and Finance Committee, recommends that the Board of Directors approve an adjustment to the fee for auditing the 2019 Consortium's financial statements as presented by Insero & Co. LLP in the amount of \$13,000, RESOLVED, further,

That the Chair of the Board is hereby authorized to sign the 2019 Audit Engagement Letter with Insero & Co. LLP.

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Ms. Dowd had nothing new to report from the Department of Financial Services.

She reported the educational retreat was held on May 30th and good information was presented around the Excellus AQCA program (Affordable Cost and Quality Arrangements) and about prescription cost savings. She has been exploring ways to address low attendance at the retreat and is open to suggestions. The annual report has been provided to all Directors; the Newsletter has been distributed and is posted on the Consortium's website. Ms. Dowd said the Administrative Computer Assistant position job has been posted and applications are currently being reviewed.

Mr. Thayer arrived at this time.

Ms. Dowd reported on interest expressed by municipalities in joining the Consortium and said she and Mr. Barber have been in discussions with municipalities, including the Towns of Hector, Horseheads, Catlin, and the Village of Watkins Glen. John Powers has been asked to provide an opinion on whether the Lansing Library can join. The Chemung Soil and Water Conservation District has withdrawn from applying in 2020 and may come forward at a later time.

Reports from other Committees

She reported the Governance Structure Committee has been focusing on the Bylaws and MCA changes and is also putting forward a resolution to the Board asking that the Committee be tasked with the overall MCA review that is required every five years.

The Owing Your Own Health Committee is addressing changes as Michelle Courtney Berry has declined to renew her Wellness Consultant contract as of June 30th. At the last meeting the Committee began discussions of how it will move forward and will start to utilize Consortium staff and Excellus resources to advance wellness initiatives. She is also encouraging the Committee to agree on an annual campaign that can be followed. She expects the July meeting to be a planning meeting with discussions focused on moving forward.

Over the last two months the Joint Committee on Plan Structure and Design has received both medical and prescription drug utilization reports. The Committee was also brought up-to-date on changes that will be brought forward to the Executive Committee bylaws and corresponding MCA changes.

The Executive Committee has been working on changes to the membership process and on a policy to address compliance with Section A.3 of the Municipal Cooperative Agreement.

Staffing

Ms. Dowd said after discussion it was felt the appropriate action to take would be to create an Administrative Computer Assistant and Clerk of the Board position which would allow Ms. Cocco to be brought to the Consortium from being under the umbrella of Locey and Cahill.

RESOLUTION NO. – 2019 – CREATION OF POSITIONS: ADMINISTRATIVE/COMPUTER ASSISTANT AND CLERK OF THE GTCMHIC BOARD OF DIRECTORS

It was MOVED by Ms. Rankin, seconded by Ms. Hersey, and unanimously adopted by voice vote, to enter into executive session at 3:55 p.m. to discuss a particular personnel matter.

During executive session the following action was taken:

It was MOVED by Mr. Shattuck, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present, to amend the hourly rate for the Clerk of the Board position from \$26.50 to \$34 per hour and to approve the resolution.

WHEREAS, in 2011 the Board of Directors authorized the hiring of an Administrative Clerk on an hourly basis through its contract arrangement with Locey & Cahill LLC, to perform administrative duties for the Consortium, and

WHEREAS, Michelle Cocco has held the position of Administrative Clerk since April 11, 2011, and

WHEREAS, the administrative work and responsibilities of one part-time position have increased exponentially as the Consortium has grown and is no longer sustainable under the current arrangement, and

WHEREAS, the Executive Committee has discussed the staffing needs of the Consortium and has directed the Board Chair to work with the Executive Director to create a staffing proposal that will meet the increasing administrative demands and ensure the Consortium maintains a strong administrative foundation, now therefore be it

RESOLVED, That the Audit and Finance Committees recommends the Board of Directors of GTCMHIC hereby create the following positions effective July 1, 2019:

- Administrative/Computer Assistant – Civil Service Competitive Class (\$25-\$26 per hour); to be filled by the Executive Director; and
- Clerk of the GTMHIC Board – Exempt Class (\$26.50 per hour); to be appointed by and serve at the pleasure of the Board of Directors I believe this amount was changed.

RESOLVED, further, That due to the nature of responsibilities and the Board of Directors being comprised of elected and appointed officials from municipal corporations, the Board directs the Chair of the Board to work with the Tompkins County Department of Human Resources to formally request an exempt classification for the Clerk of the Board of Directors position from New York State Civil Service.

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The meeting returned to open session at 4:15 pm.

Medicare Advantage Request for Proposals

Ms. Dowd reported responses to the Medicare Advantage RFP are due by the end of this week and following a review the information will be presented to the Joint Committee on Plan Structure and Design in August. Mr. Cook said this will not have to be presented to the Audit and Finance Committee as it would be a pass-through and would have no financial impact on the Consortium.

Invoices

The following invoices received during May 2019 were presented for information only:

Michelle Courtney Berry, Wellness Consultant; Don Barber, Consultant; Armory Associates; Bonadio & Co.; Tompkins Cortland Community College Catering; Newsletter software; Wilmington Trust; and Hancock Estabrook

Financial Update

Mr. Locey reviewed a financial update through May 31, 2019 and highlighted new categories added to the report that will be tracked going forward such as internal coordination, Town of Ithaca, marketing expenses, IT services, and investment management fees. Mr. Locey reported the Consortium is slightly below budget on premium and this is due to a number of members moving to the Platinum Plan; he noted there should be a commensurate reduction in claims as well. He said the Consortium is in really good financial shape overall with \$1 million in net income.

Mr. Locey distributed a document showing large loss claims through May and said although the number has increased there has been a slight decrease in the number per covered lives. He also reported only one of the individuals with the \$1M deductible shows up on the report.

Plan Underwriting

Mr. Locey spoke of the process and said this year the Consortium is at approximately \$51.2 million in total revenue that has to be collected in premium. He said they have been doing an analysis per covered life for the medical and prescription drug cost and then will be looking at what the cost is for the largest population in a single plan; once that is determined a look can be taken at whether to change benefits. He said at the end of the process there will rates that go up and others that go down but the Consortium will need to end up collecting \$51 million; he noted this could impact what people are paying in terms of premium out of their paycheck. He recommended this be taken to the Joint Committee on Plan Structure and Design in August once information is compiled to make sure everyone has a clear understanding of the impact. He will have information to present at the next meeting.

Ms. Drake urged caution in how this is approached and suggested only taking it to the Joint Committee if there is a recommendation being made. Mr. Locey noted there are 55 subgroups that have 5 different indemnity plans. There are 4 PPO plans (\$10,\$15, \$20) and a Teamsters look-alike program with 37 subgroups in a PPO plan. There is a Comprehensive Plan, six Medicare Supplement plans, 3 two-tiered drug options, 8 three-tiered drug options, and 4 Metal Level plans. He said part of the discussion will include that rates are not only driven by what the true cost is but also related to plans there is a desire drive people to or away from.

The Committee will have a thorough discussion of this at the next meeting.

Accounts Receivable Report

Mr. Locey reported there were only three entities that were slow in paying invoices this month: TC3, Village of Dryden, and the Town of Newfield. Mr. Snyder will look into why the Town of Newfield was late and will report back.

Medical Claims Audit

Ms. Dowd provided a progress report on the outstanding items related to the Medical Claims Audit performed by BMI. Excellus will be discussing this audit and the Segal audit with the Consortium at a meeting scheduled in July. Ms. Dowd said there may be some practices,

Discussion of New Member Application Process

RESOLUTION NO. - 2019 – AMENDMENT TO RESOLUTION NO. 007 OF 2018 - APPLICATION MATERIALS MUNICIPALITIES MUST PRESENT FOR APPLICATION TO JOIN THE CONSORTIUM AND RECOMMENDED MUNICIPAL RESOLUTION LANGUAGE

MOVED by Ms. Hersey, seconded by Ms. Rider. Ms. Dowd reviewed minor changes that have been made to the resolution since it was presented at the last meeting. Mr. Hart spoke of the amount of work that goes into the review process and asked if any thought has been given to including a meaningful application fee to accompany the initial resolution from an entity requesting to join. Following a brief discussion Mr. Cook suggested approving the resolution and over the next year to take a look at cost and procedures and consider incorporating a fee at a later time based on information gathered. There was agreement with this suggestion.

A voice vote resulted as follows: Ayes – 9, Noes – 0. MOTION CARRIED.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”) Board of Directors adopted Resolution No. 002-2015 and then amended that resolution with Resolution No. 007-2018 to provide guidance to eligible employers, as defined in §4702 (f) of Article 47 of the New York State Insurance Law (“Municipal Corporations”), applying for membership in the Consortium, and

WHEREAS, The Consortium is experiencing rapid growth of Municipal Corporations applying to join the Consortium, and

WHEREAS, the Consortium has instituted several policies, not stated in the Municipal Cooperative Agreement (“MCA”), that prospective Municipal Corporations are required to comply with as part of their application process, now therefore be it

RESOLVED, that the Consortium’s Audit and Finance Committee, recommends the following policy for Municipal Corporations seeking possible membership in the Consortium:

1. Submit by **September 1st**, a municipality board resolution authorizing application for membership along with the GTCMHIC new group member application.
2. As soon as practicable, preferably by July 1st, but no later than **September 1st**, submit 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.
3. As soon as practicable, preferably by July 1st, but no later than **September 1st**, 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.

4. For Municipal Corporations who are currently experience-rated or who operate a self-insured employer-sponsored health insurance plan, they must submit as soon as practicable, preferably by **July 1st**, but not later than September 1st, a minimum of three (3) years of monthly paid claims (medical and pharmacy separately) data and monthly covered lives counts.
5. Sign the Municipal Cooperative Agreement of the GTCMHIC upon notification that the GTCMHIC Board of Directors has approved the Municipal Corporation's application to become a Participant in the GTCMHIC by **October 15th**. The resolution authorizing the Municipal Corporation's Chief Officer to sign the MCA must also clearly state which GTCMHIC health benefit insurance plan or plans the Municipal Corporation's employees and retirees will be participating in upon the effective date of participation in the GTCMHIC.
6. Confirm by **October 25th**, with the Medical Claims Administrator the names of all employees, retirees, and dependents to be covered in the Consortium's health insurance plans. A list of those enrolled will be sent to the Municipal Corporation by the Medical Claims Administrator by no later than **November 15th** for verification purposes.
7. By **November 1st**, 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 between November 15 and December 15.
8. By **November 1st**, notify the GTCMHIC of the Municipal Corporation's commitment to utilize the GTCMHIC's on-line enrollment process or to authorize the GTCMHIC to provide, for the Municipal Corporation's employees and retirees, this function.
9. By **November 1st**, for 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 **November 1st** to the Consortium of the Municipal Corporation's proportionate share of the Surplus Account Reserve (5% of annualized premium) as determined by the GTCMHIC and as required by Article 47 of the New York State Insurance Law and the GTCMHIC's Municipal Cooperative Agreement.
11. By November 1st, submit a municipal resolution appointing the Director and Alternate to the Consortium.
12. By **November 30th**, take the necessary steps to comply with the GTCMHIC's dependent verification process.
13. Provided the Municipal Corporation applying for Membership in the GTCMHIC completes all the requirements set forth in this Resolution by the due dates indicated; the Surplus Account Reserve payment defined in Item 3 above will be credited against the Municipal Corporation's January premium invoice from the Consortium.

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 and will result in the forfeiture of the Municipal Corporation's Surplus Account Reserve payment.

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RESOLUTION NO. – 2019 – ADOPTION OF ROUNDING METHOD FOR ADJUSTMENTS TO THE STANDARD DEVIATION OF ACTUARIAL VALUES

MOVED by Mr. Shattuck, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present.

WHEREAS, the term actuarial value references the share of health care expenses the plan covers for a typical or average group of enrollees within a standard deviation of + or – 2%.

WHEREAS, actuarial values can change at a percentage rate greater or less than whole numbers.

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design That the Audit and Finance Committee recommends That the Board of Directors approve an adjustment to the actuarial value utilizing the standard method of rounding to the nearest whole percentage effective July 1, 2019.

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RESOLUTION NO. – 2019 – APPROVAL OF CONTRACT FOR CONSULTING SERVICES – DONALD L. BARBER

MOVED by Mr. Salton, seconded by Ms. Shawley, and unanimously adopted by voice vote. MOTION CARRIED.

WHEREAS, it was determined in 2013 that based on the increased responsibilities placed on the Consortium by the State and Federal governments, the Affordable Care Act, and the managing of an increased number of contracts it was in the Consortium's best interest to contract for services of an Executive Director, and

WHEREAS, following the issuance of a request for proposals in 2014 seeking contractors who could fulfil the responsibilities of Executive Director a contract was entered into with Donald L. Barber in 2014 and extended in 2016 and 2018, and

WHEREAS, in 2018 the Consortium entered into a process to hire its first full-time Executive Director, Elin Dowd, who began employment on April 15, 2019, and

WHEREAS, the Executive Committee believes Mr. Barber can continue to provide valuable and important services to the Consortium and wishes to retain Mr. Barber as a Consultant, providing the following services under his contract and any others as the Executive Director may, from time-to-time, deem necessary, including:

- A. Providing historical information of the operations, vision, operations strategy, and member/associates relations.
- B. Assuming responsibility for specific projects as delegated by the Executive Director.
- C. Serving as primary interface with municipal corporations that seek information and process guidance for joining the Consortium.
- D. Attending Board and Committee meetings as directed by the Executive Director.

- E. In concert with the Executive Director providing useful and timely information to Board members, employees, retirees, and other interested parties
- F. Assisting with the preparation of the Consortium's annual operating budget.

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That a contract for Consulting Services with Donald L. Barber be approved through December 31, 2020 under the terms and conditions in the recommended contract.

RESOLVED, further, That the Board of Directors hereby authorizes the Chair of the Board sign a contract with Donald Barber for Consulting Services.

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Internal Captive

Mr. Hart said this item is being discussed now due to there being possible implications for the 2020 budget as well as political implications. He provided an overview of the topic and said the question is whether the Consortium continues to pay premiums for insurance which covers high cost claims over a particular deductible as deductibles are raised. In speaking with other similar type organizations he said Mr. Barber learned others are not experiencing the number of individual lasers the Consortium is. Mr. Barber's theory, which he believes is a good one, is because the Consortium has been increasing the deductible level the Stop Loss insurers have been lasering those risks in order to make additional money.

Mr. Hart said it seems reasonable that if there was a lower deductible and a much higher premium could be charged they may not laser out those individuals. In order to lower premiums to a certain level and increase deductibles the Consortium will also pick up ancillary cost through risk. He raised the question of whether the Consortium has its own finances available to be its own Captive such as what Mr. Barber explored last year. He said all of the spreadsheets he compiled show that the Consortium has a lot of money in the bank and does have the necessary finances. He said if there was a high enough deductible to pay a low enough premium and the Consortium invests enough of the differences the question is raised as to whether the Consortium would make back enough in interest an amount equal or more that would be paid out by the Consortium in high cost claims. He believes the answer is yes; the only other question is whether the desire exists to do that since the mechanism to do this is in place. He said this raises a political issue as it means the Consortium would have to retain more cash and would not be cutting back on premium increases with the use of fund balance as it has done in the past. This would allow the Catastrophic Claims Reserve to be kept at a high enough level so that if there is enough to pay any high cost claims and to make sure funds can earn enough over time to make it financially worthwhile. He believes the argument is an easy one to make; the political will is what would be a hurdle.

Mr. Locey said this could be done by starting out small and suggested doing in interim step. The Consortium currently has \$2.8 million in the Catastrophic Claims Reserve that is earning 2.8% interest (\$150,000 annually). The Consortium could consider insuring a certain amount and ceding out an amount to a traditional Stop Loss carrier. In the good years the Consortium wouldn't pay any money out and would continue to pool that money and put more money and interest in; the \$2.8 million would continue to grow and at some point it could reach a level to consider increasing to eliminating the higher-end protection and cede some of the risk back to the Consortium.

Mr. Locey spoke of the delicate balance of the Department of Financial Services believing the more money in the bank the better as opposed to the Comptroller not wanting excess municipal funds retained. Mr. Hart responded that this is the only model he has ever witnessed that is making a difference with health care and health insurance.

Mr. Barber said he believes the reason the Consortium is experiencing lasers is due to the low number of covered lives compared to larger entities. He said if the Consortium moved to a \$1 million deductible individuals may still be lasered because of the size of the risk pool. He spoke to Mr. Locey's suggestion and said it makes sense and provides flexibility and noted the Consortium is required through Article 47 to purchase Stop Loss; the deductible cannot be more than 4½% of incurred claims.

Mr. Cook asked Mr. Locey to develop a formal plan to present for discussion at the next meeting to demonstrate that the Consortium would experience a meaningful result to its advantage. Mr. Locey will develop a memo and proforma to outline how this would work and forecast out for the next four to five years. Mr. Snyder suggested if the Consortium were to move into a more refined Catastrophic Claims Reserve to consider setting up a fourth subcategory to segregate out Wilmington Trust.

Policy to Determine Departing Municipality's Pro Rata Share of Assets

Mr. Locey said premium information was received from Insero & Co. on both an accrual and paid basis. He distributed an updated calculation and said the share of reserves are not the IBNR reserves. Up to this point what has been tracked are the total cash assets less the IBNR Reserve being the retained earnings and those earnings were apportioned out to each municipal partner for each year they have been in the program based on what was earned during their years of participation. He said it is up to the Board of Directors to decide what retained earnings or fund balance would be credited back to anyone who withdraws. He spoke of his history working with other consortiums and said he has experienced only three withdrawals and it did not go well. In those situations, the withdrawing entity was only allowed to have back the net assets less the IBNR reserve. Mr. Barber said his recommendation would be to include only the Fund Balance and Surplus Reserve in the calculation. Mr. Locey said if the Consortium has a well-thought-out position that is well-defined the Consortium should be protected; however, there is always the potential for an entity to bring forward legal action.

Mr. Locey recommended the Board adopt a policy by resolution and not include in the MCA as it will allow for flexibility for change. He said he spoke with John Powers at length about this and he was inclined to not have a formal definition; however, Mr. Locey feels there it is less likely to have a problem in the future if there is a written policy. It was also noted that it is important the auditors be able to review the policy as the terms must mirror what is contained in the audited financial statements.

Next Agenda Items

The following items will be included on the next agenda:

- Report from Wilmington Trusts
- Continued Discussion of Internal Captive
- Resolution – Policy to Determine Departing Municipality's Pro Rata Share of Assets
- Medicare Advantage RFP Update
- Plan Underwriting Review
- BMI Medical Claims Audit Update

In response to a question previously asked as to whether a municipality can book equity as an asset in its financial statements, Mr. Snyder said after discussion with the Consortium's auditors, a municipality cannot do this.

Adjournment

The meeting adjourned at 5:41 p.m.

GTCMHIC Executive Director Report

July 16, 2019

Second Quarter Updates

Pro Rata Share of Equity

Resolution has been created to calculate a member's share of equity upon withdrawal. The calculation and any changes to unrestricted funds and associated reserve will be tracked annually. The following is being considered as part of the calculation:

- Retained Earnings
- IBNR (not recommended)
- Statutory Surplus
- Catastrophic Claim Reserve (discussion on whether to include or not include)
- Rate Stabilization Reserve

Insero will need to confirm that they will be able to calculate equity on annual financial statements

Stop Loss Analysis

Locey & Cahill is working with Armory Associates on recommendations regarding level of risk. Relatively speaking we are a small group with a large risk of increased severity and frequency of high cost claims. L&C with Armory will have a model for us to review within the next two weeks and will include benchmarks from Highmark. Armory feels we should evaluate the risk of having a high deductible (at \$1M level) for a group of our size. This review will include:

- Average expected claims over \$600K up to \$2.8M.
- Stop loss quotes (historic and 2020) to determine premium savings and funding mechanism
- Reviewing level of risk again as we get closer to the end of the year when reviewing stop loss quotes and claims/risk analysis is more mature.

Staff vs. Premium Graph for Board Response

Executive Committee recommends that we track the following when presenting back to the BOD a summary of staff growth vs. Premium/Consortium growth:

Executive Director Salary & Fringes

Tompkins County (Finance Support)

Cocco Support (Admin Support)

Wellness Consultant

County ITS Support

Town of Ithaca

Executive Director Consulting Fees

Administrative Assistant/Computer Assistant

Clerk of the Board

All consultants and support functions (Locey and Cahill, Armory Assoc., Insero, BMI, Bonadaio, etc.)

AFC will give instructions on creating the narrative to explain the "cost of doing business."

BMI Audits

Excellus has just responded to L&C last week with their auditors' comments. Process was delayed due to vacation schedules. Information will be sent on July 22nd to AFC for review.
New Audit agreement with BMI for the ProAct audit is in the process of being reviewed and finalized.

Cyber Security Audit

Have secured the services of the Tompkins County ITS department and they will have a draft template for review at the August Audit and Finance meeting.
Current plans include Audit being completed by September BOD meeting.
Other related items being developed as part of this process including how to report and record any breaches, systems to documents and respond.

New Member Requests

New Member Update

Michelle Cocco is creating a process in Laserfiche to collect all new member information throughout the application process. This will streamline this process and eliminate collecting documents through email.
Village of Watkins Glen has made a strong statement of joining
Town of Horseheads is still moving forward- but not to resolution step.
Town of Catlin dropped out
Town of Hector dropped out
Reached out to Town of Cuyler at recommendation of AFC - no response
Meeting with Schuyler County CoG to make smaller muni's aware.

Geographical Boundaries and Measured Growth

As we review the MCA we will research and explore increase in services beyond our current geographical boundaries

Staffing

Clerk of the Board has been transferred to Town of Ithaca payroll
Administrative Assistant offer of employment is pending
Wellness Consultant – Recommend not filling for at least six months, utilize Excellus materials, have new Admin Assistant work to push out information to local municipalities.

Segal Recommendations

Recommendations #4,5,6,9 will be discussed with Excellus on August 8th

- Performance Measures and Audit Processes
 - Customer Service
 - Claims
 - Enrollment
 - Succession Planning

Recommendation #2 – Offering Medicare Advantage

Medicare Advantage

Only one RFP was received and that was from Excellus.

To make municipalities “whole” recommend offering Excellus as a pass through. Most municipalities are already on the Excellus Plan. As we consider this action, we will contemplate securing the services of Segal Consultants to review all retirement options available to us and ask for recommendations and level of risk on any plan changes.

Locey and Cahill

2020 Budget

Underwriting analysis on plan changes

BMI Audits

Medicare Advantage Analysis

Stop Loss Captive

Pro Rata Share of Equity

Miscellaneous

August 15th Second Quarter JURAT due

Village of Cayuga Heights Conversations regarding moving to the Gold Plan

Tompkins County Blu4U program and wellness incentive

RESOLUTION NO. – 2019 - ADOPTION OF POLICY FOR DETERMINING DEPARTING MUNICIPALITY’S PRO RATA SHARE OF ASSETS

WHEREAS, Section P.4.of the MCA provides guidance for determining member equity where it states:

“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.”, and

WHEREAS, the policy for which assets to include in calculating a member’s equity or deficit has not been established and the Audit and Finance Committee has deliberated on this policy, and

WHEREAS, the Audit and Finance Committee has found that the Unrestricted Funds should be included in the members equity calculation; and that “Change in Unrestricted Funds” are tracked annually and allocated by the member’s aggregate premium contribution for that year; and the annual allocation of that year’s Unrestricted Fund equity is added to all previous year’s total (note this may not always be a positive number annually or tenure total), and

WHEREAS, the Audit and Finance Committee has found that the member’s portion of the Surplus Reserve, which is also based on the member’s aggregate premium contribution for that year should be included in the members equity calculation (note this will always be a positive number), and

WHEREAS, the Audit and Finance Committee has found that the Catastrophic Claims Reserve should not be included in the members equity calculation, because this reserve has been used to offset premiums which was a financial benefit to all members premium calculation, and

WHEREAS, the Audit and Finance Committee has found that the Rate Stabilization Reserve should be included in the members equity calculation, Changes in the Rate Stabilization Reserve are tracked annually allocated by the member’s aggregate premium contribution for that year; and the annual allocation of that year’s Rate Stabilization Reserve is added to all previous year’s total (note this may not always be a positive number annually or tenure total), and

WHEREAS, the Audit and Finance Committee has found that the Incurred But Not Reported Reserve should not be included in the members equity calculation, because the departing member’s portion of this IBNR Reserve will be applied toward that member’s subscriber’s tail of claims expense, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends the Board of Directors adopt the following policy for calculating a departing member’s equity:

Determination of a departing Member's equity shall include the following:

1. Unrestricted Funds: "Change in Unrestricted Funds" are tracked annually allocated by the member's aggregate premium contribution for that year; and the annual allocation of Unrestricted Fund equity is added to all previous year's total (note this may not always be a positive number annually or tenure total)
2. Surplus Reserve: at the time of departure, that year's Surplus Reserve is apportioned base on the member's aggregate premium contribution for that year (note this will always be a positive number)
3. Rate Stabilization Reserve: Changes in Rate Stabilization Reserve are tracked annually allocated by the member's aggregate premium contribution for that year; and the annual allocation of change in the Rate Stabilization Reserve is added to all previous year's total (note this may not always be a positive number annually or tenure total)

Tompkins County Health Consortium

From: Stephen Locey <slocey@loceycahill.com>
Sent: Monday, June 24, 2019 1:41 PM
To: Don Barber; Rick Snyder; Elin Dowd
Cc: jerry.mickelson@inserocpa.com; 'Cortland City Director - Mack Cook'; Robert Spenard
Subject: RE: Member Equity
Attachments: 2011-2018 GTCMHIC Annual Equity and Liability Analysis by Participant (updated 06-24-2019).pdf; MCHBP - Opinion Letter - Withdrawal of Participant.pdf

Folks:

This e-mail is being sent in preparation for the discussions relative to the GTCMHIC setting a policy for the calculation of “surplus” for any withdrawing Participating Municipality. The withdrawal calculation is discussed in the Municipal Cooperative Agreement (MCA) in Section P, as follows:

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 October 3rd 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 Plan 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.

The key element in determining any payment due to the withdrawing entity is the calculation of the surplus. Once a determination is made relative to what makes up the surplus, the rest of the calculation is fairly simple. In the methodology used to determine each entity's equity in the attached report, we utilized the Retained Earnings or Fund Balance figures found in the Audited Financial Statements (cash assets – IBNR liability).

In the end, regardless of which model or formula is chosen, we will need to go back and calculate the surplus each year. This will protect the investment made by those who started the Consortium. In the end of the day, the surplus should be restricted to a share of the surplus each entity earned during its years of participation. Please refer to the following for a summary of the dollars we are talking about for this calculation:

	<i>Actual Results 2011 Fiscal Year</i>	<i>Actual Results 2012 Fiscal Year</i>	<i>Actual Results 2013 Fiscal Year</i>	<i>Actual Results 2014 Fiscal Year</i>	<i>Actual Results 2015 Fiscal Year</i>	<i>Actual Results 2016 Fiscal Year</i>
Total Assets	\$4,320,054	\$7,708,613	\$11,135,054	\$15,443,004	\$22,153,922	\$24,290,896
Liabilities and Reserves						
IBNR Claims Reserve	\$3,043,382	\$3,082,421	\$3,574,393	\$3,800,339	\$3,631,889	\$4,430,732
Accounts Payable	\$407	\$0	\$315,382	\$386,786	\$441,191	\$497,510
Deferred Revenue	\$26,646	\$0	\$196,396	\$355,180	\$252,877	\$361,369
Capital Surplus Account	\$1,289,746	\$1,428,777	\$1,725,384	\$1,803,165	\$1,879,368	\$1,925,998
Catastrophic Claims Reserve	\$0	\$0	\$600,000	\$606,898	\$1,050,000	\$1,050,000
Rate Stabilization Reserve	\$0	\$0	\$0	\$0	\$1,513,287	\$1,758,496
Unencumbered Fund Balance	-\$40,127	\$3,197,415	\$4,723,499	\$8,490,636	\$13,385,310	\$14,266,791

As for guidance from the New York State Department of Financial Services, it appears from the attached Office of General Counsel Opinion that the Consortium is free to do whatever it wants to in terms of the payment of surplus, provided everyone agrees to it either through language in the Municipal Cooperative Agreement or by Board Resolution.

The only other comment we will make relative to this topic is that we believe you should settle on a formula before a withdrawal occurs to help prevent any possible legal actions from arising. We can tell you from experience that it never goes well if you wait to define things after a withdrawal has been initiated.

We hope this provides you with some background and guidance as you work to develop a reasonable approach to this most sensitive matter. As always, let us know if we can answer any questions or provide any additional information on this topic.

Thank You,
Steve Locey

Stephen P Locey
President, CEO
Locey & Cahill, LLC
120 Walton Street, Suite 500
Syracuse, NY 13202
Tel 315-425-1424
Cell 315-727-3344
Fax 315-425-1394

From: Don Barber <hconsulting@tompkins-co.org>
Sent: Friday, June 21, 2019 11:33 AM
To: Rick Snyder <rsnyder@tompkins-co.org>; Elin Dowd <edowd@tompkins-co.org>
Cc: Stephen Locey <slocey@loceycahill.com>; jerry.mickelson@inserocpa.com; 'Cortland City Director - Mack Cook' <mcook@cortland.org>
Subject: Member Equity

Rick and Elin,

I just got off the phone with Jerry about member equity position.

He clarified to me that the only role Insero plays with the member equity spreadsheet we received is the audited premium portion of the calculation. The remainder of the spreadsheet data comes from Locey and Cahill and Steve will be in the room during our discussion on this topic. So I'm feeling that Jerry's presence at Tuesday's meeting is not necessary.

As we work through the Pro-rata share of assets policy, Jerry's group may have information pertinent to our discussion. Let's plan to bring him in when we're farther along with that policy discussion.

Don



**STATE OF NEW YORK
INSURANCE DEPARTMENT**
25 BEAVER STREET
NEW YORK, NEW YORK 10004

George E. Pataki
Governor

Gregory V. Serio
Superintendent

The Office of General Counsel issued the following opinion on April 21, 2004, representing the position of the New York State Insurance Department.

Re: Municipal Cooperative Health Benefit Plans, Withdrawal of Participant

Issue

May a Municipal Cooperative Health Benefit Plan (Muni-Coop), after a participant withdraws from the Muni-Coop, retain funds paid in by the participant?

Conclusion

If the Municipal Cooperation Agreement entered into by the participant so permits, the Muni-Coop may retain such funds.

Facts

On or about November 1, 1981, the inquirer's client, a Central School District, joined the Area Schools Employees' Benefit Plan (Plan). The Plan was, as required by applicable Opinions of the State Comptroller (Comptroller), on a "pay as you go" basis. The inquirer's client, as well as other participating school districts, was obligated to pay an assessment based upon the census of employees. The 1981 Agreement was silent as to any financial rights and obligations of a participating school district upon withdrawal.

After the enactment, in 1994, of New York Insurance Law Article 47 (McKinney 2000 and 2004 Supplement), the Plan secured a Certificate of Authority from the Department as a Muni-Coop on June 1, 2001. Prior to the granting of the Certificate of Authority, on June 22, 1996, the inquirer's client executed a Municipal Cooperation Agreement in accordance with New York Insurance Law § 4705 (McKinney 2000 and 2004 Supplement), that provided, inter alia:

The [Governing] Board shall be authorized to establish a joint fund or funds to finance all Plan expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses.

...

The Board shall be authorized to refund amounts in excess of reserves and surplus required by §4706 of the Insurance Law and anticipated expenses or to retain such excess amounts (or portion thereof) and apply such amounts in preparing the Plan's budget for the following year.

...

Should Participants choose to withdraw, written notice shall be sent . . . prior to March 31 in any year prior to the next ensuing fiscal year [July 1 to June 30] membership. The

exiting Participant is not entitled to any part of the accumulated reserves. The Plan will disperse no funds to the clients of the exiting Participant after June 30 of that year. It is incumbent upon the exiting district to obtain at their expense, some type of interim coverage between the termination of our claims payment and the commencement of their new plan.

The inquirer's client gave notice of its intention to withdraw from the Plan, as of June 30, 2004, and estimates that the Plan will be retaining approximately \$300,000 in reserves attributable to the inquirer's client's contribution. The inquirer has referenced several Opinions of the State Comptroller to the effect that the use of one municipality's funds to pay the claims of another municipality is improper (although such funds could be used to pay administrative expenses of a joint self-insurance fund) and question whether it is equitable to require that the inquirer's client forfeit a substantial sum of money in order to administer the Plan during a substantial period of time for the benefit of the remaining participants.

Analysis

Background

It has long been the position of the State Comptroller that, given the general authorization of New York General Municipal Law § 92-a (McKinney 1978) and the specific authorization of New York Education Law § 1709(34-a) (McKinney 1978) (dealing with Union Free School District and made applicable to Central School Districts by New York Educational Law § 1804(1) (McKinney 1978), for the purchase by municipalities of health insurance for the benefit of their employees, that the power to insure necessarily implied the power to self-insure and that two municipalities could join together in a joint venture.

In response to a query by a legislator inquiring about a program in his district, the Comptroller indicated, *inter alia*, Opinion 78-405 (October 3, 1978), that there was no statutory authorization for either reserve funds or the moneys of one municipality being used to pay the claims of another municipality. The Opinion continued:

Because existing statutory law does not specifically authorize either a joint reserve fund or use of moneys contributed by one municipality to pay claims arising in another municipality, the advantage of a joint self-insurance plan appears to be mainly administrative in nature. It appears that, apart from the pooling of administrative resources, each participating municipality could accomplish the same objectives by establishing its own self-insurance plan.

That same day, in Opinion 78-636, addressed to a City Corporation Counsel who had inquired about a joint insurance agreement for liability risk drafted under Florida law, the Comptroller indicated that such joint agreements were allowable, subject to a number of restrictions. In conclusion, the Opinion stated:

We note that, in our opinion, moneys contributed by one municipality could not be used to pay claims against another participating municipality, although joint funds may be used to pay for administrative costs.

The impediment to self-insurance caused by a lack of statutory authorization for a reserve fund was removed by the enactment, 1979 N.Y. Laws 684, of New York General Municipal Law § 6-n (McKinney 1979). That statute has, however, since its first enactment excluded health insurance equivalents from the objects of such a reserve fund.

The prohibition on utilization of one municipality's funds for the claims of another municipality in the context of self-insurance of employee benefits was again considered by the Comptroller in Opinion 82-197 (July 26, 1982), addressed to a County Attorney. In that Opinion, the Comptroller cited New York

Constitution Art. VIII, § 1 (McKinney 1982, which provided a exception to the general prohibition on a municipality giving its credit to another for joint undertakings, and New York General Municipal Law §

119-o(2)(a) (McKinney 1982), which allowed an agreement for joint services to equitably allocate resources and revenue, and concluded that the portion of Opinion 78-405 dealing with use of one municipality's funds being used for another municipality's claims was superseded. The 1982 Opinion stated, *inter alia*:

The risk of contributing more to a joint fund than one gets in return is similar to an insurance contract. If a rational contribution policy is adopted, then the participating municipalities should receive approximately equal benefits in the long run. Of course, since a reserve fund is not permissible and contributions are based on yearly estimates, the cooperative agreement may provide for yearly adjustment of the contribution formula, or may even call for a settling of accounts among participants based on the previous year's experience. The content of the agreement is up to the participants themselves.

Notwithstanding the inability to have a reserve fund, several municipal cooperative agreements to self-fund employee benefits were entered into, including the one the inquirer's client initially joined. In 1994, by 1994 N.Y. Laws 689, the Legislature enacted New York Insurance Law Article 49 in an effort to regularize municipal cooperation agreements.

New York Insurance Law Article 47

New York Insurance Law § 4705(f) (McKinney 2000 and 2004 Supplement), regulating municipal cooperation agreements, provides:

The municipal cooperation agreement shall specify the rights and obligations of a municipal corporation withdrawing from a municipal cooperative health benefit plan to any contribution (or premium equivalent) refund or reserve fund or for any contingent assessment liability or other obligation.

The existence of a reserve fund for municipal employee health benefits, previously held to be ultra vires, is specifically required by New York Insurance Law § 4706 (McKinney 2000). New York Insurance Law § 4706(g) provides:

If a municipal corporation withdraws from a municipal cooperative health benefit plan operating under a certificate of authority, the governing board shall, in accordance with the municipal cooperation agreement, determine the amount, if any, of the plan's reserve funds attributable to such municipal corporation, after considering all plan liabilities, and dispose of such amount in the manner provided in the municipal cooperation agreement

In accordance with the agreement entered into by the inquirer's client in accordance with New York Insurance Law § 4705, an exiting municipal corporation is not entitled to any part of the accumulated reserves. Similarly, had the inquirer's client joined the health insurance plan established pursuant to New York Civil Service Law Article 11 (McKinney 1999 and 2004 Supplement), which joinder is permitted by New York Civil Service Law § 163(4) (McKinney 1999), and had its experience been better than other participating employers, it would not have been able to withdraw any reserve funds attributable to its contributions.

Accordingly, based upon the provisions of New York Insurance Law Article 47 and the Plan's Municipal Cooperation Agreement and consistent with those Opinions of the State Comptroller that have not been supplanted by New York Insurance Law Article 47, the inquirer's client is not entitled to any refund.

For further information one may contact Principal Attorney Alan Rachlin at the New York City Office.

Greater Tompkins County Municipal Health Insurance Consortium

Participant Premiums Paid by Fiscal Year (Accrual Basis Per Inverso & Co., CPAs)

Municipality Name	Effective Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
City of Cortland	1/1/2013				\$3,487,883.85	\$3,575,596.26	\$3,842,318.91	\$3,920,954.78	\$4,151,672.49	\$4,270,947.24		\$18,978,426.29
City of Ithaca	1/1/2011		\$9,369,241.38	\$10,011,055.80	\$10,543,079.70	\$11,055,129.70	\$11,520,382.61	\$11,862,094.00	\$12,322,003.77	\$12,892,743.86		\$76,682,986.96
County of Seneca	1/1/2019											
County of Tompkins	1/1/2011		\$14,405,211.01	\$15,983,305.88	\$16,516,306.41	\$17,511,729.28	\$18,041,189.12	\$18,261,714.79	\$19,280,193.85	\$19,562,435.52		\$119,999,650.34
Town of Aurelius	1/1/2017								\$59,080.92	\$61,290.48		\$59,080.92
Town of Big Flats	1/1/2019											
Town of Caroline	1/1/2011	\$10,853.04	\$81,074.03	\$139,327.48	\$169,457.87	\$164,555.40	\$161,531.72	\$158,974.36	\$173,223.64	\$236,466.46		\$1,058,997.54
Town of Cincinnatus	1/1/2017								\$19,807.12	\$11,925.98		\$19,807.12
Town of Danby	1/1/2011	\$7,484.06	\$76,428.00	\$109,048.86	\$162,704.43	\$186,478.17	\$228,831.64	\$154,589.58	\$178,225.56	\$208,019.84		\$1,103,790.30
Town of Dryden	1/1/2011	\$53,673.31	\$221,406.56	\$305,615.55	\$746,087.80	\$642,258.53	\$658,320.77	\$659,746.27	\$669,932.67	\$678,411.05		\$3,957,041.46
Town of Enfield	1/1/2011	\$4,416.80	\$57,482.67	\$63,243.73	\$77,572.71	\$76,860.36	\$80,704.08	\$83,125.44	\$79,199.68	\$93,197.40		\$522,605.47
Town of Groton	1/1/2011	\$8,642.06	\$93,990.54	\$91,296.72	\$99,513.36	\$120,909.51	\$125,182.83	\$125,379.48	\$139,495.62	\$156,892.10		\$804,410.12
Town of Homer	1/1/2018									\$103,664.38		
Town of Ithaca	1/1/2011	\$81,709.20	\$920,299.89	\$1,091,089.35	\$1,242,854.37	\$1,274,174.96	\$1,269,156.77	\$1,335,878.88	\$1,402,472.45	\$1,478,473.08		\$8,617,635.87
Town of Lansing	1/1/2013				\$402,336.65	\$389,703.31	\$398,112.10	\$445,549.12	\$495,744.87	\$482,680.69		\$2,131,446.05
Town of Marathon	1/1/2016							\$24,061.20	\$42,670.80	\$34,902.54		\$66,732.00
Town of Mentz	1/1/2019											
Town of Montezuma	1/1/2017								\$31,138.02	\$47,902.20		\$31,138.02
Town of Moravia	1/1/2017								\$75,423.78	\$57,091.44		\$75,423.78
Town of Newfield	1/1/2018									\$159,880.02		
Town of Niles	1/1/2019											
Town of Owasco	1/1/2018									\$153,883.02		
Town of Preble	1/1/2017								\$14,434.56	\$15,012.00		\$14,434.56
Town of Scipio	1/1/2017								\$49,244.49	\$62,779.35		\$49,244.49
Town of Sennett	1/1/2019											
Town of Springport	1/1/2017								\$31,830.12	\$33,103.44		\$31,830.12
Town of Truxton	1/1/2016							\$53,580.81	\$53,973.00	\$56,131.92		\$107,553.81
Town of Ulysses	1/1/2011	\$11,504.65	\$102,089.89	\$151,648.55	\$191,092.76	\$199,661.52	\$217,127.17	\$215,566.71	\$138,851.17	\$117,786.16		\$1,227,542.42
Town of Virgil	1/1/2016							\$73,970.22	\$69,399.97	\$113,131.24		\$143,370.19
Town of Willet	1/1/2015						\$22,495.20	\$49,236.42	\$53,973.00	\$56,131.92		\$125,704.62
Village of Cayuga Heights	1/1/2011	\$7,670.97	\$139,223.85	\$224,264.94	\$389,716.55	\$369,642.85	\$352,273.96	\$369,483.80	\$399,273.66	\$410,778.17		\$2,251,550.58
Village of Dryden	1/1/2011	\$11,165.28	\$116,098.75	\$115,544.24	\$106,082.29	\$155,997.66	\$164,713.16	\$167,840.24	\$130,318.40	\$141,396.40		\$967,760.02
Village of Freeville	1/1/2019											
Village of Groton	1/1/2011	\$11,414.90	\$115,780.46	\$161,484.64	\$194,522.38	\$153,806.36	\$157,100.75	\$221,515.39	\$246,872.21	\$263,262.85		\$1,262,497.09
Village of Homer	1/1/2015						\$141,568.35	\$107,495.61	\$104,024.58	\$91,094.43		\$353,088.54
Village of Horseheads	1/1/2019											
Village of Lansing	1/1/2019											
Village of Trumansburg	1/1/2011	\$8,828.16	\$96,734.44	\$130,634.87	\$176,627.00	\$189,876.49	\$206,343.60	\$229,198.32	\$295,293.24	\$276,566.11		\$1,333,536.12
Village of Union Springs	1/1/2017								\$66,718.72	\$73,724.24		\$66,718.72
Ancillary Benefits and Miscellaneous Adjustments			-\$144.87	-\$2,030.00	\$1,832.00	-\$3,089.00						-\$3,431.87
GTCMHIC Totals		\$217,362.43	\$25,794,916.60	\$28,575,530.61	\$34,507,670.13	\$36,063,291.36	\$37,587,352.74	\$38,519,955.42	\$40,774,492.36	\$42,401,705.53		\$242,040,571.65

Greater Tompkins County Municipal Health Insurance Consortium

Participant Premiums Paid by Fiscal Year (Cash Basis Per Inverso & Co., CPAs)

Municipality Name	Effective Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
City of Cortland	1/1/2013				\$3,487,883.85	\$3,575,596.26	\$3,842,318.91	\$3,920,954.78	\$4,151,672.49	\$4,270,947.24		\$23,249,373.53
City of Ithaca	1/1/2011		\$9,369,241.38	\$10,011,055.80	\$10,543,079.70	\$11,055,129.70	\$11,520,382.61	\$11,862,094.00	\$12,322,003.77	\$12,892,743.86		\$89,575,730.82
County of Seneca	1/1/2019											\$0.00
County of Tompkins	1/1/2011		\$14,405,211.01	\$15,983,305.88	\$16,238,894.11	\$17,539,423.28	\$18,055,370.78	\$18,247,811.52	\$18,854,212.76	\$19,845,327.17		\$139,169,556.51
Town of Aurelius	1/1/2017								\$59,080.92	\$61,290.48		\$120,371.40
Town of Big Flats	1/1/2019											\$0.00
Town of Caroline	1/1/2011	\$10,853.04	\$81,074.03	\$139,327.48	\$183,032.45	\$176,071.72	\$165,054.92	\$143,934.84	\$173,223.64	\$236,466.46		\$1,309,038.58
Town of Cincinnatus	1/1/2017							\$2,084.96	\$19,806.16	\$9,841.98		\$31,733.10
Town of Danby	1/1/2011	\$7,484.06	\$76,428.00	\$109,048.86	\$176,138.82	\$203,718.91	\$191,215.48	\$158,821.40	\$194,369.16	\$208,019.84		\$1,325,244.53
Town of Dryden	1/1/2011	\$53,673.31	\$244,495.56	\$282,526.55	\$799,400.88	\$717,872.95	\$660,061.95	\$658,264.19	\$672,849.27	\$613,977.01		\$4,703,121.67
Town of Enfield	1/1/2011	\$4,416.80	\$57,482.67	\$63,243.73	\$83,977.74	\$83,585.70	\$80,905.86	\$83,471.76	\$59,803.84	\$105,319.80		\$622,207.90
Town of Groton	1/1/2011	\$8,642.06	\$93,990.54	\$91,296.72	\$99,513.36	\$130,313.55	\$126,959.59	\$125,028.15	\$128,666.15	\$156,892.10		\$961,302.22
Town of Homer	1/1/2018									\$103,664.38		\$103,664.38
Town of Ithaca	1/1/2011	\$81,709.20	\$920,299.89	\$1,091,089.35	\$1,242,854.37	\$1,381,124.57	\$1,162,207.16	\$1,455,695.76	\$1,282,655.57	\$1,478,473.08		\$10,096,108.95
Town of Lansing	1/1/2013				\$434,763.45	\$427,363.31	\$393,830.40	\$453,862.08	\$454,053.60	\$482,680.69		\$2,646,553.53
Town of Marathon	1/1/2016							\$26,137.08	\$40,594.92	\$34,902.54		\$101,634.54
Town of Mentz	1/1/2019											\$0.00
Town of Montezuma	1/1/2017							\$2,883.15	\$23,641.83	\$52,515.24		\$79,040.22
Town of Moravia	1/1/2017							\$7,496.25	\$67,927.53	\$57,091.44		\$132,515.22
Town of Newfield	1/1/2018									\$159,880.02		\$159,880.02
Town of Niles	1/1/2019											\$0.00
Town of Owasco	1/1/2018								\$14,512.74	\$139,370.28		\$153,883.02
Town of Preble	1/1/2017								\$15,685.56	\$13,761.00		\$29,446.56
Town of Scipio	1/1/2017							\$4,728.39	\$44,516.10	\$62,779.35		\$112,023.84
Town of Sennett	1/1/2019											\$0.00
Town of Springport	1/1/2017							\$2,652.51	\$31,936.23	\$27,585.82		\$62,174.56
Town of Truxton	1/1/2016							\$58,078.56	\$49,475.25	\$56,131.92		\$163,685.73
Town of Ulysses	1/1/2011	\$11,504.65	\$102,089.89	\$151,648.55	\$206,884.16	\$216,947.94	\$218,403.91	\$208,448.92	\$139,497.12	\$105,694.84		\$1,361,119.98
Town of Virgil	1/1/2016						\$5,065.56	\$75,033.82	\$63,270.81	\$113,131.24		\$256,501.43
Town of Willet	1/1/2015						\$25,391.46	\$50,837.91	\$54,152.91	\$51,454.26		\$181,836.54
Village of Cayuga Heights	1/1/2011	\$7,670.97	\$139,223.85	\$224,264.94	\$420,112.54	\$402,179.33	\$352,006.47	\$373,476.90	\$400,174.55	\$373,615.19		\$2,692,724.74
Village of Dryden	1/1/2011	\$11,165.28	\$116,098.75	\$115,544.24	\$106,082.29	\$170,353.74	\$164,365.18	\$153,832.14	\$130,318.40	\$141,396.40		\$1,109,156.42
Village of Freeville	1/1/2019											\$0.00
Village of Groton	1/1/2011	\$11,414.90	\$115,780.46	\$161,484.64	\$210,168.90	\$166,312.04	\$161,388.12	\$227,735.39	\$243,488.75	\$243,633.26		\$1,541,406.46
Village of Homer	1/1/2015					\$10,815.00	\$142,783.95	\$103,768.53	\$107,830.41	\$78,985.08		\$444,182.97
Village of Horseheads	1/1/2019											\$0.00
Village of Lansing	1/1/2019											\$0.00
Village of Trumansburg	1/1/2011	\$8,828.16	\$96,734.44	\$130,634.87	\$192,034.90	\$206,802.15	\$206,851.42	\$211,764.84	\$295,293.24	\$276,566.11		\$1,625,510.13
Village of Union Springs	1/1/2017							\$4,169.92	\$62,548.80	\$71,556.24		\$138,274.96
Ancillary Benefits and Miscellaneous Adjustments			-\$144.87	-\$5,587.00	\$1,832.00	-\$502.00		\$7,019.00		-\$1,022.79		\$1,594.34
GTCMHIC Totals		\$217,362.43	\$25,818,005.60	\$28,548,884.61	\$34,426,653.52	\$36,463,108.15	\$37,474,563.73	\$38,630,086.75	\$40,157,262.48	\$42,524,671.53		\$284,260,598.80

Greater Tompkins County Municipal Health Insurance Consortium

Total Covered Lives by Fiscal Year

Municipality Name	Effective Date	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Cortland	1/1/2013	0	0	6,326	6,051	6,170	6,084	6,178	6,108	
City of Ithaca	1/1/2011	17,551	17,428	17,078	16,794	16,686	16,754	16,864	17,148	
County of Seneca	1/1/2019	0	0	0	0	0	0	0	0	
County of Tompkins	1/1/2011	30,045	30,424	30,047	29,901	29,939	29,640	29,958	29,464	
Town of Aurelius	1/1/2017	0	0	0	0	0	0	144	144	
Town of Big Flats	1/1/2019	0	0	0	0	0	0	0	0	
Town of Caroline	1/1/2011	177	262	264	268	264	269	288	339	
Town of Cincinnatus	1/1/2017	0	0	0	0	0	0	54	33	
Town of Danby	1/1/2011	241	269	316	382	371	369	322	334	
Town of Dryden	1/1/2011	530	565	1,200	1,096	1,061	1,083	1,035	972	
Town of Enfield	1/1/2011	111	104	108	108	108	108	100	108	
Town of Groton	1/1/2011	227	204	204	248	212	207	222	252	
Town of Homer	1/1/2018	0	0	0	0	0	0	0	242	
Town of Ithaca	1/1/2011	2,276	2,310	2,388	2,319	2,251	2,421	2,460	2,456	
Town of Lansing	1/1/2013	0	0	842	816	777	856	913	863	
Town of Marathon	1/1/2016	0	0	0	0	0	38	74	63	
Town of Mentz	1/1/2019	0	0	0	0	0	0	0	0	
Town of Montezuma	1/1/2017	0	0	0	0	0	0	54	96	
Town of Moravia	1/1/2017	0	0	0	0	0	0	136	88	
Town of Newfield	1/1/2018	0	0	0	0	0	0	0	332	
Town of Niles	1/1/2019	0	0	0	0	0	0	0	0	
Town of Owasco	1/1/2018	0	0	0	0	0	0	0	300	
Town of Preble	1/1/2017	0	0	0	0	0	0	36	36	
Town of Scipio	1/1/2017	0	0	0	0	0	0	109	118	
Town of Sennett	1/1/2019	0	0	0	0	0	0	0	0	
Town of Springport	1/1/2017	0	0	0	0	0	0	48	45	
Town of Truxton	1/1/2016	0	0	0	0	0	111	108	107	
Town of Ulysses	1/1/2011	318	380	405	418	356	324	288	234	
Town of Virgil	1/1/2016	0	0	0	0	0	306	262	201	
Town of Willet	1/1/2015	0	0	0	0	48	105	99	90	
Village of Cayuga Heights	1/1/2011	337	462	741	723	648	652	690	683	
Village of Dryden	1/1/2011	339	253	219	301	302	299	213	222	
Village of Freeville	1/1/2019	0	0	0	0	0	0	0	0	
Village of Groton	1/1/2011	326	372	379	295	314	409	431	464	
Village of Homer	1/1/2015	0	0	0	0	282	213	224	181	
Village of Horseheads	1/1/2019	0	0	0	0	0	0	0	0	
Village of Lansing	1/1/2019	0	0	0	0	0	0	0	0	
Village of Trumansburg	1/1/2011	322	346	398	425	458	498	541	503	
Village of Union Springs	1/1/2017	0	0	0	0	0	0	200	196	
GTCMHIC Totals		52,800	53,379	60,915	60,145	60,247	60,746	62,051	62,422	
		n/a	1.10%	14.12%	-1.26%	0.17%	0.83%	2.15%	0.60%	
Participating Employer Count		13	13	15	15	17	20	28	31	

Greater Tompkins County Municipal Health Insurance Consortium

2018 Financial Results by Participant

Retained Earnings/Fund Balance	\$1,237,788.35
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Accrual

Municipality Name	Effective Date	Prior Year's Equity	Number of Covered Lives	2018 % of Premiums Paid	2018 % of Covered Lives	2018 Net Equity Share	2018 Net Equity Payments	Estimated Total Net Equity
City of Cortland	1/1/2013	\$1,652,225.75	6,108	10.07%	9.79%	\$121,117.73	\$0.00	\$1,773,343.48
City of Ithaca	1/1/2011	\$6,672,880.81	17,148	30.41%	27.47%	\$340,033.88	\$0.00	\$7,012,914.69
County of Seneca	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
County of Tompkins	1/1/2011	\$10,638,088.17	29,464	46.14%	47.20%	\$584,252.28	\$0.00	\$11,222,340.45
Town of Aurelius	1/1/2017	\$5,390.16	144	0.14%	0.23%	\$2,855.43	\$0.00	\$8,245.59
Town of Big Flats	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Town of Caroline	1/1/2011	\$95,018.20	339	0.56%	0.54%	\$6,722.15	\$0.00	\$101,740.35
Town of Cincinnatus	1/1/2017	\$2,021.31	33	0.03%	0.05%	\$654.37	\$0.00	\$2,675.68
Town of Danby	1/1/2011	\$105,509.20	334	0.49%	0.54%	\$6,623.01	\$0.00	\$112,132.21
Town of Dryden	1/1/2011	\$352,247.26	972	1.60%	1.56%	\$19,274.14	\$0.00	\$371,521.40
Town of Enfield	1/1/2011	\$45,381.84	108	0.22%	0.17%	\$2,141.57	\$0.00	\$47,523.41
Town of Groton	1/1/2011	\$70,585.86	252	0.37%	0.40%	\$4,997.00	\$0.00	\$75,582.86
Town of Homer	1/1/2018	\$0.00	242	0.24%	0.39%	\$4,798.71	\$0.00	\$4,798.71
Town of Ithaca	1/1/2011	\$761,860.00	2,456	3.49%	3.93%	\$48,700.91	\$0.00	\$810,560.91
Town of Lansing	1/1/2013	\$188,608.10	863	1.14%	1.38%	\$17,112.74	\$0.00	\$205,720.84
Town of Marathon	1/1/2016	\$3,502.85	63	0.08%	0.10%	\$1,249.25	\$0.00	\$4,752.10
Town of Mentz	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Town of Montezuma	1/1/2017	\$2,021.31	96	0.11%	0.15%	\$1,903.62	\$0.00	\$3,924.93
Town of Moravia	1/1/2017	\$5,090.71	88	0.13%	0.14%	\$1,744.98	\$0.00	\$6,835.69
Town of Newfield	1/1/2018	\$0.00	332	0.38%	0.53%	\$6,583.35	\$0.00	\$6,583.35
Town of Niles	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Town of Owasco	1/1/2018	\$0.00	300	0.36%	0.48%	\$5,948.81	\$0.00	\$5,948.81
Town of Preble	1/1/2017	\$1,347.54	36	0.04%	0.06%	\$713.86	\$0.00	\$2,061.40
Town of Scipio	1/1/2017	\$4,080.05	118	0.15%	0.19%	\$2,339.86	\$0.00	\$6,419.92
Town of Sennett	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Town of Springport	1/1/2017	\$1,796.72	45	0.08%	0.07%	\$892.32	\$0.00	\$2,689.04
Town of Truxton	1/1/2016	\$5,674.69	107	0.13%	0.17%	\$2,121.74	\$0.00	\$7,796.44
Town of Ulysses	1/1/2011	\$118,187.28	234	0.28%	0.37%	\$4,640.07	\$0.00	\$122,827.35
Town of Virgil	1/1/2016	\$12,060.23	201	0.27%	0.32%	\$3,985.70	\$0.00	\$16,045.93
Town of Willet	1/1/2015	\$9,351.29	90	0.13%	0.14%	\$1,784.64	\$0.00	\$11,135.94
Village of Cayuga Heights	1/1/2011	\$209,617.69	683	0.97%	1.09%	\$13,543.45	\$0.00	\$223,161.14
Village of Dryden	1/1/2011	\$87,482.66	222	0.33%	0.36%	\$4,402.12	\$0.00	\$91,884.77
Village of Freeville	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Village of Groton	1/1/2011	\$107,040.76	464	0.62%	0.74%	\$9,200.82	\$0.00	\$116,241.58
Village of Homer	1/1/2015	\$37,749.75	181	0.21%	0.29%	\$3,589.11	\$0.00	\$41,338.86
Village of Horseheads	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Village of Lansing	1/1/2019	\$0.00	0	0.00%	0.00%	\$0.00	\$0.00	\$0.00
Village of Trumansburg	1/1/2011	\$121,650.49	503	0.65%	0.81%	\$9,974.17	\$0.00	\$131,624.66
Village of Union Springs	1/1/2017	\$7,486.33	196	0.17%	0.31%	\$3,886.55	\$0.00	\$11,372.89
GTCMHIC Totals		\$21,323,957.00	62,422	100.00%	100.00%	\$1,237,788.35	\$0.00	\$22,561,745.35
			5,202					