



Greater Tompkins County Municipal Health Insurance Consortium

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

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

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

Audit and Finance Committee

Agenda

September 11, 2019 – ITHACA TOWN HALL

1. Call to Order (3:30) M. Cook
2. Changes to Agenda (3:30)
3. Approve Minutes of August 13, 2019 (3:32)
4. Executive Director (4:25) E. Dowd
 - a. Report
 - b. **RESOLUTION:** Medical Claims Audit Action Items for Excellus BlueCross BlueShield
 - c. **RESOLUTION:** Approval of Adjustment to the Gold Metal Level Plan Minimum Deductible Amounts
 - d. **RESOLUTION:** Acceptance of Application by the Village of Watkins Glen to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - e. **RESOLUTION:** Acceptance of Application by the Town of Horseheads to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - f. **RESOLUTION:** Acceptance of Application by the Lansing Community Library to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - g. **RESOLUTION:** Acceptance of Application by the Town of Spencer to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - h. Invoices: Town of Ithaca – August, 2019; Hancock Estabrook – August, 2019
5. Financial Update (4:10) S. Locey
 - a. Discussion: Actuarial Fees (attach printout)
 - b. Report on Large Loss Claim Activities
 - c. Account Receivables
 - d. Plan Underwriting Review
 - d. **RESOLUTION:** Adoption of Budget, Premium Rates, and Reserve Amounts for 2020
 - d. Self-funded stop loss update (internal captive)
7. Discussion: Pro Rata Share
8. Next meeting Agenda Topics (5:25)
9. Adjourn (5:30)

Next Meeting: _____, 2019

**Audit and Finance Committee
Minutes – Draft
August 13, 2019 – 3:30 p.m.
Legislature Chambers**

Present: Mack Cook, Rordan Hart, Bud Shattuck, Peter Salton, Ann Rider, Olivia Hersey, Chuck Rankin (excused at 5:33 p.m.), Steve Thayer

Excused: Laura Shawley

Guests: Elin Dowd, Executive Director; Don Barber, Consultant; Rick Snyder, Treasurer; Steve Locey, Robert Spenard, Locey and Cahill; Judy Drake, Board Chair; Lisa Holmes, Deputy County Administrator; Greg Potter, Director of Tompkins County ITS; Brittni Griep, Administrative Assistant

Call to Order

Mr. Cook called the meeting to order at 3:31 p.m.

Changes to the Agenda

The resolution entitled Medical Claims Audit Action Items for Excellus BlueCross BlueShield was deferred to the September meeting.

Approval of Minutes of July 23, 2019

It was MOVED by Ms. Hersey, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present, to approve the minutes of July 23, 2019 as submitted. MINUTES APPROVED.

Cyber Security Risk Analysis Review

Ms. Dowd introduced Greg Potter, Director of Tompkins County Information Technology Services. She said she and Mr. Barber met with Mr. Potter to discuss the certification process regarding Article 47 and Cyber Security and the Consortium has contracted with Tompkins County to assist with the process. Mr. Potter walked the Committee through the risk assessment process that was outlined in a document prepared by Mr. Potter dated August 9, 2019 and covered under a Memorandum of Agreement between the Consortium and the Tompkins County ITS Department.

Mr. Potter said this relies primarily on the use of County systems; there will need to be further discussion of interactions with the Medical Claims Administrator and Prescription Benefit Manager. The following areas will be addressed during the assessment:

- Identification of information systems used by the Consortium
- Assessment of Risks: physical, data, 3rd party penetration and vulnerability assessment
- System Controls: Office 365 Security Center, Varonis, Sophos Cloud-based management system; and Internal Intrusion Detection System
- Access Control
- Reporting and Accountability: contracts in place with vendors, Breach Response Reporting

In response to Mr. Salton regarding how this would apply to e-mail, Mr. Potter said if an e-mail is sent to a Consortium (Tompkins County) e-mail address it would be filtered through the

system; any e-mail that is exchanged between non-County e-mail addresses is not included in this.

Ms. Dowd said the Committee will be updated on this as progress is made; however, this is something that will eventually fall under the purview of the Operations Committee unless a need for funding is identified.

Invoices

There were no questions or concerns related to the July 2019 invoices included in the agenda packet for information only.

Financial Update

Presentation of Preliminary 2020 Budget

Mr. Locey said budget information is being presently differently this year and is in the form of a PowerPoint presentation; he also noted additional information will be shared when all as July expenses become available. July claims data has been received and included in premium numbers. Feedback received during the meeting will be incorporated into a revised presentation and a budget memo will be developed that will be shared at the September meeting. The recommendations that come out of this Committee will be incorporated into a final recommendation that will be presented to the full Board of Directors.

Mr. Locey walked the Committee through the presentation. With regard to budgeted versus actual results for the first six months of 2019 medical plan premiums were approximately 2% below budget. Factors that attributed to this include:

- A move of 100 people in Tompkins County from more traditional, higher-cost indemnity and PPO plans into a Platinum Plan which has a significantly lower premium. Additionally, Seneca County member premiums were based on a higher plan cost and then enrolled in a Platinum Plan as well. These factors collectively make up for the 2% differential. He also noted that when the budget is set it is based on the census at that time and there are subsequent changes that occur.
- Interest income is significantly above budget due to the improved investment management strategies;
- Prescription rebates are slightly below budget; however, paid claims are also below budget;
- There has not been any Stop Loss insurance revenue; there has not been anyone within 50% of the \$600,000 deductible level to date.

Mr. Locey reviewed budgeted expenses versus actual results, noting medical claims were 6.3% below budget and prescription drug claims were 10.2% below budget. He will be checking with Ms. Miller at Excellus on the Advance Deposit/Pre-paid claims line to correct the amount budgeted if needed. Total expenses are \$1,853,911 (7.05%) below budget year-to-date. In summary, key factors related to expenses include:

- Covered lives are up by 18.43% and the number of contracts is up by 17.09%;
- Paid claims account for 93.59% of total expenses;
- There has been a lower frequency of large dollar claimants in the first six months;
- Medical claims are currently 6.34% below the projected budget for the year; and
- Rx paid claims are currently 10.22% below budget and continue to trend down below budget.

Mr. Locey commented that the July results of both medical and prescription drug claims recently received were both below budget.

Mr. Locey reviewed graphs contained in the presentation and noted in terms of total paid claims versus budget cumulatively over time there is a trend variance of 3.02%; therefore, the Consortium has beat projections over the entire time it has existed.

He reviewed the Consortium's assets and reserve accounts:

- **IBNR (Incurred But Not Reported) Claims Liability Reserve:** New York State Insurance Law requires this reserve for payment of claims that have been incurred but not paid and to be an amount not less than 25% of expected incurred claims and expenses for the current year unless an actuary has demonstrated that a lesser amount will be adequate. It was noted that the Consortium received approval for its IBNR Reserve to be at 12% and the Consortium's Actuary has determined the Consortium's IBNR liability was less than 8% for the years 2015-2018.
- **Surplus Account:** New York State Insurance Law requires a Surplus Account for the purpose of satisfying unexpected obligations in the event of termination of the plan which is equal to 5% of the annualized earned premium equivalents during the current fiscal year.
- **Catastrophic Claims Reserve:** A discretionary reserve established by the Consortium to protect the financial integrity of the Consortium as decisions were made to increase the Specific Stop Loss Insurance Deductible. Currently, the deductible is set at \$600,000 per covered member (members identified as high risk) with "laser" deductibles of \$1 million and \$1.2 million.
- **Claims/Rate Stabilization Reserve:** A discretionary reserve established at 5% of expected premium income that is intended to bridge a gap during a hyper-inflationary period that would create a need for a large increase.
- **Unencumbered Fund Balance:** The amount of net cash asset balance after all liabilities and reserves have been accounted for. This Committee established 18% of expected annual premium as the target for these funds. As of the close of the 2018 Fiscal Year, the Consortium maintained a net cash asset position of approximately \$15.9 which represented 37.53% of premium income for the year.

Mr. Locey presented projected income for 2020-2024 and reviewed the major sources of income contained within the budget: medical plan premiums, ancillary benefit premiums (pass-through), interest earnings, prescription drug rebates, and Stop Loss claim reimbursements. He noted he is awaiting further information from ProAct and there may be adjustments to the prescription drug rebate number.

Important notes and assumptions related to income contained within the budget recommendation included:

- A premium rate increase of 5% for 2020 through 2023 and a 6.0% premium rate increase for 2024;
- Interest income is calculated at 1.6% of the Consortium's assets and is based on most recent rates of return experienced by the Consortium; and
- Prescription drug rebates earned by the Consortium and the \$1.6 million is based on estimates as provided by Pro Act for the 2020 Fiscal Year;
- Other income is based on the average going forward from 2020 through 2024.

Mr. Locey reviewed major expense categories: paid claims, claims administration fees (Excellus and ProAct), taxes and fees, Stop Loss insurance, professional service fees, insurance and internal fees, and ancillary benefits (pass through expense).

Important notes and assumptions related to expenses contained within the budget recommendation:

- Medical and pharmacy paid claims trends from April 1, 2011 to June 30, 2019 has equaled 4.745% and 5.056%.
 - The Locey and Cahill Municipal Cooperative Health Benefit Plan paid claim trend models for medical and pharmacy claims produce an average cost of 3.321% and 6.378%.
 - The paid claims trends utilized are based on a number of factors, including trends noted above and Locey and Cahill's 24+ years of experience working with Municipal Cooperative Health Benefit Plans like the Consortium.
 - The 2020 paid claims trends utilized for the budget projections were 5.0% for medical claims and 6.5% for prescription drug claims.

Mr. Locey said charts presented provided background and detail regarding paid claim trend information and data used, noting the information is based on a per covered life basis and takes into consideration fluctuations in terms of growth and covered lives.

Mr. Locey noted there is a contract in place with ProAct through 2019; a proposal is needed for 2020 and a decision on whether to issue an RFP for 2021 and beyond.

Recommendations:

Mr. Locey reviewed the following recommendations contained within the presentation:

- Maintain the Surplus Account at 5% of annual premium, the IBNR Reserve at 12% of expected incurred claims, maintain the Claims/Rate Stabilization Reserve at an amount equal to 5% of expected paid claims;
- Continue to evaluate the Specific Stop Loss insurance policy;
- Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross Blue Shield;
- Monitor and update investment strategies to maximize interest earnings;
- Adoption of a 5.0% increase in premiums for the 2020 Fiscal Years (a 1.0% increase in premiums paid equals approximately \$502,000 for the 2020 Fiscal Year), and 6.0% for 2024.

Historically, the rate increases on average from 2011-2019 have been 6.56% and the five-year average rate increase from 2015-2019 has been 4.60%. Projected average rate increases as presented in the recommendation would be 6.07% for 2011-2024 and 5.20% for years 2020-2024. Mr. Locey provided additional documents containing trend information.

Mr. Locey said in addition to the budget recommendations, Locey and Cahill is also recommending a \$50 increase in the single deductible and \$100 for the family deductible for the Gold Metal Level Plan to maintain its eligibility to be defined as a high deductible health plan.

Mr. Salton asked Mr. Locey when modeling the budget in the past whether he has used local or national trends. Mr. Locey said he reviews national information but does not typically use national trends because medical care is delivered very regionally and trends seen in

different states are very different; trends seen in Ithaca are also different than what is seen in different areas of the State. They trend on a regional model and have done this with clients for over 20 years. Mr. Locey noted as of June 30, the Consortium is at \$28.4 million in total assets and he anticipates that will go to up due to under-budget July paid claims.

Mr. Locey called attention to the chart entitled Net Equity Share Financial Results by Participant and said there needs to be discussion about the importance of not giving Participants an incentive to leave at some point in order to get their share of assets to resolve a short-term budget issue as it may not be in the long-term best financial interest of the municipality to do so.

Mr. Cook recognized there being different perspectives that exist on this and opened the subject up for discussion. Mr. Locey said efforts should be made to develop a cohesive recommendation by this Committee to take to the Board of Directors as there will likely be a number of other viewpoints that come forward at that time. Ms. Hersey encouraged members to narrow down what will be presented to the Board.

Ms. Drake spoke of the different elements that were contained in recommendations brought forward by Mr. Locey and Mr. Barber and suggested focusing on specific areas such as trending and how to address the fund balance level which tie into the premium rate increase. She presented a model spreadsheet to demonstrate the impact of how changes impact numbers going forward.

Mr. Hart said going back to 2011 Mr. Locey has always had out-years trending at a particular number and asked if the Consortium has ever hit those out-year numbers from a prior year's projections. Mr. Locey said there were some years when contract counts increased significantly which would impact that number; he didn't have the information at this meeting but said he could make it available. Mr. Barber responded that the Consortium never hit the next year but the 5-year pro forma shows the direction things are moving.

Mr. Hart said the Consortium is really good or really lucky. If the Consortium is really good it will stay under the 5-year pro forma projections forever; however, if it is really lucky at some point it will move back up to the average. He said part of the discussion is not only what trends are used that will impact what premium increases there are, but what reserve lines can be increased to protect the Consortium. He said if the results have been because the Consortium is good the result will be that it has more money. If the results are because the Consortium has been lucky it will need those funds in the future. He acknowledged this would be a difficult discussion for Directors to have.

Mr. Hart said for 2020 he would support a 5% rate increase along with the trend Mr. Locey proposed but would double the Catastrophic Claims Reserve and increase the Rate Stabilization Reserve to 7½%. This would result in an unencumbered balance of approximately \$12 million.

Mr. Locey said in developing the trend they looked at what they thought the true medical and prescription drug claims cost should be on a per covered life basis and used those numbers for the last six months. He said they didn't trend off what was the lower paid claims cost for this year but where it should be going forward.

Mr. Shattuck said he spoke to Legislators from municipalities in Cayuga County of which a number have already joined the Consortium and the one key thing that is important to everyone is rate stabilization because that is what keeps the tax rates as low as possible.

Mr. Barber spoke of his concerns with the proposed trend factors and said the most important component in setting the rate is claims cost so that number cannot be wrong. He said in the past local data has always matched the national trend data; however, this year it is not close and this causes him concern. He believes the medical claim trend rate proposed by Mr. Locey at 5% should be much higher as one-third of the premiums are based on family contracts which is 2.3 times higher than that. He said the reason why the prescription drug claims are lower is because the Consortium responded to increased specialty drug costs a few years ago by increasing the trend rate. He also referenced a seminar recently conducted by Excellus that highlighted expensive technologies on the horizon and would significantly increase high cost claims, thereby increasing the claims trend. He said for these and other reasons outlined in a memorandum dated August 9, 2019 he believes the proposed trend rate should be higher.

Mr. Salton was not in support of using national trends and commented that larger employers are migrating to lower-cost plans and when that happens it is favorable to the Consortium. He also wants to give taxpayers as much of a break as possible. Mr. Barber responded that trends are percentages and not absolute numbers.

Mr. Locey said the Consortium has been 3% under budget projections on claims since it began and also doesn't need to build more fund balance. He said because of this he didn't feel it was necessary to be as conservative on the paid claims trend for 2020. He said the paid claims trend of 5% for medical and 6.5% for prescription drug for from 2019-2020 is based on the average cost per covered life for the group.

Ms. Drake said Mr. Locey had left the trend the same for the first few years of the Consortium and in 2019 the trend was brought down to 6.8% and 8.5% and questioned why the Consortium wouldn't keep at least two years of the same trend. An example she provided contained the same trend for 2020 that was included in the 2019 budget. That created the ability to still do a 5% rate increase in 2020 and having to grow to 6%, 7%, and 7% in outlying years. She also demonstrated a 7% average trend increase going forward and noted this would require a higher rate increase but would retain a higher fund balance. She agreed with Mr. Barber in lowering of the trend model for 2019 and again in 2020 would be a drastic decrease.

Mr. Locey responded to his rationale in developing the numbers and said the Consortium has been underperforming for years and it is now much bigger than it used to be with now having over 6,200 covered lives and almost 3,000 contracts; because of these factors he believes it doesn't have to be as conservative as it has been in past years.

Mr. Hart commented that in either model presented by Ms. Drake the Committee is still looking at recommending a 5% rate increase.

Mr. Cook said it is very difficult for him to isolate his roles of City Manager and a Director of the Consortium due to possible layoffs at the City of Cortland and said this is one of the most difficult budgets he has been faced with in his 40 years working with budgets.

Ms. Hersey said she finds difficulty in the trend and although Mr. Locey may be correct in his analysis it is hard to absorb such a big change in one year. She thinks the Consortium is good but has also experienced an element of luck. Over the last several years there has been a push for wellness that has helped keep costs down; this has created a path to ensure that people not only have good insurance but are staying as healthy as possible. She understands the position Mr. Cook is in and commented that this is the first time in over 30 years that her

labor group does not have a settled contract. She suggested a good strategy would be retaining the trend proposed in 2019 by Mr. Locey for another year.

Mr. Hart said since the premium rate being proposed is the same regardless of what trend line is used he would like to see both trend lines followed on a quarterly basis. Mr. Locey said he could accommodate this request.

Mr. Thayer commented that he thinks being conservative for another year with the trend would be a good idea; he can support a premium rate increase in the range of five to six percent but would prefer the lower end of that range.

Mr. Shattuck said he doesn't think there would be support by the Board to raise the rate beyond five percent when there is so much money in the fund balance.

Ms. Drake asked for feedback on what to take to the Board of Directors meeting next week; she said the two areas that will be focused on will be the rate increase and the fund balance level and doesn't expect there to be a discussion there about trend models. She said she would like to see the fund balance decline gradually over the years but not all at once.

There was a brief discussion of municipalities that are currently engaged in budget deliberations and the importance of providing direction on the rate increase at next week's meeting. Ms. Drake said she would be comfortable recommending a 5% rate increase for 2020 but would like to see outlying years at a higher rate.

Mr. Rankin said he doesn't think there is an acceptable option for a rate increase for 2020 other than five percent.

Mr. Barber spoke to how important the claims trend assumption is and said a big hole would be built if it is not correct. Mr. Locey responded that he thinks the Consortium has been too conservative over the last several years and has built up too much fund balance. He disagreed with Mr. Barber's comment that the fund balance has been flat for the last few years and said income has still remained high and reserves have been built up at the same time. He said the paid claims trend has been too conservative because the Consortium has historically been three percent below budget. He said prescription drug claims over the last three years have been exactly on the trend line and he doesn't feel uncomfortable bringing the trends down slightly. Also, at this point he doesn't think the Consortium should continue to build its fund balance.

In response to a question by Mr. Hart as to whether there is any willingness to doubling the Rate Stabilization Rate from five to ten percent as a cushion if the claims trend ends up being wrong, Mr. Cook suggested this could be a topic of discussion at the next meeting.

Mr. Shattuck referenced discussion that took place at the last meeting concerning the development of a self-funded Stop Loss proposal that should be part of the discussion.

There was consensus to present a preliminary budget to the Board that includes a five percent rate increase and a report that the Committee continues to look at the structure of the Consortium's reserves.

There was consensus that for 2020 the recommendation will be a 5% premium rate increase with no change to other factors presented. For the outlying years a more conservative

trending will be used on claims and a rate higher than 5% will be used for those outlying years to keep the unencumbered balance in the 18% range. Mr. Locey will make these adjustments in his presentation.

Executive Director's Report

Ms. Dowd introduced Brittini Griep who was recently hired as an Administrative Assistant for the Consortium.

Mr. Rankin was excused at this time.

She said Mr. Locey covered much of what she has been working on over the last couple of weeks since the Committee met last.

RESOLUTION NO. – 2019 - RESOLUTION TO ADD MEDICARE ADVANTAGE AS A PASS-THROUGH ACCOUNT TO THE CONSORTIUM OFFERINGS

Ms. Drake said municipalities that have a Medicare Advantage Plan outside of the Consortium will be brought in to discuss this prior to it being presented to the Board for adoption.

It was MOVED by Mr. Salton, seconded by Mr. Shattuck, and unanimously adopted by members present.

WHEREAS, the GTCMHIC Municipal Cooperative Agreement (MCA) provides that participation in the Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant is not encouraged and shall not be permitted absent prior Board approval, and

WHEREAS, any Participant that negotiates with a collective bargaining unit or employee group an alternative health insurance plan offering other than the plan offerings of the Consortium may be subject to a risk charge as determined by the Board, and

WHEREAS, several Participants of the Consortium do not have full participation by their members because at time of enrollment the Consortium did not offer a comparable plan to those new Participants entering with a Medicare Advantage plan for their retirees at age 65 and older, and

WHEREAS, the Consortium issued a Request for Proposals (RFP) for a Medicare Advantage Plan in May 2019 to review Medicare Advantage options, and

WHEREAS, Excellus BlueCross BlueShield (BCBS) was the only responder to the RFP with comparable benefits and pricing to plans utilized by current members, now therefore be it

RESOLVED, That the Audit and Finance Committee, effective January 1, 2020, recommends the Consortium provide the Excellus Medicare Advantage Plan as an ancillary benefit and pass-through as one of its offerings, to those Participants who are not in compliance due to keeping a Medicare Advantage plan in absence of this benefit provided by the Consortium.

Date of Next Meeting

The date of the next meeting was rescheduled to September 12th at 2:30 p.m. (This was subsequently changed).

Adjournment

The meeting adjourned at 5:09 p.m.

Respectfully submitted by Michelle Cocco, Clerk of the GTCMHIC Board



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RESOLUTION NO. - 2019 - MEDICAL CLAIMS AUDIT ACTION ITEMS FOR EXCELLUS BLUECROSS BLUESHIELD

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan organized pursuant to Article 5-G of the New York State General Municipal Law, and

WHEREAS the GTCMHIC is operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, the Consortium contracts with a licensed New York State Article 43 Not-For-Profit Insurance Company, Excellus BlueCross BlueShield, for the administration of the various hospital, medical, and surgical plans offered to the participating municipal employers in the Consortium, and

WHEREAS, the Consortium's Board of Directors contracted with BMI Audit Services, LLC to conduct an audit of the claims adjudication processes at Excellus BlueCross BlueShield to include claims paid between January 1, 2017 and December 31, 2018, and

WHEREAS, the Consortium's Executive Director, Executive Committee, Audit & Finance Committee, and the Consortium's Plan Consultant, Locey & Cahill, LLL, have reviewed the audit findings in substantial detail and recommended actions for each substantive finding previously reported to the Board of Directors, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby approves the following actions to "close-out" this medical claims audit:

1. Deductibles-Diagnostic Laboratory Tests

- a. Preventative Services as deemed appropriate by the United States Preventative Services Task Force (USPSTF) are to be covered with no patient cost-sharing when they are performed as part of a routine medical care visit.
- b. Additional preventive care services are to be paid with no patient cost sharing when said services are required to be paid pursuant to guidance provided by the Federal Government, such as the guidance provided by IRS Notice 2019-45.
- c. The Consortium hereby agrees that Excellus may pay other similar services with no patient cost share when it is demonstrated to the Consortium's satisfaction that doing so is the most cost-effective way to adjudicate said diagnostic laboratory tests.
- d. In all other cases, if a diagnostic laboratory service or other diagnostic test is performed as part of a "sick visit", these services should be paid subject to the cost sharing (deductible, coinsurance, and/or copayment requirements of the plan).

¹¹
**RESOLUTION NO. 2019 - MEDICAL CLAIMS AUDIT ACTION ITEMS FOR EXCELLUS
BLUECROSS BLUESHIELD**

Excellus BlueCross BlueShield is hereby directed to provide the Consortium with information demonstrating that Excellus' administrative process and practice of considering lab tests as a covered in full benefit when they are not related to a preventative or routine level of care is in the financial best interest of the Consortium.

2. Proper Coding

Excellus has set a precedent allowing claims adjudicators the latitude to modify procedure codes and manually reprice claims when providers bill with unlisted codes. Excellus BlueCross BlueShield is hereby directed to provide the Consortium with information demonstrating that Excellus' administrative process and practice of modifying procedure codes and manually repricing claims when providers bill with unlisted codes is in the financial best interest of the Consortium. The Consortium further requests that Excellus put in place an administrative process by which it will notify providers who bill with unlisted codes advising them that such practice is not allowed and that all future claims must be billed properly, or they could be denied and returned to the provider for proper coding.

3. Over the Counter Items

Excellus is hereby directed to ensure its systems are duly noted for the Consortium indicating that the Consortium plans cover medical supplies that are required for the treatment of a disease or injury. The files should also be noted that the Consortium also covers maintenance supplies (e.g., ostomy supplies) for conditions covered under its filed and approved Certificates. All such items must be in the appropriate amount for the treatment or maintenance program in progress. The Consortium does not cover over the counter medical supplies. The Plan document of the Consortium specifically outline coverage for diabetic supply coverage and specifically exclude over the counter items. Excellus is directed to adhere to the language in the plan documents and deny over the counter items accordingly.

4. Add-on Codes

Add on codes are always performed with a primary procedure or service and are not supposed to be reported as a stand-alone code. Although Excellus relies on the National Coding Guidelines in conjunction with their Utilization Management Programs, it is the Consortiums contention that Excellus should not override the system and Excellus should discontinue paying add on codes as stand-alone services unless it can demonstrate to the Consortium's satisfaction that doing so is in the financial best interest of the Consortium. Excellus BlueCross BlueShield is hereby directed to provide the Consortium with information demonstrating that Excellus' administrative process and practice of paying stand—alone claims submitted with an add-on code is in the financial best interest of the Consortium. Failure to provide said satisfactory proof as requested will result in the Consortium directing Excellus to adhere to the national coding standard for physician and other health care services and procedures and discontinue the practice of paying add on codes as stand-alone codes which has been identified as an incorrect practice in past audits.

5. Maximum Number of Units Allowed

Claims submitted with a total number of units above the maximum allowed units should be denied and not paid as a percent of charges. Excellus is directed to adhere to service limits associated with certain procedure codes and that language in provider contracts should not allow for services to be billed in excess of these limits. Furthermore, Excellus is directed to perform an audit of claims paid above the maximum service limits and report back to the Consortium on to the extent the Consortium's funds have been paid in error.

¹²
RESOLUTION NO. 2019 - MEDICAL CLAIMS AUDIT ACTION ITEMS FOR EXCELLUS
BLUECROSS BLUESHIELD

6. B – Codes

BMI noted that a status B code (99050) was billed with no indication that it was a "bundled" service. As a result, the procedure should have been considered a component of, or incident to, the overall service provided, and separate reimbursement should not have been issued. It was further identified that Excellus utilizes ClaimsXten edits, which align with Centers for Medicare and Medicaid Services (CMS) payment rules and as such the claims for 99050 were paid in error. Excellus is instructed to follow CMS and deny these services accordingly.

7. Unbundling

National Correct Coding Initiative Program (NCCI) edits do not allow codes 98940 and 98941 to be billed together by the same provider for the same date of service, especially when Medicare is primary and NCCI is not applicable on secondary to Medicare claims for EHP. As a result, the Consortium hereby requests Excellus to implement the necessary software edits to prevent this type of overpayment from occurring in the future.

8. Foot Care Benefits

As indicated in the Consortium's plan document which was written utilizing New York State Department of Financial Services Model Language, routine footcare is excluded unless the member has a specific medical condition or disease resulting in circulatory deficits or areas of decreased sensation in the legs or feet. Excellus is hereby directed to exclude those American Medical Association (AMA) Current Procedure Terminology (CPT) Codes for all items classified as "foot inserts" from coverage under the Consortium's hospital, medical, and surgical contracts.

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RESOLUTION NO. _____-2019 – APPROVAL OF ADJUSTMENT TO THE GOLD METAL LEVEL PLAN MINIMUM DEDUCTIBLE AMOUNTS

WHEREAS, the Internal Revenue Service recently issued new limits for 2020 for high deductible plans for Health Savings Accounts (HSAs) for maximum out-of-pocket expenses, and

WHEREAS, in order to now qualify for a high-deductible health plan Gold Metal Level Plan, the minimum deductible for single coverage must be increased from \$1,350 to \$1,400 and from \$2,700 to \$2,800 for family, and

WHEREAS, the Participating Consortium employers enrolled in the Gold Metal Level Plan wish to continue to offer the option of a Health Savings Account to their employees and retirees,

WHEREAS, data entered into the federal actuarial calculator indicates the proposed deductible will change from 80.80% to 80.28%. In keeping with past Consortium policy the premium rate increase for the Gold Plan will be 0.52% lower than all other premium rates for the 2020 Fiscal Year,

RESOLVED, upon recommendation of the Joint Committee on Plan Structure and Design, That the Audit and Finance Committee recommends that effective January 1, 2020 a benefit plan adjustment will be made to the Consortium’s Gold Plan to increase the deductible for single coverage from \$1,350 to \$1,400 and to increase the minimum deductible from \$2,700 to \$2,800 for family coverage.

* * * * *



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

RESOLUTION NO. - 2019 - ACCEPTANCE OF APPLICATION BY THE VILLAGE OF WATKINS GLEN TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Watkins Glen has submitted an official resolution authorizing the Village of Watkins Glen to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Village of Watkins Glen has complied with membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium hereby recommends That the Board of Directors hereby accepts and welcomes the Village of Watkins Glen as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2020.

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Greater Tompkins County Municipal Health Insurance Consortium

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RESOLUTION NO. - 2019 - ACCEPTANCE OF APPLICATION BY THE TOWN OF HORSEHEADS TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Horseheads has submitted an official resolution authorizing the Town of Horseheads to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Horseheads has complied with membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Town of Horseheads as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2020.

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RESOLUTION NO. - 2019 - ACCEPTANCE OF APPLICATION BY THE LANSING COMMUNITY LIBRARY TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Lansing Community Library has submitted an official resolution authorizing the Lansing Community Library to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Lansing Community Library has complied with membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Lansing Community Library as a Participant in the Consortium, with health insurance coverage beginning January 1, 2020.

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RESOLUTION NO. - 2019 - ACCEPTANCE OF APPLICATION BY THE TOWN OF SPENCER TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Spencer has submitted an official resolution authorizing the Town of Spencer to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Spencer has complied with membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Town of Spencer as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2020.

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Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2019 Treasurer's Report Data (Cash Basis)

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	2019 Actual Results	Quarterly Financial Results				Year 2019	
									2019 1st Quarter	2019 2nd Quarter	2019 3rd Quarter	2019 4th Quarter		
Beginning Balance	\$26,575,630.00	\$26,354,041.45	\$26,780,061.68	\$28,259,922.01	\$28,280,327.22	\$27,726,168.17	\$28,345,040.99	\$26,575,630.00	\$26,575,630.00	\$28,259,922.01	\$28,345,040.99	\$28,597,374.51	\$28,597,374.51	\$26,575,630.00
Income														
Medical Plan Premiums	\$4,211,742.58	\$4,188,151.89	\$4,199,309.52	\$4,180,925.90	\$4,157,184.36	\$4,161,717.30	\$4,193,261.44	\$29,292,292.99	\$12,599,203.99	\$12,499,827.56	\$4,193,261.44	\$0.00	\$0.00	\$29,292,292.99
Ancillary Benefit Plan Premiums	\$12,338.02	\$11,874.80	\$12,777.11	\$11,428.31	\$13,429.47	\$11,912.31	\$12,853.69	\$86,613.71	\$36,989.93	\$36,770.09	\$12,853.69	\$0.00	\$0.00	\$86,613.71
Interest	\$3,621.83	\$32,469.39	\$44,843.60	\$37,667.19	\$40,379.54	\$55,511.49	\$44,430.70	\$258,923.74	\$80,934.82	\$133,558.22	\$44,430.70	\$0.00	\$0.00	\$258,923.74
Rx Rebates	(\$430,722.19)	\$0.00	\$875,124.56	\$0.00	\$0.00	\$364,744.06	\$0.00	\$809,146.43	\$444,402.37	\$364,744.06	\$0.00	\$0.00	\$0.00	\$809,146.43
Stop-Loss Claim Reimbursements	(\$8,361.87)	\$0.00	\$8,361.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$38.71	\$0.00	\$0.00	\$0.00	\$0.00	\$1,345.51	\$1,670.51	\$3,054.73	\$38.71	\$1,345.51	\$1,670.51	\$0.00	\$0.00	\$3,054.73
Total Income	\$3,788,657.08	\$4,232,496.08	\$5,140,416.66	\$4,230,021.40	\$4,210,993.37	\$4,595,230.67	\$4,252,216.34	\$30,450,031.60	\$13,161,569.82	\$13,036,245.44	\$4,252,216.34	\$0.00	\$0.00	\$30,450,031.60
Expenses														
Medical Paid Claims	\$2,761,710.67	\$2,556,535.05	\$2,374,851.62	\$2,835,941.24	\$3,365,968.73	\$2,658,357.63	\$2,597,634.81	\$19,150,999.75	\$7,693,097.34	\$8,860,267.60	\$2,597,634.81	\$0.00	\$0.00	\$19,150,999.75
Rx Paid Claims - ProAct	\$958,049.26	\$972,521.63	\$1,023,860.68	\$1,087,866.27	\$1,118,904.26	\$1,049,697.07	\$1,102,667.22	\$7,313,566.39	\$2,954,431.57	\$3,256,467.60	\$1,102,667.22	\$0.00	\$0.00	\$7,313,566.39
Rx Paid Claims - CanaRx	\$10,026.40	\$17,833.60	\$15,662.60	\$10,394.20	\$17,896.80	\$16,094.10	\$12,097.80	\$100,005.50	\$43,522.60	\$44,385.10	\$12,097.80	\$0.00	\$0.00	\$100,005.50
Medial Admin Fees	\$105,325.61	\$109,664.76	\$105,622.03	\$111,296.41	\$105,667.80	\$103,315.32	\$106,261.12	\$747,153.05	\$320,612.40	\$320,279.53	\$106,261.12	\$0.00	\$0.00	\$747,153.05
Rx Admin Fees	\$9,127.00	\$8,516.00	\$8,734.00	\$16,002.25	\$15,995.00	\$15,449.50	\$16,376.75	\$90,200.50	\$26,377.00	\$47,446.75	\$16,376.75	\$0.00	\$0.00	\$90,200.50
Flue Clinic Fees	\$150.00	\$750.00	\$7,470.00	\$600.00	\$1,150.00	\$300.00	\$300.00	\$10,420.00	\$8,370.00	\$2,050.00	\$0.00	\$0.00	\$0.00	\$10,420.00
NYS Graduate Medical Exp.	\$27,722.35	\$27,586.20	\$27,373.59	\$27,503.93	\$27,615.08	\$27,703.78	\$27,767.50	\$193,272.43	\$82,682.14	\$82,822.79	\$27,767.50	\$0.00	\$0.00	\$193,272.43
ACA PCORI Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,885.24	\$12,885.24	\$0.00	\$0.00	\$12,885.24	\$0.00	\$0.00	\$12,885.24
ACA Trans. Reins. Program Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stop-Loss Insurance	\$50,377.34	\$54,885.17	\$52,832.52	\$52,658.05	\$52,601.38	\$53,938.62	\$53,173.16	\$370,466.24	\$158,095.03	\$159,198.05	\$53,173.16	\$0.00	\$0.00	\$370,466.24
Advance Deposit / Pre-Paid Claims	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal Fees	\$0.00	\$3,753.75	\$110.00	\$330.00	\$1,210.00	\$1,687.92	\$330.00	\$7,421.67	\$3,863.75	\$3,227.92	\$330.00	\$0.00	\$0.00	\$7,421.67
Executive Director (Salary & Fringes)	\$0.00	\$0.00	\$0.00	\$0.00	\$15,343.69	\$9,338.78	\$9,454.48	\$34,136.95	\$0.00	\$24,682.47	\$9,454.48	\$0.00	\$0.00	\$34,136.95
Clerk of the Board (Salary & Fringes)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,023.00	\$2,023.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Consultant Fees (Barber)	\$3,600.00	\$4,725.00	\$6,086.22	\$3,900.00	\$3,538.28	\$2,070.76	\$1,863.92	\$25,784.18	\$14,411.22	\$9,509.04	\$1,863.92	\$0.00	\$0.00	\$25,784.18
Consultant Fees (L&C)	\$19,159.58	\$6,916.67	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$61,076.25	\$33,076.25	\$21,000.00	\$7,000.00	\$0.00	\$0.00	\$61,076.25
Accounting Fees	\$0.00	\$0.00	\$0.00	\$10,200.00	\$0.00	\$3,835.00	\$0.00	\$14,035.00	\$0.00	\$14,035.00	\$0.00	\$0.00	\$0.00	\$14,035.00
Actuarial Fees	\$20,800.00	\$13,700.00	\$1,200.00	\$0.00	\$3,200.00	\$1,200.00	\$1,250.00	\$41,350.00	\$35,700.00	\$4,400.00	\$1,250.00	\$0.00	\$0.00	\$41,350.00
Audit Fees	\$17,000.00	\$0.00	\$0.00	\$18,500.00	\$0.00	\$800.00	\$0.00	\$36,300.00	\$17,000.00	\$19,300.00	\$0.00	\$0.00	\$0.00	\$36,300.00
Wellness Coordinator Fees	\$4,472.50	\$5,897.50	\$3,831.25	\$1,950.00	\$3,925.00	\$0.00	\$3,625.00	\$23,701.25	\$14,201.25	\$5,875.00	\$3,625.00	\$0.00	\$0.00	\$23,701.25
Insurances (D&O / Prof. Liab.)	\$3,342.81	\$3,342.80	\$3,342.80	\$3,342.80	\$3,342.80	\$3,342.80	\$3,342.80	\$23,399.61	\$10,028.41	\$10,028.40	\$3,342.80	\$0.00	\$0.00	\$23,399.61
Internal Coordination (Finance)	\$4,445.27	\$4,441.11	\$5,460.06	\$5,460.06	\$5,461.62	\$5,462.66	\$5,461.10	\$36,191.88	\$14,346.44	\$16,384.34	\$5,461.10	\$0.00	\$0.00	\$36,191.88
Internal Coordination (Support)	\$1,835.40	\$2,118.60	\$2,323.20	\$2,004.20	\$2,004.20	\$2,021.80	\$2,283.60	\$14,591.00	\$6,277.20	\$6,030.20	\$2,283.60	\$0.00	\$0.00	\$14,591.00
Internal Coordination (Town of Ithaca)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$3,300.00	\$0.00	\$2,200.00	\$1,100.00	\$0.00	\$0.00	\$3,300.00
Internal Coordination (IT Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,240.17	\$17,240.17	\$0.00	\$0.00	\$17,240.17	\$0.00	\$0.00	\$17,240.17
Marketing Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.27	\$280.27	\$0.00	\$0.00	\$280.27	\$0.00	\$0.00	\$280.27
Investment Management Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,649.65	\$4,649.65	\$0.00	\$0.00	\$4,649.65	\$0.00	\$0.00	\$4,649.65
Ancillary Benefit Premiums	\$12,300.49	\$12,614.02	\$12,639.66	\$13,308.06	\$12,091.85	\$12,630.47	\$12,653.07	\$88,237.62	\$37,554.17	\$38,030.38	\$12,653.07	\$0.00	\$0.00	\$88,237.62
Other Expenses / Supplies	\$800.95	\$673.99	\$2,156.10	\$1,358.72	\$1,235.93	\$911.64	\$485.16	\$7,622.49	\$3,631.04	\$3,506.29	\$485.16	\$0.00	\$0.00	\$7,622.49
Total Expenses	\$4,010,245.63	\$3,806,475.85	\$3,660,556.33	\$4,209,616.19	\$4,765,152.42	\$3,976,357.85	\$4,001,905.82	\$28,430,310.09	\$11,477,277.81	\$12,951,126.46	\$3,999,882.82	\$0.00	\$0.00	\$28,428,287.09
Net Income	(\$221,588.55)	\$426,020.23	\$1,479,860.33	\$20,405.21	(\$554,159.05)	\$618,872.82	\$250,310.52	\$2,019,721.51	\$1,684,292.01	\$85,118.98	\$252,333.52	\$0.00	\$0.00	\$2,021,744.51
Ending Balance	\$26,354,041.45	\$26,780,061.68	\$28,259,922.01	\$28,280,327.22	\$27,726,168.17	\$28,345,040.99	\$28,595,351.51	\$28,595,351.51	\$28,259,922.01	\$28,345,040.99	\$28,597,374.51	\$28,597,374.51	\$28,597,374.51	\$28,597,374.51
Liabilities and Reserves														
IBNR Reserve	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95
Surplus Account	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37
Claims / Rate Stabilization Reserve	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06
Catastrophic Claims Reserve	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00
Total Liabilities and Reserves	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38
Unencumbered Fund Balance	\$12,629,987.07	\$13,056,007.30	\$14,535,867.63	\$14,556,272.84	\$14,002,113.79	\$14,620,986.61	\$14,871,297.13	\$14,871,297.13	\$14,535,867.63	\$14,620,986.61	\$14,873,320.13	\$14,873,320.13	\$14,873,320.13	\$14,873,320.13
Monthly Contract Count	2,844	2,853	2,851	2,850	2,860	2,873	2,879	20,010	8,548	8,583	2,879	-	-	20,010
Monthly Covered Lives	6,156	6,161	6,151	6,144	6,163	6,181	6,199	43,155	18,468	18,488	6,199	-	-	43,155

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2019 Treasurer's Report Data (Cash Basis Rounded to the Nearest Dollar)

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	2019 Actual Results	Quarterly Financial Results				Year 2019	
									2019 1st Quarter	2019 2nd Quarter	2019 3rd Quarter	2019 4th Quarter		
Beginning Balance	\$26,575,630	\$26,354,041	\$26,780,062	\$28,259,922	\$28,280,327	\$27,726,168	\$28,345,041	\$26,575,630	\$26,575,630	\$28,259,922	\$28,345,041	\$28,597,375	\$28,597,375	\$26,575,630
Income														
Medical Plan Premiums	\$4,211,743	\$4,188,152	\$4,199,310	\$4,180,926	\$4,157,184	\$4,161,717	\$4,193,261	\$29,292,293	\$12,599,204	\$12,499,828	\$4,193,261	\$0	\$0	\$29,292,293
Ancillary Benefit Plan Premiums	\$12,338	\$11,875	\$12,777	\$11,428	\$13,429	\$11,912	\$12,854	\$86,614	\$36,990	\$36,770	\$12,854	\$0	\$0	\$86,614
Interest	\$3,622	\$32,469	\$44,844	\$37,667	\$40,380	\$55,511	\$44,431	\$258,924	\$80,935	\$133,558	\$44,431	\$0	\$0	\$258,924
Rx Rebates	(\$430,722)	\$0	\$875,125	\$0	\$0	\$364,744	\$0	\$809,146	\$444,402	\$364,744	\$0	\$0	\$0	\$809,146
Stop-Loss Claim Reimbursements	(\$8,362)	\$0	\$8,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$39	\$0	\$0	\$0	\$0	\$1,346	\$1,671	\$3,055	\$39	\$1,346	\$1,671	\$0	\$0	\$3,055
Total Income	\$3,788,657	\$4,232,496	\$5,140,417	\$4,230,021	\$4,210,993	\$4,595,231	\$4,252,216	\$30,450,032	\$13,161,570	\$13,036,245	\$4,252,216	\$0	\$0	\$30,450,032
Expenses														
Medical Paid Claims	\$2,761,711	\$2,556,535	\$2,374,852	\$2,835,941	\$3,365,969	\$2,658,358	\$2,597,635	\$19,151,000	\$7,693,097	\$8,860,268	\$2,597,635	\$0	\$0	\$19,151,000
Rx Paid Claims - ProAct	\$958,049	\$972,522	\$1,023,861	\$1,087,866	\$1,118,904	\$1,049,697	\$1,102,667	\$7,313,566	\$2,954,432	\$3,256,468	\$1,102,667	\$0	\$0	\$7,313,566
Rx Paid Claims - CanaRx	\$10,026	\$17,834	\$15,663	\$10,394	\$17,897	\$16,094	\$12,098	\$100,006	\$43,523	\$44,385	\$12,098	\$0	\$0	\$100,006
Medial Admin Fees	\$105,326	\$109,665	\$105,622	\$111,296	\$105,668	\$103,315	\$106,261	\$747,153	\$320,612	\$320,280	\$106,261	\$0	\$0	\$747,153
Rx Admin Fees	\$9,127	\$8,516	\$8,734	\$16,002	\$15,995	\$15,450	\$16,377	\$90,201	\$26,377	\$47,447	\$16,377	\$0	\$0	\$90,201
Flu Clinic Fees	\$150	\$750	\$7,470	\$600	\$1,150	\$300	\$0	\$10,420	\$8,370	\$2,050	\$0	\$0	\$0	\$10,420
NYS Graduate Medical Exp.	\$27,722	\$27,586	\$27,374	\$27,504	\$27,615	\$27,704	\$27,768	\$193,272	\$82,682	\$82,823	\$27,768	\$0	\$0	\$193,272
ACA PCORI Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$12,885	\$12,885	\$0	\$0	\$12,885	\$0	\$0	\$12,885
ACA Trans. Reins. Program Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stop-Loss Insurance	\$50,377	\$54,885	\$52,833	\$52,658	\$52,601	\$53,939	\$53,173	\$370,466	\$158,095	\$159,198	\$53,173	\$0	\$0	\$370,466
Advance Deposit / Pre-Paid Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal Fees	\$0	\$3,754	\$110	\$330	\$1,210	\$1,688	\$330	\$7,422	\$3,864	\$3,228	\$330	\$0	\$0	\$7,422
Executive Director (Salary & Fringes)	\$0	\$0	\$0	\$0	\$15,344	\$9,339	\$9,454	\$34,137	\$0	\$24,682	\$9,454	\$0	\$0	\$34,137
Clerk of the Board (Salary & Fringes)	\$0	\$0	\$0	\$0	\$0	\$0	\$2,023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultant Fees (Barber)	\$3,600	\$4,725	\$6,086	\$3,900	\$3,538	\$2,071	\$1,864	\$25,784	\$14,411	\$9,509	\$1,864	\$0	\$0	\$25,784
Consultant Fees (L&C)	\$19,160	\$6,917	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$61,076	\$33,076	\$21,000	\$7,000	\$0	\$0	\$61,076
Accounting Fees	\$0	\$0	\$0	\$10,200	\$0	\$3,835	\$0	\$14,035	\$0	\$14,035	\$0	\$0	\$0	\$14,035
Actuarial Fees	\$20,800	\$13,700	\$1,200	\$0	\$3,200	\$1,200	\$1,250	\$41,350	\$35,700	\$4,400	\$1,250	\$0	\$0	\$41,350
Audit Fees	\$17,000	\$0	\$0	\$18,500	\$0	\$800	\$0	\$36,300	\$17,000	\$19,300	\$0	\$0	\$0	\$36,300
Wellness Coordinator Fees	\$4,473	\$5,898	\$3,831	\$1,950	\$3,925	\$0	\$3,625	\$23,701	\$14,201	\$5,875	\$3,625	\$0	\$0	\$23,701
Insurances (D&O / Prof. Liab.)	\$3,343	\$3,343	\$3,343	\$3,343	\$3,343	\$3,343	\$3,343	\$23,400	\$10,028	\$10,028	\$3,343	\$0	\$0	\$23,400
Internal Coordination (Finance)	\$4,445	\$4,441	\$5,460	\$5,460	\$5,462	\$5,463	\$5,461	\$36,192	\$14,346	\$16,384	\$5,461	\$0	\$0	\$36,192
Internal Coordination (Support)	\$1,835	\$2,119	\$2,323	\$2,004	\$2,004	\$2,022	\$2,284	\$14,591	\$6,277	\$6,030	\$2,284	\$0	\$0	\$14,591
Internal Coordination (Town of Ithaca)	\$0	\$0	\$0	\$0	\$1,000	\$1,200	\$1,100	\$3,300	\$0	\$2,200	\$1,100	\$0	\$0	\$3,300
Internal Coordination (IT Support)	\$0	\$0	\$0	\$0	\$0	\$0	\$17,240	\$17,240	\$0	\$0	\$17,240	\$0	\$0	\$17,240
Marketing Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$280	\$280	\$0	\$0	\$280	\$0	\$0	\$280
Investment Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$4,650	\$4,650	\$0	\$0	\$4,650	\$0	\$0	\$4,650
Ancillary Benefit Premiums	\$12,300	\$12,614	\$12,640	\$13,308	\$12,092	\$12,630	\$12,653	\$88,238	\$37,554	\$38,030	\$12,653	\$0	\$0	\$88,238
Other Expenses / Supplies	\$801	\$674	\$2,156	\$1,359	\$1,236	\$912	\$485	\$7,622	\$3,631	\$3,506	\$485	\$0	\$0	\$7,622
Total Expenses	\$4,010,246	\$3,806,476	\$3,660,556	\$4,209,616	\$4,765,152	\$3,976,358	\$4,001,906	\$28,428,287	\$11,477,278	\$12,951,126	\$3,999,883	\$0	\$0	\$28,428,287
Net Income	(\$221,589)	\$426,020	\$1,479,860	\$20,405	(\$554,159)	\$618,873	\$250,311	\$2,021,745	\$1,684,292	\$85,119	\$252,334	\$0	\$0	\$2,021,745
Ending Balance	\$26,354,041	\$26,780,062	\$28,259,922	\$28,280,327	\$27,726,168	\$28,345,041	\$28,595,352	\$28,597,375	\$28,259,922	\$28,345,041	\$28,597,375	\$28,597,375	\$28,597,375	\$28,597,375
Liabilities and Reserves														
IBNR Reserve	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893	\$5,901,893
Surplus Account	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039	\$2,563,039
Claims / Rate Stabilization Reserve	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122	\$2,459,122
Catastrophic Claims Reserve	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
Total Liabilities and Reserves	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054	\$13,724,054
Unencumbered Fund Balance	\$12,629,987	\$13,056,007	\$14,535,868	\$14,556,273	\$14,002,114	\$14,620,987	\$14,871,297	\$14,873,320	\$14,535,868	\$14,620,987	\$14,873,320	\$14,873,320	\$14,873,320	\$14,873,320
Monthly Contract Count	2,844	2,853	2,851	2,850	2,860	2,873	2,879	20,010	8,548	8,583	2,879	-	-	20,010
Monthly Covered Lives	6,156	6,161	6,151	6,144	6,163	6,181	6,199	43,155	18,468	18,488	6,199	-	-	43,155

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2019 Budget Performance Analysis

Results as of: 7/31/2019
of Months: 7

	2019 Adopted Budget	2019 Year-to-Date	2019 Actual Results	Variance	% Difference
Income					
Medical Plan Premiums	\$51,260,787.35	\$29,902,125.95	\$29,292,292.99	-\$609,832.96	-2.04%
9000 Ancillary Benefit Plan Premiums	\$164,340.00	\$95,865.00	\$86,613.71	-\$9,251.29	-9.65%
Interest	\$200,000.00	\$116,666.67	\$258,923.74	\$142,257.07	121.93%
9010 Rx Rebates	\$1,747,886.24	\$873,943.12	\$809,146.43	-\$64,796.69	-7.41%
9040 Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	n/a
9030 Other	\$5,150.00	\$3,004.17	\$3,054.73	\$50.56	1.68%
Total Income	\$53,378,163.59	\$30,991,604.91	\$30,450,031.60	-\$541,573.31	-1.75%
Expenses					
8090 Medical Paid Claims	\$35,347,255.37	\$20,619,232.30	\$19,150,999.75	-\$1,468,232.55	-7.12%
8120 Rx Paid Claims - ProAct	\$13,835,185.90	\$8,070,525.11	\$7,313,566.39	-\$756,958.72	-9.38%
8121 Rx Paid Claims - CanaRx	\$184,321.52	\$107,520.88	\$100,005.50	-\$7,515.38	-6.99%
8050 Medical Admin Fees	\$1,274,977.75	\$743,737.02	\$747,153.05	\$3,416.03	0.46%
Rx Admin Fees	\$172,020.23	\$100,345.14	\$90,200.50	-\$10,144.64	-10.11%
8084 Flu Clinic Fees	\$11,489.24	\$11,489.24	\$10,420.00	-\$1,069.24	-9.31%
8091 NYS Graduate Medical Exp.	\$289,528.82	\$168,891.81	\$193,272.43	\$24,380.62	14.44%
9060 ACA PCORI Fee	\$14,912.04	\$14,912.04	\$12,885.24	-\$2,026.80	-13.59%
8115 ACA Transitional Reins. Program Fees	\$0.00	\$0.00	\$0.00	n/a	n/a
8110 Stop-Loss Aggregate and Specific	\$609,679.40	\$355,646.32	\$370,466.24	\$14,819.92	4.17%
Advance Deposit / Pre-Paid Claims	\$32,054.91	\$32,054.91	\$0.00	-\$32,054.91	-100.00%
8070 Legal Fees	\$10,927.27	\$6,374.24	\$7,421.67	\$1,047.43	16.43%
Executive Director (Salary & Fringes)	\$95,500.00	\$55,708.33	\$34,136.95	-\$21,571.38	-38.72%
66003 Clerk of the Board (Salary & Fringes)	\$0.00	\$0.00	\$2,023.00	\$2,023.00	n/a
8055 Consultant Fees (Barber)	\$54,500.00	\$31,791.67	\$25,784.18	-\$6,007.49	-18.90%
8030 Consultant Fees (L&C)	\$85,000.00	\$49,583.33	\$61,076.25	\$11,492.92	23.18%
8000 Accounting Fees	\$31,827.00	\$18,565.75	\$14,035.00	-\$4,530.75	-24.40%
8010 Actuarial Fees	\$20,600.00	\$20,600.00	\$41,350.00	\$20,750.00	100.73%
8020 Audit Fees	\$93,420.00	\$54,495.00	\$36,300.00	-\$18,195.00	-33.39%
8043 Wellness Coordinator Fees	\$48,000.00	\$28,000.00	\$23,701.25	-\$4,298.75	-15.35%
8060 Insurances (D&O / Prof. Liability)	\$36,453.02	\$21,264.26	\$23,399.61	\$2,135.35	10.04%
8041 Internal Coordination (Finance)	\$67,362.00	\$39,294.50	\$36,191.88	-\$3,102.62	-7.90%
8042 Internal Coordination (Support)	\$22,145.00	\$12,917.92	\$14,591.00	\$1,673.08	12.95%
8045 Internal Coordination (Town of Ithaca)	\$3,600.00	\$2,100.00	\$3,300.00	\$1,200.00	57.14%
8044 Internal Coordination (IT Support and Equipment)	\$0.00	\$0.00	\$17,240.17	\$17,240.17	n/a
9065 Marketing Expenses	\$0.00	\$0.00	\$280.27	\$280.27	n/a
9055 Investment Management Services	\$0.00	\$0.00	\$4,649.65	\$4,649.65	n/a
9050 Ancillary Benefit Premiums	\$164,340.00	\$95,865.00	\$88,237.62	-\$7,627.38	-7.96%
Other Expenses / Supplies	\$10,300.00	\$6,008.33	\$7,622.49	\$1,614.16	26.87%
Total Expenses	\$52,515,399.48	\$30,666,923.11	\$28,430,310.09	-\$2,236,613.02	-7.29%
Net Income	\$862,764.10	\$324,681.80	\$2,019,721.51		

Medical Premiums = 6000 + 6010
Interest Income = 9021 + 9022
Rx Admins Fees = 8081 + 8082 + 8083
Advance Deposit = 4020 + 4021
Executive Director = 66002 + 66001
Other Expenses = 9060 + 8152 + 8151 + 8150

Ending Balance	\$27,438,394.10	\$26,900,311.80	\$28,595,351.51
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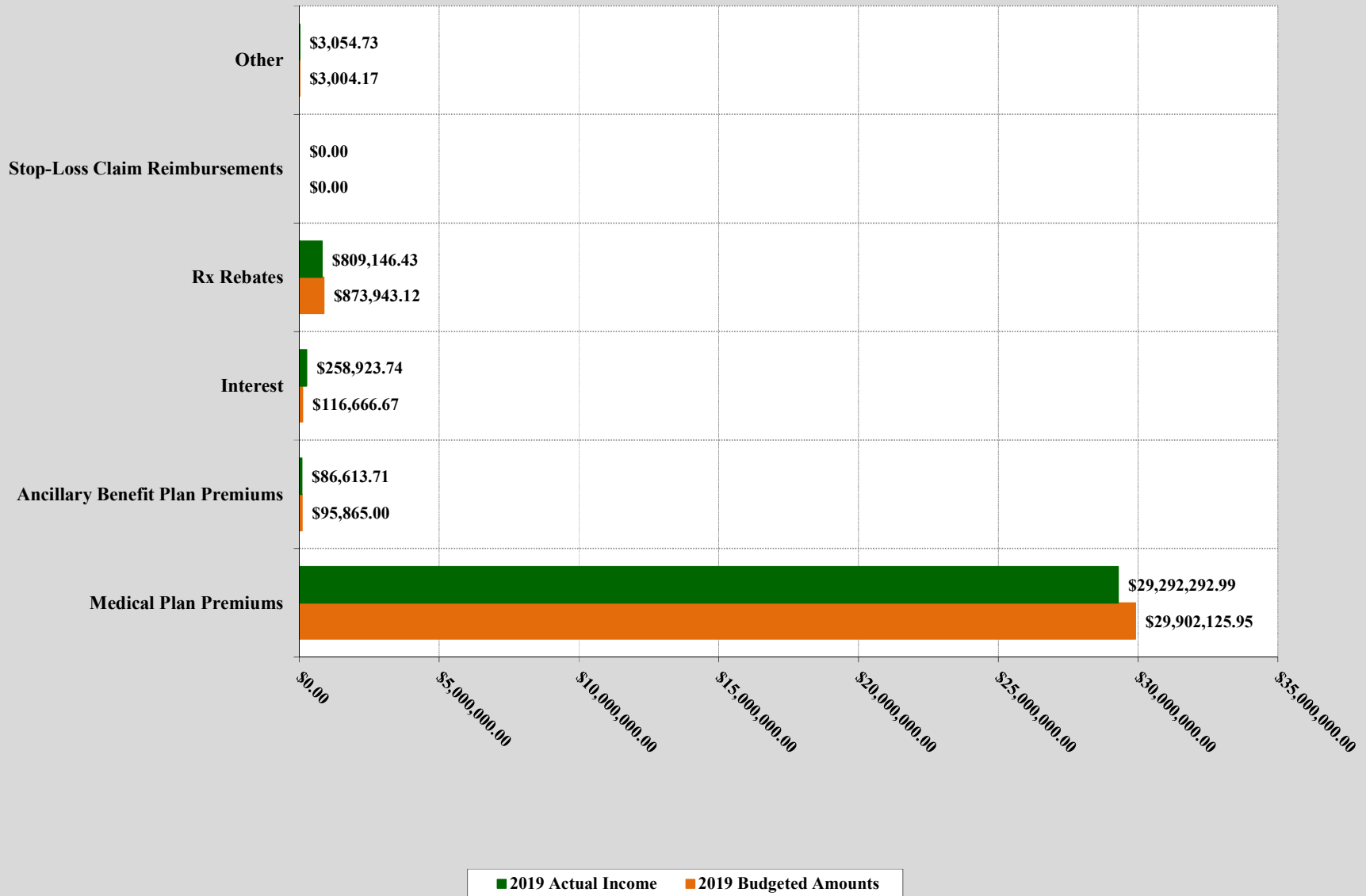
Liabilities and Reserves					
IBNR Claims Liability	\$5,901,892.95	\$5,901,892.95	\$5,901,892.95	12% of Incurred Claims	
5010 Surplus Account Per §4706(a)(5)	\$2,563,039.37	\$2,563,039.37	\$2,563,039.37	5% of Premium Income	
Rate Stabilization Reserve	\$2,459,122.06	\$2,459,122.06	\$2,459,122.06	5% of Paid Claims	
5012 Catastrophic Claims Reserve	\$2,800,000.00	\$2,800,000.00	\$2,800,000.00	Established by Board Policy	
Total Liabilities and Reserves	\$13,724,054.38	\$13,724,054.38	\$13,724,054.38		

Unencumbered Fund Balance	\$13,714,339.72	\$13,176,257.41	\$14,871,297.13
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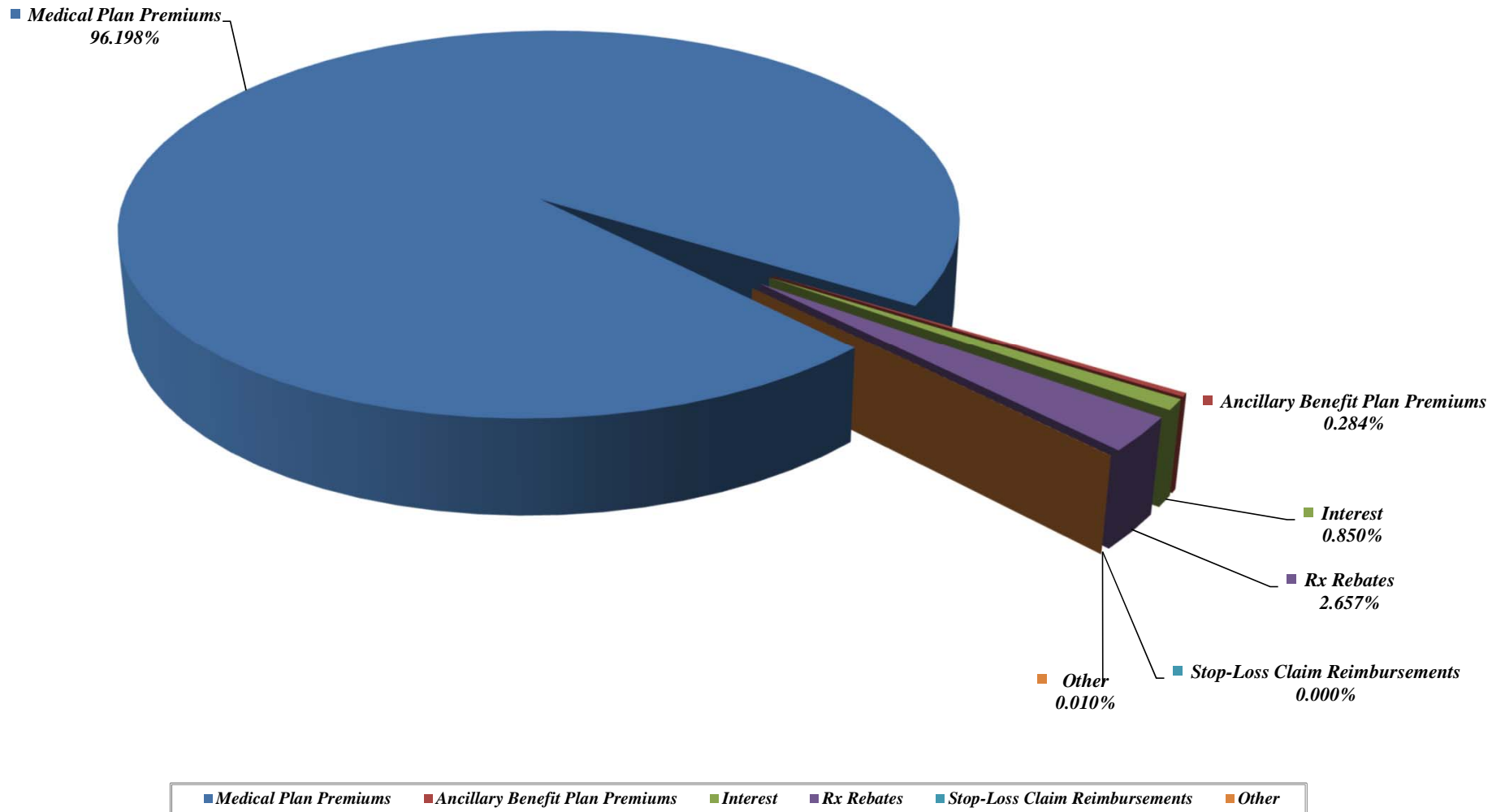
Greater Tompkins County Municipal Health Ins. Consortium

2019 Income Distribution

January 1, 2019 to July 31, 2019



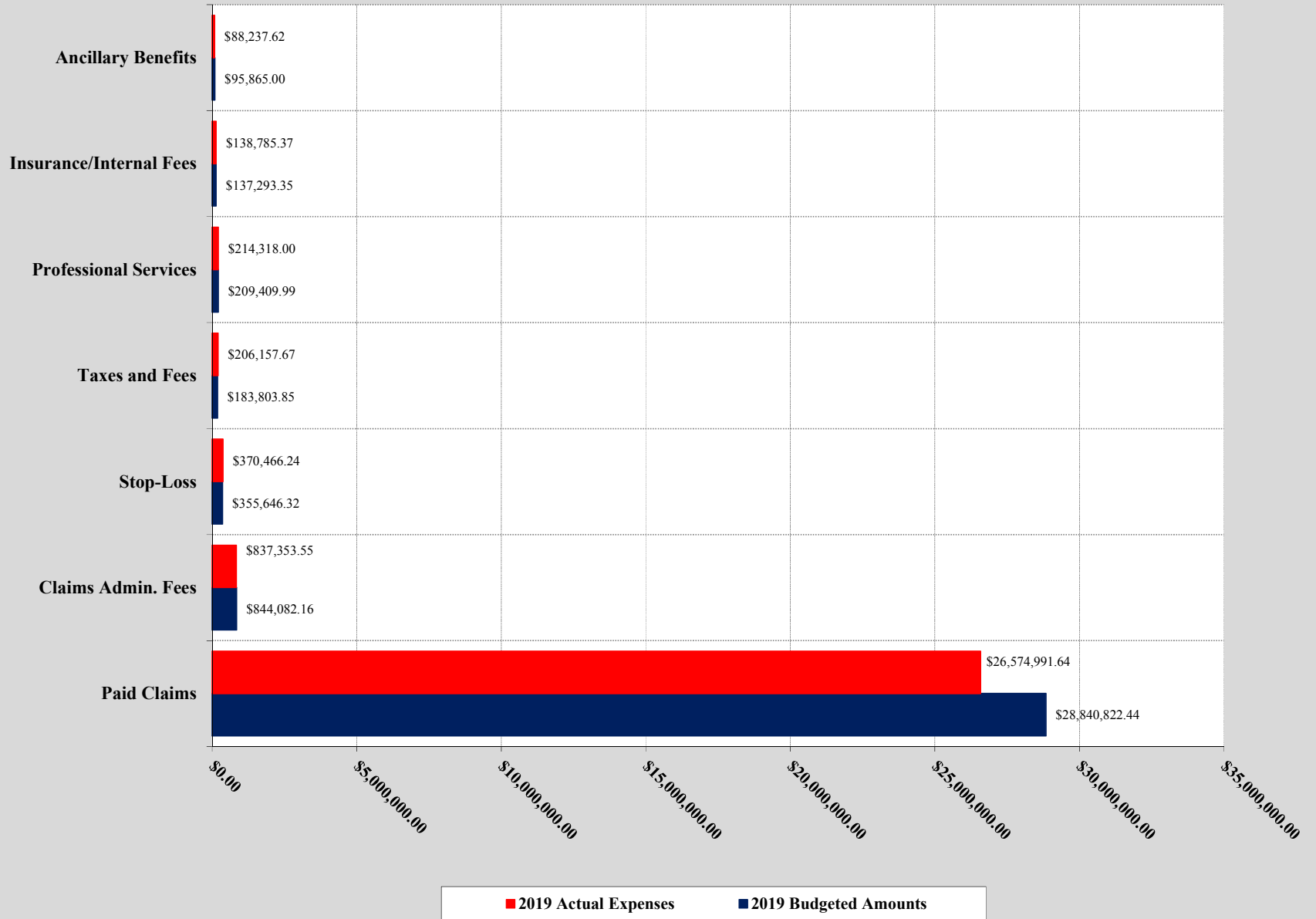
Greater Tompkins County Municipal Health Ins. Consortium
2019 Income Distribution
January 1, 2019 to July 31, 2019



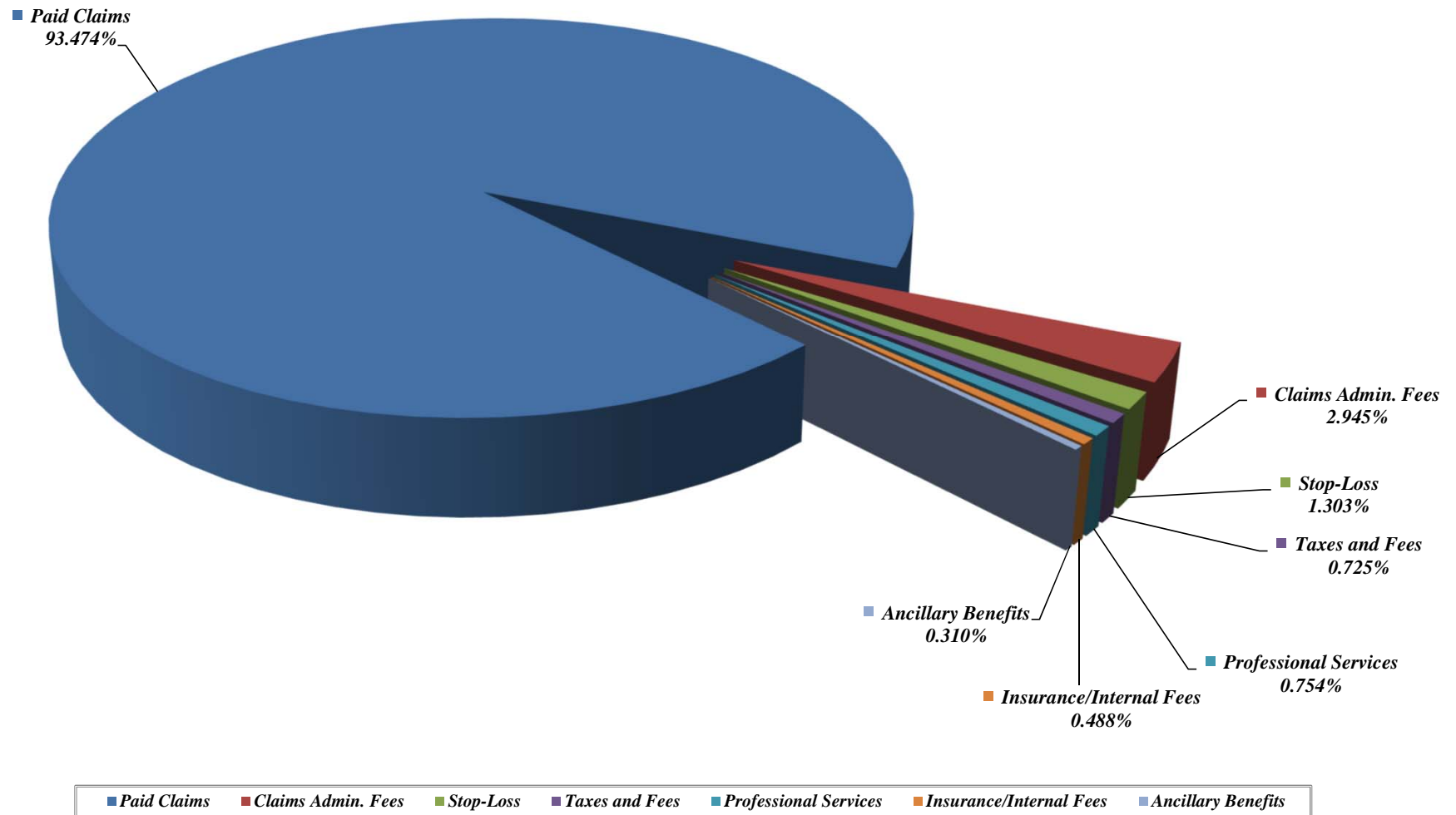
Greater Tompkins County Municipal Health Ins. Consortium

2019 Expense Distribution

January 1, 2019 to July 31, 2019



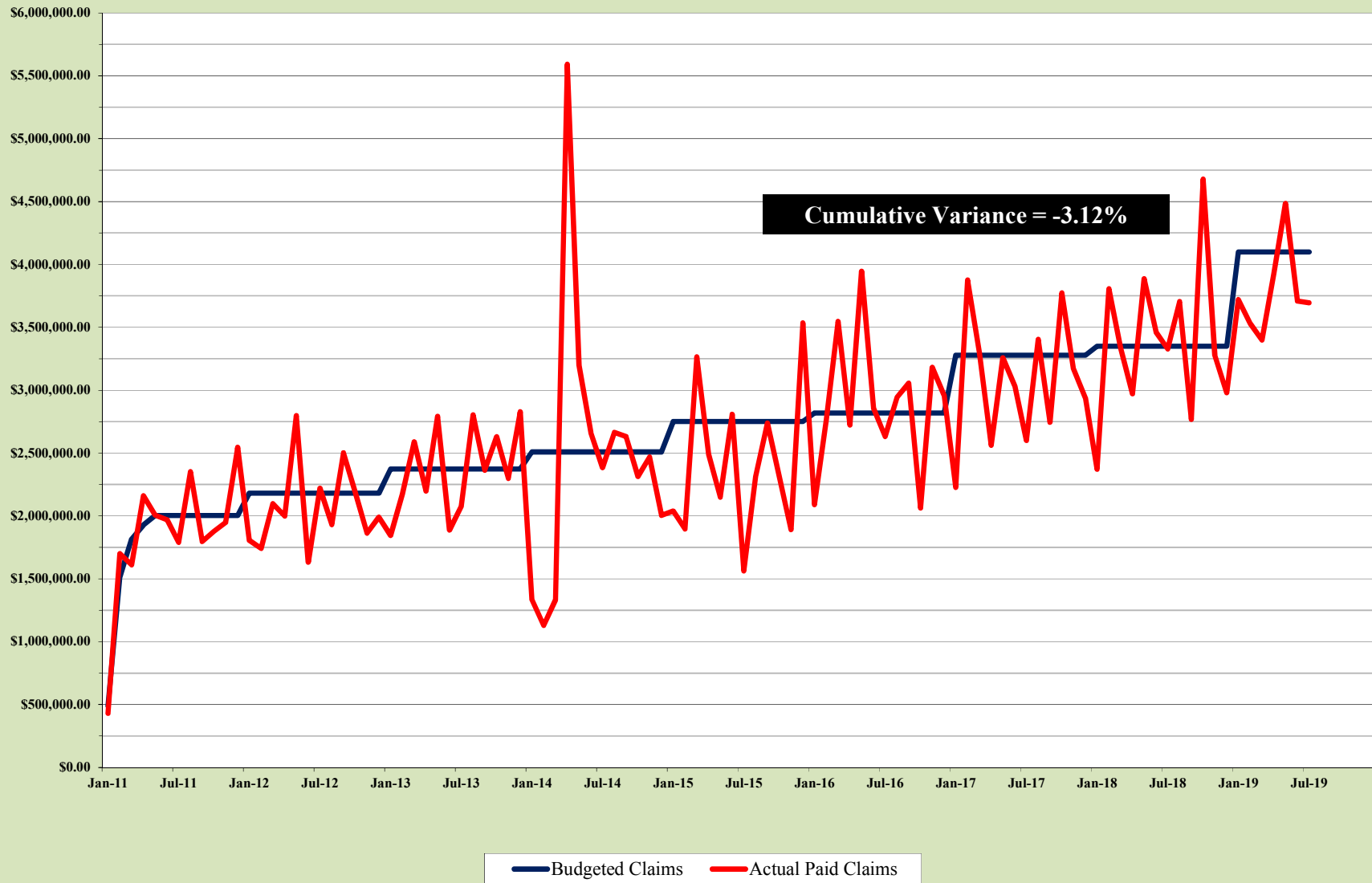
Greater Tompkins County Municipal Health Ins. Consortium 2019 Expense Distribution January 1, 2019 to July 31, 2019



Greater Tompkins County Municipal Health Ins Consortium

2011-2019 Monthly Paid Claims v Budgeted Claims

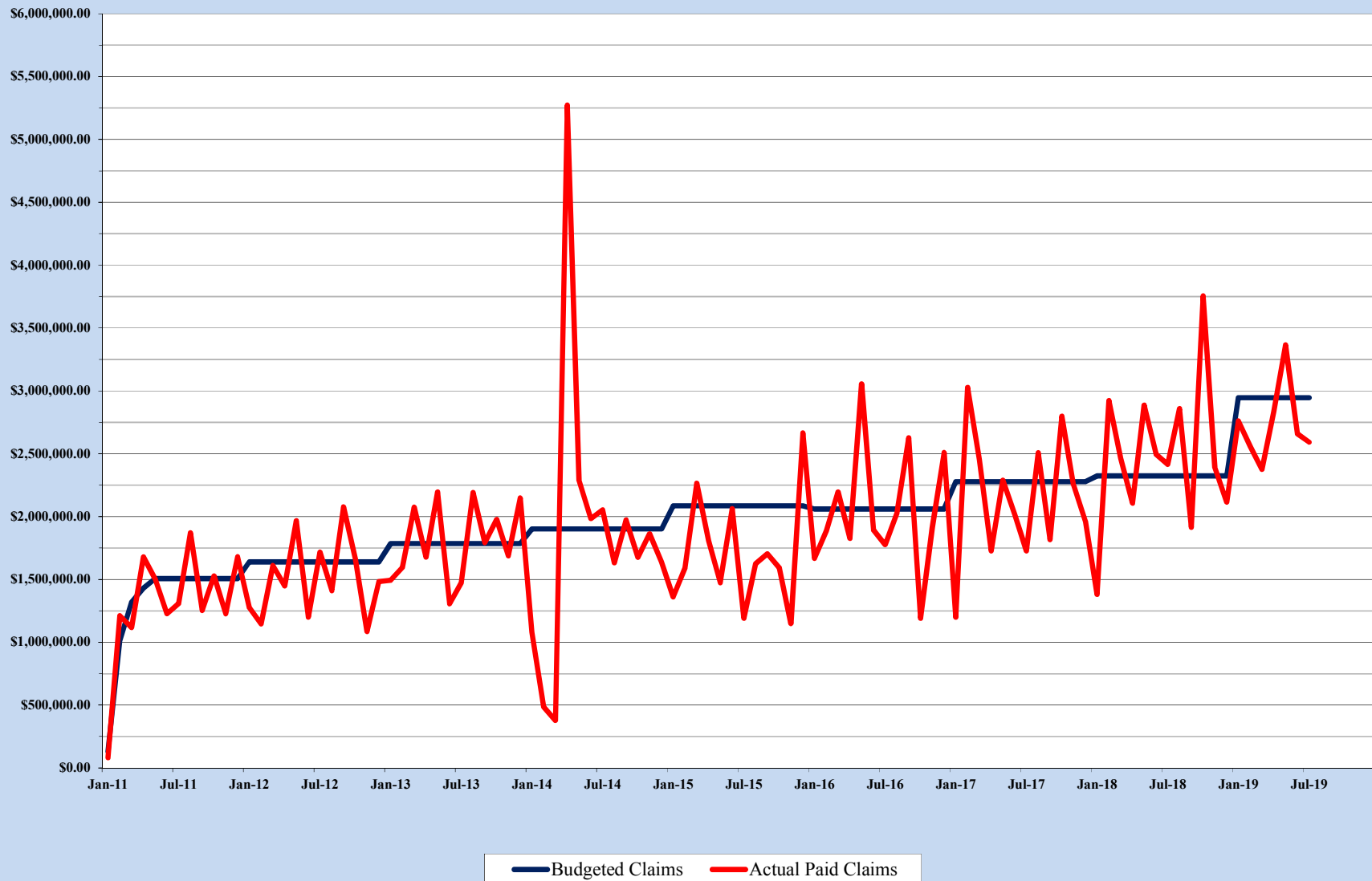
January 1, 2011 to July 31, 2019



Greater Tompkins County Municipal Health Ins Consortium

2011-2019 Monthly Medical Paid Claims v Budgeted Medical Claims

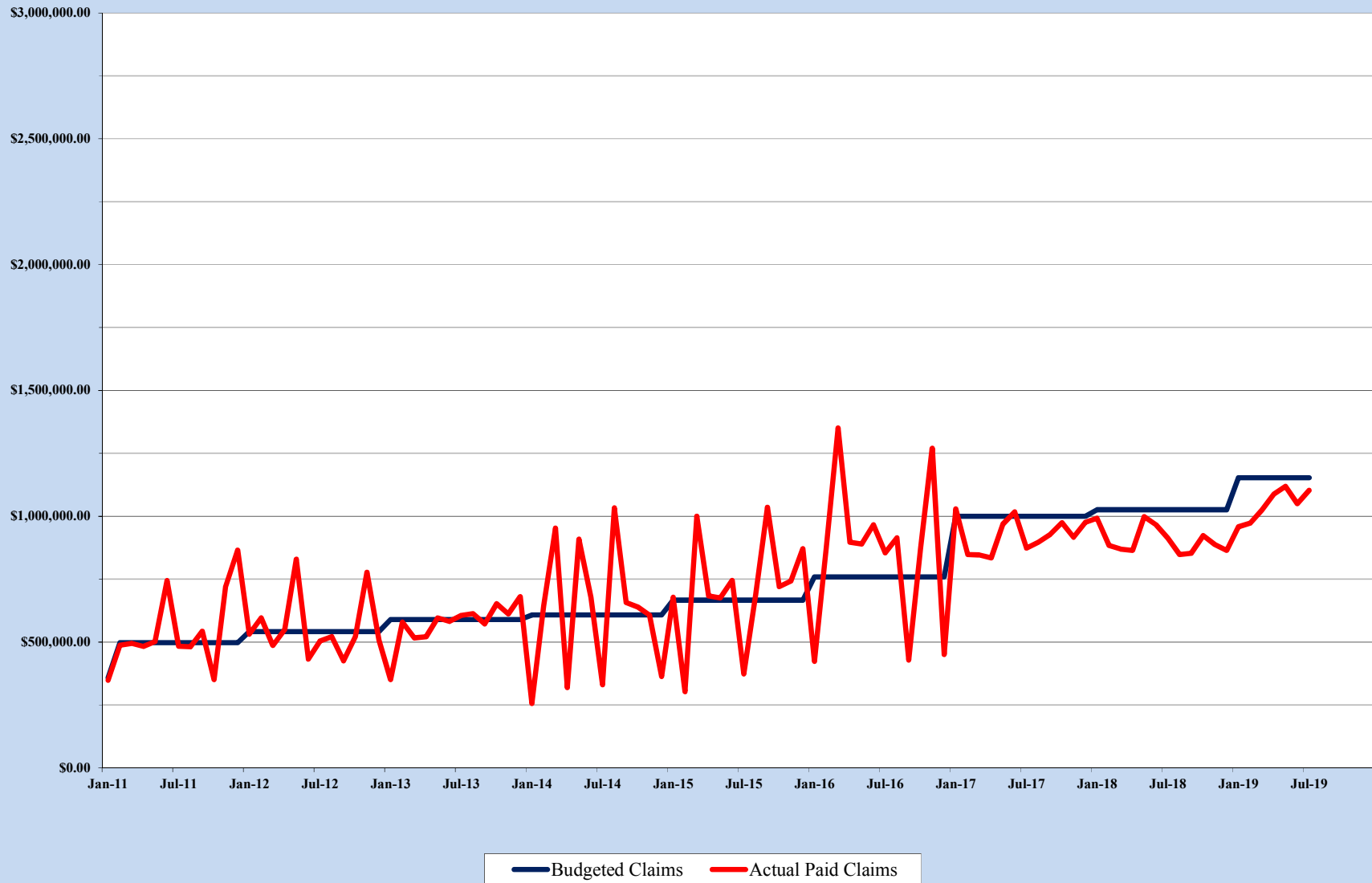
January 1, 2011 to July 31, 2019



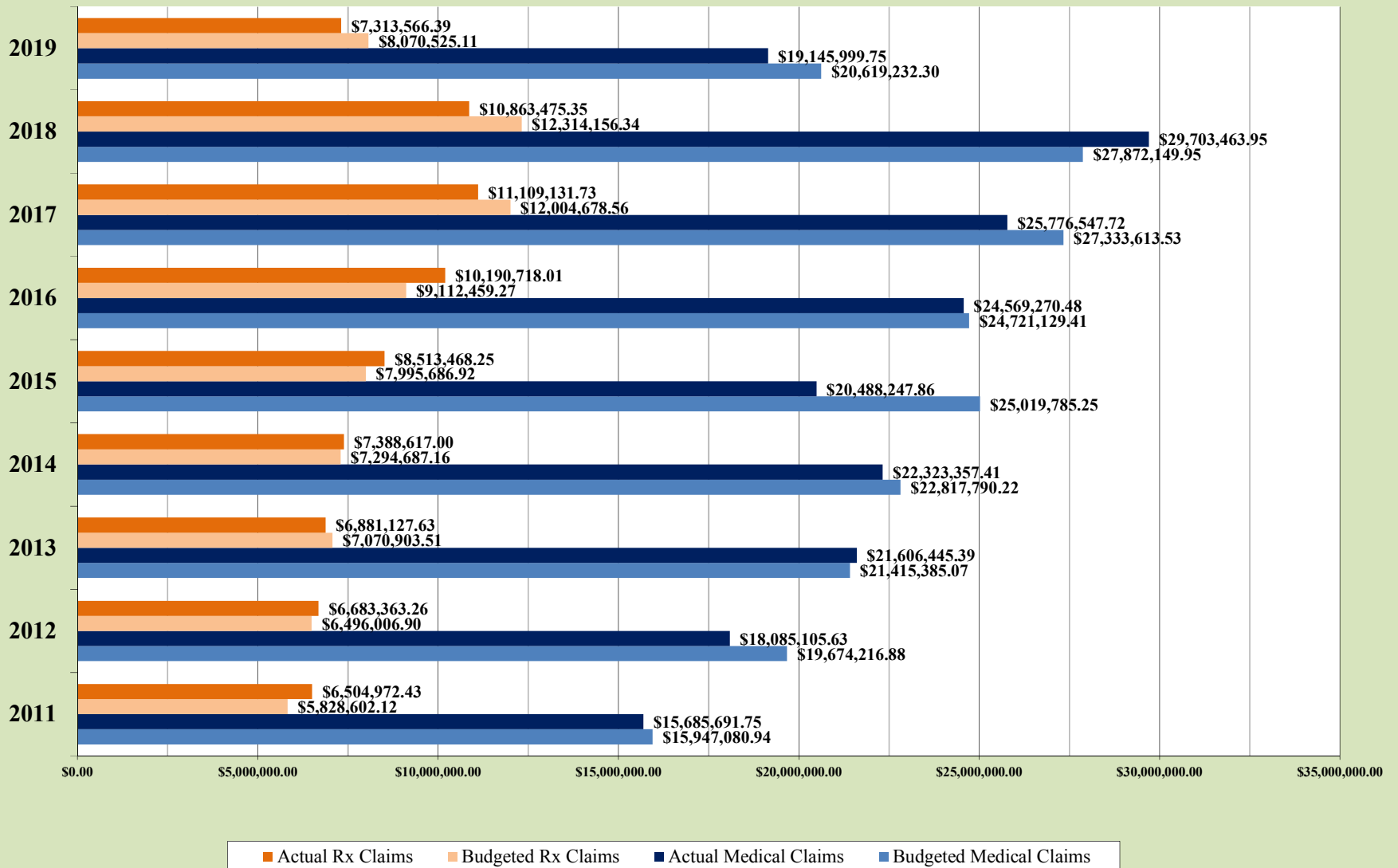
Greater Tompkins County Municipal Health Ins Consortium

2011-2019 Monthly Rx Paid Claims v Budgeted Rx Claims

January 1, 2011 to July 31, 2019

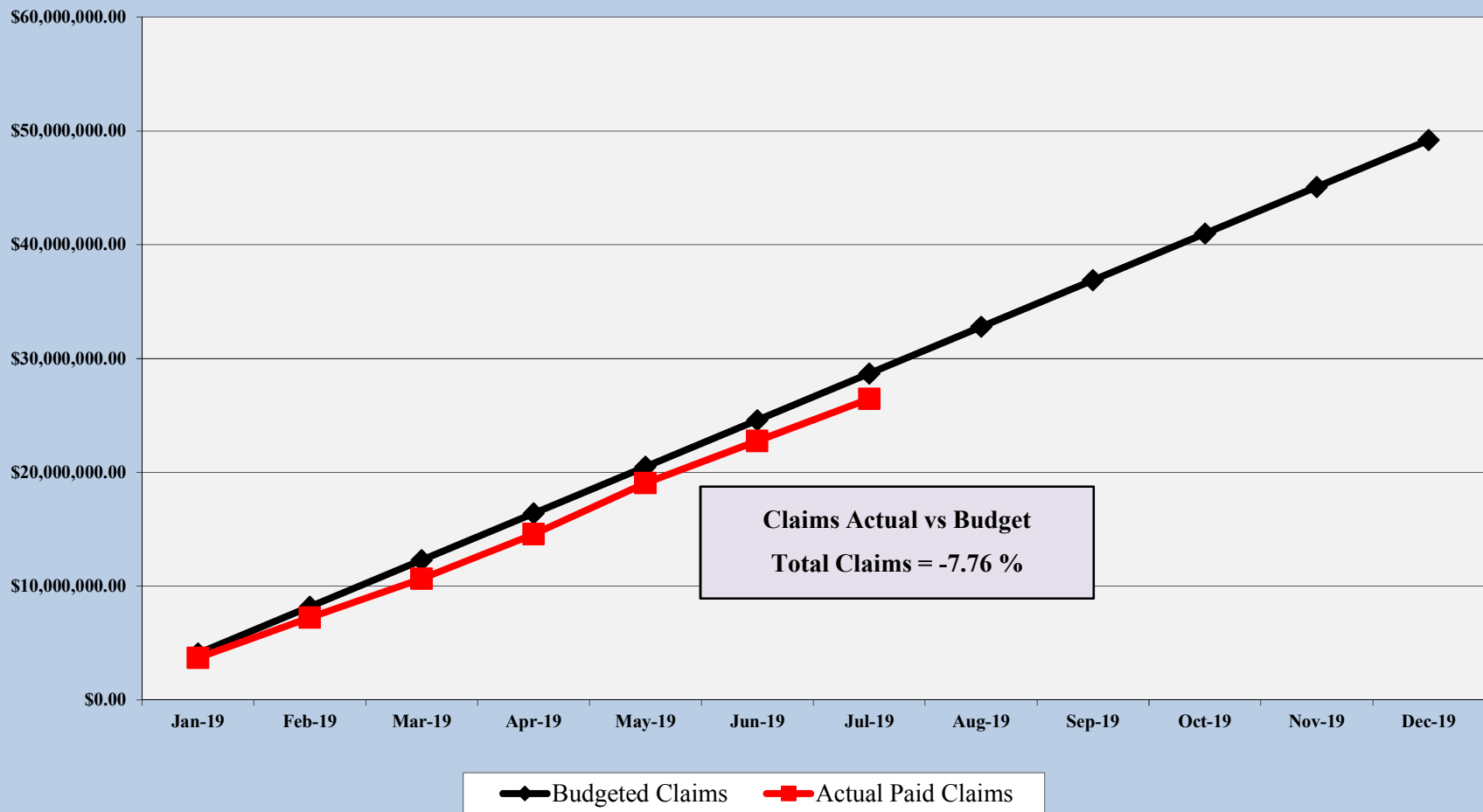


Greater Tompkins County Municipal Health Ins Consortium 2011-2019 (as of 07/31/2019) Annual Paid Claims v Budgeted Claims



Greater Tompkins County Municipal Health Insurance Consortium

2019 Cumulative Paid Claims and Budgeted Claims by Month

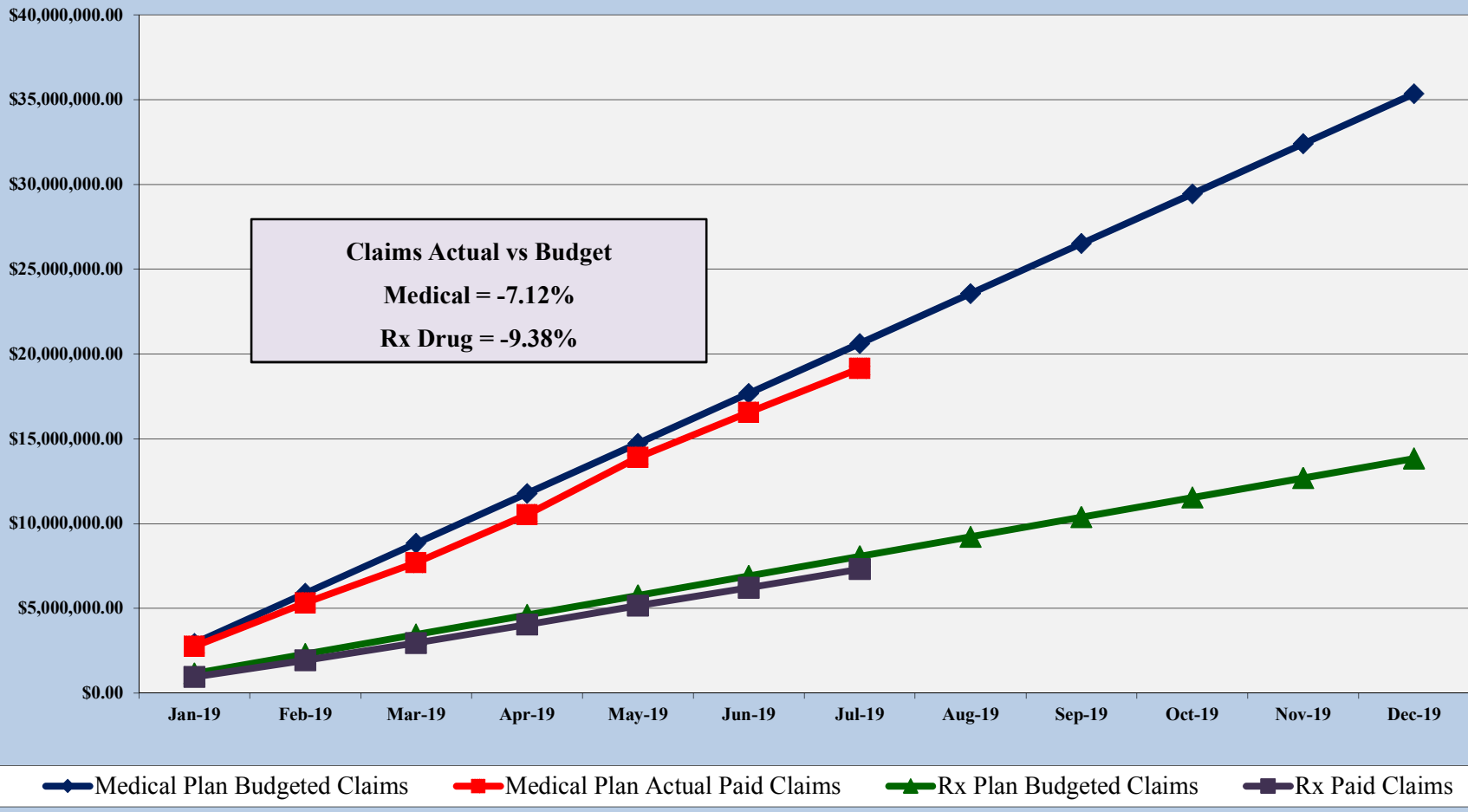


Greater Tompkins County Municipal Health Insurance Consortium 2019 Budgetd vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Insurance Consortium

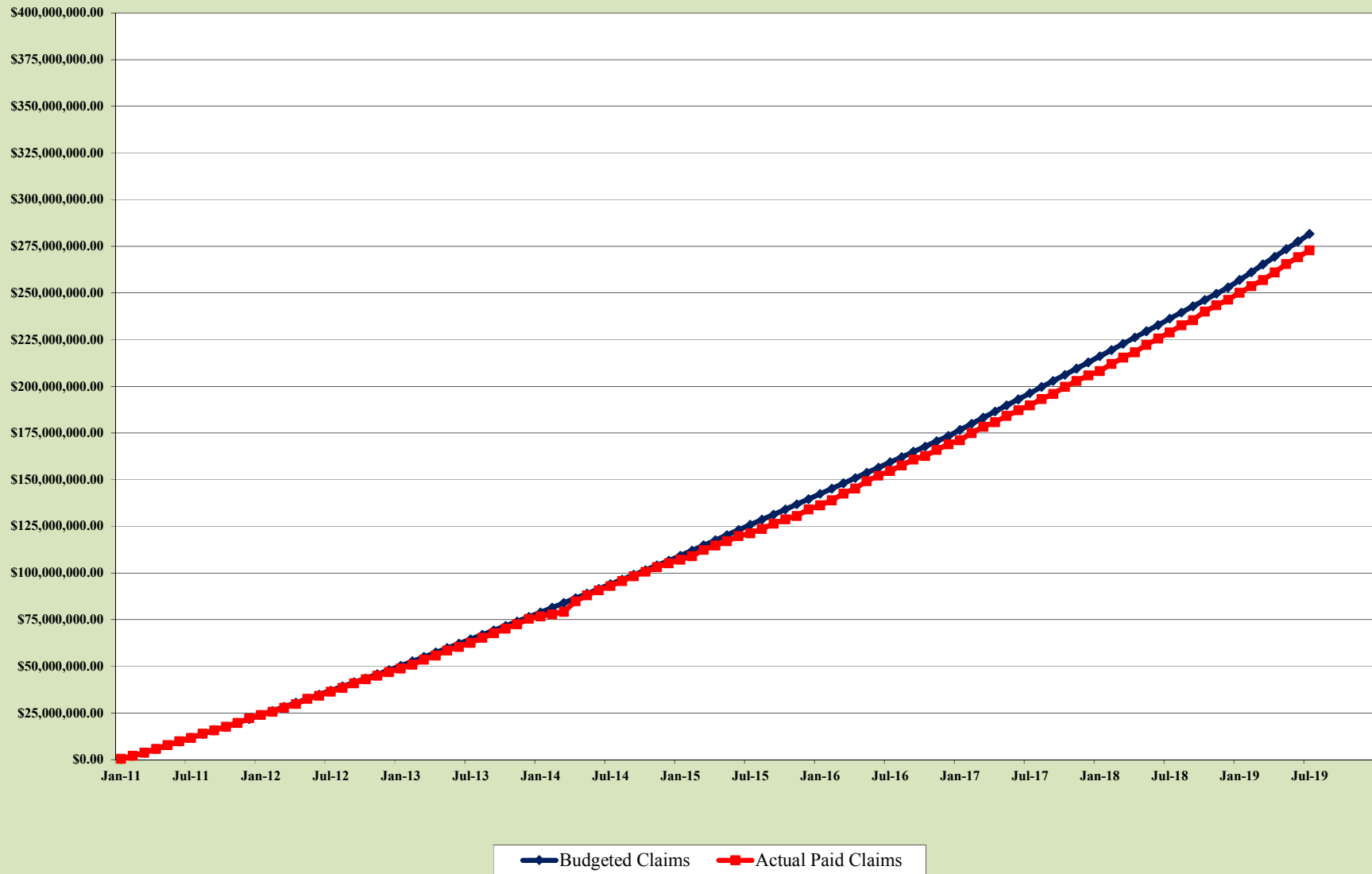
2019 Cumulative Paid Claims and Budgeted Claims by Month



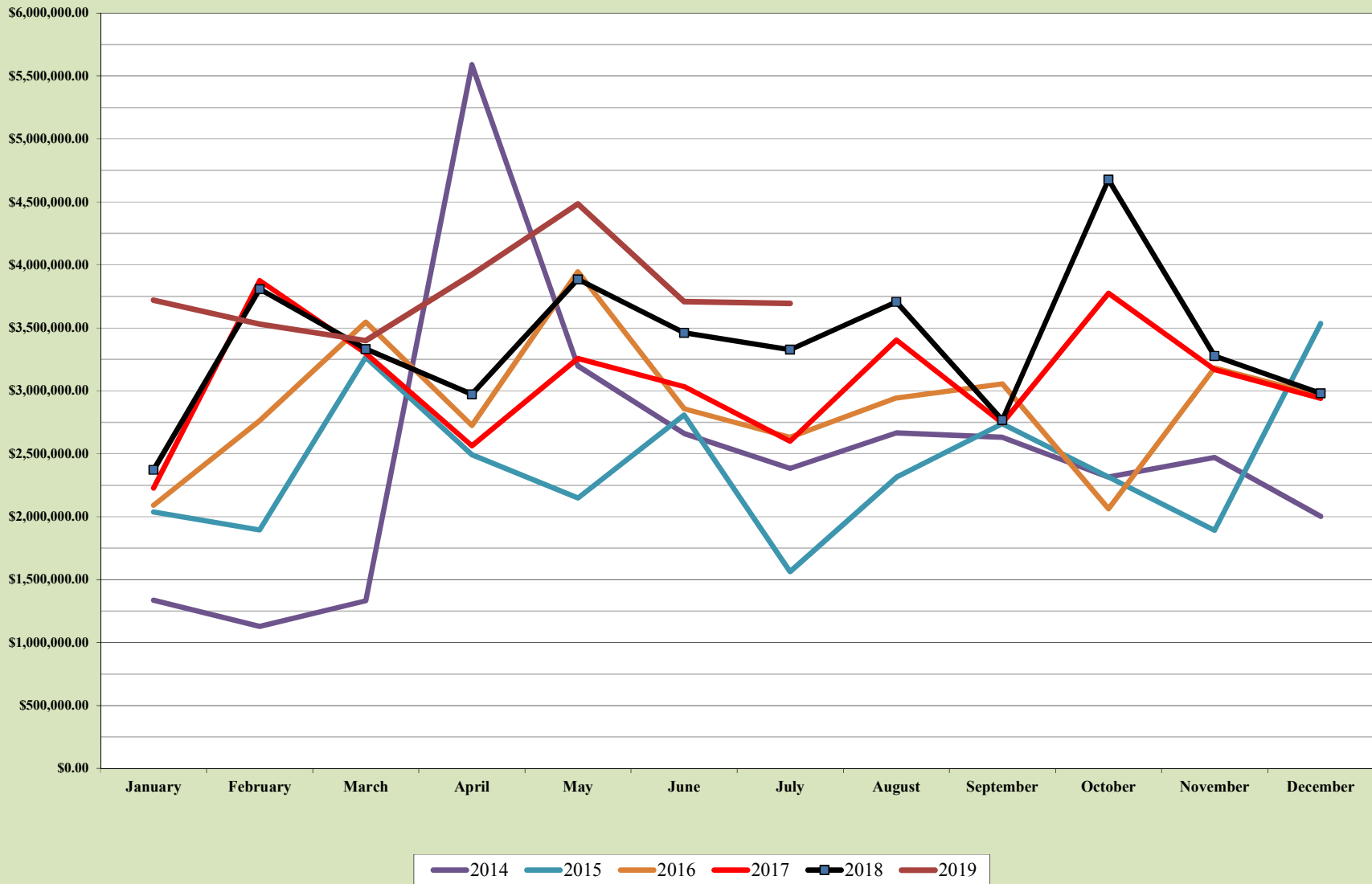
Greater Tompkins County Municipal Health Ins Consortium

2011-2019 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to July 31, 2019



Greater Tompkins County Municipal Health Ins Consortium 2014-2019 Monthly Paid Claims by Fiscal Year





Greater Tompkins County Municipal Health Insurance Consortium

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

RESOLUTION NO. _____ - ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2020

WHEREAS, the Audit and Finance Committee has had detailed discussions and has given great consideration to the Consortium’s 2020 budget and premium rates, and

WHEREAS, our Benefit Plan Consultant has modified the claims trend based on Consortium data and that of similar groups they have research, and

WHEREAS, notable items included in the proposed budget are the following:

-

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium’s 2020 budget as attached, including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.
