



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

December 10, 2019 - ITHACA TOWN HALL

607-378-3962 (ID 964069407)

1. Call to Order (3:30) M. Cook
2. Changes to Agenda (3:30)
3. Approve Minutes of October 22, 2019 (3:32)
4. Financial Update (4:10) S. Locey
 - a. Financial Review - October
 - b. Report on Large Loss Claim Activities
 - c. Account Receivables
5. **RESOLUTION:** Authorize Purchase of Stop Loss Insurance for 2020 with ____ and Increase Catastrophic Claims Reserve
 - Stop Loss Review on Quotes and Benefit Decisions
 - Discussion of Catastrophic Claims Reserve
 - Self-Funded Stop Loss (Internal Captive)
6. **RESOLUTION:** Authorization to Purchase Insurance Policies: Errors and Omissions, Directors and Officers Liability, and Employment Protection Coverage
7. **RESOLUTION:** Approval of Healthcare Benefits Renewal with Excellus BlueCross BlueShield - 2020
8. **RESOLUTION:** Approve Amended Invoice Payment Procedure
9. Discussion: Actuarial Fees
10. Executive Director (4:25) E. Dowd
 - a. November/December Report
 - b. Invoices: Info. Only: Notary Public class; Hancock Estabrook, Consultant – Don Barber, Town of Ithaca, Newsletter Editor, Town of Ithaca
 - c. Members with Terms expiring December 31, 2019: Rankin, Rider, Hersey, Hart
11. Set Next Meeting Date
12. Next meeting Agenda Topics (5:25)
13. Adjourn (5:30)

Next Meeting: _____, 2019

**Audit and Finance Committee
Minutes – Draft
October 22, 2019 – 3:30 p.m.
Ithaca Town Hall**

Present: Mack Cook, Steve Thayer, Rordan Hart, Bud Shattuck, Ann Rider, Chuck Rankin, Laura Shawley, Olivia Hersey (arrived at 3:37 p.m.), Peter Salton (arrived at 3:43 p.m.)

Guests: Elin Dowd, Executive Director; Don Barber, Consultant; Rick Snyder, Treasurer; Steve Locey, Locey and Cahill; Judy Drake, Board Chair; Brittnei Griep, Administrative Assistant; Michelle Cocco, Clerk of the Board

Call to Order

Mr. Cook called the meeting to order at 3:30 p.m.

Changes to the Agenda

Invoices from Hancock Estabrook and the Town of Ithaca were added to the agenda for information only.

Approval of Minutes of September 11, 2019

It was MOVED by Ms. Rider, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present, to approve the minutes of September 11, 2019 as submitted. MINUTES APPROVED.

Executive Director's Report

Ms. Dowd reported on additional items that were not included in her written report provided to the Committee. She said she met with Mr. Snyder and will be bringing forward a revised Invoice Payment procedure to the Operations Committee in an attempt to streamline the current process. Once that Committee makes a recommendation it will be presented to this Committee for approval. Ms. Dowd said a Benefit Clerk training has been scheduled for November 7th at the Health Department; Beth Miller, Corey Prashaw, and Jessica Hobart will be presenting information at that training. She reported she, Mr. Locey, and Mr. Spenard met with Excellus representatives to discuss the renewal for 2020 and as a result of that meeting Excellus will be going back to revise the proposal. She noted, however, to correct a billing issue, included in the rate for 2020 will be the addition of the carve-out for the pharmaceutical program that they are paid in addition to their Admin. Fee.

Ms. Hersey arrived at this time.

Invoices

There were no questions or concerns related to the August invoices included in the agenda packet for information only for the Town of Ithaca, Bonadio, BOCES, and Hancock Estabrook.

Financial Update

Mr. Locey distributed a spreadsheet showing the history of large losses and an updated document showing financial results through September 30th. On the higher end there were three

individuals with claims exceeding \$300,000, two individuals with claims at the \$400,000 level, and one who went slightly over the \$600,000 level. Cumulatively, the Consortium has paid out \$5.265 million in total claims for a total of 28 individuals and has received nothing back for these as nothing has exceeded the deductible. The lasered individual was the one at the \$600,000 level.

Mr. Locey called attention to the Stop Loss report from Excellus through September 30th and said the individual with the \$1.2 million laser does not show up on the \$100,000 report. Year-to-date claims for that individual are slightly over \$25,000 and Excellus has indicated the individual is not expected to exceed \$50,000 in claims next year. The second person on list is no longer on the plan. He said this is good news from a large case perspective and that the Consortium may not have any catastrophic claims that exceed the deductible level this year.

Mr. Salton arrived at this time.

Mr. Barber said the Consortium had updated the Catastrophic Claims Reserve from \$2 million to \$2.8 million because of the lasered individual and now there is a lasered individual who has crossed over the \$600,000 threshold. He questioned whether the Committee wanted to take money from that Reserve or leave it there. Ms. Hersey said it would be reasonable to leave the money there unless it is needed; she doesn't think it makes sense to take it out just because the threshold was reached. Mr. Shattuck said there is a different perspective in the way Directors look at having excess funds versus how a municipality looks at it. Mr. Locey said when there is discussion of what model will be used for Stop Loss for 2020 this will be part of that discussion. He agreed that the money was placed in the Reserve to protect against catastrophic losses that exceeded what would be considered normal. There is a lasered individual at a \$1 million dollar level and the deductible is set at \$600,000. He said this is a good point to raise and warrants further discussion.

Mr. Locey presented third quarter budgeted versus actual results and noted the following:

- Medical plan premium was 1.9% below the budgeted amount. This is due to a large number of people moving from larger-style indemnity and PPO plans into a Platinum Plan which has a much lower associated premium. Also, initial estimates used for Seneca County members was based on the average premium cost per covered life. The County ultimately enrolled members in the Platinum Plan which is a lower-cost plan on an average per covered life basis. This should lead to lower paid claims and this appears to be the case.
- Medical paid claims (-10.4%) and prescription paid claims (-8.58%) were well-below budget in September.
- Paid claims account for 93.39% of total expenses.
- Total paid claims are 9.89% below budget to date; with the exception of May, expenses were below budget each month. Financial indicators are pointing toward a positive fiscal year, resulting in a substantial net income which will be used to bolster reserves and Fund Balance.
- The fiscal results as of September 30, 2018 support the Board of Director's decision to increase premium rates by a modest 5% for the 2020 Fiscal Year. Any additional funds set aside from this year will provide the opportunity to continue to keep premium increases at a very modest level for the next several fiscal periods.

Plan Underwriting

Mr. Locey reported work is being on done on plan and premium underwriting. This will be taken to the December 3rd Executive Committee meeting with a report on the status at the next meeting of this Committee.

Accounts Receivable

Mr. Locey reported the latest report was good and was one of the few reports where TC3 has had a small dollar amount due and with all entities on the report being less than 30 days late.

**RESOLUTION NO. - 2019 – APPROVAL OF CONTRACT FOR INVESTMENT
MANAGEMENT SERVICES – WILMINGTON TRUST –
2020**

MOVED by Ms. Hersey, seconded by Mr. Thayer.

Mr. Snyder said he is satisfied with the service and interest rates the Consortium is receiving through its contract with Wilmington Trust. He supports approving this resolution; however, he would not be opposed to issuing an RFP (Request for Proposals) for Investment Management Services at some point in 2020.

Mr. Barber said last year the Consortium had three firms that were interested in this contract. He said although he is comfortable with Mr. Snyder's support for renewing this contract for 2020 he thinks opportunities are being lost and there could be better service provided. He circulated and reviewed an example of information from another investment management firm to demonstrate what types of information the Consortium could be receiving.

At the direction of the Committee, Ms. Dowd will have a conversation with Wilmington Trust to communicate concerns that were expressed and will request that they become more active in their review and investment strategy.

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

WHEREAS, the Consortium by Resolution No. 032 of 2018 entered into a one-year contract for with Wilmington Trust for investment management services for 2019, and

WHEREAS, Wilmington Trust has satisfactorily honored the terms of its contract including the delivery of reporting as requested, completion of Schedule B of the Consortium's JURAT financial filings with DFS (Department of Financial Services), and

WHEREAS, the Consortium is pleased with the service provided by Wilmington Trust and wishes to extend its contractual relationship for 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Consortium to enter into a contract extension with Wilmington Trust for investment management services for a one-year term period January 1, 2020 through December 31, 2021,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract on behalf of the Consortium.

* * * * *

**RESOLUTION NO. - 2019 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES
AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1,
2019 THRU DECEMBER 31, 2020**

MOVED by Ms. Rider, seconded by Mr. Rankin, and unanimously adopted by voice vote. In response to Ms. Rider, Ms. Dowd said Tompkins County ITS has been very responsive to the Consortium's needs.

WHEREAS, the Consortium has received technical assistance at no charge from the Tompkins County Information Technology Services Department (ITS) since beginning operations in 2011, and

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, audio and visual assistance, development of a secure online enrollment program, and general computer support, and

WHEREAS, the frequency of requests and time involved has increased as the Consortium has grown, and

WHEREAS, the Executive Committee has recommended that the Consortium provide compensation for work done by the Department on behalf of the Consortium,

WHEREAS, the Audit and Finance Committee review the Memorandum of Understanding (MOU) for Information Technology Services and has recommend that the Board of Directors authorize the Board Chairperson to sign this MOU, and

WHEREAS, since initially approved by the Audit and Finance Committee, the need was identified for additional Information Technology Services to be added to the MOU for assistance with the Consortium's compliance with NYCRR 500 Cybersecurity requirements, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2020 based on a rate for an average of seven (7) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2020 thru December 31, 2020 for a total of \$5,040,

RESOLVED, that the amount of \$5,040 will be submitted as a single invoice by ITS in January, 2020, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

RESOLVED, further, That the Chair of the Board is hereby authorized to execute this contract on behalf of the Consortium,

RESOLVED, further, that the TC Information Technology Services Agreement will be kept on file in the Consortium's records.

* * * * *

RESOLUTION NO. - 2019 – AUTHORIZING FINANCIAL SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2019 THRU DECEMBER 31, 2020

MOVED by Mr. Thayer, seconded by Mrs. Shawley, and unanimously adopted by voice vote.

WHEREAS, the Consortium initially formalized a contract with the Office of the Tompkins County Finance Director for the performing Consortium Treasurer functions on July 27, 2018, and

WHEREAS, the Consortium wishes to continue this contract arrangement, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby authorizes the Chair of the Board to sign the Financial Services Agreement with Tompkins County for a term commencing January 1, 2020 through December 31, 2020,

RESOLVED, further, that the Financial Services Agreement will be kept on file in the Consortium's records.

* * * * *

RESOLUTION NO. - 2019 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – 2020

MOVED by Mr. Salton, seconded by Mr. Hart, and unanimously adopted by voice vote.

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium issued a Request for Proposals and by Resolution adopted on October 28, 2010, selected Locey & Cahill, LLC of Syracuse to provide consulting services for the Consortium, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium continue to retain Locey and Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium's contract with Locey and Cahill, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby extends its contract with Locey & Cahill, LLC for an additional one-year term for the period January 1, 2020 through December 31, 2020.

* * * * *

Next Meeting Agenda Items

Resolutions will be included on the next agenda pertaining to Stop Loss renewal, Excellus contract renewal, and approval to purchase insurance policies. There will also be continued discussion of the Catastrophic Claims Reserve, an updated financial report, discussion of actuarial fees for GASB reports, and an update on the status of plan underwriting from the Executive Committee.

The next meeting will be December 10th at 3:30 p.m.

Adjournment

The meeting adjourned at 4:27 p.m.

Respectfully submitted by Michelle Cocco, Clerk of the GTCMHIC Board

Greater Tompkins County Municipal Health Insurance Consortium

Catastrophic Claim History (as of October 31, 2019)

Fiscal Year	Specific Stop-Loss Deductible	Number of Coverd Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Catastrophic Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid	Notes
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52	Medical Claims Only
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41	Medical Claims Only
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65	Medical Claims Only
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39	Laser of \$1,000,000 on Unique ID 000010930774
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30	Includes ProAct Rx Claims
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18	Laser of \$1,000,000 on Unique ID 000001179452
2017	\$450,000.00	5,175	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42	Laser of \$1,000,000 on Unique ID 000001179452
2018	\$600,000.00	5,203	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54	Laser of \$1,000,000 on Unique ID 000001179452
2019	\$600,000.00	6,173	24	6	1	1	1	\$6,247,150.02	\$0.00	\$529,944.02	Laser of \$1,000,000 on Unique ID 000001179452 Laser of \$1,200,000 on Unique ID 000010930774
Totals		45,572	224	56	17	11	7	\$41,845,827.47	\$2,590,242.52	\$5,178,235.43	Loss Ratio = 50.02% as of 10/31/2019
Averages		5,064	24.889	6.222	1.889	1.222	0.778	\$4,649,536.39	\$287,804.72	\$575,359.49	

Fiscal Year	Specific Stop-Loss Deductible	Number of Coverd Lives	Stop-Loss Insurance Premium Paid	Premium Variance	Total Catastrophic Claims Paid	Annual Paid Claims Total	Catastrophic Claims % of Total Claims	Catastrophic Claims Reserve
2011	\$250,000.00	4,400	\$384,392.52	n/a	\$2,357,898.22	\$22,190,664.18	10.63%	n/a
2012	\$275,000.00	4,448	\$361,366.41	-5.99%	\$3,904,221.28	\$24,768,468.89	15.76%	n/a
2013	\$300,000.00	5,077	\$592,381.65	63.93%	\$4,079,308.91	\$28,487,573.02	14.32%	n/a
2014	\$300,000.00	5,012	\$720,784.39	21.68%	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00
2015	\$400,000.00	5,021	\$642,080.30	-10.92%	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00
2016	\$400,000.00	5,063	\$766,281.18	19.34%	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00
2017	\$450,000.00	5,175	\$738,819.42	-3.58%	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00
2018	\$600,000.00	5,203	\$442,185.54	-40.15%	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00
2019	\$600,000.00	6,173	\$529,944.02	19.85%	\$6,247,150.02	\$37,552,642.19	16.64%	\$2,800,000.00
Totals		45,572	\$5,178,235.43	n/a	\$41,845,827.47	\$283,504,584.02	14.76%	
Averages (2011-2019)		5,064	\$575,359.49	6.33%	\$4,649,536.39	\$31,500,509.34	14.16%	



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RESOLUTION NO. 0 - 2019 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2020 WITH _____ AND INCREASE CATASTROPHIC CLAIMS RESERVE

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, and

WHEREAS, the Audit and Finance Committee has received two (2) proposals for 2020 Stop-Loss insurance and has considered the variations of Stop Loss insurance models and level of deductible, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of Stop Loss insurance policy with a Benefit Period of 12/ (claims incurred in 12-months and paid in __ months,) and with a deductible of \$ _____ from _____,

RESOLVED, further, That the Board of Directors hereby approves an increase in the Catastrophic Claims Reserve from \$2.8 million to \$ _____ million,

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

Greater Tompkins County Municipal Health Insurance Consortium

Catastrophic Claim History (as of October 31, 2019)

Fiscal Year	Specific Stop-Loss Deductible	Number of Coverd Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Catastrophic Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid	Notes
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Fiscal Year	Specific Stop-Loss Deductible	Number of Coverd Lives	Stop-Loss Insurance Premium Paid	Premium Variance	Total Catastrophic Claims Paid	Annual Paid Claims Total	Catastrophic Claims % of Total Claims	Catastrophic Claims Reserve
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2013	\$300,000.00	5,077	\$592,381.65	63.93%	\$4,079,308.91	\$28,487,573.02	14.32%	n/a
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2015	\$400,000.00	5,021	\$642,080.30	-10.92%	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00
2016	\$400,000.00	5,063	\$766,281.18	19.34%	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00
2017	\$450,000.00	5,175	\$738,819.42	-3.58%	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00
2018	\$600,000.00	5,203	\$442,185.54	-40.15%	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00
2019	\$600,000.00	6,173	\$529,944.02	19.85%	\$6,247,150.02	\$37,552,642.19	16.64%	\$2,800,000.00
Totals		45,572	\$5,178,235.43	n/a	\$41,845,827.47	\$283,504,584.02	14.76%	
Averages (2011-2019)		5,064	\$575,359.49	6.33%	\$4,649,536.39	\$31,500,509.34	14.16%	

Greater Tompkins County Municipal Health Insurance Consortium

2020 Stop-Loss Insurance Quote Comparison Contract Basis 12/15

Plan Provisions		Excellus BCBS Current Policy	Quotation Received				Formal Quotation Received			
			Excellus BCBS				Sun Life Insurance Company			
			Option 1	Option 2	Option 3	Option 4	Option 1	Option 2	Option 3	Option 4
General Contract Terms	Covered Benefits	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx
	Contract Basis	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12
		Paid 15	Paid 15	Paid 15	Paid 15	Paid 15	Paid 15	Paid 15	Paid 15	Paid 15
Excellus Reporting Fee (PCPM)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.29	\$0.29		
Consultant / Broker Fee		n/a	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Census	Individual	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273	1,273
	Family	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589
	Total	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862
Specific Stop-Loss Insurance	Specific Deductible	\$600,000	\$500,000	\$600,000	\$750,000	\$1,000,000	\$500,000	\$600,000	\$750,000	\$1,000,000
	Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
	Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
	Individual Premium Rate							\$9.82	\$7.81	\$6.17
	Family Premium Rate							\$24.97	\$18.17	\$12.55
	Composite Premium Rate	\$18.46	\$28.27	\$20.01	\$13.39	\$7.34		\$18.23	\$13.56	\$9.71
	Estimated Annual Cost	\$633,990.24	\$970,904.88	\$687,223.44	\$459,866.16	\$252,084.96	\$0.00	\$626,138.28	\$465,771.12	\$333,556.32
Aggregate Stop-Loss Insurance	Aggregate Corridor									
	Annual Maximum									
	Expected Claims Cost									
	Aggregate Attachment Point									
	Aggregate Premium Rate									
	Estimated Annual Cost		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Total Annual Cost		\$633,990.24	\$970,904.88	\$687,223.44	\$459,866.16	\$252,084.96	\$636,098.04	\$475,730.88	\$333,556.32	
% Cost Difference (2019 vs 2020)		n/a	53.14%	8.40%	-27.46%	-60.24%	0.33%	-24.96%	-47.39%	
Budgeted Premium		\$888,633.32	\$762,505.96	\$762,505.96	\$762,505.96	\$762,505.96	\$762,505.96	\$762,505.96	\$762,505.96	
Variance from Budgeted Amount		-\$254,643.08	\$208,398.92	-\$75,282.52	-\$302,639.80	-\$510,421.00	-\$126,407.92	-\$286,775.08	-\$428,949.64	
		-28.66%	27.33%	-9.87%	-39.69%	-66.94%	-16.58%	-37.61%	-56.26%	
Special Notes		Quotation Includes the Following "Lasers"				Quotation Includes the Following "Lasers"				
1. Claimant #000001179452 (Hereditary Factor VIII) - \$761K Pd to Date		2. \$1,000,000 Laser Specific Deductible Included				2. Specific Deductible of \$1,000,000. We will review and consider additional information. If an Identifier is referenced, please provide the name of this individual				
2. Claimant #000010930774 (Intestinal Malabsorption - Possible Liver and/or Bowel Transplant)		3. \$1,200,000 Laser Specific Deductible Included				3. Will have a split laser option. Their Specific Deductible will become \$1,200,000, if 000010930774 incurs eligible expenses relating to intestinal / bowel transplant during the policy year.				

* NYS-DFS issued a waiver to the GTCMHIC authorizing the Consortium to forego the purchasing of aggregate stop-loss insurance.

Insurance Company Name	Estimated Annual Premium	Total Laser Liability	Total Premium + Laser Liability
Excellus BlueCross BlueShield	\$252,084.96	\$1,200,000.00	\$1,452,084.96
Sun Life Insurance Company	\$333,556.32	\$1,200,000.00	\$1,533,556.32

Greater Tompkins County Municipal Health Insurance Consortium

2020 Stop-Loss Insurance Quote Comparison Contract Basis 12/18

Plan Provisions		Excellus BCBS Current Policy	Quotation Received			
			Excellus BCBS			
			Option 1	Option 2	Option 3	Option 4
General Contract Terms	Covered Benefits	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx	Medical / Rx
	Contract Basis	Incurred 12	Incurred 12	Incurred 12	Incurred 12	Incurred 12
		Paid 15	Paid 18	Paid 18	Paid 18	Paid 18
Excellus Reporting Fee (PCPM)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Consultant / Broker Fee		n/a	\$0.00	\$0.00	\$0.00	\$0.00
Census	Individual	1,273	1,273	1,273	1,273	1,273
	Family	1,589	1,589	1,589	1,589	1,589
	Total	2,862	2,862	2,862	2,862	2,862
Specific Stop-Loss Insurance	Specific Deductible	\$600,000	\$500,000	\$600,000	\$750,000	\$1,000,000
	Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
	Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
	Individual Premium Rate					
	Family Premium Rate					
	Composite Premium Rate	\$18.46	\$29.23	\$20.75	\$13.96	\$7.72
	Estimated Annual Cost	\$633,990.24	\$1,003,875.12	\$712,638.00	\$479,442.24	\$265,135.68
Aggregate Stop-Loss Insurance	Aggregate Corridor					
	Annual Maximum					
	Expected Claims Cost					
	Aggregate Attachment Point					
	Aggregate Premium Rate					
	Estimated Annual Cost		\$0.00	\$0.00	\$0.00	\$0.00
Estimated Total Annual Cost		\$633,990.24	\$1,003,875.12	\$712,638.00	\$479,442.24	\$265,135.68
% Cost Difference (2019 vs 2020)		n/a	58.34%	12.41%	-24.38%	-58.18%
Budgeted Premium		\$888,633.32	\$762,505.96	\$762,505.96	\$762,505.96	\$762,505.96
Variance from Budgeted Amount		-\$254,643.08	\$241,369.16	-\$49,867.96	-\$283,063.72	-\$497,370.28
		-28.66%	31.65%	-6.54%	-37.12%	-65.23%
Special Notes		Quotation Includes the Following "Lasers"				
1. Claimant #000001179452 (Hereditary Factor VIII) - \$761K Pd to Date		2. \$1,000,000 Laser Specific Deductible Included				
2. Claimant #000010930774 (Intestinal Malabsorption - Possible Liver and/or Bowel Transplant)		3. \$1,200,000 Laser Specific Deductible Included				



Greater Tompkins County Municipal Health Insurance Consortium

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RESOLUTION NO. - AMENDMENT OF RESOLUTION NOS. 11 AND 12 OF 2018 THAT AUTHORIZED THE CHAIRPERSON OF THE BOARD TO SIGN THE MUNICIPAL HEALTHCARE FINANCING COOPERATIVE INTER-MUNICIPAL AGREEMENT

WHEREAS, the Board of Directors by Resolution No. 12 of 2018 authorized the Chair to sign an Inter-Municipal Agreement to participate in the Municipal Health Financing Cooperative (MHFC) as part of a captive layer model for Stop-Loss insurance, and

WHEREAS, the 2019 Stop-Loss proposal from Berkley, the Captive Stop-Loss insurer, was not competitive so the Consortium did not join the MHFC for 2019, and

WHEREAS, the MHFC did not start in 2019, because it did not have the statutory minimum of 3 municipal partners, and

WHEREAS, for reasons unknown to us Relph Benefits Advisors, the Consultant for MHFC, didn't contact the Consortium about our interest in continuing with MHFC in 2020, and

WHEREAS, enough members have committed to join the MHFC for 2020 so that it can be operational, and

WHEREAS, in order to advance forward with a cooperative municipal agreement, which the Consortium would no longer be a participant the GTCMHIC has been asked to consider terminating its membership in the MHFC's 5-G Inter-Municipal Agreement that the Consortium has signed, and

Whereas, the Municipal Healthcare Financing Cooperative has asked us to state that we waive for 60 days the 90-day notice of termination in Section 8.01 of the agreement in order for the MHFC to advance with new participants by January 1st, and

WHEREAS termination of our partnership in MHFC does not preclude us from applying to join in the future, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Greater Tompkins County Municipal Health Insurance Consortium wishes to officially terminate its membership in the Cooperative effective December 14, 2019,

RESOLVED, further, That the Executive Director is directed to submit a letter of termination signed by the Chair of the Board as required by the Cooperative to make the termination official.

* * * * *



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**RESOLUTION NO. – 2019 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES:
ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS
LIABILITY, EMPLOYMENT PROTECTION COVERAGE, AND
A FIDELITY BOND**

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Tompkins County Risk Manager and the Audit and Finance Committee, That the Consortium shall purchase coverage for these policies from the following for the period January 1, 2020 thru December 31, 2020:

- Errors and Omissions Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon); and
- A Fidelity Bond

RESOLVED, further, That the Plan Consultant is directed to provide the Administrative Clerk of the Consortium with a copy of each policy.



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RESOLUTION NO. - 2019 - APPROVAL OF 2020 HEALTHCARE BENEFITS RENEWAL WITH EXCELLUS BLUECROSS BLUESHIELD

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

WHEREAS, Section E Paragraph 11 of the current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third parties for the furnishing of goods and services, and

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

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

WHEREAS, Excellus BlueCross BlueShield prefers to add the carve out pharmacy integration fee to the Consortium PMPM administration fee effective January 1, 2020, with the rate being adjusted each year as not to exceed the contracted total rate,

WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Admin Rates to vary based on growth in enrollment numbers and has set discounts at four different contract band levels, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends that the Board of Directors approves the 2020 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2020, 2021, and 2022,

RESOLVED, further, That the Chair of the Board be authorized to execute the 2020 contract on behalf of the Consortium.

* * * * *



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RESOLUTION OF THE AUDIT AND FINANCE COMMITTEE - ADOPTION OF AMENDED INVOICE PAYMENT PROCEDURE

WHEREAS, the Operations Committee was presented with recommendations for streamlining current invoice payment procedures by staff, and

WHEREAS, the Operations Committee has reviewed and recommended an amended Invoice Payment Procedure be approved by the Audit and Finance Committee, now therefore be it

RESOLVED, That the Audit and Finance Committee hereby adopts the following amended Invoice Payment Procedure dated December 10, 2019 to replace the procedure approved on May 23, 2017 by the Audit and Finance Committee.

* * * * *

**GTCMHIC Invoice Payment Procedure
(December 10, 2019)**

All invoices are sent to the Executive Director for approval, unless they are invoices considered “**Ready for Payment**” when received. The Clerk of the Board will work with the Account Clerk to prepare invoices for approval by the Executive Director. Once the Executive Director has approved an invoice the Treasurer will review all invoices for accuracy and forward to the Account Clerk for payment.

Invoices Ready for Payment

Invoices for the following items are considered ready for payment when received and will be processed by the Finance Department without further approval:

- Claims invoices and administrative fees from our third-party benefit administrators (medical and prescription drug) including flu clinic fees,
- State and Federal taxes and fees,
- Stop-loss, D&O and E&O insurance invoices,
- Benefit Plan Design, Treasurers Office, Information Technology Office fixed price contract payments,
- Ancillary benefit premiums.
- Payroll
- Town of Ithaca invoices

These transactions will in the monthly financial report submitted by the Treasurer for review at the Audit and Finance Committee meeting.

All other invoices received will be reviewed by the Account Clerk and then shall be forwarded to the Executive Director for approval.

Executive Director Approval

Invoices for expenses allocated and approved as part of the annual budget approval process or a contractual agreement will be approved by the Executive Director with notice of approval to the Account Clerk for payment.

Upon receipt, the following invoices will be sent to Executive Director for approval.

- Contract progress payment invoices (e.g. Actuary, Claims Auditor);
- Invoices for non-fixed price contract payment under \$10,000 (e.g. Consortium Consultant, Benefit Plan Design Consultant, Treasurer’s Office, and Information Technology Office, newsletter production, photography, and printing) ;
- Invoices for supplies, reimbursements and day to day operations under \$10,000;

These transactions will be in the monthly financial report submitted by the Treasurer for review at the Audit and Finance Committee meeting.

Board Chair, CFO or Executive Committee Approval

Upon receipt, invoices will be sent to Executive Director for review and recommend to Board Chair, and CFO or any member of the Executive Committee in the Board Chair's absence for advisement. The invoice will then become part of agenda packet of the Audit and Finance Committee at their next most immediate meeting for approval. If the Audit and Finance Committee will not be meeting by the time the final invoice becomes due, the Executive Director will first petition the contractor for a time extension until the Audit and Finance Committee meets. Should that petition be denied, the invoice must be approved by the Board Chair and Finance Committee chair. Copies of the paid invoice will be provided to the Audit and Finance Committee at it's next meeting.

- **Invoices for non-fixed price contract payment over \$ 10,001 (e.g. financial auditor, Bonadio);**
- **Invoices for services not previously approved by contractual arrangement;**
- **Contract final invoices (e.g. Actuary, Auditor, Claims Auditor).**

All invoices shall be reviewed by the Treasurer prior to issuance of the vendor check. Expenses relative to Executive Director reimbursement will be approved by the Board Chair.

In order to protect possible sensitive information that could affect future firms acting on behalf of the Consortium, copies of sensitive invoices regarding pricing and contract agreements will be provided as a confidential addendum to Committee member's agenda packets.