

Municipalities building a stable insurance future. 125 E. Court Street Ithaca, New York 14850 607-274-5590 Consortium@tompkins-co.org www.tompkinscountyny.gov/hconsortium

RESOLUTION NO. 013-2015 - ADOPTION OF 2016 BUDGET

MOVED by Mr. Thayer, seconded by Mr. Hart. A voice vote resulted as follows: Ayes – 16, Noes – 1 (Fracchia); Excused – 1 (Weatherby); Absent – 2 (Doty, Masser). RESOLUTION ADOPTED.

WHEREAS, the proposed 2016 budget was presented by the Consultant and was unanimously recommended by the Audit and Finance Committee at the September 22, 2015 meeting for submission to the Board for its review, and

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

- Premium increase of 3% over 2015 rates
- Central NY paid claims trends continues at 8.85% increase, but group trend is lower allowing fund balance to be used to produce a rate change much lower than wider claims trend
- IBNR (Incurred But Not Reported) and Rate Stabilization Reserve funds are increased by 8.85% and Statutory required Surplus account is increased by 3%

now therefore be it

RESOLVED, That the attached 2016 budget and premium equivalent rates for the Greater Tompkins County Municipal Health Insurance Consortium is hereby approved.

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

I hereby certify that the foregoing is a true and correct transcript of a motion adopted by the Greater Tompkins County Municipal Health Insurance Consortium on September 24, 2015.

Michelle Pottorff, Administrative Clerk

Greater Tompkins County Municipal Health Insurance Consortium 2015 - 2019 Fiscal Year Budget Projections (cash basis)						Based on Data Through 08/31/2015				
	Actual Results 2011 Fiscal Year	Actual Results 2012 Fiscal Year	Actual Results 2013 Fiscal Year	Actual Results 2014 Fiscal Year	Projected Budget 2015 Fiscal Year	Revised Budget 2015 Fiscal Year	Projected Budget 2016 Fiscal Year	Projected Budget 2017 Fiscal Year	Projected Budget 2018 Fiscal Year	Projected Budget 2019 Fiscal Year
Beginning Balance	\$0.00	\$4,089,400.96	\$7,072,226.28	\$11,170,134.98	\$14,771,429.76	\$14,771,429.76	\$19,271,008.20	\$21,644,236.78	\$22,497,755.42	\$21,856,329.28
Income										
Medical Plan Premiums	\$26,035,368.00	\$28,567,618.73	\$34,457,014.15	\$36,065,655.25	\$37,868,938.01	\$37,587,387.78	\$38,715,009.41	\$40,263,609.79	\$42,276,790.28	\$44,390,629.79
Ancillary Beneit Plan Premiums	\$89,240.70	\$98,742.67	\$117,045.48	\$127,863.91	\$142,410.00	\$125,485.92	\$138,034.51	\$151,837.96	\$167,021.76	\$183,723.94
Interest	\$6,865.50	\$4,173.71	\$7,726.92	\$12,640.97	\$5,000.00	\$12,585.62	\$13,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Capitalization Investment	\$1,223,736.00	\$3,158.21	\$2,144.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00 \$0.00	\$0.00 \$0.00
Rx Rebates	\$0.00	\$445,885.83	\$254,848.24	\$274,763.58	\$257,500.00	\$257,500.00	\$265,225.00	\$273,181.75	\$281,377.20	\$289,818.52
Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$1,055,847.97	\$75,613.28	\$0.00	\$300,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$339,872.80	\$308,233.39	\$172,894.50	\$6,825.34	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Total Income	\$27,695,083.00	\$29,427,812.54	\$36,067,521.75	\$36,563,362.33	\$38,273,848.01	\$38,285,334.54	\$39,131,268.93	\$40,693,629.50	\$42,730,189.24	\$44,869,172.25
Expenses	Ψ27,072,003.00	\$25,127,012.01	\$30,007,021.70	\$50,005,50 2 .55	\$30,273,010.01	\$20,200,201.01	\$33,131, 2 00.33	\$ 10,095,0 2 9.50	\$ 12,730,103.2 T	\$11,009,172.20
Medical Paid Claims	\$15,587,829.03	\$18,085,105.63	\$21,606,445.39	\$22,603,649.97	\$25,019,785.25	\$22,711,189.17	\$24,721,129.41	\$26,908,949.36	\$29,290,391.38	\$31,882,591.02
Rx Paid Claims	\$6,504,972.43	\$6,683,363.26	\$6,881,127.63	\$7,741,246.26	\$7,995,686.92	\$8,371,574.89	\$9,112,459.27	\$9,918,911.92	\$10,796,735.62	\$11,752,246.72
Medical Admin Fees	\$635,499.09	\$710,466.20	\$842,848.88	\$876,163.66	\$904,390.72	\$912,917.38	\$940,304.90	\$968,514.05	\$997,569.47	\$1,027,496.55
Rx Admin Fees	\$142,368.35	\$147,748.58	\$73,334.36	\$79,130.00	\$78,822.26	\$81,566.00	\$84,012.98	\$86,533.37	\$89,129.37	\$91,803.25
Flu Clinic Fees	\$0.00	\$0.00	\$0.00	\$8,575.00	4,0,0==1=0	\$10,000.00	\$10,000.00	400,0000	400,000	47.1,000.20
NYS Graduate Medical Exp.	\$188,960.03	\$208,358.96	\$233,822.97	\$241,281.61	\$242,562.13	\$238,127.36	\$250,033.73	\$262,535.41	\$275,662.19	\$289,445.29
ACA PCORI Fee	n/a	n/a	\$4,448.00	\$10,252.46	\$10,773.00		\$11,311.65	\$11,877.23	\$12,471.09	\$13,094.65
ACA Trasitional Reins.Program Fee	n/a	n/a	n/a	\$316,764.00	\$101,200.00	\$221,100.00	\$138,187.50	\$0.00	\$0.00	\$0.00
Stop-Loss Aggregate and Specific	\$384,392.52	\$361,366.41	\$592,381.65	\$720,784.39	\$654,000.00		\$815,611.90	\$978,734.28	\$1,174,481.13	\$1,409,377.36
Advance Deposit / Pre-Paid Claims	\$718,000.00	\$80,600.00	\$109,500.00	\$0.00	\$100,000.00		\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Legal Fees	\$0.00	\$82.50	\$220.00	\$6,201.25	\$20,600.00	\$20,600.00	\$21,218.00	\$21,854.54	\$22,510.18	\$23,185.48
Executive Director				\$14,351.25	\$35,000.00	\$35,000.00	\$35,000.00	\$36,050.00	\$37,131.50	\$38,245.45
Consultant Fees	\$0.00	\$58,612.06	\$114,110.74	\$63,501.70	\$51,500.00	\$87,011.80	\$89,622.15	\$92,310.82	\$95,080.14	\$97,932.55
Accounting Fees		,	,	\$58,599.48	\$15,450.00	\$73,998.20	\$76,218.15	\$78,504.69	\$80,859.83	\$83,285.63
Actuarial Fees				\$10,000.00	\$10,300.00	\$10,300.00	\$10,609.00	\$10,927.27	\$11,255.09	\$11,592.74
Audit Fees	\$0.00	\$12,000.00	\$37,027.19	\$29,800.00	\$61,800.00	\$79,400.00	\$81,782.00	\$84,235.46	\$86,762.52	\$89,365.40
Insurances (D&O / Prof. Liab.)	\$22,211.00	\$21,139.41	\$22,211.00	\$53,116.40	\$26,875.31	\$28,159.80	\$30,975.78	\$34,073.36	\$37,480.69	\$41,228.76
Internal Coordination (Finance)	\$88,269.07	\$35,323.92	\$36,171.78	\$0.00	\$69,783.19	\$69,783.19	\$71,876.68	\$74,032.99	\$76,253.97	\$78,541.59
Internal Coordination (Support)	\$0.00	\$4,574.70	\$10,462.47	\$0.00	\$14,478.43	\$14,478.43	\$14,912.78	\$15,360.17	\$15,820.97	\$16,295.60
Surety Bond Fee / Loan Interest	\$0.00	\$0.00	\$0.00	\$0.00	n/a	n/a	n/a	n/a	n/a	n/a
Payment Refund	\$0.00	\$13,146.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ancillary Benefit Premiums	\$51,047.20	\$103,698.75	\$155,711.25	\$127,775.11	\$142,410.00	\$125,302.12	\$137,832.33	\$151,615.57	\$166,777.12	\$183,454.83
Capitalization Repayment	\$0.00	\$0.00	\$1,541,561.37	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other Expenses	\$133.32	\$0.00	\$0.00	\$875.01	\$5,150.00		\$4,942.13	\$5,090.39	\$5,243.10	\$5,400.39
Total Expenses	\$24,323,682.04	\$26,525,587.22	\$32,261,384.68	\$32,962,067.55	\$35,560,567.21	\$33,785,756.10	\$36,758,040.34	\$39,840,110.86	\$43,371,615.38	\$47,234,583.28
Net Income	\$4,089,400.96	\$2,982,825.32	\$3,806,137.07	\$3,601,294.78	\$2,713,280.81	\$4,499,578.44	\$2,373,228.58	\$853,518.64	-\$641,426.14	-\$2,365,411.03
Ending Balance	\$4,089,400.96	\$7,072,226.28	\$10,878,363.35	\$14,771,429.76	\$17,484,710.57	\$19,271,008.20	\$21,644,236.78	\$22,497,755.42	\$21,856,329,28	\$19,490,918.25
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Liabilities and Reserves										
IBNR Reserve	\$3,043,382.00	\$3,183,070.47	\$3,418,508.76	\$3,641,387.55	\$3,961,856.66		\$4,060,030.64	\$4,419,343.35	\$4,810,455.24	\$5,236,180.53
Surplus Account	\$1,289,746.00	\$1,428,380.94	\$1,722,850.71	\$1,803,282.76	\$1,893,446.90		\$1,935,750.47	\$2,013,180.49	\$2,113,839.51	\$2,219,531.49
Claims / Rate Stabilization Reserve				\$0.00	\$1,650,773.61	\$1,554,138.20	\$1,691,679.43	\$1,841,393.06	\$2,004,356.35	\$2,181,741.89
Catastrophic Claims Reserve	n/a	n/a	n/a	\$606,897.92	\$1,050,000.00		\$1,050,000.00	\$1,050,000.00	\$1,050,000.00	\$1,050,000.00
Total Liabilities and Reserves	\$4,333,128.00	\$4,611,451.40	\$5,141,359.47	\$6,051,568.23	\$8,556,077.17	\$8,213,439.28	\$8,737,460.55	\$9,323,916.91	\$9,978,651.10	\$10,687,453.91
Unencumbered Fund Balance Assumptions 2015 to 2019 Fiscal Years	-\$243,727.04	\$2,460,774.88	\$5,737,003.88	\$8,719,861.53	\$8,928,633.40	\$11,057,568.92	\$12,906,776.23	\$13,173,838.51	\$11,877,678.18	\$8,803,464.35

- 1. Premium Revenue Increased by 3.0% in 2016, 4.0% in 2017, and 5.0% 2018 and 2019
- 2. Interest Income = Last 2 Years Average
- 3. Prescription Drug Rebates = \$250,000
- 4. Paid Claims Trend = 8.85%
- 5. Administrative Fees Per Agreement with Excellus BCBS then Increased by 3% Per Annum
- 6. NYS GME Increased by 5%
- 7. Specific Stop-Loss Insurance Increased by 20%8. Aggregate Stop-Loss Insurance Increased by 5%
- 9. Surety Bond Fee / Loan Interest Estimated at 3% of Principle Balance
- 10. All other Fees Increased by 3%
- 11. Beginning Balance and Ending Balance includes Advance Deposit held at Excellus BCBS as a pre-payment of claims (\$527,500 as of 08-31-2015)

Prepared By: Locey and Cahill, LLC