

Greater Tompkins County Municipal Health Insurance Consortium

Executive Committee

Minutes – DRAFT

June 17, 2024 – 3:30 p.m.

GTCMHIC Headquarters – 408 East Upland Road, Ithaca, NY

Present: Rordan Hart (Executive Committee Chair); Lisa Holmes (Executive Committee Vice-Chair); Judy Drake (Audit and Finance Committees Chair); Bud Shattuck (Claims and Appeals Committee Chair) Ray Bunce (arrived 3:37pm); Wendy Cole/Steve Thayer

Present via remote: Peter Salton* (Secretary); Gary Mutchler* (Nominations & Engagement Committee Chair)

Excused: Scott Steve; Laura Granger* (Operations Committee Chair); Kate DeVoe* (Joint Committee Chair)

Absent:

Guests: Steve Locey, Locey & Cahill; Amie Hendrix, City of Geneva; Melissa Greenthal, Town of Erwin

Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Kylie Rodrigues, Benefits Specialist, Teri Apalovich, Finance Manager

* - Due to Extraordinary Circumstances attended remotely via Satellite Locations: 2983 Burns Road, Scipio Center

Call to Order

Mr. Hart, Chair, called the meeting to order at 3:33 p.m.

Changes to the Agenda

There was a change to the agenda. A recommendation (motion) was made at the June 10, 2024, meeting of the Nominations and Engagement Committee. The motion moved to present a resolution to the Executive Committee, on behalf of the Board of Directors, recommending, filling, and appointing open seats of standing committees listed within the Nominations and Engagement subject below.

Approval of Minutes of April 17, 2024

It was MOVED by Mr. Shattuck, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present and via remotely due to extraordinary circumstances, to approve the minutes of April 17, 2024. MINUTES APPROVED.

Chair's Report

Mr. Hart announced there are several important resolutions to consider at today's meeting.

Executive Director's Report

Ms. Dowd introduced Wendy Cole, who is currently serving as the interim for retired City of Ithaca CFO, Steve Thayer. She also introduced Melissa Greenthal and Amie Hendrix who were also invited to the meeting as they are part of a new resolution that will potentially move forward at today's meeting to serve on Consortium committees.

Ms. Dowd said the Consortium paused applying late fees on invoices not paid in a timely matter during the Covid period. Ms. Apalovich said she had not been enforcing the late fees, however, some of the Consortium's sub-committees have asked if the Consortium would

resume utilizing this policy. Mr. Shattuck questioned how this process will be implemented and how municipalities will be reminded of late invoices. She said municipalities are receiving reminders attached to the invoice. Ms. Apalovich said that a 10-day grace period would be given before a fee is applied. Mr. Locey suggested a letter be sent to the municipalities to inform them the fee schedule will be utilized again.

Ms. Dowd said the Consortium is watching claims as they are continuing to perform around 10% above budget. She said the prescription drugs are about 7% and medical is around 3%.

Ms. Dowd reported that the Consortium received a rebate from Excellus and noted that the rebate will not show in the accounting as income due to Excellus crediting the rebates against the claims. She said the Consortium has also been reviewing with Locey & Cahill regarding trending claims.

Ms. Dowd said she is working with 20 potential new members, and approximately half of them have asked for plan comparisons. She said to date, the Consortium has received two resolutions and applications from new members effective 2025.

Ms. Dowd announced 38 municipalities will be receiving a letter from the Consortium regarding their submissions of "evergreen" 2024 MCA amendment resolutions. The Department of Financial Services (DFS) advised that they no longer will accept these types of resolutions from the municipalities. Ms. Dowd said Ms. Sheldon is collecting and reviewing the new, updated resolutions and signature page submissions, and these will be forwarded to DFS as soon as possible. Currently, DFS is holding the Consortium's Certificate of Authority which will allow the Consortium to pursue interested municipalities in the Livingston and Monroe counties. DFS states they will be unable approve/release the new Certificate until they have received and approved all 2024 MCA resolutions.

Ms. Dowd reported that there are a few articles circulating in health insurance news stating Excellus is requesting a 19.5% increase of their rates for DFS approval. She said that it is evident that prescription drug claims are going up exponentially and that medical claims in general, due to inflation, are going up. Also contributing are some additional Medicare expenses in Upstate New York with hospital contracts being rewritten with Medicare with higher contributions.

Strategic Initiatives

Ms. Dowd said the Consortium discussed the Open Meeting Law (OML) with their attorney. Discussions included how the Consortium, as a large organization, can operate efficiently and effectively as a public body under OML. She said a draft of a policy and resolution was looked at by the Operations Committee, which included procedures of inviting guests to meetings. She said staff is researching how to make our MCA more efficient for the Consortium to vote with a full body present in person or via remote. Ms. Dowd said the Consortium is also researching how the Executive Committee may be given more authority/responsibility to act as the Board representative. We are trying to be as efficient and effective as possible as a public entity while servicing 18 different counties.

Ms. Dowd reported that the Consortium is also currently researching the process of a name change. She said DFS states the Consortium will need to go through another application process if the Consortium decides to officially change their name. Mr. Salton expressed the importance of a creative name that will allow the Consortium to market itself and create awareness. Ms. Dowd said that attendees at the Consortium's Open House submitted recommendations, but continued feedback leads back to the Consortium not limited to a specific geographical area, and/or county name. Mr. Salton suggested considering the geographic breadth in one of two words, if possible.

Ms. Dowd said another topic the Consortium is reviewing contains which items embedded in the MCA can be made as policies as opposed to a part of the agreement itself. She also said there is a discussion of when and how the Consortium communicates premiums as part of Article 47, and if changing approval from a 2/3 vote to majority vote for everything except dissolving, disbanding, or expelling a participant.

Ms. Dowd said the Consortium staff is also discussing what the Executive Committee Consortium can do under OML. She said since the Board meeting only meets once a year, does the Executive Committee have enough authority to act on behalf of the Board, and articulate that more carefully through the new MCA process.

Ms. Dowd reported the Consortium was presented with the opportunity to look for another member to serve in the role of Chief Financial Officer (CFO). She said Tompkins County Finance Manager is considered to act in that role, which would ultimately change wording in the MCA. Ms. Dowd said a request has been sent to DFS to approve this change.

Ms. Dowd announced another update needed on the MCA is record keeping responsibility. The MCA currently states that the records must be kept by a board member. She said an update would include wording that would state that the Clerk of the Board will be directed by the board member to file records accurately.

Ms. Dowd said a portion of the Consortium's strategic initiative is to make sure the Consortium has a succession plan, to ensure that the Consortium has enough staff members for growth. Ms. Dowd said over the next 3 to 5 years, the Consortium has identified positions to fill, however, it was determined the need to fill the position of a Benefits Manager within the next 6 months.

Ms. Dowd described that the smaller municipalities that are joining the Consortium do not have in-house insurance expertise. These entities have relied on their broker for items such as applications, filling out and sending the applications to the insurance company, and answering any problems that come up on claims, adjudication, etc., She said these municipalities rely heavily on the Consortium staff and is reason for additional benefit staff.

Ms. Drake said the Consortium has created a Benefits Manager position (through Tompkins County Civil Service) with the potential of an internal candidate moving into that position. She said the Consortium's Human Resources representative (Ms. Drake) created this position as a manager-level position to oversee staff as well. She said the Consortium will also keep the Benefits Specialist position the Consortium currently has. Ms. Drake said the current

Benefits Specialist job description has been modified to set it up for a 3-tier job group with the addition of a Senior Benefits Specialist position created for promotional capability.

Ms. Dowd said that an approval for new positions will be presented at the next Operations Committee meeting and ultimately Finance Committee for final budget approval.

Executive Committee

Ms. Dowd reported the Executive Committee did not have any resolutions to consider today.

Nominations and Engagement Committee

Resolution: **Appointment to Replace CFO for GTCMHIC**

Ms. Dowd and Mr. Mutchler reported Steve Thayer has retired as Controller for the City of Ithaca. Mr. Thayer was also named as the Consortium's Fiscal Officer, which is referenced within the MCA. Ms. Dowd said the City's Human Resources Department has come up with an interim solution from acting controller to dual acting controllers. She said replacing Mr. Thayer's position must meet the qualifications of a fiscal officer, as defined within the MCA. Currently, there are only a few of the Consortium's other municipalities that meet those qualifications, one of those entities is Tompkins County's Finance Director.

RESOLUTION NO. 013-2024 – APPOINTMENT TO REPLACE CHIEF FISCAL OFFICER (CFO) FOR GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

MOVED by Mr. Mutchler, seconded by Ms. Holmes, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances. Mr. Salton abstained from the vote.

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

WHEREAS, under Section 4705 (6) of NYS Insurance Law the GTCMHIC must designate a Fiscal Officer of a participating municipal corporation to be the Chief Fiscal Officer of the municipal cooperative health benefit plan, and

WHEREAS, the GTCMHIC 2024 Municipal Cooperative Agreement (MCA) states in Section I (Number 1-8), various duties and responsibilities associated as the GTCMHIC Chief Fiscal Officer and names "The Chief Fiscal Officer shall be the City Controller of the City of Ithaca", and

WHEREAS, per Resolution 1 of 2011, the GTCMHIC Board of Directors named and elected Mr. Steven Thayer, City of Ithaca's Controller, to serve as the GTCMHIC Chief Fiscal Officer, and

WHEREAS, Mr. Thayer served as the GTCMHIC Chief Fiscal Officer since 2011 and has recently retired from his position with the City of Ithaca, and

WHEREAS, the City of Ithaca has been actively searching for a replacement for Mr. Thayer's position, which has resulted in multiple failed searches and the City is not able to provide a time frame that a new search/hiring will be completed.

WHEREAS, for reasons indicated above, the GTCMHIC has explored having their Executive Committee appoint the Director of Finance for Tompkins County to serve as GTCMHIC Chief Fiscal Officer, and with the support of the County will be able to act in that capacity for the GTCMHIC, and

RESOLVED, on recommendation of the Nomination Committee, That the Executive Committee, on behalf of the Board of Directors, recommends and approves the replacement of the City of Ithaca Controller, with the Tompkins County Finance Director to now serve as the GTCMHIC's Chief Fiscal Officer until such time that the Board of Directors can ratify this appointment through a Municipal Cooperative Agreement amendment.

Mr. Mutchler announced that the Consortium's committees have individuals that have or will be retiring and phasing out. He said the Consortium has individuals who have expressed an interest and are willing to fill these positions. Ms. Dowd said currently, the City of Ithaca is on the Executive Committee through the CFO position. The Consortium would like to keep City of Ithaca on the Executive Committee, regardless of who is the CFO. Mr. Salton encouraged the importance of appointed members being in attendance.

RESOLUTION NO. 018-2024 – AMENDMENT TO RESOLUTION NO. 031-2023 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF COMMITTEE MEMBERS – APPOINTMENT OF WENDY COLE, SCOTT STEVE, AMIE HENDRIX TO EXECUTIVE COMMITTEE; MELISSA GREENTHAL TO OPERATIONS

MOVED by Mr. Mutchler, seconded by Ms. Holmes, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances. Mr. Salton abstained from the vote.

WHEREAS, it is the responsibility of the Nominations and Engagement Committee to present a slate of recommended Officers and Executive Committee members at the annual Board of Directors meeting for approval, and

WHEREAS, due to certain circumstances, such as a retirement, and/or other obligations, committee members are unable to continue their commitment(s) to the GTCMHIC in their roles and responsibilities to a committee(s), and

WHEREAS, vacancies currently exist on the Operations and Executive Committees due to such above circumstances, and

RESOLVED, on recommendation (motion) made at the June 10, 2024, meeting of the Nominations and Engagement Committee, the Executive Committee, on behalf of the Board of Directors, hereby recommends, fills, and appoints open seats of standing committees listed below effective immediately, unless indicated:

Wendy Cole, City of Ithaca – Executive Committee, At-Large Seat
Scott Steve, City of Cortland – Executive Committee, At-Large Seat
Amie Hendrix, City of Geneva – Executive Committee, At-Large Seat

Melissa Greenthal – Operations Committee Member (Seat replacing Retiree -Rita McCarthy (Term expires 12/31/24) - Effective 8.1.24

Claims and Appeals Committee

Mr. Shattuck announced a meeting would be held soon to review and potentially approve audits performed.

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Audit and Finance Committees

Resolutions: Audit: **Acceptance of 2023 External Audit Report Performed by Insero & Co**

Ms. Drake expressed the 2023 external audit was completed and thanked Consortium staff for a positive audit and the work completed throughout the audit period.

RESOLUTION NO. 014-2024 – ACCEPTANCE OF 2023 EXTERNAL AUDIT REPORT PERFORMED BY INSERO & CO

MOVED by Ms. Drake, seconded by Mr. Shattuck, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances. Mr. Salton abstained from the vote.

WHEREAS, That one of the responsibilities of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Board of Directors is to audit receipts and disbursements of the Consortium and provide for independent audits, and periodic financial and operational reports to Participants in accordance with N.Y. Insurance Law § 4705 €(1), and

WHEREAS, N.Y. Insurance Law § 4705 €(1) includes the following provisions:

€ The municipal cooperation agreement shall provide for the following to be prepared and furnished to the governing board, to participating municipal corporations, to unions which are the exclusive

bargaining representatives of employees covered by the plan and to the superintendent:

(1) an annual audit, and opinions thereon, by an independent certified public accountant, of the financial condition, accounting procedures and internal control systems of the municipal cooperative health benefit plan;

(2) an annual report and quarterly reports describing the plan's current financial status;

and

WHEREAS, the Executive Committee approved entering into a contract for auditing services with Insero & Co., for the purpose of conducting an annual audit of the Consortium's financial records for fiscal year 2023, now therefore be it

RESOLVED, on recommendation of the Audit Committee and the Executive Committee, that the 2023 annual audit report prepared and presented to the Audit Committee by Insero & Co. is hereby accepted.

Finance: **Modification of 2024 Agreement and Appointment of Locey & Cahill, LLC. Consulting Services as GTCMHIC "Broker of Record"**

RESOLUTION NO. 015-2024 – MODIFICATION OF 2024 AGREEMENT AND APPOINTMENT OF LOCEY & CAHILL, LLC. CONSULTING SERVICES AS GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM'S (GTCMHIC) "BROKER OF RECORD"

Mr. Locey said if Locey & Cahill were named the "Broker of Record" for the Consortium, then Locey & Cahill could take the commission from Excellus in lieu of the fee that the Consortium pays. Mr. Locey said if this scenario did not happen, Excellus would keep the commissions internally. It was discussed by the Consortium and Locey & Cahill that a quarterly reconciliation would be prepared, and Locey & Cahill would issue credit to the Consortium against the commission.

MOVED by Ms. Drake seconded by Mr. Shattuck, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, the Consortium and Locey & Cahill entered into a Consulting Services Agreement dated January 1, 2024, (Resolution 048-2023) agreeing to provide the Consortium with professional consulting services subject to certain terms and conditions contained in that agreement through a current term ending on December 31, 2024 (the “Existing Consulting Arrangement”); and

WHEREAS, Excellus BlueCross BlueShield has made the corporate decision to pay commissions to authorized health insurance brokers associated with their prescription drug business for “Claims Based Business” (a.k.a., “Cost-Plus Clients”) who use Minimum Premium or Administrative Services Only Agreements; and

WHEREAS, Excellus BlueCross BlueShield has indicated that the commissions to be paid cannot be “netted out” of the administrative fees or premiums paid by the Consortium to Excellus nor will Excellus negotiate varying levels of commission on this particular line of business; and

WHEREAS, the Consortium has determined that it is in the best interest of the Consortium and its covered members to use the Excellus commissions to off-set certain consulting service fees which are currently paid on a direct basis by the Consortium; and

WHEREAS, Consortium has appointed Locey & Cahill as “Broker of Record” with Excellus BlueCross BlueShield (“Excellus”), a designation which carries certain additional duties and responsibilities, and which may result in the payment by Excellus of certain broker fees and/or commissions to Locey & Cahill; now therefore be it

RESOLVED, In consideration of the mutual covenants and agreements hereinafter set forth, the parties agree to modify the Existing Consulting Arrangement as follows:

1. The Consortium will execute a Broker of Record Letter of Authorization to Excellus designating Locey & Cahill as its Broker of Record effective January 1, 2024.
2. Locey & Cahill shall fully perform all duties and responsibilities as the Consortium’s Broker of Record during the term of the Agreement.
3. All consulting fees and/or commissions paid by Excellus to Locey & Cahill during the term of the Agreement (“Earned Fees”) shall be allocated as follows:
 - (a) First, such Earned Fees will be applied against any amounts due and owing to Locey & Cahill under Article VII of the Existing Consulting Arrangement that would have otherwise been invoiced to the Consortium during the term of the Agreement.

(b) Second, such Earned Fees will be utilized to reimburse Locey & Cahill for its actual costs associated with performing its duties and responsibilities as Broker of Record, during the term of the Agreement.

4. Locey & Cahill shall keep, and make available to the Consortium, detailed records regarding its Earned Fees associated with fulfilling its duties and responsibilities as Broker of Record.

5. The Contract Modification is intended as an amendment and supplement to the Existing Consulting Arrangement, whose terms continue to control relative to all aspects of the parties' contractual relationship save those specifically addressed herein.

6. The Contract Modification may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement, and

FURTHER RESOLVED, on recommendation of the Finance Committee, That the Executive Committee on behalf of the Board of Directors, hereby approves the modification to the 2024 Consultant services contract of Locey & Cahill, LLC, and hereby appoints Locey & Cahill, LLC, as the GTCMHIC's "Broker of Record"

Operations Committee

Resolutions: **Adoption of "Guest Invitation/Guest Speaking and Public Comments" Policy for the GTCMHIC**

Ms. Granger was excused from the meeting. Mr. Hart and the Committee examined the policy thoroughly and discussed at great length the need for a revision of the currently drafted policy. Mr. Hart said the Consortium's structure has evolved to have everything funnel up from every committee to the Executive Committee. He said the Committee is acting on behalf of the Board and ratifying very little except for the budget. He said there's very little legal ground to suggest that the Board of directors is not subject to OML and if the other committees are subject to OML, the Consortium will have a very hard time hitting quorum, because they must be in person. Mr. Salton said he is not supportive of a of a super majority to allow someone to attend and speak at meetings.

The committee agreed to work on composing a revised policy to discuss at the next meeting.

Adoption of “Social Media” Policy for the GTCMHIC

Ms. Dowd stated this policy was moved to Executive Committee by the Operations Committee and ultimately reviewed by Carl Cadregari from FoxPointe Solutions

RESOLUTION NO. 016-2024- ADOPTION OF “SOCIAL MEDIA” POLICY FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Salton seconded by Ms. Drake, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium’s (GTCMHIC) recognizes the value in using social media to broaden communication as a means of conveying information to members of the public, and

WHEREAS, the main purpose of the GTCMHIC’s social media is to reach participants with the most up-to-date wellness information, projects, news, schedule of events, and increase transparency of the GTCMHIC, and is not intended as a public forum, and

WHEREAS, to ensure rules and regulations required by the social media sites, all persons representing the GTCMHIC shall always conduct themselves as professional representatives of the Consortium, and

WHEREAS, the Consortium understands that the Executive Director and their designee, must review and approve the content of any posting of public information and abide by the social media policy designed by the GTCMIHC, now therefore be it

RESOLVED, On recommendation of the Operations Committee, That the Executive Committee on behalf of the Board of Directors adopt the “Social Media” policy attached hereto as Exhibit “A” to additionally guide and regulate employees who are responsible for maintaining the GTCMHIC presence on social media.

Adoption of “Subscriber and Dependent Enrollment Audit” Policy for the GTCMHIC

The Operations Committee previously discussed at length and agreed to change the wording to reflect that the Consortium will request that each municipal member confirm eligible dependents at time of enrollment and recommended conducting a dependent enrollment audit annually to confirm all dependent plan participants are eligible dependents.

RESOLUTION NO. 017-2024- ADOPTION OF “SUBSCRIBER AND DEPENDENT ENROLLMENT AUDIT” POLICY FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Ms. Drake, seconded by Ms. Holmes, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

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

WHEREAS, it is imperative to keep enrollment records accurate to reduce the risk and costs associated with having ineligible subscribers and dependents enrolled on the plan, and

WHEREAS, the GTCMHIC acknowledges that changes occur in subscribers’ lives with marriage, divorce, death, childbirth, and adoptions that may not become known to the health insurance provider, and

WHEREAS, to ensure the accuracy of subscribers and dependents on the plan, an audit of subscribers and dependents enrolled will be implemented by the GTCMHIC and its members, and

WHEREAS, adopting a policy whereby the GTCMHIC will conduct a subscriber/dependent audit every five years to ensure all participating all participating municipalities are enrolling and terminating members on a consistent and uniform basis, therefore be it

RESOLVED, On recommendation of the Operations Committee, That the Executive Committee on behalf of the Board of Directors adopt the “Subscriber and Dependent Enrollment Audit” policy attached hereto as Exhibit “A” to ensure the accuracy of subscribers and dependents on the plan.

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Joint Committee on Plan Structure and Design

Ms. DeVoe was excused from the meeting; however, Ms. Dowd reported the Joint Committee will meet on July 11, 2024

Financial Dashboard Report

Ms. Apalovich presented a Preliminary Profit Loss spreadsheet, dated January 2023 through 2024. She addressed the numbers from the sheet and the following:

- Total over in claims: 1.2 million dollars

- Unencumbered fund balance is still going down, but the Consortium's unencumbered as a percent of premium is going up. 8.2% (s/b between 12% and 15%)
- Consortium will continue to fund IBNR and surplus reserves through Wilmington Trust.

Future Agenda Topics

- Open Meeting/Guest Policy
- Resolution: Benefits Positions

Adjournment

The meeting was adjourned at 5:06p.m.

Respectfully submitted by Lynne Sheldon, Clerk of the Board