



## Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

[www.healthconsortium.net](http://www.healthconsortium.net) • [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org)

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

### **Board of Directors Annual Meeting**

September 22, 2022 – 5:00 pm

Tompkins Cortland Community College – Forum

**Satellite Locations:** Trumansburg Village Hall, Meeting Room  
Tompkins County Public Library, Schwarz Jacobsen Meeting Room  
Town of Big Flats, Town Office Meeting Room

(Contact [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org) for directions)

1. Call to Order and Recognition of New Members J. Drake
  
2. Changes to the Agenda
  
3. Ratify Executive Committee Approval of September 23, 2021 Minutes (5:05)
  
4. Board Chair and Executive Committee Report: (5:10) J. Drake
  - a. Strategic Planning Update
  - b. 2023 Meeting Schedule
  
5. Executive Director's Report (5:20) E. Dowd
  - a. Report
  - b. Special Recognition
  
6. Report from Nominations and Engagement Committee (5:30) E. Fairbrother
  - a. **Resolution**: Election of 2023 Consortium Officers
  - b. **Resolution**: Creation of 2023 Committee Structure and Appointments of Members
  
7. Report from Operations Committee (5:40) L. Holmes
  - a. **Resolution**: Approval of Amended 2023 Municipal Cooperative Agreement to Include New Participants
  
8. Report from Audit and Finance Committee (5:50) S. Thayer
  - a. **Resolutions (2)**: Accept Applications by the (Two resolutions (8 total municipalities)) to Become Participants in the Greater Tompkins County Municipal Health Insurance Consortium
  
  - b. **Resolution**: Authorize Extension of Contract for Prescription Drug Claims Administrator 2023 ProAct
  
  - c. **Resolution**: Authorizing Healthcare Benefits Renewal (Administrative Services Agreement) With Third Party Administrator – Excellus BlueCross BlueShield

- 9. 2022 Financial Update and 2023 Budget Presentation (6:05) S. Locey
  - a. **Resolution:** Adoption of Budget, Premium Rates, and Reserve Amounts for 2023
  
- 10. Report from Claims and Appeals Committee (6:30) B. Shattuck
  
- 11. Report from Joint Committee on Plan Structure and Design (6:35) J. Bower
  - a. **Resolution:** Approval of Adjustments to the Silver High Deductible Health Plan
  - b. **Resolution:** Actuarial Value Standard Deviation Amendment
  
- 12. New Business (6:40)
  
- 13. Adjournment (6:45)

*2023 Meeting Schedule (tentative)*  
*August 24, 2023 – Board Educational Session*  
*September 21, 2023 – Annual Meeting*



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**Regular Meeting – Minutes**  
**Board of Directors – Tentatively Approved by Executive Committee 11/3/2021**  
**September 23, 2021 – 5:00 p.m.**  
**Tompkins County Dept. of Emergency Response/Remote by Zoom**

***Municipal Representatives: 33***

Steve Thayer, City of Ithaca	Mack Cook, City of Cortland
Ruby Pulliam, Tompkins County	Shondrea Cobb, Town of Big Flats
Mark Witmer, Town of Caroline	Terrance Baxter, Town of Moravia (arrived at 5:11 p.m.)
Kevin Williams, Town of Homer	Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing	Christine Laughlin, Town of Newfield
Gary Mutchler, Town of Scipio	Lonnie Childs, Village of Watkins Glen
Chris Wagner, Seneca County	David Schenck, Town of Springport
Mary Brouchard, Town of Ulysses	Eric Snow, Town of Virgil
Peter Salton, Village of Cayuga Heights	Tom Gray, Town of Sennett
Betty Conger, Village of Groton	Bud Shattuck, Village of Union Springs
Rordan Hart, Village of Trumansburg	Ed Wagner, Town of Owasco
Darcy Rigdon, Lansing Community Library	Michael Murphy, Village of Dryden
Jim Doring, Town of Preble	Laura Shawley, Town of Danby (arrived at 5:21 pm)
Ronny Hardaway, Village of Lansing	Leonardo Vargas-Mendez, Town of Dryden
Luann King, Town of Cincinnatus	Janine Bond, Town of Hector
Tom Brown, Town of Truxton	Ray Bunce, Town of Spencer (arrived at 5:51 p.m.)
Alex Patterson, Town of Aurelius	

***Labor Representatives: 5***

Jim Bower, 2 <sup>nd</sup> Labor Representative and Joint Comm. on Plan Structure & Design Chair	Ian Tompkins, 5 <sup>th</sup> Labor Representative
Zack Nelson, 3 <sup>rd</sup> Labor Representative	Kate DeVoe, 7 <sup>th</sup> Labor Representative
Nancy Webster, 1 <sup>st</sup> Labor Representative	

***Excused: 4***

Joan Jayne, Town of Niles	Lou Anne Randall, Town of Cuyler
Donna Dawson, Village of Horseheads	Donald Fischer, Town of Horseheads

***Absent: 14***

Richard Lewis, Town of Catherine	David Hertel, Town of Dix
Loren Zorn, Town of Tioga	Chuck Rankin, Town of Groton
Stephanie Redmond, Town of Enfield	Richard Nielens, Town of Mentz
Tom Adams, Town of Marathon	Doug Perine, 4 <sup>th</sup> Labor Representative
Alvin Doty, Town of Willet	Miles McCarty, Village of Freeville
John Malenick, Town of Montezuma	Carol Sosnowski 6 <sup>th</sup> Labor Representative
Tanya DiGennaro, Village of Homer	Mike Baratta, Village of Owego

***Vacancy – Labor: 1***

***Others in attendance:***

Elin Dowd, Executive Director	Don Barber, Consultant
Drew Braman, Tompkins County Finance	Michelle Cocco, Clerk of the Board

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Kylie Rodrigues, Benefits Specialist	Teri Apalovich, Finance Manage
Paul Pelton, Robert Spenard, Locey & Cahill	Sunday Earle, TC3
Kelli Lasher, Excellus	David Mastronaglo, ProAct
Corey Prashaw, ProAct	
Morgan Randozza, ProAct	
Sarah O'Shea, Tompkins County Public Library	

### **Call to Order**

Ms. Drake, Chair, called the meeting to order at 5:01 p.m.

### **Approval of Minutes – December 17, 2020**

It was MOVED by Mr. Mutchler, seconded by Mr. Wagner, and unanimously adopted by voice vote by members present, to approve the minutes of December 17, 2020 as submitted. MINUTES APPROVED.

### **Changes to the Agenda**

The agenda was revised to include an updated resolution entitled “Accept Applications by the Towns of Erwin and Throop and Villages of Minoa and Fayetteville”.

### **Proclamation**

Ms. Drake, on behalf the Board of Directors and Consortium staff, read the following proclamation and thanked Beth Miller for all the work she has done for the Consortium.

#### **PROCLAMATION**

WHEREAS, prior to the formation of the Consortium, Beth Miller was the Excellus BlueCross BlueShield marketing and sales representative assigned to many of the municipalities within Tompkins County. She held the trust, respect, and rapport with these municipalities which helped give credence to the concept of a consortium, and

WHEREAS, Beth Miller was instrumental in assisting the Tompkins County Council of Governments (“TCCOG”) in taking the idea of a municipal cooperative health insurance plan and creating the Greater Tompkins County Municipal Health Insurance Consortium a reality, and

WHEREAS, the respect and trust that was embedded in her relationship with the Consortium’s initial members was a key factor in both initial and ongoing operations of the Consortium, and

WHEREAS, Beth has been instrumental in educating and assisting Consortium benefit clerks and has advocated for the Consortium since its inception with both management, labor, and Excellus executives, completing work relating but not limited to municipal onboarding, group structure development, benefit plan design assistance, resolving claims issues, resolving membership issues, labor negotiations assistance, and presenting information to employees and/or retirees, and

WHEREAS, since January 1, 2011 to today, Beth Miller has worked with the Consortium leadership to make sure the Consortium’s operations ran smoothly and most importantly to make sure the covered members received their benefits as planned, and

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WHEREAS, Beth has been a tremendous and invaluable resource to the Consortium and has provided a high level of service and support to all Consortium benefit clerks, Directors, and staff whenever needed, and

WHEREAS, Beth has retired from her position at Excellus Blue Cross Blue Shield effective September 8, 2021, now therefore be it

RESOLVED, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby expresses its deepest appreciation to Beth Miller for her tireless support and contributions she has made to the creation and the ongoing success of the Consortium,

RESOLVED, further, That Beth's knowledge of employee benefits and the insurance market, along with her professionalism, infectious personality and smile have been an asset to the Consortium and its leadership for more than a decade and will be greatly missed,

RESOLVED, further, That the Board of Directors extends an abundance of gratitude to Beth for her dedication and devotion and extends its best wishes for a happy and healthy much-deserved retirement from Excellus BlueCross Blue Shield.

\* \* \* \* \*

### **Chair and Executive Committee Report**

Ms. Drake reported efforts are underway on long-term planning for the Consortium. She also reminded Directors of the approval process that takes place each time the Municipal Cooperative Agreement is updated and the need for action by municipalities. A template resolution will be circulated to all members with information and a link to upload a resolution approving the 2022 Amendment and signature page to the Consortium's web portal. She also reminded Directors of the annual requirement to attest that they have read and comply with the Consortium's Conflict of Interest and Code of Ethics Policy.

### **Executive Director Report**

In addition to a written report included in the agenda packet, Ms. Dowd reported on recent improvements in customer service, including the establishment of a dedicated Excellus customer service line for Consortium members effective October 1<sup>st</sup> and new identification cards being issued on January 1<sup>st</sup>. She introduced Kelli Lasher who will be handling the Consortium's account at Excellus and who helped facilitate the dedicated customer service number. She also reported the Department of Financial Services has issued the Consortium's new Certificate of Authority that will allow the Consortium to operate in a 16-County region. A press release will be issued about this once details are finalized relating to new Participants for 2022.

Ms. Dowd reported on a new practice that will begin this year and stated the 2022 premium rates will be sent directly to each municipality with their plan and premium rate information. Ms. Dowd said typically when changes are made to benefit plans in the areas of deductibles and out-of-pocket maximums the premium rate increase would be lower for the impacted plans; however, no plan changes were made this year. As a result of there being no changes, an across-the-board rate increase will apply to all plans in 2022.

### **2021 Financial Update**

Mr. Pelton provided a financial update through August 31, 2021 and stated the Consortium was 1.51% below budget on revenue. The primary reason for this is due to the large number of

members moving from Indemnity and PPO plans into the Platinum Plan. Some of the loss was offset by prescription drug rebates through half of the year; rebates are currently \$265,000 above budget. The Consortium received two rebates totaling \$1.11 million; two additional rebates are expected by year-end. Mr. Pelton reported there have been no Stop Loss reimbursements in 2021. He said medical claims are 3.54% (\$1 million) under budget; prescription drug claims are approximately 3% above budget. Cumulatively, expenses are 1.44% below budget. The result is the Consortium has a net income of approximately \$100,000 through August 31<sup>st</sup>.

Mrs. Shawley arrived at this time.

Mr. Pelton reviewed the history and growth in total contract counts and noted 94.779% of the budget is being utilized to pay subscriber claims; 5.221% is paid towards all costs to operate the Consortium, including Stop Loss insurance. He provided a brief summary of the financial impact Covid-19 has had on paid claims and stated prior to the pandemic the Consortium was averaging \$2.3 million monthly in paid claims. In early 2020 that increased to \$2.4 million and during the peak of the pandemic it trended at \$2.187 million which was approximately a \$2.5 million decrease. In 2021 some of the discretionary procedures started to take place as things begin to return to a somewhat normal situation. Mr. Pelton said during Covid claims were collectively \$4.3 million below budget and this is what allowed the Consortium to offer a premium holiday in 2020. The 2022 Paid Claims trends utilized for the budget projections were 5.00% for medical claims and 7.50% for prescription drug claims based on an updated per covered life claims projection which includes data as of August 31, 2021.

### **2022 Budget Presentation**

Ms. Dowd provided an overview of the various components that make up the budget, including income sources, noting that a 5% premium rate increase would bring premium revenue to \$57,752,443 and total revenue to \$60,798,104 in 2022. She called attention to the rebate budget line and said the Board will be asked to approve a contract with ProAct for Prescription Benefit Management Services. She said ProAct has had successful negotiations with specialty drugs and other rebates and this will result in the Consortium seeing a significant increase in rebates.

Ms. Dowd said premium income includes a 5% increase in the premium equivalent rates for the 2022 Fiscal Year. The 2023 through 2026 Fiscal Years include premium increases of 6.0%, 7.0%, 7.0% and 7.0%. She reviewed budgeted expenses and said Directors will start to see the Consortium move away from some of the consulting services that have been used in the past and adding more in the area of salaries and total compensation.

Ms. Dowd highlighted important notes and assumptions as contained in the Budget Presentation document provided to all Directors in advance of the meeting and specifically spoke about the Catastrophic Claims Reserve. She said there is discussion taking place by the Audit and Finance and Executive Committees about how this will be managed going forward and stated the Consortium will be talking about adding interest and including the difference in savings on how Stop Loss Insurance is purchased. She noted this does not impact the overall budget or the premium rate increase. Based on the August results, the Consortium is on track to end the year with a 23.6% unencumbered fund balance. The proposed budget would result in a decrease of this to 19% as is directed by the budget policy. The following are assumptions contained in the 2022 budget:

1. Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law. The value of this reserve, as projected for the 2022 Fiscal Year, is \$2,887,622.19. This will satisfy an Article 47 statutory reserve requirement.

2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$6,874,453.35 for the 2022 Fiscal Year.
3. Continue to manage the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000. We originally funded Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2020 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of high dollar claimants, especially those that fall between the old deductible of \$600,000 and the \$1.0 million deductible since 2020.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims (\$4,296,533.35). These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation in the overall paid claims.
5. Continue to negotiate reasonable increases to the administrative fees paid to ExcellusBlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.
6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium’s finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 5.0% increase in premiums for the 2022 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$550,000 for the 2022 Fiscal Year.

**RESOLUTION NO. 012 - 2021 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2022**

MOVED by Ms. Webster, seconded by Mr. Bond.

Mr. Brown asked if it would be possible to track the Consortium’s internal costs from year-to-year and share with the Board of Directors at its annual meeting. Ms. Apalovich said she will work on preparing this information.

Mr. Brown requested information on the average rate increases of other plans outside the Consortium. Ms. Dowd said the Department of Financial Services increase for the average increase per plan for the Excellus small group rates was requested for 9.7% and the New York State average was requested at 14%. These rates were approved at 8.7% for Excellus and 7.6% on average for other plans.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have given great consideration to the Consortium's 2022 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels, in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

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WHEREAS, the 2022 proposed budget reflects the adopted budget guidelines (Resolution No. 015-2020) as follows:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000 with additional interest and premium savings included;
- Maintain an unencumbered fund balance not less than 12% of expected premium through at least year four of the annual proforma calculation;
- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 5.0% in 2022 across all benefit plans

now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2022 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

\* \* \* \* \*

**Greater Tompkins County Municipal Health Insurance Consortium**  
2021 & 2022 Fiscal Year Budget Projections (cash) *As Revised for New Entrants* **5.00%**

		<i>Adopted Budget 2021 Fiscal Year</i>	<i>Projected Budget 2022 Fiscal Year</i>
<b>Average Covered Lives</b>		6,330	6,330
<b>Beginning Balance</b>		<b>\$31,317,104.64</b>	<b>\$30,440,232.43</b>
<b>Income</b>			
Medical and Rx Plan Premiums		\$55,002,327.38	<b>\$57,752,443.75</b>
9000	Ancillary Benefit Plan Premiums		
9020	Interest	\$45,534.44	\$45,660.35
9010	Rx Rebates	\$1,700,000.00	\$3,000,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00
9035	Finance Charge Income	\$5,463.46	\$0.00
9030	Other	\$0.00	\$0.00
<b>Total Income</b>		<b>\$56,753,325.28</b>	<b>\$60,798,104.10</b>
<b>Expenses</b>			
1	8090 Medical Paid Claims	\$38,838,424.24	\$40,780,345.45
	Advance Deposit / Pre-Paid Claims	\$109,150.71	\$37,344.64
	8120 Rx Paid Claims - ProAct	\$15,355,131.00	\$16,506,765.82
	8121 Rx Paid Claims - CanaRx	\$150,108.45	\$161,366.59
8084	Flu Clinic Fees	\$15,000.00	\$20,037.48
2	8050 Medical Adm in Fees	\$1,477,304.64	\$1,521,623.78
	8093 Excellus ITS Fees	\$0.00	\$0.00
	Rx Admin Fees	\$200,930.34	\$206,958.25
3	8091 NYS Covered Lives Assessment	\$373,317.01	\$391,982.86
	9060 ACA PCORI Fee	\$17,987.06	\$18,886.41
	8115 ACA Transitional Reins. Program Fee	\$0.00	\$0.00
4	8110 Specific Stop-Loss Insurance Premium Payments	\$273,000.00	\$313,950.00
	Aggregate Stop-Loss Insurance	\$0.00	\$0.00
5	8000 Accounting Fees	\$25,750.00	\$19,000.00
	8010 Actuarial Fees	\$15,000.00	\$10,000.00
	8020 & 8021 Audit Fees (Financial)	\$13,390.00	\$14,420.00
	8021 Audit Fees (Claims)	\$41,200.00	\$51,295.00
	8055 Consultant Fees (Barber)	\$20,000.00	\$20,000.00
	8030 Consultant Fees (L&C)	\$90,176.50	\$91,650.00
	Consultant Fees (Strat Plan - TBD)	\$0.00	\$25,000.00
	8070 Legal Fees	\$12,360.00	\$12,000.00
	8043 Wellness Coordinator Fees	\$0.00	\$0.00
	8065 Wellness Program Costs	\$25,000.00	\$25,000.00
	66001 Executive Director Salary	\$93,636.00	\$96,450.00
66002 Fringe Benefits	\$110,374.87	\$119,635.00	
66003 Clerk of the Board (Salary)	\$72,134.40	\$74,300.00	
66004 Adm in/Comp Asst (Salary)	\$0.00	\$0.00	
66005 Benefits Specialist (Salary)	\$43,680.00	\$56,240.00	
66006 Finance Manager (Salary)	\$73,000.00	\$72,100.00	
8060 Insurances (D&O / Prof. Liability)	\$50,850.00	\$55,650.00	
8041 Internal Coordination (Finance)	\$68,660.00	\$20,000.00	
8042 Internal Coordination (Support)	\$0.00	\$0.00	
8040 Internal Coordination Fees (Other)	\$0.00	\$0.00	
8045 Internal Coordination (Town of Ithaca)	\$7,210.00	\$6,000.00	
8044 Internal Coordination (IT Support)	\$11,845.00	\$6,485.00	
9065 Marketing Expenses	\$2,500.00	\$2,575.00	
9055 Investment Management Services	\$14,000.00	\$12,360.00	
7	9050 Ancillary Benefit Premiums	\$0.00	\$0.00
	8150 Supplies Expense	\$2,500.00	\$4,080.00
8	8151 Computer Equipment	\$5,150.00	\$11,545.00
	8152 Lease Expense / Parking Fees	\$9,500.00	\$13,370.00
	8153 Mileage- Travel Expenses	\$1,000.00	\$1,000.00
	9060 Other Expenses / Supplies	\$10,927.27	\$12,595.00
	Payment Refund	\$0.00	\$0.00
9	<b>Capitalization Repayment</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Expenses</b>		<b>\$57,630,197.49</b>	<b>\$60,792,011.29</b>
<b>Net Income</b>		<b>(\$876,872.21)</b>	<b>\$6,092.81</b>
<b>Ending Balance</b>		<b>\$30,440,232.43</b>	<b>\$30,446,325.24</b>
<b>Liabilities and Reserves</b>			
Statutory Reserves	IBNR Reserve	\$6,503,226.63	\$6,874,453.35
	Surplus Account	\$2,750,116.37	\$2,887,622.19
Discretionary Reserves	Claims / Rate Stabilization Reserve	\$4,064,516.64	\$4,296,533.35
	Catastrophic Claims Reserve (Beginning)	\$5,032,220.00	\$4,986,101.85
Catastrophic Claims Reserve Funding Pool	+ Catastrophic Claims Reserve Additions	\$603,881.85	\$694,464.13
	- Catastrophic Claims Reserve Claims Paid	<b>\$650,000.00</b>	<b>\$700,000.00</b>
	Catastrophic Claims Reserve (Ending)	\$4,986,101.85	\$4,980,565.98
<b>Total Liabilities and Reserves</b>		<b>\$18,303,961.49</b>	<b>\$19,039,174.87</b>
<b>Unencumbered Fund Balance</b>		<b>\$12,136,270.94</b>	<b>\$11,407,150.38</b>
		<b>22.07%</b>	<b>19.75%</b>

Greater Tompkins County Municipal Health Insurance Consortium

2023 Premium Rates

Municipality Name	Plan Group Description	Group Numbers	Sub-Group Numbers	Class Code	Enrollment Code	Plan Code Ks	Plan Code Medical	2021 Premium Equivalent Rates		2022 Premium Equivalent Rates	
								Individual	Family	Individual	Family
City of Cortland	Active Employees	00036768	0001	A100	BGU	319	MM1	\$1,010.25	\$2,189.69	\$1,060.77	\$2,299.18
City of Cortland	Retirees	00036768	R001	R100	BGU	319	MM1	\$1,010.25	\$2,189.69	\$1,060.77	\$2,299.18
City of Cortland	Active Employees	00036768	0002	A100	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Police (PBA) - Active Employees	00036756	0001	A100	BGU	213	MM1	\$1,216.13	\$2,635.89	\$1,276.94	\$2,677.69
City of Hixson	City Executives Assoc. - Active	00036756	0001	A101	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	City Executives Assoc. - Active	00036756	0001	A105	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Confidential - Active Employees	00036756	0002	A102	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Common Council - Active Members	00036756	0002	A104	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Hixson Prof. Fire Fighters (IPFFA) Active	00036756	0002	A106	BGU	316	MM1	\$1,166.61	\$2,527.56	\$1,224.94	\$2,653.94
City of Hixson	Managerial - Active Employees	00036756	0002	A108	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	CSFEA Admin - Active Employees	00036756	0003	A102	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Confidential - Active Employees	00036756	0003	A103	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Managerial - Active Employees	00036756	0003	A104	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	City Executives Assoc. - Active	00036756	0003	A105	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Hixson Prof. Fire Fighters (IPFFA) Active	00036756	0003	A106	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Fire Chief/Officer (COU) - Active	00036756	0003	A107	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Common Council - Active Members	00036756	0003	A108	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Police (PBA) - COBRA	00036756	CO01	C100	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	CSFEA DWV - COBRA	00036756	CO01	C101	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	City Executives Assoc. COBRA	00036756	CO01	C105	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Fire Chief/Officer Union (COU) - COBRA	00036756	CO01	C107	BGU	316	MM1	\$1,166.61	\$2,527.56	\$1,224.94	\$2,653.94
City of Hixson	CSFEA ADMIN - COBRA	00036756	CO02	C102	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Confidential - COBRA	00036756	CO02	C103	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Managerial - COBRA	00036756	CO02	C104	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Hixson Prof. Fire Fighters (IPFFA) COBRA	00036756	CO02	C106	BGU	316	MM1	\$1,166.61	\$2,527.56	\$1,224.94	\$2,653.94
City of Hixson	Common Council - COBRA	00036756	CO02	C108	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	CSFEA DWV - COBRA	00036756	CO03	C101	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	CSFEA ADMIN - COBRA	00036756	CO03	C102	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Confidential - COBRA	00036756	CO03	C103	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Managerial - COBRA	00036756	CO03	C104	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	City Executives Assoc. COBRA	00036756	CO03	C105	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Common Council - COBRA	00036756	CO03	C108	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Retirees - \$200/\$10.00 Rx	00036756	R001	R103	BGU	213	MM1	\$1,216.13	\$2,635.89	\$1,276.94	\$2,677.69
City of Hixson	Retirees - \$200/\$5.00 Rx	00036756	R002	R102	BGK	212	MM1	\$1,226.80	\$2,659.02	\$1,286.14	\$2,791.97
City of Hixson	Retirees - COU	00036756	R002	R106	BGU	316	MM1	\$1,166.61	\$2,527.56	\$1,224.94	\$2,653.94
City of Hixson	Retirees - COU	00036756	R002	R107	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
City of Hixson	Retirees SI	00036756	R003	R101	BGU	211	MM1	\$1,232.15	\$2,670.66	\$1,293.76	\$2,804.20
City of Hixson	Retirees - IPFFA	00036756	R003	R106	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Retirees - COU	00036756	R003	R107	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
City of Hixson	Retirees with MM Rx (BCBS)	00036756	R004	R100	BGL	n/a	MM7	\$933.15	\$2,170.58	\$979.81	\$2,279.11
City of Hixson	Retirees - \$500/\$15.00/\$30.00 Rx	00036756	R005	R104	BGU	316	MM1	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.29
County of Seneca	Non-Tuition - Active	00123005	0001	A100	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
County of Seneca	Non-Tuition - Active	00123005	0001	A100	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82
County of Seneca	CSFEA - Actives	00123005	0002	A101	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
County of Seneca	CSFEA - Actives	00123005	0002	A101	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82
County of Seneca	SCSE - Actives	00123005	0003	A102	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
County of Seneca	SCSE - Actives	00123005	0003	A102	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82
County of Seneca	PBA - Active	00123005	0004	A103	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
County of Seneca	PBA - Active	00123005	0004	A103	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82
County of Seneca	Non-Tuition - Retirees	00123005	R001	R100	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24
County of Seneca	Non-Tuition - Retirees	00123005	R001	R100	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82
County of Seneca	CSFEA - Retirees	00123005	R002	R101	DAA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24





Greater Tompkins County Municipal Health Insurance Consortium

2023 Premium Rates

Municipality Name	Plan Group Description	Group Numbers	Sub-Group Numbers	Class Code	Enrollment Code	Plan Code Ks	Plan Code Medical	2021 Premium Equivalent Rates			2022 Premium Equivalent Rates		
								Individual	Family	Total	Individual	Family	Total
Town of Homer	Active Employees	00113380	0001	A100	DBG	ACA-S	ACA-S	\$971.44	\$1,292.71	\$499.01	\$1,287.00		
Town of Horsesheds	Active Employees	00123040	0001	A100	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82		
Town of Horsesheds	Active Employees	00123040	0002	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Horsesheds	Active Employees	00123040	0003	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		
Town of Itasca	Active Employees	00036757	0001	A100	BCM	317	PP01	\$1,015.84	\$2,199.42	\$1,066.63	\$2,309.50		
Town of Itasca	Active Employees	00036757	0003	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Itasca	Medicare-Aged Retirees	00036757	R001	R200	JA	MS-4	MS-4	\$604.81	N/A	\$635.05	N/A		
Town of Lansing	Active Employees	00036769	0001	A100	BGT	3170	PP02	\$917.92	\$1,987.16	\$963.81	\$2,086.52		
Town of Marathon	Active Employees	00036772	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00123012	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113307	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113307	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113377	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113194	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113381	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113381	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00113196	0001	A100	DBG	ACA-S	ACA-S	\$971.44	\$1,292.71	\$495.01	\$1,287.00		
Town of Okemuncie	Active Employees	00113195	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Okemuncie	Active Employees	00123008	0002	A200	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82		
Town of Spencer	Active Employees	00123042	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Springport	Active Employees	00113198	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Topeka	Active Employees	00123217	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Traction	Active Employees	00036770	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Tullys	Active Employees	00036763	0001	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		
Town of Virgil	Active Employees	00036771	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Town of Virgil	Active Employees	00113174	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Lansing Library	Active Employees	00123044	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Village of Cayuga Heights	Active Employees	00036764	0001	A100	BCN	313	PP02	\$1,130.02	\$2,449.21	\$1,186.52	\$2,571.67		
Village of Cayuga Heights	Active Employees	00036764	0002	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		
Village of Cayuga Heights	Active Employees	00036764	0002	A100	BGR	3113	MM1	\$954.22	\$2,068.19	\$1,001.94	\$2,171.60		
Village of Cayuga Heights	Active Employees	00036764	0003	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		
Village of Dryden	Active Employees	00036765	0001	A100	BGS	319	PP01	\$984.33	\$2,131.08	\$1,028.35	\$2,237.64		
Village of Freeville	Active Employees	00123010	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Village of Gorton	Active Employees	00036766	0001	A100	BCQ	319	PP03	\$958.37	\$2,074.92	\$1,006.29	\$2,178.67		
Village of Gorton	Medicare-Aged Retirees	00036766	R001	R200	JA	MS-3	MS-3	\$749.28	N/A	\$786.75	N/A		
Village of Homer	Active Employees	00113171	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Village of Horsesheds	Active Employees	00123007	0001	A100	DAG	ACA-B	ACA-B	\$380.52	\$989.35	\$399.55	\$1,038.82		
Village of Lansing	Active Employees	00123013	0001	A100	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Village of Owego	Active Employees	00123216	0001	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		
Village of Trumansburg	Active Employees	00036767	0001	A100	BGP	319	PP02	\$972.98	\$2,106.52	\$1,021.63	\$2,211.85		
Village of Trumansburg	Active Employees	00036767	0002	A102	DA	ACA-P	ACA-P	\$694.22	\$1,804.99	\$728.93	\$1,895.24		
Village of Union Springs	Active Employees	00113197	0001	A100	DBG	ACA-S	ACA-S	\$971.44	\$1,292.71	\$499.01	\$1,287.00		
Village of Watkins Glen	Active Employees	00123039	0001	A100	DBH	ACA-G	ACA-G	\$593.60	\$1,343.34	\$623.28	\$1,620.51		

**Presentation of Resolutions from the Nominations and Engagement Committee**

**RESOLUTION NO. 013- 2021 – ELECTION OF 2022 CONSORTIUM OFFICERS**

MOVED by Mr. Bower, seconded by Ms. Webster, and unanimously adopted by voice vote by members present.

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Board of Directors elects the following individuals to serve from January 1, 2022 through December 31, 2022 in the Officer roles as follows:

Chairperson - Judith Drake  
Vice Chairperson – Rordan Hart  
Chief Financial Officer - Steve Thayer  
Secretary – Peter Salton

RESOLVED, further, That the Consortium hereby appoints Richard Snyder as Consortium Treasurer for 2022.

\* \* \* \* \*

**RESOLUTION NO. 014 - 2021 – CREATION OF 2022 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS**

MOVED by Mr. Mutchler, seconded by Mr. Baxter, and unanimously adopted by voice vote by members present.

RESOLVED, upon recommendation of the Consortium’s Nominations and Engagement and Executive Committees, That the Board of Directors hereby adopts the following committee structure and membership effective January 1, 2022:

**Executive Committee**

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS (subject to change): Bimonthly beginning in January on 1<sup>st</sup> Wednesday

- |  |   |
|--|---|
| 1. Board Chair, Chair (Drake)          | 7. Operations Chair (Wagner)                      |
| 2. Board Vice Chair, Vice Chair (Hart) | 8. Nominations and Engagement Chair (Fairbrother) |
| 3. Chief Fiscal Officer (Thayer)       | 9. Claims and Appeals Chair (Shattuck)            |
| 4. Secretary (Salton)                  | 10. At-large (Holmes)                             |
| 5. JCPSD Chair (Bower)                 | 11. At-large (Mutchler)                           |
| 6. AFC Chair (Cook)                    |   |

**STANDING COMMITTEES:**

**Audit and Finance Committee**

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization’s business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and

Board of Directors  
September 23, 2021

investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members ; two-year staggered terms

MEETINGS (subject to change): Monthly; 4<sup>th</sup> Tuesday

Terms expire 12/31/23

1. Mack Cook, Chair
2. Tim Arnold, Labor
3. Rordan Hart
4. Amanda Anderson

Terms expire 12/31/22

5. Laura Shawley
6. Eric Snow
7. Bud Shattuck
8. Peter Salton
9. Steve Thayer, Chief Fiscal Officer (No set term)

**Operations Committee**

**CHARGE:** The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

**MEMBERSHIP:** Seats may be filled by non-Directors; 8 members with two-year staggered terms

**MEETINGS (subject to change):** Bi-monthly beginning in January; 4<sup>th</sup> Monday

Terms Expiring 12/31/22

Chris Wagner, Chair  
Lisa Holmes  
Schelley Michell-Nunn

Terms Expiring 12/31/23

Ed Fairbrother  
Nancy Webster  
Sunday Earle

Terms Expiring 12/31/23

LuAnn King  
Mark Emerson

**Nominations and Engagement Committee**

**CHARGE:** The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
  - a. the work of committees;
  - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
  - c. long-term leadership succession planning.

**Membership:** Seats may be filled by non-Directors; 5 Members with two-year staggered terms

**MEETINGS:** Approximately 4x/year.

Terms expire 12/31/23

1. Ed Fairbrother, Chair
2. Richard Nielens
3. Jim Bower, Labor

Terms expire 12/31/2022

4. Gary Mutchler
5. Terrance Baxter

**Claims and Appeals Committee**

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms

MEETINGS: As needed (2-4x/year)

Terms expire 12/31/23

1. Bud Shattuck, Chair
2. Donna Dawson
3. Tom Brown

Terms expire 12/31/2022

4. Don Fischer
5. Tanya DiGennaro

### **Joint Committee on Plan Structure and Design**

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives.

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): Bi-monthly (beginning in February)

Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee's Bylaws.

\* \* \* \* \*

### **RESOLUTION NO. 015 - 2021 – ADOPTION OF REVISED EXECUTIVE COMMITTEE BYLAWS TO INCUDE TERM LIMIT POLICY AND AUTHORITY FOR CHAIR TO APPOINT INTERIM MEMBERS**

MOVED by Ms. King, seconded by Ms. Bond.

Mr. Bunce arrived at this time.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, the Board of Directors approved and instituted a new governance structure model that became effective January 1, 2021, and

WHEREAS, as the Consortium continues to grow and improve its structure there will occasionally be amendments proposed to improve how it functions as an organization, now therefore be it

RESOLVED, on recommendation of the Nominations and Engagement and Executive Committees, That the Board of Directors hereby adopts the revised Executive Committee Bylaws effective January 1, 2022.

\* \* \* \* \*

### **BYLAWS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EXECUTIVE COMMITTEE**

*(adopted 12/17/2020; revised 9/23/2021)*

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### **ARTICLE I PURPOSE**

The Municipal Cooperative Agreement of the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) provides for the creation of an Executive Committee with powers and duties to conduct certain business operations on behalf of the Consortium, as delegated from time-to-time, by the Board of Directors. These Bylaws shall govern the operations of the Executive Committee in carrying out this grant.

## **ARTICLE II MEMBERS, QUALIFICATIONS, TERMS OF OFFICE**

Section 1. The Executive Committee of GTCMHIC shall consist of at least eleven (11) but no greater than fifteen (15) members ("Members"). The size of the Executive Committee may be increased or decreased by the Board of Directors (the "Board"), in its discretion, within these limits, without need to amend these Bylaws.

Section 2. A full slate of Executive Committee Members shall be elected from its Directors at each Annual Meeting. However, the Board Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary shall be automatically designated as Members of the Executive Committee. In addition, the Chairperson of the Joint Committee on Plan Structure and Design ("Joint Committee"), shall also be automatically designated as a Member.

At the Annual Meeting, the Board shall also nominate the Chairs of each of the Standing Committees. Each such Chair shall also automatically be designated a Member of the Executive Committee.

Any vacant undesignated seat may be filled by an At-large member of the Board of Directors.

Section 3. The Nominations and Engagement Committee shall have the responsibility for nominating the full slate of Member candidates, which shall include all automatically-designated and at-large seats. The slate shall then be presented to the Board for approval.

Section 4. In the event that a vacancy occurs on the Executive Committee more than 45 days prior to any Annual Meeting of the Board, the Executive Committee may appoint a successor Member who shall serve until the next Annual Meeting.

Section 5. A Quorum of the Executive Committee shall consist of a simple majority of the fully-constituted Committee (e.g. an 11 Member committee would require a quorum of six (6); a 15 Member committee would require a quorum of eight (8)).

Section 6. The Chair of the Board of Directors may make temporary appointments to committees for quorum purposes. Temporary members only serve until a permanent member arrives. Temporary appointments will only occur when there is not a quorum.

## **ARTICLE III COMMITTEE LEADERSHIP**

Section 1. The Chair of the Board shall serve as the Chair of the Executive Committee. The Vice Chair of the Board shall serve as the Vice Chair of the Executive Committee.

Section 2. At the Annual Meeting, the Board Nomination and Engagement Committee shall, based on collaboration, outreach, and input from Directors, nominate a Chair for each of the Executive Committee Standing Committees which shall include: (i) Audit and Finance, (ii) Operations, (iii) Owning Your Own Health, (iv) Nominations and Engagement, (v) Claims and

Appeals, and (vi) such additional committees as the Executive Committee may, from time to time, create through amendment to these Bylaws. The Standing Committee Chairs shall be nominated as part of the full slate of candidates for the Executive Committee, and, once elected, shall automatically be designated members of the Executive Committee. The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed; but Chairs of these committees shall not be Members of the Executive Committee.

Section 3. Unless appointed as a voting member, the Chair of the Executive Committee shall serve as a non-voting ex-officio member of each Standing Committee.

#### **ARTICLE IV RESIGNATION, VACANCY**

Section 1. Any Member may resign from the Executive Committee at any time by delivering a resignation in writing to the Chair. Such resignation will be effective upon delivery without regard to its acceptance.

Section 2. Should any Member cease to be a Director of the Consortium Board or otherwise cease to be qualified to serve in that capacity, he/she shall automatically cease to be a Member of the Executive Committee and the resulting vacancy shall be filled as provided in Article II, Section 4.

#### **ARTICLE V TERM LIMITS FOR OFFICERS AND STANDING COMMITTEE MEMBERS**

Term limits shall be in place as follows and effective based on any full term starting on or after January 1, 2022.

- Operations, Audit and Finance, Nominations and Engagement, and the Claims and Appeals Committee membership – limit of three consecutive full two-year terms.
- Chairs of Standing Committees – limit of five one-year terms.
- Officers and Executive Committee Members – limit of five consecutive full one-year terms.
- Once a Chair of the Board has reached their term limit, they may continue to serve on the Executive Committee in an At-large seat for up to five consecutive one-year terms.
- Once an officer or committee member has termed out, there shall be a waiting period of one full year before becoming eligible to serve as a committee member and two full years before being eligible to serve as an officer.

By majority vote of the total number of Directors (including any unfilled seats), the Executive Committee may waive this term limit provision when necessary to maintain fully-constituted committees other than the Executive Committee. Action by the Board of Directors shall be required to waive terms limits for appointments to the Executive Committee.

#### **ARTICLE VI RULES OF PROCEDURE**

Section 1. The Chairperson shall preside at all meetings and, in his or her absence, the Vice-Chair shall preside.

Section 2. Provided a quorum is present, the Executive Committee shall act by an affirmative vote of a majority of the fully-constituted Executive Committee. Physical presence or videoconferencing participation is required to satisfy the quorum threshold.

Section 3. The Executive Committee shall have at least four (4) quarterly meetings each year.

Section 4. Special meetings may be called by the Chair or by any two Committee members.

Section 5. Dates for the Executive Committee meetings will be established during the Annual Meeting. Meeting dates of the Executive Committee meetings will be published on the GTCMHIC website.

Section 6. Notice of special meetings may be delivered to each Member of the Executive Committee or given orally, in person or by telephone or email, one (1) day prior to the date of such special meeting or may be mailed to the business or home address of each member of the Executive Committee at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed prior to, at or subsequent to any such meeting, by any Member failing to receive a proper notice. At such a special meeting no business shall be considered other than that expressly designated in the notice, but if all the Members of the Executive Committee are present at the special meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

Section 7. The basic rules of Parliamentary Procedure shall be followed for meetings of the Executive Committee.

## **ARTICLE VII COMMITTEES**

Section 1. The Executive Committee shall operate with standing committees as defined and described below. Standing committee members shall be appointed by the Board for specified terms. Standing committee membership will include Directors and may include other persons, as deemed as necessary. The structure and membership of standing committees shall be established by Resolution of the Board. Standing committees will work in collaboration with the Executive Director to develop and recommend policies which shall be submitted to the Executive Committee.

Section 2. Audit and Finance Committee: Responsible to assist the Executive Committee and Board in its oversight of: the integrity of the Consortium's financial statements, compliance with legal and regulatory requirements, its selection and oversight of its independent auditors (Auditors). The Audit and Finance Committee shall also be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

Section 3. Operations Committee: The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

Section 4. Joint Committee on Plan Structure and Design: The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Plan(s), and shall develop findings and recommendations with respect to such matters.

Section 5. Owing Your Own Health Committee: The Owing Your Own Health Committee shall: identify and recommend processes to promote a culture of preventative health care, support benefit clerks in that outreach to member employees and retirees, and coordinate wellness activities with the Consortium's claim administrators and community associates.

Section 6. Nominations and Engagement Committee: The Nominations and Engagement Committee shall be responsible for presenting a slate of recommended Officers and Executive Committee members at the annual Board of Directors meeting for approval. The Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning.

Section 7. Claims and Appeals Committee: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Section 8. Ad-Hoc Committees: The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed, with specific duties and terms. The Chair of any ad-hoc committee shall not be a member of the Executive Committee, unless they are otherwise an at-large member of the Executive Committee.

## **ARTICLE VIII OPERATING BUDGET**

Section 1. The objective of the GTCMHIC operation budgeting process is to provide for the insurance needs of its Participant enrollees and financial security to cover its liabilities. Each annual budget shall be carefully created to account and provide for: (i) projected claims, fees and taxes, (ii) funding of services provided by contractors and third-party administrators, (iii) maintenance of all reserves, including those required by statute, (iv) purchase and maintenance of stop-loss insurance, and (v) a proper account of all major sources of revenue. The budget shall be created in a form and a time sufficient to provide all parties with the necessary information for more effective planning and decision making.

Section 2. The following shall apply to the budget development process:

- (a) The Executive Director shall have the overall responsibility for overseeing the preparation of a recommended preliminary annual budget, in collaboration with Consortium consultants, the Audit and Finance Committee, and the Treasurer.
- (b) The Audit and Finance Committee shall be responsible for the development of a preliminary annual budget and 5-year pro-forma analysis to be presented to the Executive Committee.
- (c) The preliminary budget shall be designed to reflect the Executive Committee's policies\_ and objectives. And it and shall be approved by the Executive Committee for dissemination to the Board of Directors.
- (d) The Preliminary Budget shall be disseminated to the Board of Directors four (4) weeks in advance of the Board of Directors Annual meeting along with a detailed narrative of the essential elements of the budget and 5-year pro-forma analysis.

Section 3. Approval of Budget and Premium Equivalent Rates: The budget and premium equivalent rates\_ for the ensuing fiscal year shall be thoroughly reviewed by the Board before its final adoption. The budget shall be adopted by majority vote of the Board of Directors at the Annual meeting.

Section 4. Budget Implementation: The administration of the annual budget shall be the responsibility of the Executive Director in consultation with Audit and Finance Committee, Chief Financial Officer, and Treasurer. Under the direction and control of the Executive Director, and in consultation with the Treasurer, as needed, funds may be expended within budgetary appropriations without prior approval of the Executive Committee. Extra budgetary expenditures for discretionary expenses or unexpected expenses not accounted for in the budget, greater than a 10% change for any line item, shall require the approval of the Executive Committee, after review and recommendation of the Audit and Finance Committee.

#### **ARTICLE IX INDEMNIFICATION**

The GTCMHIC shall defend and indemnify any committee member who is subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to, or arising out of, his/her responsibilities relative to his/her position or activities on behalf of the Consortium. The provision of such defense and indemnity is contingent upon the provision of prompt notice to the Board of the threatened, pending or completed action, suit or proceeding. The Board, in its discretion, can refuse to provide such defense and indemnity if it determines that the claims against the individual have been initiated as a result of his/her bad faith, self-dealing, willful misconduct, or recklessness.

#### **ARTICLE X CONDUCT AND CONFLICT OF INTEREST POLICY**

All committee members are bound by their membership to follow GTCMHIC Code of Conduct and Conflict of Interest Policy while performing their duties and the Consortium expects all committee members to avoid any personal, financial or other interests that might hinder their capability or willingness to perform their responsibilities.

#### **ARTICLE XI AMENDMENTS**

These Bylaws may be amended or repealed only at a meeting of the Board for which at least ten (10) days written notice has been previously given to all of the members, and such notice expressly states that the meeting is called to consider certain amendments to the Bylaws of the Executive Committee in addition to such other regular business as may come before the Executive Committee.

#### **Report and Presentation of Resolutions from the Operations Committee**

Mr. Wagner, Member, reported the Committee issued a Request for Proposals for Prescription Benefit Management Services. A subcommittee reviewed the eight proposal submissions and after many discussions is recommending ProAct continue providing service to the Consortium. He said although a three-year pricing proposal was accepted, the contract will be reviewed after one-year and extended if ProAct meets the requested outcomes.

Ms. Drake thanked members of the subcommittee who spent a great amount of time in evaluating proposals and doing work that led to the recommendation.

In response to Mr. Salton, Ms. Dowd said there were requests made of ProAct relating to customer service that included providing additional information to benefit clerks to allow them to manage membership differently. The contract includes a \$2.2 million overall savings of which most

comes from rebate expectations. The Consortium, along with Locey and Cahill, will be managing this and other specific contract details.

Mr. Salton said he thinks the Consortium needs to be aware that there is a lot of pressure and that the metrics of the prescription marketplace might change and he appreciates the ability to review this contract after one year. He would like Directors to be informed when this review takes place and provided an update on any discussions that are taking place in Washington, D.C. relating to prescription drugs, including whether ProAct will be able to embrace any changes.

**RESOLUTION NO. 016 - 2021 - AUTHORIZATION TO ENTER INTO A CONTRACT WITH PROACT INC. FOR PRESCRIPTION BENEFIT MANAGEMENT SERVICES - 2022**

MOVED by Mr. Wager, seconded by Ms. Webster, and unanimously adopted by voice vote by members present.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") issued a Request for Proposals ("RFP") for Prescription Benefit Management ("PBM") Services and created the RFP Review Committee, and

WHEREAS, eight (8) proposals were received which were all reviewed and evaluated according to the review criteria and weighting stated in the RFP, and

WHEREAS, the PBM RFP Review Committee conducted finalist interviews of three (3) applicants and has directed the Executive Director of the Consortium to forward a recommendation that a contract for PBM Services be awarded to ProAct, Inc. now therefore be it

RESOLVED, in accordance with the recommendations from the RFP Subcommittee, Operations Committee, and Executive Committee, the GTCMHIC Board of Directors hereby authorizes the following:

1. acceptance of the three (3) year prescription medication pricing model, administrative fee structure, and pharmaceutical manufacturer rebate model as proposed by ProAct, Inc. in response to the Consortium's 2021 PBM RFP; and
2. the execution of an Agreement with ProAct, Inc. for the 2022 Fiscal Year with said Agreement including the option to extend the contract for up to two (2) additional one-year terms for the 2023 and 2024 Fiscal Years at the discretion of the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

\* \* \* \* \*

Mr. Prashaw recognized the work that went into the negotiation process and said he appreciates the contract and looks forward to 2022.

**Presentation of Resolutions by the Audit and Finance Committee**

**RESOLUTION NO. 017 - 2021 - ACCEPTANCE OF APPLICATIONS BY THE TOWNS OF ERWIN AND THROOP AND THE VILLAGES OF MINOA AND FAYETTVILLE TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2022**

MOVED by Mr. Cook, seconded by Mr. Salton. Ms. Dowd said these new members will increase the total contract count by a total of 80. Mr. Brown asked if there is a point where the

Consortium grows too much that it becomes a concern. Ms. Dowd said this is a question the Executive Committee will be looking at through discussions that will take place on a long-term business plan that will help measure risk and determine what a good size for the Consortium is.

The resolution was unanimously adopted by voice vote by members present.

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 Towns of Erwin and Throop and the Villages of Minoa and Fayetteville have submitted an official resolution authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been evaluated by the Consortium's Treasurer and/or the Chief Financial Officer, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby accepts and welcomes the Towns of Erwin and Throop and the Villages of Minoa and Fayetteville as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2022 pending receipt, additional analysis, and approval of all required documentation.

\* \* \* \* \*

**MOTION NO. 001-2021 – APPROVAL OF 2022 MUNICIPAL COOPERATIVE AGREEMENT**

It was MOVED by Mr. Cook, seconded by Mr. Baxter, and unanimously adopted by voice vote by members present by video or teleconference, to approve the 2022 Municipal Cooperative Agreement and to circulate to all Participants for review and approval. MOTION CARRIED.

\* \* \* \* \*

**Report from the Claims and Appeals Committee**

Mr. Shattuck, Chair, reported the Committee looked at the medical claims audit and commented that each year there are less discrepancies. The main part of what the Committee does is look at what happens when there is a claim denial. Consortium staff worked on a flow chart outlining the appeals process for both Excellus and ProAct that he thinks will greatly limit the number of potential issues. He recognized Ms. Rodrigues for the work she has done on this.

**Report from the Joint Committee on Plan Structure and Design**

Mr. Bower, Chair, provided an overview of things the Committee has worked on throughout the year and said a lot of good progress has been made on updating bargaining unit contact information. He said the Committee continues its work to promote engagement by labor and recognized two new Labor Directors, Kate DeVoe and Ian Tompkins. Mr. Bower said the Committee updated its Bylaws to reflect the new governance structure and has continued to receive utilization reports from Excellus and ProAct which has informed wellness discussions. He said the wellness work has been very well received by members of the Committee. Next year the Committee will look at areas such as actuarial values, plan design and formularies, and will continue to work to increase labor participation.

Board of Directors  
September 23, 2021

**New Business**

There was no new business.

**Adjournment**

The meeting adjourned at 6:15 p.m.



## Greater Tompkins County Municipal Health Insurance Consortium

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## GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM 2023 MEETING SCHEDULE

### Meetings to be held at the Town of Ithaca\*and/or Remotely by Zoom

Visit the Consortium's website for updates on meeting locations and additional meeting information:

[www.healthconsortium.net](http://www.healthconsortium.net) \*Meeting(s) may be held at another location TBD

#### **Joint Committee on Plan Structure and Design** – 1<sup>st</sup> Thursday quarterly; Feb, May, August, November; 1:30 p.m.

February 2\*

August 3\*

May 4\*

November 2\*

#### **Operations Committee** - 4<sup>th</sup> Monday quarterly; 1:00 p.m.

January 23

July 24

April 24

October 23

#### **Executive Committee** – 1<sup>st</sup> Weds. Bimonthly; 3:30 pm starting in February

February 1

August 2

April 5

October 4

June 7

December 6

#### **Audit and Finance Committee** – 4<sup>th</sup> Tuesday at 3:00 p.m.; monthly beginning in February

February 21

August 22

March 21

September 12 (2nd Tuesday)

April 25

October 24

May 23

November & December combined December 5<sup>th</sup>

June 27

(1<sup>st</sup> Tuesday before EC)

July 25

#### **Claims and Appeals Committee** – 3x/yr; March, May, July (2<sup>nd</sup> Monday); 3:30 p.m.

March 13

July 10

May 8

#### **Nominations & Engagement Committee** – 4x/yr (Feb, April, June, August) (2<sup>nd</sup> Monday) 3:30 p.m.

February 13

June 12

April 10

August 14

#### **Board of Directors** – Location TBD – 5pm -7pm

Educational Session August 24\*

Annual Meeting September 21\*

## Executive Director Report Annual Meeting September 2022

“Be not afraid of growing slowly. Be afraid of only standing still.” - Chinese Proverb

I want to express my sincere gratitude to the GTCMHIC Participants and Board of Director members for helping us navigate another unpredictable year; it is due in large part to your continued support in us that we have been able to sail through uncharted waters and strengthened this organization during some challenging times. Our mission remains the same, to provide you with quality rate stable health care options for your municipality.

We have stayed the course since our last annual meeting in 2021. However, we have grown in several ways by thoughtfully and carefully exploring options through formal and informal strategic planning conversations with the Executive Committee. Supporting the slow and steady growth of the Consortium has been discussed at length and we are ready to do it in a carefully calculated risk adverse way. Asking Robert Wendler, from Excellus, to speak with us at the Educational Session last month on reserving at appropriate levels to ensure long term success was one way for the Executive Committee to share their sentiment that a robust reserve policy is paramount to our future success. In case you missed the Educational Session and would like to hear Bob’s speech you can find a recording here:

<http://www.healthconsortium.net/governance/boardofdirectors/retreats>

At the annual meeting we will review and vote on increasing our 2023 premium equivalent rates by 6.5% to make sure we are funding our reserves and maintaining an unencumbered fund balance at an acceptable level. Our year-to-date 2022 performance has been on target so far with our income levels slightly below budget, but with our claims about 4.41% below where we projected to be year to date. Please note that most of our large loss claims activity for 2021 was experienced in the last quarter of the year, so we remain cautiously optimistic about our 2022-year end results. To assist with our 2023 projections, we used a paid claims trend with projections of 4.75% for medical claims and 7.50% for prescription drugs claims based on our current and historical performance. Please note, that Excellus filed 2023 rates for their small group market and were approved for an average increase rate of 9.4%.

In 2021 the NYS Department of Financial Services approved our growth into nine new counties and with your support we would like to add two more counties to our Municipal Cooperative Agreement in 2023. The addition of these two counties helps us round out our map of coverage to mirror regions where Excellus already has a foothold of provider networks with competitive pricing agreements. Growing our membership increases our risk pool and allows us to spread our claims experience over a larger pot of money thus helping us absorb the shock of catastrophic claims events.

Another topic of exploration for our long-term business growth discussions is offering competitively priced health care options for our Medicare eligible retirees. A review of those options available to us is ongoing and you should expect some updates in the next few months. In addition, we will also be doing a premium equivalent rate audit for each plan to review current rates relevant to municipalities migrating to metal level plans and how offering different retire options would affect our active rates.

You may have heard me mention at the Board Educational Meeting last month what a privilege it is to work with our staff, consultants, and third-party administrators. This year has certainly been a year of transitions and it's not over yet. At the Board we will share three resolutions to recognize their efforts for helping to build the Consortium to the success that it is today. Michelle Cocco retired earlier this year and her resolution of appreciation will be shared with you as part of our agenda packet. We are already feeling her loss. Later this year our Treasurer, Rick Snyder, will be retiring and he has started transitioning much of his responsibilities to our staff. His retirement and the transition of his day-to-day responsibilities are also reflected in the recommended 2023 changes to the Municipal Cooperative Agreement. At the end of this year Judy Drake will be stepping down as your Chair after serving the Consortium in this capacity for many years. I know you will want to join me at the meeting to show your appreciation to these pioneers and the time and effort they have dedicated towards our success.

Also happening at the annual meeting will be a quick update from each committee on the work they have accomplished throughout the year and review any related resolutions for your approval. Please pay special attention to the Nominations and Engagement Committee's report on committee seats for next year. We want to find meaningful ways to keep our members engaged in the work of the Consortium. Let us know how we can be more relevant for you and where you would like to get more involved.

*Respectfully submitted September 15, 2022 by Elin R. Dowd, Executive Director, with much support from Teri Apalovich, Kylie Rodrigues and Lynne Sheldon.*

## Other Changes for 2023

### **Benefit Clerk Education**

Be some of the first to find out what is new for 2023 by attending a Benefit Clerk Training Webinar  
September 27<sup>th</sup> 10-Noon or October 6<sup>th</sup> 1-3pm;

*New Members will have their own training in February/ March*

Have you received your Benefit Clerk Packet mailed out September 15<sup>th</sup> with materials to promote preventive health screenings and CanaRx?

Didn't get the packet? It's easy to let us know whenever you have a new representative by submitting a Contact Update Form on our website: <https://lfweb.tompkins-co.org/Forms/TCHCContact>

### **The Consortium Connection is Going Paperless.**

To subscribe and remain "in the know" follow this link: <http://www.healthconsortium.net/newsletter>

[Link to 2022 September Consortium Connection](#)

### **Need an HSA/HRA/FSA/COBRA Administrator?**

Lifetime Benefit Solutions is offering members of the Consortium a discounted rate for services. If you currently utilize these services, ask your representative about adjusting your rates at the next renewal. If you are new to Lifetime Benefit Solutions, please reach out to them directly and mention the discounts on the attached Rate Sheet.

**COBRA Administration Services**

<input type="checkbox"/> COBRA Administration	\$0.58 Per Enrolled Per Month (\$55.00 Monthly Minimum)
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**Flexible Spending Account Administration Services**

<p>FSA Administration</p> <p>Account Type Options</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Health Care Account</li> <li><input type="checkbox"/> Dependent Care Account</li> <li><input type="checkbox"/> Transportation Spending Account</li> <li><input type="checkbox"/> Limited Purpose FSA</li> </ul>	<p>\$3.00 Per Enrolled FSA Participant Per Month*</p> <p>(\$75 Monthly Minimum)</p> <p>*Pricing includes multiple product offerings (i.e. FSA/HRA)</p>
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**Health Reimbursement Account Administration Services**

<p>HRA Administration</p> <p>Account Type Options</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Health Reimbursement Account</li> <li><input type="checkbox"/> Limited Purpose HRA</li> </ul>	<p>\$3.00 Per Enrolled HRA Participant Per Month*</p> <p>(\$75 Monthly Minimum)</p> <p>*Pricing includes multiple product offerings (i.e. FSA/HRA)</p>
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**Health Savings Account Administration Services**

<input type="checkbox"/> Health Savings Account	\$1.25 Per Enrolled HSA Participant Per Month
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**Retiree and/or Active Premium Billing Administration Services**

<input type="checkbox"/> Retiree and/or Active Premium Billing	<p>\$2.75 Per Billed Retiree/Active Per Month</p> <p>(Monthly minimum of \$50 for retiree premium billing)</p> <p>(Monthly minimum of \$75 for active premium billing)</p>
--	--

**Compliance Services**

<input type="checkbox"/> POP, HRA or FSA Summary Plan Description (SPD)	\$300 per document
<input type="checkbox"/> Non-Discrimination Testing (Section 125 and 105(h))	\$275 annually
<input type="checkbox"/> Annual Compliance Bundle (documents and testing)	\$325 annually

**Value Added Services**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Dedicated Client Service Team</li> <li>✓ Unified digital experience</li> <li>✓ LBS accounts accessible through Excellus BCBS member portal and app</li> </ul> | <ul style="list-style-type: none"> <li>✓ Open Enrollment Support</li> <li>✓ Attendance at Benefit/Health Fairs</li> <li>✓ Distribution of Open Enrollment Materials</li> <li>✓ Campaigns to boost participation</li> </ul> |
|--|--|



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### **RESOLUTION NO.                    – 2022 – ELECTION OF 2023 CONSORTIUM OFFICERS**

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Board of Directors elects the following individuals to serve from January 1, 2023 through December 31, 2023 in the roles as follows:

- Chairperson - Rordan Hart
- Vice Chairperson – Lisa Holmes
- Chief Financial Officer - Steve Thayer
- Secretary – Peter Salton

\*\*\*\*\*



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## **RESOLUTION NO. -2022 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS**

WHEREAS, the Board of Directors at its Annual Meeting established a Committee structure and appointed members to the Consortium's standing committees, and

RESOLVED, upon recommendation of the Consortium's Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby appointments the following committee structure and membership to 2023 committees effective January 1, 2023:

### **Executive Committee**

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS (subject to change): Bimonthly beginning in January on 1<sup>st</sup> Wednesday

- |                                   |   |
|-----------------------------------|---|
| 1. Board Chair, Chair (Hart)      | 7. Operations Chair (Granger)                     |
| 2. Board Vice Chair, (Holmes)     | 8. Nominations and Engagement Chair (Fairbrother) |
| 3. Chief Fiscal Officer (Thayer)  | 9. Claims and Appeals Chair (Shattuck)            |
| 4. Secretary (Salton)             | 10. At-large (Snow)                               |
| 5. JCPD Chair (Vacant)            | 11. At-large (Mutchler)                           |
| 6. AFC Chair/At-large (Ray Bunce) | 12. At-large (Steve)                              |
|                                   | 13. Past Chair (Drake)                            |

### **STANDING COMMITTEES:**

#### **Audit and Finance Committee**

CHARGE: The Audit and Finance Committee shall be responsible for all financial aspects of the Consortium, including review of: annual budgets, periodic review of financial results, evaluation of transactions that are material to the organization's business, review of business and risk insurance policies and actuarial studies to determine premium levels, review and approval of investments and investment plans, enterprise risk management and compliance assessment and review, and oversight of all internal and external financial audits.

MEMBERSHIP: Seats may be filled by non-Directors; 9 members; two-year staggered terms

MEETINGS (subject to change): Monthly; 4<sup>th</sup> Tuesday

#### Terms expire 12/31/23

1. Steve Thayer, Chair (CFO, no set term)
2. Kate DeVoe (Labor)
3. Rordan Hart, Vice Chair
4. Amanda Anderson
5. Lorie Corsette

#### Terms expire 12/31/24

6. Scott Steve
7. Eric Snow
8. Bud Stattuck
9. Peter Salton

## RESOLUTION NO. - 2022 – CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS

### Operations Committee

**CHARGE:** The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

**MEMBERSHIP:** Seats may be filled by non-Directors; 8 members with two-year staggered terms  
**MEETINGS** (subject to change): Bi-monthly beginning in January; 4<sup>th</sup> Monday

#### Terms Expiring 12/31/24

Lisa Holmes (Chair)  
Laura Grainger  
Schelley Michell-Nunn  
Janine Bond  
Judith Drake  
Rita McCarthy

#### Terms Expiring 12/31/23

Ed Fairbrother  
**Labor Vice Chair**  
Sunday Earle

#### Terms Expiring 12/31/23

LuAnn King  
Mark Emerson

### Nominations and Engagement Committee

**CHARGE:** The Nominations and Engagement Committee will assist the Executive Committee in engaging Directors in finding meaningful ways to contribute to the organization especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At-Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
  - a. the work of committees;
  - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
  - c. long-term leadership succession planning.

**Membership:** Seats may be filled by non-Directors; 5 Members with two-year staggered terms  
**MEETINGS:** Approximately 4x/year.

#### Terms expire 12/31/23

1. Ed Fairbrother, Chair  
2. **VACANT**  
3. **VACANT, Labor**

#### Terms expire 12/31/24

4. Gary Mutchler (Vice Chair)  
5. Terrance Baxter

### Claims and Appeals Committee

**CHARGE:** The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

**RESOLUTION NO. 014 - 2021 – CREATION OF 2022 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS**

**Claims and Appeals Committee (Continued)**

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms  
MEETINGS: As needed (2-4x/year)

Terms expire 12/31/23  
1. Bud Shattuck, Chair  
2. Donna Dawson  
3. Tom Brown

Terms expire 12/31/24  
Don Fischer, Vice Chair  
Tanya DiGennaro

\* \* \* \* \*

**Joint Committee on Plan Structure and Design**

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): Bi-monthly (beginning in February)  
Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee’s Bylaws.

\* \* \* \* \*



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### **RESOLUTION NO. - 2022 – APPROVAL OF THE 2023 MUNICIPAL COOPERATIVE AGREEMENT TO INCLUDE THE ADDITION OF NEW PARTICIPANTS IN SECTION A 2 AND TO THE PROPOSED CHANGES TO SECTIONS A 3, F 5(G) AND I 1**

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, the New York State Department of Financial Services requires that any amendment to the GTCMHIC Municipal Cooperative Agreement be circulated and approved by all Participants.

WHEREAS, the GTCMHIC wishes to add new members to the list of Participants and the Municipal Cooperative Agreement will be updated once those members have been approved.

WHEREAS, the GTCMHIC wishes to expand the territory of coverage to include two additional counties in Central NY to include both Madison and Livingston counties and understands the GTCMHIC Certificate of Authority will need to be reviewed and approved by the New York State Department of Financial Services.

WHEREAS, the GTCMHIC has made changes to their internal operations and wishes to remove the appointment of a Treasurer pursuant to Section F 5 (g) and allow the Chief Fiscal Officer to delegate responsibilities to the Finance Manager, in lieu of the Treasurer as previously directed in Section I.1. of the Municipal Cooperative Agreement, now therefore be it

RESOLVED, to approve additions of 2023 new members as Participants in Section A 2 and to the proposed changes to Sections A 3, F 5(g) and I 1 of the 2023 Municipal Cooperative Agreement and to circulate to all Participants for review and approval.

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## Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

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

**202~~32~~ AMENDMENT**  
**TO THE**  
**MUNICIPAL COOPERATION AGREEMENT**  
*(Adopted September 22, 202~~2~~<sup>4</sup>; effective January 1, 2023)*

**THIS AGREEMENT** (the "Agreement") made effective as of the 1<sup>st</sup> day of October 2010 (the "Effective Date"), and as amended herein, by and among each of the signatory municipal corporations hereto (collectively, the "Participants").

### W H E R E A S:

1. Article 5-G of the New York General Municipal Law (the "General Municipal Law") authorizes municipal corporations to enter into cooperative agreements for the performance of those functions or activities in which they could engage individually;
2. Sections 92-a and 119-o of the General Municipal Law authorize municipalities to purchase a single health insurance policy, enter into group health plans, and establish a joint body to administer a health plan;
3. Article 47 of the New York Insurance Law (the "Insurance Law" or "N.Y. Insurance Law"), and the rules and regulations of the New York State Superintendent of Financial Services (the "Superintendent") set forth certain requirements for governing self-insured municipal cooperative health insurance plans;
4. Section 4702(f) of the Insurance Law defines the term "municipal corporation" to include a county, city, town, village, school district, board of cooperative educational services, public library (as defined in Section 253 of the New York State Education Law) and district (as defined in Section 119-n of the General Municipal Law); and
5. The Participants have determined to their individual satisfaction that furnishing the health benefits (including, but not limited to, medical, surgical, hospital, prescription drug, dental, and/or vision) for their eligible officers, eligible employees (as defined by the Internal Revenue Code of 1986, as amended, and the Internal Revenue Service rules and regulations), eligible retirees, and the eligible dependents of eligible officers, employees and retirees (collectively, the "Enrollees") (such definition does not include independent contractors and/or consultants) through a municipal cooperative is in their best interests as it is more cost-effective and efficient. Eligibility requirements shall be determined by each Participant's collective bargaining agreements and/or their personnel policies and procedures.

**NOW, THEREFORE**, the parties agree as follows:

#### **A. PARTICIPANTS.**

1. The Participants hereby designate themselves under this Agreement as the Greater Tompkins County Municipal Health Insurance Consortium (the "Consortium") for the purpose

## 2022 Municipal Cooperation Agreement

of providing health benefits (medical, surgical, hospital, prescription drug, dental, and/or vision) to those Enrollees that each Participant individually elects to include in the Greater Tompkins County Municipal Health Insurance Consortium Medical Plan(s) (the "Medical Plan(s)"), as that term is defined by Section 4702 (e) of the Insurance Law.

2. The following Participants shall comprise the current membership of the Consortium:

<b>Municipality Name</b>	<b>Effective Date</b>
City of Ithaca	1/1/2011
County of Tompkins	1/1/2011
Town of Caroline	1/1/2011
Town of Danby	1/1/2011
Town of Dryden	1/1/2011
Town of Enfield	1/1/2011
Town of Groton	1/1/2011
Town of Ithaca	1/1/2011
Town of Ulysses	1/1/2011
Village of Cayuga Heights	1/1/2011
Village of Dryden	1/1/2011
Village of Groton	1/1/2011
Village of Trumansburg	1/1/2011
City of Cortland	1/1/2013
Town of Lansing	1/1/2013
Town of Willet	1/1/2015
Village of Homer	1/1/2015
Town of Marathon	1/1/2016
Town of Truxton	1/1/2016
Town of Virgil	1/1/2016
Town of Aurelius	1/1/2017
Town of Cincinnatus	1/1/2017
Town of Montezuma	1/1/2017
Town of Moravia	1/1/2017
Town of Preble	1/1/2017
Town of Scipio	1/1/2017

<b>Municipality Name</b>	<b>Effective Date</b>
Town of Springport	1/1/2017
Village of Union Springs	1/1/2017
Town of Homer	1/1/2018
Town of Newfield	1/1/2018
Town of Owasco	1/1/2018
County of Seneca	1/1/2019
Town of Big Flats	1/1/2019
Town of Mentz	1/1/2019
Town of Niles	1/1/2019
Town of Sennett	1/1/2019
Village of Freeville	1/1/2019
Village of Horseheads	1/1/2019
Village of Lansing	1/1/2019
Town of Horseheads	1/1/2020
Town of Spencer	1/1/2020
Lansing Library	1/1/2020
Village of Watkins Glen	1/1/2020
Town of Catharine	1/1/2021
Town of Cuyler	1/1/2021
Town of Dix	1/1/2021
Town of Hector	1/1/2021
Town of Tioga	1/1/2021
Village of Owego	1/1/2021
Town of Erwin	1/1/2022
Town of Throop	1/1/2022
Village of Minoa	1/1/2022
Village of Fayetteville	1/1/2022

Addition of municipalities approved at the 9/22/2022 Annual Board Meeting

3. Membership in the Consortium may be offered to any municipal corporation as defined in N.Y. Insurance Law Section 4702(f) within the geographical boundaries of the Counties of Tompkins, Broome, Cayuga, Chenango, Chemung, Cortland, Livingston, Madison, Monroe, Onondaga, Ontario, Oswego, Tioga, Schuyler, Seneca, Steuben, Wayne, and Yates, provided however that, in the sole discretion of the Board (as defined below), the applicant provides satisfactory proof of its financial responsibility. Membership shall be subject to the terms and conditions set forth in this Agreement, any amendments hereto, and applicable law. Upon admission of any new Participant, the Consortium shall amend Section A(2) of this Agreement to reflect that change in membership, which must be submitted to the New York State Department of Financial Services (“DFS”) for approval. The geographic boundaries of the Consortium shall not be expanded beyond the above-listed counties without amendment of the MCA, submitted to DFS for approval, and prior DFS approval of an amendment to the Certificate of Authority.

4. The Board, in its sole discretion, and by a two-thirds (2/3) vote of the entire Board, may elect to permit additional municipal corporations located within the geographical boundaries set forth in Section A(3) to become Participants subject to satisfactory proof, as determined by the Board, of such municipal corporation’s financial responsibility. Such corporations must agree to continue as a Participant for a minimum of three (3) years upon entry.

5. Participation in the Medical Plan(s) by some, but not all, collective bargaining units or employee groups of a Participant shall not be permitted without a Board approved waiver. Participants with a waiver allowing active employees not enrolled in Consortium benefit plan options, must, within 3 (three) years of the date of enrolling in the Consortium, fully enroll all of their active employees in Consortium plan options. Failure to comply with this provision may be grounds for termination from participation in the Consortium as defined in Section Q(3).

6. Initial membership of additional participants shall become effective as soon as practical but preferably on the first day of the Plan Year following the adoption by the Board of the resolution to accept a municipal corporation as a Participant. Such municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon entry.

7. A municipal corporation that was previously a Participant, but is no longer a Participant, and which is otherwise eligible for membership in the Consortium, may apply for re- entry after a minimum of three (3) years has passed since it was last a Participant. Such re-entry shall be subject to the approval of two-thirds (2/3) of the entire Board. This re-entry waiting period may be waived by the approval of two-thirds (2/3) of the entire Board. In order to re-enter the Consortium, a municipal corporation employer must have satisfied in full all of its outstanding financial obligations to the Consortium. A municipal corporation must agree to continue as a Participant for a minimum of three (3) years upon re-entry.

**B. PARTICIPANT LIABILITY.**

1. The Participants shall share in the costs of, and assume the liabilities for benefits (including medical, surgical, and hospital) provided under the Medical Plan(s) to covered officers, employees, retirees, and their dependents. Each Participant shall pay on demand such Participant's share of any assessment or additional contribution ordered by the governing board of the municipal cooperative health benefit plan, as set forth in Section L(4) of this Agreement or as ordered by the Superintendent or under Article 74 (seventy four) of the New York State Insurance Law. The pro rata share shall be based on the Participant's relative "premium" contribution to the Medical

Plan(s) as a percentage of the aggregate "premium" contribution to the Medical Plan(s), as is appropriate based on the nature of the assessment or contribution.

2. New Participants (each a "New Participant") who enter the Consortium may, at the discretion of the Board of Directors, be assessed a fee for additional financial costs above and beyond the premium contributions to the Medical Plan(s). Any such additional financial obligations and any related terms and conditions associated with membership in the Consortium shall be determined by the Board, and shall be disclosed to the New Participant prior to its admission.

3. Each Participant shall be liable, on a pro rata basis, for any additional assessment required in the event the Consortium funding falls below those levels required by the Insurance law as follows:

- a. In the event the Consortium does not have admitted assets (as defined in Insurance Law Section 107) at least equal to the aggregate of its liabilities, reserves, and minimum surplus required by the Insurance Law, the Board shall, within thirty (30) days, order an assessment (an "Assessment Order") for the amount that will provide sufficient funds to remove such impairment and collect from each Participant a pro-rata share of such assessed amount.
- b. Each Participant that participated in the Consortium at any time during the two (2) year period prior to the issuing of an Assessment Order by the Board shall, if notified of such Assessment Order, pay its pro rata share of such assessment within ninety (90) days after the issuance of such Assessment Order. This provision shall survive termination of the Agreement of withdrawal of a Participant.
- c. For purposes of this Section B(3), a Participant's pro-rata share of any assessment shall be determined by applying the ratio of the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all Participants subject to the assessment to the contribution or premium equivalent earned during such period attributable to such Participant.

### **C. BOARD OF DIRECTORS.**

1. The governing board of the Consortium, responsible for management, control and administration of the Consortium and the Medical Plan(s), shall be referred to as the "Board of Directors" (the "Board"). The voting members of the Board shall be composed of one representative of each Participant and representatives of the Joint Committee on Plan Structure and Design (as set forth in Section C(11)), who shall have the authority to vote on any official action taken by the Board (each a "Director"). Each Director, except the representatives of the Joint Committee on Plan Structure and Design, shall be designated in writing by the governing body of the Participant.

2. If a Director designated by a Participant cannot fulfill his/her obligations, for any reason, as set forth herein, and the Participant desires to designate a new Director, it must notify the Consortium's Chairperson in writing of its selection of a new designee to represent the Participant as a Director.

3. Directors shall receive no remuneration from the Consortium for their service and shall serve a term from January 1 through December 31 (the "Plan Year").

4. No Director may represent more than one Participant.

5. No Director, or any member of a Director's immediate family, shall be an owner, officer, director, partner, or employee of any contractor or agency retained by the Consortium, including any third-party contract administrator.

6. Except as otherwise provided in Section D of the Agreement, each Director shall be entitled to one vote. A majority of the entire Board, not simply those present, is required for the Board to take any official action, unless otherwise specified in this Agreement. The “entire Board”, as used herein and elsewhere in this Agreement, shall mean the total number of Directors when there are no vacancies.

While physical presence is strongly encouraged, Directors who cannot be physically present at any meeting may attend remotely utilizing videoconferencing that allows for real time audio and visual participation and voting in the meeting upon confirmation that communication is with all participants as it progresses.

7. Each Participant may designate in writing an alternate Director to attend the Board's meeting when its Director cannot attend. The alternate Director may participate in the discussions at the Board meeting and will, if so designated in writing by the Participant, be authorized to exercise the Participant's voting authority. Only alternate Directors with voting authority shall be counted toward a quorum. The Joint Committee on Plan Structure and Design may designate alternate Directors as set forth in Section C(11).

8. A majority of the Directors of the Board shall constitute a quorum. A quorum is a simple majority (more than half) of the entire Board. A quorum is required for the Board to conduct any business. This quorum requirement is independent of the voting requirements set forth in Section C(6). The Board shall meet on an annual basis, at a time and place within the State of New York determined by a vote of the Board. The Board shall hold an annual meeting (the “Annual Meeting”) in September of each Plan Year.

9. Special meetings of the Board may be called at any time by the Chairperson or by any two (2) Directors. Whenever practicable, the person or persons calling such special meeting shall give at least a three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event the three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

10. In the event that a special meeting is impractical due to the nature and/or urgency of any action which, in the opinion of the Chairperson, is necessary or advisable to be taken on behalf of the Consortium, the Chairperson may send resolutions regarding said actions via electronic communication to each and all of the Directors. The Directors may then electronically communicate their approval or disapproval of said resolution via signed document to the Chairperson. In accordance with NY Business Corporation Law Section 708(b), unanimous consent is required for the Chairperson to act on behalf of the Board in reliance upon such approvals. Any actions taken by the Chairperson pursuant to this paragraph shall be ratified at the next scheduled meeting of the Board.

11. The Chair of the Joint Committee on Plan Structure and Design and any At-Large Labor Representatives (as defined in Section K) (collectively the “Labor Representatives”) shall serve as Directors and shall have the same rights and obligations as all other Directors. The Joint Committee on Plan Structure and Design may designate in writing alternate Directors to attend the Board's meetings when the Labor Representatives cannot attend. The alternate Director may, if designated in writing, be authorized to exercise the Labor Representatives' voting authority.

**D. WEIGHTED VOTING.**

1. Except as otherwise provided in this Agreement, any two or more Directors, acting jointly, may require a weighted vote on any matter that may come before the Board. In such event, the voting procedure set forth in this Section D shall apply in lieu of any other voting procedures set forth in this Agreement. Such weighted voting procedures shall apply solely with respect to the matter then before the Board.

2. For purposes of this Section D, each Director shall receive votes as follows:

- a. Each Director representing a Participant with five hundred (500) or fewer Enrollees shall be entitled to one (1) vote.
- b. Each Director representing a Participant with more than five hundred (500) Enrollees shall be entitled to a number of votes equaling the total number of votes assigned under subsection 2(a) above minus the number of Labor Representative votes, divided evenly by the number of Participants eligible under this subsection 2(b) and rounded down to the nearest whole number.
- c. The Labor Representatives shall be entitled to one (1) vote each.

3. Attached as Addendum “A” to this Agreement is an example of the application of the voting formula contained in subparagraph “2” of this Section.

4. Notwithstanding anything to the contrary contained in this Agreement, any action taken pursuant to this Section D shall require the approval of two-thirds (2/3) of the total number of votes, if all votes had been cast.

**E. ACTIONS BY THE BOARD**

1. Subject to the voting and quorum requirements set forth in this Agreement, the Board is required, in accordance with N.Y. Insurance Law § 4705, to take action on the following matters:

- a. In accordance with N.Y. Insurance Law § 4705 (d) (5), to approve an annual budget for the Consortium, which shall be prepared and approved prior to October 1st of each year, and determine the annual premium equivalent rates to be paid by each Participant for each Enrollee classification in the Medical Plan(s) on the basis of a community rating methodology in accordance with N.Y. Insurance Law Section 4705(d)(5)(B) and filed with and approved by the Superintendent.
- b. 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 (e)(1).
- c. To establish a joint fund or funds to finance all Consortium expenditures, including claims, reserves, surplus, administration, stop-loss insurance and other expenses in accordance with N.Y. Insurance Law § 4705(d)(4).

- d. To select and approve the benefits provided by the Medical Plan(s) including the plan document(s), insurance certificate(s), and/or summary plan description(s) in accordance with N.Y. Insurance Law Section 4709, a copy of the Medical Plan(s) effective on the date of this Agreement is incorporated by reference into this Agreement.
- e. In accordance with N.Y. Insurance Law § 4705(d)(2) and N.Y. General Municipal Law § 119-o(2)(d) & (2)(i), the Board may contract with third parties, if appropriate, which may include one or more Participants, for the furnishing of all goods and services reasonably needed in the efficient operation and administration of the Consortium, including, without limitation, accounting services, legal counsel, contract administration services, consulting services, purchase of insurances and actuarial services. Provided, however (a) the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services contracts, as required in Section 92-a(6) of the General Municipal Law; (b) payment for contracted services shall be made only after such services are rendered; (c) no Director or any member of such Director's immediate family shall be an owner, officer, director, partner or employee of any contract administrator retained by the Consortium; and (d) all such agreements shall otherwise comply with the requirements of Section 92-a(6) of the General Municipal Law.
- f. To purchase stop-loss insurance on behalf of the Consortium and determine each year the insurance carrier or carriers who are to provide the stop-loss insurance coverage during the next Plan Year, as required by N.Y. Insurance Law Sections 4707 and 4705(d)(3).
- g. To designate one governing Board member to retain custody of all reports, statements, and other documents of the Consortium, in accordance with N.Y. Insurance Law Section 4705(c)(2), and who shall also take minutes of each Board meeting which, if appropriate, shall be acted upon by the Board in a subsequent meeting.
- h. In accordance with N.Y. Insurance Law § 4705(e)(1), to choose the certified public accountant and the actuary to provide the reports required by this Agreement and any applicable law.
- i. In accordance with N.Y. Insurance Law § 4705 (d)(5)(A), designate the banks or trust companies in which joint funds, including reserve funds, are to be deposited and which shall be located in this state, duly chartered under federal law or the laws of this state.
- j. In accordance with N.Y. Insurance Law § 4705 (a)(6), designate the fiscal officer of a participating municipal corporation to be the Chief Fiscal Officer of the municipal cooperative health benefit plan, and who will serve on the Executive Committee.

2. Subject to the voting and quorum requirements set forth in this Agreement, the Board is authorized to take action on the following matters:

- a. To fix the frequency, time and place of regular Board meetings.

- b. To have a plan consultant (the “Plan Consultant) contract in place for the upcoming Plan Year, prior to October 1<sup>st</sup> of each year.
- c. To determine and notify each Participant prior to October 15<sup>th</sup> of each Plan Year of the monthly premium equivalent for each enrollee classification during the next Plan Year commencing the following January 1<sup>st</sup>.
- d. To take all necessary action to ensure that the Consortium obtains and maintains a Certificate of Authority in accordance with the Insurance Law.
- e. To take any other action authorized by law and deemed necessary to accomplish the purposes of this Agreement.
- f. Annually elect Directors to the Executive Committee to oversee operations and develop recommendations for Board actions stated in this Section E.

## **F. EXECUTIVE COMMITTEE**

1. The Executive Committee of the Consortium shall consist of at least eleven (11) and no greater than fifteen (15) Directors. Executive Committee Directors are elected annually, but shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design.

2. The Secretary shall be responsible for maintaining all records in accordance with Article E, Section 1.g.

3. The Executive Committee shall establish meeting dates at its Organizational Meeting. The Executive Committee shall meet no less frequently than once per quarter.

4. Special meetings of the Executive Committee may be called at any time by the Chairperson or by any two (2) Executive Committee Directors. Whenever practicable, the person or persons calling such special meeting shall give at least three (3) day notice to all of the other Directors. Such notice shall set forth the time and place of the special meeting as well as a detailed agenda of the matters proposed to be acted upon. In the event three (3) day notice cannot be given, each Director shall be given such notice as is practicable under the circumstances.

5. The Executive Committee shall:

- a. Conduct business according to its Bylaws within its delegated authority, subject to approval and/or ratification of its actions at the next scheduled Board meeting.
- b. Create sub-committees as necessary to monitor operations and make recommendations, to the Executive Committee and/or Board, to facilitate operations.
- c. Manage the Consortium between meetings of the Board, subject to such approval by the Board as may be required by this Agreement.

- d. Develop Bylaws for its operations.
- e. In consultation with a nomination committee, fill any vacancy on the Executive Committee from among the Board's members as set forth in its Bylaws.
- f. Establish administrative guidelines for the efficient operation of the Consortium.
- g. ~~Annually appoint a treasurer (the "Treasurer") who may or may not be a Director and who shall be the treasurer, or equivalent financial officer, for one of the Participants. The Treasurer's duties shall be determined by the Chief Fiscal Officer to whom he/she will report.~~
- h. Take all necessary action to ensure the Consortium is operated and administered in accordance with the laws of the State of New York.

## **G. OFFICERS**

1. At the Annual Meeting, the Board shall elect from its Directors a Chairperson, Vice Chairperson, Chief Fiscal Officer, and Secretary, who shall serve for a term of one (1) year or until their successors are elected and qualified. Any vacancy in an officer's position shall be filled at the next meeting of the Board.

2. Officers of the Consortium and employees of any third-party vendor, including without limitation the officers and employees of any Participant, who assist or participate in the operation of the Consortium, shall not be deemed employees of the Consortium. Each third-party vendor shall provide for all necessary services and materials pursuant to annual contracts with the Consortium. The officers of the Consortium shall serve without compensation from the Consortium, but may be reimbursed for reasonable out-of-pocket expenses incurred in connection with the performance of such officers' duties.

3. Officers shall serve at the pleasure of the Board and may be removed or replaced upon a two-thirds (2/3) vote of the entire Board. This provision shall not be subject to the weighted voting alternative set forth in Section D.

## **H. CHAIRPERSON; VICE CHAIRPERSON; SECRETARY**

1. The Chairperson shall be the Chief Executive Officer of the Consortium.

2. The Chairperson, or in the absence of the Chairperson, the Vice Chairperson, shall preside at all meetings of the Board.

3. In the absence of the Chairperson, the Vice Chairperson shall perform all duties related to that office.

4. The Secretary shall retain custody of all reports, statements, and other documents of the Consortium and ensure that minutes of each Board meeting are taken and transcribed which shall be acted on by the Board at a subsequent meeting, as appropriate.

## I. CHIEF FISCAL OFFICER

1. The Chief Fiscal Officer shall act as the chief financial administrator of the Consortium and disbursing agent for all payments made by the Consortium, and shall have custody of all monies either received or expended by the Consortium. The Chief Fiscal Officer may delegate duties and tasks to the ~~Finance Manager~~~~Treasurer~~ to assist in accomplishing this function. However, the Chief Fiscal Officer may never delegate his/her ultimate authority and shall remain responsible for ensuring that the Consortium's finances are operated and administered in accordance with the laws of the State of New York. The Chief Fiscal Officer shall be the City Controller of the City of Ithaca. The Chief Fiscal Officer shall receive no remuneration from the Consortium. The Consortium shall reimburse the Participant that employs the Chief Fiscal Officer for reasonable and necessary out-of-pocket expenses incurred by the Chief Fiscal Officer in connection with the performance of his or her duties that relate to the Consortium.

2. All monies collected by the Chief Fiscal Officer relating to the Consortium, shall be maintained and administered as a common fund. The Chief Fiscal Officer shall, notwithstanding the provisions of the General Municipal Law, make payment in accordance with procedures developed by the Board and as deemed acceptable to the Superintendent.

3. The Chief Fiscal Officer shall be bonded for all monies received from the Participants. The amount of such bond shall be established annually by the Consortium in such monies and principal amount as may be required by the Superintendent.

4. All monies collected from the Participants by the Chief Fiscal Officer in connection with the Consortium shall be deposited in accordance with the policies of the Participant which regularly employs the Chief Fiscal Officer and shall be subject to the provisions of law governing the deposit of municipal funds.

5. The Chief Fiscal Officer may invest monies not required for immediate expenditure in the types of investments specified in the General Municipal Law for temporary investments or as otherwise expressly permitted by the Superintendent.

6. The Chief Fiscal Officer shall account for the Consortium's reserve funds separate and apart from all other funds of the Consortium, and such accounting shall show:

- a. the purpose, source, date, and amount of each sum paid into the fund;
- b. the interest earned by such funds;
- c. capital gains or losses resulting from the sale of investments of the Consortium's reserve funds;
- d. the order, purpose, date and amount of each payment from the reserve fund; and
- e. the assets of the fund, indicating cash balance and schedule of investments.

7. The Chief Fiscal Officer shall cause to be prepared and shall furnish to the Board, to participating municipal corporations, to unions which are the exclusive bargaining representatives of Enrollees, the Board's consultants, and to the Superintendent:

- a. 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;
- b. an annual report and quarterly reports describing the Consortium's current financial status; and
- c. an annual independent actuarial opinion on the financial soundness of the Consortium, including the actuarial soundness of contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

8. Within ninety (90) days after the end of each Plan Year, the Chief Fiscal Officer shall furnish to the Board a detailed report of the operations and condition of the Consortium's reserve funds.

#### **J. PLAN ADMINISTRATOR**

The Board, by a two-thirds (2/3) vote of the entire Board, may annually designate an administrator and/or insurance company of the Medical Plan (the "Plan Administrator") and the other provider(s) who are deemed by the Board to be qualified to receive, investigate, audit, and recommend or make payment of claims, provided that the charges, fees and other compensation for any contracted services shall be clearly stated in written administrative services and/or insurance contracts and payment for such contracted services shall be made only after such services are rendered or are reasonably expected to be rendered. All such contracts shall conform to the requirements of Section 92-a(6) of the General Municipal Law.

#### **K. JOINT COMMITTEE ON PLAN STRUCTURE AND DESIGN**

1. There shall be a Joint Committee on Plan Structure and Design (the "Joint Committee"), which shall consist of (a) a representative of each collective bargaining unit that is the exclusive collective bargaining representative of any Enrollee or group of Enrollees covered by the Medical Plan(s) (the "Union Members"); and (b) a representative of each Participant (the "Management Members"). Management Members may, but are not required to be, Directors.

2. The Joint Committee shall review all prospective Board actions in connection with the benefit structure and design of the Medical Plan(s), and shall develop findings and recommendations with respect to such matters. The Chair of the Joint Committee shall report such findings and recommendations to the Board at any regular or special meeting of the Board.

3. The Joint Committee shall select (a) from among the Union Members, an individual who shall serve as Chair of the Joint Committee; and (b) from among the Management Members,

an individual who shall serve as Vice Chair of the Joint Committee. The Joint Committee shall establish its own parliamentary rules and procedures.

4. Each eligible union shall establish such procedures by which its representative to the Joint Committee is chosen and such representative shall be designated in writing to the Chairperson of the Board and the Chair of the Joint Committee.

5. The Union Members on the Joint Committee on Plan Structure and Design shall select from among the Union Members an individual to serve as an additional at-large voting Labor Member on the Board of Directors of the Consortium. If the number of municipal members on the Consortium rises to seventeen (17), the union members of the Joint Committee on Plan Structure and Design shall select from among the Union Members an additional at-large voting Labor Member on the Board of Directors of the Consortium. The at-large voting Labor Member(s) along with the Joint Committee Chair shall collectively be the "Labor Representatives" as defined in Section C(11) of this Agreement. If the number of municipal members on the Consortium rises to twenty-three (23), the Union Members may select from among their members a third At-Large Labor Representative to serve as a Director. Thereafter, for every increase of five (5) additional municipal members added to the Consortium Union Members may select from among their members one (1) At-large Labor Representative to serve as Director with a maximum of ten (10) Labor Representatives. Attached hereto as Addendum "B" is a table illustrating the addition of At-Large Labor Representatives as set forth in this Section. Any At-Large Labor Representative designated according to this section shall have the same rights and obligations as all other Directors.

#### **L. PREMIUM CALCULATIONS/PAYMENT.**

1. The annual premium equivalent rates shall be established and approved by a majority of the entire Board. The method used for the development of the premium equivalent rates may be changed from time to time by the approval of two-thirds (2/3) of the entire Board, subject to review and approval by the Superintendent. The premium equivalent rates shall consist of such rates and categories of benefits as is set forth in the Medical Plan[s] that is determined and approved by the Board consistent with New York law.

2. In accordance with N.Y. Insurance Law §§ 4706 & 4707, the Consortium shall maintain reserves and stop-loss insurance to the level and extent required by the Insurance Law and as directed by the Superintendent.

3. Each Participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day of each calendar month during the Plan Year. A late payment charge of one percent (1%) of the monthly installment then due may be charged by the Board for any payment not received by the first of each month, or the next business day when the first falls on a Saturday, Sunday, legal holiday, or day observed as a legal holiday by the Participants.

The Consortium may waive the first penalty once per Plan Year for each Participant, but will strictly enforce the penalty thereafter. A repeated failure to make timely payments, including any applicable penalties, may be used by the Board as an adequate justification for the expulsion of the Participant from the Consortium.

4. The Board shall assess Participants for additional contributions, if actual and anticipated losses due to benefits paid out, administrative expenses, and reserve and surplus requirements exceed the amount in the joint funds, as set forth in Section B(3) above.

5. The Board, in its sole discretion, may refund amounts in excess of reserves and surplus, or retain such excess amounts and apply these amounts as an offset to amounts projected to be paid under the next Plan Year's budget.

**M. EMPLOYEE CONTRIBUTIONS.**

If any Participant requires an Enrollee's contribution for benefits provided by the Consortium, the Participant shall collect such contributions at such time and in such amounts as it requires. However, the failure of a Participant to receive the Enrollee contribution on time shall not diminish or delay the payment of the Participant's monthly premium equivalent to the Consortium, as set forth in this Agreement.

**N. ADDITIONAL BENEFITS.**

Any Participant choosing to provide more benefits, coverages, or enrollment eligibility other than that provided under the Medical Plan(s)(s), will do so at its sole expense. This Agreement shall not be deemed to diminish such Participant's benefits, coverages or enrollment eligibility, the additional benefits and the payment for such additional benefits, shall not be part of the Consortium and shall be administered solely by and at the expense of the Participant.

**O. REPORTING.**

The Board, through its officers, agents, or delegates, shall ensure that the following reports are prepared and submitted:

1. Annually after the close of the Plan Year, not later than one-hundred twenty (120) days after the close of the Plan Year, the Board shall file a report with the Superintendent showing the financial condition and affairs of the Consortium, including an annual independent financial audit statement and independent actuarial opinion, as of the end of the preceding plan year.

2. Annually after the close of the Plan Year, the Board shall have prepared a statement and independent actuarial opinion on the financial soundness of the Consortium, including the contribution or premium equivalent rates and reserves, both as paid in the current Plan Year and projected for the next Plan Year.

3. The Board shall file reports with the Superintendent describing the Consortium's then current financial status within forty-five (45) days of the end of each quarter during the Plan year.

4. The Board shall provide the annual report to all Participants and all unions, which are the exclusive collective bargaining representatives of Enrollees, which shall be made available for review to all Enrollees.

5. The Board shall submit to the Superintendent a report describing any material changes in any information originally provided in the Certificate of Authority. Such reports, in addition to the reports described above, shall be in such form, and containing such additional content, as may be required by the Superintendent.

**P. WITHDRAWAL OF PARTICIPANT**

1. Withdrawal of a Participant from the Consortium shall be effective only once annually on the last day of the Plan Year.

2. Notice of intention of a Participant to withdraw must be given in writing to the Chairperson prior to September 1<sup>st</sup> of each Plan Year. Failure to give such notice shall automatically extend the Participant’s membership and obligations under the Agreement for another Plan Year, unless the Board shall consent to an earlier withdrawal by a two-thirds (2/3) vote.

3. Any withdrawing Participant shall be responsible for its pro rata share of any Consortium deficit that exists on the date of the withdrawal, subject to the provisions of subsection “4” of this Section. The withdrawing Participant shall be entitled to any pro rata share of surplus that exists on the date of the withdrawal, subject to the provisions of subsection “4” of this Section. The Consortium surplus or deficit shall be based on the sum of actual expenses and the estimated liability of the Consortium as determined by the Board. These expenses and liabilities will be determined one (1) year after the end of the Plan Year in which the Participant last participated.

4. The surplus or deficit shall include recognition and offset of any claims, expenses, assets and/or penalties incurred at the time of withdrawal, but not yet paid. Such pro rata share shall be based on the Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount may then be applied to the surplus or deficit which existed on the date of the Participant's withdrawal from the Consortium. Any pro rata surplus amount due the Participant shall be paid to the Participant one year after the effective date of the withdrawal. Any pro rata deficit amount shall be billed to the Participant by the Consortium one year after the effective date of the withdrawal and shall be due and payable within thirty (30) days after the date of such bill.

**Q. DISSOLUTION; RENEWAL; EXPULSION**

1. The Board at any time, by a two-thirds (2/3) vote of the entire Board, may determine that the Consortium shall be dissolved and terminated. If such determination is made, the Consortium shall be dissolved ninety (90) days after written notice to the Participants.

a. Upon determination to dissolve the Consortium, the Board shall provide notice of its determination to the Superintendent. The Board shall develop and submit to the Superintendent for approval a plan for winding-up the Consortium’s affairs in an orderly manner designed to result in timely payment of all benefits.

b. Upon termination of this Agreement, or the Consortium, each Participant shall be responsible for its pro rata share of any deficit or shall be entitled to any pro rata share of surplus that exists, after the affairs of the Consortium are closed. No part of any funds of the Consortium shall be subject to the claims of general creditors of any Participant until all Consortium benefits and other Consortium obligations have been satisfied. The Consortium’s surplus or deficit shall be based on actual expenses. These expenses will be determined one year after the end of the Plan Year in which this Agreement or the Consortium terminates.

c. Any surplus or deficit shall include recognition of any claims/expenses incurred at the time of termination, but not yet paid. Such pro rata share shall be based on

each Participant's relative premium contribution to the Consortium as a percentage of the aggregate premium contributions to the Consortium during the period of participation. This percentage amount would then be applied to the surplus or deficit which exists at the time of termination.

2. The continuation of the Consortium under the terms and conditions of the Agreement, or any amendments or restatements thereto, shall be subject to Board review on the fifth (5<sup>th</sup>) anniversary of the Effective Date and on the fifth (5<sup>th</sup>) anniversary date thereafter (each a "Review Date") to the extent deemed required by Article 5-G of the New York General Municipal Law (the "General Municipal Law").

a. At the annual meeting a year prior to the Review Date, the Board shall include as an agenda item a reminder of the Participants' coming obligation to review the terms and conditions of the Agreement.

b. During the calendar year preceding the Review Date, each Participant shall be responsible for independently conducting a review of the terms and conditions of the Agreement and submitting to the Board of Directors a written resolution containing any objection to the existing terms and conditions or any proposed modification or amendment to the existing Agreement, such written resolution shall be submitted to the Board on or before March 1<sup>st</sup> preceding the Review Date. Failure to submit any such resolution shall be deemed as each Participant's agreement and authorization to the continuation of the Consortium until the next Review Date under the existing terms and conditions of the Agreement.

c. As soon as practicable after March 1<sup>st</sup>, the Board shall circulate to all Participants copies of all resolutions submitted by the Participants. Subject to Section S hereof, any resolutions relating to the modification, amendment, or objection to the Agreement submitted prior to each Review Date shall be considered and voted on by the Participants at a special meeting called for such purpose. Such special meeting shall be held on or before July 1<sup>st</sup> preceding the Review Date.

d. Notwithstanding the foregoing or Section T hereof, if at the Annual Meeting following any scheduled Review Date the Board votes on and approves the budget and annual assessment for the next year, the Participants shall be deemed to have approved the continuation of the Consortium under the existing Agreement until the next Review Date.

3. The Participants acknowledge that it may be necessary in certain extraordinary circumstances to expel a Participant from the Consortium. In the event the Board determines that:

a. A Participant has acted inconsistently with the provisions of the Agreement in a way that threatens the financial well-being or legal validity of the Consortium; or

b. A Participant has acted fraudulently or has otherwise acted in bad faith with regards to the Consortium, or toward any individual Participant concerning matters relating to the Consortium, the Board may vote to conditionally terminate said Participant's membership in the Consortium. Upon such a finding by the affirmative vote of two-thirds (2/3) of the Participants, the offending Participant shall be given sixty (60) days to correct or cure the alleged wrongdoing to the satisfaction of the Board. Upon the expiration of said sixty (60) day period, an absent satisfactory cure, the Board may expel the Participant by an affirmative vote of two-thirds (2/3) of the Participants

(exclusive of the Participant under consideration). This section shall not be subject to the weighted voting provision provided in Section D. Any liabilities associated with the Participant's departure from the Consortium under this provision shall be determined by the procedures set forth in Section P of this Agreement.

## **R. REPRESENTATIONS AND WARRANTIES OF PARTICIPANTS.**

Each Participant by its approval of the terms and conditions of this Agreement hereby represents and warrants to each of the other Participants as follows:

1. The Participant understands and acknowledges that its participation in the Consortium under the terms and conditions of this Agreement is strictly voluntary and may be terminated as set forth herein, at the discretion of the Participant.

2. The Participant understands and acknowledges that the duly authorized decisions of the Board constitute the collective will of each of the Participants as to those matters within the scope of the Agreement.

3. The Participant understands and acknowledges that the decisions of the Board made in the best interests of the Consortium may on occasion temporarily disadvantage one or more of the individual Participants.

4. The Participant represents and warrants that its designated Director or authorized representative understands the terms and conditions of this Agreement and is suitably experienced to understand the principles upon which this Consortium operates.

5. The Participant understands and acknowledges that all Directors, or their authorized representatives, are responsible for attending all scheduled meetings. Provided that the quorum rules are satisfied, non-attendance at any scheduled meeting is deemed acquiescence by the absent Participant to any duly authorized Board-approved action at the meeting.

6. The Participant understands and acknowledges that, absent bad faith or fraud, any Participant's vote approving any Board action renders that Board action immune from later challenge by that Participant.

## **S. RECORDS**

The Board shall have the custody of all records and documents, including financial records, associated with the operation of the Consortium. Each Participant may request records and documents relative to their participation in the Consortium by providing a written request to the Chairperson and Chief Fiscal Officer. The Consortium shall respond to each request no later than thirty (30) days after its receipt thereof, and shall include all information which can be provided under applicable law.

## **T. CHANGES TO AGREEMENT**

Any change or amendment to this Agreement shall require the unanimous approval of the Participants, as authorized by a majority vote of their respective legislative bodies, as required by N.Y. Insurance Law § 4705(a).

## U. CONFIDENTIALITY

Nothing contained in this Agreement shall be construed to waive any right that a covered person possesses under the Medical Plan(s) with respect to the confidentiality of medical records and that such rights will only be waived upon the written consent of such covered person.

## V. ALTERNATIVE DISPUTE RESOLUTION ("ADR").

1. General. The Participants acknowledge and agree that given their budgeting and fiscal constraints, it is imperative that any disputes arising out of the operation of the Consortium be limited and that any disputes which may arise be addressed as quickly as possible. Accordingly, the Participants agree that the procedures set forth in this Section V are intended to be the exclusive means through which disputes shall be resolved. The Participants also acknowledge and agree that by executing this Agreement each Participant is limiting its right to seek redress for certain types of disputes as hereinafter provided.

2. Disputes subject to ADR. Any dispute by any Participant, Board Member, or Committee Person arising out of or relating to a contention that:

a. The Board, the Board's designated agents, a Committee person, or any Participant has failed to adhere to the terms and conditions of this Agreement or any duly-passed resolution of the Board;

b. The Board, the Board's designated agents, a Committee person, or any Participant has acted in bad faith or fraudulently in undertaking any duty or action under the Agreement; or

c. Any other dispute otherwise arising out of or relating to: (i) the terms or conditions of this Agreement; (ii) any duly-passed decision, resolution, or policy by the Board of Directors; or (iii) otherwise requiring the interpretation of this Agreement shall be resolved exclusively through the ADR procedure set forth in paragraph (3) below.

3. ADR Procedure. Any dispute subject to ADR, as described in subparagraph (2), shall be resolved exclusively by the following procedure:

a. Board Consideration: Within ninety (90) days of the occurrence of any dispute, the objecting party (the "Claimant") shall submit a written notice of the dispute to the Chairperson specifying in detail the nature of the dispute, the parties claimed to have been involved, the specific conduct claimed, the basis under the Agreement for the Participant's objection, the specific injury or damages claimed to have been caused by the objectionable conduct to the extent then ascertainable, and the requested action or resolution of the dispute. A dispute shall be deemed to have occurred on the date the objecting party knew or reasonably should have known of the basis for the dispute.

i. Within sixty (60) days of the submission of the written notice, the Executive Committee shall, as necessary, request further information from the Claimant, collect such other information from any other interested party or source, form a recommendation as to whether the Claimant has a valid objection or claim, and if so, recommend a fair resolution of said claim. During such period, each party shall provide the other with any reasonably requested

information within such party's control. The Executive Committee shall present its recommendation to the Board in writing, including any underlying facts, conclusions or support upon which it is based, within such sixty (60) day period.

ii. Within sixty (60) days of the submission of the Executive Committee's recommended resolution of the dispute, the Board shall convene in a special meeting to consider the dispute and the recommended resolution. The Claimant and the Executive Committee shall each be entitled to present any argument or material it deems pertinent to the matter before the Board. The Board shall hold discussion and/or debate as appropriate on the dispute and may question the Claimant and/or the Executive Committee on their respective submissions. Pursuant to its regular procedures, the Board shall vote on whether the Claimant has a valid claim, and if so, what the fair resolution should be. The weighted voting procedure set forth in Section D shall not apply to this provision. The Board's determination shall be deemed final subject to the Claimant's right to arbitrate as set forth below.

b. Arbitration. The Claimant may challenge any Board decision under subparagraph (V)(3)(a)(ii) by filing a demand for arbitration with the American Arbitration Association within thirty (30) days of the Board's vote (a "Demand"). In the event a Claimant shall fail to file a Demand within thirty (30) days, the Board's decision shall automatically be deemed final and conclusive. In the event the Participant files a timely Demand, the arbitrator or arbitration panel may consider the claim:

provided however;

i. in no event may the arbitrator review any action taken by the Board that occurred three (3) or more years prior to when the Chairperson received notice of the claim; and

ii. in no event may the arbitrator award damages for any period that precedes the date the Chairperson received notice of the claim by more than twenty-four (24) months.

c. The Participants agree that the procedure set forth in this Section V shall constitute their exclusive remedy for disputes within the scope of this Section.

## **W. MISCELLANEOUS PROVISIONS**

1. This instrument constitutes the entire Agreement of the Participants with respect to the subject matter hereof, and contains the sole statement of the operating rules of the Consortium. This instrument supersedes any previous Agreement, whether oral or written.

2. Each Participant will perform all other acts and execute and deliver all other documents as may be necessary or appropriate to carry out the intended purposes of this Agreement.

3. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be

deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

4. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Any claims made under Section V(3)(b) except to the extent otherwise limited therein, shall be governed by New York substantive law.

5. All notices to any party hereunder shall be in writing, signed by the party giving it, shall be sufficiently given or served if sent by registered or certified mail, return receipt requested, hand delivery, or overnight courier service addressed to the parties at the address designated by each party in writing. Notice shall be deemed given when transmitted.

6. This Agreement may be executed in two or more counterparts each of which shall be deemed to be an original but all of which shall constitute the same Agreement and shall become binding upon the undersigned upon delivery to the Chairperson of an executed copy of this Agreement together with a certified copy of the resolution of the legislative body approving this Agreement and authorizing its execution.

7. The provisions of Section V shall survive termination of this Agreement, withdrawal or expulsion of a Participant, and/or dissolution of the Consortium.

8. Article and section headings in this Agreement are included for reference only and shall not constitute part of this Agreement.

9. No findings or recommendations made by the Joint Committee on Plan Structure and Design or by the Chair of the Joint Committee shall be considered a waiver of any bargaining rights under any contract, law, rule, statute, or regulation.

10. The Chairperson and Executive Director are each designated attorneys-in-fact to receive service of any summons or other legal process in any action, suit or proceeding arising out of any contract, agreement, or transaction involving the Consortium. Service may be effected on either the Chairperson or Executive Director without requiring service to both.”

## **X. APPROVAL, RATIFICATION, AND EXECUTION**

1. As a condition precedent to execution of this Municipal Cooperative Agreement and membership in the Consortium, each eligible municipal corporation desiring to be a Participant shall obtain legislative approval of the terms and conditions of this Agreement by the municipality’s governing body.

2. Prior to execution of this Agreement by a Participant, the Participant shall provide the Chairperson with the resolution approving the municipality’s participation in this Consortium and expressly approving the terms and conditions of this Municipal Cooperative Agreement. Each presented resolution shall be maintained on file with the Consortium.

3. By executing this Agreement, each signatory warrants that he/she has complied with the approval and ratification requirements herein and is otherwise properly authorized to bind the participating municipal corporation to the terms and conditions of this Agreement.

**[Signature Pages Follow]**

**IN WITNESS WHEREOF**, the undersigned has caused this Amended Agreement to be executed as of the date adopted by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium and subsequently adopted by all participating municipalities.

## **Addendum “A”**

### **Example of Weighted Voting Formula under Section D(2)**

If 11 Participants have 500 or fewer enrollees each and 2 Participants have more than 500 enrollees each, under subparagraph “a” the 11 each get 1 vote. Under subparagraph “b” the 2 large Participants get 4 votes each, which is calculated by taking the total number of votes under subparagraph “a” [11] subtracting the number of Labor Representative votes [2], dividing by the number of eligible Participants under subsection “b” [2], and rounding the result [4.5] down to the nearest whole number [4]. The Labor Representative shall have 1 vote, irrespective of the votes available to the Participants.

## **Addendum "B"**

### Illustration of At-Large Labor Representative Calculation

<b>Total Number of Participants</b>	<b>Total Number of At-Large Labor Representatives</b>
< 17	1
17-22	2
23-27	3
28-32	4
33-37	5
38-42	6
43-47	7
47-52	8
53-57	9
58+	10



## Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

[www.healthconsortium.net](http://www.healthconsortium.net) • [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org)

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

### **RESOLUTION NO. - 2022 - ACCEPTANCE OF APPLICATIONS BY THE TOWNS OF CAMILLUS, DEWITT, ONONDAGA, AND HASTINGS, THE VILLAGES OF CAMILLUS AND SKANEATELES, AND THE DEWITT FIRE DISTRICT, TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2023**

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 Towns of Camillus, Dewitt, Onondaga, and Hastings, the Villages of Camillus and Skaneateles, and the Dewitt Fire District, have submitted an official application authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been evaluated by the Finance Manager, Consortium's Treasurer, and/or the Chief Financial Officer, and

WHEREAS, In the application process, the Town of Onondaga, has asked for a waiver until at least January 1, 2025, to exclude participation for any employees currently negotiated to be covered under the New York State Teamsters Council Health and Hospital Fund, and the Dewitt Fire District, Village of Skaneateles, and the Town of Camillus, have asked for a waiver to review retirement plan options once the Consortium determines how many retirement plan options will be available, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby accepts and welcomes the Towns of Camillus, Dewitt, Onondaga, and Hastings, the Villages of Camillus and Skaneateles, and Dewitt Fire District, as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2023, pending receipt, additional analysis, and approval of all required documentation.

\* \* \* \* \*



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### **RESOLUTION NO. - 2022 - ACCEPTANCE OF APPLICATION BY THE TOWN OF DERUYTER, TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2023**

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 DeRuyter, has submitted an official application authorizing the joining of Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, this applicant has complied with membership process and has submitted copies of financial reports which have been evaluated by the Finance Manager, Consortium's Treasurer, and/or the Chief Financial Officer, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby accepts and welcomes the Town of DeRuyter, as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2023, pending receipt, additional analysis, and approval of all required documentation.

\* \* \* \* \*



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### **RESOLUTION NO. - 2022 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2023 – PROACT**

WHEREAS, the Board of Directors by Resolution No. 029-2018 authorized a two-year extension of the Consortium’s contract with ProAct for Prescription Benefits Manager services, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for an additional year pursuant to the Contract Addendum proposed September 9, 2021, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended per the terms outlined in the Addendum for the period January 1, 2023 through December 31, 2023,

RESOLVED, further, That Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium is hereby authorized to execute said contract with ProAct, Inc.

\* \* \* \* \*



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### **RESOLUTION NO. - 2022 - AUTHORIZING HEALTHCARE BENEFITS RENEWAL (ADMINISTRATIVE SERVICES AGREEMENT) WITH THIRD PARTY ADMINISTRATOR - 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, 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 has agreed to give consideration in future years for Administration Rates to vary based on growth in enrollment numbers and has set discounts at four different contract band levels, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, on behalf of the Board of Directors hereby approves the 2023 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2023, 2024, and 2025,

RESOLVED, further, That the Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium be authorized to execute the 2023 contract on behalf of the Consortium.

\* \* \* \* \*



2023 Fiscal Year  
Final Budget Presentation  
September 12, 2022

Locey & Cahill, LLC  
250 South Clinton Street, Suite 340  
Syracuse, NY 13202  
Tel (315) 425-1424  
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# Section 1

2022 Fiscal Year-to-Date  
Budget vs Actual Results

# 2022 Income Budget vs Actual (08/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Income</b>							
	Medical and Rx Plan Premiums	\$57,752,443.75	\$55,937,315.28	\$37,291,543.52	\$36,563,329.88	-\$728,213.64	-1.95%
9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$131,196.02	\$131,196.02	
9020	Interest	\$45,660.35	\$45,660.35	\$30,440.23	\$34,077.06	\$3,636.83	11.95%
9010	Rx Rebates	\$3,000,000.00	\$3,000,000.00	\$2,000,000.00	\$1,608,600.12	-\$391,399.88	-19.57%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Income</b>		<b>\$60,798,104.10</b>	<b>\$58,982,975.63</b>	<b>\$39,321,983.75</b>	<b>\$38,337,203.08</b>	<b>-\$984,780.67</b>	<b>-2.50%</b>

## Key Facts:

- Total Income was 2.50% below the amended budget, with premium income being 1.95% below the amended budget for the first 8-months of the fiscal year. The amended budget reflects the changes in plan designs and demographics of the participants as detailed below:
  - \* There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
  - \* Changes in covered lives and contract counts.
  - \* Rx Rebates received totaled \$727,509.70 from the 1st quarter of 2022. We are expecting a significant reconciliation payment relating to the 2021 fiscal year.

# 2022 Income Budget vs Actual (08/31/2022)

## Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Gains on investments are booked as revenues, while losses on investments are recorded as expenditures. The COVID-19 pandemic, greatly reduced the Consortium’s interest earnings potential.
3. There has been three pharmaceutical manufacturer rebate payments received from ProAct, Inc. for the 2022 Fiscal Year to date. The Consortium did experience an enhancement to the July payment of \$727,509.70, however, it did not hit the budgeted expectation. The April – June 2022 payment will be made in October. As part of the PBM RFP, ProAct, Inc. estimated the new quarterly payments to be approximately \$985k based on prior usage. We are expecting a large reconciliation payment for the 2021 Rx Rebate settlement.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was no Other Income as of August 31<sup>st</sup>. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.



# Section 2

2022 Fiscal Year-to-Date  
Expense Budget vs Actual Results

# 2022 Expense Budget vs Actual Results (08/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Expenses</b>							
8090	Medical Paid Claims	\$40,780,345.45	\$40,780,345.45	\$26,598,172.03	\$24,726,860.53	-\$1,871,311.50	-7.04%
	Advance Deposit / Pre-Paid Claims	\$37,344.64	\$65,900.00	\$65,900.00	\$65,900.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$16,506,765.82	\$10,792,885.34	\$11,017,506.58	\$224,621.24	2.08%
8121	Rx Paid Claims - CanaRx	\$161,366.59	\$161,366.59	\$107,577.73	\$110,851.10	\$3,273.37	3.04%
8084	Flu Clinic Fees	\$20,037.48	\$23,042.13	\$15,361.42	\$0.00	-\$15,361.42	-100.00%
8050	Medical Admin Fees	\$1,521,623.78	\$1,502,656.92	\$1,001,771.28	\$1,040,046.03	\$38,274.75	3.82%
	Rx Admin Fees	\$206,958.25	\$226,592.82	\$151,061.88	\$176,153.03	\$25,091.15	16.61%
8091	NYS Covered Lives Assessment	\$391,982.86	\$319,060.15	\$212,706.77	\$246,189.85	\$33,483.08	15.74%
9060	ACA PCORI Fee	\$18,886.41	\$18,886.41	\$18,886.41	\$17,585.37	-\$1,301.04	-6.89%
8110	Specific Stop-Loss Insurance (Actual)	\$313,950.00	\$723,382.00	\$482,254.67	\$197,601.20	-\$284,653.47	-59.03%
8000	Accounting Fees	\$19,000.00	\$19,000.00	\$12,666.67	\$12,200.00	-\$466.67	-3.68%
8010	Actuarial Fees	\$10,000.00	\$10,000.00	\$6,666.67	\$7,200.00	\$533.33	8.00%
8020	Audit Fees (Financial)	\$14,420.00	\$14,420.00	\$13,390.00	\$14,500.00	\$1,110.00	8.29%
8021	Audit Fees (Claims)	\$51,295.00	\$51,295.00	\$34,196.67	\$19,875.00	-\$14,321.67	-41.88%
8055	Consultant Fees (Barber & Strat Plan)	\$45,000.00	\$25,000.00	\$16,666.67	\$0.00	-\$16,666.67	-100.00%
8030	Consultant Fees (L&C)	\$91,650.00	\$91,650.00	\$61,100.00	\$61,000.00	-\$100.00	-0.16%
8070	Legal Fees	\$12,000.00	\$12,000.00	\$8,000.00	\$5,357.00	-\$2,643.00	-33.04%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$16,666.67	\$205.00	-\$16,461.67	-98.77%
66001	Executive Director (Salary)	\$96,450.00	\$96,450.00	\$64,300.00	\$63,060.14	-\$1,239.86	-1.93%
66002	Fringe Benefits	\$119,635.00	\$119,635.00	\$79,756.67	\$53,027.86	-\$26,728.81	-33.51%
66003	Clerk of the Board (Salary)	\$74,300.00	\$74,300.00	\$49,533.33	\$35,247.16	-\$14,286.17	-28.84%
66004	Admin/Comp Asst (Salary)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
66005	Benefits Specialist (Salary)	\$56,240.00	\$56,240.00	\$37,493.33	\$36,771.00	-\$722.33	-1.93%
66006	Finance Manager (Salary)	\$72,100.00	\$72,100.00	\$48,066.67	\$47,142.36	-\$924.31	-1.92%
8060	Insurances (D&O / Prof. Liability)	\$55,650.00	\$53,004.00	\$35,336.00	\$38,844.00	\$3,508.00	9.93%
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$13,333.33	\$13,333.34	\$0.01	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$4,000.00	\$4,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,485.00	\$6,681.00	\$4,454.00	\$4,454.00	\$0.00	0.00%
9065	Marketing Expenses	\$2,575.00	\$8,000.00	\$5,333.33	\$830.37	-\$4,502.96	-84.43%
9055	Investment Management Services	\$12,360.00	\$12,360.00	\$8,240.00	\$5,983.91	-\$2,256.09	-27.38%
8150	Supplies Expense	\$4,080.00	\$4,080.00	\$2,720.00	\$2,396.26	-\$323.74	-11.90%
8151	Computer Equipment	\$11,545.00	\$11,545.00	\$7,696.67	\$5,516.31	-\$2,180.36	-28.33%
8152	Lease Expense / Parking Fees	\$13,370.00	\$13,370.00	\$8,913.33	\$7,318.15	-\$1,595.18	-17.90%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$666.67	\$276.57	-\$390.10	-58.51%
8154	Software	\$0.00	\$0.00	\$0.00	\$943.68	\$943.68	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$774.95	\$774.95	0.00%
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$1,333.33	\$0.00	-\$1,333.33	-100.00%
8157	Training & Prof. Dev.	\$0.00	\$2,000.00	\$1,333.33	\$348.00	-\$985.33	-73.90%
8158	Subscriptions	\$0.00	\$1,000.00	\$666.67	\$219.97	-\$446.70	-67.00%
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$616,326.70	\$616,326.70	
9060	Other Expenses / Supplies	\$12,595.00	\$7,595.00	\$5,063.33	\$747.25	-\$4,316.08	-85.24%
<b>Total Expenses</b>		<b>\$60,792,011.28</b>	<b>\$61,143,723.29</b>	<b>\$39,994,170.85</b>	<b>\$38,656,592.67</b>	<b>-\$1,337,578.18</b>	<b>-3.34%</b>

# 2022 Expense Budget vs Actual Results (08/31/2022)

## Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to monitor budgeted funds to assure that they are accounted for under the proper line-item based on their code. This was done to provide a more detailed summary of the internal and external professional support costs for the Board of Directors of the Consortium.
2. As of August, the Consortium is tracking slightly ahead of budget projections, especially when considering the impact of the gains and losses on investments. Many of the expense items are below budget. As more annual expense items are billed, we anticipate those items to be more in line with the budget as the Consortium works its way through the fiscal year.
3. Paid claims (benefits) accounted for 92.924% of the total expenses for the GTCMHIC through August 31, 2022. This means that a modest 7.076% was used to pay for all the other operating expenses of the Consortium, including stop-loss insurance which has accounted for 0.511% of the spending to date. It also should be noted that the new accounting for loses on investments skewed these numbers slightly.

# 2022 Expense Budget vs Actual Results (08/31/2022)

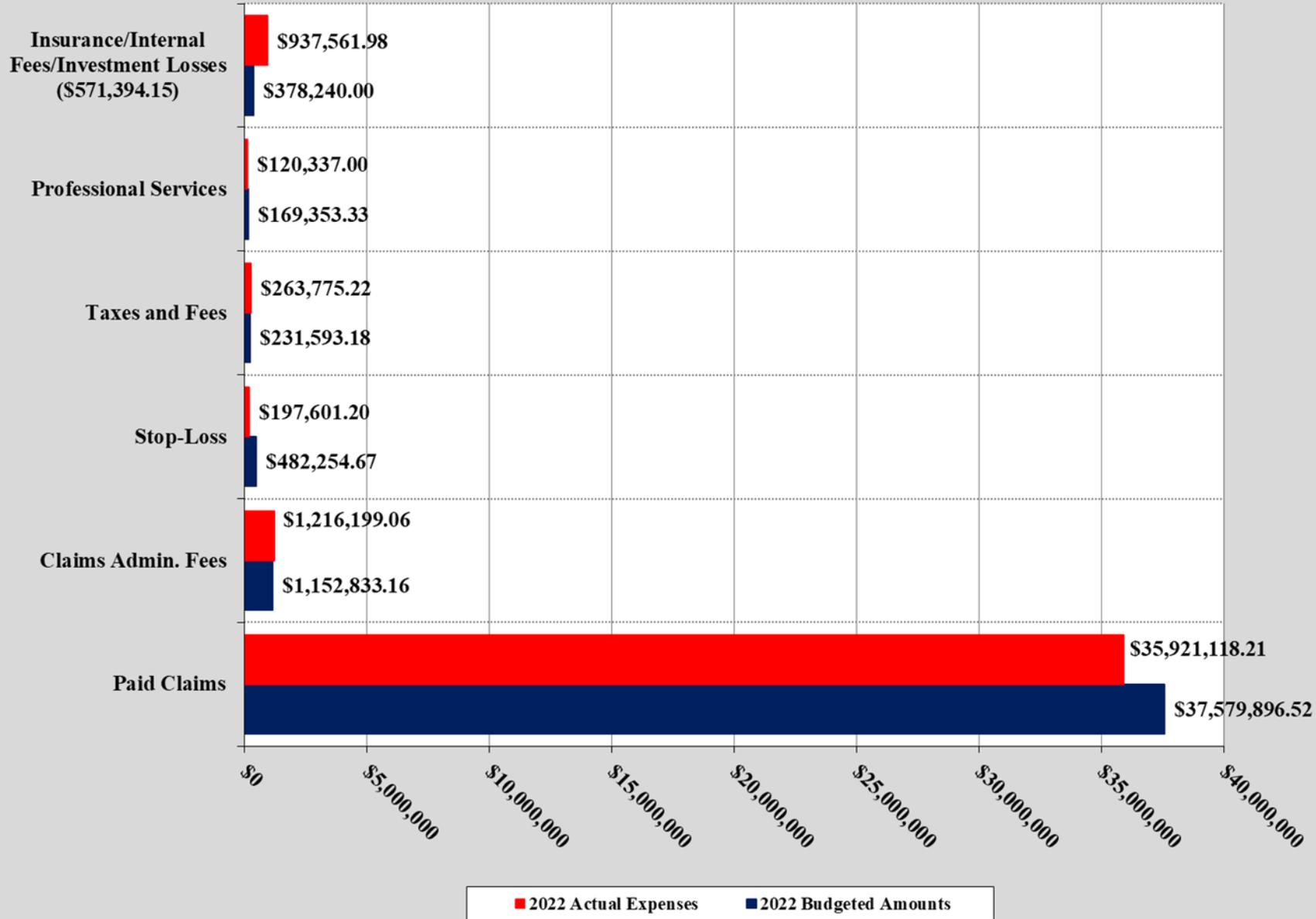
## Key Facts:

5. Medical Paid Claims are currently 7.02% below the projected budget for the year and this is the result of:
  - a) An increase in the covered lives ( $\uparrow 1.70\%$ ) and in the number of contracts ( $\uparrow 2.82\%$ ) has had an impact on the 2022 medical paid claims paid to date due to the “run-in lag”.
  - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan by several employer groups.
  - c) The slow phasing “back in” of elective and/or minor medical procedures being performed, previously delayed as a result of the impact of the COVID-19 pandemic.
  - d) The number of large loss claimants and a decrease in the severity of the cases reported to date, currently, continues to be a positive trend.
6. Rx Paid Claims are currently 2.08% over budget. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2023 Fiscal Year.

# Greater Tompkins County Municipal Health Ins. Consortium

## 2022 Expense Distribution

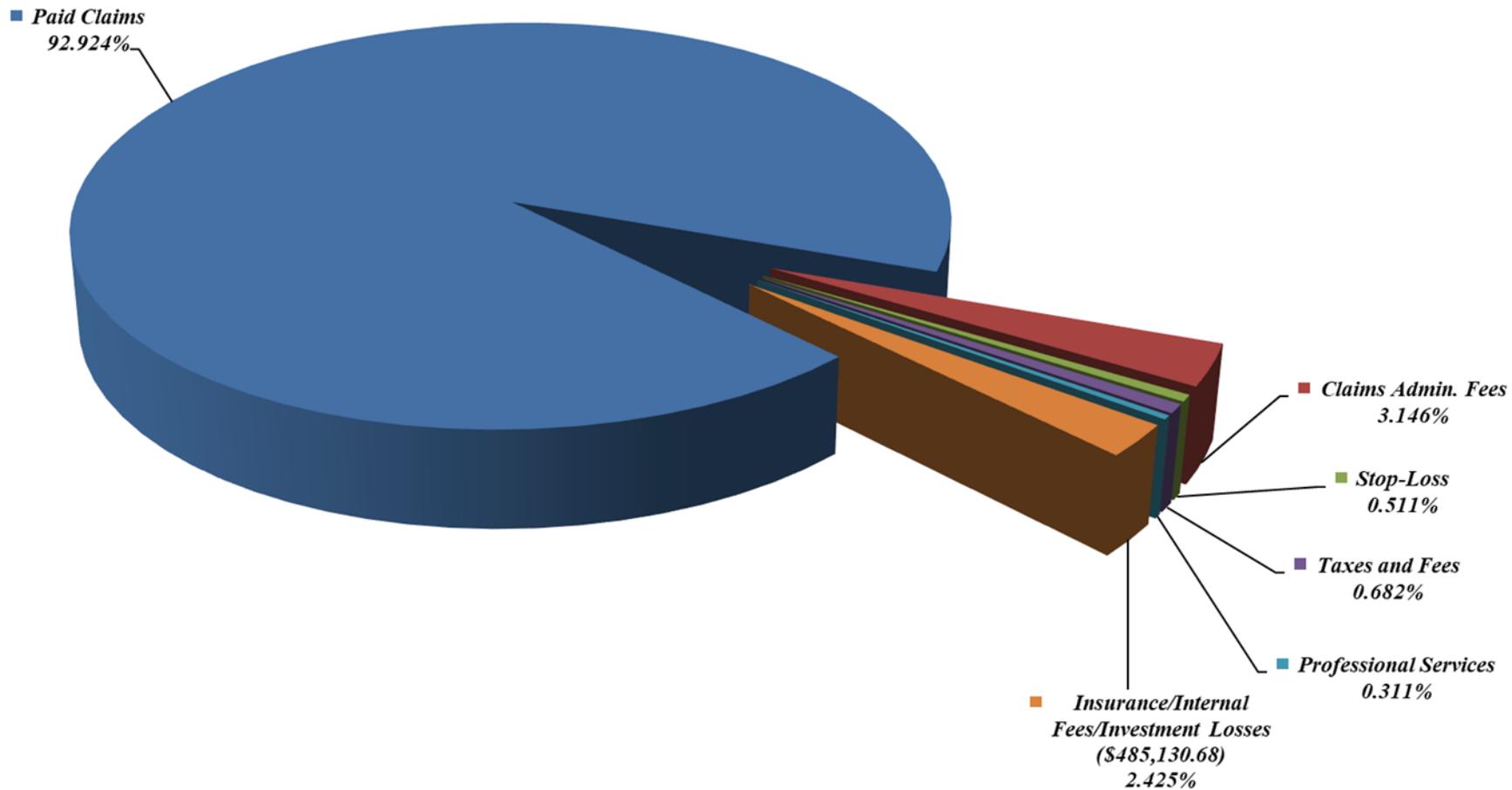
January 1, 2022 to August 31, 2022



# Greater Tompkins County Municipal Health Ins. Consortium

2022 Expense Distribution

January 1, 2022 to August 31, 2022

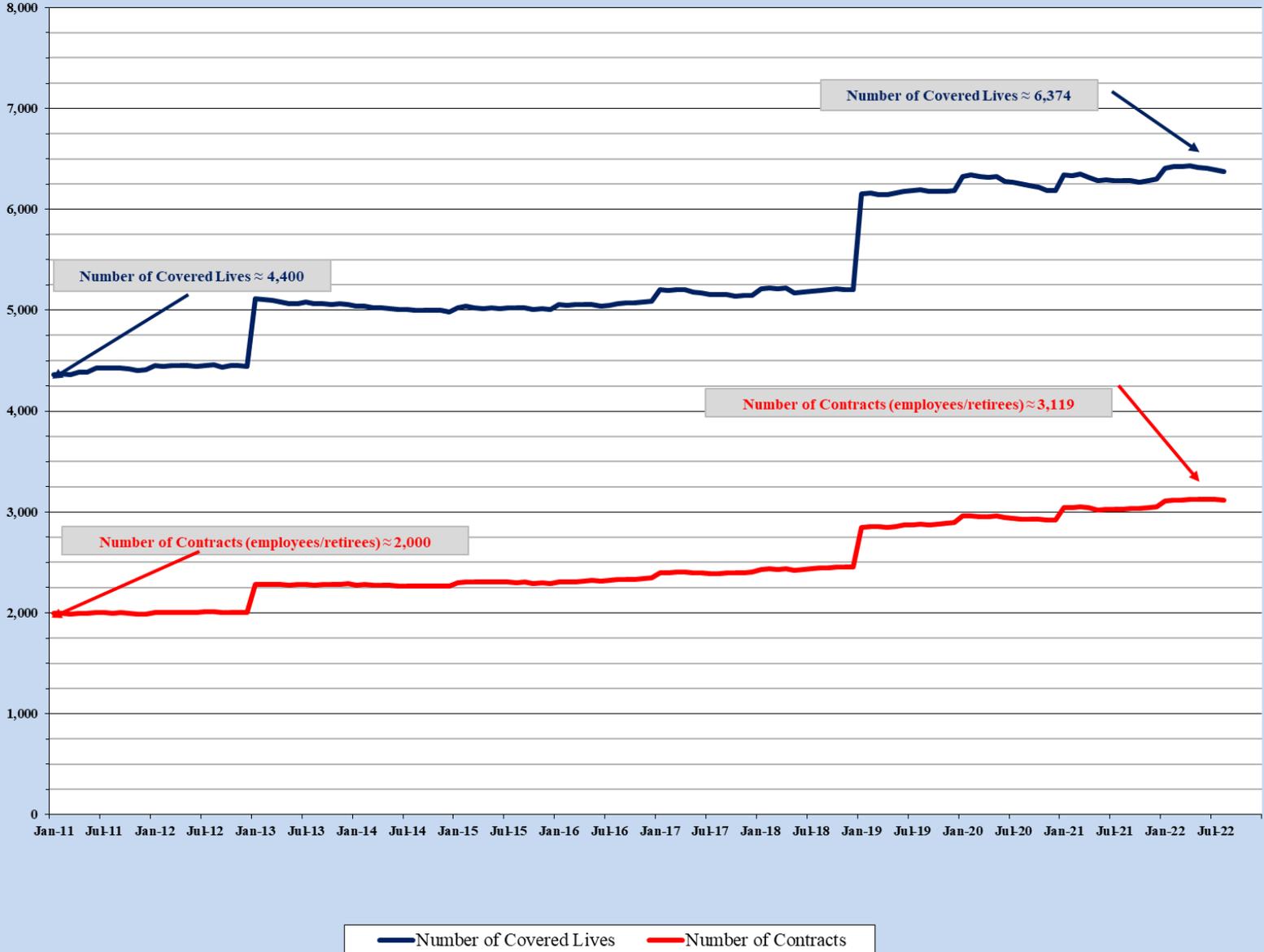


■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees/Investment Losses (\$485,130.68)

# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2022 Monthly Covered Lives and Contracts

January 1, 2011 to August 31, 2022



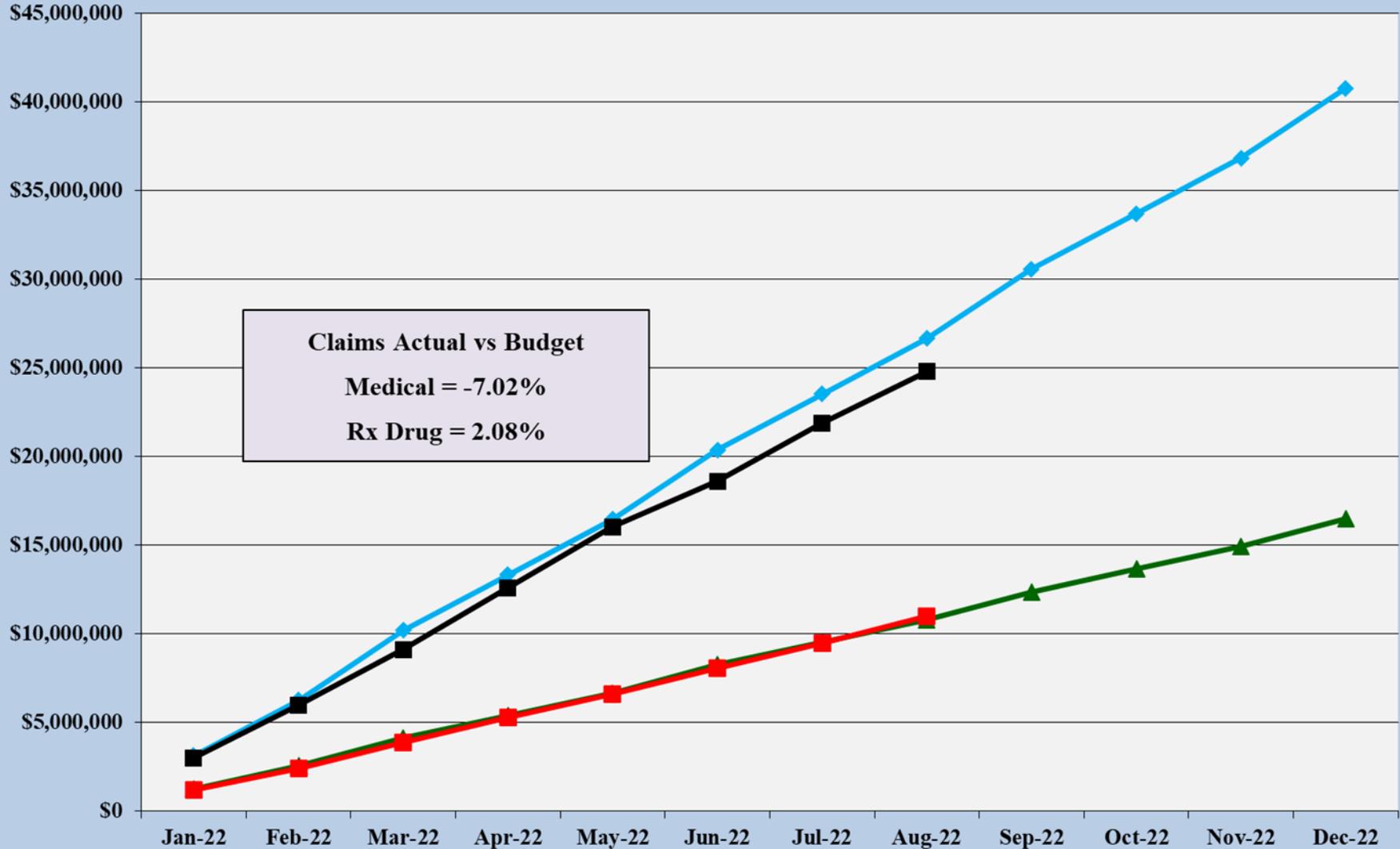


# Section 3

2022 Fiscal Year-to-Date  
Paid Claims Budget vs Actual Results

# Greater Tompkins County Municipal Health Insurance Consortium

## 2022 Cumulative Paid Claims and Budgeted Claims by Month

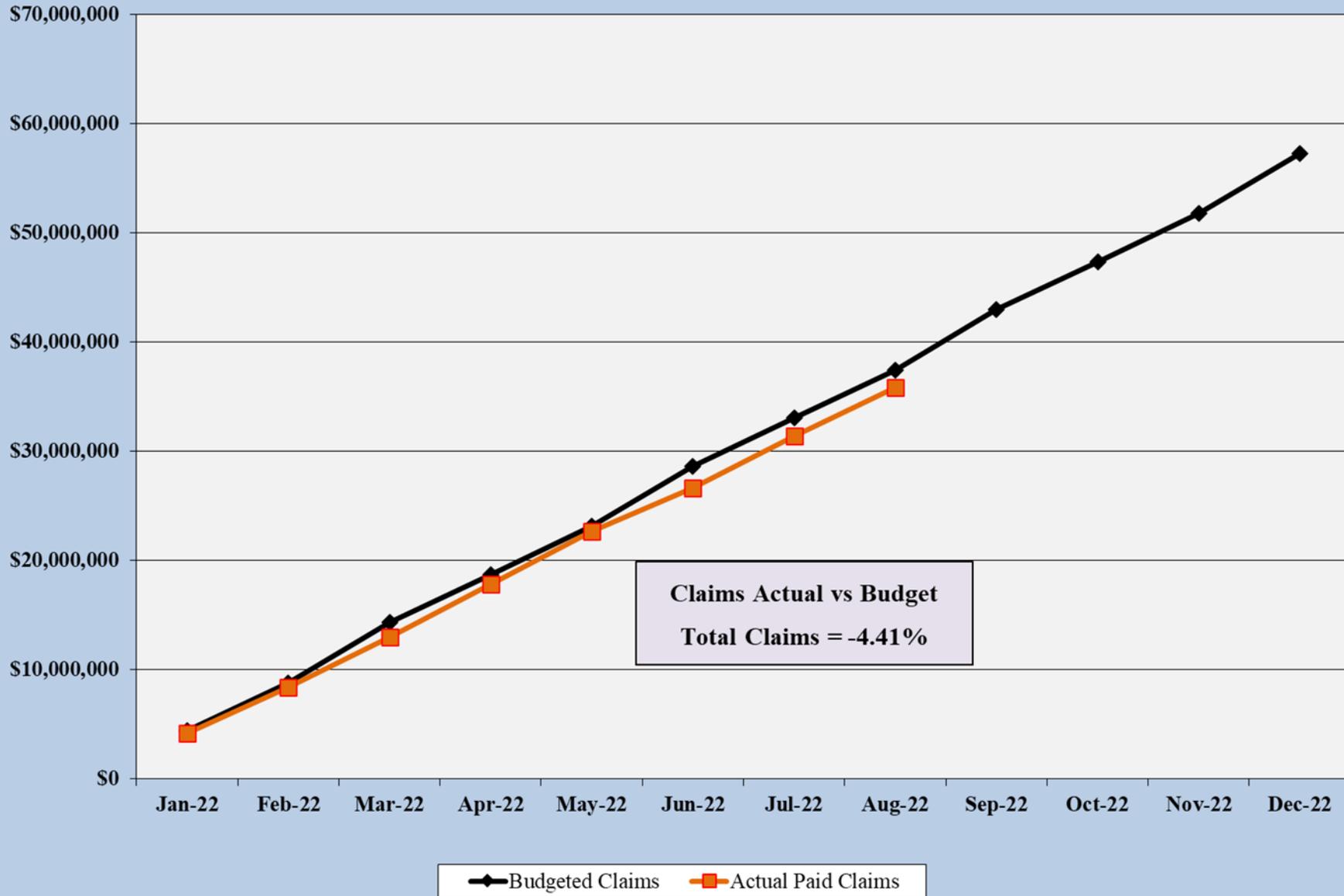


**Claims Actual vs Budget**  
Medical = -7.02%  
Rx Drug = 2.08%

Medical Plan Budgeted Claims    Medical Plan Actual Paid Claims    Rx Plan Budgeted Claims    Rx Paid Claims

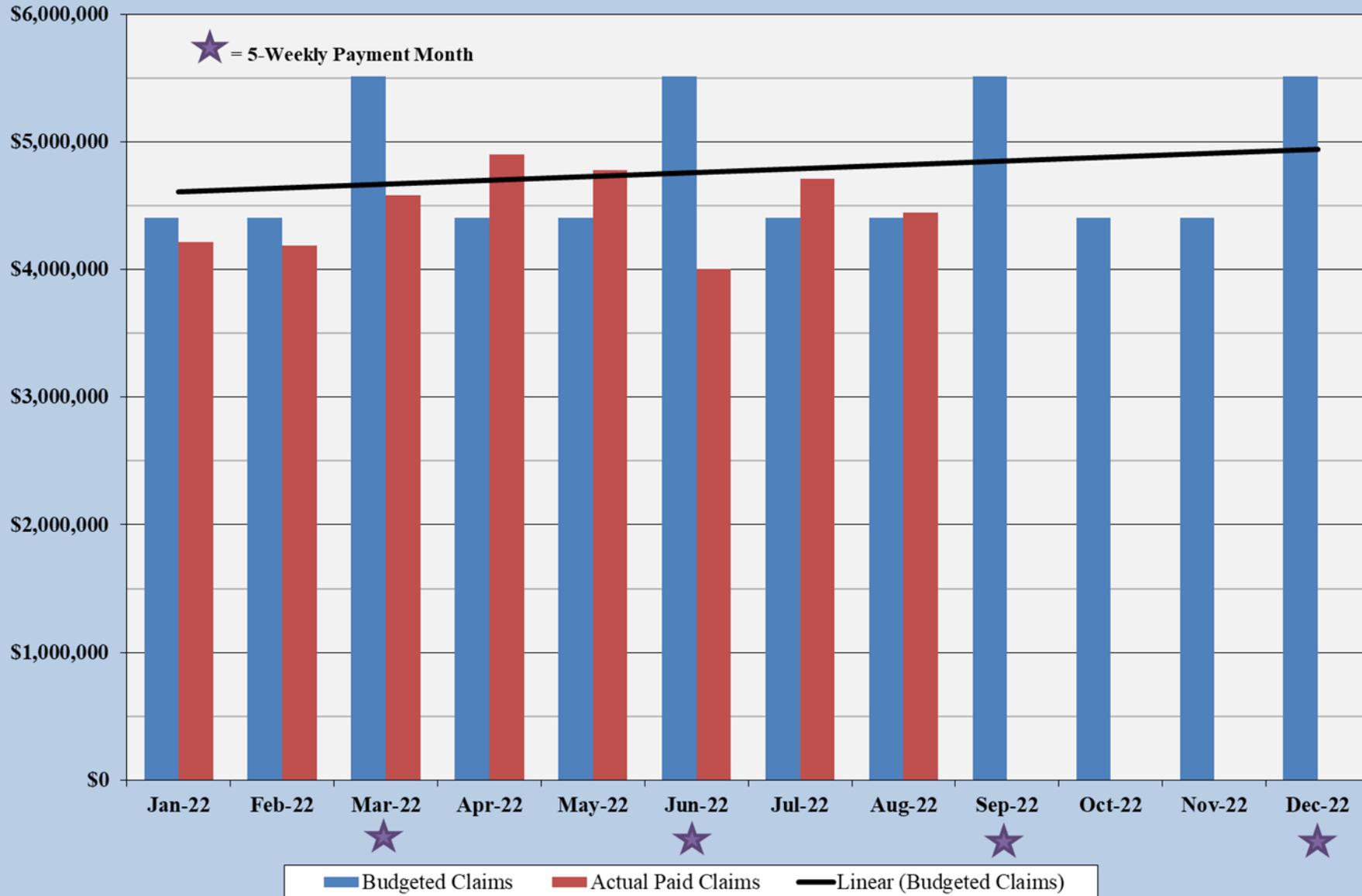
# Greater Tompkins County Municipal Health Insurance Consortium

## 2022 Cumulative Paid Claims and Budgeted Claims by Month



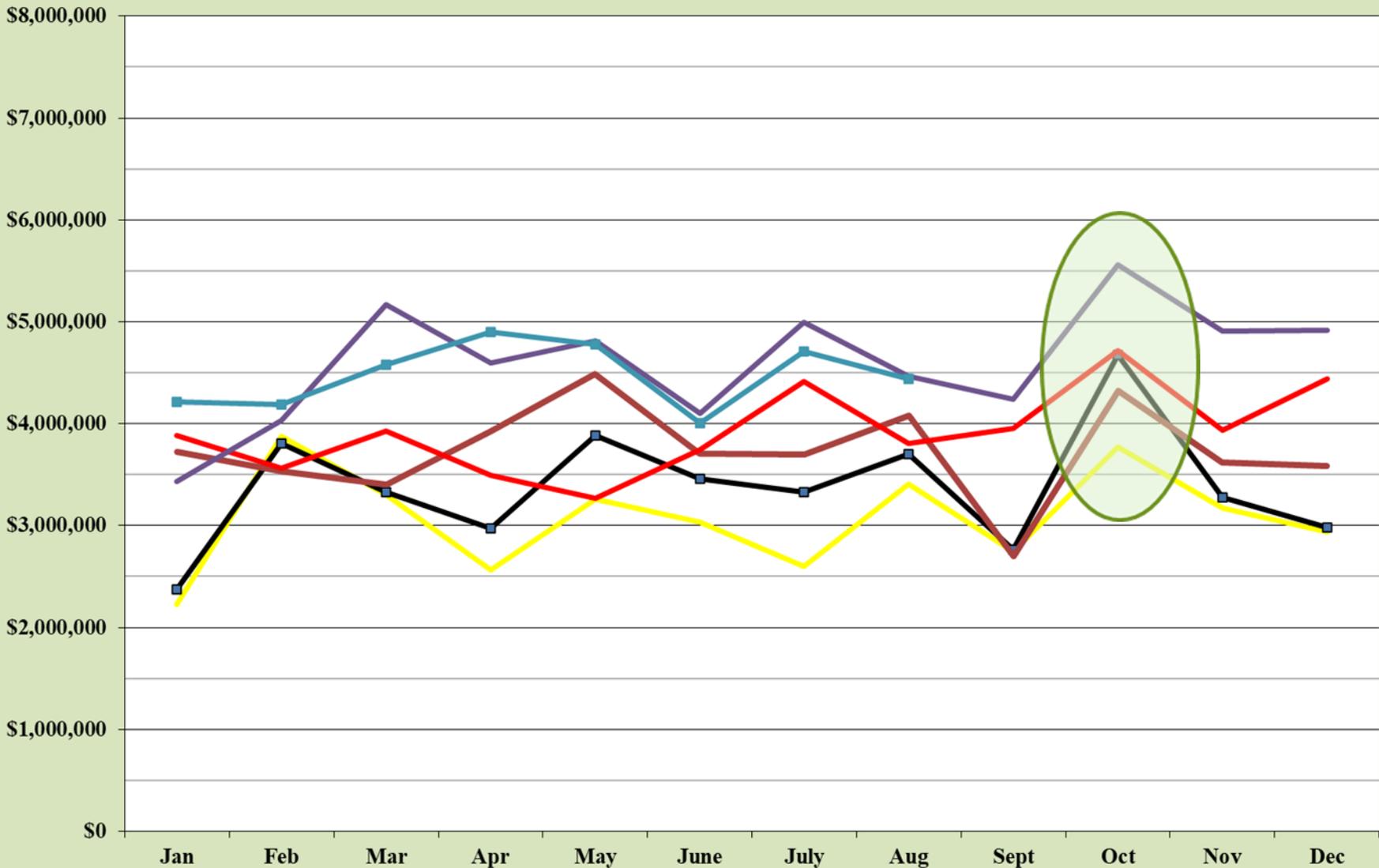
# Greater Tompkins County Municipal Health Insurance Consortium

## 2022 Budgeted vs Actual Paid Claims by Month



# Greater Tompkins County Municipal Health Ins Consortium

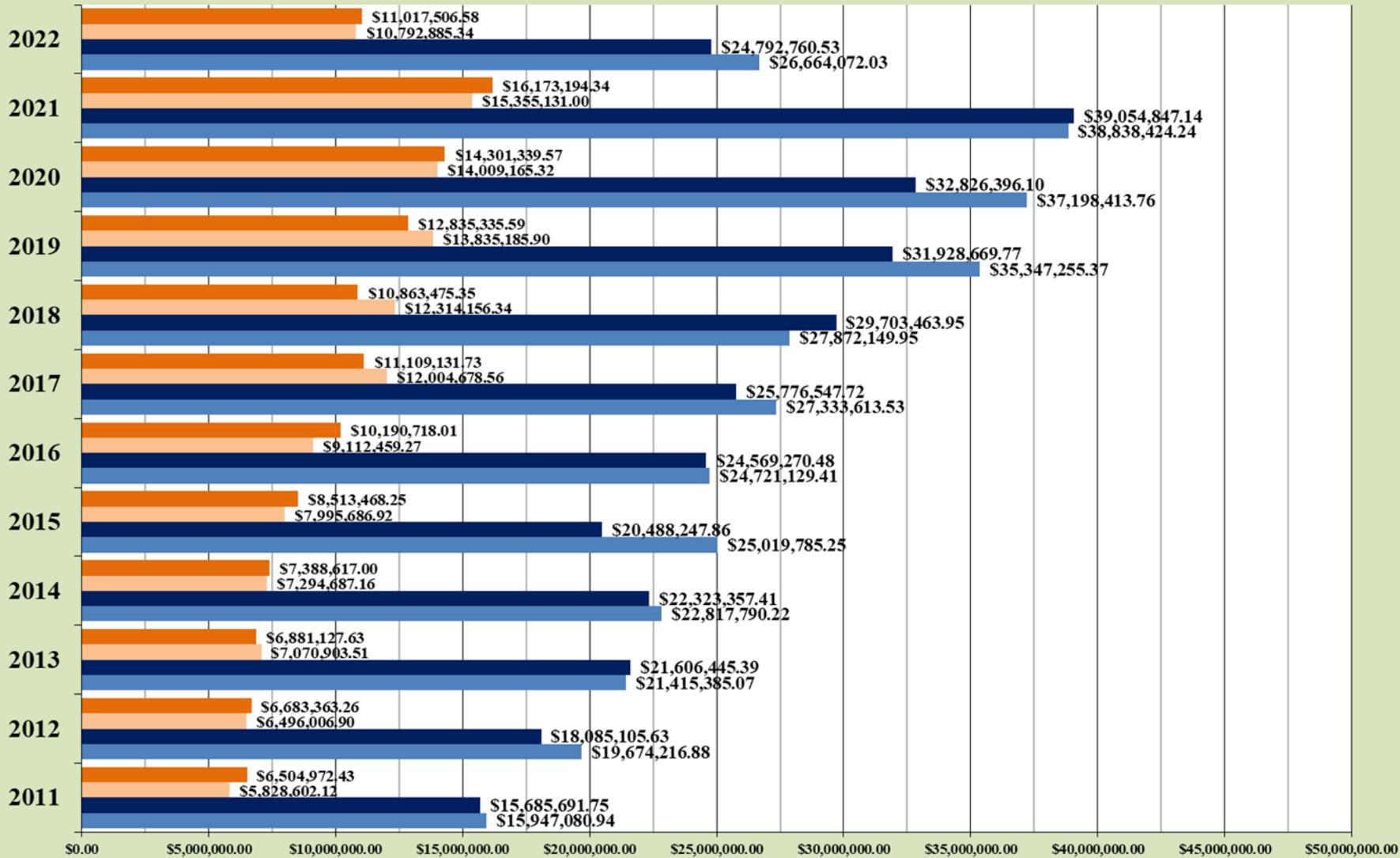
## 2017-2022 Monthly Paid Claims by Fiscal Year



2017 2018 2019 2020 2021 2022

# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2022 (as of 08/31/2022) Annual Paid Claims v Budgeted Claims

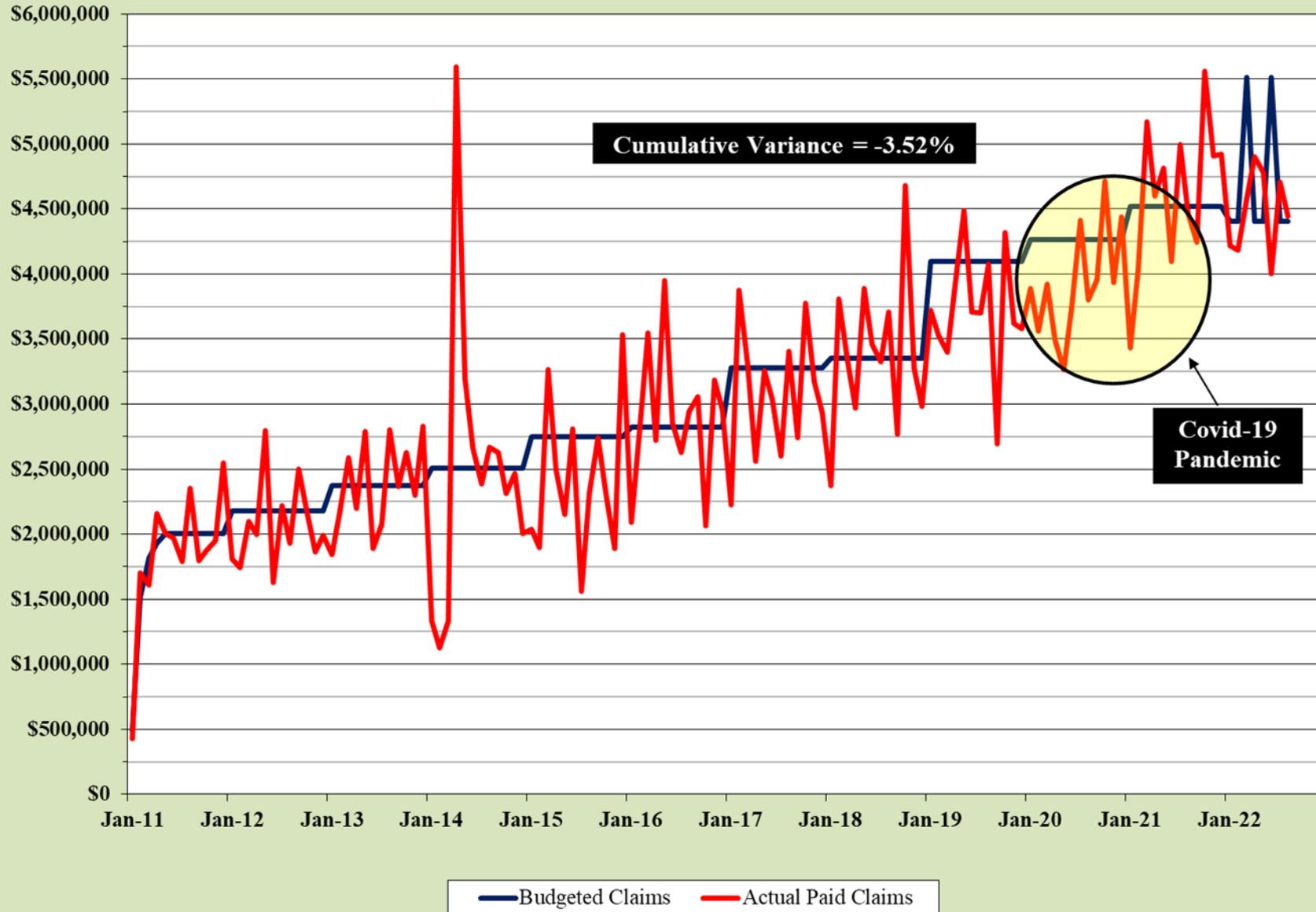


■ Actual Rx Claims   
 ■ Budgeted Rx Claims   
 ■ Actual Medical Claims   
 ■ Budgeted Medical Claims

# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2022 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to August 31, 2022





# Section 4

## 2023 Fiscal Year Budget Overview Consortium Income

# 2023 GTCMHIC Budget - Income

## Major Income Sources:

- 1. *Medical Plan Premiums*** – this is the income derived from the health insurance premium payments made by each Participating Municipality in the Consortium. These dollars include any premium contributions made by employers, employees, COBRA members, and retirees.
- 2. *Interest Earnings*** – this income line-item shows the return on investments associated with the Consortium’s cash assets which are deposited and invested based on the Consortium’s investment policy with the assistance of Wilmington Trust. Historically, the return on these investments lowered the annual premium increases by between 0.75% and 1.00% on average.
- 3. *Rx Rebates*** – this represents the amount of income paid to the GTCMHIC from ProAct, Inc. associated with the pharmaceutical rebates ProAct, Inc. receives for purchases made by Consortium members.

# 2023 GTCMHIC Budget - Income

## Major Income Sources (continued):

4. ***Stop-Loss Claim Reimbursements*** – this income source is the result of members exceeding the specific stop-loss insurance deductible for the fiscal year. Monies received in stop-loss claim reimbursements are used to off-set the paid claims costs associated with high dollar claimants. Currently, the Consortium’s specific stop-loss deductible is \$1,000,000. This year there are no individuals that have a higher “laser” deductible.
  
5. ***Other Income*** – this small revenue item is associated with any miscellaneous funds which may be received as refunds, credits, or some other kind of financial settlement.

# 2023 Projected Income

## Greater Tompkins County Municipal Health Insurance Consortium

### 2021 - 2027 Fiscal Year Budget Projections (cash basis)

			5.00%	6.50%
	<i>Actual Results 2021 Fiscal Year</i>	<i>Amended Budget 2022 Fiscal Year</i>	<i>Projected Budget 2023 Fiscal Year</i>	
Average Covered Lives	6,303	6,427	6,427	
Beginning Balance	\$32,426,015.18	\$29,714,361.31	\$28,615,503.67	

**Projected 12/31/22**

Income				
	Medical and Rx Plan Premiums	\$53,389,901.70	\$55,937,315.28	\$58,409,919.48
9000	Gain on Investments	\$0.00	\$0.00	\$0.00
9020	Interest	-\$93,846.98	\$45,660.35	\$450,000.00
9010	Rx Rebates	\$2,385,590.60	\$3,000,000.00	\$2,900,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00
9030	Other	\$0.00	\$0.00	\$0.00
<b>Total Income</b>		<b>\$55,681,645.32</b>	<b>\$58,982,975.63</b>	<b>\$61,759,919.48</b>

# 2024-2027 Projected Income

## Greater Tompkins County Municipal Health Insurance Consortium

2021 - 2027 Fiscal Year Budget Projections (cash basis)

	7.00%	7.00%	7.00%	7.00%
	<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>
Average Covered Lives	6,427	6,427	6,427	6,427
Beginning Balance	\$27,604,250.55	\$27,237,058.78	\$27,737,060.57	\$29,032,623.90

Income					
	Medical and Rx Plan Premiums	\$62,498,613.85	\$66,873,516.82	\$71,554,662.99	\$76,563,489.40
9000	Gain on Investments	\$0.00	\$0.00	\$0.00	\$0.00
9020	Interest	\$450,000.00	\$450,000.00	\$450,000.00	\$450,000.00
9010	Rx Rebates	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00	\$2,900,000.00
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Income</b>		<b>\$65,848,613.85</b>	<b>\$70,223,516.82</b>	<b>\$74,904,662.99</b>	<b>\$79,913,489.40</b>

# 2023-2027 Projected Income

## Important Notes and Assumptions:

1. Premium Income includes a 6.50% increase in the premium equivalent rates for the 2023 Fiscal Year. The 2024 through 2027 Fiscal Years include premium increases of 7.0% each year. Please be aware, the premium income is based on the current population being enrolled in their current health insurance plans.
2. Interest Income has been adjusted to capture both interest earnings and an estimated “net gain” on investments based on the new financial reporting recommended by the Consortiums Auditor. Interest rate assumptions are currently improving, but must be monitored closely, especially in the outlying years.
3. Rx Rebates are the pharmaceutical manufacturer rebates earned by the Consortium. As of August 2022, Rx Rebates have lagged from the anticipated level, therefore, we have budgeted accordingly. With that said, we will be receiving a larger reconciliation payment for 2021 this fiscal year. Based on recent discussions with ProAct, we believe that future reconciliation payments will bring the Rx Rebates into the expected range.
4. Stop loss reimbursements and “other” income are unpredictable, or very minor, therefore, we recommend not budgeting any amount for these items.



# Section 5

## 2023 Fiscal Year Budget Overview Consortium Expenses

# 2023 Projected Expenses

## Major Expense Categories:

1. ***Paid Claims*** – this is a combination of hospital, medical, surgical, and pharmacy paid claims billed by the three (3) claims administrators; Excellus BlueCross BlueShield (hospital, medical, and surgical), ProAct, Inc. (domestic pharmaceuticals), and CanaRx (international pharmaceuticals). This category also includes any expenses associated with the flu clinics organized by the Consortium and any adjustments needed to the Cash Advance (1-week of expected paid claims) held by Excellus BCBS.
2. ***Claims Admin. (Administration) Fees*** – this is a combination of the monthly costs associated with the hospital, medical, surgical third-party administration services and the prescription benefit management services billed by Excellus BCBS and ProAct, Inc., respectively.
3. ***Taxes and Fees*** – this category of expenses includes any taxes and fees paid to either the Federal or State Government. Currently, this includes the New York State Covered Lives Assessment, and the Federal Patient Protection and Affordable Care Act (ACA) fees.

# 2023 Projected Expenses

## Major Expense Categories (continued):

4. ***Stop-Loss*** – this represents the premiums paid for specific stop-loss insurance. In prior years, this category also included the premium paid for aggregate stop-loss insurance. However, the Consortium was granted a waiver by the New York State Department of Financial Services for the requirement of purchasing aggregate stop-loss insurance.
5. ***Professional Services*** – this is a combination of the monthly costs associated with the outside professional support the Consortium hires on an annual basis. Currently, this expense category includes fees associated with accounting, actuarial, auditing, consulting, investment management, legal, and wellness coordination services.
6. ***Insurance/Internal Fees*** – the money associated with this expense category includes the salary, fringe benefit, support, and insurance costs incurred by the Consortium or by a Participating Municipal Partner. These fees currently include the Consortium’s Executive Director, financial support staff, administrative support staff, IT support staff, marketing costs, and professional liability insurance costs.

# 2023 Projected Expenses

		<i>Actual Results 2021 Fiscal Year</i>	<i>Amended Budget 2022 Fiscal Year</i>	<i>Projected Budget 2023 Fiscal Year</i>
<i>Expenses</i>				
8090	Medical Paid Claims	\$39,061,947.14	\$40,780,345.45	\$40,773,545.30
	Advance Deposit / Pre-Paid Claims	\$0.00	\$65,900.00	\$39,415.00
8120	Rx Paid Claims - ProAct	\$16,173,194.34	\$16,506,765.82	\$17,640,630.54
8121	Rx Paid Claims - CanaRx	\$152,978.80	\$161,366.59	\$178,747.40
8084	Flu Clinic Fees	\$22,371.00	\$23,042.13	\$23,733.39
8050	Medical Admin Fees	\$1,458,890.21	\$1,502,656.92	\$1,606,871.12
	Rx Admin Fees	\$219,993.03	\$226,592.82	\$272,156.43
8091	NYS Covered Lives Assessment	\$346,416.20	\$319,060.15	\$387,749.01
9060	ACA PCORI Fee	\$16,691.50	\$18,886.41	\$19,830.73
8110	Specific Stop-Loss Insurance Premium Payments	\$270,471.20	\$723,382.00	\$795,720.20
	Aggregate Stop-Loss Insurance	\$0.00	\$0.00	\$0.00

# 2023 Projected Expenses

		<i>Actual Results 2021 Fiscal Year</i>	<i>Amended Budget 2022 Fiscal Year</i>	<i>Projected Budget 2023 Fiscal Year</i>
<b>Expenses</b>				
8000	Accounting Fees	\$18,800.00	\$19,000.00	\$19,570.00
8010	Actuarial Fees	\$8,500.00	\$10,000.00	\$7,416.00
8020 & 8021	Audit Fees (Financial)	\$14,000.00	\$14,420.00	\$164,935.00
	Audit Fees (Claims)	\$34,000.00	\$51,295.00	\$52,833.85
8030	Consultant Fees (L&C)	\$88,980.00	\$91,650.00	\$94,399.50
	Consultant Fees (Strat Plan - TBD)	\$10,350.00	\$25,000.00	\$20,000.00
8070	Legal Fees	\$1,375.00	\$12,000.00	\$12,360.00
8065	Wellness Program Costs	\$1,336.71	\$25,000.00	\$12,500.00
6600	Salaries	\$244,333.85	\$299,090.00	\$310,542.75
66002	Fringe Benefits	\$77,910.39	\$119,635.00	\$124,217.10
8060	Insurances (D&O / Prof. Liability)	\$50,588.03	\$53,004.00	\$64,092.60
8041	Internal Coordination (Finance)	\$58,001.65	\$20,000.00	\$0.00
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$6,295.00	\$6,681.00	\$6,881.43
9065	Marketing Expenses	\$3,803.66	\$8,000.00	\$2,500.00
9055	Investment Management Services	\$15,568.80	\$12,360.00	\$24,000.00
8150	Supplies Expense	\$6,106.78	\$4,080.00	\$4,202.40
8151	Computer Equipment	\$3,909.81	\$11,545.00	\$5,000.00
8152	Lease Expense / Parking Fees	\$12,229.70	\$13,370.00	\$60,000.00
8153	Mileage- Travel Expenses	\$69.44	\$1,000.00	\$2,500.00
8154	Software	\$0.00	\$0.00	\$0.00
8155	Postage	\$0.00	\$0.00	\$0.00
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$25,000.00
8157	Training / Professional Development	\$40.00	\$2,000.00	\$5,000.00
8158	Subscriptions	\$650.00	\$1,000.00	\$1,000.00
9005	Loss on Investments	\$0.00	\$0.00	\$0.00
9060	Other Expenses	\$7,496.95	\$7,595.00	\$7,822.85
<b>Total Expenses</b>		<b>\$58,393,299.19</b>	<b>\$61,143,723.29</b>	<b>\$62,771,172.60</b>

# 2024-2027 Projected Expenses

		<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>
<b><i>Expenses</i></b>					
8090	Medical Paid Claims	\$42,710,288.70	\$44,739,027.41	\$46,864,131.22	\$49,090,177.45
	Advance Deposit / Pre-Paid Claims	\$41,385.75	\$43,455.04	\$45,627.79	\$47,909.18
8120	Rx Paid Claims - ProAct	\$18,963,677.83	\$20,385,953.67	\$21,914,900.19	\$23,558,517.71
8121	Rx Paid Claims - CanaRx	\$192,153.45	\$206,564.96	\$222,057.33	\$238,711.63
8084	Flu Clinic Fees	\$24,445.40	\$25,178.76	\$25,934.12	\$26,712.14
8050	Medical Admin Fees	\$1,658,237.03	\$1,707,984.14	\$1,759,223.66	\$1,812,000.37
	Rx Admin Fees	\$280,321.12	\$288,730.76	\$297,392.68	\$306,314.46
8091	NYS Covered Lives Assessment	\$407,136.46	\$427,493.29	\$448,867.95	\$471,311.35
9060	ACA PCORI Fee	\$20,822.27	\$21,863.38	\$22,956.55	\$24,104.38
8110	Specific Stop-Loss Insurance Premium Payments	\$875,292.22	\$962,821.44	\$1,059,103.59	\$1,165,013.94
	Aggregate Stop-Loss Insurance	\$0.00	\$0.00	\$0.00	\$0.00

# 2024-2027 Projected Expenses

		<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>
<b>Expenses</b>					
8000	Accounting Fees	\$20,157.10	\$20,761.81	\$21,384.67	\$22,026.21
8010	Actuarial Fees	\$7,638.48	\$7,867.63	\$8,103.66	\$8,346.77
8020 & 8021	Audit Fees (Financial)	\$169,883.05	\$15,757.12	\$16,229.84	\$16,716.73
	Audit Fees (Claims)	\$54,418.87	\$56,051.43	\$57,732.97	\$59,464.96
8030	Consultant Fees (L&C)	\$97,231.49	\$100,148.43	\$103,152.88	\$106,247.47
	Consultant Fees (Strat Plan - TBD)	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
8070	Legal Fees	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29
8065	Wellness Program Costs	\$12,500.00	\$12,500.00	\$12,500.00	\$12,500.00
6600	Salaries	\$320,124.90	\$329,796.45	\$339,690.34	\$349,881.05
66002	Fringe Benefits	\$128,049.96	\$131,918.58	\$135,876.14	\$139,952.42
8060	Insurances (D&O / Prof. Liability)	\$70,501.86	\$77,552.05	\$85,307.25	\$93,837.98
8041	Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$0.00
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
8044	Internal Coordination (IT Support)	\$7,087.87	\$7,300.51	\$7,519.52	\$7,745.11
9065	Marketing Expenses	\$2,575.00	\$2,652.25	\$2,731.82	\$2,813.77
9055	Investment Management Services	\$24,720.00	\$25,461.60	\$26,225.45	\$27,012.21
8150	Supplies Expense	\$4,328.47	\$4,458.33	\$4,592.08	\$4,729.84
8151	Computer Equipment	\$8,240.00	\$5,150.00	\$8,240.00	\$11,330.00
8152	Lease Expense / Parking Fees	\$61,800.00	\$63,654.00	\$65,563.62	\$67,530.53
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
8154	Software	\$0.00	\$0.00	\$0.00	\$0.00
8155	Postage	\$0.00	\$0.00	\$0.00	\$0.00
8156	Furniture and Fixtures	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
8157	Training / Professional Development	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
8158	Subscriptions	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$0.00
9060	Other Expenses	\$8,057.54	\$8,299.26	\$8,548.24	\$8,804.69
<b>Total Expenses</b>		<b>\$66,215,805.62</b>	<b>\$69,723,515.03</b>	<b>\$73,609,099.67</b>	<b>\$77,725,623.65</b>

# 2023-2027 Projected Expenses

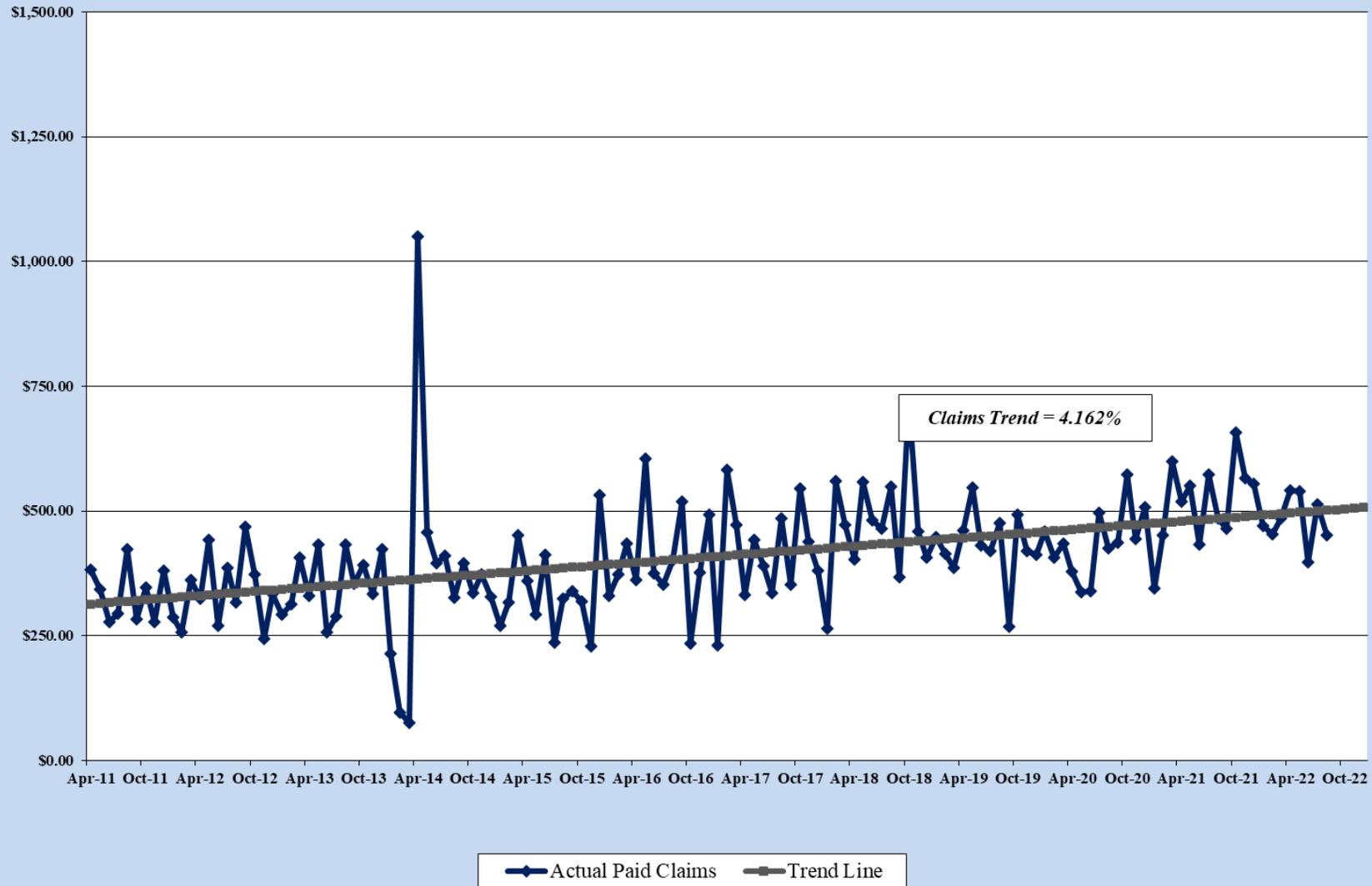
## Important Notes and Assumptions:

1. The medical and pharmacy paid claim trends for the GTCMHIC from April 1, 2011 to August 31, 2022 has equaled 4.162% and 5.875%, respectively.
  - a) The Locey & Cahill, LLC Municipal Cooperative Health Benefit Plan Client paid claim trends models for medical and pharmacy claims produce an average annual cost increase of 3.738% and 7.178%, respectively.
  - b) The paid claim trends we utilized are based on a number of factors, including the trends noted above and Locey & Cahill, LLC's 25+ years of experience working with Municipal Cooperative Health Benefit Plans like the GTCMHIC.
  - c) The 2023 Paid Claims trends utilized for the budget projections were 4.75% for medical claims and 7.50% for prescription drug claims based on an updated per covered life claims projection which includes data as of July 31, 2022.
  - d) The following charts provide some background and detail regarding the paid claims trend information and data used by Locey & Cahill, LLC in the development of this budget report.

# Greater Tompkins County Municipal Health Insurance Consortium

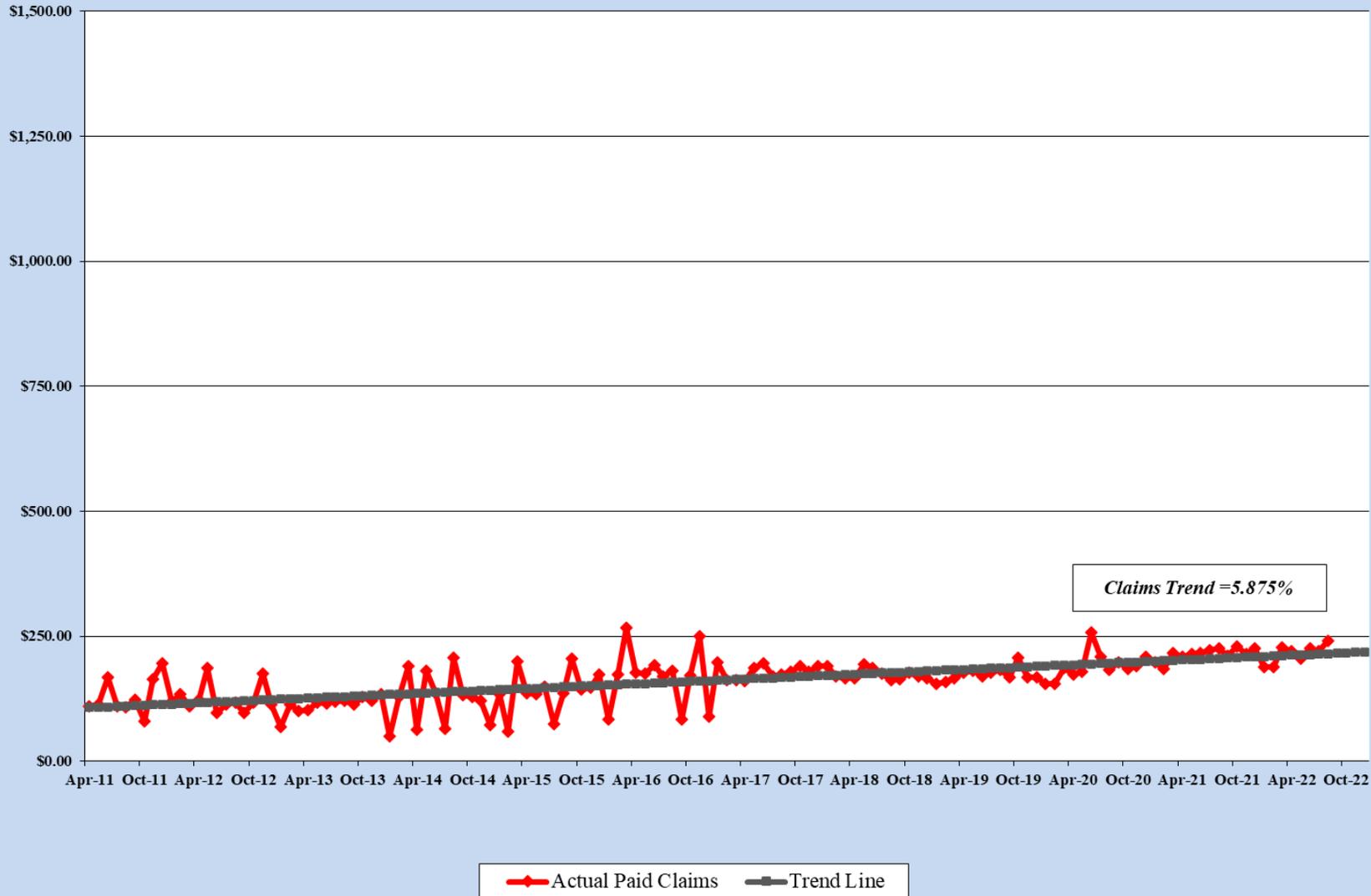
## Per Covered Life Per Month Medical Paid Claims Trend

April 1, 2011 to August 31, 2022



# Greater Tompkins County Municipal Health Insurance Consortium

Per Covered Life Per Month **Prescription Drug** Paid Claims Trend  
April 1, 2011 to August 31, 2022

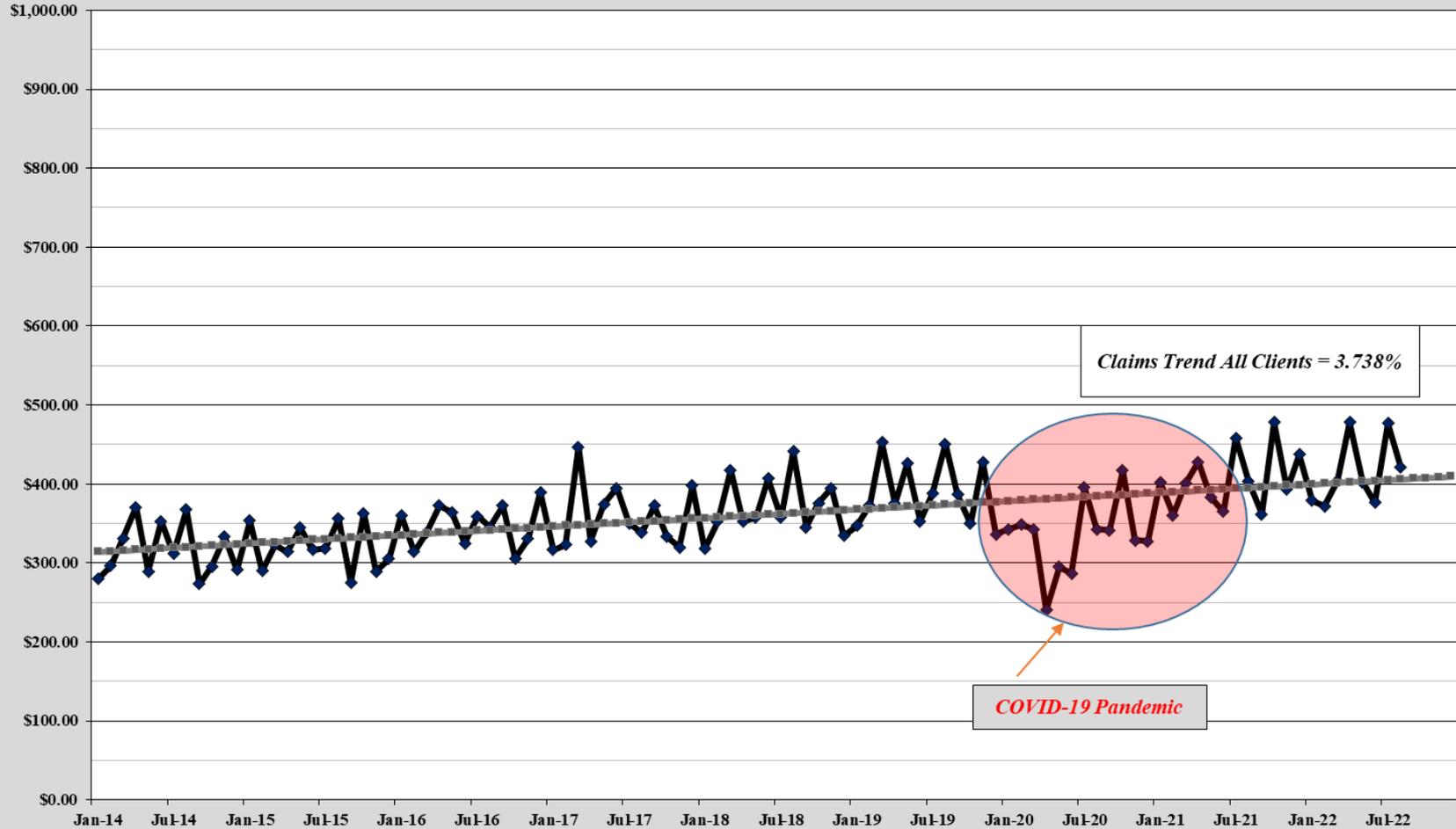


# Locey & Cahill, LLC

## Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Medical Paid Claims Trend

January 1, 2014 to August 31, 2022



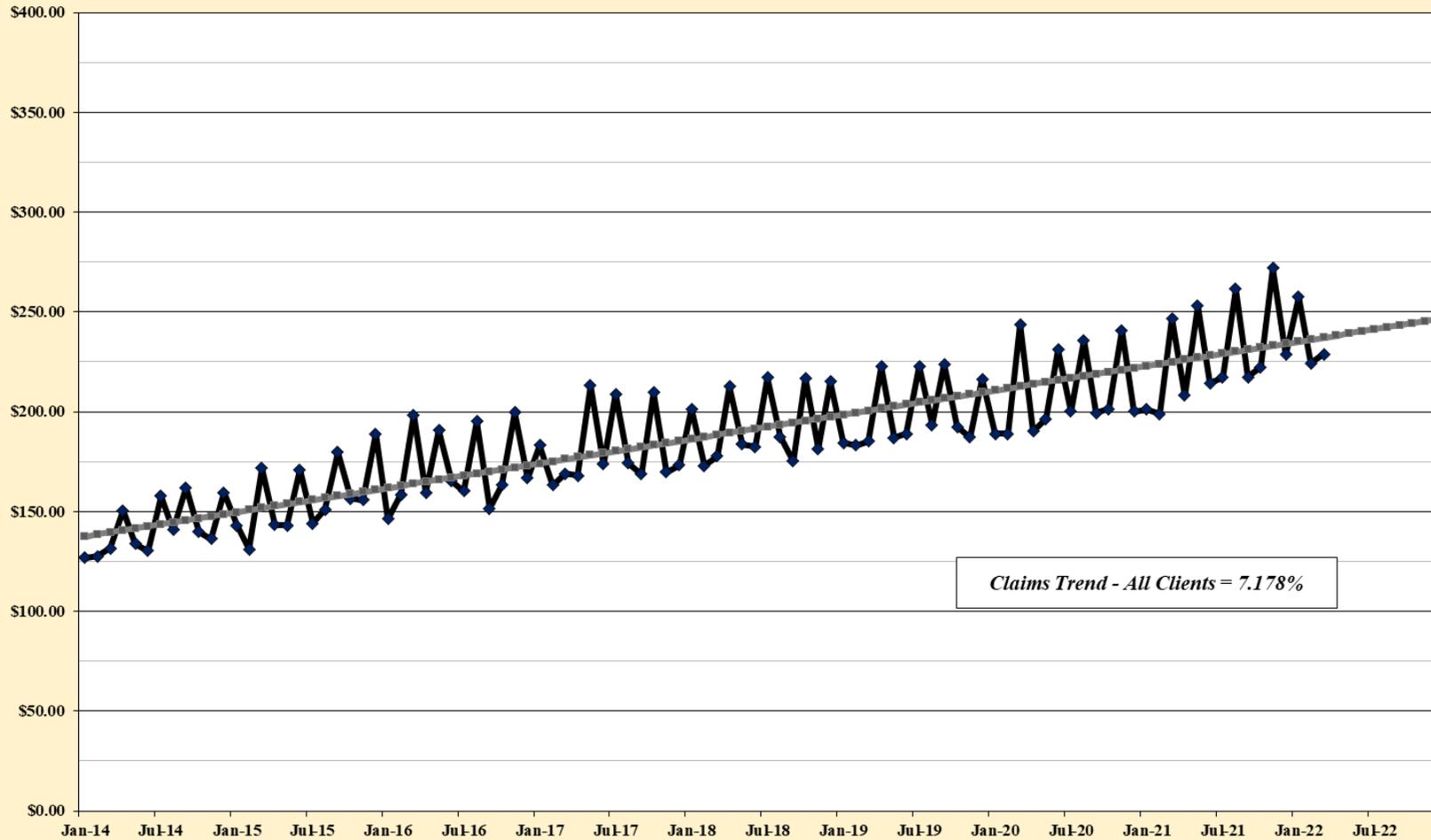
Actual Paid Claims - All Clients    Trend Line - All Clients

# Locey & Cahill, LLC

## Municipal Cooperative Health Benefit Plan Clients

Per Covered Life Per Month Rx Paid Claims Trend

January 1, 2014 to August 31, 2022



Actual Paid Claims - All Clients    Trend Line - All Clients

# 2023-2027 Projected Expenses

## Important Notes and Assumptions (continued):

2. The Excellus BlueCross BlueShield claims administrative fees are increased by 3.0% for the 2023 through 2027 Fiscal Years. The ProAct, Inc. claims administrative fees are similarly increased by 3.0% per annum for the 2023 through 2027 Fiscal Years.
3. The Taxes and Fees include the New York State Covered Lives Assessment (Graduate Medical Expense) which is a per contract per month fee that has been forecasted to increase by 5% per annum. The Patient Protection and Affordable Care Act (ACA) Patient Centered Outcomes Research Institute (PCORI) fee is set to sunset in 2029.
4. The specific stop-loss insurance premiums have been forecasted to increase at a rate of 10% per annum based on our experience with this market in recent years. This sector of the insurance marketplace has been hit hard over recent years with significant increases in large dollar claimants resulting in escalating premiums. This is an area of operations which is being closely scrutinized to ensure the Consortium is protected at a reasonable cost going forward.

# 2023-2027 Projected Expenses

## Important Notes and Assumptions (continued):

5. We have updated the 2023 Fiscal Year expected costs associated with all professional services provided to the Consortium based on information from the Consortium's Executive Director and Finance Manager. These fees have been trended at an annual rate of 3% for the 2023 through 2027 Fiscal Years.
6. As with the professional services, the internal coordination fees and insurance costs expected for the 2023 Fiscal Year have been updated based on information from the Consortium's Executive Director and Finance Manager. These costs have been adjusted based on input from the Consortiums administrative team.
7. The last major expense category is the "other" expenses which is for miscellaneous costs that do not fit in one of the other line-items cleanly. This is an extremely nominal expense item which has little impact on the overall budget. We trended this at 3% from the current cost projections.



# Section 6

## 2023 Fiscal Year Budget Overview Consortium Assets

# Liabilities and Reserves - Defined

## LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31<sup>st</sup> there are going to be covered medical services received by covered members on or before December 31<sup>st</sup> which will not be paid until sometime after December 31<sup>st</sup>. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2022 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

# Liabilities and Reserves - Defined

## RESERVES

- The reserves held by the Consortium are the cash assets which have been assigned to cover a direct liability or to assist the Consortium with cash flow and provide protection during times when paid claim projections are exceeded. These cash assets have also been a source of revenue through the interest earned to the Consortium which has allowed the Consortium to hold premium increases down in previous years.
- The Consortium has historically maintained the following reserves:
  - Incurred But Not Report (IBNR) Claims Liability Reserve (statutory reserve)
  - Surplus Account (statutory reserve)
  - Catastrophic Claims Reserve (discretionary reserve)
  - Rate Stabilization Reserve (discretionary reserve)
- Please refer to the following slides for a detailed description of each reserve classification.

# Liabilities and Reserves - Defined

## INCURRED BUT NOT REPORTED (IBNR) CLAIMS LIABILITY RESERVE

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2021 Fiscal Year budget forecasted this reserve to equal \$6,144,909.49 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). At the fiscal year end, December 31, 2021, the IBNR reserve was adjusted to \$6,866,608.00. It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2022 Fiscal Year, Excellus' estimate of this liability was \$4,713,900.00 which is approximately 12.8% of the expected claims cost for the year.

# Liabilities and Reserves - Defined

## SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- The 2022 Fiscal Year budget forecasted this reserve to equal \$2,637,289.44 (5.0% of projected premium income) This amount was adjusted to \$2,669,495.09 at the end of the 2021 fiscal year. It should be noted that the Consortium's premium income is below the budgeted amount through the first 8-months of the fiscal period which may impact this reserve level at the end of the year.

# Liabilities and Reserves - Defined

## CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2021 Fiscal Year. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors has funded this reserve as well as adopted a resolution outlining the funding calculation to make annual adjustments to this fund. At the fiscal year ended December 31, 2021, this reserve had a balance of \$4,642,294.20.

# Liabilities and Reserves - Defined

## RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a fairly high level, the Board of Directors made the decision to establish the Rate Stabilization Reserve at an amount equal to 7.5% of the expected hospital, medical, surgical, and prescription drug claim payments for the year.
- It is our goal to work with the Consortium to ensure future fiscal year budgets are developed with this reserve being maintained.
- These funds would be used to “bridge the gap” during an associated hyper-inflationary period relative to paid claims allowing the Board of Directors to establish a multiple year plan to adjust revenue (premiums) and prevent a significant increase in premium rates during a single fiscal period.

# 2022 Beginning Balance

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 6,169,222	\$ 8,343,168
Unrestricted Investments	6,068,128	7,686,088
Accrued Interest	9,434	58,725
Premiums Receivable	21,430	-
Prepaid Expenses	152,566	-
<b>Total Current Assets</b>	<u>12,420,780</u>	<u>16,087,981</u>
<b>OTHER ASSETS</b>		
<b>Noncurrent Assets</b>		
Premium Claims Deposit	722,400	761,400
Security Deposit	800	-
Restricted Investments	18,182,498	16,662,408
<b>Total Noncurrent Assets</b>	<u>18,905,698</u>	<u>17,423,808</u>
<b>Total Assets</b>	<u>31,326,478</u>	<u>33,511,789</u>

# 2022 Net Income, Liabilities & Reserves (08/31/2022)

	2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Ending Balance</b>	\$29,123,540.98	\$27,745,000.50	\$28,445,261.06	\$29,586,358.57	\$1,141,097.51	4.01%

<b>Liabilities and Reserves</b>						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,866,608.00	\$6,866,608.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,669,495.09	\$2,669,495.09	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$4,004,100.63	\$4,004,100.63	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,642,294.20	\$4,642,294.20	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$788,300.00	\$788,300.00	\$788,300.00	Increased by \$65,900 2/17/22
<b>Total Liabilities and Reserves</b>		\$17,884,167.36	\$18,397,169.21	\$18,970,797.92	\$18,970,797.92	

<b>Unencumbered Fund Balance</b>	\$11,239,373.62	\$9,347,831.29	\$9,474,463.14	\$10,615,560.65
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The 2022 Fiscal Year is currently performing better than budget expectations through 8-months. As of August 31, 2022, the unencumbered fund balance equals 18.98% of the expected premium income for the year. This result was achieved while maintaining the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and the Catastrophic Claims Reserve at \$4.642 million.

# 2023-2027 Estimated Reserve Funds

		<i>Projected Budget 2023 Fiscal Year</i>	<i>Projected Budget 2024 Fiscal Year</i>	<i>Projected Budget 2025 Fiscal Year</i>	<i>Projected Budget 2026 Fiscal Year</i>	<i>Projected Budget 2027 Fiscal Year</i>
<i>Ending Balance</i>		\$27,604,250.55	\$27,237,058.78	\$27,737,060.57	\$29,032,623.90	\$31,220,489.65
<i>Liabilities and Reserves</i>						
<b>Statutory Reserves</b>	IBNR Reserve	\$7,038,728.60	\$7,431,834.14	\$7,848,021.58	\$8,288,718.08	\$8,755,443.37
	Surplus Account	\$2,920,495.97	\$3,124,930.69	\$3,343,675.84	\$3,577,733.15	\$3,828,174.47
<b>Discretionary Reserves</b>	Claims / Rate Stabilization Reserve	\$4,399,205.37	\$4,644,896.33	\$4,905,013.49	\$5,180,448.80	\$5,472,152.11
	Catastrophic Claims Reserve (Ending)	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86	\$4,598,144.86
<b>Total Liabilities and Reserves</b>		\$18,956,574.80	\$19,799,806.02	\$20,694,855.77	\$21,645,044.89	\$22,653,914.81
<i>Unencumbered Fund Balance</i>		\$8,647,675.75	\$7,437,252.76	\$7,042,204.80	\$7,387,579.01	\$8,566,574.84
		14.81%	11.90%	10.53%	10.32%	11.19%

The five-year budget model shows growth in the overall fund balance over the five-year period. It is projected that the reserve funds will grow as they are a percentage of budgeted premium revenues and projected claims paid. For illustration purposes, we have projected funding and utilization of the Catastrophic Claims Reserve to be a wash. The Consortium has a budget goal of carrying an unencumbered fund balance of 12%. As illustrated above, this target is met for 2023 followed a slight downward trend until starting to rebound in 2027.



# Section 7

## 2023 Fiscal Year Budget Overview Recommendations



# 2023 Budget Recommendations

1. Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law. The value of this reserve, as projected for the 2023 Fiscal Year, is \$2,920,495.97. This will satisfy an Article 47 statutory reserve requirement.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. Based on our projections, this reserve would equal approximately \$7,038,728.60 for the 2023 Fiscal Year.

## 2023 Budget Recommendations (Continued)

3. Continue to evaluate the specific stop-loss insurance policy which recently increased the deductible to \$1,000,000 for the 2022 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$4,500,000.00 for the 2023 Fiscal Year and adjust based on the Board Resolution for funding. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the number of individual high dollar claimants.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 7.5% of estimated paid claims (\$4,399,205.37). These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation in the overall paid claims.
5. Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.

## 2023 Budget Recommendations (Continued)

6. Monitor and update the investment strategies of the Consortium to continue to maximize the interest earnings associated with the reserve and surplus funds while maintaining the flexibility needed in cash flow to prudently manage the Consortium's finances.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 6.5% increase in premiums for the 2023 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$559,375 for the 2023 Fiscal Year.

## 2023 Budget Recommendations (Continued)

In conclusion, the final thought that we offer to the Board of Directors of the Consortium at this time is to consider the views, opinions, and recommendations expressed above and to consider approving the recommended budget with a 6.50% increase in overall premium revenue. Our goal is to have modest, steady premium growth over the next several fiscal periods while using a modest amount of fund balance each year to mitigate premium while adhering to the budget philosophy of the Consortium.

# 2011-2027 GTCMHIC Premium Increases

<i>Fiscal Year</i>	<i>Budget Income % Increase</i>
2011	9.50%
2012	9.50%
2013	9.00%
2014	8.00%
2015	5.00%
2016	3.00%
2017	5.00%
2018	4.00%
2019	5.00%
2020	5.00%
2021	5.00%
2022	5.00%
2023	6.50%
2024	7.00%
2025	7.00%
2026	7.00%
2027	7.00%
<i>Average Increase</i>	<b>6.12%</b>
<i>5-Year Avg. Increase</i>	<b>5.30%</b>

## Historical Average Premium Rate Increases

2011-2023 Avg. Rate Increase = 6.12%

2019-2023 5-Year Avg. Rate Increase = 5.30%

## Projected Average Premium Rate Increases

2011-2027 Avg. Rate Increase = 6.32%

2023-2027 5-Year Avg. Rate Increase = 6.90%



**Greater Tompkins County Municipal Health Insurance Consortium  
2023 Medical and Prescription Drug Benefit Rates**

Group Name	Group Number	Benefit	Enrollment Code Medical	Enrollment Code Rx	Individual 2023	Family 2023
	Multiple	Platinum Plan	DDA	ACA-P	\$ 776.31	\$ 2,018.43
	Multiple	Gold Plan	DBH	ACA-G	\$ 663.79	\$ 1,725.84
	Multiple	Silver Plan	DBG	ACA-S	\$ 521.84	\$ 1,356.76
	Multiple	Bronze Plan	DAG	ACA-B	\$ 425.52	\$ 1,106.34
	Multiple	Med Supplement MS-3	JA	MS-3	\$ 837.89	N/A
	Multiple	Med Supplement MS-4	JA	MS-4	\$ 676.33	N/A
City of Cortland	00036768	CB 50/150 Deductible OOP 400/1200	BGU	3T9	\$ 1,129.72	\$ 2,448.62
City of Ithaca	00036756	CB 50/150 Deductible OOP 400/1200	BGJ	3T6	\$ 1,224.63	\$ 2,654.29
City of Ithaca - IPFFA/COU	00036756	CB 50/150 Deductible OOP 400/1200	BGJ	3T5a	\$ 1,304.57	\$ 2,826.44
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX 2/5	BGK	2T2	\$ 1,371.87	\$ 2,973.44
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX \$2/\$10	BGJ	2T3	\$ 1,359.95	\$ 2,947.59
City of Ithaca - Retirees	00036756	CB 50/150 Deductible OOP 400/1200 RX \$1	BGI	2T1	\$ 1,377.86	\$ 2,986.47
Tompkins County	00036755	PPO \$10 copay E/R \$35	BEV	3T7	\$ 1,135.96	\$ 2,459.51
Tompkins County	00036755	Classic Blue 100/200 OOP 200/400	BGG	3T7	\$ 1,154.32	\$ 2,502.02
Tompkins County	00036755	Comprehensive 500/1500 Deduct OOP 2500/7500	BEL	3T11	\$ 861.40	\$ 1,864.12
Tompkins County Library	00036755	PPO \$10 copay E/R \$35	BET	3T3	\$ 1,232.83	\$ 2,669.36
Tompkins County Library	00036755	Classic Blue 100/200 OOP 200/400	BFI	3T3	\$ 1,251.19	\$ 2,711.87
Tompkins County - TC3	00036755	PPO \$10 copay E/R \$35	BET	3T7	\$ 1,135.96	\$ 2,459.51
Tompkins County - TC3	00036755	Classic Blue 100/200 OOP 200/400	BFX	3T7	\$ 1,154.32	\$ 2,502.02
Town of Caroline	00036758	PPO \$10 Copay E/R \$100 OV Surgery CIF	BGN	3T3	\$ 1,263.65	\$ 2,738.83
Town of Danby	00036759	CB 100/300 Deductible OOP 400/1200	BGO	3T13	\$ 1,056.44	\$ 2,282.08
Town of Dryden	00036760	PPO \$10 Copay E/R \$100 OV Surgery CIF	BGN	3T3	\$ 1,263.65	\$ 2,738.83
Town of Enfield	00036761	PPO \$15 copay E/R \$35	BGP	3T9	\$ 1,088.03	\$ 2,355.62
Town of Groton	00036760	CB 100/300 Deductible OOP 400/1200	BGO	3T13	\$ 1,056.44	\$ 2,282.08
Town of Ithaca	00036757	PPO \$10 copay E/R \$35	BGM	3T7	\$ 1,135.96	\$ 2,459.51
Town of Lansing	00036769	PPO \$15 copay E/R \$35	BGT	3T10	\$ 1,026.46	\$ 2,222.15
Village of Cayuga Heights	00036764	CB 50/150 Deductible OOP 400/1200	BGR	3T13	\$ 1,067.07	\$ 2,312.75
Village of Dryden	00036765	PPO \$10 Copay E/R\$35 Kids \$0 ov copay	BGS	3T9	\$ 1,100.73	\$ 2,383.08



## 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. - 2022 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2023**

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and have considered the Consortium's 2023 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels, in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2023 proposed budget reflects the adopted budget guidelines (Resolution No. 015-2020) as follows:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000 with additional interest and premium savings included;
- Maintain an unencumbered fund balance not less than 12% of expected premium through at least year four of the annual proforma calculation;
- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 6.5% in 2023 across all benefit plans, except for the Silver Plan which will be a Premium Revenue Increase of 5.42%; now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Consortium's attached 2023 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

\*\*\*\*\*

# Greater Tompkins County Municipal Health Insurance Consortium

## 2022 & 2023 Fiscal Year Budget Projections

	As Revised for New Entrants	6.5%
	Adopted Budget 2022 Fiscal Year	Projected Budget 2023 Fiscal Year
<b>Average Covered Lives</b>	6,427	6,427
<b>Beginning Balance</b>	\$29,714,361.31	\$28,615,503.67
<b>Income</b>		
Medical and Rx Plan Premiums	\$55,937,315.28	\$58,409,919.48
Interest	\$45,660.35	\$450,000.00
Rx Rebates	\$3,000,000.00	\$2,900,000.00
<b>Total Income</b>	\$58,982,975.63	\$61,759,919.48
<b>Expenses</b>		
Medical Paid Claims	\$40,780,345.45	\$40,773,545.30
Advance Deposit / Pre-Paid Claims	\$65,900.00	\$39,415.00
Rx Paid Claims - ProAct	\$16,506,765.82	\$17,640,630.54
Rx Paid Claims - CanaRx	\$161,366.59	\$178,747.40
Flu Clinic Fees	\$23,042.13	\$23,733.39
Medical Admin Fees	\$1,502,656.92	\$1,606,871.12
Rx Admin Fees	\$226,592.82	\$272,156.44
NYS Covered Lives Assessment	\$319,060.15	\$387,749.02
ACA PCORI Fee	\$18,886.41	\$19,830.73
Specific Stop-Loss Insurance	\$723,382.00	\$795,720.20
Accounting Fees	\$19,000.00	\$19,570.00
Actuarial Fees	\$10,000.00	\$7,416.00
Audit Fees (Financial)	\$14,420.00	\$164,935.00
Audit Fees (Claims)	\$51,295.00	\$52,833.85
Consultant Fees (L&C)	\$91,650.00	\$94,399.50
Consultant Fees (TBD)	\$25,000.00	\$20,000.00
Legal Fees	\$12,000.00	\$12,360.00
Salaries	\$299,090.00	\$310,542.75
Fringe Benefits	\$119,635.00	\$124,217.10
Insurances (D&O / Prof. Liability)	\$53,004.00	\$64,092.60
Internal Coordination (Finance)	\$20,000.00	\$0.00
Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00
Internal Coordination (IT Support)	\$6,681.00	\$6,881.43
Marketing Expenses	\$8,000.00	\$2,500.00
Wellness Program Costs	\$25,000.00	\$12,500.00
Investment Management Services	\$12,360.00	\$24,000.00
Supplies Expense (Postage/Printing)	\$4,080.00	\$4,202.40
Computer Equipment (Software)	\$11,545.00	\$5,000.00
Lease Expense / Parking Fees	\$13,370.00	\$60,000.00
Mileage- Travel Expenses	\$1,000.00	\$2,500.00
Furniture & Fixtures	\$2,000.00	\$25,000.00
Training/Prof Dev	\$2,000.00	\$5,000.00
Subscriptions	\$1,000.00	\$1,000.00
Other Expenses	\$7,595.00	\$7,822.85
<b>Total Expenses</b>	\$61,143,723.29	\$62,771,172.62
<b>Net Income</b>	(\$2,160,747.66)	(\$1,011,253.14)
<b>Ending Balance</b>	\$27,553,613.65	\$27,604,250.53
<b>Statutory Reserves</b>		
IBNR Reserve	\$6,144,909.49	\$7,038,728.60
Surplus Account	\$2,637,289.44	\$2,920,495.97
Total Statutory Reserves	\$8,782,198.93	\$9,959,224.57
<b>Discretionary Reserves</b>		
Claims / Rate Stabilization Reserve	\$3,840,568.43	\$4,399,205.37
Catastrophic Claims Pool	\$4,986,101.85	\$4,598,144.86
Total Discretionary Reserves	\$8,826,670.28	\$8,997,350.23
<b>Total Reserves</b>	\$17,608,869.21	\$18,956,574.80
<b>Unencumbered Fund Balance</b>	\$9,944,744.44	\$8,647,675.73
<b>as a % of Premiums</b>	17.78%	14.81%



# 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.”*

## RESOLUTION NO. \_\_\_\_-2022 – APPROVAL OF ADJUSTMENTS TO THE SILVER HIGH DEDUCTIBLE HEALTH PLAN

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon entering data into the federal actuarial calculator for 2023 it has been determined that adjustments need to be made to the Silver High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, a benefit plan adjustment to the Coinsurance Amount, Deductible and Out-of-Pocket Maximum will be made to the Consortium’s Silver High Deductible Health Plan as follows:

<b>Silver HDHP</b>	<b>From In-Network</b>	<b>To In-Network</b>	<b>From Out-of-Network</b>	<b>To Out-of-Network</b>
Deductible Single/Family	\$2,500/\$5,000	\$2,750/\$5,500	\$3,750/\$7,500	\$4,125/\$8,250
Out-of-Pocket Single/Family	\$6,000/\$12,000	\$7,000/\$14,000	\$9,000/\$18,000	\$10,500/\$21,000
Coinsurance Amount	70%	80%	50%	50%
Actuarial Value	72.91%	71.83%	72.91%	71.83%

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### RESOLUTION NO. \_\_\_\_-2022 – Actuarial Value Standard Deviation Amendment

WHEREAS, the Consortium must annually review the actuarial values for its Metal Level Plans to ensure they each fall within the established ranges set by the Centers for Medicare and Medicaid Services (CMS), and

WHEREAS, upon reviewing the results of the actuarial value calculations for the Consortium utilizing the Centers for Medicare and Medicaid Services (“CMS”) actuarial value calculator and methodology it was noted that the percent de minimis variation (a.k.a., standard deviation) was amended for the Bronze High Deductible Health Plan, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, That effective January 1, 2023, the percent de minimis variation (a.k.a., standard deviation) allowed for each of the Consortium’s metal level plans will be as follows:

Platinum Preferred Provider Organization Plan	+2% / -2% (92.49% to 87.50%)
Gold High Deductible Health Plan	+2% / -2% (82.49% to 77.50%)
Silver High Deductible Health Plan	+2% / -2% (72.49% to 67.50%)
Bronze High Deductible Health Plan	+5% / -2% (65.49% to 57.50%)