



Greater Tompkins County Municipal Health Insurance Consortium

408 East Upland Road, Suite 2 • Ithaca, New York 14850 • (607) 274-5590

healthconsortium.net • consortium@tompkins-co.org

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

Board of Directors Annual Meeting

September 26, 2024 – 12pm - 2pm

GTCMHIC – Main Conference Room

408 East Upland Road, Suite #2, Ithaca, New York 14850

(Doors open at 11:30a - Lunch served at 12:00p)

1. Call to Order (12:30) Rordan Hart, Board Chair
2. Changes to the Agenda
3. Board Chair Report (12:35)
 - a. Welcome and Introductions
 - b. Recognition of New Members
 - c. 2024 Financial Update and 2025 Budget Presentation
(Refer to attached file marked "Financial & Budget Report")
4. Consent Agenda Resolution/Items
 - a. **Resolution:** Adopt Rule of Order Allowing Consent Agendas
 - b. Consent Agenda
(Refer to attached file marked "Consent Agenda Materials")
5. Executive Director's Report (12:55) Elin Dowd, Executive Director
 - a. Report
 - b. MCA Changes
6. Report from Executive Committee (1:15) Rordan Hart, Board Chair
 - a. **Resolution:** Adoption of Budget, Premium Rates, and Reserve Amounts for 2025
 - b. **Resolution:** Approval of the 2025 Municipal Cooperative Agreement (MCA) to Include the Addition of New Participants to Requested New Addendum "A", and Additional Proposed Revisions (Red-Lined Attached)
 - c. **Resolution:** Amendment of Physical, Occupational, and Speech Therapy Visit Limits for All Metal Level Plans
 - d. **Resolution:** Amendment to Resolution 018-2020 – Metal Level Plan Benefits for 2025
7. Report from Audit and Finance Committee (1:40) Judith Drake, Committee Chair
 - a. **Resolution:** Acceptance of Applications by the Towns of Corning, Elmira, Harford, Onondaga, Seneca Falls, Southport, Starkey, Sterling, Tyre, Waterloo, City of Elmira, Villages of Baldwinsville, Elmira Heights, Tully, and Seneca County Soil & Water Conservation District (SWCD) to Become Participants in the GTCMHIC Effective January 1, 2025
 - b. **Resolution:** Authorizing Healthcare Benefits Renewal (Administrative Services Agreement) with Third Party Administrator – Excellus BCBS
 - c. **Resolution:** Acceptance of 2023 External Audit Report Performed by Insero & Co.

Agenda - Board of Directors Annual Meeting – Page 2

Report from Audit and Finance Committee (continued)

Judith Drake, Committee Chair

- d. **Resolution:** Amendment to Resolution No. 008-2013 & Resolution No. 034-2018
Designation of Banking Institutions

8. Report from Nominations and Engagement Committee (1:50)

Gary Mutchler, Committee Chair

- a. **Resolution:** Election of 2025 Consortium Officers
- b. **Resolution:** Creation of 2025 Committee Structure and Appointments of Members

9. New Business (1:55)

Rordan Hart, Board Chair

10. Adjournment (2:00)



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RESOLUTION NO. XXX- 2024- ADOPT RULE OF ORDER ALLOWING CONSENT AGENDAS

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("Health Consortium") operates as a municipal cooperative health benefits plan pursuant to a Certificate of Authority issued by the New York State Department of Financial Services in accordance with Article 47 of the New York State Insurance Law ("NYIL"), and

WHEREAS, the Health Consortium holds a yearly Board of Directors meeting where there are items that come to the agenda that do not need any discussion or debate either because they are routine procedures or have been approved previously by the Health Consortium's sub-committees and subsequently approved by the Executive Committee, and

WHEREAS, a consent agenda allows the Board of Directors to approve all these items together without discussion or individuals motions, which can free up a substantial amount of time, and

WHEREAS, typical consent agenda items shall include and be distributed with agenda packages no less than one week prior to a meeting (to be read by members or directors prior to meeting), and may include:

- Approval of minutes;
- Resolutions, programs, and/or policies that were adopted and/or action taken at the Executive Committee when the Board of Directors is not in session;
- Final approval of proposals or reports that the board has been discussing for some time and all members are familiar with the implications;
- Routine matters such as appointments to committees;
- Staff appointments requiring board confirmation;
- Reports provided for information only;
- Correspondence requiring no action;

and

WHEREAS, a consent agenda may be presented by the Chairperson at the beginning of a meeting. Items may be removed from the consent agenda on the request of any one member. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent agenda or placed later on the agenda at the discretion of the Health Consortium committees, therefore now let it be

RESOLVED, on recommendation of the Health Consortium's Executive Committee, that the Board of Directors adopt the rule of order allowing for the consent agenda process as listed above, effective immediately.



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CONSENT AGENDA **FOR THE MEETING** **OF** **BOARD OF DIRECTORS**

September 26, 2024

408 East Upland Road, Suite #2, Ithaca, New York 14850

(All matters listed under the consent agenda are considered routine and/or noncontroversial to today's meeting and will be enacted by one unanimous motion. If a director requests to speak on an item on the consent agenda, it will be removed and handled separately. Resolutions on this consent agenda have been approved by the following sub-committees, and approved by the Executive Committee on behalf of the Board of Directors)

([CLICK BLUE FOR DOCUMENTS](#))

1. **Ratify Minutes (Executive Committee Approval of [September 21, 2023, Minutes](#))**
2. [2025 Meeting Schedule](#)
3. **Resolutions: [Click here for Resolutions Page on GTCMHIC Webpage](#)**

Benefits:

- No. 034-2023: **Amendment to All Hearing Aid Benefits**
- No. 001-2024: **Amendment to Contraceptive Supply Limits**
- No. 024-2024: **New York State Mandated Insulin Copays Adjustment**

Policies/Procedures:

- No. 052-2023: **Amendment of Outdated Resolution No. 001-2017 "Adoption of GTCMHIC "Records Retention Policy" and Adopt the Updated LGS-1 Featuring Records for the General Administration of All Local Government NY State Archives**
- Mo. 001-2024: **Motion to Approve the Existing Disclosing Wrongful Conduct (Whistleblower) Policy**
- No. 005-2024: **Amendment to Resolution No. 007-2020 - Adoption of GTCMHIC Procurement Policy and Request for Proposal Guidelines**
- No. 007-2024: **Management of Invested Funds Within the GTCMHIC**
- No. 008-2024: **Adoption of Amended Invoice Payment Procedure (Replacing Procedure (Adopted December 15, 2021) By the Audit and Finance Committee**

CONSENT AGENDA – Page 2

Policies/Procedures (continued):

- No. 009-2024: **Amendment to Resolution No. 013-2022 – Clarification Regarding Participant Medicare-Aged Retirees in Relation to MCA Requirements**
- No. 012-2024: **Approval of Information Security Policies and Procedures for GTCMHIC**
- No. 016-2024: **Adoption of “Social Media” Policy for GTCMHIC**
- No. 017-2024: **Adoption of “Subscriber & Dependent Enrollment Audit” Policy for GTCMHIC**
- No. 021-2024: **Approval of Amendment to Adopt the Premium Payment Policy**
- No. 023-2024: **Adoption of “Meetings Policy and Procedures”**

Audits:

- No. 010-2024: **Acceptance of Medical Claims Audit Report**
- No. 020-2024: **Acceptance of Prescription Drugs/RX Claims Audit Report**

Staffing:

- No. 022-2024: **Creation and Revision of Position(s) – Senior Benefits Specialist, Benefits Manager, and Benefits Specialist**

Executive Director Report September 2024

In my last report I was hoping things would quiet down and our claims would remain within budget during 2024. Unfortunately, that has not been the case as both medical and prescription drug costs continue to come in over plan on a regular weekly basis. We have received some relief due to higher-than-expected rebates from our prescription drug provider, Excellus. This has helped our bottom line. When Locey & Cahill presented at the August Board of Directors educational meeting they shared how higher than expected claims have depleted our reserves and unencumbered fund balance. Budgeting for 2025 has been challenging and because we have shown no improvement with our claims experience, we are asking for a 14% premium rate increase.

Although DFS did not approve the 19% premium rate increase Excellus BCBS asked for their fully insured community rated plans, it does emphasize that all of us in the health insurance industry are feeling the effects of the high cost of claims. Excellus has just published their rates for the community rated plans and the Consortium team has done a quick analysis to prove that the Consortium is still the most cost-effective way to receive high quality health care for your employees.

Requests from new members increased exponentially in 2024. The Consortium has provided plan comparisons to several municipalities and the Finance Committee will present fifteen new members to the Board for approval. Once approved, our contract count will go up about 11%. Interest in the Consortium is growing from our recently expanded territory. We already have a few applications pending for 2026, and will work on those potential new members once we receive our new Certificate of Coverage. Thank you for sending in updated 2024 Municipal Cooperative Agreements (MCA) as requested from the Department of Financial Services (DFS) to finalize our new certificate of authority. We anticipate a positive response from DFS by year end to finalize our Livingston and Monroe County expansion.

We have been working on several strategic initiatives that have been challenging to implement. We continue to work with DFS to find the right solution to offering four tiers as a premium plan option. The work is currently stalled pending feedback from our regulators. We have also decided to hold off on a formal name change. You will see us utilizing Consortium or Health Consortium when appropriate to provide a more concise name that better represents our membership and region. We have made progress with growing our risk pool and reviewing new positions to support our growing organization.

The Board packet will include a red-lined copy of changes reviewed by our Executive Committee to update our Municipal Cooperative Agreement (MCA). Those edits have been sent to DFS for review and approval prior to being sent to our members for their action and consent. Recommended changes include allowing the Executive Committee to act on behalf of the Board when it is not in session and having the Tompkins County Finance Director serve as our Chief Fiscal Officer. Other changes include majority voting for most Board action items and minor changes to clean up language or reduce redundancies. We have several other items still pending with DFS including 2025 Summary Plan Description updates and we have yet to receive a final exit letter on our DFS Audit of 2016-2021. The audit was completed in November of 2023.

No major benefit plan changes are being presented for 2025. We will continue to review and update benefits when needed. Some minor updates are being presented to help us remain competitive with other metal level plans in the market. Changes to days covered for long term and increasing eyewear coverage will have minimal impact on premiums. Other benefit changes include NYS mandates regarding no co-pays for insulin and any other required changes will be implemented as necessary. The Board packet includes these changes and any other mandates that were required post the 2023 annual board meeting.

The Consortium staff continues to be excited about opportunities to better serve our members. This past year has seen improvements to our administrative systems, new ways to communicate with our members and their employees, and enhancements to our programs including those programs that promote and encourage healthy lifestyles. The next year will include upgrades to our website, increased customer service support and other changes based on feedback from you, our members. We are delighted to continue supporting this organization and we hope you will join us by being more engaged at the Board and committee levels. Let us know where you wish to serve.

Welcome new members and thank you to all our members for participating in this organization that remains true to its mission of delivering high quality rate stable health insurance to your employees.

Please sign up on our website to receive the Consortium Connection electronically or follow this link to read our latest newsletter

<https://www.healthconsortium.net/sites/default/files/Newsletter/2024/Newsletter%20September%202024.pdf>

To see what is happening in wellness each month, please visit our Facebook site. [Link to FB page](#)

Respectfully submitted by Elin R. Dowd, Executive Director, September 15, 2024.



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RESOLUTION NO. XXX -2024 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2025

WHEREAS, the Finance and Executive Committees have had detailed discussions and have considered the Consortium's 2025 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 2025 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 a rate stabilization Reserve not less than 2.5% of expected premium level through at least year four of the annual proforma calculation;
- Set Catastrophic Claims Reserve to 2024 beginning balance of \$4,606,088.23 plus any earned interest and Stop Loss Insurance premium savings (between \$600,000 policy and the \$1,000,000 policy costs) in 2024 less any Large claims between \$500,000 and \$1,000,000 for 12 months of 2024.
- If unencumbered fund balance goes less than 12% of expected premium, it will be returned to nothing less than 12% of expected premium by 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 14% in 2025 across all benefit plans; now therefore be it

RESOLVED, on recommendation of the Finance and Executive Committees, That the Consortium's attached 2025 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

* * * * *



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RESOLUTION NO. XXX- 2024 – APPROVAL OF THE 2025 MUNICIPAL COOPERATIVE AGREEMENT (MCA) TO INCLUDE THE ADDITION OF NEW PARTICIPANTS TO REQUESTED NEW ADDENDUM "A" AND ADDITIONAL PROPOSED REVISIONS LISTED (RED-LINED ATTACHED)

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (Health Consortium) 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 Health Consortium has been working with Locey & Cahill and the Consortium's attorney, John Powers, to update the MCA to ensure changes the Consortium is making are sound, include historical context of importance stays, and relevance to NYS Insurance Law, and

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

WHEREAS, the GTCMHIC wishes to amend the MCA with the following modifications:

- Addition/update(s) of new member(s) (once approved) shall comprise the current members of the Health Consortium on to a separate addendum page listed as "Addendum A" within the MCA
- Articulation of action taken to reflect the change of the Chief Fiscal Officer transfer from the City of Ithaca to Tompkins County.
- Move to majority vote instead of 2/3 on almost all voting aspects except for dissolution, and expulsion.
- Clearing up redundancies and consistent wording.
- When the Board is not in session, the Executive Committee shall act as the Board's delegate with respect to the management, control, and administration of the Consortium and the municipal cooperative health benefit plan, and

RESOLVED, On the recommendation of the Executive Committee, the Board of Directors moves to approve the addition of new members as Participants in "Addendum A" as well as the above listed modifications of the 2025 Municipal Cooperative Agreement and to circulate to all municipal member Participants' governing board for review and approval through resolution.

* * * * *



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202~~5~~⁴ AMENDMENT TO THE MUNICIPAL COOPERATION AGREEMENT

(Adopted ~~September 2024~~ Per DFS Approval; effective January 1, 202~~5~~⁴)

THIS AGREEMENT (the "Agreement") made effective as of the 1st 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 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. Participants listed in Addendum A shall comprise the current membership of the Consortium.

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

Municipality Name	Effective Date
City of Ithaca	1/1/
County of Tompkins	1/1/
Town of Caroline	1/1/
Town of Danby	1/1/
Town of Dryden	1/1/
Town of Enfield	1/1/
Town of Groton	1/1/
Town of Ithaca	1/1/
Town of Ulysses	1/1/
Village of Cayuga Heights	1/1/
Village of Dryden	1/1/
Village of Groton	1/1/
Village of Trumansburg	1/1/
City of Cortland	1/1/
Town of Lansing	1/1/
Town of Willet	1/1/
Village of Homer	1/1/
Town of Marathon	1/1/
Town of Truxton	1/1/
Town of Virgil	1/1/
Town of Aurelius	1/1/
Town of Cineinnatus	1/1/
Town of Montezuma	1/1/
Town of Moravia	1/1/

Municipality Name	Effective Date
Village of Union Springs	1/1/2017
Town of Homer	1/1/2018
Town of Newfield	1/1/2018
Town of Owaseo	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 Speneer	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

Municipality Name	Effective Date
Town of Camillus	1/1/2023
Town of DeRuyter	1/1/2023
Town of Dewitt	1/1/2023
Town of Hastings	1/1/2023
Village of Camillus	1/1/2023
Village of Skaneateles	1/1/2023
Dewitt Fire District	1/1/2023
City of Geneva	1/1/2024
Town of Brutus	1/1/2024
Town of Locke	1/1/2024
Town of West Monroe	1/1/2024
Village of Fair Haven	1/1/2024

~~3.2.~~ 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, ~~Tompkins,~~ Tioga, Schuyler, Seneca, Steuben, Wayne, and Yates, provided however that, in the sole discretion of the Board of Directors (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 Addendum A~~Section A(2), as soon as is practical,~~ 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.

~~4.3.~~ The Board, in its sole discretion, and by a ~~two-thirds (2/3) majority~~ vote of the entire Board, may elect to permit additional municipal corporations located within the geographical boundaries set forth in Section ~~A(3)A(2)~~ 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. 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).

~~5.4.~~ 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.~~

~~6.5.~~ 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) a majority~~ of the entire Board. This re-entry waiting period may be waived by the approval of ~~two-thirds (2/3) a majority~~ 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~~ 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(~~4110~~)), 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~~ their obligations, for any reason, as set forth herein, ~~and~~ the Participant ~~desires to~~ must designate a new Director, ~~it must~~ by notifying 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 part 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.

7. 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.
8. Each Participant may designate in writing to the Consortium 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~~¹⁰).
9. 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~~⁵). ~~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 within the State of New York.
10. 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.
11. 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.
12. 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 "~~B~~^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 ~~Section~~[§] 4705, to take action on the following matters:
 - a. In accordance with ~~N.Y.~~ Insurance Law ~~§-Section~~[§] 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 ~~§-Section~~[§] 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 ~~§-Section~~[§] 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 ~~§-Section~~ 4705(d)(2) and ~~N.Y.~~ General Municipal Law ~~§-Section~~ 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:
- ~~i.~~ 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;
 - ~~ii.~~ payment for contracted services shall be made only after such services are rendered;
 - ~~iii.~~ 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
 - ~~iv.~~ all such agreements shall otherwise comply with the requirements of Section 92-a(6) of the General Municipal Law.
- ~~e.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).
- ~~f.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.
- ~~g.h.~~ In accordance with ~~N.Y.~~ Insurance Law ~~§-Section~~ 4705(e)(1), to choose the certified public accountant and the actuary to provide the reports required by this Agreement and any applicable law.
- ~~h.i.~~ In accordance with ~~N.Y.~~ Insurance Law ~~§-Section~~ 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.
- ~~i.j.~~ In accordance with ~~N.Y.~~ Insurance Law ~~§-Section~~ 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 1st of each year.~~
 - ~~e.a.~~ To determine and notify each Participant prior to October 15th of each Plan Year of the monthly premium equivalent for each enrollee classification during the next Plan Year commencing the following January 1st.
 - ~~d.b.~~ To take all necessary action to ensure that the Consortium obtains and maintains a Certificate of Authority in accordance with the Insurance Law.

~~e.c.~~ To take any other action authorized by law and deemed necessary to accomplish the purposes of this Agreement.

~~f.d.~~ 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. When the Board is not in session, the Executive Committee shall act as the Board's delegate with respect to the management, control, and administration of the Consortium and the municipal cooperative health benefit plan.~~

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

~~3.2. The Executive Committee shall establish meeting dates at its Organizational Meeting.~~
The Executive Committee shall meet no less frequently than once per quarter.

~~4.3.~~ 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.

~~5.4.~~ The Executive Committee shall:

- a. ~~Develop Bylaws for its operations and conduct~~ ~~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, ~~control, and administer~~ 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.d.~~ ~~In consultation with a nomination committee,~~ ~~f~~Fill any vacancy on the Executive Committee from among the Board's members as set forth in its Bylaws.

~~f.e.~~ Establish administrative guidelines and policies for the efficient operation of the Consortium.

~~g.f.~~ 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 Executive Committee with ratification at the next Board meeting.

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)~~ majority 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 Clerk of the Board on behalf of 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 to assist in accomplishing this function. However, the Chief Fiscal Officer may never delegate ~~his/her~~their 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~~ Finance

Director of the County of Tompkins. 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 their ~~his or her~~ duties that relate to the Consortium.

2. The Finance Manager, under the supervision and direction of the Chief Fiscal Officer, is responsible for directing and maintaining the financial records of the Consortium, overseeing financial transactions, installation and maintenance of accounting systems, billing/invoicing of premiums, quarterly and annual reporting, preparation of reports, and fiscal analyses.

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~~ Consortium 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 ~~be cause to be~~ prepared ~~and shall to~~ 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~~one hundred and twenty (120 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)~~majority 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 Executive Committee/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~~ bylaws.

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(~~4110~~) 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 “CB” 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)~~ a majority 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.~~

~~3.2. Each Participant’s monthly premium equivalent, by enrollee classifications, 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 according to the Consortium’s Premium Payment Policy. 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.~~

~~4.3. 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)~~B(2) above.~~

~~5.4. 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 of the first three quarters 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 1st 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)~~majority 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 (5th) anniversary of the Effective Date and on the fifth (5th) 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 1st 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 1st, 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 1st 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.S.~~ **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.T.~~ **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.U. 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)(U)~~(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.V. 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~~U(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~~^U 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~~ affected 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~~ they have 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”

The following Participants shall comprise the current membership of the Municipal Health Insurance Consortium

<u>Municipality Name</u>	<u>Effective Date</u>		<u>Municipality Name</u>	<u>Effective Date</u>
<u>City of Ithaca</u>	<u>1/1/2011</u>		<u>Lansing Library</u>	<u>1/1/2020</u>
<u>County of Tompkins</u>	<u>1/1/2011</u>		<u>Village of Watkins Glen</u>	<u>1/1/2020</u>
<u>Town of Caroline</u>	<u>1/1/2011</u>		<u>Town of Catharine</u>	<u>1/1/2021</u>
<u>Town of Danby</u>	<u>1/1/2011</u>		<u>Town of Cuyler</u>	<u>1/1/2021</u>
<u>Town of Dryden</u>	<u>1/1/2011</u>		<u>Town of Dix</u>	<u>1/1/2021</u>
<u>Town of Enfield</u>	<u>1/1/2011</u>		<u>Town of Hector</u>	<u>1/1/2021</u>
<u>Town of Groton</u>	<u>1/1/2011</u>		<u>Town of Tioga</u>	<u>1/1/2021</u>
<u>Town of Ithaca</u>	<u>1/1/2011</u>		<u>Village of Owego</u>	<u>1/1/2021</u>
<u>Town of Ulysses</u>	<u>1/1/2011</u>		<u>Town of Erwin</u>	<u>1/1/2022</u>
<u>Village of Cayuga Heights</u>	<u>1/1/2011</u>		<u>Town of Throop</u>	<u>1/1/2022</u>
<u>Village of Dryden</u>	<u>1/1/2011</u>		<u>Village of Minoa</u>	<u>1/1/2022</u>
<u>Village of Groton</u>	<u>1/1/2011</u>		<u>Village of Fayetteville</u>	<u>1/1/2022</u>
<u>Village of Trumansburg</u>	<u>1/1/2011</u>		<u>Town of Camillus</u>	<u>1/1/2023</u>
<u>City of Cortland</u>	<u>1/1/2013</u>		<u>Town of DeRuyter</u>	<u>1/1/2023</u>
<u>Town of Lansing</u>	<u>1/1/2013</u>		<u>Town of Dewitt</u>	<u>1/1/2023</u>
<u>Town of Willet</u>	<u>1/1/2015</u>		<u>Town of Hastings</u>	<u>1/1/2023</u>
<u>Village of Homer</u>	<u>1/1/2015</u>		<u>Village of Camillus</u>	<u>1/1/2023</u>
<u>Town of Marathon</u>	<u>1/1/2016</u>		<u>Village of Skaneateles</u>	<u>1/1/2023</u>
<u>Town of Truxton</u>	<u>1/1/2016</u>		<u>Dewitt Fire District</u>	<u>1/1/2023</u>
<u>Town of Virgil</u>	<u>1/1/2016</u>		<u>City of Geneva</u>	<u>1/1/2024</u>
<u>Town of Aurelius</u>	<u>1/1/2017</u>		<u>Town of Brutus</u>	<u>1/1/2024</u>
<u>Town of Cincinnatus</u>	<u>1/1/2017</u>		<u>Town of Locke</u>	<u>1/1/2024</u>
<u>Town of Montezuma</u>	<u>1/1/2017</u>		<u>Town of West Monroe</u>	<u>1/1/2024</u>
<u>Town of Moravia</u>	<u>1/1/2017</u>		<u>Village of Fair Haven</u>	<u>1/1/2024</u>
<u>Town of Preble</u>	<u>1/1/2017</u>		<u>City of Elmira</u>	<u>1/1/2025</u>
<u>Town of Scipio</u>	<u>1/1/2017</u>		<u>Town of Corning</u>	<u>1/1/2025</u>
<u>Town of Springport</u>	<u>1/1/2017</u>		<u>Town of Harford</u>	<u>1/1/2025</u>
<u>Village of Union Springs</u>	<u>1/1/2017</u>		<u>Town of Onondaga</u>	<u>1/1/2025</u>
<u>Town of Homer</u>	<u>1/1/2018</u>		<u>Town of Southport</u>	<u>1/1/2025</u>
<u>Town of Newfield</u>	<u>1/1/2018</u>		<u>Town of Starkey</u>	<u>1/1/2025</u>
<u>Town of Owasco</u>	<u>1/1/2018</u>		<u>Town of Sterling</u>	<u>1/1/2025</u>
<u>County of Seneca</u>	<u>1/1/2019</u>		<u>Town of Tyre</u>	<u>1/1/2025</u>
<u>Town of Big Flats</u>	<u>1/1/2019</u>		<u>Town of Waterloo</u>	<u>1/1/2025</u>
<u>Town of Mentz</u>	<u>1/1/2019</u>		<u>Village of Baldwinsville</u>	<u>1/1/2025</u>
<u>Town of Sennett</u>	<u>1/1/2019</u>		<u>Village of Tully</u>	<u>1/1/2025</u>
<u>Village of Freeville</u>	<u>1/1/2019</u>		<u>Town of Waterloo</u>	<u>1/1/2025</u>
<u>Village of Horseheads</u>	<u>1/1/2019</u>		<u>Seneca County S&W District</u>	<u>1/1/2025</u>
<u>Village of Lansing</u>	<u>1/1/2019</u>		<u>Town of Seneca Falls</u>	<u>1/1/2025</u>
<u>Town of Horseheads</u>	<u>1/1/2020</u>		<u>Village of Elmira Heights</u>	<u>1/1/2025</u>
<u>Town of Spencer</u>	<u>1/1/2020</u>			

Addendum “AB”

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.~~

If 62 Participants have 500 or fewer enrollees each and 2 Participants have more than 500 enrollees each, under subparagraph “a” the 62 each get 1 vote. Under subparagraph “b” the 2 large Participants get 26 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 "BC"

Illustration of At-Large Labor Representative Calculation

Total Number of Participants	Total Number of At-Large Labor Representatives
< 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

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RESOLUTION NO. 053-2023 – AMENDMENT OF PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPY VISIT LIMITS FOR ALL METAL LEVEL PLANS

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

WHEREAS, after recent examination of an appeal presented to the Claims and Appeals Committee and their recommendation to review physical, occupational and speech therapy visit limits currently set at 45 visits per year for all Consortium Metal Level Plans, and

WHEREAS, review of current 2023 Excellus plan benefit summaries that currently offer a combined 60 visit limit per year for physical, occupational, and speech therapy, and

WHEREAS, per advisement from Locey & Cahill changes to said benefit will not affect the actuarial value of any of the Consortium Metal Level Plans, and now therefore be it

RESOLVED, the Joint Committee on Plan Structure and Design recommends to the Executive Committee, on behalf of the Board of Directors, for the Consortium to update all Consortium physical, occupational, and speech therapy benefits on all Metal Level Plans to reflect a 60 visits limit per year effective January 1, 2024, and

FURTHER RESOLVED, a one-time override to approve an additional 15 visits for 2023 for any subscriber that maximizes the current limit of 45 visits per year prior to December 31, 2023, provided it meets all benefit plan qualifications including medical necessity.

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

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Executive Committee on behalf of the Board of Directors on December 13, 2023.

A handwritten signature in blue ink that reads "Lynne M. Sheldon".

Lynne Sheldon, Clerk of the GTCMHIC Board



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RESOLUTION NO. XXX- 2024 – Amendment to Resolution 018-2020 - Metal Level Plan Benefits for 2025

WHEREAS, the Consortium continually seeks to increase access to care for all their members and wants to remain competitive with existing Excellus plans as we market new members, therefore

WHEREAS, the Consortium would like to further promote the usage of telemedicine which can provide comparable care at a reduced claim cost to the Consortium and the member, and

WHEREAS, The Board of Directors approved vision benefits for all Metal Level Plans,

WHEREAS, the Executive Director has secured a cost analysis to show there will be no to minimal cost impact of adding these changes to expected premium rates,

RESOLVED, on recommendation of the Joint Committee and the Executive Committee, the Board of Directors approves the following benefit changes for the Metal Level Plans with the changes becoming effective January 1, 2025.

Platinum Plan Changes

In- Network:

Telemedicine (MD Live) \$0 Copay

Gold Plan Changes

In Network:

Telemedicine (MD Live) Covered in Full After Deductible is Met

Silver Plan Changes

In-Network:

Telemedicine (MD Live) Covered in Full After Deductible is Met

All Metal Level Plans (Platinum, Gold, Silver, and Bronze)

In and Out of Network:

Adult Eyewear Benefit \$100 Allowance Per Year

In and Out of Network:

In Patient Skilled Nursing Facility 200 Day Limit Per Year



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RESOLUTION NO. XXX-2024 - ACCEPTANCE OF APPLICATIONS BY THE TOWNS OF CORNING, ELMIRA, HARFORD, ONONDAGA, SENECA FALLS, SOUTHPORT, STARKEY, STERLING, TYRE, WATERLOO, CITY OF ELMIRA, VILLAGES OF BALDWINVILLE, ELMIRA HEIGHTS, TULLY AND SENECA COUNTY SOIL & WATER CONSERVATION DISTRICT (SWCD) TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM EFFECTIVE JANUARY 1, 2025

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 Corning, Elmira, Harford, Onondaga, Seneca Falls, Southport, Starkey, Sterling, Tyre, Waterloo, Villages of Baldwinsville, Elmira, Tully, City of Elmira, and Seneca County SWCD, have submitted an official application authorizing joining the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

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

WHEREAS, Section A (5) of the Municipal Cooperative Agreement states that 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).

WHEREAS, Towns of Elmira and Onondaga have current collective bargaining agreements with the Teamsters that include benefits only to a select group of employees and does not include non-union members, which would prohibit each municipality from bringing all collective bargaining units to the Consortium,

WHEREAS, the Towns of Elmira and Onondaga request a three year waiver to exclude those employees covered under the Teamsters collective bargaining agreement, now therefore let it be

RESOLVED, on recommendation of the Finance Committee, That the Board of Directors hereby accepts and welcomes Towns of Corning, Elmira, Harford, Onondaga, Seneca Falls, Southport, Starkey, Sterling, Tyre, Waterloo, Villages of Baldwinsville, Elmira, Tully, City of Elmira, and Seneca County SWCD as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2025, pending receipt and approval of all required documentation.

RESOLVED FURTHER, that on recommendation of the Finance Committee that the Board of Directors, hereby approves the waiver to exclude employees covered under the Teamsters benefit plans required in Section A.5. of the GTCMHIC's 2024 MCA, for the Towns of Elmira and Onondaga through December 31, 2028.



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RESOLUTION NO. XXX- 2024- 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 party benefit administrators for the furnishing of goods and services, and

WHEREAS, the Operations and Finance Committees have 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 and prescription drug claims, 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 six different contract band levels, now therefore be it

RESOLVED, on recommendation of the Finance Committee and the Executive Committee, the Board of Directors hereby approves the 2025 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2024, 2025 and 2026,

RESOLVED, further, That the Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium be authorized to execute the 2025 contract on behalf of the Consortium.

MEMORANDUM

DATE: SEPTEMBER 9, 2024

FROM: LOCEY & CAHILL, LLC

**TO: GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS**

RE: 2025 EXCELLUS BLUECROSS BLUESHIELD RENEWAL PROPOSAL

Locey & Cahill, LLC is extremely pleased to be continuing our work with the Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”). As you may already be aware, Locey & Cahill, LLC is an independent consulting firm based in Syracuse, New York. Our company provides clients with innovative advice and guidance, which assists them in the formation of strategies designed to pro-actively adjust to the employee benefits industry.

As part of the services we provide, we work with the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium and Excellus BlueCross BlueShield (“Excellus”) to negotiate a renewal that is reasonable and appropriate based on the Consortium’s benefit plans and demographics. The following is a summary of the 2025 renewal proposal recently presented by Excellus and our recommendations regarding same.

It should also be noted that this renewal proposal does include certain New York State and Federal taxes and/or fees which must be paid by the Consortium. Since the Consortium operates on a “cost-plus basis” with Excellus any taxes and fees related to the operation of the Consortium’s plan by Excellus are billed back to the Consortium as a “pass through.” We will detail each of these later in this memo to ensure everyone has a basic understanding of the level of fees and the purpose of these additional costs which are billed to the Consortium.

Please refer to the following for an explanation of the fees associated with the Excellus renewal proposal and our recommendation concerning each:

Retention Fee:

It should be noted that this renewal proposal from Excellus is presented with a renewal date of January 1, 2025. This renewal represents a guarantee of the retention fees to be charged for the fiscal year of January 1, 2025, through December 31, 2025. Of course, the Consortium still retains its rights of egress from the agreement for cause with appropriate notice or at each annual renewal date upon appropriate notice.

As a point of information, in Excellus terminology, the retention fee is a combination of the administrative fee and the statutory contribution to reserves. Excellus has indicated that the Consortium’s rate has historically been below where they want the administrative fee to be and does not include a contribution to the statutory reserves. However, it is our professional opinion that the fee is reasonable and appropriate and has worked to the mutual benefit of the Consortium and Excellus.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 2

This retention fee represents the actual administrative charge levied by Excellus for the operation and administration of the medical benefits plan. This fee includes, but may not be limited to, membership services, customer service, claims adjudication, provider network management, and marketing support. The retention fee is charged on a per contract per month basis and is billed monthly to the Consortium.

The current proposal, as presented by Excellus, is the 2nd year of a 3-year guarantee which includes a 2.02% increase in the administrative fee for the 2025 fiscal year based on an average monthly contract count of 3,574. Please refer to the exhibit below for a historical summary of the retention fee increases for the past fourteen (14) fiscal periods.

<i>Fiscal Year</i>	<i>Budget Premium Rate % Increase</i>	<i>Excellus BCBS Administrative Fee</i>	<i>Excellus BCBS Administrative Fee % Increase</i>	<i>Monthly Average Contract Count</i>	<i>Monthly Average Covered Lives</i>
2011	9.50%	\$28.00	n/a	2,001	4,400
2012	9.50%	\$29.12	4.00%	2,004	4,448
2013	9.00%	\$30.43	4.50%	2,281	5,077
2014	8.00%	\$31.80	4.50%	2,269	5,012
2015	5.00%	\$32.60	2.52%	2,301	5,021
2016	3.00%	\$33.58	3.01%	2,322	5,063
2017	5.00%	\$34.59	3.01%	2,397	5,172
2018	4.00%	\$35.63	3.01%	2,439	5,201
2019	5.00%	\$36.87	3.48%	2,867	6,170
2020	5.00%	\$38.17	3.53%	2,942	6,271
2021 (1)	5.00%	\$40.34	5.69%	3,034	6,301
2022 (2)	5.00%	\$41.37	2.55%	3,115	6,382
2023 (3)	6.50%	\$41.63	0.63%	3,401	6,979
2024	8.00%	\$41.10	-1.27%	3,574	7,296
2025	14.00%	\$41.93	2.02%		
2026	TBD	\$42.98	2.50%		
Average Increase	6.12 %		3.37%		
5-Year Avg. Increase	5.30%		3.17%		

- (1) Includes \$1.41 PCPM Administrative Fee for Pharmacy carve out
- (2) Includes \$1.37 PCPM Administrative Fee for Pharmacy carve out & \$0.10 PCPM for a Universal ID Card.
- (3) Includes \$1.33 PCPM Administrative Fee for Pharmacy carve out & \$0.10 PCPM for a Universal ID Card.

Excellus has also guaranteed that the third year of this agreement (2025) would carry a 2.50% increase.

**GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 3**

Based on the proposal presented by Excellus, in addition to the increase in retention (administrative) fees, Excellus is advising the Consortium that the following fees associated with “BlueCard” (“out of the area”) claims will continue to be passed along to the Consortium either as a line-item or line-items on the monthly administrative bill or as part of the weekly claims bill:

ITS Access Fee

Inter-Plan Teleprocessing System (ITS) Access Fee: This is one of two fee components associated with the BlueCross BlueShield Blue Card national network program. The fee is calculated as a percent of negotiated network savings with a per claim fee paid as part of Claims Expense. The dollars collected go to the host plan (i.e., the plan hosting the out-of-area network used by the member). According to Excellus BCBS this fee is currently 2.11% of negotiated savings not to exceed \$2,000 per claim.

AEA Fees

Administrative Expense Allowance (AEA) Fee: This is the second of the two fee components associated with the BlueCross BlueShield Blue Card national network program. The fee is paid to the host plan and is paid by the employer as part of claims expense. According to Excellus BCBS, this fee is a flat charge on a per claim basis, currently set at \$4.00 for provider claims and \$9.75 for institutional claims.

ITS Surcharge

Inter-Plan Teleprocessing System (ITS) Surcharge: These are State mandated surcharges paid by the host plan to the State applying the surcharge. For example: Massachusetts is remitted a 1.87 % surcharge for acute hospital services accessed at Massachusetts acute care hospitals.

ITS Supplemental Fee

The ITS Supplemental fee is a pricing factor used in estimated pricing, applied to all BlueCard and /or non-BlueCard national account claims. It may be set up to be provider specific (for a PCMH or ACO) so that the factor is applied only to patients seeing those contracted providers.

In addition to above fees, Excellus also charges the Consortium the following fees for optional services they perform:

Stop-Loss Insurance Reporting

Excellus BCBS charges an additional fee for external stop-loss insurance reporting. The cost of this service as proposed in the 2025 Renewal Proposal is \$0.28 per contract per month. This rate represents no change from the rate of \$0.28 agreed to by the Consortium’s Board of Directors in the 2024 Financial Agreement between the Consortiums and Excellus. This fee is applicable should the Consortium purchase stop loss insurance from an external provider and external stop loss reporting is required.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 4

Cash Advance (Pre-Payment of Claims)

The cash advance is an annual modification to the funds held by Excellus to cover the paid claims billing lag. Under the terms of the current Administrative Services Contract, Excellus bills the Consortium for paid claims on a weekly basis. Thus, to cover the paid claims liability exposure to Excellus, the Consortium pre-funds the equivalent value of one week of paid claims in a Cash Advance.

Pursuant to the Agreement, Excellus adjusts the value of the Cash Advance each year based on their projected claims cost for the Consortium. This calculation for the 2025 Fiscal Year results in the Consortium being required to pay Excellus \$228,600 to bring the Cash Advance balance up to \$1,471,600 which is equivalent to the value of one week's paid claims as projected by Excellus BCBS. It should be noted that the larger increase was anticipated due to the rise in overall paid claims over the past year and a half. As part of the 2025 budget projections, \$228,600 was budgeted in anticipation of this change.

As a point of information, Excellus allows their "cost-plus" customers to reduce their Cash Advance to the value of one week of projected paid claims if the Client is willing to pay their claims bill timely and via an electronic fund transfer or similar electronic payment means. Provided the Consortium continues to do this, it lowers the Cash Advance required for the Consortium by approximately \$1.47 million. It should be noted that the Consortium does not earn interest related to the funds held by Excellus in the Cash Advance.

Security Requirement

The next aspect of the renewal which needs to be agreed to is the level of security required by Excellus to protect their monetary interests for the "Incurred but Not Reported" (IBNR) and "Incurred but Not Paid" (IBNP) claims liability. This security protects Excellus from having to pay for claims after termination and is a fundamental aspect of this agreement which allows the Consortium to retain all reserves.

In prior years Excellus required that the Consortium carry a security amount in a separate secured account. Although this requirement has now been waived by Excellus, we have requested, and Excellus has agreed, to provide the Consortium with a calculated security figure to utilize as a planning tool when budgeting and setting reserve fund levels.

Prior to the 2023 Fiscal Year Excellus calculated the security figure, **if required**, to be \$5,138,400. That same calculation for 2024 was, \$6,151,100, an increase of \$1,012,700 over the estimate for 2023. This significant increase was the result of adding the pharmacy program with Excellus. With the escalation in paid claims this amount is estimated to be \$7.2 million based on Excellus' factor for the 2024 Fiscal Year.

We believe that this is a reasonable estimate of the liability associated with incurred but not yet reported claims at that time. This estimated security amounts to a value of 9.52% of the expected or projected claims costs for the covered members as calculated by Excellus. It should be noted that in the budget computations for the 2025 Fiscal Year, we used a factor of 12.0% of the expected paid claims cost as an estimate of the Incurred but Not Reported and Incurred but Not Paid (IBNR and IBNP) claims liability, which as of December 31, 2023 was set at \$8,279,606.

**GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 5**

Pharmaceutical Manufacturer Rebate Payments

Excellus has presented the Consortium the option to receive 100% of the prescription rebates earned on an annual basis as a “pass through model.” This pharmaceutical rebate model for the 2025 Fiscal Year includes an open formulary and will require Excellus to make quarterly payments of \$324.76 per 30-Day Retail Brand Script, \$730.70 per 90-Day Retail Brand Script, \$763.18 per Mail Order Brand Script, and \$3,897.08 per Specialty Brand Script. This process also includes a final settlement which will be completed 180 days after the plan year. Based on this new payment schedule, the Consortium is anticipated to receive quarterly payments of more than \$1.7 million each quarter.

In comparison, for 2023 under ProAct, Inc., the Consortium received quarterly payments of \$194.95 per 30-Day Retail Brand Script, \$435.86 per 90-Day Retail Brand Script, \$571.74 per Mail Order Brand Script, and \$2,433.80 per Specialty Brand Script, with the highest quarterly reimbursement being approximately \$850k. Since 2020 the Rx Rebates under ProAct, Inc. have recently begun to rise in the last couple of years.

As you can see by the percentage increase in the guaranteed amounts per script, the Excellus proposal is anticipated to far exceed the historical payments under the ProAct, Inc. model.

<i>Greater Tompkins County Municipal Health Insurance Consortium</i>					
Pharmaceutical Manufacturer Rebate Income History (as of 09/30/2024)					
<i>Fiscal Year</i>	<i>Prescription Benefit Manager (PBM)</i>	<i>Pharmaceutical Rebate Received</i>	<i>Average Covered Lives Count</i>	<i>Rx Rebate Per Covered Life Per Month</i>	
<i>2011</i>	Express Scripts, Inc.	\$0.00	4,400	\$0.00	
<i>2012</i>	Express Scripts, Inc.	\$445,885.83	4,448	\$8.35	
<i>2013</i>	ProAct, Inc	\$254,848.24	5,077	\$4.18	
<i>2014</i>	ProAct, Inc	\$274,763.58	5,012	\$4.57	
<i>2015</i>	ProAct, Inc	\$686,015.03	5,021	\$11.39	
<i>2016</i>	ProAct, Inc	\$709,434.35	5,063	\$11.68	
<i>2017</i>	ProAct, Inc	\$1,627,727.17	5,172	\$26.23	
<i>2018</i>	ProAct, Inc	\$1,308,285.17	5,201	\$20.96	
<i>2019</i>	ProAct, Inc	\$1,597,414.28	6,170	\$21.58	
<i>2020</i>	ProAct, Inc	\$1,975,716.32	6,271	\$26.25	
<i>2021</i>	ProAct, Inc	\$1,865,773.90	6,302	\$24.67	
<i>2022</i>	ProAct, Inc	\$3,189,532.72	6,381	\$41.65	
<i>2023</i>	ProAct, Inc	\$3,454,811.21	6,986	\$41.21	
<i>2024</i>	ProAct, Inc	\$2,499,589.69	7,296	\$57.10	6-Months
	Excellus BCBS	\$3,348,792.23	7,296	\$153.00	6-Months
<i>Totals</i>		<i>\$23,238,589.72</i>	<i>64,518</i>	<i>\$360.19</i>	

NYS and ACA Taxes and Fees

As discussed earlier in this memorandum, there are several New York State and Federal Fees and Taxes which are passed through to the Consortium from Excellus because of the “cost-plus” arrangement the Consortium has with Excellus. Below we have summarized each of these fees and taxes for your review and reference:

1. NYS Health Care Reform Act (HCRA) Surcharge

The surcharge is assessed as a percentage of New York State hospital services to help reimburse hospitals for losses related to bad debt and charity care. Currently, this surcharge which is a “hidden fee” in the paid claims cost is set at 9.63% for all inpatient hospital, outpatient hospital, diagnostic, and treatment center claims paid by Excellus for the Consortium Members. It should be noted that when this surcharge was first enacted in 1997, the cost was set at 8.18%. This fee will cost the Consortium approximately \$1.91 million during the 2023 Fiscal Year.

2. NYS Covered Lives Assessment (CLA)

The NYS CLA is an assessment charged to fund health programs, including Graduate Medical Education (GME), and general fund obligations. NYS CLA charges vary based on county and contract type. The State has set the 2024 annual assessment rates in Central New York at \$67.72 per individual contract and \$223.47 per family contract. This represents an increase from the 2022 annual assessment rates of \$62.16 per individual contract and \$205.12 per family contract. The Consortium budgeted \$451k for this fee in the 2024 Fiscal Year Budget based on enrollment.

3. ACA Patient-Centered Outcomes Research Institute (PCORI) Fee

This \$3.22 per member per year fee, for plan years ending prior to October 1, 2024, funds a trust that will promote research to evaluate and compare health outcomes and the clinical effectiveness, risks, and benefits of medical treatments, services, procedures, drugs, and other strategies or items that treat, manage, diagnose, or prevent illness or injury. This fee will increase to \$3.00 per member per year for plan years ending prior to October 1, 2023.

The fee is indexed to grow with national health expenditures originally through plan years ending prior to October 1, 2019. However, this fee has now been extended through plan years ending prior to October 1, 2029. This fee cost the Consortium \$22,494.42 for the current fiscal year.

Clearly this is not a substantial amount of money compared to the overall budget but is a fee that the Consortium did not have to pay in the past and will continue to pay in the future. The chart below provides a historical look at the PCORI Fee and provides a projection of this fee for the next several fiscal years.

**GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 7**

Policy End Date	Applicable Fiscal Year	Filing Deadline	Payment Fiscal Year	PCORI Rate (Per Life)	% Increase	Average Annual Covered Lives	Annual Fee
12/31/2012	2012	7/31/2013	2013	\$1.00	n/s	4,448	\$4,448.00
12/31/2013	2013	7/31/2014	2014	\$2.00	100.00%	5,126	\$10,252.46
12/31/2014	2014	7/31/2015	2015	\$2.08	4.00%	5,015	\$10,431.20
12/31/2015	2015	7/31/2016	2016	\$2.17	4.33%	5,024	\$10,902.08
12/31/2016	2016	7/31/2017	2017	\$2.26	4.15%	5,063	\$11,442.38
12/31/2017	2017	7/31/2018	2018	\$2.39	5.75%	5,172	\$12,361.08
12/31/2018	2018	7/31/2019	2019	\$2.45	2.51%	5,201	\$12,742.45
12/31/2019	2019	7/31/2020	2020	\$2.54	3.67%	6,174	\$15,681.96
12/31/2020	2020	7/31/2021	2021	\$2.66	4.72%	6,275	\$16,691.50
12/31/2021	2021	7/30/2022	2022	\$2.79	5.00%	6,296	\$17,585.37
12/31/2022	2022	7/30/2023	2023	\$3.00	7.41%	5,936	\$17,808.57
12/31/2023	2023	7/30/2024	2024	\$3.22	7.33%	6,986	\$22,494.92
12/31/2024	2024	7/30/2025	2025	\$3.38	5.00%	7,000	\$23,667.00
12/31/2025	2025	7/30/2026	2026	\$3.55	5.00%	7,000	\$24,850.35
12/31/2026	2026	7/30/2027	2027	\$3.73	5.00%	7,000	\$26,092.87
12/31/2027	2027	7/30/2028	2028	\$3.91	5.00%	7,000	\$27,397.51
12/31/2028	2028	7/30/2029	2029	\$4.11	5.00%	7,000	\$28,767.39

* PCORI Fee Estimates Use Current Average Covered Lives Count of 7,000

** Red Font = Estimated Values

Additional Benefits and Buy Up Options in the 2025 Renewal

Excellus BlueCross BlueShield has offered an Implementation Allowance in the one-time amount of \$15 per member that can be used to offset the transition to Excellus BlueCross BlueShield from ProAct, Inc. for PBM Services.

Excellus has offered a one-time Pharmacy Management Fund in the amount of \$150,000 that may be used at any time during the initial 2024-2026 term to cover the costs of any pharmacy related services offered through Excellus BlueCross Blue Shield.

Again, Excellus BlueCross BlueShield has offered a Base Administrative Fee Holiday for January 2024 through February 2024.

On pages 27 and 28 of the 2025 Excellus BlueCross BlueShield Renewal, there are many options for the Consortium to consider. In our experiences, the Maternity Bundle, including Bright Beginnings and NICU Care Management and the Pharmacy Concierge Programs offer significant benefits, with limited costs associated to the Consortium.

Bright Beginnings:

Excellus BlueCross BlueShield is offering the Consortium the opportunity to utilize ProgenyHealth Neonatal Intensive Care Unit (“NICU”) Infant Care Management Program. According to Excellus’ promotional materials, this program is designed to “help babies come home healthy more quickly – and stay home once they get there.” The program is only billed if utilized and is billed on a case-by-case basis. Over the last several years, there has been extremely limited use in our overall book of business with Excellus BlueCross BlueShield.

**GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 8**

In addition, the materials provide the following points for consideration:

- A utilization management team collaborates with NICU hospital staff to standardize and optimize care, so every infant receives the most appropriate treatment for his or her unique case
- A Case Management team of NICU nurses and social workers connects with each family during their NICU stay, assesses overall needs, and collaborates with medical staff to get the baby safely from hospital to home.
- The conversation continues via phone and secure text — giving baby and family a 24/7 virtual safety net throughout the first year of life
- NICU infants in the program spend 17 percent less time in the hospital on average and are readmitted 50 percent less often on average (data provided by ProgenyHealth), which means less money spent on care, less time away from work for parents, and a better quality of life for families.

Pharmacy Concierge:

Excellus BlueCross BlueShield has offered the Consortium the option to participate in the Clinical Rx Concierge Program. This program is a “hands-on” approach to identifying opportunities in the prescription drug benefit plan to target high-cost claims which have a lower cost therapeutic alternative.

The process is invisible to the covered member as Excellus conducts clinical outreaches to the covered member’s medical care provider. The cost of this program is currently \$1.50 per covered life per month (PMPM) for each of the two levels of the program which has been converted to a fee of \$3.05 per contract per month (PCPM). The savings is guaranteed to cover the entire cost of the program.

This program would qualify for the Pharmacy Management Fund that was identified on page 7, in the amount of \$150,000. Based on 3,500 contracts, the annual cost would be \$128,100, therefore, the entire cost of the program, regardless of savings, would be paid by said fund, for the entire first year of utilization with a small portion being available for year two. This fee is typically billed as an additional administrative fee, and the savings are returned in reduced claims. In the case of the pharmacy management fund, Locey & Cahill, LLC will work out the details of paying the fee and then filing for reimbursement, if a direct credit monthly is not available.

Sempre Health:

Excellus BlueCross Blue Shield has a partnership with Sempre Health to help make healthy choices by allowing members to earn co-payment discounts when member refill their medications as directed by the doctor. Sempre Health is an independent company that has been contracted with by Excellus BlueCross BlueShield. Participation is included in the base administrative fee unless the Consortium opts out of the program. If the Consortium utilizes the program, Locey & Cahill, LLC will coordinate the information distribution to members with both Excellus and the Consortium.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 9

Other Optional Programs:

The 2025 Excellus Renewal offers several additional programs including:

- Welvie
- Reach Kidney Care
- ThriveWell
- Certified Partners (Including Bundled Options on Page 18 of the renewal)
- Reporting – Data Extracts with External Vendors
- Additional Optional Services

All these services come with an additional Per Contract Per Month (PCPM) or Per Eligible Adult Per Month (PEAPM) Fee associated with the program. We would recommend that the Consortium consider the programs highlighted on pages seven (7) and eight (8) of this memorandum and recommendation. As we work through the remainder of 2024 and 2025, we can request educational sessions from Excellus on additional programs, if so desired.

In conclusion, it is our professional opinion that Excellus BlueCross BlueShield's renewal proposal provides the Greater Tompkins County Municipal Health Insurance Consortium with an agreement that meets all the conditions that were agreed to in the Request for Proposal Process (RFP).

As outlined above, we find the 2024 Excellus Renewal Agreement meets the following conditions:

1. Excellus BCBS has proposed an administrative fee of \$41.93, which is an increase of 2.02% for 2025. **Furthermore, Excellus has offered to extend the proposal for one additional year which would increase administrative fees by approximately 2.5% for 2026.** We find this offer to be very reasonable and recommend that the Board approve the 2025 proposal at \$41.93.
2. Locey & Cahill, LLC recommends the Consortium accept the "100% passthrough model" associated with the prescription drug rebates. As we pointed out earlier in this memo, it is our professional opinion that this model will enhance the prescription drug rebates earned by the Consortium by a substantive amount while providing a very reasonable administrative fee with Excellus BlueCross BlueShield.
3. We recommend the Board of Directors accept the Cash Advance as proposed which will require a payment of \$228,600 to increase the 2025 fiscal year requirement from \$1,243,000 to the new requirement of \$1,471,600 for 2025. It is important to remember that the bulk of this increase is related to adding the pharmacy program to the Excellus contract. This amount has been included in the 2025 Fiscal Year Budget.
4. We recommend the Board of Directors recognize the Excellus BCBS Security Requirement and continue to fund its IBNR Reserve fund at 12% of incurred claims. This amount should be held in a segregated bank account. We find this estimate to be conservative, but acceptable given the Consortium's current cash asset position.
5. Excellus BCBS must agree to continue its current performance guarantees and continue to service the Consortium's members using a dedicated customer service unit model.

**GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMORANDUM
RE: 2025 EXCELLUS BCBS RENEWAL PROPOSAL
SEPTEMBER 9, 2024
PAGE 10**

6. All the parameters listed in the renewal, some of which are described above, must be included in the Agreement between Excellus BlueCross BlueShield and the Greater Tompkins County Municipal Health Insurance Consortium.

Based on the above conditions, it is the professional opinion of Locey & Cahill, LLC that the financial terms of the Excellus BlueCross BlueShield Proposal are reasonable and appropriate. However, we will await direction from the Board of Directors as to the reasonableness of the proposed increases in the retention amount (administrative fees) and the prescription drug rebate model before we have the Consortium's Chairperson execute the renewal documents.

As always, we thank you for your time and cooperation regarding this most important item and we are available to answer any questions you may have relative to this memo.



Greater Tompkins County Municipal Health Insurance Consortium

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

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

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

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

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

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

(e) The municipal cooperation agreement shall provide for the following to be prepared and furnished to the governing board, to participating municipal corporations, to unions which are the exclusive bargaining representatives of employees covered by the plan and to the superintendent:

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

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

WHEREAS, the Board of Directors entered into a contract for auditing services with Inserto & Co., for the purpose of conducting an annual audit of the Consortium's financial records for fiscal year 2023, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committees, that the 2023 annual audit report prepared and presented to the Audit and Finance Committees by Inserto & Co. is hereby accepted.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2023 and 2022**



GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Required Supplementary Information	
Management's Discussion and Analysis	4-4m
Audited Financial Statements	
Statements of Net Position	5
Statements of Revenues, Expenses, and Changes in Net Position	6
Statements of Cash Flows	7
Notes to Financial Statements	8-16
<hr/>	
Supplementary Financial Information	
Schedules of Changes in Net Position	17
Claim Development Information	18
Report Required Under <i>Government Auditing Standards</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	19-20

INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Tompkins County Municipal Health Insurance Consortium
Ithaca, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Greater Tompkins County Municipal Health Insurance Consortium (the Consortium), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Consortium, as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Consortium, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Consortium's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Consortium's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium's basic financial statements. The Schedules of Changes in Net Position and Claim Development Information are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedules of Changes in Net Position and Claim Development Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Changes in Net Position and Claim Development Information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2024, on our consideration of the Consortium's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in dark ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
April 23, 2024

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the financial position of the Greater Tompkins County Municipal Health Insurance Consortium (the Consortium) as of December 31, 2023 and 2022, and its results of operations for the years then ended. Because the MD&A is designed to focus on current operations, it should be read in conjunction with the audited financial statements and related footnotes.

Financial Highlights

For the year ended December 31, 2023, the Consortium's net position decreased by \$6,396,849. The decrease in net position is mainly attributable to an excess of claims and claims administrative expenses over revenues received. For the year ended December 31, 2022, the Consortium's net position decreased by \$228,696. For the year ended December 31, 2021, the Consortium's net position increased by \$3,749,339. Decreases in net position are mainly attributable to an excess of claims and claims administrative expenses over revenues received.

The Consortium's net position consists of the following:

	2023	2022	2021
Restricted for Contingency Reserve	\$ 3,062,352	\$ 2,729,555	\$ 2,669,495
Catastrophic Claims Self-Insurance Fund	4,606,088	4,808,739	4,642,294
Rate Stabilization Reserve	4,788,607	3,892,443	4,004,101
Net Investment in Capital Assets	353,933	-	-
Unrestricted - Undesignated Net Position	<u>2,814,316</u>	<u>10,591,408</u>	<u>10,934,951</u>
Total Net Position	<u>\$ 15,625,296</u>	<u>\$ 22,022,145</u>	<u>\$ 22,250,841</u>

A summary of operating and nonoperating revenues and expenses follows:

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

	2023	2022	2021
Premiums	\$ 61,247,053	\$ 54,591,095	\$ 53,389,902
Nonoperating Revenues - Interest Earnings	537,097	111,585	99,529
Nonoperating Revenues - Gain on Investments	692,435	-	-
Nonoperating Revenues - Other	-	-	-
Total Revenues	<u>62,476,585</u>	<u>54,702,680</u>	<u>53,489,431</u>
Operating Expenses	67,252,694	54,677,053	59,818,367
Nonoperating Expenses - Loss on Investments	-	436,765	193,376
Nonoperating Expenses - Other	13,797	11,503	23,066
Total Expenses	<u>67,266,491</u>	<u>55,125,321</u>	<u>60,034,809</u>
Adjustment for Incurred But Not Reported Claims	<u>(1,606,943)</u>	<u>193,945</u>	<u>(1,037,686)</u>
(Decrease) Increase in Net Position	<u><u>\$ (6,396,849)</u></u>	<u><u>\$ (228,696)</u></u>	<u><u>\$ (7,583,064)</u></u>

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Financial Statement Overview

The financial statements of the Greater Tompkins County Municipal Health Insurance Consortium have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and related standards prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements presented include Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. These statements provide information about the Consortium's financial position, its results of operations, and cash flows for the periods presented.

The Statements of Net Position are similar to a balance sheet in that they include the Consortium's assets and liabilities. Unlike a balance sheet, liabilities are subtracted from total assets to present what is referred to as "net position."

The Statements of Net Position classify all assets and liabilities as either current or noncurrent. Current assets are assets that will be recognized within the following twelve months. Similarly, current liabilities are those obligations that will be liquidated within the following twelve months. Over time, changes in net position may indicate strength or deterioration in the Consortium's financial position.

The Statements of Revenues, Expenses, and Changes in Net Position reflect all operating and nonoperating revenues and expenses for the periods presented, the change in net position based on those revenues and expenses, any adjustments to net position, and beginning and ending net position. Revenue is reported in this statement when it is earned, and expenses are recorded when the obligation has been incurred.

The Statements of Cash Flows provide information on major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used in operations, investing, capital, and noncapital financing activities.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Statements of Net Position

The Statements of Net Position represent the financial position of the Greater Tompkins County Municipal Health Insurance Consortium at December 31, 2023, 2022, and 2021. The following table reflects, in summary, the financial position of the Consortium at December 31,:

	2023	2022	2021
Current Assets	\$ 12,988,822	\$ 19,522,638	\$ 12,420,780
Noncurrent Assets	14,716,211	12,219,837	18,905,698
Total Assets	<u>27,705,033</u>	<u>31,742,475</u>	<u>31,326,478</u>
Current Liabilities	11,140,356	9,720,330	9,075,637
Noncurrent Liabilities	939,381	-	-
Total Liabilities	<u>12,079,737</u>	<u>9,720,330</u>	<u>9,075,637</u>
Net Position	<u>\$ 15,625,296</u>	<u>\$ 22,022,145</u>	<u>\$ 22,250,841</u>

The decrease in total assets in 2023 is mainly due to decreased cash and unrestricted investments as a result of the operating results for 2023. The increase in total assets in 2022 is mainly due to the increased premium receivables. The increases in current liabilities are primarily due to increased incurred claims liability and lease liability in 2023 and increased unearned premiums in 2022.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the results of operations of the Consortium for the years ended December 31,:

Revenue Overview

	2023	2022	2021
Premiums	\$ 61,247,053	\$ 54,591,095	\$ 53,389,902
Interest Earnings	537,097	111,585	99,529
Gain on Investments	692,435	-	-
Nonoperating Revenues - Other	-	-	-
Total Revenues	<u>\$ 62,476,585</u>	<u>\$ 54,702,680</u>	<u>\$ 53,489,431</u>

The increase in premium revenue for 2023 is primarily the result of seven new municipalities joining the Consortium along with premium increases necessitated by the rising cost of health care. The increase in premium revenue for 2022 was primarily the result of 4 new municipalities joining the Consortium along with premium increases necessitated by the rising cost of health care. The increases in interest earnings are mostly due to increased interest rates. Investment gains are a result of market conditions.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Expense Overview

The following table summarizes expenses by function for the years ended December 31,:

	2023	2022	2021
Claims Expense	\$ 63,401,572	\$ 51,505,375	\$ 53,024,900
Compensation	442,329	420,883	402,891
Professional and Consulting	535,950	157,032	165,655
Reinsurance Expenses, Net of Recoveries	320,301	295,917	270,471
Insurance	65,714	58,266	50,588
Claims Administration Fees	1,989,845	1,813,731	1,678,883
Aggregate Write-ins for Other Expenses	496,983	425,849	391,254
Loss on Investments	-	436,765	193,376
Other Expenses	<u>13,797</u>	<u>11,503</u>	<u>23,066</u>
Total Expenses	<u>\$ 67,266,491</u>	<u>\$ 55,125,321</u>	<u>\$ 56,201,084</u>

The increase in claims expense for 2023 is primarily a result in increased insurance claims paid for participating municipality employees and the addition of new participating municipalities into the Consortium. The decrease in claims expense for 2022 is primarily a result of medical claims being 8.36% below budgeted levels due to member participation in lower cost health insurance plans. The increases in claims administrative and other expenses are primarily due to increased costs associated with adding new municipalities into the Consortium. The increase in Professional and Consulting fees are primarily due to the NYS Department of Financial Services Audit that occurred in 2023. The changes in reinsurance are primarily due to timing of reimbursement payouts and the cost of reinsurance. Prior loss on investments is a result of market conditions.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Economic Factors Affecting the Future

Consortium Overview

In 2010, the Greater Tompkins County Municipal Health Insurance Consortium became the first municipal cooperative health benefits plan organized pursuant to Article 47 of the New York State Insurance Law to be made up of local municipalities which was started from “the ground up” since the law’s effective date in the early 1990’s.

In the fall of 2022, the Board of Directors approved seven (7) new municipalities to join the Consortium in 2023. The new members were the Towns of Camillus, DeRuyter, Dewitt and Hastings, the Villages of Camillus and Skaneateles, and the Dewitt Fire District. With these new municipalities, the Consortium has seen its list of municipal partners grow from its original thirteen (13) members to sixty (60) municipal partners at the close of the 2023 Fiscal Year.

In the fall of 2023, the Board of Directors approved an additional five (5) new municipal partners that began coverage on January 1, 2024. Having no employees enrolled in GTCMHIC health plans, the Town of Niles withdrew their application as a participant in 2023. The other five (5) participants that joined included the Towns of Brutus, Locke and West Monroe, The Village of Fair Haven and the City of Geneva.

Please refer to this complete list of the Participating Municipalities as of December 31, 2023:

Municipality Name	Effective Date	Termination Date	Municipality Name	Effective Date	Termination Date	Municipality Name	Effective Date	Termination Date
City of Ithaca	1/1/2011		Town of Aurelius	1/1/2017		Town of Spencer	1/1/2020	
County of Tompkins	1/1/2011		Town of Cincinnatus	1/1/2017		Village of Watkins Glen	1/1/2020	
Town of Caroline	1/1/2011		Town of Montezuma	1/1/2017		Lansing Library	1/1/2020	
Town of Danby	1/1/2011		Town of Moravia	1/1/2017		Town of Catharine	1/1/2021	
Town of Dryden	1/1/2011		Town of Preble	1/1/2017		Town of Cuyler	1/1/2021	
Town of Enfield	1/1/2011		Town of Scipio	1/1/2017		Town of Dix	1/1/2021	
Town of Groton	1/1/2011		Town of Springport	1/1/2017		Town of Hector	1/1/2021	
Town of Ithaca	1/1/2011		Village of Union Springs	1/1/2017		Town of Tioga	1/1/2021	
Town of Ulysses	1/1/2011		Town of Homer	1/1/2018		Village of Owego	1/1/2021	
Village of Cayuga Heights	1/1/2011		Town of Newfield	1/1/2018		Town of Erwin	1/1/2022	
Village of Dryden	1/1/2011		Town of Owasco	1/1/2018		Town of Throop	1/1/2022	
Village of Groton	1/1/2011		County of Seneca	1/1/2019		Village of Minoa	1/1/2022	
Village of Trumansburg	1/1/2011		Town of Big Flats	1/1/2019		Village of Fayetteville	1/1/2022	
City of Cortland	1/1/2013		Town of Mentz	1/1/2019		Town of Camillus	1/1/2023	
Town of Lansing	1/1/2013		Town of Niles	1/1/2019	12/31/2023	Town of DeRuyter	1/1/2023	
Town of Willet	1/1/2015		Town of Sennett	1/1/2019		Town of Dewitt	1/1/2023	
Village of Homer	1/1/2015		Village of Freeville	1/1/2019		Town of Hastings	1/1/2023	
Town of Marathon	1/1/2016		Village of Horseheads	1/1/2019		Village of Camillus	1/1/2023	
Town of Truxton	1/1/2016		Village of Lansing	1/1/2019		Village of Skaneateles	1/1/2023	
Town of Virgil	1/1/2016		Town of Horseheads	1/1/2020		Dewitt Fire District	1/1/2023	
** Founding Members								

The Consortium has been approved by the NYS Department of Financial Services to expand its geographical boundaries to include Livingston and Monroe Counties. A new Certificate of Authority should be forthcoming soon. As a result of this expected growth, the Consortium continues to look at strategic objectives that will maintain rate stabilization for its members and prudently manage the increased level of risk associated with growth. Increasing the risk pool does

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

add a level of comfort with funding reserves and creating more stability, but it does bring concern about increasing the overall level of risk. The Consortium continues to work with our consultants to understand new medical and prescription claims trending. The “new normal” appears to include inflated pricing due to delayed care during the pandemic, medical claims inflation, and continued escalation in prescription drug pricing. A move to Excellus as the prescription benefit manager in 2024 should help the Consortium realize better rebates and cost containment through coordinated management of both medical and prescription claims.

NYS Department of Financial Services notified the Consortium at the end of 2022 that it would be examining our plan and focusing on risk management. The audit continued through 2023 and the Consortium is waiting for the final exit letter and interview. Audit findings included changes to cyber security policy and procedures to make sure the Consortium remains compliant with the NYS mandated changes. Other audit items continue to highlight concern over the lack of Board member attendance at meetings and ongoing changes to the Municipal Cooperative Agreement to assist with streamlining the new member approval process.

The following chart demonstrates how the Consortium continues to be financially efficient while it enhances the services it provides to the participating municipalities and keeps administrative fees for staffing and consulting services less than 2.0% of total Consortium expenses:

Expense Category	2018	2019	2020	2021	2022	2023
Medical and Rx Paid Claims	95.31%	93.96%	95.09%	94.89%	93.79%	94.27%
Claims Administration Fees	2.48%	2.88%	2.82%	2.88%	3.11%	2.96%
Stop-Loss Insurance	0.95%	1.27%	0.47%	0.46%	0.51%	0.48%
Taxes and Fees	0.53%	0.68%	0.57%	0.62%	0.68%	0.66%
Professional Services	0.43%	0.54%	0.41%	0.28%	0.27%	0.55%
Insurance/Internal Fees (Staffing)	0.29%	0.63%	0.63%	0.82%	0.90%	1.08%
Other/Miscellaneous Fees	0.01%	0.05%	0.02%	0.05%	0.75%	0.00%
Total Cash Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Escalating Cost of Medical Services and Prescription Medications

Medical claims for 2023 were 3.70% above budgeted levels due to higher-than-expected large losses. Prescription drug costs were 16.1% over budget in 2023, an increase of 12.57% from the previous year. This upward movement is expected to continue as new drugs are introduced to the market at significant cost and other drugs, such as GLP-1s become popular FDA approved weight management tools.

The Consortium Staff, Finance Committee, and Executive Committee continually monitor the paid claims trends as developed by the Plan's Consultant, Locey & Cahill, LLC, to ensure the Consortium's budget and premium equivalent rates are adequate. The budget prepared for 2024 anticipates utilizing the rate stabilization reserve to keep premium increases minimal. The net income loss in 2023 tapped into the unencumbered fund balance depleting the pool to a level close to 5% of paid claims.

The chart below shows the Consortium's budgeted paid claims versus the Consortium's actual paid claims for each year of operation:

<i>Fiscal Year</i>	<i>Budgeted Claims</i>			<i>Actual Results</i>			<i>Variance (Budgeted Claims -v- Actual Results)</i>	
	<i>Medical Claims</i>	<i>Rx Claims</i>	<i>Total Claims</i>	<i>Medical Claims</i>	<i>Rx Claims</i>	<i>Total Claims</i>	<i>Total Claims</i>	
2011	\$15,947,080.94	\$5,828,602.12	\$21,775,683.06	\$15,685,691.75	\$6,504,972.43	\$22,190,664.18	\$414,981.12	1.91%
2012	\$19,674,216.88	\$6,496,006.90	\$26,170,223.78	\$18,085,105.63	\$6,683,363.26	\$24,768,468.89	-\$1,401,754.89	-5.36%
2013	\$21,415,385.07	\$7,070,903.51	\$28,486,288.58	\$21,606,445.39	\$6,881,127.63	\$28,487,573.02	\$1,284.44	0.00%
2014	\$22,817,790.22	\$7,294,687.16	\$30,112,477.38	\$22,323,357.41	\$7,388,617.00	\$29,711,974.41	-\$400,502.97	-1.33%
2015	\$25,019,785.25	\$7,995,686.92	\$33,015,472.17	\$20,488,247.86	\$8,513,468.25	\$29,001,716.11	-\$4,013,756.06	-12.16%
2016	\$24,721,129.41	\$9,112,459.27	\$33,833,588.68	\$24,569,270.48	\$10,190,718.01	\$34,759,988.49	\$926,399.81	2.74%
2017	\$27,333,613.53	\$12,004,678.56	\$39,338,292.09	\$25,776,547.72	\$11,109,131.73	\$36,885,679.45	-\$2,452,612.64	-6.23%
2018	\$27,872,149.95	\$12,314,156.34	\$40,186,306.29	\$29,703,463.95	\$10,863,475.35	\$40,566,939.30	\$380,633.01	0.95%
2019	\$35,347,255.37	\$13,835,185.90	\$49,182,441.28	\$31,928,669.77	\$12,835,335.59	\$44,764,005.36	-\$4,418,435.92	-8.98%
2020	\$37,198,413.76	\$14,009,165.32	\$51,207,579.08	\$32,826,396.10	\$14,301,339.57	\$47,127,735.67	-\$4,079,843.41	-7.97%
2021	\$38,838,424.24	\$15,355,131.00	\$54,193,555.24	\$39,054,847.14	\$16,173,194.34	\$55,228,041.48	\$1,034,486.24	1.91%
2022	\$40,780,345.45	\$16,506,765.82	\$57,287,111.27	\$37,431,000.68	\$17,089,766.29	\$54,520,766.97	-\$2,766,344.30	-4.83%
2023	\$43,149,264.56	\$18,787,861.39	\$61,937,125.95	\$44,758,736.71	\$21,805,216.57	\$66,563,953.28	\$4,626,827.33	7.47%
Totals	\$380,114,854.62	\$146,611,290.23	\$526,726,144.85	\$364,237,780.59	\$150,339,726.02	\$514,577,506.61	-\$12,148,638.24	-2.31%

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

New Mandates

The Consolidation Appropriations Act (CAA), 2021, or “No Surprise Act” continues to require yearly CAA reporting, continued transparency of service costs, and prohibits surprise out-of-network billing. New York Senate Bill S4111, effective January 1, 2022, prohibits health care plans that provide essential benefits under the Affordable Care Act from removing a prescription drug from a formulary or adding new or additional formulary restrictions from a formulary during an enrollment year.

For 2025, the Inflation Reduction Act (IRA), 2022, will make further changes to the Part D prescription drug program, including reducing the annual out-of-pocket amount payable by patients to \$2,000. This shift in Part D benefits will have direct correlation to Retiree Drug Subsidy (RDS) and Employer Group Waiver Plans (EGWPs).

Department of Financial Services (DFS) Cybersecurity Regulation 23 NYCRR Part 500 has continued to be updated since its enactment in 2017. The newest additions in 2023 require companies to conduct independent audits of their cybersecurity programs, implement a privileged access management solution, and automatically block common passwords for information system accounts.

Specific Stop-Loss Insurance

Section 4707(a)(2) of the New York State Insurance Law requires the Consortium to purchase “specific stop-loss coverage with a specific retention amount or attachment point not greater than four percent of the amount certified by a qualified actuary to represent the plan’s expected claims for the current fiscal year.” The Consortium Board of Directors passed Resolution No. 040-2020 authorizing the purchase of a specific stop-loss insurance policy from Excellus BlueCross BlueShield (“Excellus”) with a policy period deductible of \$1,000,000 for all covered insured members. The purchasing of specific stop-loss insurance at a \$1,000,000 deductible level creates a substantive risk to the Consortium and its financial stability and a policy was created for balancing the Catastrophic Claims Reserve with the predicted risk. The Catastrophic Self-Insurance Claims Pool was funded at the \$4,606,088 level at the close of the 2023 Fiscal Year.

The Catastrophic Self-Insurance Pool which converted the Catastrophic Claims Reserve into a fund that will be used to cover eligible expenses for covered members who have paid claims which exceed \$500,000 up to the specific stop-loss insurance deductible of \$1,000,000. The only exceptions to this payment are claimants who have a “laser” deductible placed on them. In addition to the funds from the Catastrophic Claims Pool, this Pool will be further funded with the variance between the quoted premium for a specific stop-loss insurance policy at the \$600,000 deductible level and the \$1,000,000 deductible level and with the interest earned on the Pool each year.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

For the 2023 Fiscal Year, the Consortium experienced five claimants which needed to be funded by the Pool. Please refer to the chart below for the 2023 Fiscal Year Results as of December 31, 2023:

Catastrophic Claims Self-Insurance Pool	2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year	2023 Fiscal Year
Beginning Balance	\$ 4,500,000.00	\$ 5,032,220.00	\$ 4,642,294.20	\$ 4,808,739.38
Add: Premium Savings	\$ 498,115.00	\$ 434,450.00	\$ 427,465.40	\$ 480,602.23
Add: Interest Income	\$ 34,105.00	\$ -	\$ 27,149.63	\$ 97,807.57
Loss) on Investments	\$ -	\$ (19,009.15)	\$ (51,767.98)	\$ -
Less: (Catastrophic Claims)	\$ -	\$ (805,366.65)	\$ (236,401.87)	\$ (813,474.76)
Ending Balance	\$ 5,032,220.00	\$ 4,642,294.20	\$ 4,808,739.38	\$ 4,573,674.42

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

		2023 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$800,904.00
Actual Premium Paid	\$1,000,000 Deductible	\$320,301.77
Premium Savings		\$480,602.23
Member # 000001179452	Deductible (Laser Applied)	\$700,000.00
	Actual Claims Paid	\$610,458.62
	Prior Year Lag Claims	\$121,885.00
	Catastrophic Claims Pool	\$32,343.62
Member # 000014335319	Deductible	\$500,000.00
	Actual Claims Paid	\$0.00
	Prior Year Lag Claims	\$0.00
	Catastrophic Claims Pool	\$0.00
Member # 000014235037	Deductible	\$500,000.00
	Actual Claims Paid	\$670,646.90
	Prior Year Lag Claims	\$16.36
	Catastrophic Claims Pool	\$170,663.26
Member # 000012168307	Deductible	\$500,000.00
	Actual Claims Paid	\$0.00
	Prior Year Lag Claims	\$0.00
	Catastrophic Claims Pool	\$0.00
Member # 000001551134	Deductible	\$500,000.00
	Actual Claims Paid	\$0.00
	Prior Year Lag Claims	\$0.00
	Catastrophic Claims Pool	\$0.00
Member # 00000346623	Deductible	\$500,000.00
	Actual Claims Paid	\$679,860.62
	Prior Year Lag Claims	\$4.49
	Catastrophic Claims Pool	\$179,865.11
Member # 000001643330	Deductible	\$500,000.00
	Actual Claims Paid	\$832,980.31
	Prior Year Lag Claims	\$49.34
	Catastrophic Claims Pool	\$333,029.65
Member # 000000845061	Deductible	\$500,000.00
	Actual Claims Paid	\$597,573.12
	Prior Year Lag Claims	\$0.00
	Catastrophic Claims Pool	\$97,573.12
Catastrophic Claims Self-Insurance Pool Claims		\$813,474.76
Net Impact on Fund Balance		-\$332,872.53
Interest Earnings on Reserve		\$97,807.57

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Aggregate Stop-Loss Insurance

New York State Department of Financial Services continues to honor the waiver granted on December 5, 2017 to the Consortium relative to the requirement to purchase aggregate stop-loss insurance as found in §4707 of the New York State Insurance Law for 2021 and the foreseeable future. This waiver does not create a substantive risk to the Consortium or its members, as the Consortium maintains reserves and fund balance which protects the financial integrity of the Consortium and the New York State Department of Financial Services agreed this was a reasonable approach. Waiving aggregate stop-loss insurance allows the Consortium to save annually on related premiums.

Rate Stabilization Reserve

With paid claims and expense results below budget in the initial years of operation, the Board of Directors decided during the 2015 Fiscal Year, to establish a Claims/Rate Stabilization Reserve to further protect the Consortium's cash flow and provide additional financial stability. 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. As part of the long-term financial plan, the Board approved the use of a portion of the Rate Stabilization Reserve Fund, if necessary, to balance the 2024 budget. Changes to the Rate Stabilization Reserve, to be funded at 7.5% of annual premiums, with Resolution No. 034-2019 included defining when and how the Rate Stabilization Reserve should be utilized and subsequently refunded. In addition, the Board of Directors authorized the establishment of an Annual Premium Increase Target of 4% - 8%; and amended the 2019 target of 7.5% to set a target for the Rate Stabilization Reserve of 10% of annual premiums; and when budgeted premium increases exceed 8%, a budget will be developed that funds the Rate Stabilization Reserve at a level less than the 10%-of-premium target, but no lower than 2.5%-of-premium level, with the goal of meeting all other budget requirements. When the Rate Stabilization Reserve is funded below the 10%-of-premium target, the budget that is developed as a result will be created to support returning to the 10%-of premium target funding level in subsequent years and as quickly as possible.

Incurred But Not Reported (IBNR) Claims Liability Reserve

The Consortium continues to see a decrease in the IBNR calculation as determined by the Consortium's Actuaries, Risk Strategies. At the close of the 2011 Fiscal Year, the Consortium's calculated IBNR was 10.15% of paid claims. The IBNR calculation for the 2023 Fiscal Year was 5.20%. While this does not directly impact the mandated 12% of expected incurred claims reserve required by the NYS Department of Financial Services, it does provide creditable data demonstrating the IBNR Reserve at 12% is very conservative and amply protects the Consortium for its claims' liabilities.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Investment of Reserves

During the 2018 Fiscal Year, the Board of Directors adopted an Investment Policy for the Consortium which included seeking assistance from outside professionals. The Consortium's Audit & Finance Committee interviewed several firms who specialize in Investment Management for the limited investment vehicles available to municipal cooperatives. The decision was made to contract with Wilmington Trust at the end of the 2018 Fiscal Year. At the direction of the Audit & Finance Committee, the Consortium's Chief Fiscal Officer, and the Consortium's Treasurer, funds were moved to Wilmington Trust in February of 2019. This action resulted in a significant increase in earned interest income as the Consortium saw its investments in 2019 create an additional \$443,163.55 in interest earnings as compared to the 2018 Fiscal Year. Interest/investment earnings rebounded in 2023 with earnings over \$1.2M. The Consortium Leadership will continue to monitor and review the investment strategy on an ongoing basis to ensure the Consortium is maximizing its interest income whenever possible.

The Consortium, through its investment advisor Wilmington Trust, utilizes a mark to market accounting practice to record the value of its investments as determined by current market conditions. The market value is determined based on what the Consortium's investments are worth if they were sold at that point in time. At the end of the fiscal year, the Consortium's financial statements reflect the current market value of its investments, including investment gains and losses for the fiscal year end.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Patient Protection and Affordable Care Act

The Affordable Care Act's (ACA's) ongoing implementation since its inception in 2010 has resulted in increased costs to the Consortium, including the Patient Centered Outcomes Research Institute (PCORI) Fee which is now expected to be in place through the 2029 Fiscal Year. A history of this fee is provided below:

Applicable Fiscal Year	Filing Deadline	Payment Fiscal Year	PCORI Rate (Per Life)	% Increase	Average Annual Covered Lives	Annual Fee
2012	7/31/2013	2013	\$1.00	n/s	4,448	\$4,448.00
2013	7/31/2014	2014	\$2.00	100.00%	5,126	\$10,252.46
2014	7/31/2015	2015	\$2.08	4.00%	5,015	\$10,431.20
2015	7/31/2016	2016	\$2.17	4.33%	5,024	\$10,902.08
2016	7/31/2017	2017	\$2.26	4.15%	5,063	\$11,442.38
2017	7/31/2018	2018	\$2.39	5.75%	5,172	\$12,361.08
2018	7/31/2019	2019	\$2.45	2.51%	5,201	\$12,742.45
2019	7/31/2020	2020	\$2.54	3.67%	6,174	\$15,681.96
2020	7/31/2021	2021	\$2.66	4.72%	6,275	\$16,691.50
2021	7/30/2022	2022	\$2.79	5.00%	6,296	\$17,585.37
2022	7/30/2023	2023	\$3.00	7.41%	5,936	\$17,808.57
2023	7/30/2024	2024	\$3.22	7.33%	6,979	\$22,472.65
2024	7/30/2025	2025	\$3.38	5.00%	7,000	\$23,667.00
2025	7/30/2026	2026	\$3.55	5.00%	7,000	\$24,850.35
2026	7/30/2027	2027	\$3.73	5.00%	7,000	\$26,092.87
2027	7/30/2028	2028	\$3.91	5.00%	7,000	\$27,397.51
2028	7/30/2029	2029	\$4.11	5.00%	7,000	\$28,767.39

* PCORI Fee Estimates Use Current Average Covered Lives Count of 7,000

In addition to the ACA PCORI Fee, during the 2014, 2015, and 2016 Fiscal Years, the Consortium was subject to the ACA Transitional Reinsurance Program Fee. This ACA Transitional Reinsurance Program Fee has now sunset.

The Board of Directors is monitoring the effects of the continuation of some of the Patient Protection and Affordable Care Act. Although ACA fees have declined substantially with the sunset of the Transitional Reinsurance Program, the Board is actively monitoring its position relative to any changes which could negatively impact the finances of the Consortium.

Monitoring Claims Adjudication

The Board annually contracts with a third party to audit the hospital, medical, and surgical claims adjudication practices of Excellus one year and the pharmaceutical claims practices of ProAct the next year to ensure all claims are being adjudicated according to our plan documents and with proper medical and clinical oversight. After a request for proposal process was undertaken by the Claims and Appeals Committee, it was determined that we remain with BMI, Inc. to conduct our claims audits and the medical claims audit for plan years 2020 and 2021 commenced at the end of the 2022 Fiscal year.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023 AND 2022

Premium Rate Increases

A thorough review of the Consortium's finances and paid claims trends during budget preparations resulted in a premium increase recommendation of 8.00% for the 2024 Fiscal Year. This recommendation brings the overall average increase down to 6.25% since the Consortium's inception and the 5-year average increase is a very modest 5.90%.

Contacting the Plan's Financial Management

This financial report is designed to provide the Plan's member municipalities, Plan participants, and other stakeholders with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Greater Tompkins County Municipal Health Insurance Consortium in writing at PO Box 7, Ithaca, NY 14851

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

STATEMENTS OF NET POSITION DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,259,077	\$ 6,501,940
Unrestricted Investments	8,007,467	12,459,875
Accrued Interest	210,495	57,178
Premiums Receivable	503,753	503,441
Prepaid Expenses	8,030	204
Total Current Assets	<u>12,988,822</u>	<u>19,522,638</u>
Noncurrent Assets		
Premium Claims Deposit	928,000	788,300
Security Deposit	-	800
Restricted Investments	12,472,798	11,430,737
Capital Assets, Net	1,315,413	-
Total Noncurrent Assets	<u>14,716,211</u>	<u>12,219,837</u>
Total Assets	<u>27,705,033</u>	<u>31,742,475</u>
LIABILITIES		
Current Liabilities		
Incurred Claims Liability	8,279,606	6,672,663
Accounts Payable	1,720,496	1,491,872
Unearned Premiums	1,118,155	1,555,795
Lease Liability - Current	22,099	-
Total Current Liabilities	<u>11,140,356</u>	<u>9,720,330</u>
Noncurrent Liabilities		
Lease Liability - Noncurrent	939,381	-
Total Liabilities	<u>12,079,737</u>	<u>9,720,330</u>
NET POSITION		
Restricted		
Restricted for Contingency Reserve - §4706(a)(5)	3,062,352	2,729,555
Unrestricted - Board Designated		
Catastrophic Claims Self-Insurance Fund	4,606,088	4,808,739
Rate Stabilization Reserve	4,788,607	3,892,443
Total Unrestricted - Board Designated	<u>9,394,695</u>	<u>8,701,182</u>
Unrestricted - Net Investment in Capital Assets	353,933	-
Unrestricted - Undesignated	<u>2,814,316</u>	<u>10,591,408</u>
Total Net Position	<u>\$ 15,625,296</u>	<u>\$ 22,022,145</u>

See Notes to Financial Statements

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Premiums	\$ 61,247,053	\$ 54,591,095
Total Operating Revenues	<u>61,247,053</u>	<u>54,591,095</u>
Operating Expenses		
Claims Expense	63,401,572	51,505,375
Compensation	442,329	420,883
Professional and Consulting	535,950	157,032
Reinsurance Expenses, Net	320,301	295,917
Insurance	65,714	58,266
Claims Administrative Fees	1,989,845	1,813,731
Aggregate Write-ins for Other Expenses	496,983	425,849
Total Operating Expenses	<u>67,252,694</u>	<u>54,677,053</u>
Excess (Deficiency) of Operating Revenues Before Nonoperating Revenue (Expense)	(6,005,641)	(85,958)
Nonoperating Revenue (Expense)		
Interest Earnings	537,097	111,585
Gain (Loss) on Investments	692,435	(436,765)
Other Revenues (Expenses)	(13,797)	(11,503)
Total Nonoperating Revenue (Expense)	<u>1,215,735</u>	<u>(336,683)</u>
Change in Net Position	(4,789,906)	(422,641)
Net Position, January 1,	<u>22,022,145</u>	<u>22,250,841</u>
Adjustment for Incurred But Not Reported Claims	(1,606,943)	193,945
Net Position, December 31,	<u><u>\$ 15,625,296</u></u>	<u><u>\$ 22,022,145</u></u>

See Notes to Financial Statements

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

STATEMENTS OF CASH FLOW FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Premiums Collected from Municipal Corporations	\$ 60,809,101	\$ 54,898,529
Rebates and Reimbursements	3,454,811	3,189,533
Premium Claims Deposit	(139,700)	(65,900)
Claims Paid	(66,856,383)	(54,694,908)
Payments to Employees	(442,329)	(420,883)
Operating Expenses Paid	(3,189,032)	(2,549,682)
Net Cash Provided (Used) by Operating Activities	<u>(6,363,532)</u>	<u>356,689</u>
Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Construction in Progress	(353,933)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(353,933)</u>	<u>-</u>
Cash Flows From Investing Activities		
Purchase of Investments	(11,990,218)	(6,051,560)
Proceeds from Sale of Investments	16,093,000	5,974,809
Interest Received	383,780	63,841
Investment Fees Paid	(11,960)	(11,061)
Net Cash Provided (Used) by Investing Activities	<u>4,474,602</u>	<u>(23,971)</u>
Net Change in Cash and Cash Equivalents	<u>(2,242,863)</u>	<u>332,718</u>
Cash and Cash Equivalents, January 1,	6,501,940	6,169,222
Cash and Cash Equivalents, December 31,	<u><u>\$ 4,259,077</u></u>	<u><u>\$ 6,501,940</u></u>
Reconciliation of Excess Operating Revenues Over Operating (Expenses) to Net Cash Provided (Used) by Operating Activities		
Excess Operating Revenues Over Operating (Expenses)	\$ (6,005,641)	\$ (85,958)
(Increase) Decrease in Prepaid Expenses	(7,826)	152,362
(Increase) Decrease in Premiums Receivable	(312)	(482,011)
(Increase) Decrease in Premium Claims Deposit	(139,700)	(65,900)
(Increase) Decrease in Security Deposit	800	-
Increase (Decrease) in Accounts Payable	228,624	49,193
Increase (Decrease) in Unearned Premiums	(437,640)	789,445
Increase (Decrease) in Incurred Claims Liability	1,606,943	(193,945)
Adjustment for Incurred But Not Reported Claims	(1,606,943)	193,945
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (6,361,695)</u></u>	<u><u>\$ 357,131</u></u>
Supplemental Disclosures		
Noncash Investing, Capital, and Financing Activities		
Gain (Loss) on Investments	\$ 692,435	\$ (436,765)

See Notes to Financial Statements

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies**

The financial statements of the Greater Tompkins County Municipal Health Insurance Consortium (the Consortium) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) as applied to government units engaged only in Business-type Activities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Description of the Consortium

The Greater Tompkins County Municipal Health Insurance Consortium was organized in 2010 as an Article 5-G General Municipal Law (GML) municipal corporation to provide health insurance benefits for its member municipalities. The term "Municipal Corporation," as defined by §119-N of the GML, includes a county, city, town, or village. The Consortium's general objectives are to formulate, develop, and administer, on behalf of the member participants, an adequate program of insurance in a cost-effective manner. Municipalities joining the Consortium must remain members for a minimum of three years; a participant may withdraw with written notice prior to October 3 of each Plan year. Municipalities applying for membership in the Consortium may do so with two-thirds approval of the Board. Consortium underwriting and rate setting policies have been established after consultation with third party administration. Consortium members are subject to supplemental assessment in the event of deficiencies. Premium assessments are determined annually, and should assets of the Consortium be exhausted, members would be responsible for the Consortium's liabilities. The Consortium added seven new participating municipalities: the Towns of Camillus, DeRuyter, Dewitt and Hastings, the Villages of Camillus and Skaneateles, and the Dewitt Fire District. The new members added new contracts to the pool and provide a cushion in maintaining the required 2,000 covered lives threshold under Article 47 of New York State Insurance Law. Consortium membership currently includes 60 municipalities.

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

- **Accrual Basis:** Activities of the Consortium are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Reinsurance

The Consortium uses reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the primary liability of the Consortium as direct insurer of the risks reinsured. The Consortium does not report reinsured risks as liabilities unless it is probable those risks will not be covered by the reinsurer.

Unpaid Claims Liabilities

The Consortium establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are periodically recomputed to produce current estimates that reflect recent settlements and other factors and are adjusted annually to approximate 12% of claim expenditures. Adjustments to claims liabilities are adjustments to net position and charged or credited to expense in the periods in which they are made.

Incurred But Not Reported Claims Liability Reserve

The Consortium has established a liability reserve required by §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services has allowed the Consortium to utilize a factor of 12% of expected incurred claims as the estimate of this liability (see Unpaid Claims Liabilities note above). The estimate of expected incurred claims is actuarially determined.

Net Position - Restricted

- Restricted for Contingency Reserve: A contingency reserve of 5% of current year premiums was established in accordance with New York State Insurance Law §4706 (a)(5).

Net Position - Unrestricted - Board Designated

- Rate Stabilization Reserve: A reserve equal to approximately 7.5% of the expected incurred/paid claims for the fiscal year.
- Catastrophic Claims Self-Insurance Fund: A discretionary reserve reviewed annually by the Board of Directors to provide financial support for the additional exposure the Consortium acquires by increasing the Specific Stop-Loss Insurance Policy deductible and the additional risk of specific Stop-Loss deductible established by the Stop-Loss carrier for certain subscribers.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Net Position - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net Position - Unrestricted - Undesignated

If a surplus of assessments exists after the close of the Plan year, after provision for payment of all known unsettled claims, and after receipt of an annual independent financial audit, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to, or included in, said contingency fund shall be applied in reduction of the next annual assessment or to the billing of Consortium participants. Unrestricted - undesignated net position represents an appropriation of this excess for this purpose. Any deficit net position balance will need to be recovered from future premium adjustments.

Related Parties

The Consortium is currently made up of 60 participating municipal corporations, with seven new participating municipalities joining the Consortium in 2023. Representatives of each participating municipal corporation serve on the Board and premiums are collected from the municipal corporations. Four new municipalities are scheduled to join the Consortium in 2024.

Concentration of Credit Risk

The Consortium maintains its cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023 and 2022, all accounts were fully insured and/or collateralized.

Concentration of Operating Revenues

The Consortium received 98.0% and 99.8% of its revenues from premiums collected for the years ended December 31, 2023 and 2022.

Cash Equivalents

For financial statement purposes, the Consortium considers all highly liquid investments of three months or less as cash equivalents.

New Accounting Standards

The Consortium adopted and implemented the following current Statements of GASB effective for the year ended December 31, 2023:

- GASB has issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the year ended December 31, 2023.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Future Changes in Accounting Standards

- GASB has issued Statement No. 101 “Compensated Absences,” effective for the year ending December 31, 2024.

The Consortium will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

***Note 2* Cash and Investments**

The Consortium's investment policies are governed by state statutes. Consortium monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Chief Fiscal Officer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, obligations of New York State or its localities, and repurchase agreements.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and BOCES.

Deposits are valued at cost. Total financial institution (bank) balances at December 31, 2023 and 2022 were \$4,270,929 and \$6,570,905, respectively. Carrying values at December 31, 2023 and 2022 were \$4,259,077 and \$6,501,940, respectively.

Restricted investments of \$12,472,798 at December 31, 2023 represent funds set aside to fully fund the \$3,062,352 restricted contingency reserve; the \$4,606,088 catastrophic claims and \$4,788,607 rate stabilization Board designated reserves. Restricted investments of \$11,430,737 at December 31, 2022, represent funds set aside to fully fund the \$2,729,555 restricted contingency reserve; the \$4,808,739 catastrophic claims and \$3,892,443 rate stabilization Board designated reserves.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 3 Investments

The following represents investments at December 31,:

2023			
	Cost	Fair Value	Unrealized Gain (Loss)
Fixed Income Securities			
U.S. Treasury Bonds	<u>\$ 20,389,913</u>	<u>\$ 20,480,265</u>	<u>\$ 90,352</u>
Total	<u><u>\$ 20,389,913</u></u>	<u><u>\$ 20,480,265</u></u>	<u><u>\$ 90,352</u></u>
2022			
	Cost	Fair Value	Unrealized Gain (Loss)
Fixed Income Securities			
U.S. Treasury Bonds	<u>\$ 23,815,578</u>	<u>\$ 23,890,612</u>	<u>\$ 75,034</u>
Total	<u><u>\$ 23,815,578</u></u>	<u><u>\$ 23,890,612</u></u>	<u><u>\$ 75,034</u></u>

Market Risk

Future changes in market prices may make a financial instrument less valuable. Ownership interest is subject to the risk of loss from a decrease in value due to interest rate fluctuations that may result in a decline that is other than temporary.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 4 Fair Value Measurements

The Consortium categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Consortium has the following recurring fair value measurements as of December 31, 2023:

- U.S. Treasury securities of \$20,480,265 are valued using quoted market prices (Level 1 inputs).

The Consortium has the following recurring fair value measurements as of December 31, 2022:

- U.S. Treasury securities of \$23,890,612 are valued using quoted market prices (Level 1 inputs).

Note 5 Capital Assets

The detail of capital assets, net, at December 31, 2023 is as follows:

	Balance at December 31, 2022	Additions	Disposals/ Reclassifications	Balance at December 31, 2023
Depreciable Capital Assets				
Construction in Progress	\$ -	\$ 353,933	\$ -	\$ 353,933
Total Depreciable Capital Assets	-	353,933	-	353,933
 Intangible Lease Asset	 -	 969,298	 -	 969,298
 Total Historical Cost	 -	 1,323,231	 -	 1,323,231
 (Less): Accumulated Depreciation				
Construction in Progress	-	-	-	-
Total Accumulated Depreciation	-	-	-	-
 Accumulated Amortization	 -	 (7,818)	 -	 (7,818)
 Capital Assets, Net	 \$ -	 \$1,315,413	 \$ -	 \$ 1,315,413

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 6 Contingencies

Claims Liability

The BlueCross/BlueShield payments include claims paid for the years ended December 31, 2023 and 2022, and an adjustment to account for the BlueCross/BlueShield financing arrangement of billing actual claims paid one week in arrears. This one week delay requires the Consortium to fund approximated costs (Cash Advance) as actual claim payments are charged one week later. No significant differences have been experienced or are expected between monthly adjusted paid claims billings and actual monthly settlements in succeeding billings.

The Consortium also maintains specific stop-loss insurance coverage. This insurance policy provides unlimited coverage to the Consortium for paid claims which exceed the policy deductible during the policy period. The policy period in the fiscal years audited included claims incurred during each calendar year and paid within each calendar year and the first three months of the subsequent calendar year. The policy deductible was \$1,000,000 for the specific stop-loss insurance coverage for the fiscal years ending December 31, 2023 and 2022. It should also be noted that the coverage included unique deductibles (laser deductibles) for one individual at \$1 million for the fiscal year ended December 31, 2023 and for one individual at \$1 million for the fiscal year ended December 31, 2022.

Note 7 Incurred Claims Liability

As discussed in Note 1, the Consortium establishes a liability for both reported and unreported insured events which includes estimates of both future payments of losses and related claim adjustment expenses.

The following represents changes in those aggregate liabilities:

	<u>2023</u>	<u>2022</u>
Liability for Unpaid Claims - Beginning of Year	\$ 6,672,663	\$ 6,866,608
Incurred Claims and Claim Adjustment		
Claims Expense	63,401,572	51,505,375
Claims Paid	(66,856,383)	(54,694,908)
Prescriptions Rebate	3,454,811	3,189,533
Adjustment for Incurred But Not Reported Claims	<u>1,606,943</u>	<u>(193,945)</u>
Liability for Unpaid Claims - End of Year	<u>\$ 8,279,606</u>	<u>\$ 6,672,663</u>

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 8 Reinsurance Expense, Rebates, and Reimbursements

Reinsurance expense is shown net of reimbursements and rebates. Gross amounts and rebates are as follows at December 31,:

	<u>2023</u>	<u>2022</u>
Reinsurance Expense	\$ 320,301	\$ 295,917
Reimbursements and Rebates	<u>-</u>	<u>-</u>
Reinsurance Expense, Net	<u>\$ 320,301</u>	<u>\$ 295,917</u>

Note 9 Restricted for Contingency Reserve

A contingency reserve of 5% of current year premiums was established in accordance with New York State Insurance Law §4706(a)(5). The reserve balance was as follows at December 31,:

	<u>2023</u>	<u>2022</u>
Contingency Reserve	\$ 3,062,352	\$ 2,729,555

Note 10 Lease Liabilities

The Consortium enters into lease agreements for certain properties that are considered leases. The Consortium is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2023 are as follows:

<u>Description of Lease</u>	<u>Term of Lease</u>	<u>Discount Rate</u>	<u>Outstanding Dec. 31, 2023</u>
Office Lease (15 Years)	10/18/2023-9/30/2038	3.75%	<u>\$ 961,480</u>
			<u>\$ 961,480</u>

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 10* Lease Liabilities - Continued**

The following is a summary of the maturity of lease liabilities:

Year	Principal	Interest	Total
2024	\$ 22,099	\$ 35,712	\$ 57,812
2025	32,066	34,702	66,768
2026	39,100	33,368	72,468
2027	43,905	31,820	75,725
2028	48,894	30,088	78,982
2029-2033	326,114	117,546	443,660
2034-2038	449,301	42,905	492,206
	<u>\$ 961,480</u>	<u>\$ 326,142</u>	<u>\$ 1,287,622</u>

The Consortium recognized interest expense of \$6,024 for the year ended December 31, 2023.

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

SCHEDULES OF CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31,

	2023				
	<u>Restricted</u>	<u>Unrestricted - Board Designated</u>	<u>Unrestricted</u>		
		<u>Catastrophic</u>	<u>Rate</u>	<u>Undesignated</u>	
	<u>Contingency</u>	<u>Self-Insurance</u>	<u>Stabilization</u>	<u>and Net</u>	
	<u>Reserve</u>	<u>Fund</u>	<u>Reserve</u>	<u>Investment in</u>	<u>Total</u>
				<u>Capital Assets</u>	
Balances at January 1, 2023	\$ 2,729,555	\$ 4,808,739	\$ 3,892,443	\$ 10,591,408	\$ 22,022,145
Change in Net Position	-	-	-	(4,789,906)	(4,789,906)
Reclassifications	332,797	(202,651)	896,164	(1,026,310)	-
Incurred Claims Adjustment	-	-	-	(1,606,943)	(1,606,943)
Balances at December 31, 2023	<u>\$ 3,062,352</u>	<u>\$ 4,606,088</u>	<u>\$ 4,788,607</u>	<u>\$ 3,168,249</u>	<u>\$ 15,625,296</u>

	2022				
	<u>Restricted</u>	<u>Unrestricted - Board Designated</u>	<u>Unrestricted</u>		
		<u>Catastrophic</u>	<u>Rate</u>	<u>Undesignated</u>	
	<u>Contingency</u>	<u>Self-Insurance</u>	<u>Stabilization</u>	<u>and Net</u>	
	<u>Reserve</u>	<u>Fund</u>	<u>Reserve</u>	<u>Investment in</u>	<u>Total</u>
				<u>Capital Assets</u>	
Balances at January 1, 2022	\$ 2,669,495	\$ 4,642,294	\$ 4,004,101	\$ 10,934,951	\$ 22,250,841
Change in Net Position	-	-	-	(422,641)	(422,641)
Reclassifications	60,060	166,445	(111,658)	(114,847)	-
Incurred Claims Adjustment	-	-	-	193,945	193,945
Balances at December 31, 2022	<u>\$ 2,729,555</u>	<u>\$ 4,808,739</u>	<u>\$ 3,892,443</u>	<u>\$ 10,591,408</u>	<u>\$ 22,022,145</u>

GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

CLAIM DEVELOPMENT INFORMATION DECEMBER 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Earned Required Contribution Revenues	\$ 61,247,053	\$ 54,591,095	\$ 53,389,902	\$ 48,189,940	\$ 50,296,736	\$ 42,401,705	\$ 40,774,492	\$ 38,519,955	\$ 37,587,353	\$ 36,063,291
Unallocated Expenses - N/A	-	-	-	-	-	-	-	-	-	-
Estimated Incurred Claims and Expense: End of Year	63,401,572	51,505,375	53,024,900	44,933,332	43,353,569	38,991,995	35,828,612	34,999,888	28,750,405	29,755,490
Paid (Cumulative) as of: End of Policy Year	(66,856,383)	(54,694,908)	(55,410,491)	(46,909,048)	(44,937,713)	(41,703,672)	(35,936,454)	(34,300,059)	(28,650,014)	(30,568,724)
Reestimated Incurred Claims and Expense: End of Policy Year	63,401,572	51,505,375	53,024,900	44,933,332	43,353,569	38,991,995	35,828,612	34,999,888	28,750,405	29,755,490
Change in Estimated Incurred Claims Expense	-	-	-	-	-	-	-	-	-	-

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Greater Tompkins County Municipal Health Insurance Consortium
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Tompkins County Municipal Health Insurance Consortium (the Consortium), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements, and have issued our report thereon dated April 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Consortium's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of Consortium's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Consortium's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Consortium's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Consortium's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
April 23, 2024



Greater Tompkins County Municipal Health Insurance Consortium

408 East Upland Road, Suite 2 • Ithaca, New York 14850 • (607) 274-5590
healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. 006- 2024 - AMENDMENT TO RESOLUTON NO. 008-2013 AND RESOLUTION NO. 034 – 2018 - DESIGNATION OF BANKING INSTITUTIONS

MOVED by Ms. Drake, seconded by Mr. Thayer. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, pursuant to above said resolutions, the GTCMHIC Treasurer must choose banking institutions to conduct financial transactions on behalf of the GTCMHIC, and

WHEREAS, since above said resolutions, the 2023 Municipal Cooperative Agreement, approved by the Department of Financial Services (DFS), now specifies that the GTCMHIC Treasurer's job duties have been replaced by the GTCMHIC Finance Manager, and

WHEREAS, GTCMHIC Finance Manager has closed all GTCMHIC banking accounts with banking institution First Niagara, and

WHEREAS, the GTCMHIC Finance Manager has recently chosen JP Morgan Chase as an additional banking institution, now therefore be it

RESOLVED, That the following banking institutions will be in effect for GTCMHIC: JP Morgan Chase, Tompkins Community Bank (formerly known as Tompkins Trust Company), and M&T Bank,

FURTHER RESOLVED, on recommendation of the Finance Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves that GTCMHIC approves banking institutions for the GTCMHIC to be JP Morgan Chase, Tompkins Community Bank, and M&T Bank until further notice.

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

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium Executive Committee on behalf of the Board of Directors on March 20, 2024.

A handwritten signature in blue ink that reads "Lynne M. Sheldon".

Lynne Sheldon, Clerk of the GTCMHIC Board



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RESOLUTION NO. XXX-2024 – ELECTION OF 2025 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, 2025 through December 31, 2025 in the roles as follows:

Chairperson - Rordan Hart

Vice Chairperson – Amie Hendrix

Chief Financial Officer – Lorrie Scarrott (Tompkins County Finance Director)

Secretary – Peter Salton



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RESOLUTION NO. XXX-2024 – CREATION OF 2025 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM ("HEALTH CONSORTIUM")

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

RESOLVED, upon recommendation of the Health Consortium's Nominations and Engagement Committee and Executive Committee, the Board of Directors, hereby appointments the following committee structure and membership to 2025 committees effective January 1, 2025:

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 3rd Wednesday

- | | |
|------------------------------------------|------------------------------------------------|
| 1. Board Chair, Chair (Hart) | 7. Operations Chair (Granger) |
| 2. Board Vice Chair, (Hendrix) | 8. Nominations and Engagement Chair (Mutchler) |
| 3. Chief Financial Officer
(Scarrott) | 9. Claims and Appeals Chair (Shattuck) |
| 4. Secretary (Salton) | 10. Past Chair (Drake) |
| 5. JCPSD Chair (Vacant) | 11. At-large (Cole) |
| 6. AFC Chair/At-large (Bunce) | 12. At-large (Steve) |
| | 13. At-large (Vacant) |

STANDING COMMITTEES:

Audit Committee

CHARGE: The Audit Committee shall be responsible to review audit filings, audit policies and procedures to be sure in compliance with Article 47 and the Certificate of Authority; establish a list of all reports due to the Board and regulators and the process and timeline to insure accurate and timely reporting.

MEMBERSHIP: Seats may be filled by Directors; 3 members-5 members; two-year staggered terms MEETINGS (subject to change): Monthly; 4th Tuesday

Terms Expiring 12/31/25

1. Judith Drake (Chair)
2. Mark Emerson
3. Amanda Anderson
4. Wendy Cole
5. Janine Bond

Finance Committee

CHARGE: The Finance Committee shall be responsible to recommend a budget, recommend premium rates, review Jurat reports, recommend reinsurance and retention policies, and appropriate reserve levels in compliance with a municipal health care organization and any necessary policy and procedures relative to being fiscally prudent stewards of the organizations funds and assets.

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

MEETINGS (subject to change): Monthly; 4th Tuesday

Terms Expiring 12/31/26

1. Beth Greenwood
2. Wendy Cole
3. Bud Shattuck
4. Peter Salton
5. Vacant (Labor)

Terms Expiring 12/31/25

6. Judith Drake (Chair)
7. Kerry Manion
8. Amanda Anderson
9. Rordan Hart (Vice Chair)
10. Lorrie Scarrott (CFO)

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; 4th Monday

Terms Expiring 12/31/26

1. Ruby Pulliam
2. Laura Grainger (Chair)
3. Kemi Shokunbi
4. Janine Bond
5. Judith Drake
6. Melissa Greenthal
7. Vacant (Labor)

Terms Expiring 12/31/25

8. Kerrie Fusco
9. Sunday Earle
10. Mark Emerson
11. Laurie Walter

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 Expiring 12/31/26

1. Gary Mutchler, Chair
2. Vacant, Labor (JC Chair)
3. Vacant

Terms Expiring 12/31/25

4. Judith Drake
5. Rordan Hart

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 Expiring 12/31/26

1. Don Fischer, Vice Chair
2. Jeanne Grace (Labor)
3. Krissie Brown
4. Mike Murphy

Terms Expiring 12/31/25

5. Bud Shattuck, Chair
6. Donna Dawson
7. Tom Brown
8. Laurie Walter

* * * * *

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.

* * * *