



## Greater Tompkins County Municipal Health Insurance Consortium

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

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

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

### Executive Committee Agenda

November 3, 2021 - 3:30 p.m.

Ithaca Town Hall/Zoom

(contact [Consortium@tompkins-co.org](mailto:Consortium@tompkins-co.org) for Zoom link)

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of Minutes: September 1, 2021 Executive Committee  
September 23, 2021 Board of Directors
- 4) Action Items: (3:35)
  - a. **Resolution:** Amendment of 2021 Financial Services Agreement with Tompkins County
  - b. **Resolution:** Addition of Pharmacy Benefit Option - Vaccinations
  - c. **Resolution:** Approval of 2022 Consortium Wage Increases
  - d. **Resolution:** Authorizing Healthcare Benefits Renewal (Administrative Services Agreement) with Third Party Administrator – Excellus BlueCross BlueShield
- 5) Chair's Report (3:45)
  - a. Draft Meeting Calendar
  - b. Discussion of Establishing a Long-Term Business Plan
- 6) Future Agenda Topics:
- 7) Adjournment (5:15)

J. Drake

**Next Meeting: December 15, 2021**

**Executive Committee  
Minutes – DRAFT  
September 1, 2021 – 3:30 p.m.  
Via Zoom**

Present: Steve Thayer, Bud Shattuck, Peter Salton (arrived at 3:43 p.m.)  
Remote: Judy Drake, Mack Cook, Ed Fairbrother, Rordan Hart, (excused at 4:45 p.m.) Chris Wagner, Gary Mutchler, Jim Bower (arrived at 3:35 p.m.)  
Excused: Lisa Holmes  
Guests: Steve Locey, Rob Spenard, Locey & Cahill; Don Barber, Consultant; Ruby Pulliam, Tompkins County Commissioner of Human Resources  
Staff: Elin Dowd, Executive Director; Michelle Cocco, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues

**Call to Order**

Ms. Drake, Chair, called the meeting to order at 3:32 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approval of Minutes of July 7, 2021**

It was MOVED by Mr. Mutchler, seconded by Mr. Hart, and unanimously adopted by voice vote by members present, to approve the minutes of July 7, 2021 as submitted. MINUTES APPROVED.

Mr. Bower arrived at this time.

**Chair's Report**

**Appointment**

It was MOVED by Mr. Wagner, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present, to appoint Amanda Anderson to the Audit and Finance Committee to fill a vacancy with a term expiring December 31, 2021. MOTION CARRIED.

Ms. Drake reported there have been some discussions on strategic planning and Committee members were provided with information on potential facilitators. She said there has been some interest in establishing a subcommittee and would like input from the Committee. Ms. Dowd said this is being presented for discussion and not an action item as there may be suggestions made of people to serve on a subcommittee who are not present at this meeting. She referenced information from Mack Cook that was circulated to the Committee and said as an organization there will be strategic planning happening in many of the committees, but this is specifically looking at the committee that will be giving direction and keeping the whole process going.

Mr. Cook suggested this is an opportunity to reach into the Consortium's membership to find the next group that would come after current members and give them the opportunity to become involved. Ms. Drake agreed that this would be a good opportunity to bring others into the process and asked Ms. Dowd do outreach to see who would be interested in serving on that committee. Ms. Drake referenced the three proposals that were circulated and asked for input on the process to be used to select a facilitator.

Ms. Dowd explained she received recommendations for facilitators and asked them each to submit a proposal and three proposals were received. She said she has spent at least an hour with each of them on the phone providing a detailed overview of the Consortium. She feels they each bring something different to the table, they would each handle strategic planning differently but all would do well in taking this on for the Consortium. Ms. Dowd extended an offer to any member to be involved in the process of selecting a Facilitator.

Mr. Salton said he wants to have further discussions before work on strategic planning advances and before any consultant is hired. Mr. Hart said there can be times when a consultant has their own process and blueprint for what they think strategic planning should be and it can be almost independent of what the organization they are working with happens to be and as an insurance company, the Consortium has very little flexibility over how it operates. He said he supports having further conversations as long as it solidifies that the Consortium wants a consultant to do. Mr. Salton feels it is too early to get a consultant.

Ms. Dowd clarified that what was brought forward was a plan to hire a Facilitator to get the group to have a discussion in an organized manner as an entire organization. There is not a proposal to hire a consultant to do a strategic plan for the Consortium, it is to hire a Facilitator to get the group to put together a strategic plan. Mr. Salton said he doesn't think there has been enough discussion internally and cannot support bringing in a third party at this time. Ms. Dowd said the purpose of a Facilitator is to ask questions that will begin that discussion.

Ms. Drake said this will be included on the next agenda for further discussion.

### **Executive Director Report**

#### **Open Meetings Law**

#### **Resolution No. 006 – 2021 - Urging New York State to Amend New York Public Officers Law Article 7 (Open Meetings Law)**

Mr. Hart said he fully supports any change to Open Meetings Law to support remote meetings and believes that it is time for New York State to make this change. He co-authored the resolution that was adopted by the Tompkins County Council of Governments. He said Governors do not have the authority to suspend laws and suggested an amendment which was accepted as friendly stating "the Greater Tompkins County Municipal Health Insurance Consortium strongly supports any amendment to Public Officers Law Article 7 that allows for remote access to meetings by members".

Mr. Cook said this may be taken up this evening by the State Legislature and suggested this be forwarded immediately upon adoption. Mr. Shattuck suggested holding off on sending this until information is known about what happens at the Legislative meeting this evening.

MOVED by Mr. Hart, seconded by Mr. Wagner, and unanimously adopted by voice vote by members present with Mr. Salton abstaining.

WHEREAS, on March 12, 2020, in an effort to contain the spread of the novel coronavirus, otherwise known as COVID-19, New York Governor Andrew M. Cuomo issued Executive Order 202.1 which suspended portions of Article 7 of the New York Public Officers Law "to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in-person access to meetings and authorizing such meetings to be held remotely by videoconference, provided that the public has the ability to view or listen to such proceedings and that such meetings are recorded and later transcribed," and

WHEREAS, Governor Cuomo successively extended such suspension by Executive Orders on a monthly basis through June 25, 2021, and

WHEREAS, on June 24th, 2021, by Executive Order 210, Governor Cuomo rescinded Executive Orders 202 through 202.111, including Executive Order 202.1, effective June 25, 2021, the Governor concluding that “the State of New York [has] successfully flattened the curve of COVID-19 cases in New York,” and, therefore, the Executive Orders were “no longer necessary,” and

WHEREAS, the Governor’s rescission of Executive Order 202.1 now requires that public meetings convene in-person at a central location and allow public attendance there and at any locations from which members of the public body attend remotely by videoconference, and

WHEREAS, since the issuance of Executive Order 210, the increased prevalence of the Delta Variant of COVID-19 has caused a resurgence of coronavirus cases throughout the United States, New York State and Tompkins County, prompting local governments to reinstate public health advisories that call for the indoor masking of individuals, whether vaccinated or not, and recommend limitations on the size of indoor gatherings, including municipal meetings, and

WHEREAS, it is important that public officials, each with their individual family and health circumstances, be able to attend public meetings in a manner that allows them to maintain a level of safety that they feel is appropriate for them, and

WHEREAS, no legislative remedy to this problem of in-person public meetings mandated by OML during a global pandemic through amendment of Article 7 of the New York Public Officers Law is likely to occur before January 2022, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee on behalf of the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium, strongly supports any amendment to Public Officers Law Article 7 (Open Meetings Law), to allow for remote attendance at meetings by members of the body.

RESOLVED, that a copy of this Resolution shall be sent to The Honorable Kathy C. Hochul, Lieutenant Governor and New York Governor-Designate, the Honorable Pamela Helming, New York State Senator, Dr. Anna R. Kelles, New York State Assembly Member, and the Association of Towns of New York State.

\* \* \* \* \*

## **RESOLUTION NO. 007 – 2021 – ESTABLISHING OPERATIONS RFP REVIEW SUBCOMMITTEE**

MOVED by Mr. Hart, seconded by Mr. Wagner, and unanimously adopted by voice vote by members present.

WHEREAS, the current Prescription Benefit Management services contract expires on December 31, 2021, and

WHEREAS, the Consortium received eight responses to the Request for Proposals that was issued on March 1, 2021, and

WHEREAS, the Operations Committee wishes to create a subcommittee to include representatives of interested municipalities and labor to work in consultation with the Executive Director and Locey & Cahill to evaluate the eight responses that were received, and

WHEREAS, the RFP Subcommittee shall forward a recommendation to the Operations and Executive Committees for consideration and approval by the Board of Directors, and

WHEREAS, the Executive Committee was electronically polled and voted to approve the creation of a subcommittee, now therefore be it

RESOLVED, That the Executive Committee hereby ratifies the action taken by poll of the Executive Committee to create an RFP Review Subcommittee effective June 1, 2021 and to appoint the following membership:

Judy Drake, Chair  
Chris Wagner  
Ed Fairbrother  
Nancy Webster (Labor)  
Sarah Thomas  
Denise Malone  
Sunday Earle

RESOLVED, further, that this subcommittee shall exist through the approval of a contract by the Board of Directors.

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### **Business Continuity Plan**

Ms. Dowd said the Department of Financial Services requested the Consortium complete a lengthy questionnaire relating to the continuation of business in the event of a catastrophe. She said the information related in large part to insurance companies and not an organization like the Consortium. Ms. Apalovich worked with Greg Potter, Tompkins County ITS Director, on the Plan and secured business continuity plans from the Consortium's large partners and put together the Plan that is being proposed.

Mr. Locey suggested that Article 47 consortiums be brought together to jointly send a communication to the NYS Department of Financial Services to explain why Article 47 organizations should not be treated like other insurance companies. He said DFS continues to require organizations to conform to the same reports, rules, and regulations that Article 43 insurance companies are required to follow but they are significantly different organizations. There is no correlation between a not-for-profit insurance company and an Article 47 municipal cooperative. In response to Mr. Hart, Mr. Locey said legislation would not be required to make any changes; the rules are set by DFS and changes could be made by the Department.

### **RESOLUTION NO. 008 - 2021 – ADOPTION OF BUSINESS CONTINUITY AND DISASTER RESPONSE PLAN**

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

WHEREAS, the Department of Financial Services has advised in Insurance Circular Letter No. 7 (2021) that the Consortium must develop a Business Continuity and Disaster Response Plan (BCPDRP) each year, and

WHEREAS, the purpose of a Business Continuity and Disaster Response Plan is to ensure the organization's system of procedures to restore critical business functions in the event of unplanned disaster, and

WHEREAS, Consortium staff has worked in cooperation with the Tompkins County Information Technology Services Department in creating the Consortium's first approved Business Continuity and Disaster Response Plan, and

WHEREAS, upon approval, the Plan will be maintained by the Executive Director of the Consortium and shall be made available to all Consortium Participants, Consortium employees, and the Tompkins County Information Technology Services Department, and

WHEREAS, the Business Continuity and Disaster Response Plan shall be updated and approved annually, now therefore be it

RESOLVED, on recommendation of the Operations Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves the Business Continuity and Disaster Response Plan dated September 1, 2021.

\* \* \* \* \*

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

Mr. Bower, Chair, reported the Committee continues to get labor involved and said one Labor Director seat has been filled.

#### **Report from the Nominations and Engagement Committee**

Mr. Fairbrother, Chair, reported the Committee has finished its work on nominations and has developed a term limit policy. There has been a lot of discussion on how to get newer members engaged and improve participation levels. Ms. Dowd said the Committee discussed the term limit policy at length and recognized there are both advantages and disadvantages of having a policy. The Committee was supportive of instituting term limits that are allowed to be reviewed and waived by the Executive Committee.

Mr. Salton spoke of the risk of jeopardizing institutional knowledge and thinks this and other ways of getting new members to participate should be included in strategic planning. Mr. Hart said he initially had concerns but thinks the inclusion of language allowing for a waiver addresses his concerns as he thinks the problem in five years will be not having enough members to serve on committees. Mr. Barber said this policy is a pathway forward and will force the Consortium to be mindful about thinking about bringing on new members. Ms. Dowd said research is being done to explore whether there are options to change the makeup of the Board.

#### **RESOLUTION NO. 009 - 2021– ADOPTION OF POLICY ESTABLISHING TERM LIMITS FOR OFFICERS AND STANDING COMMITTEE MEMBERS**

MOVED by Mr. Shattuck, seconded by Mr. Hart, and unanimously adopted by voice vote by members present.

WHEREAS, the Nominations and Engagement Committee has discussed and weighed the pros and cons of instituting term limits for Consortium Officers, and

WHEREAS, the Committee believes term limits will make it easier to diversify the Board and provide opportunities for new ideas and new perspectives to be brought to the Consortium Board and its various committees, now therefore be it

RESOLVED, on recommendation of the Nominations and Engagement Committee, That the Executive Committee, on behalf of the Board of Directors, hereby adopts the following policy “Establishing Term Limits for Officers and Standing Committee Members”,

RESOLVED, further, that this Policy will be incorporated into the Executive Committee Bylaws.

Term Limits for Officers and Standing Committee Members

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

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

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

\* \* \* \* \*

**Report from the Claims and Appeals Committee**

**RESOLUTION NO. 010 - 2021 – Acceptance of 2018 and 2019 Medical Claims Audit Report**

MOVED by Mr. Shattuck, seconded by Mr. Fairbrother, and unanimously adopted by voice vote by members present.

WHEREAS, the New York State Department of Financial Services during its initial audit recommended that the Consortium conduct periodic medical claims audits, and

WHEREAS, by Resolution No. 008 of 2020 the Board of Directors authorized a contract with BMI Audit Services to perform a medical claims audit to ensure medical claims are paid by Excellus are in accordance with benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, BMI has completed the medical claims audit and presented the final report to the Claims and Appeals Committee, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee, on behalf of the Board of Directors, accepts the final audit report presented by BMI on 2018 and 2019 Medical Claims.

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**RESOLUTION NO. 011 – 2021 - AUTHORIZING CONTRACT FOR PRESCRIPTION DRUG CLAIMS  
AUDIT – 2019 AND 2020 CLAIMS**

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

WHEREAS, the Consortium has determined there is value in conducting periodic medical and prescription drug claims audits, and

WHEREAS, the Consortium's has developed a pattern of conducting these claims audits on alternate years for medical one year and then pharmaceutical claims the next and

WHEREAS, the Consortium is now prepared to undertake a prescription drug claims audit as part of its fiduciary responsibility to ensure claims paid by ProAct are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices for the years 2019 and 2020 and

WHEREAS, in anticipation of initiating a prescription drug claims audit the Executive Director has obtained a contract proposal from BMI Audit Services, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee, on behalf of the Board of Directors, hereby authorizes the Consortium to engage the firm of BMI to perform an audit of the Consortium's prescription drug claims for an amount not to exceed \$35,000.

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**Report from the Audit and Finance Committee**

Mr. Cook, Chair, reported the Committee is recommending adoption of the 2022 budget with a premium rate increase of 5%; it also complies with all policies established by the Consortium. He said the Committee is pleased with the results and budget as presented.

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

MOVED by Mr. Cook, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

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

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

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

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;



- Maintain Catastrophic Claims Reserve at \$4,500,000 with additional interest and premium savings included;
- Maintain an unencumbered fund balance not less than 12% of expected premium through at least year four of the annual proforma calculation;
- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 5.0% in 2022 across all benefit plans”

now therefore be it

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

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### **Report from the Operations Committee**

#### **Executive Session**

It was MOVED by Mr. Salton, seconded by Mr. Wagner, and unanimously adopted by voice vote by members present, to enter into executive session at 4:27 p.m. The meeting returned to open session at 4:42 p.m.

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

MOVED by Mr. Wagner, seconded by Ms. Drake, and unanimously adopted by voice vote by members present.

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

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

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

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

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

Municipal Health Insurance Consortium Board of Directors.

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**Executive Director Report**

Ms. Dowd reported a communication was designed recently regarding the de-implementation of Covid-19 waivers that were previously in place. She said the Consortium took action to cover all Telehealth services, including those not related to Covid-19 and that amendment expired June 4<sup>th</sup>. Excellus has been charging the copay for services that are not related to Covid-19 and have been charging a copay according to contract. On May 26<sup>th</sup> Circular Letter No. 10 that directed the waiving of the cost share for outpatient mental health services for essential workers expired. The Consortium went along with Excellus to cover all claims with a diagnosis of Covid-19 with no cost share; that expired June 24<sup>th</sup>. She said there is still some coverage in place regarding the coverage of testing and administration of vaccine, Covid telehealth visits, and waiving of the 90-day prescription drug supply. Ms. Dowd said the Consortium is planning to send out a communication to municipalities on this.

Ms. Dowd reported the Owning Your Own Health Committee was moved into the Joint Committee on Plan Structure and design last year and this has worked out well. She requested the Committee take action to continue suspension of that Committee for 2022.

It was MOVED by Ms. Drake, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present to continue suspension of the Owning Your Own Health Committee through 2022.

Ms. Drake thanked Ms. Dowd for her work in securing the Consortium's new Certificate of Authority.

**Financial Update**

Ms. Dowd said there is no further financial information to report at this time as much of the available information was presented at the educational session held on August 26<sup>th</sup>. She reported on a meeting held today with the Tompkins County Finance Department on the continuation of transition of financial duties to the Consortium. She said the meeting went very well and great support was expressed of the work Ms. Apalovich has been doing for the Consortium.

**Future Agenda Topics**

The following items will be included on the next agenda:

- Continued discussion of strategic planning and discussion of governance; and
- How to pull Article 47 groups together to address DFS concerns collectively.

**Adjournment**

The meeting adjourned at 4:56 p.m.



## Greater Tompkins County Municipal Health Insurance Consortium

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

***Municipal Representatives: 33***

Steve Thayer, City of Ithaca  
Ruby Pulliam, Tompkins County  
Mark Witmer, Town of Caroline  
Kevin Williams, Town of Homer  
Charmagne Rumgay, Town of Lansing  
Gary Mutchler, Town of Scipio  
Chris Wagner, Seneca County  
Mary Brouchard, Town of Ulysses  
Peter Salton, Village of Cayuga Heights  
Betty Conger, Village of Groton  
Rordan Hart, Village of Trumansburg  
Darcy Rigdon, Lansing Community Library  
Jim Doring, Town of Preble  
Ronny Hardaway, Village of Lansing  
Luann King, Town of Cincinnatus  
Tom Brown, Town of Truxton  
Alex Patterson, Town of Aurelius

Mack Cook, City of Cortland  
Shondrea Cobb, Town of Big Flats  
Terrance Baxter, Town of Moravia (arrived at 5:11 p.m.)  
Judy Drake, Town of Ithaca  
Christine Laughlin, Town of Newfield  
Lonnie Childs, Village of Watkins Glen  
David Schenck, Town of Springport  
Eric Snow, Town of Virgil  
Tom Gray, Town of Sennett  
Bud Shattuck, Village of Union Springs  
Ed Wagner, Town of Owasco  
Michael Murphy, Village of Dryden  
Laura Shawley, Town of Danby (arrived at 5:21 pm)  
Leonardo Vargas-Mendez, Town of Dryden  
Janine Bond, Town of Hector  
Ray Bunce, Town of Spencer (arrived at 5:51 p.m.)

***Labor Representatives: 5***

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

***Excused: 4***

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

***Absent: 14***

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

***Vacancy – Labor: 1***

***Others in attendance:***

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

Board of Directors  
September 23, 2021

Kylie Rodrigues, Benefits Specialist  
Paul Pelton, Robert Spenard, Locey & Cahill  
Kelli Lasher, Excellus  
Corey Prashaw, ProAct  
Morgan Randozza, ProAct  
Sarah O'Shea

Teri Apalovich, Finance Manager  
Sunday Earle, TC3  
David Mastronaglo, Excellus  
Corey Prashaw, ProAct  
315-406-5591

### **Call to Order**

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

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

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

### **Changes to the Agenda**

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

### **Proclamation**

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

### **PROCLAMATION**

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

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

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

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

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

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

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

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

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

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

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

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

### **Executive Director Report**

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

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

### **2021 Financial Update**

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

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

Mrs. Shawley arrived at this time.

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

### **2022 Budget Presentation**

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

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

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

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



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

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

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

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

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

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

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

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



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

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

now therefore be it

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

\* \* \* \* \*

**Greater Tompkins County Municipal Health Insurance Consortium**

2021 & 2022 Fiscal Year Budget Projections (cash) *As Revised for New Entrants* **5.00%**

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

Board of Directors  
September 23, 2021

Greater Tompkins County Municipal Health Insurance Consortium  
2022 Premium Rates

Municipality Name	Plan Group Description	Group Number	Sub-Group Number	Class Code	Enrollment Code	Plan Code No.	Plan Code Medical	2021 Premium Equivalent Rate		2022 Premium Equivalent Rate	
								Individual	Family	Individual	Family
City of Carleton	Active Employees	0006758	0001	A130	SGJ	RT9	MB41	\$1,110.23	\$2,189.69	\$1,080.77	\$2,099.18
City of Carleton	Retirees	0006758	R001	R100	SGJ	RT9	MB41	\$1,110.23	\$2,189.69	\$1,080.77	\$2,099.18
City of Carleton	Active Employees	0006758	0002	A130	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Police (PRA) - Active Employees	0006756	0001	A130	902	2T3	MB41	\$1,216.13	\$2,651.89	\$1,276.94	\$2,767.69
City of Ithaca	CSRA DPW - Active Employees	0006756	0001	A131	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	City Recreation Assoc. - Active	0006756	0001	A132	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	CSRA AZMETH - Active Employees	0006756	0002	A132	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Confidential - Active Employees	0006756	0003	A133	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Common Council - Active Members	0006756	0004	A134	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	House Prof. Fire Fighters (PPFA)-Active	0006756	0005	A136	902	RT6a	MB41	\$1,166.41	\$2,527.56	\$1,234.94	\$2,653.94
City of Ithaca	Fire Chief Office (CCO) - Active	0006756	0006	A137	902	RT6a	MB41	\$1,166.41	\$2,527.56	\$1,234.94	\$2,653.94
City of Ithaca	Managerial - Active Employees	0006756	0007	A138	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	CSRA DPW - Active Employees	0006756	0008	A131	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	CSRA AZMETH - Active Employees	0006756	0009	A132	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Confidential - Active Employees	0006756	0010	A133	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Managerial - Active Employees	0006756	0011	A134	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	City Recreation Assoc. - Active	0006756	0012	A135	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	House Prof. Fire Fighters (PPFA)-Active	0006756	0013	A136	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Fire Chief Office (CCO) - Active	0006756	0014	A137	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Common Council - Active Members	0006756	0015	A138	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Police (PRA) - CSRA	0006756	C001	C100	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	CSRA DPW - CSRA	0006756	C002	C102	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	City Recreation Assoc. CSRA	0006756	C003	C103	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Fire Chief Office Union (CCU) - CSRA	0006756	C004	C104	902	RT6a	MB41	\$1,166.41	\$2,527.56	\$1,234.94	\$2,653.94
City of Ithaca	CSRA AZMETH - CSRA	0006756	C005	C105	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Confidential - CSRA	0006756	C006	C106	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Managerial - CSRA	0006756	C007	C107	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	House Prof. Fire Fighters (PPFA)-CSRA	0006756	C008	C108	902	RT6a	MB41	\$1,166.41	\$2,527.56	\$1,234.94	\$2,653.94
City of Ithaca	CSRA DPW - CSRA	0006756	C009	C109	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	CSRA AZMETH - CSRA	0006756	C010	C110	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Confidential - CSRA	0006756	C011	C111	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Managerial - CSRA	0006756	C012	C112	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	City Recreation Assoc. CSRA	0006756	C013	C113	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Common Council - CSRA	0006756	C014	C114	DAA	ACA-P	ACA-P	\$694.22	\$1,304.99	\$728.90	\$1,399.14
City of Ithaca	Retirees - CSRA	0006756	R001	R100	902	2T3	MB41	\$1,216.13	\$2,651.89	\$1,276.94	\$2,767.69
City of Ithaca	Retirees - CSRA	0006756	R002	R102	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R003	R103	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R004	R104	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R005	R105	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R006	R106	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R007	R107	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R008	R108	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R009	R109	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R010	R110	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R011	R111	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R012	R112	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R013	R113	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R014	R114	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R015	R115	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R016	R116	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R017	R117	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R018	R118	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R019	R119	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R020	R120	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R021	R121	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R022	R122	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R023	R123	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R024	R124	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R025	R125	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R026	R126	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R027	R127	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R028	R128	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R029	R129	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R030	R130	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R031	R131	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R032	R132	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R033	R133	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R034	R134	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R035	R135	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R036	R136	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R037	R137	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R038	R138	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R039	R139	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R040	R140	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R041	R141	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R042	R142	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R043	R143	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R044	R144	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R045	R145	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R046	R146	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R047	R147	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R048	R148	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R049	R149	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R050	R150	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R051	R151	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R052	R152	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R053	R153	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R054	R154	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R055	R155	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R056	R156	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R057	R157	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R058	R158	902	RT6	MB41	\$1,095.12	\$2,373.61	\$1,149.88	\$2,492.39
City of Ithaca	Retirees - CSRA	0006756	R059	R159							

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

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

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

**Executive Committee**

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

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

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

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

**STANDING COMMITTEES:**

**Audit and Finance Committee**

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

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

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

Terms expire 12/31/23

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

Terms expire 12/31/22

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

**Operations Committee**

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

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

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

Terms Expiring 12/31/22

Chris Wagner, Chair

Terms Expiring 12/31/23

Ed Fairbrother

Terms Expiring 12/31/23

LuAnn King

Lisa Holmes  
Schelley Michell-Nunn

Nancy Webster  
Sunday Earle

Mark Emerson

### **Nominations and Engagement Committee**

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

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

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

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

**Terms expire 12/31/23**

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

**Terms expire 12/31/2022**

4. Gary Mutchler
5. Terrance Baxter

### **Claims and Appeals Committee**

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

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

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

**Terms expire 12/31/23**

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

**Terms expire 12/31/2022**

4. Don Fischer
5. Tanya DiGennaro

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

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

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

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

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

\* \* \* \* \*



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

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

Mr. Bunce arrived at this time.

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

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

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

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

\* \* \* \* \*

**BYLAWS OF THE  
GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM  
EXECUTIVE COMMITTEE  
(adopted 12/17/2020; revised 9/23/2021)**

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**ARTICLE I  
PURPOSE**

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

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

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

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

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

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

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

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

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

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

### **ARTICLE III COMMITTEE LEADERSHIP**

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

Section 2. At the Annual Meeting, the Board Nomination and Engagement Committee shall, based on collaboration, outreach, and input from Directors, nominate a Chair for each of the Executive Committee Standing Committees which shall include: (i) Audit and Finance, (ii) Operations, (iii) Owning Your Own Health, (iv) Nominations and Engagement, (v) Claims and Appeals, and (vi) such additional committees as the Executive Committee may, from time to time, create through amendment to these Bylaws. The Standing Committee Chairs shall be nominated as part of the full slate of candidates for the Executive Committee, and, once elected, shall automatically be designated members of the Executive Committee. The Executive Committee has the authority to create temporary, ad-hoc committees as may be needed; but Chairs of these committees shall not be Members of the Executive Committee.

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

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

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

Section 2. Should any Member cease to be a Director of the Consortium Board or otherwise cease to be qualified to serve in that capacity, he/she shall automatically cease to be a Member of



the Executive Committee and the resulting vacancy shall be filled as provided in Article II, Section 4.

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

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

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

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

## **ARTICLE VI RULES OF PROCEDURE**

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

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

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

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

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

Section 6. Notice of special meetings may be delivered to each Member of the Executive Committee or given orally, in person or by telephone or email, one (1) day prior to the date of such special meeting or may be mailed to the business or home address of each member of the Executive Committee at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed prior to, at or subsequent to any such meeting, by any Member failing to receive a proper notice. At such a special meeting no business shall be considered other than that expressly designated in the notice, but if all the Members of the Executive Committee are present at the special

meeting, with or without notice thereof, any and all business may be transacted at such special meeting.

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

## **ARTICLE VII COMMITTEES**

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

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

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

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

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

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

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

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

## **ARTICLE VIII OPERATING BUDGET**

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

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

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

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

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

## **ARTICLE IX INDEMNIFICATION**

The GTCMHIC shall defend and indemnify any committee member who is subject to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative relating to, or arising out of, his/her responsibilities relative to his/her position or activities on behalf of the Consortium. The provision of such defense and indemnity is contingent upon the provision of prompt notice to the Board of the threatened, pending or completed action,

suit or proceeding. The Board, in its discretion, can refuse to provide such defense and indemnity if it determines that the claims against the individual have been initiated as a result of his/her bad faith, self-dealing, willful misconduct, or recklessness.

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

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

## **ARTICLE XI AMENDMENTS**

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

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

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

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

In response to Mr. Salton, Ms. Dowd said there were requests made of ProAct relating to customer service that included providing additional information to benefit clerks to allow them to manage membership differently. The contract includes a \$2.2 million overall savings of which most comes from rebate expectations. The Consortium, along with Locey and Cahill, will be managing this and other specific contract details.

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

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

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

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

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

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

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

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

\* \* \* \* \*

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

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

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

MOVED by Mr. Cook, seconded by Mr. Salton. Ms. Dowd said these new members will increase the total contract count by a total of 80. Mr. Brown asked if there is a point where the Consortium grows too much that it becomes a concern. Ms. Dowd said this is a question the Executive Committee will be looking at through discussions that will take place on a long-term business plan that will help measure risk and determine what a good size for the Consortium is.

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

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

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

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

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

\* \* \* \* \*

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

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

\* \* \* \* \*

**Report from the Claims and Appeals Committee**

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

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

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

**New Business**

There was no new business.

**Adjournment**

The meeting adjourned at 6:15 p.m.



## Greater Tompkins County Municipal Health Insurance Consortium

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

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

### **RESOLUTION NO. \_\_\_\_ - 2021 - AMENDMENT TO RESOLUTION NO. 038-2020 AND EXTENSION OF CONTRACT THROUGH 2022 – FINANCIAL SERVICES AGREEMENT WITH TOMPKINS COUNTY**

WHEREAS, the Consortium approved a contract with the Office of the Tompkins County Finance Director for the performing of Consortium Treasurer functions for a term commencing January 1, 2021 through December 30, 2021 at an annualized cost of \$68,660, and

WHEREAS, since hiring of a Finance Manager the Consortium has brought in-house some financial services previously administered by the Tompkins County Finance Department, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee hereby amends the Consortium's agreement for 2021 effective October 1, 2021 thru December 31, 2022 with the Finance Department to reflect the reduced responsibilities agreed upon by the Consortium's Executive Director and the Consortium Treasurer to reflect an amended annualized cost of \$20,000.

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## Greater Tompkins County Municipal Health Insurance Consortium

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

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

### **RESOLUTION NO. - 2021 – ADDITION OF PHARMACY BENEFIT OPTION – VACCINATIONS**

WHEREAS, the Consortium wishes to add an option for eligible members to have all medically appropriate immunizations and/or vaccinations, as defined by the medical policies covered when said vaccinations are administered by a pharmacist at an in-network pharmacy and billed to the Consortium's Prescription Benefit Manager, and

WHEREAS, this benefit will provide a more cost-effective option for members and the Consortium as a whole, and

WHEREAS, this additional benefit would provide members with additional access to vaccines while continuing to have the option to obtain a vaccine through an office visit, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design, That the Executive Committee hereby approves the addition of a benefit option for members to have all medically appropriate immunizations and/or vaccinations administered through an in-network pharmacy and billed to the Prescription Benefit Manager.

\* \* \* \* \*



## Greater Tompkins County Municipal Health Insurance Consortium

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

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

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

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

### **RESOLUTION NO. - 2021 – APPROVAL OF 2022 CONSORTIUM WAGE INCREASES**

WHEREAS, the Board adopted the 2022 Budget which included estimated wages for staff on September 23, 2021; and

WHEREAS, the Executive Director and Human Resources Manager have reviewed the staffing plan, budget and current market and recommends a 3% cost of living adjustment for all current staff, and

RESOLVED, on recommendation of the Audit and Finance Committees, That the Executive Committee of GTCMHIC hereby establishes a cost-of-living adjustment for current staff wages at 3.0% effective January 1, 2022 as detailed on file in the Human Resources Office.

\* \* \* \* \*

## **DRAFT 2022 MEETING SCHEDULE**

**Joint Committee** – 1<sup>st</sup> Thursday quarterly; Feb, May, August, November; 1:30 p.m.

February 3  
May 5  
August 4  
November 3

**Operations Committee** - 4<sup>th</sup> Monday quarterly; 1 pm – Jan.

January 24 (BC/Cybersecurity)  
April 25  
July 25  
October 24

**Executive Committee** – 1<sup>st</sup> Weds. Bimonthly; 3:30 pm starting in Feb. (Meeting should be closer to Board meeting in September)

February 22  
April 6  
June 1  
August 3  
October 5  
December 7

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

February 22  
March 22  
April 26 (Audit)  
May 23  
June 24  
July 28  
August 26  
September 14 (2nd Tuesday)  
October 25  
November & December combined December 6<sup>th</sup> (1<sup>st</sup> Tuesday before EC)

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

March 14  
May 9  
July 11

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

February 14  
April 11  
June 13  
August 8

**Board of Directors**

Educational Session August 25  
Annual Meeting September 22



# 2021 Fiscal Year Budget Performance Report As of September 30, 2021

Locey & Cahill, LLC  
250 South Clinton Street, Suite 340  
Syracuse, NY 13202  
Tel (315) 425-1424  
Fax (315) 425-1394  
E-mail: [slocey@loceycahill.com](mailto:slocey@loceycahill.com)



# Section 1

## 2021 Fiscal Year-to-Date Income Budget vs Actual Results

# 2021 Income Budget vs Actual (09/30/2021)

## Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2021 Budget Performance Analysis

Results as of: 9/30/2021

# of Months: 9

		2021 Adopted Budget	2021 Revised Budget	2021 Year-to-Date	2021 Actual Results	Variance	% Difference
<b>Income</b>							
	Medical and Rx Plan Premiums *	\$55,875,290.81	\$55,002,327.38	\$41,251,745.54	\$40,267,005.72	-\$984,739.82	-2.39%
9020	Interest	\$45,534.44	\$45,534.44	\$34,150.83	\$8,539.51	-\$25,611.32	-74.99%
9010	Rx Rebates	\$1,400,000.00	\$1,700,000.00	\$1,275,000.00	\$1,865,773.90	\$590,773.90	46.34%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00		
9035	Finance Charge Income	\$0.00	\$5,463.46	\$4,097.60	\$0.00	-\$4,097.60	n/a
9030	Other	\$5,463.64	\$0.00	\$0.00	\$0.00		
<b>Total Income</b>		<b>\$57,326,288.89</b>	<b>\$56,753,325.28</b>	<b>\$42,564,993.96</b>	<b>\$42,141,319.13</b>	<b>-\$423,674.83</b>	<b>-1.00%</b>

## Key Facts:

1. Premium Income was **2.39% below** budget for the first 9-months of the fiscal period. Based on our preliminary analysis, the following factors should have resulted in a lower than expected premium :
  - a. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan. This movement results in a lower overall premium base, but also lowers claims costs.
  - b. The County of Tompkins moved all Medicare-aged retirees into the Consortium's Medicare Supplement Plan (MS4)

# 2021 Income Budget vs Actual (09/30/2021)

## Key Facts (continued):

- c. The number of contracts insured by the Consortium increased by 3.18% and the number of covered lives grew by only 0.60%. The disparity in this number is primarily due to the County's move to the Consortium's Medicare Supplement Plan for their Medicare-aged retirees and their spouses.

*Monthly Average Covered Lives by Fiscal Year*

<i>Year</i>	<i>Member</i>	<i>Spouse</i>	<i>Dependent</i>	<i>Total lives</i>
2011	1,995	1,056	1,348	4,400
2012	2,004	1,058	1,386	4,448
2013	2,281	1,228	1,567	5,077
2014	2,269	1,188	1,556	5,012
2015	2,301	1,173	1,546	5,021
2016	2,322	1,186	1,555	5,063
2017	2,397	1,208	1,567	5,172
2018	2,439	1,216	1,546	5,201
2019	2,867	1,436	1,867	6,170
2020	2,943	1,456	1,875	6,274
2021	3,036	1,408	1,868	6,311

\* Member = Employee, Retiree, or COBRA Contract Holder

*Monthly Average Contract Count by Fiscal Year*

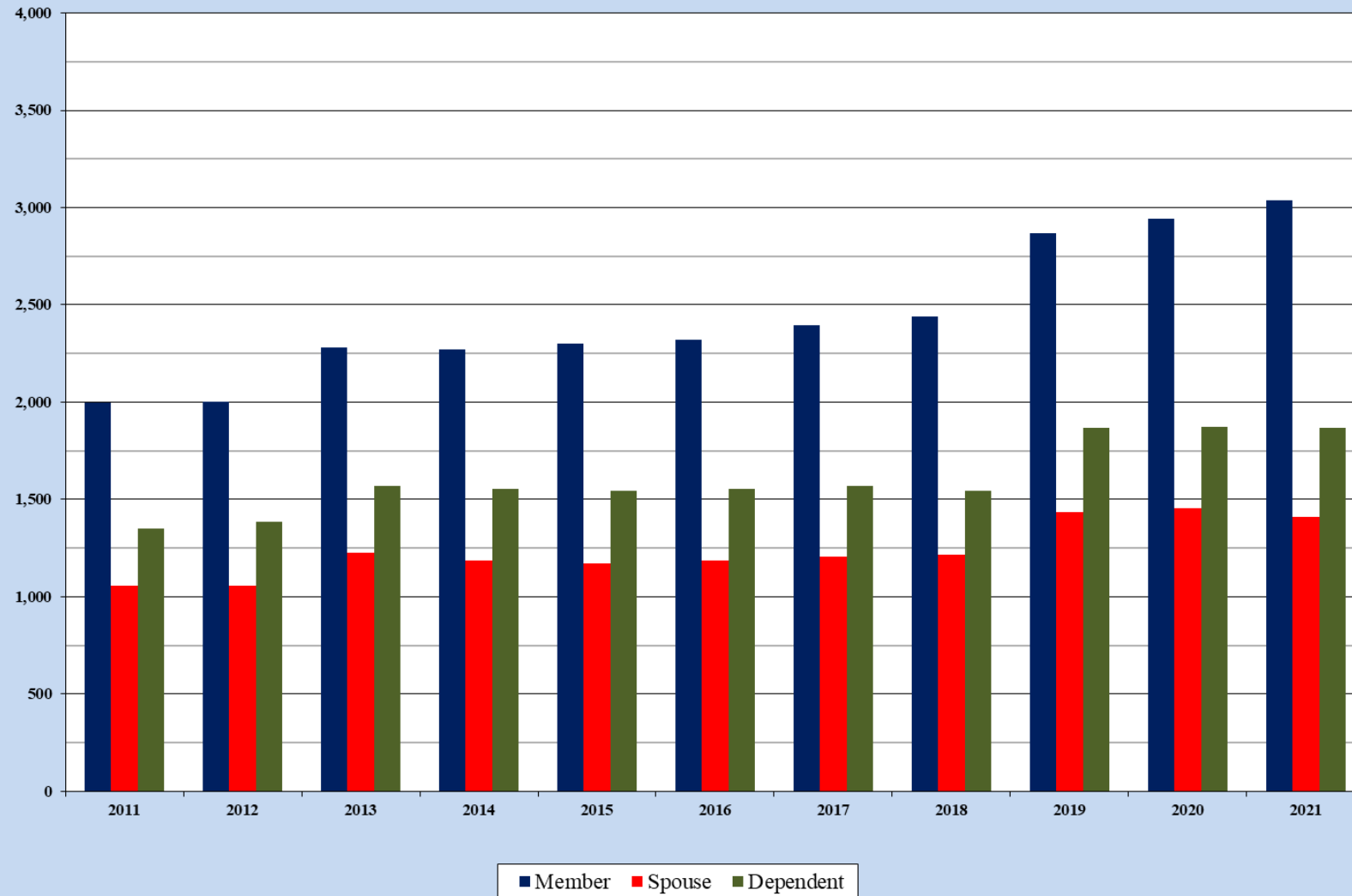
<i>Year</i>	<i>Family Contracts</i>	<i>Individual Contracts</i>	<i>Total Contracts</i>	<i>Avg. # of Lives Per Contract</i>	<i>Avg. # of Lives Per Family</i>
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	2,301	2.182	3.065
2016	1,322	999	2,322	2.181	3.073
2017	1,340	1,058	2,397	2.157	3.071
2018	1,343	1,096	2,439	2.133	3.057
2019	1,586	1,281	2,867	2.152	3.082
2020	1,600	1,342	2,943	2.132	3.082
2021	1,557	1,479	3,036	2.079	3.103



# Greater Tompkins County Municipal Health Insurance Consortium

Average Monthly Covered Lives by Relationship

2011 to 2021 (as of September 30, 2021)



# 2021 Income Budget vs Actual (09/30/2021)

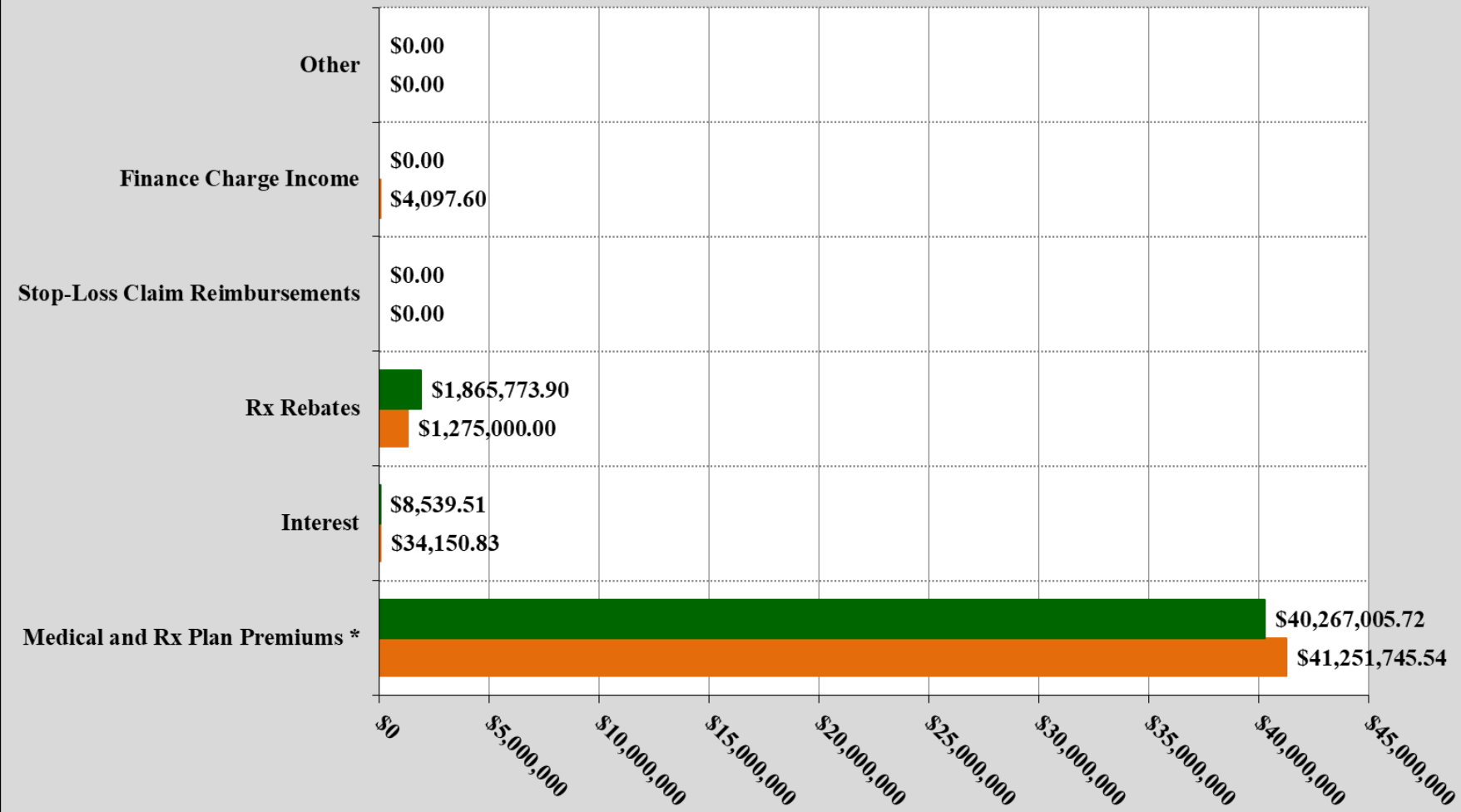
## Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but record gains and/or losses on a monthly basis (“mark to market”). It should be noted that with interest rates falling dramatically during the COVID-19 pandemic, the Consortium’s budget was greatly reduced relative to expected interest earnings for the 2021 Fiscal Year. The Interest Income to date, although down from previous years, is close to projected levels.
3. The Consortium has received prescription drug quarterly rebate payments totaling \$1,865,773.90 for the 2021 Fiscal Year as of September 30, 2021.
4. The Consortium did not receive any reimbursements for claims which exceeded the Specific Stop-Loss Insurance Deductible of \$1 million. To date, there have been no claims in excess of \$1,000,000 for this year or the previous year.
5. There was nothing recorded in Finance Charge Income and there were no receipts recorded in the “Other” income category as of September 30<sup>th</sup>. Even when the Consortium does register some miscellaneous income, the impact is negligible at best and has very little effect on the overall net position of the Consortium.

# ***Greater Tompkins County Municipal Health Ins. Consortium***

## **2021 Income Distribution**

**January 1, 2021 to September 30, 2021**

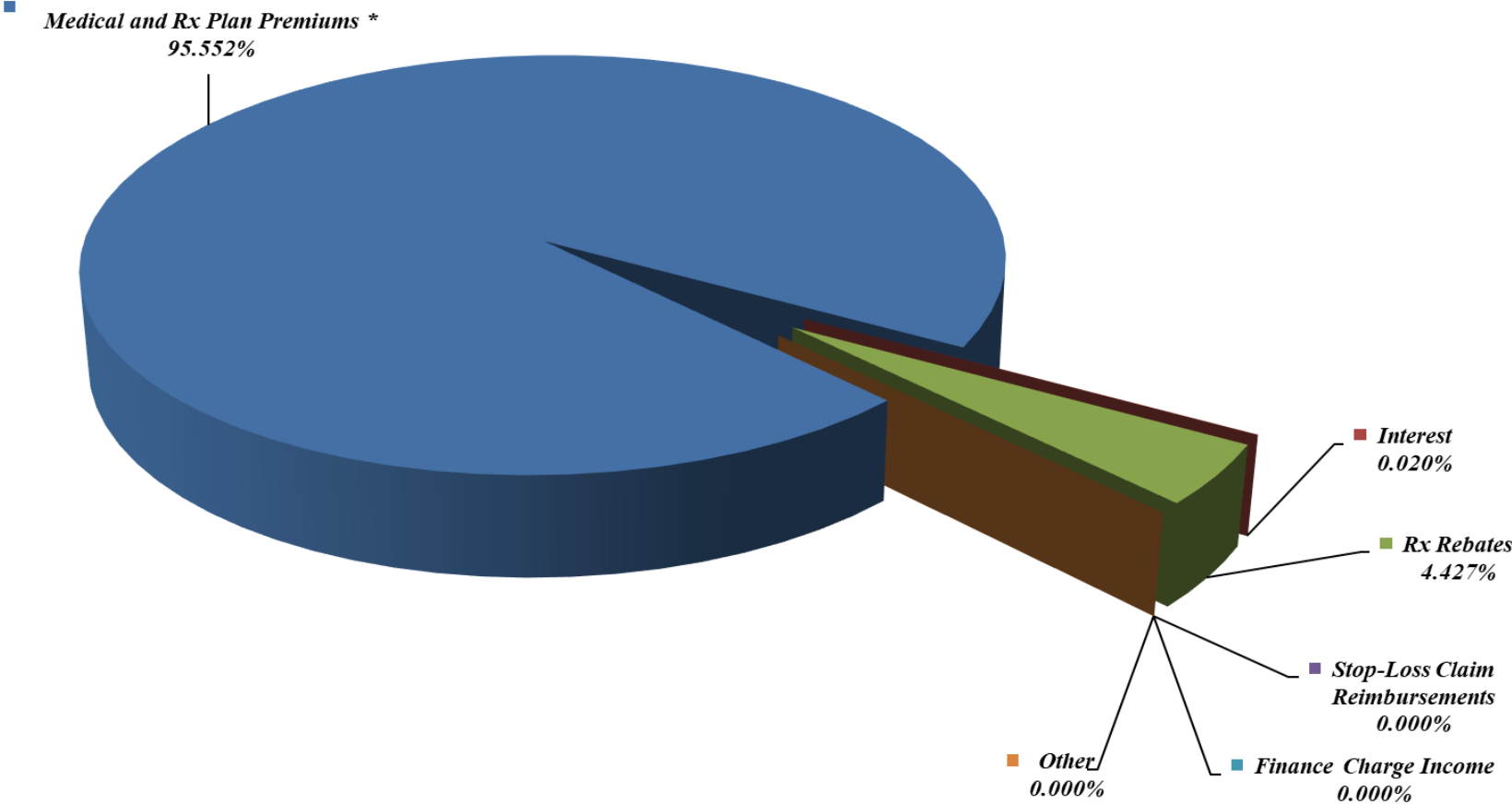


■ 2021 Actual Income ■ 2021 Budgeted Amounts

***Greater Tompkins County Municipal Health Ins. Consortium***

**2021 Income Distribution**

**January 1, 2021 to September 30, 2021**





## Section 2

2021 Fiscal Year-to-Date  
Expense Budget vs Actual Results



# 2021 Expense Budget vs Actual Results (09/30/2021)

Includes Expense Codes 8081, 8082, & 8083

Balance Sheet Item 3500

		2021 Adopted Budget	2021 Revised Budget	2021 Year-to-Date	2021 Actual Results	Variance	% Difference
<b>Expenses</b>							
8090	Medical Paid Claims	\$39,058,334.44	\$38,838,424.24	\$29,128,818.18	\$27,888,191.69	-\$1,240,626.49	-4.26%
	Advance Deposit / Pre-Paid Claims	\$109,150.71	\$109,150.71	\$7,100.00	\$7,100.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$15,355,131.00	\$15,355,131.00	\$11,516,348.25	\$11,958,297.48	\$441,949.23	3.84%
8121	Rx Paid Claims - CanaRx	\$150,108.45	\$150,108.45	\$112,581.34	\$115,404.80	\$2,823.46	2.51%
8084	Flu Clinic Fees	\$15,000.00	\$15,000.00	\$11,250.00	\$10,976.00	-\$274.00	-2.44%
8050	Medical Admin Fees	\$1,440,535.40	\$1,477,304.64	\$1,107,978.48	\$1,095,146.65	-\$12,831.83	-1.16%
	Rx Admin Fees	\$200,930.34	\$200,930.34	\$150,697.76	\$163,164.28	\$12,466.53	8.27%
8091	NYS Covered Lives Assessment	\$373,317.01	\$373,317.01	\$279,987.76	\$260,049.62	-\$19,938.14	-7.12%
9060	ACA PCORI Fee	\$17,987.06	\$17,987.06	\$17,987.06	\$16,691.50	-\$1,295.56	-7.20%
8110	Specific Stop-Loss Insurance (Actual)	\$302,450.00	\$273,000.00	\$204,750.00	\$201,874.39	-\$2,875.61	-1.40%
8000	Accounting Fees	\$25,750.00	\$25,750.00	\$19,312.50	\$15,800.00	-\$3,512.50	-18.19%
8010	Actuarial Fees	\$53,045.00	\$15,000.00	\$11,250.00	\$8,500.00	-\$2,750.00	-24.44%
8020	Audit Fees (Financial)	\$13,390.00	\$13,390.00	\$13,390.00	\$14,000.00	\$610.00	4.56%
8021	Audit Fees (Claims)	\$41,200.00	\$41,200.00	\$30,900.00	\$20,750.00	-\$10,150.00	-32.85%
8055	Consultant Fees (Barber)	\$25,000.00	\$20,000.00	\$15,000.00	\$8,750.00	-\$6,250.00	-41.67%
8030	Consultant Fees (L&C)	\$90,176.50	\$90,176.50	\$67,632.38	\$66,735.00	-\$897.38	-1.33%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$9,270.00	\$1,375.00	-\$7,895.00	-85.17%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$18,750.00	\$1,127.89	-\$17,622.11	-93.98%
66001	Executive Director (Salary)	\$94,760.00	\$93,636.00	\$70,227.00	\$68,426.22	-\$1,800.78	-2.56%
66002	Fringe Benefits	\$67,980.00	\$110,374.87	\$82,781.15	\$46,940.59	-\$35,840.56	-43.30%
66003	Clerk of the Board (Salary)	\$37,080.00	\$72,134.40	\$54,100.80	\$52,462.17	-\$1,638.63	-3.03%
66004	Admin/Comp Asst (Salary)	\$52,530.00	\$0.00	\$0.00	\$0.00		
66005	Benefits Specialist (Salary)	\$41,250.00	\$43,680.00	\$32,760.00	\$10,269.00	-\$22,491.00	n/a
66006	Finance Manager (Salary)	\$0.00	\$73,000.00	\$54,750.00	\$32,307.60	-\$22,442.40	-40.99%
8060	Insurances (D&O / Prof. Liability)	\$48,070.00	\$50,850.00	\$38,137.50	\$37,940.95	-\$196.55	-0.52%
8041	Internal Coordination (Finance)	\$80,000.00	\$68,660.00	\$51,495.00	\$53,001.65	\$1,506.65	2.93%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00		
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00		
8045	Internal Coordination (Town of Ithaca)	\$7,210.00	\$7,210.00	\$5,407.50	\$4,500.00	-\$907.50	-16.78%
8044	Internal Coordination (IT Support)	\$11,845.00	\$11,845.00	\$8,883.75	\$6,295.00	-\$2,588.75	-29.14%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$1,875.00	\$319.48	-\$1,555.52	-82.96%
9055	Investment Management Services	\$26,780.00	\$14,000.00	\$10,500.00	\$12,530.87	\$2,030.87	19.34%
8150	Supplies Expense	\$2,500.00	\$2,500.00	\$1,875.00	\$1,118.53	-\$756.47	-40.35%
8151	Computer Equipment	\$5,150.00	\$5,150.00	\$3,862.50	\$2,422.78	-\$1,439.72	-37.27%
8152	Lease Expense / Parking Fees	\$9,500.00	\$9,500.00	\$7,125.00	\$8,429.70	\$1,304.70	18.31%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$750.00	\$69.44	-\$680.56	-90.74%
8154	Software	\$0.00	\$0.00	\$0.00	\$683.15	\$683.15	
8155	Postage	\$0.00	\$0.00	\$0.00	\$762.68	\$762.68	
9060	Other Expenses / Supplies	\$10,927.27	\$10,927.27	\$8,195.45	\$5,069.23	-\$3,126.22	-38.15%
<b>Total Expenses</b>		<b>\$57,807,948.19</b>	<b>\$57,630,197.49</b>	<b>\$43,155,729.35</b>	<b>\$42,197,483.34</b>	<b>-\$958,246.01</b>	<b>-2.22%</b>



# 2021 Expense Budget vs Actual Results (09/30/2021)

	Budget	Revised Budget	Year-to-Date	Actual		
<b>Paid Claims</b>	\$54,687,724.60	\$54,467,814.40	\$40,776,097.77	\$39,979,969.97	-\$796,127.80	-1.95%
<b>Claims Admin. Fees</b>	\$1,641,465.74	\$1,678,234.98	\$1,258,676.24	\$1,258,310.93	-\$365.31	-0.03%
<b>Stop-Loss</b>	\$302,450.00	\$273,000.00	\$204,750.00	\$201,874.39	-\$2,875.61	-1.40%
<b>Taxes and Fees</b>	\$391,304.07	\$391,304.07	\$297,974.82	\$276,741.12	-\$21,233.70	-7.13%
<b>Professional Services</b>	\$285,921.50	\$242,876.50	\$185,504.88	\$137,037.89	-\$48,466.99	-26.13%
<b>Insurance/Internal Fees</b>	\$499,082.27	\$576,967.54	\$432,725.66	\$343,549.04	-\$89,176.61	-20.61%
<b>Total Expenses</b>	<b>\$57,807,948.19</b>	<b>\$57,630,197.49</b>	<b>\$43,155,729.35</b>	<b>\$42,197,483.34</b>	<b>-\$958,246.01</b>	<b>-2.22%</b>
<b>Net Income</b>	<b>-\$481,659.30</b>	<b>-\$876,872.21</b>	<b>-\$590,735.39</b>	<b>-\$56,164.21</b>	<b>\$534,571.18</b>	

The above provides an “easier to read” summary version of the expense data for the Consortium through September 30, 2021. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 94.74% of the total expenses of the Consortium through the first 9-months of 2021. We show the overall paid claims and advance deposit (pre-payment of claims) to be 1.95% below budget for the 2021 Fiscal Year-to-Date.

# 2021 Expense Budget vs Actual Results (09/30/2021)

## Key Facts:

1. Over the past several months, we have worked with the Consortium's Executive Director and Financial Team to allocate budgeted funds into their correct expense line-item based on their code. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. In addition, we updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. Now that we are nine (9) months into the fiscal period, we are still showing many of the expense items to be well below budget. Some items are an annual expense and have not been billed to the Consortium. We anticipate these items will be more in line with the budget as the Consortium works its way through the fiscal year.
3. For new members added to the Consortium, we did not anticipate their paid claims being mature until the 3<sup>rd</sup> month or so as the "run-out" claims (claims incurred on or before December 31, 2020) are the responsibility of their prior insurance carrier.

# 2021 Expense Budget vs Actual Results (09/30/2021)

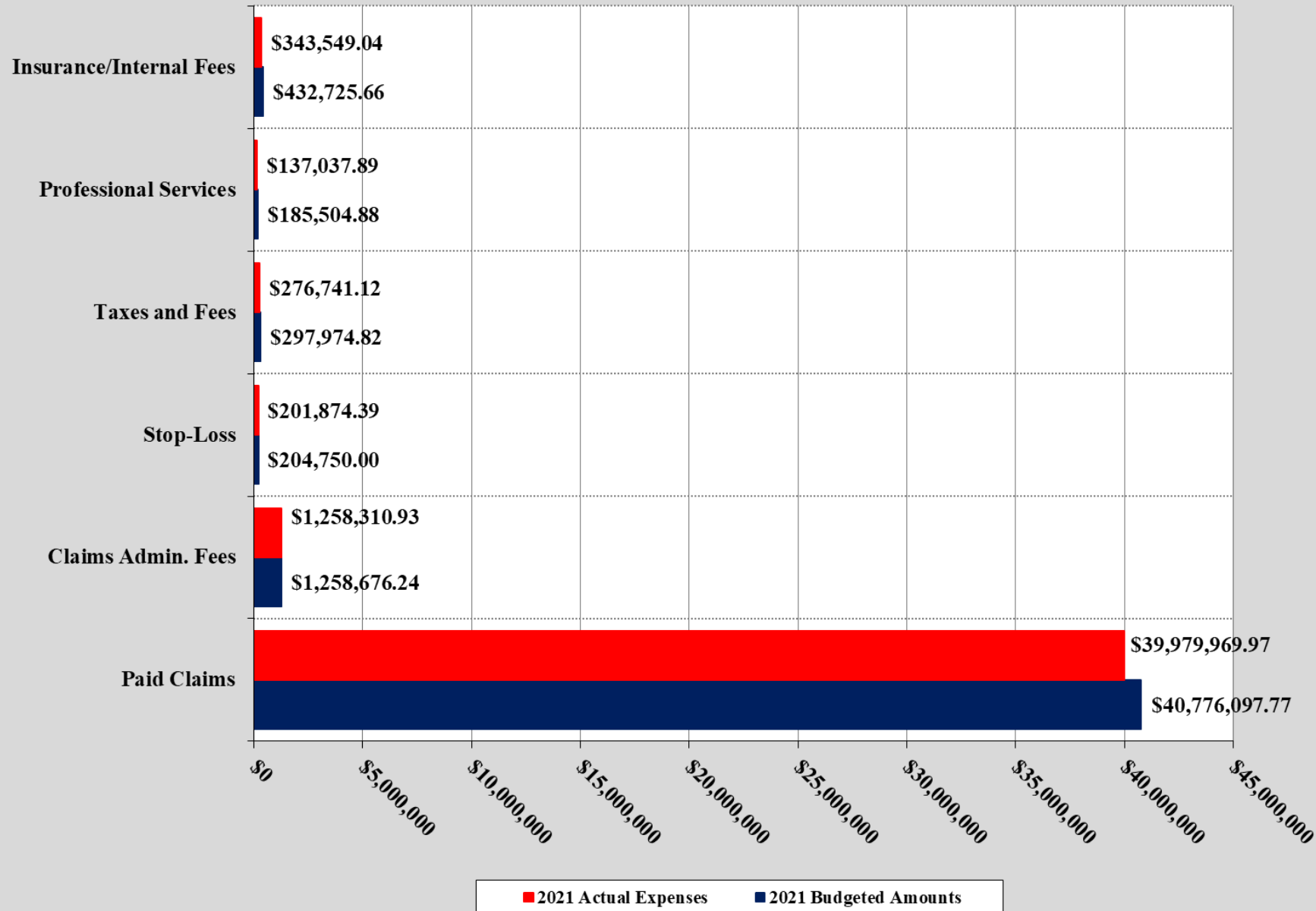
## Key Facts:

5. Medical Paid Claims in the first 9-months were **4.26% below the projected budget** for the year and this is the result of:
  - a) An increase in the covered lives ( $\uparrow 0.89\%$ ) and in the number of contracts ( $\uparrow 3.42\%$ ) skews the early 2021 medical paid claims due to the “run-in lag”.
  - b) Increased member participation in lower cost health insurance plans, like the Platinum Plan and the Medicare Supplement Plan by several employer groups.
  - c) A substantial decrease in elective and/or minor medical procedures being performed as a result of the impact of the COVID-19 pandemic on the medical community.
6. Rx Paid Claims were **3.84% above budget** for the first 9-months of the 2021 Fiscal Year. As we stated last year, we were keeping a close eye on the pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2021 Fiscal Year. It should be noted that based on our analysis, the recent pandemic did not substantively change the cost of pharmaceutical claims and therefore we do not believe any prior deviation from the trend was related to COVID-19.

# Greater Tompkins County Municipal Health Ins. Consortium

## 2021 Expense Distribution

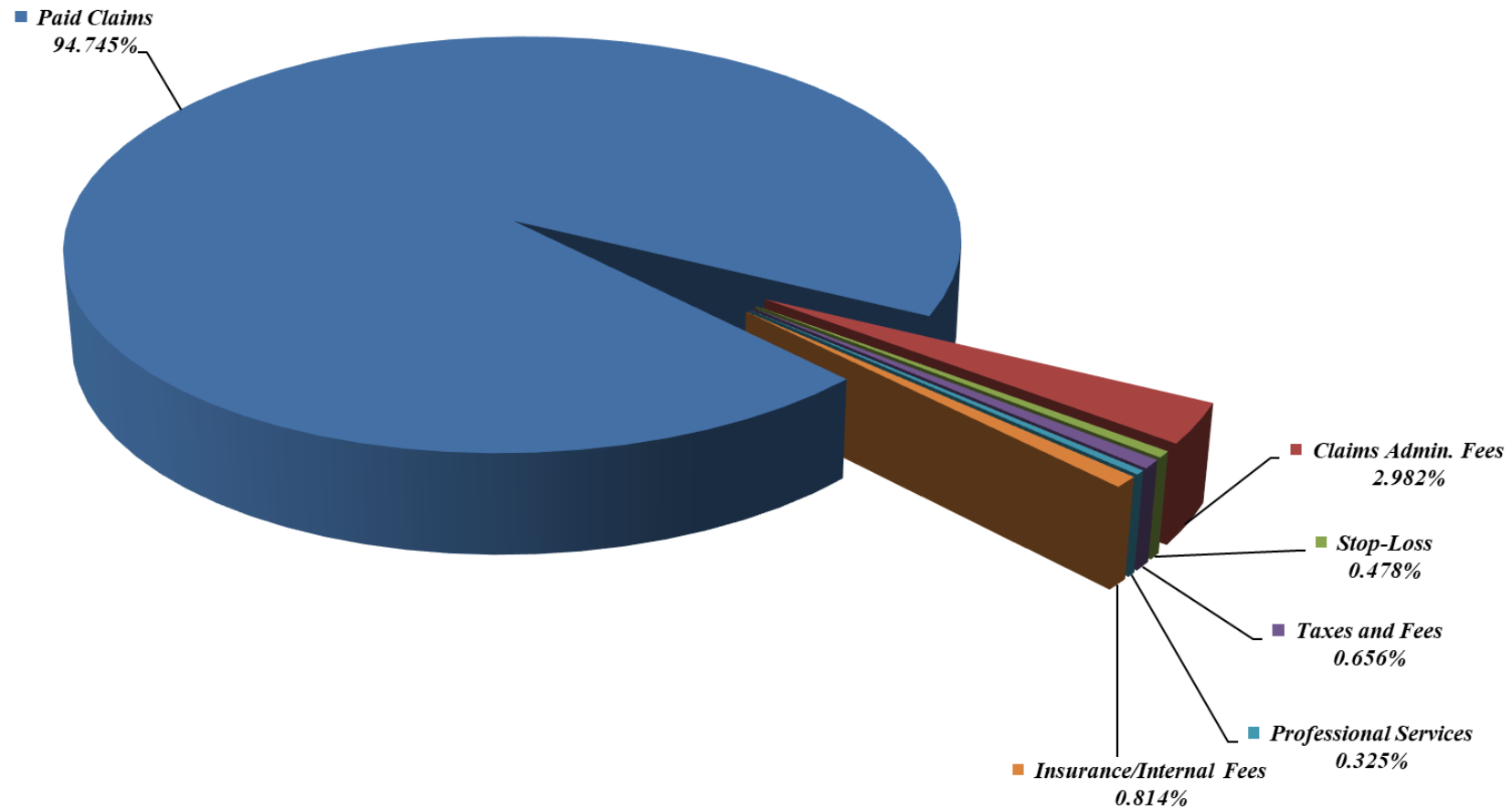
January 1, 2021 to September 30, 2021



# ***Greater Tompkins County Municipal Health Ins. Consortium***

2021 Expense Distribution

January 1, 2021 to September 30, 2021

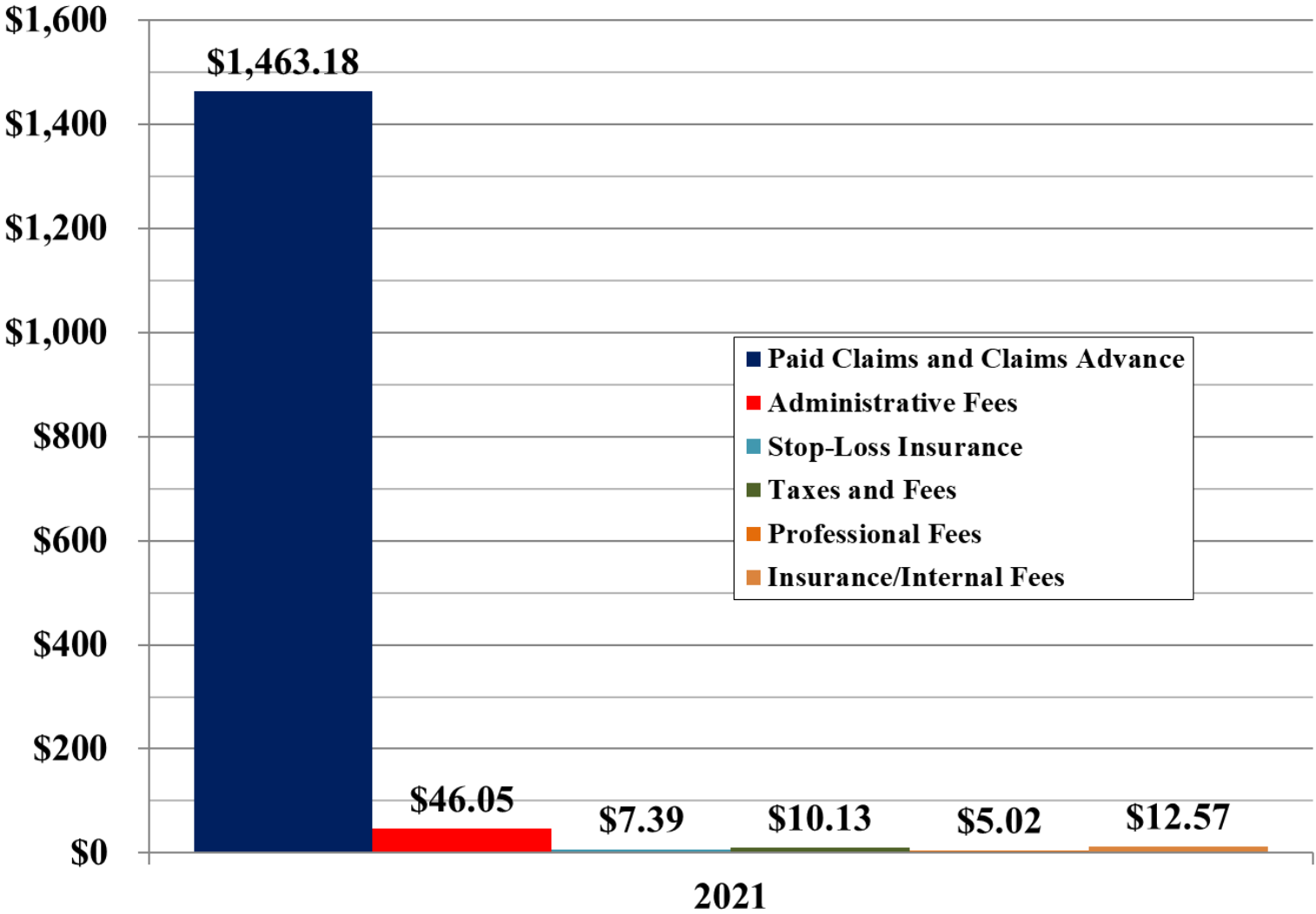


■ Paid Claims ■ Claims Admin. Fees ■ Stop-Loss ■ Taxes and Fees ■ Professional Services ■ Insurance/Internal Fees

# Greater Tompkins County Municipal Health Insurance Consortium

2021 Expense Distribution Per Contract Per Month

January 1, 2021 to September 30, 2021





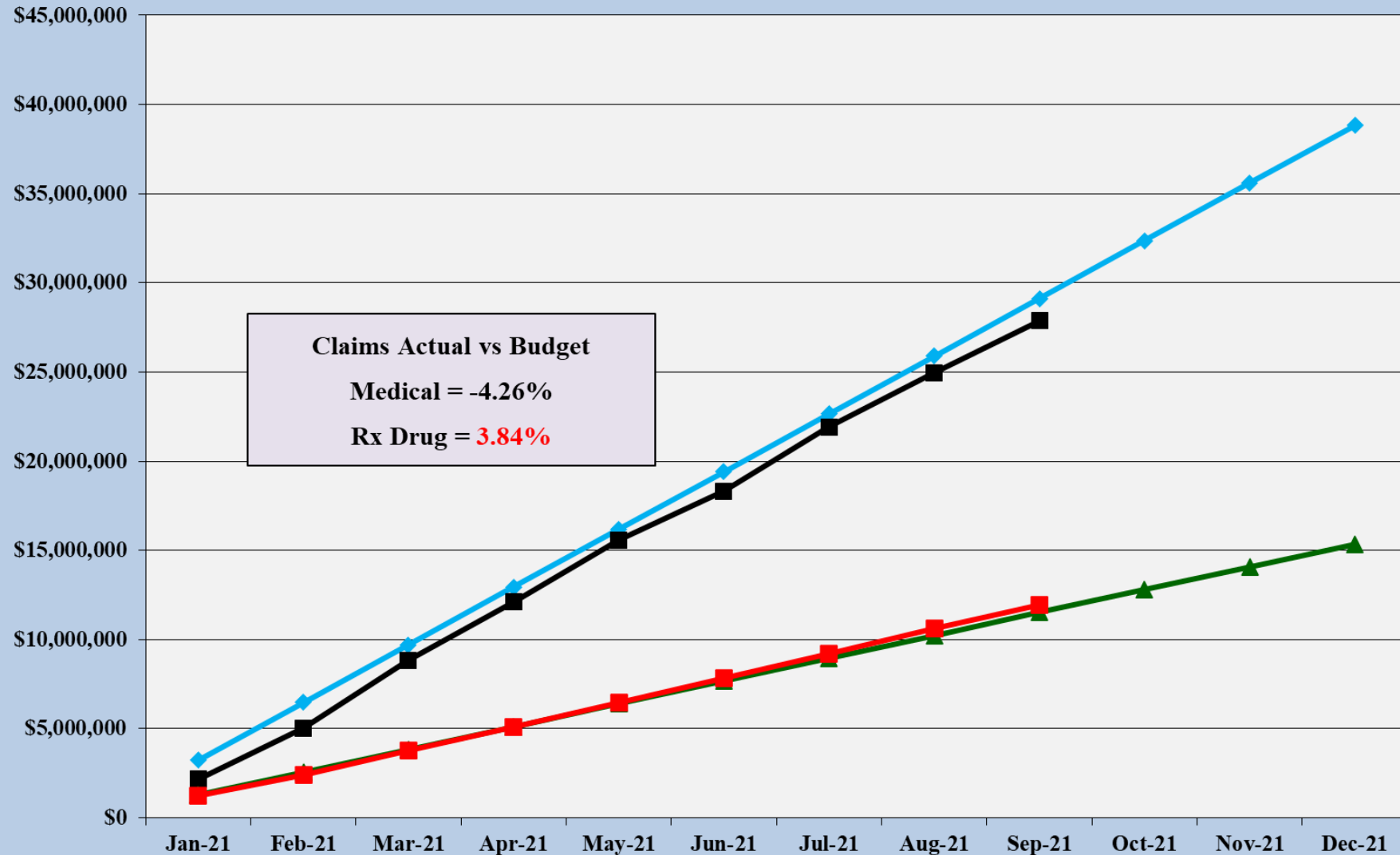


# Section 3

2021 Fiscal Year-to-Date  
Paid Claims Budget vs Actual Results

# Greater Tompkins County Municipal Health Insurance Consortium

## 2021 Cumulative Paid Claims and Budgeted Claims by Month



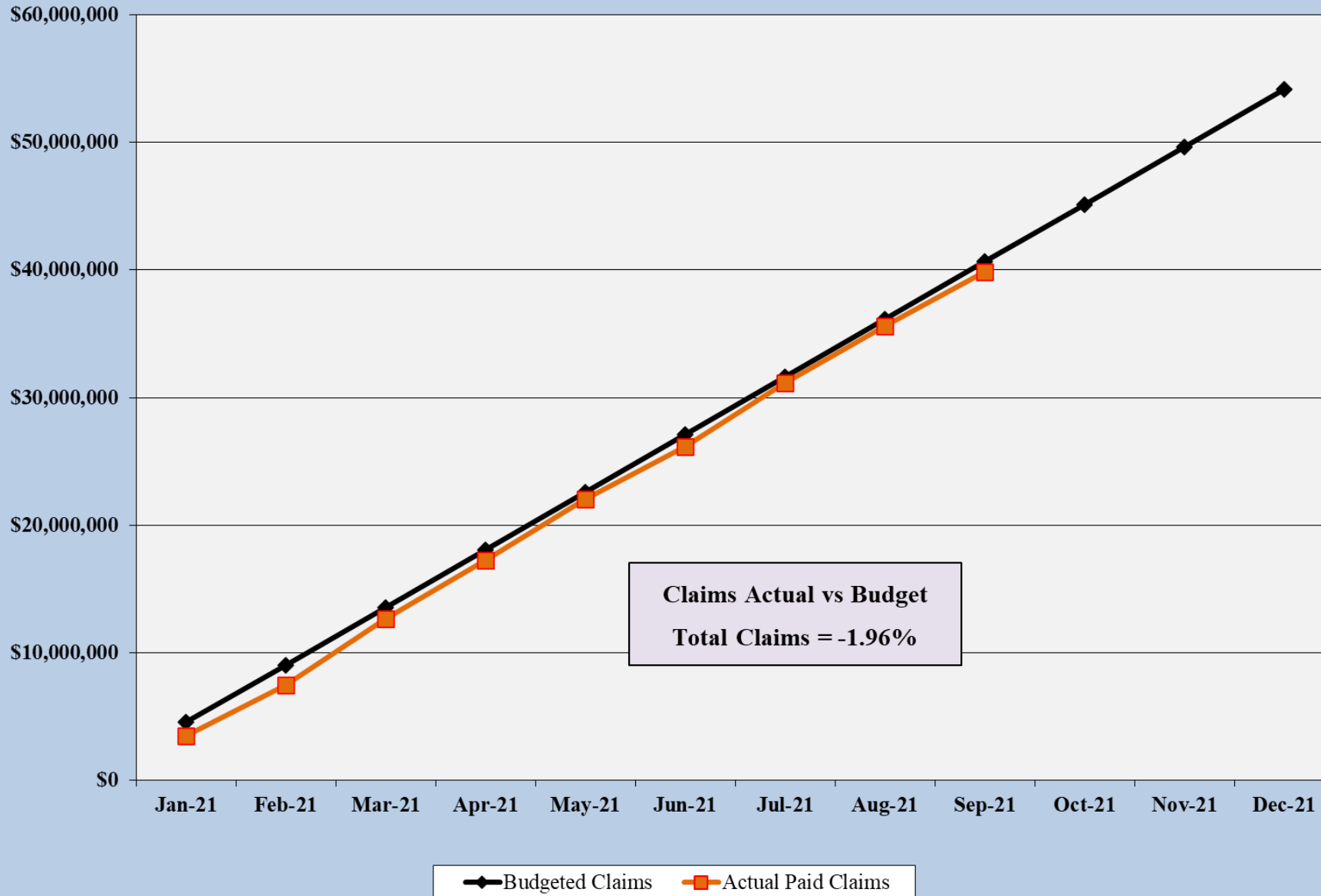
Claims Actual vs Budget

Medical = -4.26%

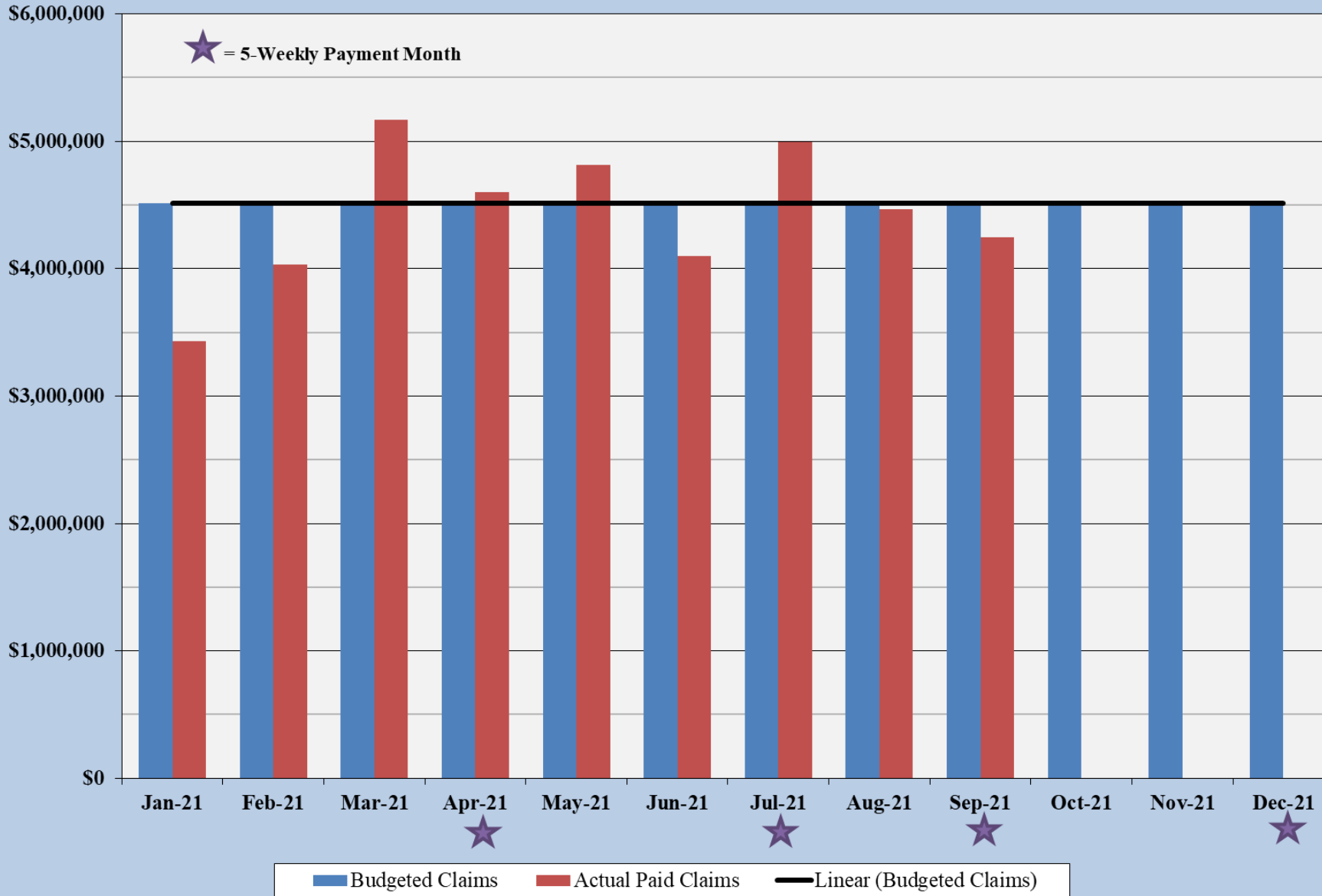
Rx Drug = 3.84%

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

***Greater Tompkins County Municipal  
Health Insurance Consortium***  
2021 Cumulative Paid Claims and Budgeted Claims by Month

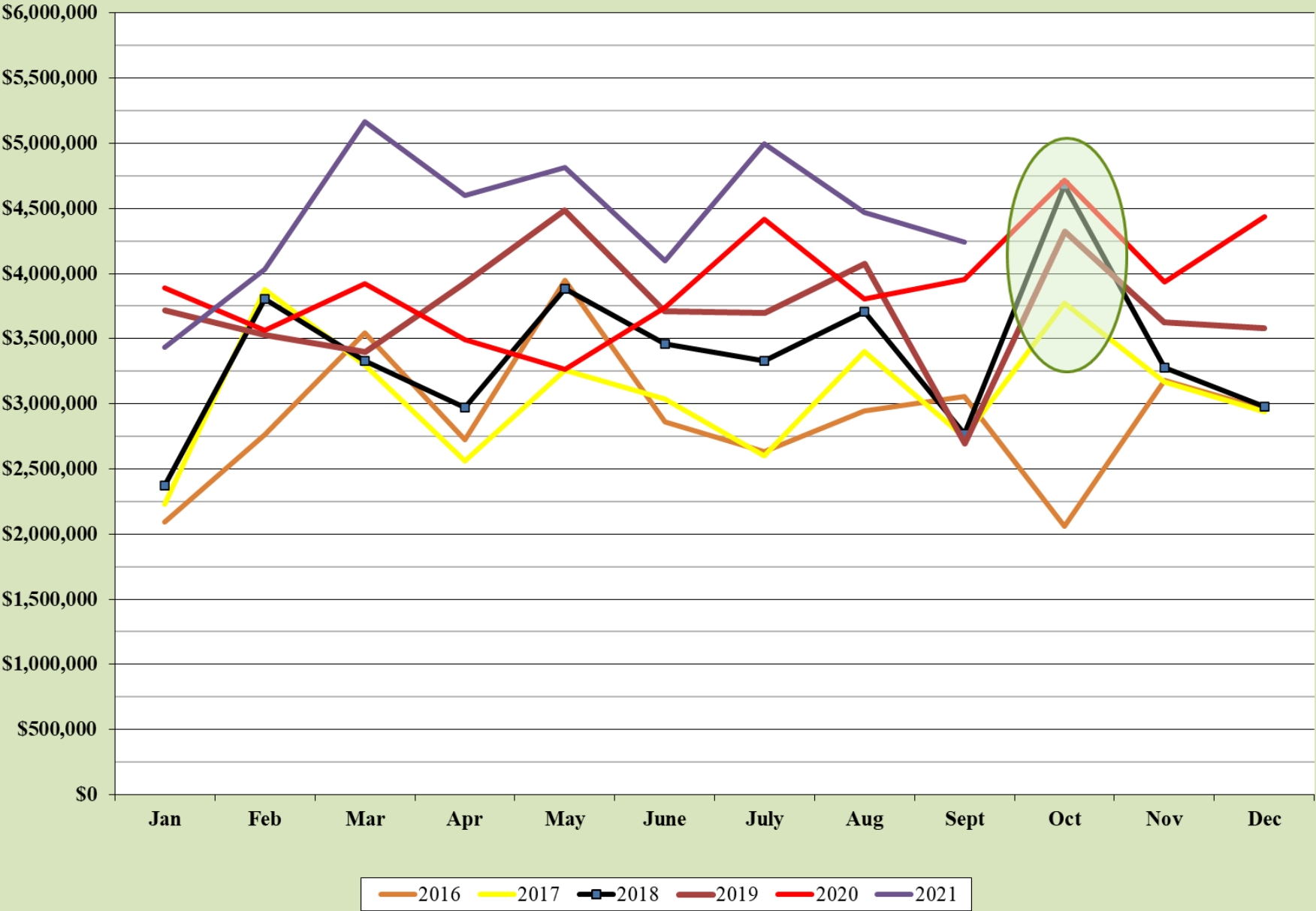


***Greater Tompkins County Municipal  
Health Insurance Consortium***  
2021 Budgeted vs Actual Paid Claims by Month



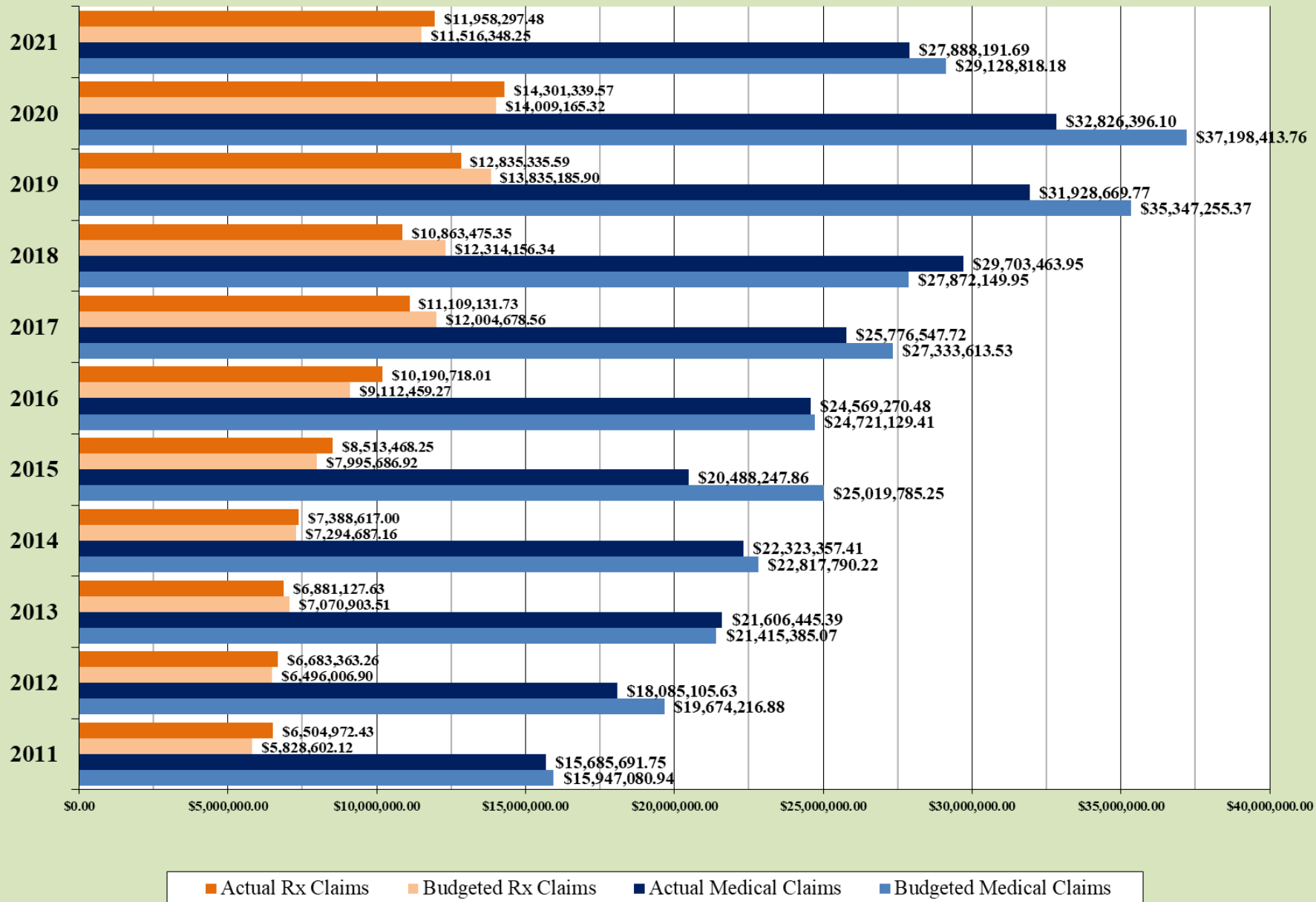
# Greater Tompkins County Municipal Health Ins Consortium

## 2016-2021 Monthly Paid Claims by Fiscal Year



# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2021 (as of 09/30/2021) Annual Paid Claims v Budgeted Claims

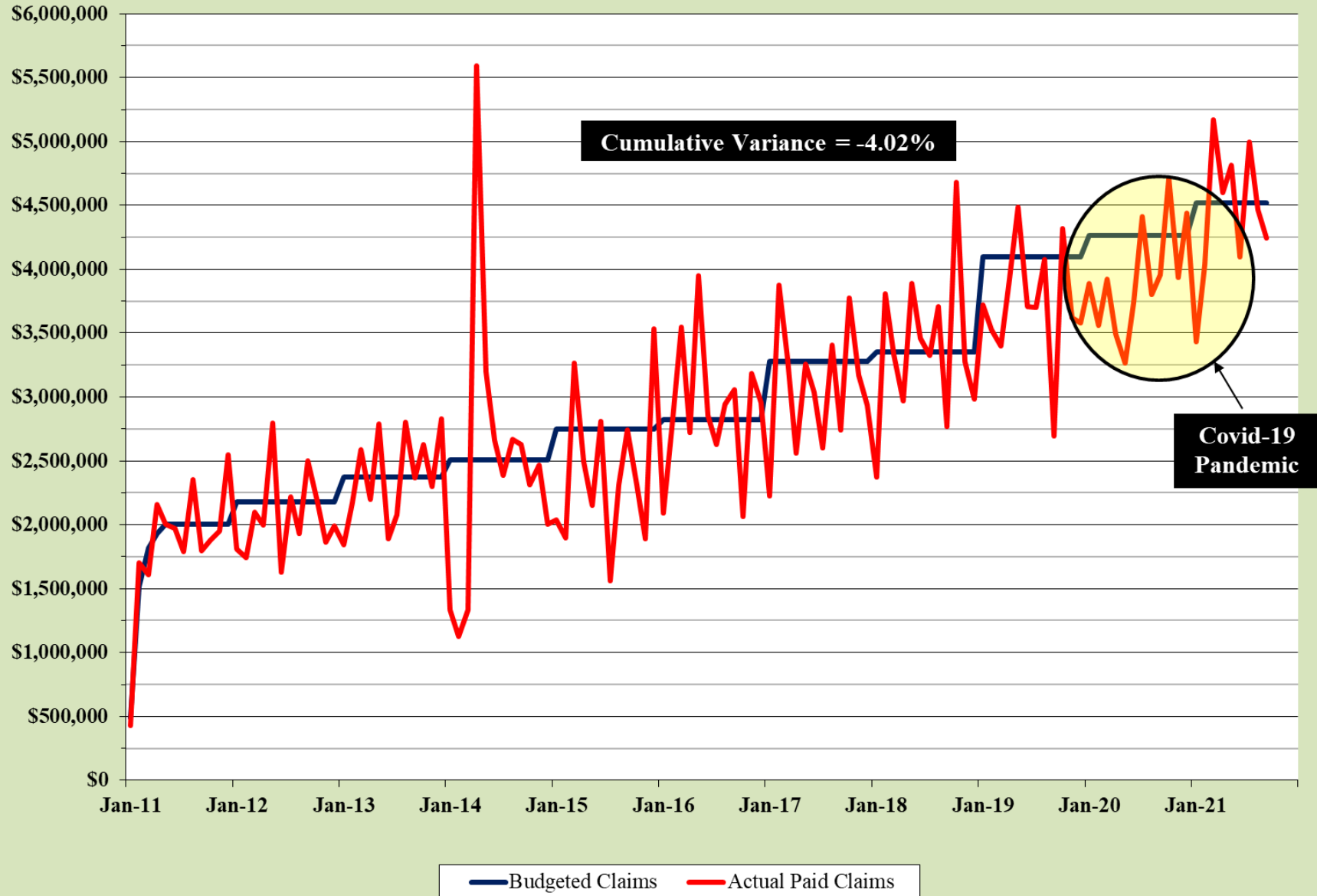




# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2021 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to September 30, 2021





**APPROVED**  
**MEDICAL  
CLAIM**



## Section 4

High-Cost Claimants  
Catastrophic Self-Insurance Pool



# Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Lage Loss and Catastrophic Claims History (as of September 30, 2021)

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	# of Claimants with Claims >\$100,000	# of Claimants with Claims >\$200,000	# of Claimants with Claims >\$300,000	# of Claimants with Claims >\$400,000	# of Claimants with Claims >\$500,000	Total Large Loss Claims Paid	Claim Dollars in Excess of Deductible	Stop-Loss Insurance Premium Paid	Notes
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52	Medical Claims Only
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41	Medical Claims Only
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65	Medical Claims Only
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39	Laser of \$1,000,000 on Unique ID 000010930774
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30	Includes ProAct Rx Claims
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18	Laser of \$1,000,000 on Unique ID 000001179452
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42	Laser of \$1,000,000 on Unique ID 000001179452
2018	\$600,000.00	5,201	45	10	4	3	3	\$8,913,105.20	\$453,672.85	\$442,185.54	
2019	\$600,000.00	6,174	46	14	3	2	1	\$8,874,919.83	\$29,295.28	\$693,190.30	Laser of \$1,000,000 on Unique ID 000001179452 Laser of \$1,200,000 on Unique ID 000010930774
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,290,214.72	\$0.00	\$264,390.72	Laser of \$1,200,000 on Unique ID 000010930774 if transplant performed
2021	\$1,000,000.00	6,311	35	11	3	3	1	\$7,098,187.32	\$0.00	\$201,874.39	
Totals		58,156	341	93	27	18	9	\$62,861,999.32	\$2,619,537.80	\$5,807,746.82	Loss Ratio = 45.10% as of 09/30/2021
Averages	\$506,818.18	5,287	31.000	8.455	2.455	1.636	0.818	\$5,714,727.21	\$261,953.78	\$593,497.97	

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 45.10%

# Large Loss and Catastrophic Claims History

Fiscal Year	Specific Stop-Loss Deductible	Number of Covered Lives	Number of Large Loss Claimants	Large Loss Claimants % of Covered Lives	Stop-Loss Insurance Premium Paid	Total Large Loss Claims Paid	Annual Paid Claims Total	Large Loss Claims % of Total Claims	Catastrophic Claims Reserve	Catastrophic Reinsurance Pool Payments
2011	\$250,000.00	4,400	13	0.30%	\$384,392.52	\$2,357,898.22	\$22,190,664.18	10.63%	n/a	n/a
2012	\$275,000.00	4,448	16	0.36%	\$361,366.41	\$3,904,221.28	\$24,768,468.89	15.76%	n/a	n/a
2013	\$300,000.00	5,077	22	0.43%	\$592,381.65	\$4,079,308.91	\$28,487,573.02	14.32%	n/a	n/a
2014	\$300,000.00	5,012	18	0.36%	\$720,784.39	\$3,494,872.81	\$29,711,974.41	11.76%	\$600,000.00	n/a
2015	\$400,000.00	5,021	23	0.46%	\$642,080.30	\$3,722,006.77	\$29,001,716.11	12.83%	\$1,050,000.00	n/a
2016	\$400,000.00	5,063	39	0.77%	\$766,281.18	\$6,070,055.86	\$34,338,926.47	17.68%	\$1,050,000.00	n/a
2017	\$450,000.00	5,172	24	0.46%	\$738,819.42	\$3,057,208.40	\$36,885,679.45	8.29%	\$1,350,000.00	n/a
2018	\$600,000.00	5,201	45	0.87%	\$442,185.54	\$8,913,105.20	\$40,566,939.30	21.97%	\$2,000,000.00	n/a
2019	\$600,000.00	6,174	46	0.75%	\$693,190.30	\$8,874,919.83	\$44,764,005.36	19.83%	\$2,800,000.00	n/a
2020	\$1,000,000.00	6,277	60	0.96%	\$264,390.72	\$11,290,214.72	\$47,284,890.14	23.88%	\$4,500,000.00	\$0.00
2021	\$1,000,000.00	6,311	35	0.55%	\$201,874.39	\$7,098,187.32	\$39,979,969.97	17.75%	\$4,986,101.85	\$0.00
Totals		58,156	341	0.59%	\$5,807,746.82	\$62,861,999.32	\$377,980,807.30	16.63%		\$0.00
Averages (2011-2021)		5,287	31	0.59%	\$527,976.98	\$5,714,727.21	\$34,361,891.57	16.63%		

*Large Loss = Claims Paid Totalling \$100,000 or More for the Fiscal Year*

*Catastrophic Claims = Large Loss Claims in Excess of the Stop-Loss Insurance Deductible or Self-Insurance Threshold*

*Catastrophic Reinsurance Pool Payments = Covered Member's Claims which Exceed \$500,000 up to the Specific Stop-Loss Deductible.*

**On Average 0.59% of the Covered Lives Account for 16.63% of Paid Claims**

# Catastrophic Claims Self-Insurance Pool Activity

## Greater Tompkins County Municipal Health Insurance Consortium Catastrophic Claims Self-Insurance Pool Activity Report

		<i>Actual</i>	<i>as of 09/30/2021</i>
		2020 Fiscal Year	2021 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,505.96	\$876,881.85
Actual Premium Paid	\$1,000,000 Deductible	\$264,390.72	\$201,874.39
Premium Savings		\$498,115.23	\$675,007.46
Member # 000001179452	Deductible ( <b>Laser Applied</b> )	\$1,000,000.00	\$1,000,000.00
	Actual Claims Paid	\$798,499.59	\$467,903.58
	Catastrophic Claims Pool	\$0.00	\$0.00
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$678,186.96
	Catastrophic Claims Pool	\$0.00	<b>\$178,186.96</b>
Member #	Deductible	\$500,000.00	\$500,000.00
	Actual Claims Paid		
	Catastrophic Claims Pool	\$0.00	\$0.00
Member #	Deductible	\$500,000.00	\$500,000.00
	Actual Claims Paid		
	Catastrophic Claims Pool	\$0.00	\$0.00
Member #	Deductible	\$500,000.00	\$500,000.00
	Actual Claims Paid		
	Catastrophic Claims Pool	\$0.00	\$0.00
Net Impact on Fund Balance		\$498,115.23	\$496,820.50

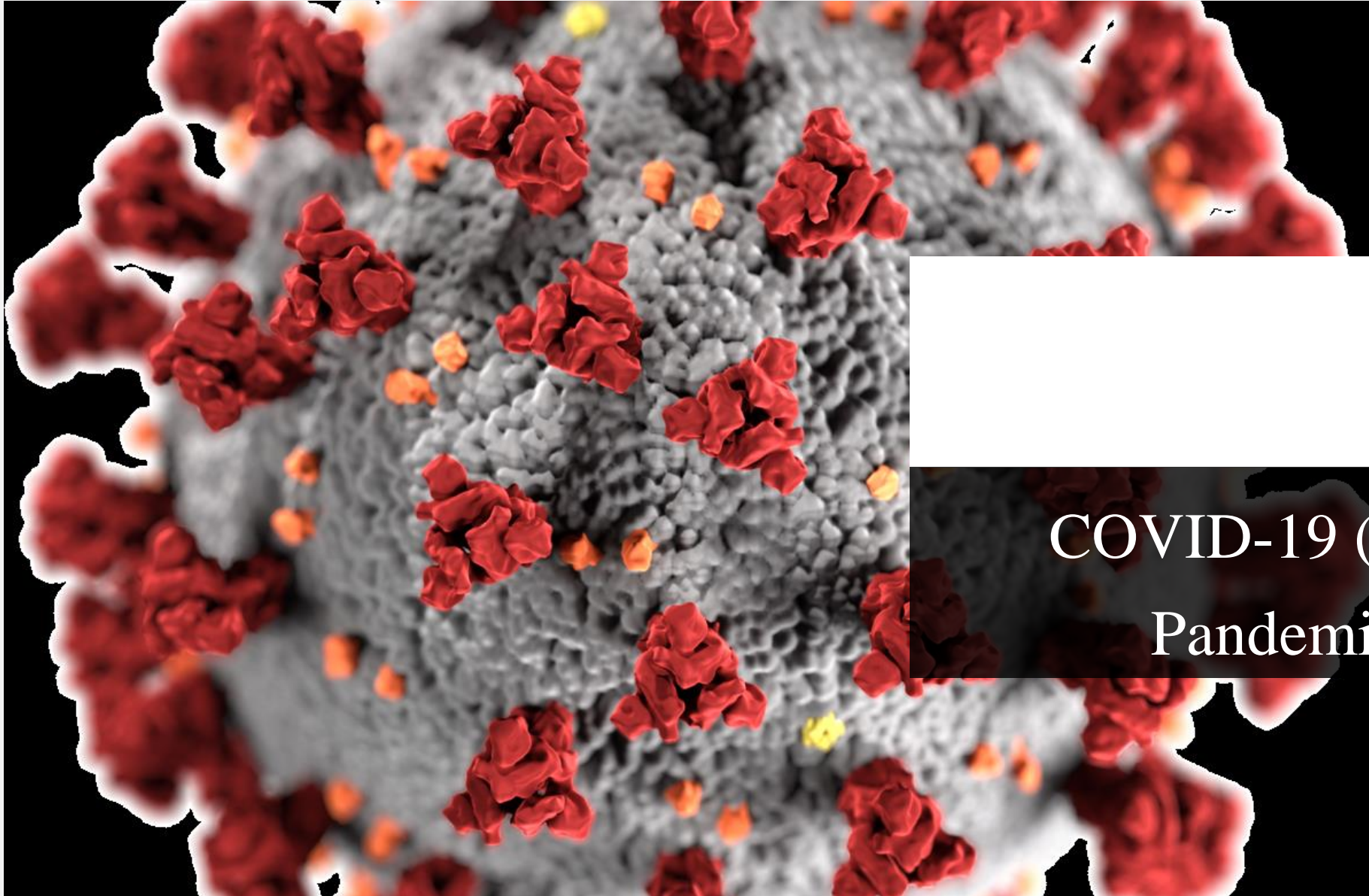
\* **Budgeted Premium** is defined as the premium amount the Consortium would have paid if they continued with the previous stop-loss insurance policy of a \$600,000 Deductible

\* **Actual Premium Paid** is defined as the actual premium amount paid by the Consortium for the current stop-loss insurance policy of a \$1,000,000 Deductible

\* **Laser Applied** is defined as the laser deductible the stop-loss insurance company would have applied to the specific individual if a \$600,000 Deductible stop-loss insurance policy was selected

The “Catastrophic Claims Self-Insurance Pool” was established by the Consortium’s Board of Directors prior to the start of the 2020 Fiscal Year to allow the Consortium to lower the cost of stop-loss insurance by raising the specific deductible and ultimately assuming more risk on an annual basis. To cover this risk, the Catastrophic Claims Reserve totaling \$4.5 million was converted to this “Pool”. In addition, each year the estimated premium variance between a \$600,000 specific deductible stop-loss insurance plan and a \$1 million specific deductible stop-loss insurance plan will be ceded into this “Pool” as part of the budget process. Lastly, any interest earned on this “Pool” will be credited to the “Pool” to help replenish funds when/if catastrophic claims are paid out of the “Pool”.





# Section 5

## COVID-19 (coronavirus) Pandemic Impact



# 2020-2021 COVID-19 Pandemic Impact

## Tompkins County Key Facts:

1. Tompkins County has approximately 103,000 residents.
2. According to the New York State Department of Health web-site, as of October 17<sup>th</sup>
  - a) There have been approximately 2,608,330 tests conducted of people in Tompkins County for the presence of COVID-19 (coronavirus).
  - b) There have been 6,463 Tompkins County residents who have tested positive for coronavirus which is 0.247% of the tested population and approximately 6.275% of the County's total population with 59 reported deaths amongst county residents.
3. The other Counties in the Consortium have the following results:

a) Cayuga	253,583 Tests Conducted	8,582 Positive Results (3.38%)
b) Cortland	211,793 Tests Conducted	5,284 Positive Results (2.49%)
c) Seneca	85,621 Tests Conducted	2,716 Positive Results (3.17%)
d) Tioga	143,367 Tests Conducted	5,012 Positive Results (3.50%)

# 2020-2021 COVID-19 Pandemic Impact

## Impact on the Greater Tompkins County Municipal Health Insurance Consortium

1. Paid claims in the short-term have been below budget. If we look at the monthly paid claims for the past two months, we see lower results due primarily to the delay or cancellation of minor and/or elective procedures:

Fiscal Year	Per Excellus BCBS Reports		Per ProAct, Inc. Reports			
	Medical Claims		Rx Claims		Combined Paid Claims	
	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount	Group Billed Amount	Member Paid Amount
2016	\$24,998,992.90	\$962,874.68	\$10,645,984.27	\$640,466.47	\$35,644,977.17	\$1,603,341.15
2017	\$26,235,020.36	\$1,065,840.07	\$11,079,834.05	\$664,302.99	\$37,314,854.41	\$1,730,143.06
2018	\$30,139,463.68	\$1,080,901.79	\$10,863,500.35	\$652,109.29	\$41,002,964.03	\$1,733,011.08
2019	\$28,483,790.87	\$1,182,457.28	\$12,839,601.51	\$744,713.47	\$41,323,392.38	\$1,927,170.75
2020	\$26,919,706.56	\$1,034,775.49	\$13,943,138.60	\$766,424.77	\$40,862,845.16	\$1,801,200.26
2021	\$23,310,249.24	\$899,485.50	\$11,957,901.38	\$680,219.75	\$35,268,150.62	\$1,579,705.25
<b>Totals</b>	<b>\$160,087,223.61</b>	<b>\$6,226,334.81</b>	<b>\$71,329,960.16</b>	<b>\$4,148,236.74</b>	<b>\$231,417,183.77</b>	<b>\$10,374,571.55</b>
	<b>96.26%</b>	<b>3.74%</b>	<b>94.50%</b>	<b>5.50%</b>	<b>95.71%</b>	<b>4.29%</b>

2019 Average Monthly Medical Claims	\$2,373,649.24
2020 First 3-Months Avg. Monthly Medical Claims	\$2,411,071.18
2020 Last 9-Months April to December Medical Claims	\$2,187,388.11
2021 1 <sup>st</sup> 9-months of Medical Claims	\$2,590,027.69

# 2020-2021 COVID-19 Medical Claims Costs

Date	Number of Contracts	Number of Members	Number of Tests	Number of Members Diagnosed	Inpatient Plan Cost	Outpatient Plan Cost	Physician Plan Cost	Other Plan Cost	Total Plan Cost
Jan-20	2,962	6,326	0	0	\$0.00	\$0.00	\$695.86	\$0.00	\$695.86
Feb-20	2,964	6,344	0	0	\$0.00	\$9,452.56	\$2,474.16	\$0.00	\$11,926.72
Mar-20	2,953	6,326	75	2	\$0.00	\$29,099.60	\$2,593.66	\$0.00	\$31,693.26
Apr-20	2,957	6,321	87	3	\$29,437.22	\$39,228.57	\$4,800.92	\$0.00	\$73,466.71
May-20	2,961	6,328	263	10	\$7,024.08	\$76,125.84	\$14,364.56	\$253.12	\$97,767.60
Jun-20	2,944	6,282	283	6	\$34,111.26	\$69,793.02	\$15,139.62	\$0.00	\$119,043.90
Jul-20	2,940	6,271	330	3	\$12,928.56	\$101,043.60	\$18,325.92	\$125.52	\$132,423.60
Aug-20	2,931	6,257	272	5	\$75,018.76	\$88,168.96	\$16,343.82	\$62.62	\$179,594.16
Sep-20	2,930	6,241	245	6	\$124,857.54	\$122,296.68	\$25,046.46	\$124.92	\$272,325.60
Oct-20	2,929	6,225	338	12	\$231,333.05	\$90,416.04	\$33,688.07	\$622.70	\$356,059.86
Nov-20	2,920	6,191	350	23	\$159,954.90	\$76,322.40	\$46,462.50	\$867.30	\$283,607.10
Dec-20	2,923	6,191	186	16	\$0.00	\$48,902.22	\$25,163.88	\$1,797.42	\$75,863.52
Jan-21	3,045	6,343	854	93	\$184,391.01	\$299,516.46	\$48,587.38	\$8,626.48	\$541,121.33
Feb-21	3,043	6,333	302	28	\$414,558.18	\$114,817.29	\$30,208.41	\$6,966.30	\$566,550.18
Mar-21	3,048	6,347	453	30	\$383,422.27	\$196,312.71	\$33,956.45	\$8,060.69	\$621,752.12
Apr-21	3,041	6,323	425	22	\$276,062.18	\$198,605.43	\$26,366.91	\$9,610.96	\$510,645.48
May-21	3,023	6,289	305	14	\$195,902.35	\$156,847.66	\$24,464.21	\$5,031.20	\$382,245.42
Jun-21	3,026	6,298	243	8	\$370,133.46	\$167,085.94	\$19,838.70	\$3,904.76	\$560,962.86
Jul-21	3,028	6,289	175	2	\$461,549.71	\$68,487.21	\$18,363.88	\$3,270.28	\$551,671.08
Aug-21	3,027	6,287	396	25	\$175,281.56	\$210,488.76	\$25,965.31	\$4,149.42	\$415,885.05
Sep-21	3,043	6,293	199	14	\$14,096.32	\$67,586.82	\$16,802.31	\$4,090.45	\$102,575.90
Totals	62,638	132,105	5,781	322	\$3,150,062.41	\$2,230,597.77	\$449,652.99	\$57,564.14	\$5,887,877.31

Above data represents hospital, medical, and surgical claims costs reported to and adjudicated by Excellus BlueCross BlueShield related to covered members who presented a diagnosis of coronavirus (COVID-19) from January 1, 2020 through September 30, 2021.

# 2020-2021 COVID-19 Pandemic Impact

## Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

2. The Excellus data shows the medical paid claims for 2020 and 2021 Fiscal Years as of September 30, 2021 were collectively just under \$5.62 million below the budgeted amount for the time period.
3. While October 2020 was a relatively high claims month, we show for the past 4-years October was above budget each year and in 2020 October was a 5-weekly payment month for medical claims.
4. Currently we still do not see any major negative impacts to the Consortium from a paid claim's perspective as:
  - a) The hospitals and doctors can only perform so many procedures in a day which we believe means that there will not be any major compression when they start performing services on a more regular schedule.
  - b) Most of the severe cases have involved older members who are on Original Medicare Parts A and B which limits the claims exposure to the Consortium to some extent.
  - c) There will likely be some hesitation in patients seeking care due to concerns that they may expose themselves to the coronavirus or other illness.

# 2020-2021 COVID-19 Pandemic Impact

## Impact on the Greater Tompkins County Municipal Health Insurance Consortium (continued)

5. The pandemic has “forced” covered members to embrace telehealth and telemedicine approaches to medical care as covered members have not been able to see their primary care physicians for minor or routine services in recent months.
  - a) In 2020, the Consortium paid for 11,871 telehealth visits for 6,282 covered members at a total cost of \$1,185,518.42. Through 9-months of 2021 these numbers are 10,401 visits for 5,172 covered members with a total paid amount of \$1,324,903.35. To put this in perspective, in 2019 there were a total of 40 telehealth visits associated with Consortium covered members for a total cost of \$996.98 for the entire year.
  - b) According to Excellus’ reports, the Consortium had a total of 90 covered members registered for telemedicine services as of January 2020. As of September 2021, this number has increased modestly to 159. It is clear to us from these numbers that most enrollees are more comfortable using this type of technology with their own personal physician as opposed to enrolling in a service offered by an insurance carrier, like Excellus BlueCross BlueShield.



# Section 6

2020 Fiscal Year-End  
Net Income, Liabilities, and Reserves



# 2020 Net Income, Liabilities & Reserves

	<i>Actual Results 2016 Fiscal Year</i>	<i>Actual Results 2017 Fiscal Year</i>	<i>Actual Results 2018 Fiscal Year</i>	<i>Actual Results 2019 Fiscal Year</i>	<i>Actual Results 2020 Fiscal Year</i>
<b>Total Assets</b>	<b>\$24,290,896</b>	<b>\$26,531,122</b>	<b>\$27,063,899</b>	<b>\$32,080,107</b>	<b>\$33,511,789</b>
<b>Liabilities and Reserves</b>					
IBNR Claims Reserve	\$4,430,732	\$4,540,654	\$4,931,847	\$5,637,280	\$5,828,922
Accounts Payable	\$497,510	\$494,991	\$488,269	\$605,015	\$610,385
Deferred Revenue	\$361,369	\$171,520	\$20	\$509,798	\$1,072,302
Capital Surplus Account	\$1,925,998	\$2,038,725	\$2,120,085	\$2,514,837	\$2,409,497
Catastrophic Claims Reserve	\$1,050,000	\$1,350,000	\$2,000,000	\$2,800,000	\$5,032,220
Rate Stabilization Reserve	\$1,758,496	\$1,868,819	\$2,100,000	\$2,184,812	\$3,391,769
Unencumbered Fund Balance	\$14,266,791	\$16,066,413	\$15,423,678	\$17,828,365	\$15,166,694
Fund Balance as % of Premium	37.04%	39.40%	36.38%	35.45%	31.47%

Prior to the “premium holiday”, the 2020 Fiscal Year Net Income was substantially above the projected budget for the year. This resulted in the net cash assets (unencumbered fund balance) being well above the targeted level as set by the Consortium’s Audit & Finance Committee. This result was achieved even with the increase in the Rate Stabilization Reserve from 5% of Expected Paid Claims to 7.5% of Expected Paid Claims and with an increase in the Catastrophic Claims Reserve from \$2.8 million to \$5.03 million, plus interest and the stop-loss premium variance. Even with the “premium holiday”, the Consortium still finished the year with an Unencumbered Fund Balance which exceeded the budget projections at over \$15 million.

# Year to Date Net Income, Liabilities and Reserves

	2021 Adopted Budget	2021 Revised Budget	2021 Year-to-Date	2021 Actual Results	Variance	% Difference
<b>Beginning Balance</b>	\$31,317,104.64					
<b>Total Income</b>	\$57,326,288.89	\$56,753,325.28	\$42,564,993.96	\$42,141,319.13	-\$423,674.83	-1.00%
<b>Total Expenses</b>	\$57,807,948.19	\$57,630,197.49	\$43,155,729.35	\$42,197,483.34	-\$958,246.01	-2.22%
<b>Net Income</b>	-\$481,659.30	-\$876,872.21	-\$590,735.39	-\$56,164.21	\$534,571.18	

<b>Ending Balance</b>	\$30,835,445.34	\$31,201,632.43	\$30,726,369.25	\$32,022,340.43	\$1,295,971.18	4.22%
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<b>Liabilities and Reserves</b>						
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	\$6,144,909.49	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	\$2,637,289.44	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	\$3,840,568.43	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,986,101.85	\$4,986,101.85	Calculation Per Proposed Resolution
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$768,500.00	\$768,500.00	\$768,500.00	
<b>Total Liabilities and Reserves</b>		\$17,884,167.36	\$18,377,369.21	\$18,377,369.21	\$18,377,369.21	

<b>Unencumbered Fund Balance</b>	\$12,951,277.99	\$12,824,263.22	\$12,349,000.04	\$13,644,971.22
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The Catastrophic Claims Self-Insurance Pool Reimbursements and Funding is proposed to be adjusted annually per the Resolution being presented for consideration. This resolution lays out the funding formula moving forward. The actual funding levels will be reviewed and acted on an annual basis at each fiscal year end.

# Liabilities and Reserves - Defined

## LIABILITIES

- The liabilities associated with the Consortium's operations are directly related to covered medical benefits that are incurred by Consortium Members which have yet to be received or paid by the insurance company or plan administrator. For example, if the Consortium were to end its operations on any given December 31<sup>st</sup> there are going to be covered medical services received by covered members on or before December 31<sup>st</sup> which will not be paid until sometime after December 31<sup>st</sup>. This is commonly referred to in the industry as an Incurred but Not Reported (IBNR) and Incurred but Not Paid (IBNP) Claims Liabilities.
- In recent years with the increases in technology associated with the billing and payment of medical benefit claims and with the increase in the volume of prescription drug claims which are inherently electronic in nature, the overall value of this liability has decreased as a percentage of expected/paid claims. In fact, twenty years ago, this liability equaled approximately the value of three (3) months (24%) of annual expected/paid claims. Today, this value is closer to one (1) month (8%) of expected incurred claims and the New York State Department of Financial Services has set this liability for the 2020 Fiscal Year to equal 12.00% of the expected incurred claims estimate for the year.

# Liabilities and Reserves - Defined

## RESERVES

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

# Liabilities and Reserves - Defined

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

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- At the end of the 2020 Fiscal Year this reserve was funded at \$5,828,922 (12.0% of projected hospital, medical, surgical, and prescription drug incurred claims). It should be noted that Excellus BlueCross BlueShield does provide an estimate of this liability in their annual renewal documents. For the 2020 Fiscal Year, Excellus' estimate of this liability was \$4,277,400 which is approximately 8% of the expected claims cost for the year.

# Liabilities and Reserves - Defined

## SURPLUS ACCOUNT

- The Consortium is required to fund the Surplus Account at an amount equal to 5.0% of expected premium income for the year. By funding this reserve at this level, the Consortium is operating in compliance with §4706(a)(5)(A) of the New York State Insurance Law.
- Article 47 of the New York State Insurance Law describes this reserve as being established and maintained for the sole purpose of satisfying unexpected obligations of the Municipal Cooperative Health Benefits Plan. Article 47 further states that this reserve is for the purpose of satisfying unexpected obligations of the Plan in the event of termination or abandonment.
- At the end of the 2020 Fiscal Year this reserve was funded at \$2,409,497 (5.0% of actual premium income of \$48,189,940). It should be noted that the Consortium's premium income will show below budget for the fiscal year due to the premium holiday. As a result, the Consortium may be required to calculate this reserve based on the full expected premium for the fiscal period which means this reserve level may be slightly higher at the end of the year than the projected amount.



# Liabilities and Reserves - Defined

## CATASTROPHIC CLAIMS RESERVE

- This reserve was established by the Consortium's Board of Directors to protect the financial integrity of the Consortium as the Board made the decision to increase the deductible associated with the Specific Stop-Loss Policy to reduce expenses. It was agreed that the Consortium's risk pool is so substantial in size that it can absorb a significant number of large losses without damaging the financial integrity of the Consortium.
- It was our professional opinion and the opinion of the Board of Directors that there was an acceptable reward versus risk ratio between the reduction of this significant expense, the exposure of large losses, and the cash asset position of the Consortium. This conclusion led the Board of Directors to increase the Specific Stop-Loss Insurance Deductible to \$1,000,000 for the 2020 Fiscal Year. It was recognized that this decision created a sizeable increase in the exposure to the Plan. To mitigate this exposure, the Board of Directors made the decision to fund this reserve at an amount equal to \$5,032,220 for the 2021 Fiscal Year.

# Liabilities and Reserves - Defined

## RATE STABILIZATION RESERVE

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



# Section 7

## 2021 Fiscal Year-to-Date Summary & Observations

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9	10	11	12	13	14	15
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23	24	25	26	27	28	29
30	31					



# 2021 Fiscal Year-to-Date Summary & Observations

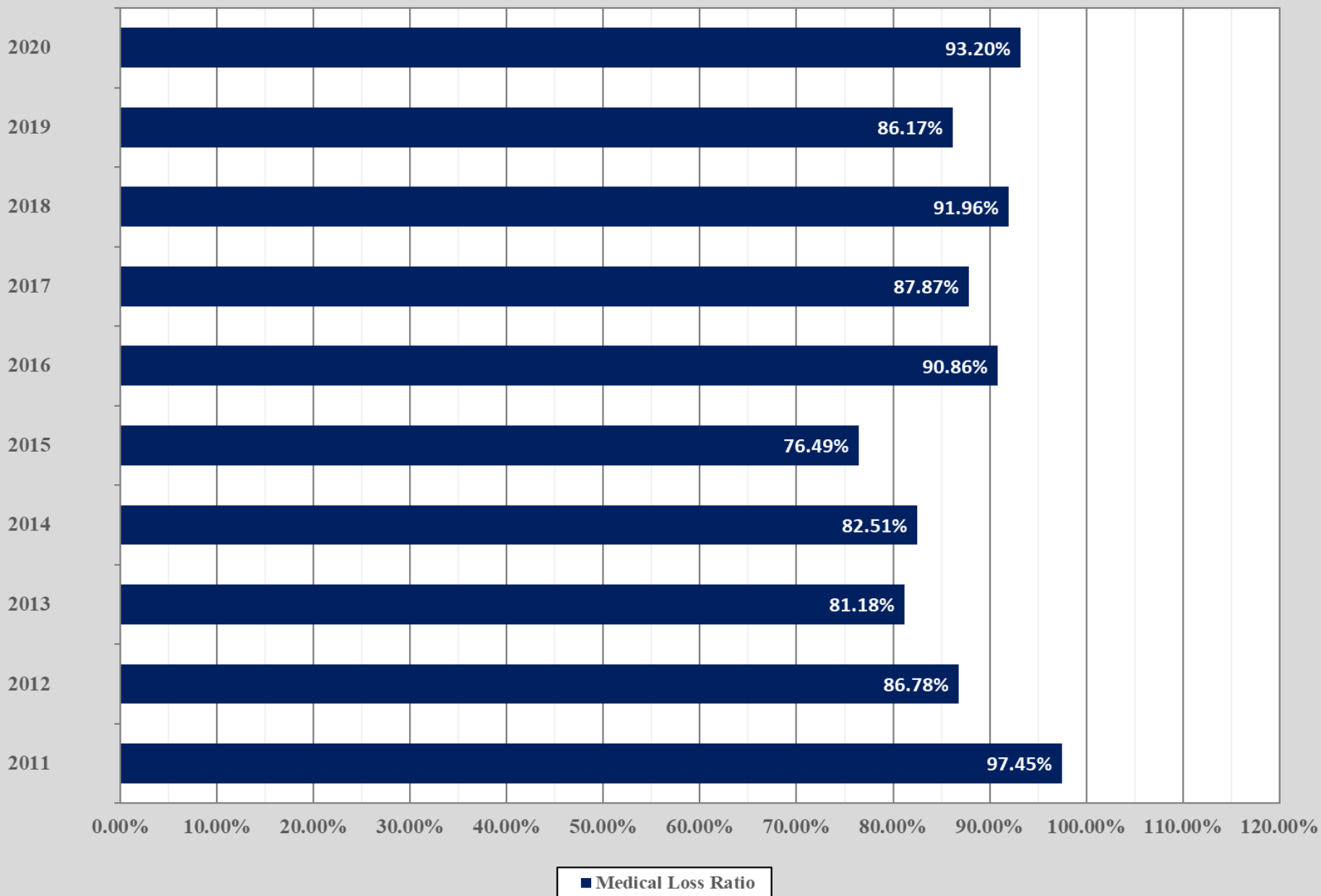
1. The **overall revenue of the Consortium is 1.00% below budget** as of September 30, 2021. We believe that as the Consortium moves through the year, the result will be close to the overall budget. This result will be achieved mostly as a result of the enhanced pharmaceutical manufacturer rebates being received from ProAct, Inc. Unfortunately, even with the increased management of the cash assets by the Consortium's Financial Team which includes the assistance from Wilmington Trust, the pandemic will cause the interest income to be well below the results seen in prior years.
2. The combined **Medical and Rx Paid Claims were 1.95% below budget** through the first 9-months of the 2021 Fiscal Year. This result was achieved in large part due to a decrease in minor and/or elective medical procedures due to the recent pandemic. We are keeping a close eye on paid claims and we are cautiously optimistic that the Consortium will finish the year near or below budget. Historically, the claims paid during the latter part of the Calendar Year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met. In addition, we do anticipate some modest compression in medical claims costs as covered members have procedures performed which had been delayed due to the pandemic.

# 2021 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first 9-months of the 2021 Fiscal Year. With only nine months “in the books”, the financial indicators are pointing toward another positive fiscal year, resulting in a slight net income which will be used to bolster the Consortium’s Reserves and Fund Balance. In the end, we are hopeful that this positive result will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the Participating Municipalities.
4. Lastly, we want to point out that the fiscal results experienced by the Consortium as of September 30, 2021 clearly support the Board of Director’s decision to increase premium rates by a modest 5% for the 2021 Fiscal Years and put in place the premium holiday for December 2020. Any additional funds set aside from this year after the premium holiday will give the Consortium Board of Directors the opportunity to continue to keep premium increases at a very modest level for the next several fiscal periods. It may also allow for some additional premium relief to assist the Participating Municipalities during what will clearly be a tough financial picture for the next several years.

# Greater Tompkins County Municipal Health Insurance Consortium

## Medical Loss Ratio (Paid Claims ÷ Premium)



**2021**  
Medical Loss Ratio  
as of September 30, 2021  
Equals 99.29%