



## 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."*

### Executive Committee Agenda

February 1, 2023 – 3:30 p.m.

Ithaca Town Hall – Aurora Room

- 1) Call to Order (3:30)
- 2) Changes to the Agenda
- 3) Approval of Minutes: December 7, 2022
- 4) Chair's Report (3:40) R. Hart
- 5) Executive Director's Report (3:55) E. Dowd
  - a. Executive Director Report
  - b. Strategic Initiatives Update
  - c. Premium Equivalent Rate Audit Update
- 6) Committee Reports/Resolutions: (4:15)
  - a. Nominations and Engagement E. Fairbrother  
Resolution: Amendment to Resolution No. 022-2022 – Creation of 2023 Committee Structure and Appointments of Committee Members – Appointment of Weinstein/Operations, DeVoe/Nominations, and Sosnowski/Claims and Appeals
  - b. Claims and Appeals B. Shattuck  
Resolution: Authorize Contract for Medical Claims Adjudication for Plan Years 2020 and 2021
  - c. Audit and Finance S. Thayer
  - d. Operations L. Granger  
Resolution: Approval of Contract to Enter into An Agreement with Lifetime Benefit Solutions to Prepare Documents
  - e. Joint Committee on Plan Structure and Design K. DeVoe
- 7) Financial Update (5:00) Locey & Cahill
  - a. Financial Review
  - b. Report on large loss claim activity
- 8) Future Agenda Topics: (5:15)
- 9) Adjournment (5:20)

**Next Meeting: April 5, 2023 @ 3:30 p.m.**

**Executive Committee  
Minutes – DRAFT  
December 7, 2022 – 3:30 p.m.  
Town of Ithaca – Aurora Room**

Present: Judy Drake (Chair); Rordan Hart; Lisa Holmes; Peter Salton; Kate DeVoe  
Present via remote: Eric Snow\*; Ed Fairbrother\* (excused @ 3:56p); Gary Mutchler\*  
Excused: Steve Thayer; Bud Shattuck  
Absent: Ray Bunce  
Guests: Steve Locey, Paul Pelton, Rob Spenard, Locey & Cahill; Steve Scott, City of Cortland  
Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Kylie Rodrigues, Benefits Specialist, Teri Apalovich, Finance Manager

\* - attended remotely due to extraordinary circumstances

**Call to Order**

Ms. Drake, Chair, called the meeting to order at 3:33 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approval of Minutes of October 5, 2022**

It was MOVED by Ms. Holmes seconded by Mr. Hart, and unanimously adopted by voice vote by members present and via remotely, to approve the minutes of October 5, 2022, as submitted. MINUTES APPROVED.

**Chair’s Report Long-Term Planning Discussion**

Ms. Drake passed along the Long-Term Planning to Ms. Dowd, who reported within her Executive Director’s Report.

Ms. Dowd spoke of the Consortium receiving feedback on access to in-network mental health providers, (specifically in the Tompkins County area), of how the Consortium can provide better access to the Consortium’s subscriber group. Mr. Locey said between the state and government they have increased the benefits within the mental health area. Limited care is now unlimited and has put pressure on providers as many more patients seeking care putting demand on the system.

Ms. Dowd also added that Segal is working on the premium equivalent rate study. Once that report comes back, we will also ask for their opinion on two versus four premium tiers.

Ms. Dowd discussed the Medicare Advantage options received through Aetna this year. The Consortium will continue to look at Medicare or retirement aged options either as fully insured or through self-insured. One option would be an employer group waiver plan (EGWP) which would have the Consortium self-funded on the RX side.

Ms. Dowd also spoke of regional pricing in the long run as the Consortium continues to expand throughout the Central New York region.

Ms. Dowd noted other topics in long-term planning to include audit outcomes and how the Consortium will organize the organization, such as name change, or domain name change.

### **Executive Director's Report**

Ms. Dowd referred to her Executive Director report and shared highlights. Last week, the Department of Financial Services (DFS) announced the governance section of the audit has commenced remotely.

Ms. Dowd reported the Consortium initiated a group restructure to add retiree codes to existing plans and cleanup with Excellus and Proact. This restructure led to some issues regarding faulty ID cards issued, benefit cancellation, incorrect benefit information. Most of these issues have now been resolved but should fully be cleared up by January 1, 2023.

Ms. Dowd reported that Ms. Apalovich has billed new members, and payments are already being received.

Ms. Dowd announced Town of Onondaga has rescinded their MCA resolution to join the Consortium. However, Ms. Dowd stated they are still interested, but were unable to make the move from their current vendor to start this January and will be staying with their current broker. The Consortium is moving forward to start 2023 with seven new members of whom will be receiving initiation letters and ID cards in the next few weeks.

Ms. Dowd also reported that the Consortium has received four submissions on the Request for Proposal (RFP) for a new claims auditor. Claims and Appeals Committee will be discussing later this month.

Ms. Dowd stated the Consortium rolled out the Medicare Advantage fully insured option with Aetna and only two municipalities asked for additional information. The Consortium currently has two plans to offer, however, there are currently no municipalities offering this option for 2023.

### **Action Items:**

*The resolution below was passed by the Operations Committee, but not passed at Joint Committee due to non-quorum (discussed and supported).*

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

**RESOLUTION NO. 032- 2022 – AMENDMENT TO RESOLUTION NO. 011-2020  
“AUTHORIZATION BY THE BOARD OF DIRECTORS TO  
REMOVE BENEFIT PLANS FROM THE CONSORTIUM’S  
MENU OF BENEFIT PLAN OFFERINGS” BY  
RESTRICTING PLAN ENROLLMENT**

WHEREAS, to achieve administrative efficiencies the Consortium removed from the Consortium’s Menu of Benefit Plan Offerings effective January 1, 2021 the following benefit plans:

**1. Indemnity Plan MM3**

Plan Description:

MM3 – Basic Benefits with “Major Medical” \$100/\$200 Deductible & \$750/\$2,250 Out-of-Pocket Maximum

**2. Medicare Supplement Plans MS1. MS2. MS5, and MS6**

Plan Descriptions:

MS1 - Medicare Supplement Plans with No Prescription Drug Coverage

MS2 - Medicare Supplement Plans with \$5/\$15/\$30 Rx Copay Plan

MS5 - Medicare Supplement Plans with 20%/20%/40% Rx Copay Plan

MS6 - Medicare Supplement Plans with 20%/30%/50% Rx Copay Plan

, and

WHEREAS, to achieve further administrative efficiencies the Consortium wishes to continue consolidation and streamlining its menu of benefit plan offerings, and

WHEREAS, although included in the menu of benefit plan offerings, there are medical and prescription drug plans that are not being utilized by Consortium Participants and have no one enrolled or less than five Participants, and

WHEREAS, the removal of these plans from the Consortium’s menu of benefit plans has been recommended by the Consortium’s Consultants, now therefore be it

RESOLVED, on recommendation of the Operations Committee and the Joint Committee on Plan Structure and Design, That the Executive Committee, on behalf of the Board of Directors, hereby Amends Resolution No. 011-2020 “Authorization by the Board of Directors to Remove Benefit Plans from the Consortium’s Menu of Benefit Plan Offerings” to include the following benefit plans be removed from the Consortium’s Menu of Benefit Plan Offerings, and any new Participants will be restricted from enrolling in the following plans due to low enrollment.

MM3- Classic Blue MM RX (No ProAct Prescription coverage) \$50/\$150 Deductible & \$400/\$1,200 Out-of-Pocket Maximum

End Date: December 31, 2022

PPO3- PPO \$20/35 with \$2,000/\$6,000 Out-of-Pocket Maximum and \$750/\$2,250 Out of Network Deductible

End Date: December 31, 2022

MM6- Comprehensive Plan with \$500/\$1,500 Deductible & \$2,500/\$7,500 Out-of-Pocket Maximum

End Date: December 31, 2023

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**RESOLUTION NO. 033– 2022 – DIRECTIVE TO PRESCRIPTION BENEFIT MANAGER-  
MEDICARE SUPPLEMENT IMMUNIZATION AND INSULIN  
PRODUCTS BENEFIT**

*This resolution below was passed by the Operations Committee, and discussed, but not passed at Joint Committee due to non-quorum (discussed and supported).*

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

WHEREAS, on August 16, 2022, the 117<sup>th</sup> United States Congress passed the Inflation Reduction Act, in which set clear federal guidelines for Medicare Part D plans to follow, and

WHEREAS, the prescription drug coverage for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) to maintain a level of creditable coverage for Medicare-age retirees must follow all Part D plan federal mandates, and

WHEREAS, the Inflation Reduction Act, mandated the elimination of any cost-share for Advisory Committee on Immunization Practices (ACIP)- recommended immunizations covered under Medicare Part D plans. According to the Department of Health and Human Services, Medicare Part D plans cover all vaccines that are, commercially available, reasonable, and necessary to prevent illness and not covered by Medicare Part B, and

WHEREAS, the Inflation Reduction Act further mandated a maximum \$35 copay for a 30-day supply per prescription for any insulin product, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design,

that the Executive Committee hereby directs Proact to provide full coverage for standard Part D covered immunization for all the Consortium Medicare Supplement plans,

RESOLVED, further, That all insulin products maintain a \$35 copay or less, for a 30-day supply per prescription for all the Consortium Medicare Supplement plans,

RESOLVED, further, That this directive shall be effective January 1, 2023.

\* \* \* \* \*

**RESOLUTION NO. 034-2022 – APPROVAL OF NEW CONTRACT FOR PLAN CONSULTANT  
– LOCEY & CAHILL, LLC – JANUARY 1, 2023 – DECEMBER  
31, 2026**

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

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium continue to retain Locey & Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium’s contract with Locey and Cahill, LLC, and

WHEREAS, Locey & Cahill, LLC presented an agreement that shall become effective of January 1, 2023 and remain in effect through December 31, 2023. Thereafter, the Consortium has the option to extend this contract in one-year increments through December 31, 2026.

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby approves its contract with Locey & Cahill, LLC of the agreement contract for the period January 1, 2023 through December 31, 2023.

\* \* \* \* \*

**RESOLUTION 035-2022- EXTENDING CONTRACT FOR ACTUARIAL SERVICES – ARMORY  
ASSOCIATES- FISCAL YEAR 2022**

MOVED by Mr. Snow, seconded by Ms. DeVoe. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Greater Tompkins County Health Insurance Consortium issued a Request for Proposals for Actuarial Services on January 4, 2016 and awarded a contract to Armory Associates of Syracuse, and

WHEREAS, in 2019 Armory Associates presented a three-year proposal for fiscal years 2020, 2021, and 2022, and

WHEREAS, the Consortium wishes to continue its relationship with Armory Associates under the terms outlined in the revised agreement for actuarial services, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee, on behalf of the Board of Directors hereby extends its contract with Armory Associates for the third year of the current agreement, and

RESOLVED, further, That the Executive Director is hereby authorized to execute this contract on behalf of the Consortium.

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*(Ed Fairbrother excused 3:56pm)*

**RESOLUTION NO. 036-2022– EXTENSION OF CONTRACT FOR INVESTMENT MANAGEMENT SERVICES – WILMINGTON TRUST ADVISORS, INC.**

MOVED by Mr. Mutchler, seconded by Ms. DeVoe. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Consortium secures services from Wilmington Trust Advisors, Inc. for investment management services as it pertains to our Investment Management Policy pursuant to Resolution No. 16 of 2020 and wishes to extend its contractual relationship into 2023, and

WHEREAS, the Consortium directed the Finance Manager to commence an Investment Management Request for Proposal (RFP) in 2023 to determine options available to assist in managing our reserves and unencumbered fund balance, and

WHEREAS, the Board of Directors approved a new Investment Policy Statement (Resolution No. 017-2022) in September 2022 and postponed the RFP until 2023 to allow Wilmington Trust to garner any new investment options available under the policy, therefore now be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee, on behalf of the Board of Directors, authorizes the Consortium to extend its contract with Wilmington Trust Advisors, Inc. (WTIA) for investment management services beginning

January 1, 2023 through the conclusion of the RFP process and/or selection of a new Investment Manager.

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**RESOLUTION NO. 037-2022 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES:  
ERRORS AND OMISSIONS, DIRECTORS AND  
OFFICERS LIABILITY, EMPLOYMENT  
PROTECTION COVERAGE, AND A FIDELITY  
BOND**

MOVED by Mr. Salton, seconded by Mr. Snow. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium shall purchase coverage for these policies from the following for the period January 1, 2023 thru December 31, 2023:

- Errors and Omissions Insurance at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon); and
- A Fidelity Bond

RESOLVED, further, That the Executive Director is authorized to execute the renewal documents for the policies listed above.

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**RESOLUTION NO. 038–2022 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2023 THRU DECEMBER 31, 2023**

MOVED by Mr. Salton, seconded by Mr. Hart. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Tompkins County Information Technology Services Department (ITS) has provided technical support to the Consortium since it began operations in 2011, and

WHEREAS, the Consortium wishes to continue its contract arrangement with the Tompkins County Information Technology Services Department that was formalized in 2020, and

WHEREAS, the 2023 Memorandum of Agreement, between the Greater Tompkins County Municipal Health Insurance Consortium and the Tompkins County Information Technology Services Department (ITS) for the provision of technology services provided to the Consortium, including support in compliance with 23 NYCRR 500, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2023 for ITS support provided to the Consortium from January 1, 2023 thru December 31, 2023, and

RESOLVED, further, That the Executive Director is hereby authorized to execute this contract on behalf of the Consortium.

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**RESOLUTION NO. 039–2022 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2023**

MOVED by Mr. Salton, seconded by Mr. Hart. The resolution was unanimously adopted by voice vote of members present, visibly seen members via remote Satellite locations, and locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of the Stop Loss insurance policy with a deductible of \$1 million for the policy period January 1, 2023 to December 31, 2023 with Highmark to include claims incurred from January 1, 2023 thru December 31, 2023 and paid during the period of January 1, 2023 thru March 31, 2024.

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

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## **Committee Reports**

### **a) Nominations and Engagement:**

Ms. Dowd reported for Mr. Fairbrother (excused 3:56p). She reported the Consortium has several people coming onto committees as of January 1, 2023. Ms. DeVoe has begun her official voting as an Executive Committee member as the Joint Committee formalized her election.

### **b) Claims and Appeals:**

Ms. Dowd reported for Mr. Shattuck (excused from meeting). She reported Claims and Appeals will be meeting in two weeks to discuss the RFP results for Claims Audit, The approved vendor will then commence the Excellus claims first and then prescription drugs.

### **c) Audit and Finance:**

Ms. Drake reported for Mr. Thayer (excused from meeting). She reported that Patrick Jordan from the Consortium's auditing group, Inero & Co, LLP, discussed how the Consortium records the investment loss. Ms. Apalovich stated this loss is unrealized income, but because the Consortium needs to report this to DFS on the quarterly Jurat, the Consortium needs to report this in the financials to match.

### **d) Operations:**

Ms. Holmes and Ms. Dowd reported that as discussed in Operations Benefit Clerks now have access to ProAct's eligibility for large group benefit. Clerks have been requesting access from Ms. Rodrigues.

### **e) Joint Committee:**

Ms. DeVoe and Ms. Dowd reported three individuals volunteered for the labor seats on the Board of Directors. Brian Weinstein, IAFF Local 737; Jon Munson, Town of Ithaca Teamsters; and Elizabeth Wujar, Tompkins County Public Library Union. The Joint Committee has nominated the appointments of Labor Representatives: Brian Weinstein to Operations Committee, Kate DeVoe to Nominations Committee, Carol Sosnowski to Claims and Appeals

### **Financial Update**

Mr. Pelton referred to the monthly Budget Performance Report as of October 31, 2022. Revenue is 2.55% under amended budget, with premium income 2.16% below the amended budget for the first 10-months of the fiscal year. The expected second RX rebate for the second quarter and reconciliation payments both arrived early November, which falls in above budget.

Mr. Pelton showed the Medical Paid Claims were 6.83% below the amended budget through the first 10-months Fiscal Year to Date. RX Paid Claims were 2.71% over budget for the first 10-months of the Fiscal Year. Locey & Cahill was keeping a close eye on the pharmacy paid claims trends which led to adjustments to trend during the budget development process for the 2023 Fiscal Year.

Mr. Pelton also noted based on the recommendation of the Consortium's Auditor, Investment gains & losses are now recorded in accounts 9005 (Insurance and Internal Fees Above). Mr. Pelton advised starting this November reporting, the loss on investment will be represented more clearly.

Mr. Pelton added the net cash assets (unencumbered fund balance) is currently at 16.81% of budgeted premium revenues. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.64 million. Also, fund balance was reduced in 2020 by the "premium holiday" that was authorized for all municipalities.

Mr. Pelton stated overall, the Consortium is performing better than projected against the amended budget with two months remaining in the 2022 Fiscal Year.

### **Report on Large Loss Claim Activity**

Mr. Spenard reported through October 2022 there are 53 members above \$100,000 including medical and RX totaling approximately \$10 million in paid claims. He stated in the last few years at this time frame, the Consortium was 45 members above \$100,000 at \$9.4 million in 2021 and 39 members, totaling \$7.4 million in 2020. He also mentioned the Consortium has seen an increase in covered lives contracts, which may result in more high cost claims.

Locey & Cahill will continue to keep a close eye on some large losses as they have been seeing a lot more increase in the drug claims or large losses above \$100,000 year after year.

### **Next Agenda Topics**

Remote attendance  
November & December financials

Mr. Hart thanked Ms. Drake for all her many years as service as the Consortium's Chair.

**Adjournment**

The meeting adjourned at 4:34 p.m.

Next Meeting: February 1, 2023

*Respectfully submitted by Lynne Sheldon, Clerk of the Board*

## **Executive Director Report January 2023**

The 2023 year is certainly off to a quick start. As you read this report you will know that we are immersed in audits, collecting data for projects, trying to exceed our customer expectations, and working on advancing strategic initiatives. We are thankful to have so many resources available to us to assist as we go through the team's first NYS Department of Financial Services ("DFS") audit. It is fast paced and very time consuming, but a great learning experience and we have already started reviewing our filing system to make enhancements for future reporting.

DFS also has our Plan Document updates, MCA changes and Certificate of Authority request in their possession for review. We continue to debate with them on how to report Stop-Loss coverage and other small details on our quarterly and annual reporting. The staff is working with Steve Locey to compile a list of opportunities for improvement that Chair Hart will be working with other legislators to review with DFS in hopes of continued improvement for Article 47 organizations going forward.

Thank you to all our members for your ongoing marketing efforts. We have received several calls regarding our application process and invitations to present to Boards and administrative personnel on the value of our organization. We just completed our 2023 new member director and benefit clerk orientation with all new municipalities in attendance. We have a great group of participants, and we are hoping everyone will become engaged in the success of the Consortium at one level or another.

### Executive Committee

Our first meeting with Rordan Hart as Chair is scheduled for February 1<sup>st</sup>.

As you know we have secured the services of Segal to provide a review of our premium equivalent rates. A quick update on that project will be given at the February meeting.

The Committee will continue to look at strategic initiatives regarding offering competitive retiree benefits to our members. None of our members took advantage of our offer from Aetna Medicare Advantage Plans for 2023. The Consortium staff and our consultants are working to increase affordable options available for 2024 enrollment.

Other strategic initiatives include reviewing risk assessment fees for participants who opt out of offering Consortium benefits to all eligible employees or retirees; regional pricing analysis; possible name change; logo update to include all our covered territories, and risk assessment surrounding growth opportunities.

The Consortium staff has been working with current Chair Hart and former Chair Drake to explore the best office options available for our organization's needs. Staying in Town Hall may involve investing in space that we might soon outgrow but moving may involve additional expenses we hadn't anticipated.

### Audit and Finance Committee

The first Audit and Finance Meeting for 2023 is scheduled for February 28<sup>th</sup>. A preliminary look at our 2022 unaudited performance will be done at the Executive Committee held in January

and then a more complete report will be presented in February to Audit and Finance. The Consortium exceeded budget expectations due to lower claims experience than planned and exceeding our rebate expectations. Also on the Committee's agenda for February is a review of an amended budget for 2023 with new information that has been presented since the approval in September.

Teri Apalovich has been immersed in NYS Department of Financial Services audit requests. We anticipate to be active with the DFS Audit Team for at least six months with information sharing, follow up questions and interviews. It is our understanding it will be a long time (perhaps years) before we hear a final report. All our vendors, consultants and other partners have been very helpful in securing information for the audit.

We have commenced our internal audit for 2022 in preparation of our Annual Report. Ms. Apalovich has established the calendar with Inero and will work on the NYS annual statement reporting in conjunction with the audit.

#### Operations Committee

The Committee met in January with new Chair Laura Granger. As part of our annual submittal to the NYS Department of Financial Services for Business Continuity and Cyber Security Planning, the Committee reviewed a report by Greg Potter, Director of Tompkins County ITS, and approved submittal of the plan to DFS.

Other action items included a discussion to secure services with Lifetime Benefit Solutions to assist with plan document preparation. This will be an addition to our budget and the resolution will go forward to the Audit and Finance Committee for review.

The Department will also conduct further analysis regarding our ProAct contract to make sure they are living up to their commitments during the 2022 contract renewal. Our April meeting will include an update on ProAct performance and a quick market comparison regarding services and pricing.

#### Nominations and Engagement Committee

No new information to report, but the Committee will continue discussions on how to keep members engaged as our territory and membership continues to expand. It is very important that all committee members attend their committee meetings to ensure we meet quorum. If you feel you can no longer serve, please let us know and we will find a replacement. Please note, the only committee allowed to use proxies is the Joint Committee on Plan Structure and Design.

#### Claims and Appeals Committee

A decision was made to remain with BMI for medical claims auditing services in 2023 and a new contract will be put forth to the Executive Committee for approval. Funds were set aside in the 2023 budget to cover the contract. The audit should commence in February.

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

The first meeting of the new year for the Joint Committee is scheduled for February 2<sup>nd</sup>. The annual review of the Committee's By-laws is on the agenda. Discussion will also include the

Executive Director Report  
January 2023

plans already in motion for the Blue4U Clinics and feedback on the year-end Maintain Don't Gain program.

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

Our quarterly newsletter, Consortium Connection, is now paperless, please sign up on our website to continue to receive the newsletter electronically or follow this link to read December's newsletter: <http://www.healthconsortium.net/newsletter>

*Respectfully submitted by Elin R. Dowd, Executive Director, January 25, 2023.*



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**RESOLUTION NO. XXX - 2023 – AMENDMENT TO RESOLUTION NO. 022-2023- CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF COMMITTEE MEMBERS – APPOINTMENT OF BRIAN WEINSTEIN TO OPERATIONS, KATE DEVOE TO NOMINATIONS, CAROL SOSNOWSKI TO CLAIMS AND APPEALS**

WHEREAS, a vacancy on the Operations, Nominations, and Claims and Appeals Committees exists because of resignations, and

WHEREAS, it is deemed to be in the best interest of Committees to continue to have a members who will represent the interests of labor on these Committee,

WHEREAS, the Joint Committee has nominated the appointments of Labor Representatives:

Brian Weinstein to Operations Committee

Kate DeVoe to Nominations Committee

Carol Sosnowski to Claims and Appeals, now therefore be it

RESOLVED, on recommendation of the Joint Committee, That the Executive Committee, on behalf of the Board of Directors, appoints the above committee members effective 1/1/2023 with terms expiring December 31, 2024.

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## **RESOLUTION NO. xxx-2022 – AUTHORIZE CONTRACT FOR MEDICAL CLAIMS ADJUDICATION FOR PLAN YEARS 2020 and 2021**

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued in accordance with Article 47 of the New York State Health Insurance Law, and

WHEREAS, being a self-insured health insurance plan the Consortium is responsible for the payment of claims as adjudicated by the Third Party Administrators, Excellus Blue Cross Blue Shield and ProAct, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic medical claims audits to ensure the medical and RX claims are paid are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, a Request for Proposals for Medical Claims Auditing Services was issued on October 26, 2022, to perform medical claims auditing services for the Consortium for the 2020 and 2021 plan years, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee, hereby authorizes the Executive Director the authority to finalize the terms of the agreement, with BMI Audit Services for the Medical Claims Audit to commence in February 2023 for plan years 2020 and 2021.

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### **RESOLUTION NO. XXX- 2023– APPROVAL OF CONTRACT TO ENTER INTO AN AGREEMENT WITH LIFETIME BENEFIT SOLUTIONS TO PREPARE DOCUMENTS**

WHEREAS, as an Article 47 municipal health insurance organization we are required to maintain and update any approved benefit changes to our Summary Plan Description (SPD) which allows our Participants to share required plan information to their employees and direct our Third-Party Benefit Plan Administrators on proper claims adjudication according to our Plan Documents and

WHEREAS, maintaining and amending Plan Documents is an ongoing responsibility requiring a specific expertise and keen sense of NYS Insurance Law expertise and

WHEREAS, Lifetime Benefit Solutions offers services specific to creating and maintaining Health Plan(s) Summary Plan Descriptions. Lifetime Benefit Solutions services combines experience, personalized service, and integrated computer capabilities to deliver these key elements efficiently and cost effectively and

WHEREAS, Lifetime Benefit Solutions can help our organization remain in compliance and prepare the Plan Document (PD) and/or SPD/Benefit Booklet for our medical Plans. The PD/SPD/Benefit Booklet will address specific requirements including cost-sharing provisions, specific benefits provided under each Health Plan, and

WHEREAS, the Audit and Finance Committee and Board of Directors have had detailed discussions and have approved the Consortium's 2023 budget and premium rates, and

WHEREAS, the Audit and Finance Committee and the Executive Committee have policies in place to amend the approved budget when appropriate, now therefore be it,

RESOLVED, that the Operations Committee recommends that the Executive Committee approves the addition of a contract with Lifetime Benefit Solutions to commence services on Plan Document and SPD creation for all GTCMHIC plans and

FURTHER RESOLVED, to instruct the Executive Director to execute a contract with Lifetime Benefit Services to Commence preparing documents for all GTMHIC Health Plans.

\*\*\*\*\*



# 2022 Fiscal Year Budget Performance Report As of December 31, 2022

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

## 2022 Fiscal Year-to-Date Financial Results of Operations

# 2022 Operational Income – Budget vs. Actual (12/31/2022)

		<i>2022 Adopted Budget</i>	<i>2022 Amended Budget</i>	<i>2022 Year-to-Date</i>	<i>2022 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
<b>Income</b>							
	Medical and Rx Plan Premiums	\$57,752,443.75	\$55,937,315.28	\$55,937,315.28	\$54,591,095.20	<b>-\$1,346,220.08</b>	<b>-2.41%</b>
9020	Interest	\$45,660.35	\$45,660.35	\$45,660.35	\$111,585.28	\$65,924.93	144.38%
9010	Rx Rebates	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,189,532.72	\$189,532.72	6.32%
9040	Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9035	Finance Charge Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
9030	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Income</b>		<b>\$60,798,104.10</b>	<b>\$58,982,975.63</b>	<b>\$58,982,975.63</b>	<b>\$57,892,213.20</b>	<b>-\$1,090,762.43</b>	<b>-1.85%</b>

## Key Facts:

1. Total Income was 1.85% below the amended budget, with premium income being 2.41% below the amended budget for the fiscal year. The amended budget reflects the changes in plan designs and demographics of the participants as detailed below:
  - a. There has been some additional movement of covered members from traditional Indemnity and PPO Plans to the Consortium's Platinum PPO Plan.
  - b. Changes in covered lives and contract counts.
  - c. We received the Rx Rebate payment related to the 2<sup>nd</sup> quarter of 2022 on November 2<sup>nd</sup>, as well as the 2021 fiscal year reconciliation payment in November.

# 2022 Income Budget vs Actual Results (12/31/2022)

## Key Facts (continued):

- d. The number of contracts insured by the Consortium increased by 2.70% and the number of covered lives grew by only 1.28%. 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	2,942	1,454	1,876	6,271
2021	3,035	1,406	1,862	6,303
2022	3,116	1,399	1,868	6,383

*Monthly Average Contract Count by Fiscal Year*

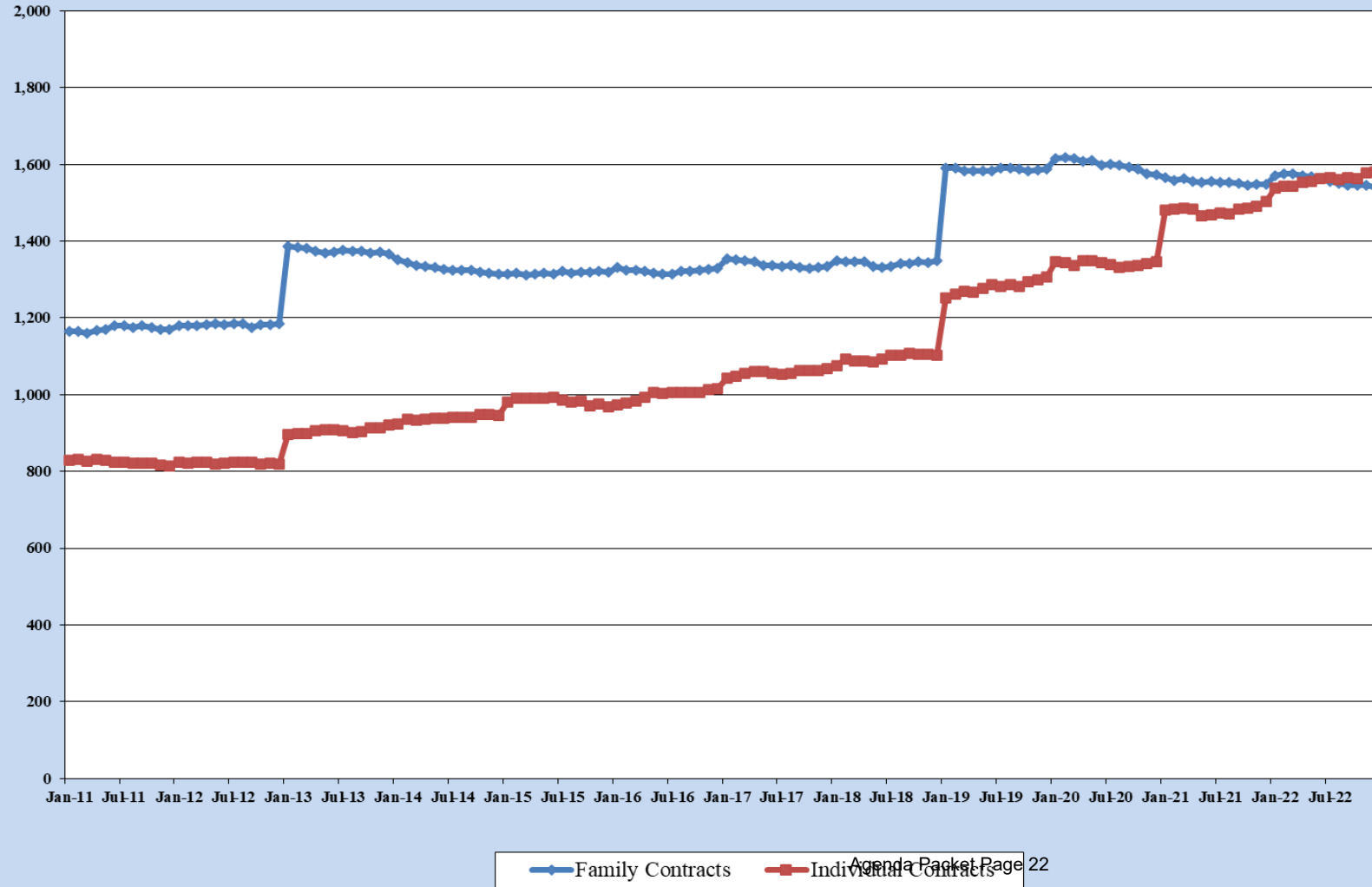
<i>Year</i>	<i>Family Contracts</i>	<i>Individual Contracts</i>	<i>Total Contracts</i>	<i>Avg. # of Lives Per Contract</i>	<i>Avg. # of Lives Per Family</i>
2011	1,172	824	1,995	2.205	3.053
2012	1,182	822	2,004	2.220	3.068
2013	1,375	907	2,281	2.225	3.033
2014	1,329	939	2,269	2.209	3.064
2015	1,317	984	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	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,559	1,559	3,118	2.047	3.094



# Greater Tompkins County Municipal Health Insurance Consortium

## Monthly Contract Count by Plan Type

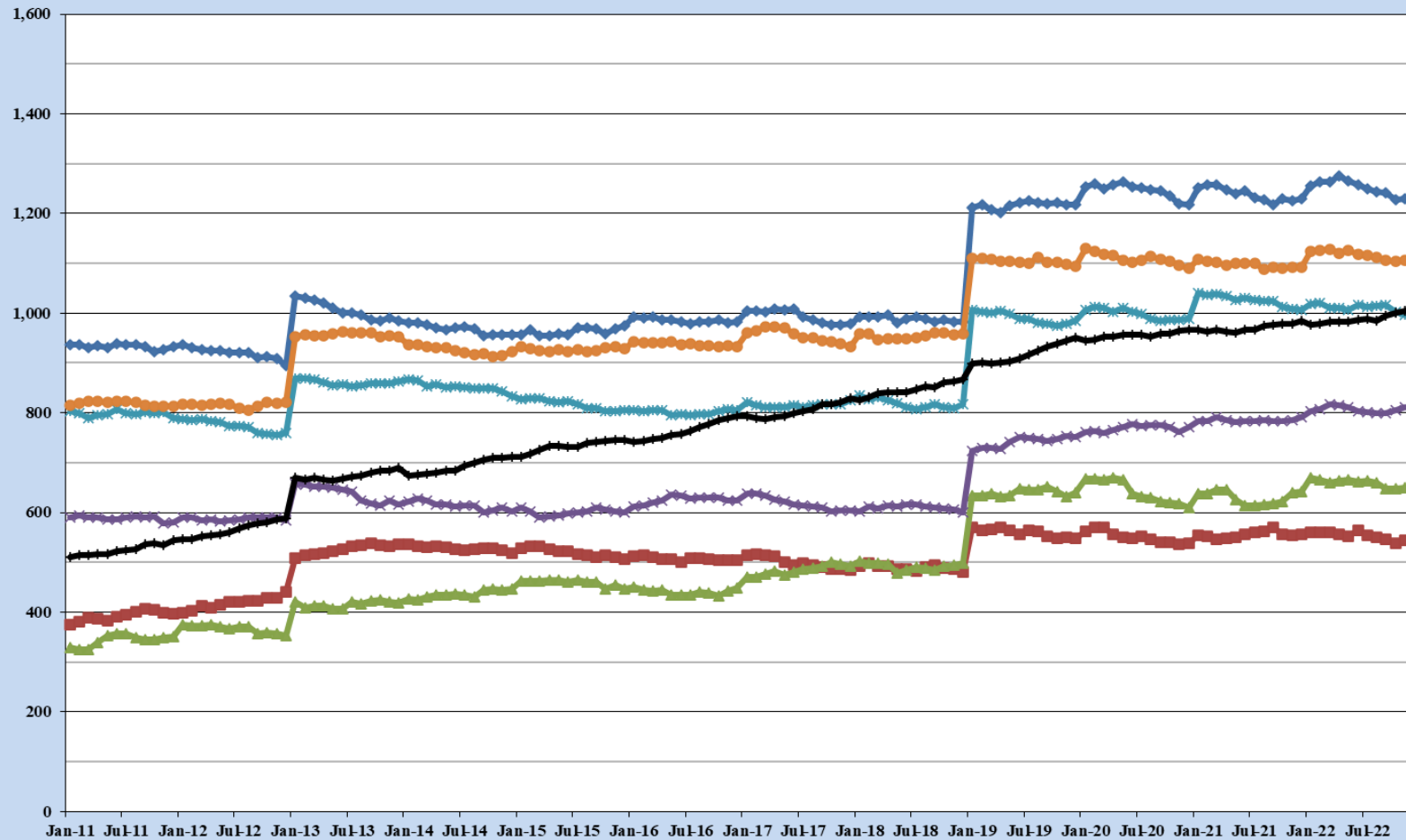
January 1, 2011 to December 31, 2022



# Greater Tompkins County Municipal Health Insurance Consortium

## Monthly Covered Lives by Age Band

January 1, 2011 to December 31, 2022



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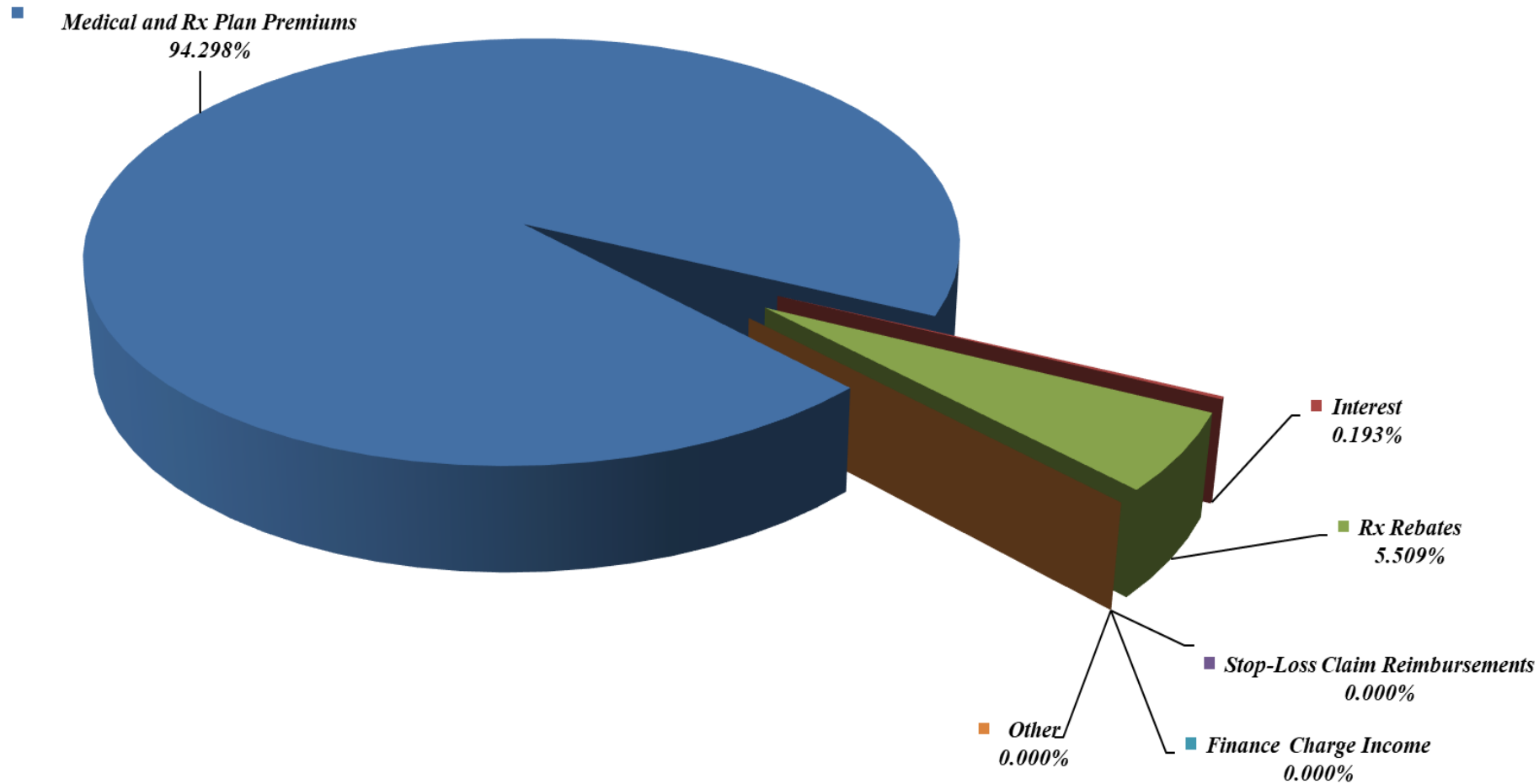


# 2022 Operational Income Budget vs Actual (12/31/2022)

## Key Facts (continued):

2. The Consortium has received all four pharmaceutical manufacturer rebate payments from ProAct, Inc. as of December 31, 2022. The Consortium did experience an enhancement to the July and November payments, which averaged \$734,881.56, compared to the prior two quarters that averaged \$440,545.21. We also received the reconciliation for the 2021 Rx Rebate settlement in November, in the amount of \$818,679.17. Under the new agreement, we should experience larger quarterly rebates and a smaller reconciliation payment each year.
3. 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.
4. There was no Other Income as of December 31<sup>st</sup>. Miscellaneous income, typically, has a negligible impact on the overall financial position of the Consortium.

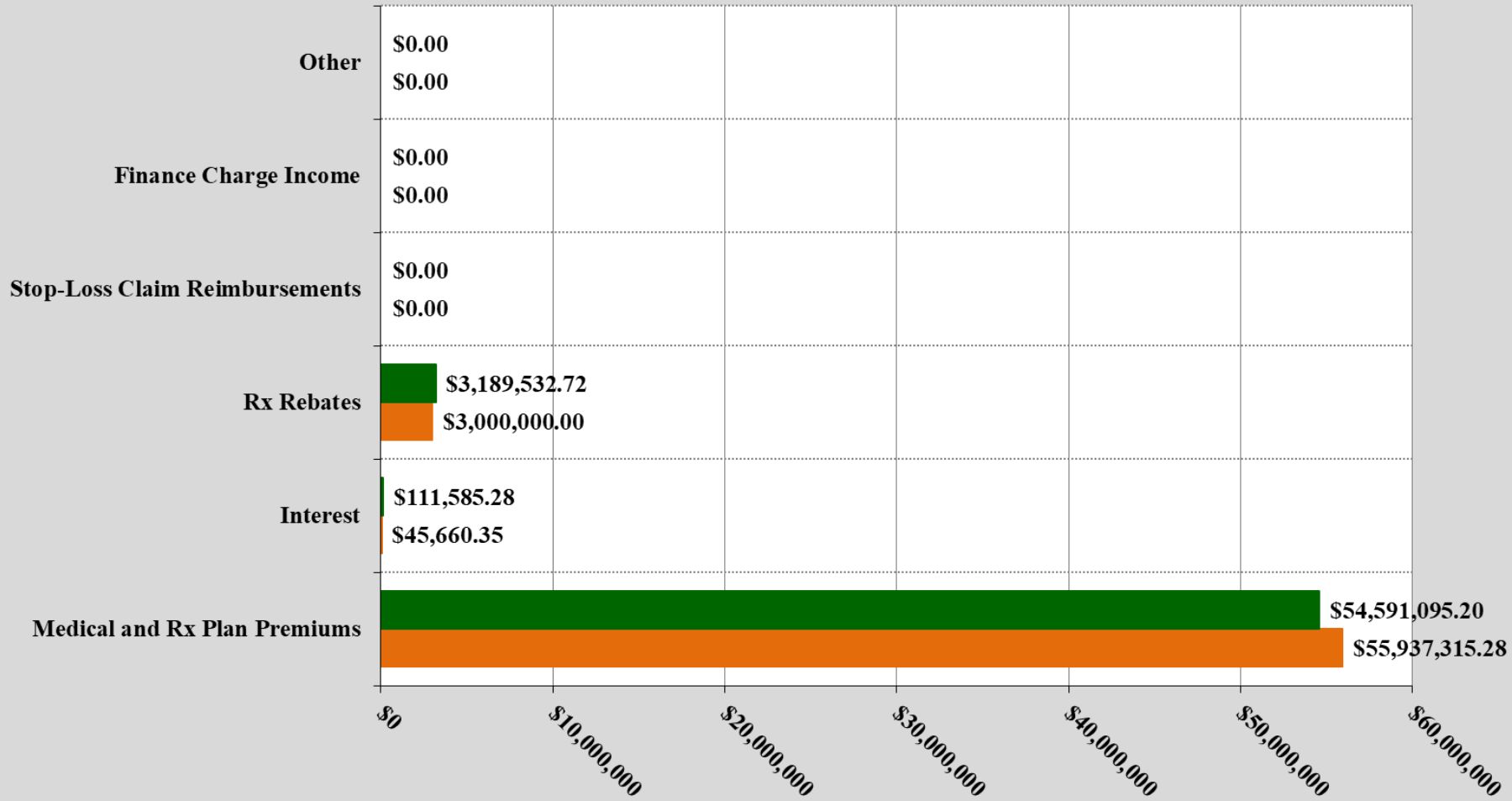
**Greater Tompkins County Municipal Health Ins. Consortium**  
2022 Income Distribution (Operational Only)  
January 1, 2022 to December 31, 2022



# Greater Tompkins County Municipal Health Ins. Consortium

## 2022 Income Distribution (Operational Only)

January 1, 2022 to December 31, 2022



# 2022 Operational Expenses – Budget vs. Actual Results (12/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Expenses</b>							
8090	Medical Paid Claims	\$40,780,345.45	\$40,780,345.45	\$40,780,345.45	\$37,365,100.68	-\$3,415,244.77	-8.37%
	Advance Deposit / Pre-Paid Claims	\$37,344.64	\$65,900.00	\$65,900.00	\$65,900.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$16,506,765.82	\$16,506,765.82	\$16,506,765.82	\$17,089,766.29	\$583,000.47	3.53%
8121	Rx Paid Claims - CanaRx	\$161,366.59	\$161,366.59	\$161,366.59	\$174,140.70	\$12,774.11	7.92%
8084	Flu Clinic Fees	\$20,037.48	\$23,042.13	\$23,042.13	\$0.00	-\$23,042.13	-100.00%
8050	Medical Admin Fees	\$1,521,623.78	\$1,502,656.92	\$1,502,656.92	\$1,553,750.25	\$51,093.33	3.40%
	Rx Admin Fees	\$206,958.25	\$226,592.82	\$226,592.82	\$259,980.57	\$33,387.75	14.73%
8091	NYS Covered Lives Assessment	\$391,982.86	\$319,060.15	\$319,060.15	\$376,283.44	\$57,223.29	17.93%
9060	ACA PCORI Fee	\$18,886.41	\$18,886.41	\$18,886.41	\$17,585.37	-\$1,301.04	-6.89%
8110	Specific Stop-Loss Insurance (Actual)	\$313,950.00	\$723,382.00	\$723,382.00	\$295,916.60	-\$427,465.40	-59.09%
8000	Accounting Fees	\$19,000.00	\$19,000.00	\$19,000.00	\$18,600.00	-\$400.00	-2.11%
8010	Actuarial Fees	\$10,000.00	\$10,000.00	\$10,000.00	\$7,200.00	-\$2,800.00	-28.00%
8020	Audit Fees (Financial)	\$14,420.00	\$14,420.00	\$14,420.00	\$14,500.00	\$80.00	0.55%
8021	Audit Fees (Claims)	\$51,295.00	\$51,295.00	\$51,295.00	\$19,875.00	-\$31,420.00	-61.25%
8055	Consultant Fees (Barber & Strat Plan)	\$45,000.00	\$25,000.00	\$25,000.00	\$0.00	-\$25,000.00	-100.00%
8030	Consultant Fees (L&C)	\$91,650.00	\$91,650.00	\$91,650.00	\$91,500.00	-\$150.00	-0.16%
8070	Legal Fees	\$12,000.00	\$12,000.00	\$12,000.00	\$5,357.00	-\$6,643.00	-55.36%
8065	Wellness Program Costs	\$25,000.00	\$25,000.00	\$25,000.00	\$2,703.59	-\$22,296.41	-89.19%
66001	Executive Director (Salary)	\$96,450.00	\$96,450.00	\$96,450.00	\$96,444.92	-\$5.08	-0.01%
66002	Fringe Benefits	\$119,635.00	\$119,635.00	\$119,635.00	\$105,132.34	-\$14,502.66	-12.12%

# 2022 Operational Expenses - Budget vs Actual (12/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Expenses</b>							
66003	Clerk of the Board (Salary)	\$74,300.00	\$74,300.00	\$74,300.00	\$58,287.16	-\$16,012.84	-21.55%
66004	Admin/Comp Asst (Salary)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
66005	Benefits Specialist (Salary)	\$56,240.00	\$56,240.00	\$56,240.00	\$56,238.00	-\$2.00	0.00%
66006	Finance Manager (Salary)	\$72,100.00	\$72,100.00	\$72,100.00	\$72,100.08	\$0.08	0.00%
8060	Insurances (D&O / Prof. Liability)	\$55,650.00	\$53,004.00	\$53,004.00	\$58,266.00	\$5,262.00	9.93%
8041	Internal Coordination (Finance)	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00	0.00%
8042	Internal Coordination (Support)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8040	Internal Coordination Fees (Other)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8045	Internal Coordination (Town of Ithaca)	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,485.00	\$6,681.00	\$6,681.00	\$6,681.00	\$0.00	0.00%
9065	Marketing Expenses	\$2,575.00	\$8,000.00	\$8,000.00	\$1,714.13	-\$6,285.87	-78.57%
9055	Investment Management Services	\$12,360.00	\$12,360.00	\$12,360.00	\$11,934.92	-\$425.08	-3.44%
8150	Supplies Expense	\$4,080.00	\$4,080.00	\$4,080.00	\$5,026.81	\$946.81	23.21%
8151	Computer Equipment	\$11,545.00	\$11,545.00	\$11,545.00	\$5,516.31	-\$6,028.69	-52.22%
8152	Lease Expense / Parking Fees	\$13,370.00	\$13,370.00	\$13,370.00	\$12,144.55	-\$1,225.45	-9.17%
8153	Mileage- Travel Expenses	\$1,000.00	\$1,000.00	\$1,000.00	\$576.61	-\$423.39	-42.34%
8154	Software	\$0.00	\$0.00	\$0.00	\$1,415.52	\$1,415.52	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$1,060.24	\$1,060.24	0.00%
8156	Furniture and Fixtures	\$0.00	\$2,000.00	\$2,000.00	\$0.00	-\$2,000.00	-100.00%
8157	Training & Prof. Dev.	\$0.00	\$2,000.00	\$2,000.00	\$1,602.40	-\$397.60	-19.88%
8158	Subscriptions	\$0.00	\$1,000.00	\$1,000.00	\$219.97	-\$780.03	-78.00%
9060	Other Expenses / Supplies	\$12,595.00	\$7,595.00	\$7,595.00	\$440.91	-\$7,154.09	-94.19%
<b>Total Expenses</b>		<b>\$60,792,011.28</b>	<b>\$61,143,723.29</b>	<b>\$61,142,693.29</b>	<b>\$57,878,961.36</b>	<b>-\$3,263,731.93</b>	<b>-5.34%</b>

# 2022 Expense Budget vs Actual Results (12/31/2022)

## Key Facts:

1. We continue to work 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. The Consortium finished slightly ahead of budget projections. Many of the expense items are below budget. As more annual expense items are billed, we anticipate those items to be more in line with the budget as the Consortium works its way through the fiscal year.
3. It is important to remember that when new members are added to the Consortium, their paid claims typically mature approximately by the 3<sup>rd</sup> month following the transition to the Consortium. The "run-out" claims (claims incurred on or before December 31<sup>st</sup> each year) are the responsibility of their prior insurance carrier.

# 2022 Expense Budget vs Actual Results (12/31/2022)

## Key Facts:

4. Medical Paid Claims finished **8.21% below the amended budget** for the Fiscal Year. This is the result of:
  - a) An increase in the covered lives ( $\uparrow 1.28\%$ ) and in the number of contracts ( $\uparrow 2.70\%$ ) skews the early 2022 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 slower than anticipated increase in elective and/or minor medical procedures being performed that were postponed or delayed as a result of the impact of the COVID-19 pandemic on the medical community.
5. Rx Paid Claims were 3.53% over budget for the 2022 Fiscal Year. As we stated last year, we continue to monitor pharmacy paid claims trend which led to adjustments to our trend models during the budget development process for the 2023 Fiscal Year.



## 2022 Operational Expenses - Budget vs Actual – 12/31/2022

	Budget	Revised Budget	Year-to-Date	Actual	Variance
Paid Claims	\$57,505,859.98	\$57,537,419.99	\$57,537,419.99	\$54,694,907.67	-\$2,842,512.32
Claims Admin. Fees	\$1,728,582.03	\$1,729,249.74	\$1,729,249.74	\$1,813,730.82	\$84,481.08
Stop-Loss	\$313,950.00	\$723,382.00	\$723,382.00	\$295,916.60	-\$427,465.40
Taxes and Fees	\$410,869.27	\$337,946.56	\$337,946.56	\$393,868.81	\$55,922.25
Professional Services	\$268,365.00	\$248,365.00	\$248,365.00	\$159,735.59	-\$88,629.41
Insurance/Internal Fees	\$564,385.00	\$567,360.00	\$567,360.00	\$520,801.87	-\$46,558.13
<b>Total Expenses</b>	<b>\$60,792,011.28</b>	<b>\$61,143,723.29</b>	<b>\$61,143,723.29</b>	<b>\$57,878,961.36</b>	<b>-\$3,264,761.93</b>

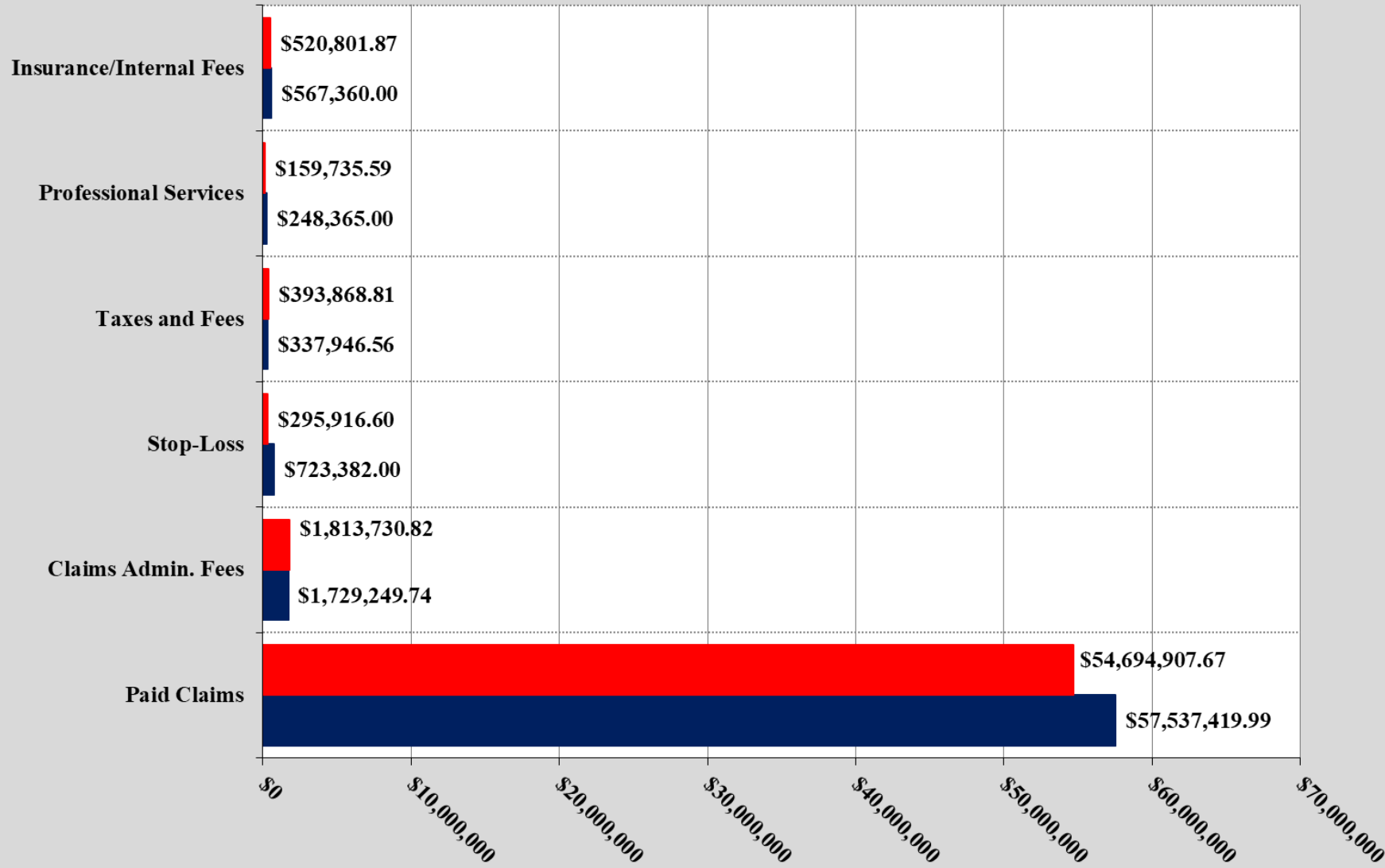
The above provides an “easier to read” summary version of the expense data for the Consortium. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx, Flu Clinic and any pre-paid claims account for 94.50% of the total expenses for the fiscal year. Overall paid claims finished 4.94% (including the advanced deposit for prepayment of claims) below budget, based on the amended budget.



# Greater Tompkins County Municipal Health Ins. Consortium

## 2022 Expense Distribution (Operational Only)

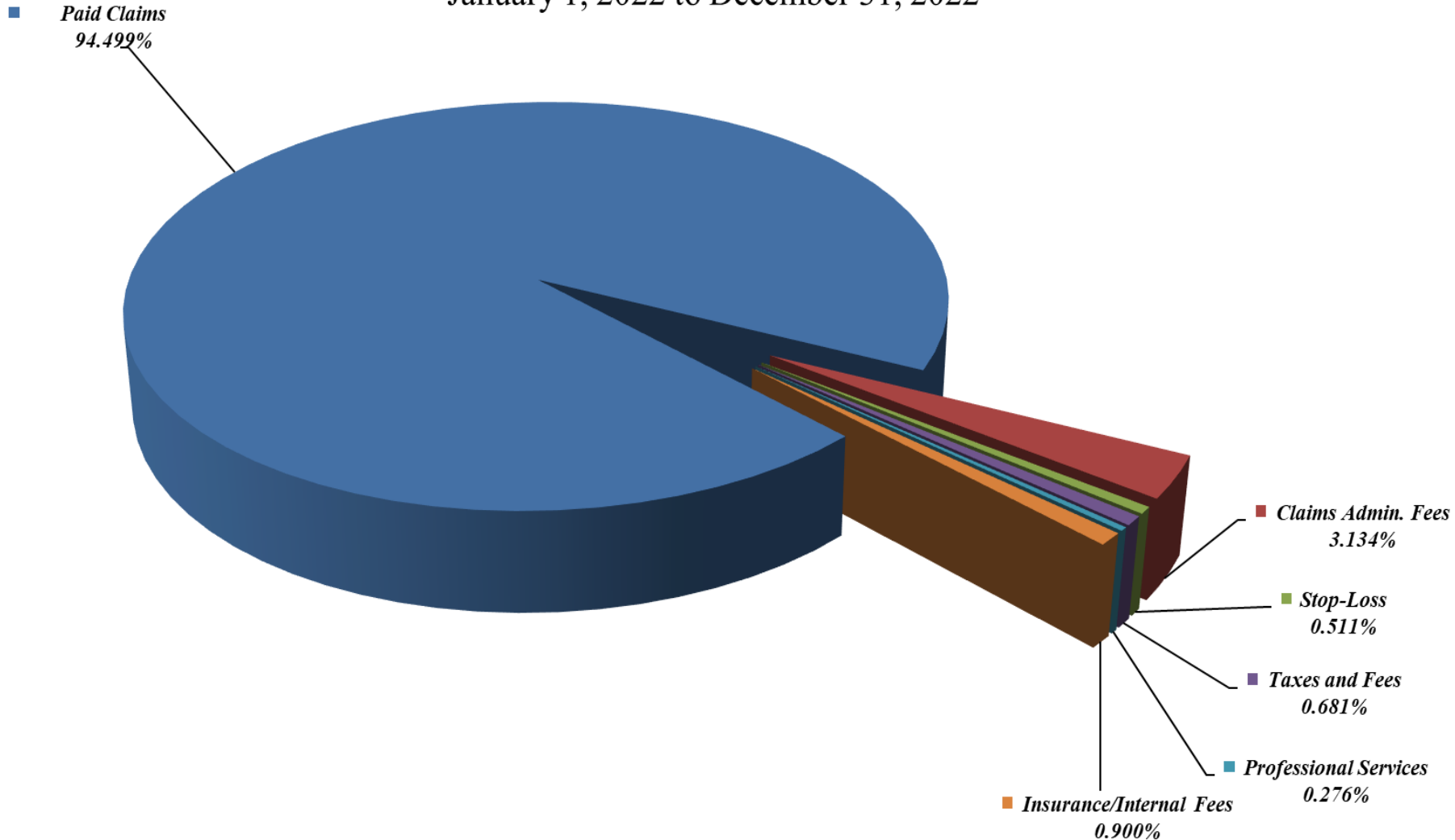
January 1, 2022 to December 31, 2022



# Greater Tompkins County Municipal Health Ins. Consortium

2022 Expense Distribution (Operational Only)

January 1, 2022 to December 31, 2022



# 2022 Net Income, Liabilities & Reserves as of (12/31/2022)

		2022 Adopted Budget	2022 Amended Budget	2022 Year-to-Date	2022 Actual Results	Variance	% Difference
<b>Income</b>							
<b>Total Income</b>		\$60,798,104.10	\$58,982,975.63	\$58,982,975.63	\$57,892,213.20	-\$1,090,762.43	-1.85%
<b>Expenses</b>							
<b>Total Expenses</b>		\$60,792,011.28	\$61,143,723.29	\$61,143,723.29	\$57,878,961.36	-\$3,264,761.93	-5.34%
<b>Net Income</b>		\$6,092.82	-\$2,160,747.66	-\$2,160,747.66	\$13,251.84	\$2,173,999.50	
9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$283,865.15	\$283,865.15	
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	-\$719,756.52	-\$719,756.52	
<b>Adj Net Income</b>		\$6,092.82	-\$2,160,747.66	-\$2,160,747.66	-\$422,639.53	\$1,738,108.13	
<b>Ending Balance</b>		\$29,123,540.98	\$27,745,000.50	\$26,956,700.50	\$29,483,108.63	\$2,526,408.13	
<b>Liabilities and Reserves</b>							
4010	IBNR Claims Liability Per §4706(a)(1)	\$6,144,909.49	\$6,144,909.49	\$6,866,608.00	\$6,866,608.00	12.0% of Incurred Claims	
5010	Surplus Account Per §4706(a)(5)	\$2,637,289.44	\$2,637,289.44	\$2,669,495.09	\$2,669,495.09	5.0% of Premium Income	
5014	Rate Stabilization Reserve	\$3,840,568.43	\$3,840,568.43	\$4,004,100.63	\$4,004,100.63	7.5% of Paid Claims	
5012	Catastrophic Claims Reserve	\$4,500,000.00	\$4,986,101.85	\$4,642,294.20	\$4,642,294.20	Calculation Per Resolution	
3500	Excellus BCBS Advance Deposit	\$761,400.00	\$788,300.00	\$788,300.00	\$788,300.00	Increased by \$65,900 2/17/22	
<b>Total Liabilities and Reserves</b>		\$17,884,167.36	\$18,397,169.21	\$18,970,797.92	\$18,970,797.92		
<b>Unencumbered Fund Balance</b>		\$11,239,373.62	\$9,347,831.29	\$7,985,902.58	\$10,512,310.71		

The net cash assets (unencumbered fund balance) is currently at 18.79% of budgeted premium. This result was achieved while still funding the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.64 million. Also, fund balance was reduced in 2020 by the “premium holiday” that was authorized for all municipalities.

**Note: As discussed at the last Executive Committee meeting, the gains and losses on investments have been moved to a below the line adjustment to the net income of the Consortium.**

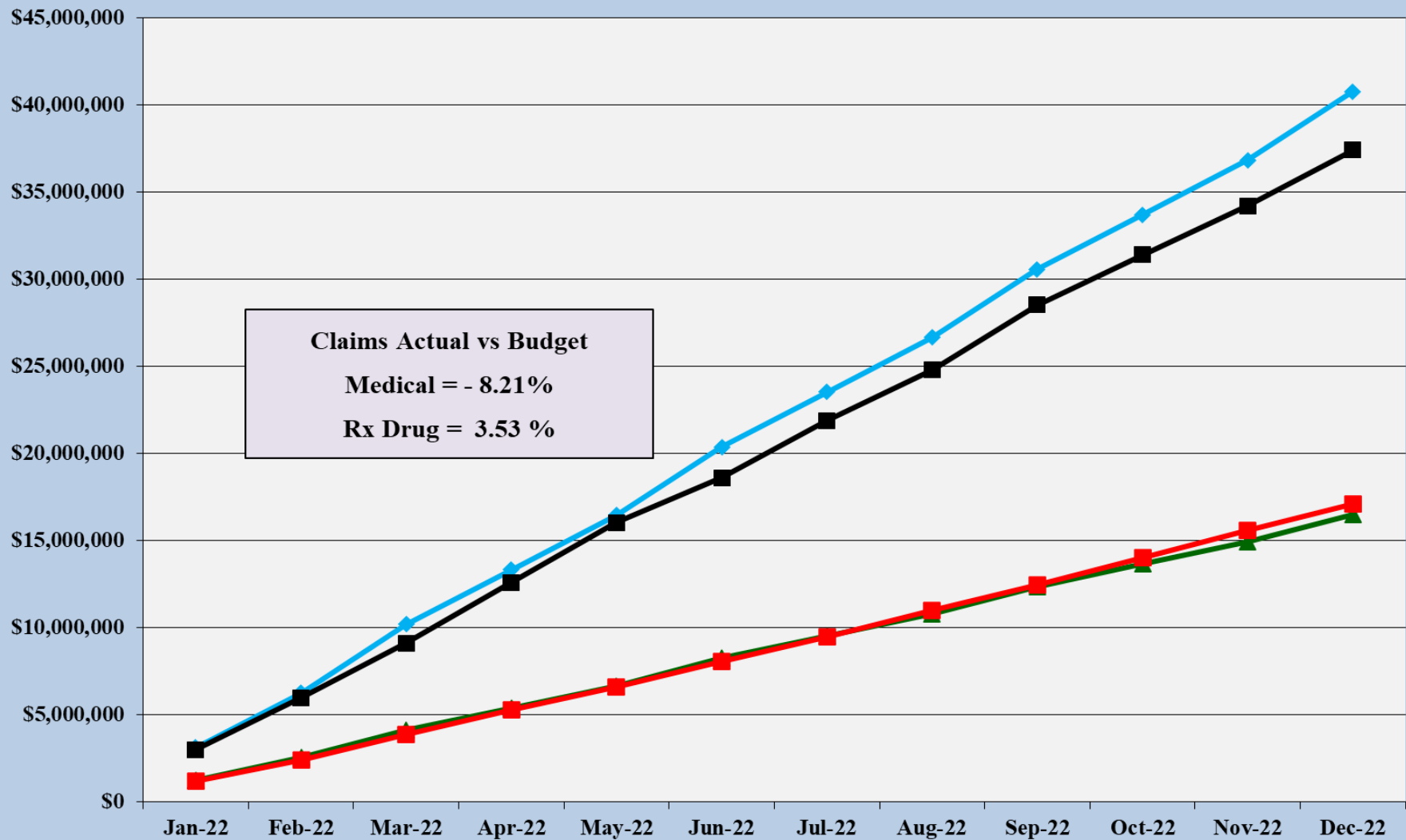


# Section 2

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

# *Greater Tompkins County Municipal Health Insurance Consortium*

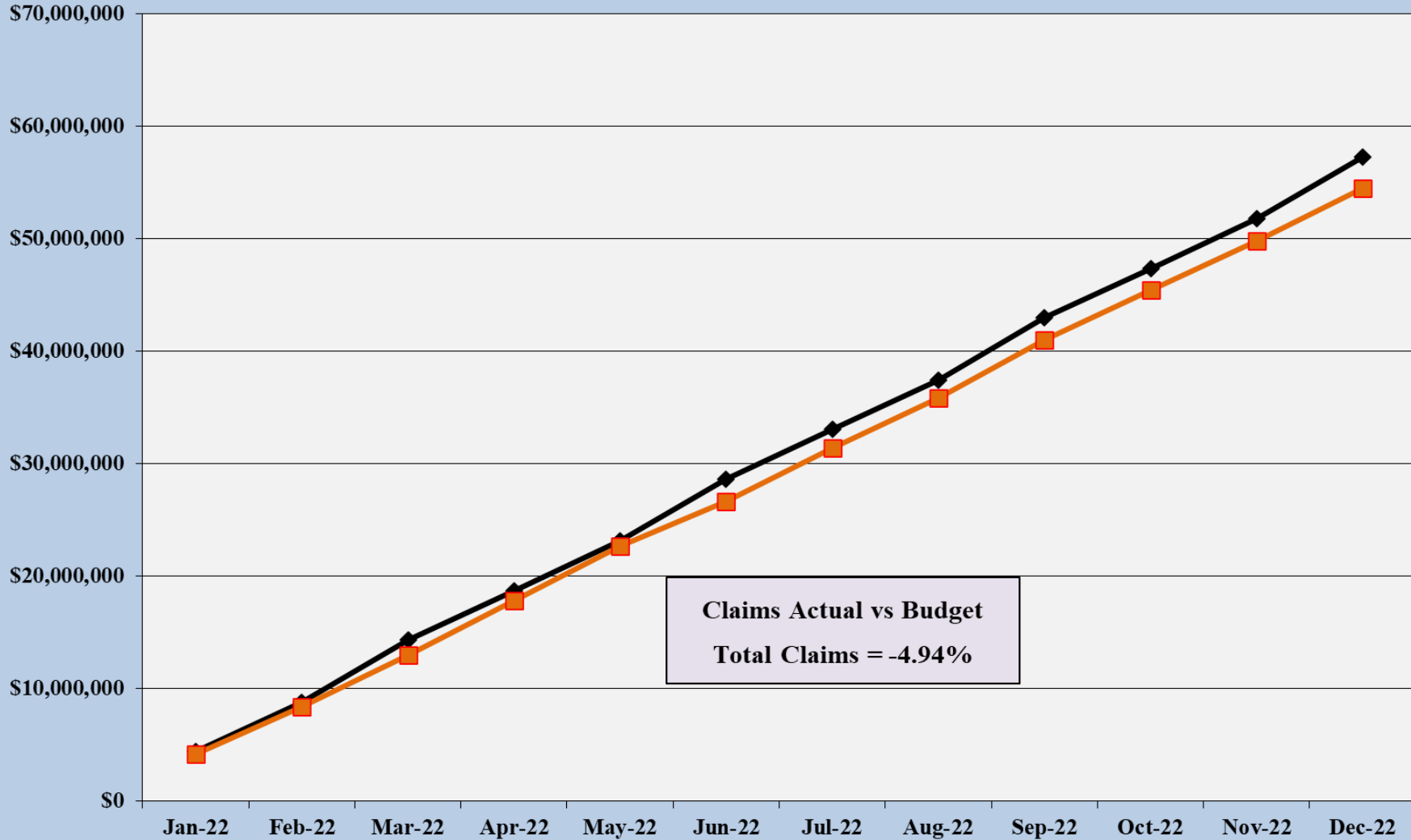
## 2022 Cumulative Paid Claims and Budgeted Claims by Month



**Claims Actual vs Budget**  
 Medical = - 8.21%  
 Rx Drug = 3.53 %

# Greater Tompkins County Municipal Health Insurance Consortium

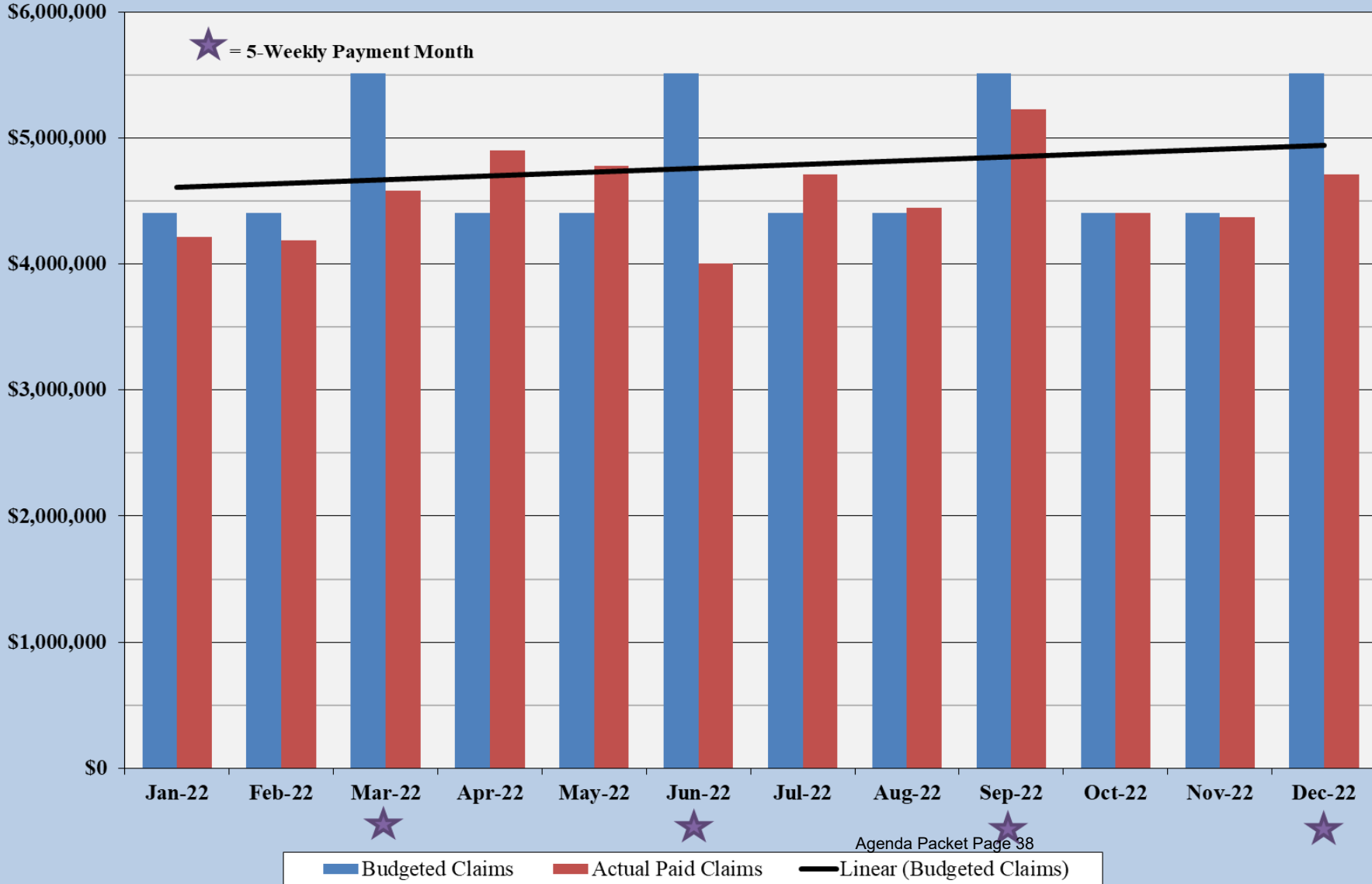
## 2022 Cumulative Paid Claims and Budgeted Claims by Month



**Claims Actual vs Budget**  
**Total Claims = -4.94%**

# Greater Tompkins County Municipal Health Insurance Consortium

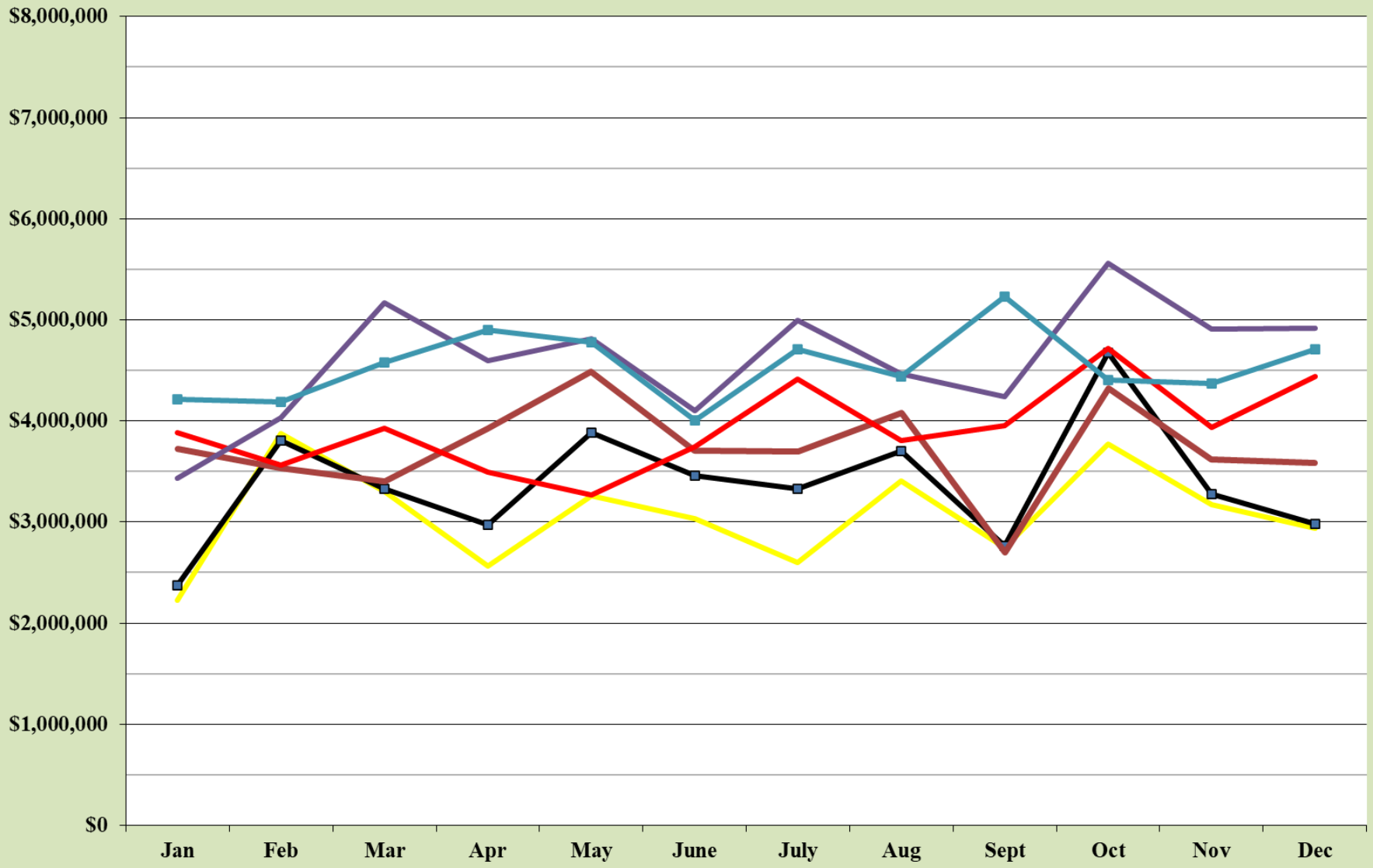
2022 Budgeted vs Actual Paid Claims by Month



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# Greater Tompkins County Municipal Health Ins Consortium

## 2017-2022 Monthly Paid Claims by Fiscal Year



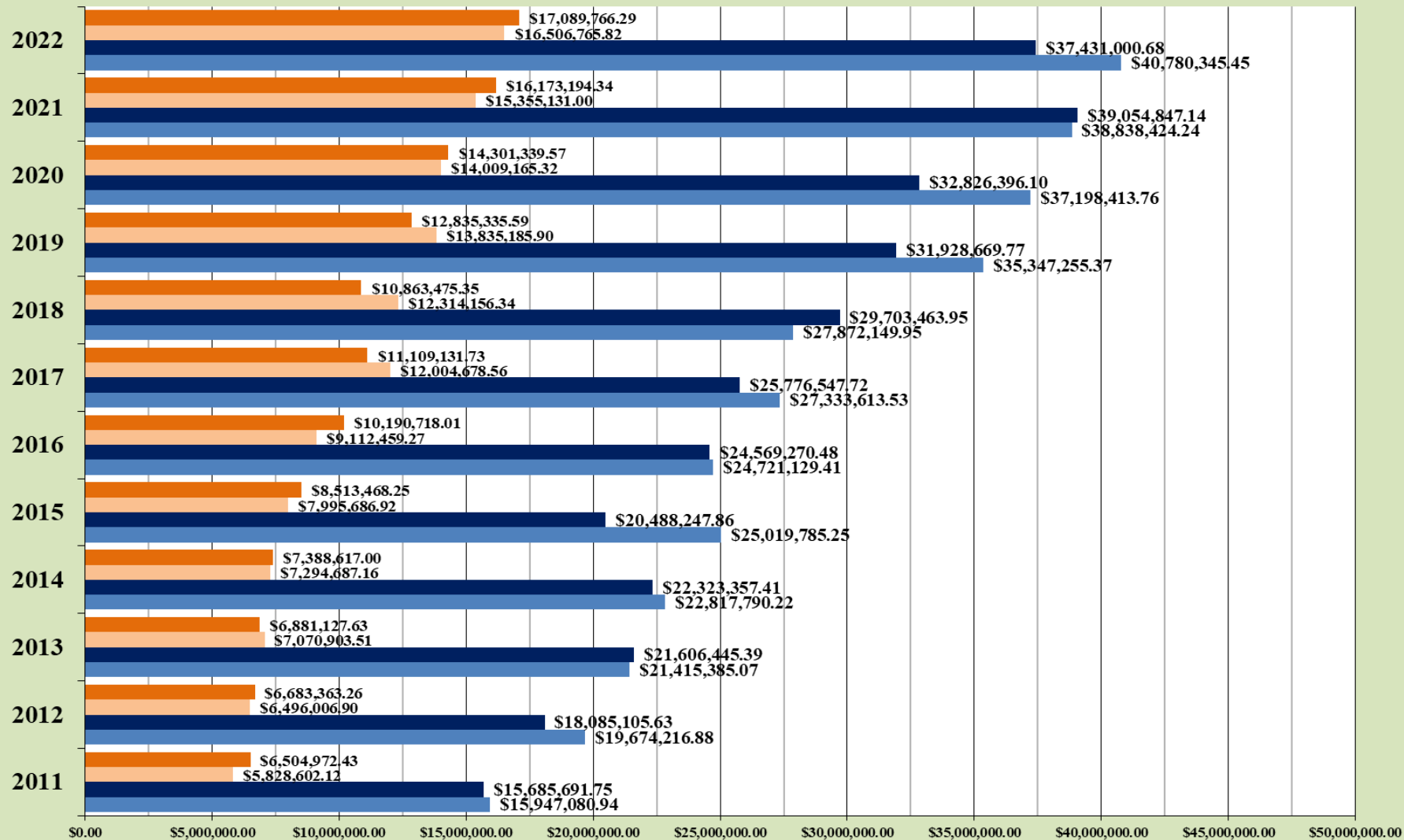
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# Greater Tompkins County Municipal Health Ins Consortium

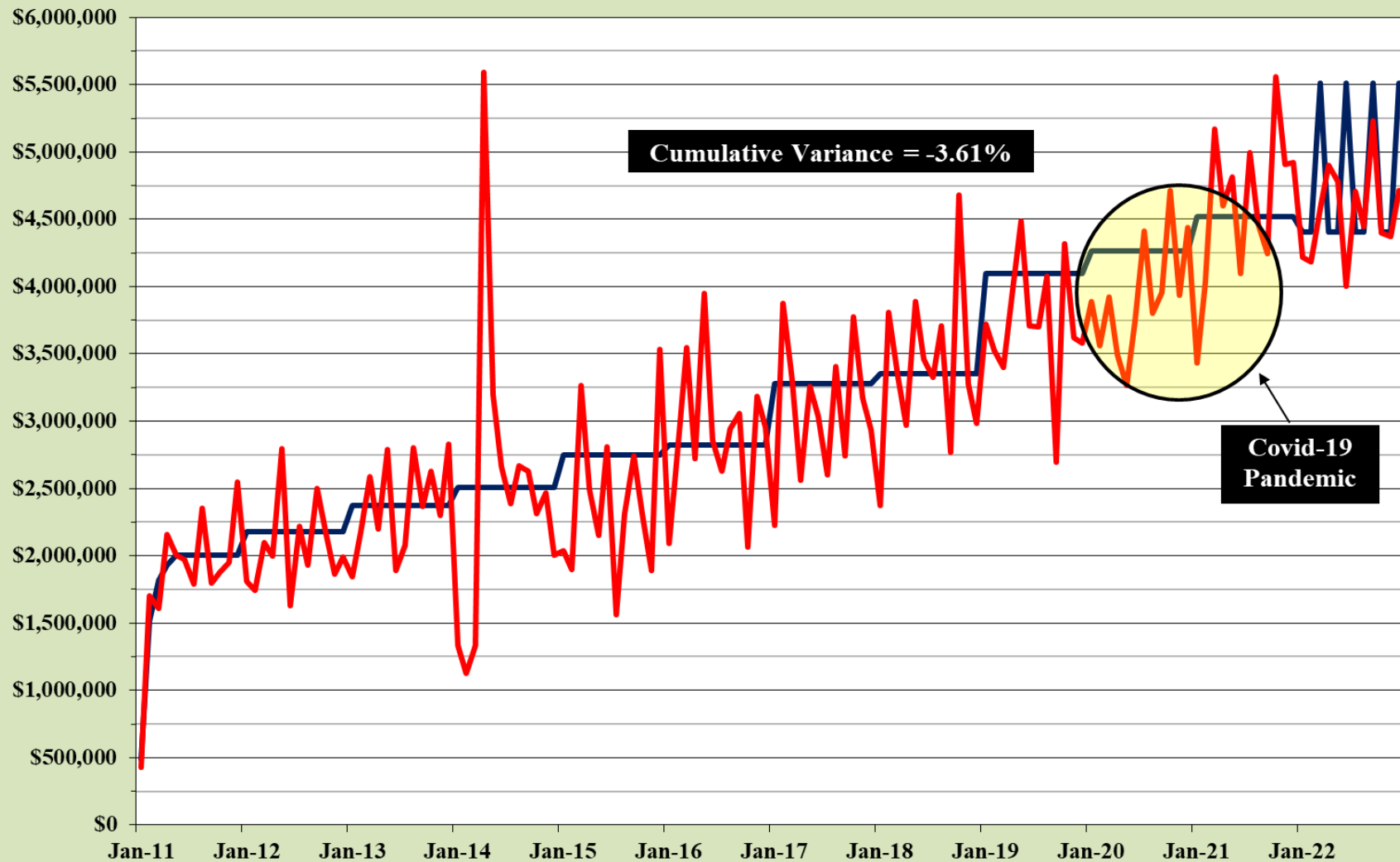
## 2011-2022 (as of 12/31/2022) Annual Paid Claims v Budgeted Claims



# Greater Tompkins County Municipal Health Ins Consortium

## 2011-2022 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to December 31, 2022



**APPROVED**  
**MEDICAL  
CLAIM**



# Section 3

High-Cost Claimants  
Catastrophic Self-Insurance Pool

# Large Loss and Catastrophic Claims History

Greater Tompkins County Municipal Health Insurance Consortium

Large Loss and Catastrophic Claims History (as of December 31, 2022)

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	6,303	66	23	8	6	5	\$14,096,053.18	\$0.00	\$270,471.20	
2022	\$1,000,000.00	6,383	69	20	7	3	3	\$13,459,133.15	\$0.00	\$295,916.60	
<b>Totals</b>		<b>64,531</b>	<b>441</b>	<b>125</b>	<b>39</b>	<b>24</b>	<b>16</b>	<b>\$83,318,998.33</b>	<b>\$2,619,537.80</b>	<b>\$6,172,260.23</b>	<b>Loss Ratio = 42.44% as of 12/31/2022</b>
<b>Averages</b>	<b>\$547,916.67</b>	<b>5,378</b>	<b>36.750</b>	<b>10.417</b>	<b>3.250</b>	<b>2.000</b>	<b>1.333</b>	<b>\$6,943,249.86</b>	<b>\$218,294.82</b>	<b>\$514,355.02</b>	

**Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 42.44%**

# 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	Stop-Loss Insurance Premium PMPM	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	\$7.28	\$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	\$6.77	\$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	\$9.72	\$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	\$11.98	\$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	\$10.66	\$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	\$12.61	\$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	\$11.90	\$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	\$7.08	\$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	\$9.36	\$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	\$3.51	\$11,290,214.72	\$47,284,890.14	23.88%	\$5,032,220.00	\$0.00
2021	\$1,000,000.00	6,303	66	1.05%	\$270,471.20	\$3.58	\$14,096,053.18	\$55,410,491.28	25.44%	\$4,986,101.85	\$805,827.97
2022	\$1,000,000.00	6,383	69	1.08%	\$295,916.60	\$15.45	\$13,459,133.15	\$54,694,907.67	24.61%	\$4,642,294.20	\$0.00
<b>Totals</b>		<b>64,531</b>	<b>441</b>	<b>0.68%</b>	<b>\$6,172,260.23</b>	<b>\$7.97</b>	<b>\$83,318,998.33</b>	<b>\$448,106,236.28</b>	<b>18.59%</b>		<b>\$805,827.97</b>
<b>Averages (2011-2022)</b>		<b>5,378</b>	<b>37</b>	<b>0.68%</b>	<b>\$514,355.02</b>	<b>\$9.16</b>	<b>\$6,943,249.86</b>	<b>\$37,342,186.36</b>	<b>18.59%</b>		

**On Average 0.66% of the Covered Lives Account for 18.59 of Paid Claims**

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# Catastrophic Claims Self-Insurance Pool Activity

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

		<i>Actual</i>	<i>Actual</i>	<i>12/31/2022</i>
		2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,505.96	\$876,881.85	\$723,382.00
Actual Premium Paid	\$1,000,000 Deductible	\$264,390.72	\$270,471.20	\$295,916.60
Premium Savings		<b>\$498,115.23</b>	<b>\$606,410.65</b>	<b>\$427,465.40</b>
Member # 000001179452	Deductible ( <b>Laser Applied</b> )	\$1,000,000.00	\$1,000,000.00	\$700,000.00
	Actual Claims Paid	\$798,499.59	\$712,297.59	\$702,073.85
	Catastrophic Claims Pool	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,073.85</b>
Member # 000014335319	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$686,798.19	\$0.00
	Prior Year Lag Claims	\$0.00	\$0.00	\$419.30
	Catastrophic Claims Pool	\$0.00	<b>\$186,798.19</b>	<b>\$419.30</b>
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$633,727.34	\$629,589.83
	Prior Year Lag Claims	\$0.00	\$0.00	\$42.02
	Catastrophic Claims Pool	<b>\$0.00</b>	<b>\$133,727.34</b>	<b>\$129,631.85</b>
Member # 000012168307	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$836,622.21	\$0.00
	Catastrophic Claims Pool	\$0.00	<b>\$336,622.21</b>	<b>\$0.00</b>
Member # 000001551134	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	\$648,218.91	\$0.00
	Catastrophic Claims Pool	<b>\$0.00</b>	<b>\$148,218.91</b>	<b>\$0.00</b>
Member # 00000346623	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid	\$0.00	<b>\$387,223.45</b>	<b>\$604,696.17</b>
	Catastrophic Claims Pool	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$104,696.17</b>
Catastrophic Claims Self-Insurance Pool Claims		<b>\$0.00</b>	<b>\$805,366.65</b>	<b>\$236,821.17</b>
Net Impact on Fund Balance		<b>\$498,115.23</b>	<b>-\$198,956.00</b>	<b>\$190,644.23</b>
Interest Earnings on Reserve		<b>\$1,670.36</b>		<b>\$27,149.63</b>
Total Savings to Consortium				<b>\$518,623.45</b>

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 the “Pool”. 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”.

\* **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





# Section 4

## 2022 Fiscal Year Liabilities & Reserves

# Liabilities and Reserves - Defined

## LIABILITIES

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



# Liabilities and Reserves - Defined

## RESERVES

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

# Liabilities and Reserves - Defined

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

- The IBNR Claims Reserve is required for the Consortium to be compliant with §4706(a)(1) of the New York State Insurance Law. The New York State Department of Financial Services requires this reserve to be funded at an amount equal to 12.0% of expected incurred claims. We believe this is a conservative estimate of the liability, but we understand the Department has always acted based on their philosophy to maintain this level of reserve as they want the Consortium Member Claims to be fully-funded at all times.
- Maintaining this reserve at an insufficient amount to cover the liability could result in a Municipal Corporation owing a significant amount of money if they chose to leave the Consortium. A Municipal Corporation's decision to leave or stay in the Consortium should not be affected by the Consortium's lack of adequate reserves and this is a philosophy we feel the Consortium should embrace, even during tougher economic times.
- The 2022 Fiscal Year budget forecasted this reserve to equal \$6,874,453.35 (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 2022 Fiscal Year, Excellus' estimate of this liability was \$4,713,900 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.
- The Amended 2022 Fiscal Year budget forecasts this reserve to equal \$2,796,865.76 (5.0% of projected premium income of \$55,937,315.28). In years where the Consortium approves premium holidays, the Consortium would calculate the Surplus Account reserve requirement based on the full expected premium, versus the artificially reduced premium collected.

# 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. 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 approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was funded at \$4,642,294.20 as of December 31, 2021.

# Liabilities and Reserves - Defined

## RATE STABILIZATION RESERVE

- When the Consortium's cash assets were at a sufficient 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 5

## 2022 Fiscal Year-to-Date Summary & Observations



# 2022 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is 1.37% below budget for the fiscal year ended December 31, 2022. The management of the cash assets by the Consortium's Financial Team, in collaboration with Wilmington Trust, continues to see improvement with the current market conditions.
2. The combined **Medical and Rx Paid Claims were 4.94% below budget** for the fiscal year ended December 31, 2022. We continuously monitor how paid claims continue to evolve. 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 the early months.
3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium exceeded its budget projections for the fiscal year ended December 31, 2022. We will need to continue to monitor overall claim trends, especially as we continue to expand our membership and look to amend 2023 budget. While we experienced a positive claims trend for 2022, we need to remain diligent in our analysis to allow the Consortium to maintain modest premium increases for future budget years, providing stability to municipalities budgets.

# 2022 Fiscal Year-to-Date Summary & Observations

4. The results experienced by the Consortium for 2022 support the Board of Director's decision to increase premium rates, by a modest 5%, for the 2022 Fiscal Year. With careful planning and monitoring, it may allow for some additional premium relief to assist the Participating Municipalities during potential difficult financial times as COVID relief monies dry up.
5. It is important to monitor the impact of the new accounting for gains and losses on investments, and how that reporting impacts the actual vs. budget comparisons. The current impact of these transactions as of December 31, 2022, is a net loss of \$435,891.37.



# Greater Tompkins County Municipal Health Insurance Consortium Medical Loss Ratio (Paid Claims ÷ Premium)

