



Greater Tompkins County Municipal Health Insurance Consortium

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

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

Executive Committee Agenda

April 19, 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: February 1, 2023
- 4) Chair's Report (3:40) R. Hart
- 5) Premium Equivalent Rate Audit Update (3:45) Segal
- 6) Executive Director's Report (4:15) E. Dowd
 - a. Executive Director Report
 - b. **Resolution:** Ratification of Permanent Appointment of Benefits Specialist – Kylie Rodrigues
 - c. Discussion Town of Niles participation
 - d. Discussion Town of Onondaga MCA
 - e. End of Public Health Emergency (COVID-19)
 - f. **Resolution:** Resolution No. XXX-2023 – Greater Tompkins County Municipal Health Insurance Consortium Update to Subcommittees for Videoconferencing and Required Attendance of Open Meetings Law Procedures for the Consortium's Board of Directors and Executive Committee
- 7) Committee Reports/Resolutions: (4:30)
 - a. Nominations and Engagement E. Fairbrother
 - i. **Resolution:** Resolution No. XXX-2023 – Temporary Appointment of Judith Drake, as Audit and Finance Committee Chairperson, for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)
 - b. Claims and Appeals B. Shattuck
 - c. Audit and Finance S. Thayer
 - i. **Resolution:** Amendment to Resolution 034-2021 - Adoption of Amended Invoice Payment Procedure (Replacing Procedure Adopted December 15, 2021, by the Audit and Finance Committee)
 - ii. **Resolution:** Adoption of Amendments to the 2023 Budget
 - iii. **Resolution:** Authorizing Extension of Office Space Lease – Agreement with the Town of Ithaca
 - iv. **Resolution:** Authorizing a Lease Agreement with 408 Upland Road LLC for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) at 408 East Upland Road, Ithaca, New York 14850

- d. Operations L. Granger
- e. Joint Committee on Plan Structure and Design K. DeVoe
- 8) Financial Update (5:00) Locey & Cahill
 - a. Financial Review
 - b. Report on large loss claim activity
- 9) Future Agenda Topics: (5:15)
- 10) Adjournment (5:20)

Next Meeting: June 21, 2023 @ 3:30 p.m.

**Executive Committee
Minutes – DRAFT
February 1, 2023 – 3:30 p.m.
Town of Ithaca – Aurora Room**

Present: Rordan Hart (Chair); Judy Drake; Kate DeVoe (excused 4:40p); Steve Thayer; Ed Fairbrother; Gary Mutchler; Ray Bunce (arrived 3:36p)
Present via remote* Eric Snow; Bud Shattuck; Steve Scott (excused 4:28p)
Excused: Lisa Holmes; Laura Granger
Absent: Peter Salton
Guests: Paul Pelton, Rob Spenard, Locey & Cahill; Vanessa Flynn, Mary Kirby, Segal; Ruby Pulliam
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

Mr. Hart, Chair, called the meeting to order at 3:32 p.m.

Changes to the Agenda

Ms. Dowd expressed she would like to add a discussion for a letter of intent and add a friendly addendum to the Committee Appointments Resolution presented.

Approval of Minutes of December 7, 2022

It was MOVED by Mr. Mutchler seconded by Mr. Snow, and unanimously adopted by voice vote by members present and via remotely, to approve the minutes of December 7, 2022, as submitted. MINUTES APPROVED.

Chair's Report

Mr. Hart opened by sharing as the new Chair, he has already reached out to the Consortium staff and discussed his desire to be as helpful as he can be for their efforts at the Consortium, as well as any Municipality with questions regarding the history of the Consortium.

Mr. Hart expressed the Consortium having its own home headquarters and stand-alone identity has become an item of importance that has moved up on the Consortium's priority list.

Ray Bunce arrived (3:36 p.m.)

Mr. Hart mentioned that the Consortium staff has been looking at some Commercial buildings since last Spring. One of interest, is a new build located within the Village of Cayuga Heights. Ms. Dowd informed the Committee details of the location, including its capacity to have privacy and hold committee meetings when the Consortium would like. Mr. Scott asked if the Consortium had knowledge of the area market rates. Mr. Hart

concluded. Committee members supported with no opposition and asked of dimensions and possible move-in dates of the Consortium. Mr. Hart stated that since the Executive Committee is supportive of this principal and search, the Consortium will continue into more formal conversations with this particular landlord regarding the use of the space, and what the terms of a lease might look like.

Mr. Hart said that Ms. Holmes stated that due to other County commitments, it is difficult for her to attend these committee meetings and would like to ask the Committee of a possible change from current time/day to meet going forward. The Committee spoke of their own commitments, and Ms. Dowd said she would follow up with Ms. Holmes with some date and time recommendations.

Executive Director's Report

Ms. Dowd referenced her Executive Director Report sent previous to the meeting, and asked if there were any questions pertaining to her report.

Ms. Dowd summarized the DFS (Department of Financial Services) is in midst of the audit of 2016-2021. The Consortium is awaiting interviews requested from DFS to include the Consortium's Past Chair, CFO, Executive Director, and the Finance Manager. They would also like to include interviewing newly retired Finance Director, Rick Snyder.

Strategic Initiatives Update

Ms. Dowd discussed the Consortium is continuing to research Medicare Advantage Plans or Medicare plans for retirees to make sure the Consortium has the best program(s) available. She also discussed that the DFS audit is specifically reviewing risk. DFS feedback will be included with the Consortium's own strategic review.

Ms. Dowd introduced guests Ms. Flynn and Ms. Kirby (Segal). Ms. Kirby explained they have started collecting data for the audit of the premium equivalent rates. She mentioned they just received information from ProAct that morning. Segal will be looking at claims versus the premiums collected to get an idea by plan but awaiting the RX piece.

Mr. Hart expressed one large selling point of the Consortium is reliability of rates, especially to the larger municipalities. He said it is a stable way the Consortium can offer health benefits by keeping rates at a certain percentage for an extended period, even if a particular plan is subsidizing another, or a particular municipality might be subsidizing.

Committee Reports

a) Nominations and Engagement

Ms. Dowd reported that the Committee had not met recently, however, requested the Joint Committee recruit labor volunteers to serve on the vacancies within other standing committees. There were three labor individuals who volunteered on three different committees.

Ms. Holmes indicated to Ms. Dowd that she has a conflict with the times the Operations Committee meets and will not be able to continue as the Chair, however, she has recommended Ms. Pulliam, who is the Human Resources Commissioner for Tompkins County, to replace her.

Ms. Dowd asked Mr. Hart Chair for a friendly amendment to amend the following resolution to agree to the minor addition of Ms. Pulliam as Chair to the Operations Committee.

This resolution below was passed through the “friendly amendment” process

RESOLUTION NO. 001-2023 AMENDMENT TO RESOLUTION NO. 022-2023-CREATION OF 2023 COMMITTEE STRUCTURE AND APPOINTMENTS OF COMMITTEE MEMBERS – APPOINTMENT OF BRIAN WEINSTEIN, RUBY PULLIAM TO OPERATIONS; KATE DEVOE TO NOMINATIONS; CAROL SOSNOWSKI TO CLAIMS AND APPEALS

MOVED by Mr. Fairbrother, seconded by Mr. Bunce. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remotely locations due to extraordinary circumstances to approve the following resolution.

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

WHEREAS, due to friendly amendment process written by the Executive Director of this resolution, nominating Ruby Pulliam, to replace Lisa Holmes, as Chair for the Operations Committee, therefore now 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 and the change to appoint a new chair to the Operations Committee effective January 1, 2023 with terms expiring December 31, 2024.

* * * * *

b) Claims and Appeals

Mr. Shattuck advised that the Claims and Appeals Committee met previously and held discussions regarding four vendor Request for Proposals (RFPs) for medical claims adjudication. It was unanimously decided to move forward with BMI Audit Services, LLC.

Ms. Dowd noted the amount is in the budget and proposal to pay is within the budgeted number. Ms. Drake asked if this audit is just for medical claims. Ms. Dowd concurred. She explained that the decision was split between the two audits, as the committee wanted to ask more questions about RX rebates and verify that RX rebates would be included within BMI's audit before an agreement was signed.

RESOLUTION NO. 002-2023 – AUTHORIZE CONTRACT FOR MEDICAL CLAIMS ADJUDICATION FOR PLAN YEARS 2020 and 2021

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

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, the Executive Director is granted the authority to interview and finalize the terms of the agreement, with either of the top two finalists reviewed by the committee with terms and conditions agreed upon by the Committee.

* * * * *

c) Audit and Finance

Mr. Thayer explained that the Audit and Finance committee meeting will be meeting on the 28th of February and the Committee will start working on the review of 2022 financial results at that time.

Ms. Dowd added that Ms. Apalovich is working on the amended Budget, which will also then go to Locey & Cahill, so there will be some items to go before the Committee this month.

d) Operations

Ms. Dowd brought to attention that the Operations Committee met the last few meetings with Greg Potter, Tompkins County Information Technology. Mr. Potter had been helping the Committee with reinforcing the Business Continuity Plan and Cybersecurity documents to submit to DFS. Ms. Dowd added there was an announcement this week that Mr. Potter is leaving his Tompkins County role.

Ms. Dowd explained the Operations Committee discussed a proposal that had been worked on with Excellus to enter a contract with Lifetime Benefits Solution (LBS.) This contract will reinforce plan documents, and summary plan descriptions for plans. She referred to more information within her Executive Director Report. Ms. Dowd added that with constant updates the Consortium is making and the consolidations of the plans, the Consortium would like to have documents reviewed by LBS. Ms. Dowd said contract is a \$5,000 level increase that would be added into the amended budget.

RESOLUTION NO. 003- 2023– APPROVAL OF CONTRACT TO ENTER INTO AN AGREEMENT WITH LIFETIME BENEFIT SOLUTIONS TO PREPARE DOCUMENTS

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

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.

e) Joint Committee

Ms. Dowd announced that Ms. DeVoe will be chairing her first Joint Committee meeting the following day. Ms. DeVoe mentioned that the Joint Committee has one additional Labor Director board seat opening, and there will be several new updates of the Consortium's wellness programs.

Ms. Drake asked for suggestions due to low attendance or lack of quorum at meetings for a possible resolution allowing the Joint Committee members to attend virtually.

Mr. Hart explained the NYS Open Meeting Law and discussed some legal advice he had been given regarding that law. He said that the Committee will need to decide as a group how this issue should be resolved. Mr. Shattuck noted that it is difficult for some individuals from further Consortium serviced counties to travel extensively for meetings. He asked suggestions from Locey & Cahill regarding what their other consortiums clients may do for attendance. Mr. Pelton responded that the others have a mix of virtual attendees versus in person. He said he also has seen a lot of flexibility with either form of attendance. Mr. Fairbrother concurred that it's very difficult for municipality members to travel extensively with other work priorities during the day. He feels if the Consortium takes the virtual attendance option out, the Consortium will lose many attendees from distant municipalities. Mr. Hart suggested a possible change in policy wording regarding subcommittee attendance, omitting Executive Committee meetings and yearly Board of Directors meetings. Ms. Dowd said that she will review the policy and resolutions and make recommendations on how the Consortium can be more flexible.

Mr. Scott excused himself from the meeting (4:28 p.m.)

Financial Update

Mr. Pelton presented and referred to the Budget Performance Report as of December 31, 2022 to include the following key facts:

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. Locey & Cahill will 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.
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.

Ms. DeVoe excused herself from the meeting (4:40 p.m.)

Mr. Spenard reported on large loss claim activity through December 2022. He said the Consortium has a 15 months/January-March policy with a 3-month run-out of any lag of any paid claim. He reported that through December 2022, the Consortium had 69 individuals above \$100,000. Those total claims were 13.4 million dollars over the course of 12 months.

Mr. Spenard also reported the Consortium has a pending claim for an individual of approximately \$236,000 that is still pending with Excellus. It's under review with their claims department and has not been billed to the Consortium yet.

Mr. Spenard noted the Excellus claims for catastrophic losses totaled 7.5 million. Last year the medical claims were \$8.2 million. The opposite was discovered for drug

claims. This year through December, drug claims were at \$5.8 million. Last year claims were at \$5.1 million. He said there is a definite increase of drug spending, of which they will be keeping an eye on.

Mr. Spenard also mentioned the Consortium did just switch their stop-loss insurance carrier from Excellus to Highmark.

Next Agenda Topics

Future Consortium Headquarters
Rules for Virtual Meetings
Update from Segal

Adjournment

The meeting adjourned at 4:52 p.m.

Next Meeting: April 5, 2023 (May change due to conversations of changing date(s) and/or time) **New date 4/19/23**

Respectfully submitted by Lynne Sheldon, Clerk of the Board

Executive Director Report March 2023

As we get close to ending the first quarter of 2023, we are in the midst of finalizing several year-end reports including our annual audit and the NYS JURAT. We have just commenced our medical claims audit for 2020/2021 and are also looking at pharmacy benefit manager options for third party benefit administration of our Rx claims. Our five-year NYS Department of Financial Services audit continues, but it appears we are getting closer to the end of the data collection phase.

Congratulations to Kylie Rodrigues on becoming a “permanent” employee as we just received notice that she passed her civil service examination as a reachable candidate. We have also received word that Greg Potter with Tompkins County IT Department has resigned, and Loren Cottrell is now our IT contact. We have also been informed that Steve Thayer will retire at the end of June. Steve has been our CFO since inception, and is leaving the City of Ithaca after a 25-year career. Teri Apalovich and I have been asked to serve on the search committee. We are also continuing our search to find new offices to meet our staffing and committee meeting needs. We have entered a LOI with a location in Cayuga Heights and I hope to have more information that I can share regarding that location soon.

My report this month includes several attachments as I thought that was the best way to keep you informed about several updates regarding the administration of the Consortium benefit plans. The attachments are as follows:

Ground Ambulance Services – NYS set a new reimbursement schedule for how we are allowed to reimburse providers for ground ambulance services.

COVID 19 Plan Changes related to the End of the Public Health Emergency (PHE) – At the beginning of COVID we changed coverage for most COVID 19 treatment and testing to 100% coverage. When the PHE ends in May, our plans will return to paying COVID according to how we pay for other similar services.

Benefit Correction Regarding Behavioral Health – Excellus sent a copy of the letter attached to anyone having out of network behavioral health services performed by non-MDs that their benefit reimbursements would be paid according to plan and not how Excellus had been incorrectly paying them. These letters have gone out and our Benefit Specialist and Excellus have been fielding questions regarding this correction. The Consortium is also making some other benefit corrections due to the Inflation Reduction Act, and we will work with our administrators to communicate those changes appropriately.

Frozen Formularies – NYS mandated a change that a formulary can have no negative changes to a subscriber mid-year. The attached letter prepared by Locey & Cahill outlines how this new law will change our benefit plan going forward.

Wilmington Trust – Due to the recent banking crisis, Wilmington Trust felt it was important to communicate to customers their confidence in the strength of their organization and investments. As you know, our funds are 100% government-backed treasuries, so we are in a secure financial state.

Please let me know if you have any additional questions once you have read all the information attached. Please know there are still options in late March and early April to participate in our Blue4U Clinics and monthly Wellness Challenges.

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, March 25, 2023.

Ground Ambulance Services – NYS Fair Health Cap Mandate

The NYS Department of Financial Services has implemented an 80th Percentile of Fair Health cap reimbursement for out-of-network ground ambulance services. Under this reimbursement, members cannot be balance billed for services rendered within NYS. Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is currently set up with the allowable expense for out-of-network ground ambulance at 100% of charges to eliminate any balance bill to members.

With the new mandate GTCMHIC will be setting the cap reimbursement at the allowed 80th Percentile of Fair Health for out-of-network ground ambulance services. Meaning, so long as that level of reimbursement is paid, there cannot be any balance bill to members under the law. Adopting this new methodology for services rendered within NYS, will lead to a savings for the plan. GTCMHIC paid 178 claims of this type at 100% of charge in 2022, paying those same claims under this methodology would have resulted in \$7,978 in savings to the plan.

However, this is just a NYS law. Ground ambulance services rendered outside of NYS would still be subject to balance billing. Therefore, we have elected to keep the reimbursement at 100% of charges for services outside of NYS to eliminate the risk of balance billing to members.

Please note, there is no change to a subscriber or their dependents for the cost of ambulance services in and out-of-network.

National Emergency and Public Health Emergency Related to COVID-19 Terminates May 11, 2023

On January 30, 2023, the Biden Administration issued a Statement of Administration Policy (SAP) announcing that both the National Emergency (NE) and Public Health Emergency (PHE) related to COVID-19 will terminate on May 11, 2023. The SAP states that the extended wind-down aligns with the Administration's previous commitments to give at least 60 days' notice prior to termination of the PHE.

Benefits Requirements Ending May 11, 2023

- 1. COVID-19 Testing:** Plans must cover COVID-19 tests and other services resulting in the order for the test without cost-sharing, both in and out of network, without prior authorization or medical management.
- 2. Over-the-Counter COVID-19 Testing:** Plans must cover OTC COVID-19 tests without cost-sharing, both in and out of network. Plans may limit reimbursement to eight (8) tests per month if they meet certain safe harbor requirements. Plans may also limit out-of-network OTC reimbursement to \$12 under certain circumstances.
- 3. Vaccines:** Non-grandfathered plans must cover qualifying COVID-19 preventive services and vaccines without cost-sharing both in and out of network. (After the PHE expires, non-grandfathered plans must cover these vaccines without cost-sharing but may limit coverage to network providers.)

Excellus will be advising us if any medical claims coverage changes will be necessary at this time as most benefits regarding care have already returned to pre-pandemic coverage. Both physical and behavioral health visits related to COVID – 19 will be paid with applicable co-pays and co-insurance as comparable to other primary care or specialist visits. In addition, Excellus will work with Locey & Cahill to provide advice to the Consortium on any other administration issues related to the PHE ending in May. Updates to Benefit Clerks and other communications will include any applicable notices required regarding plan changes.

In preparation for the end of the PHE, ProAct has been closely monitoring industry expectations. ProAct has advised us of the following:

- COVID-19 vaccines will move to coverage per ACA guidelines for preventative care.
- Coverage of antivirals used to treat COVID-19 (e.g. Paxlovid®, Lagevrio®) will be determined by plan design relating to formulary placement.
- The current coverage mandated for COVID-19 test kits will be removed from our plan on May 11, 2023

Other Administrative Requirements Ending May 11, 2023

Plan sponsors were generally required to disregard the “Outbreak Period” when determining certain deadlines. The applicable deadlines included timing for administrative items such as special enrollments, COBRA continuation coverage, premium payments and other claims filing protocols. These administrative protocols will also end once the PHE concludes and all administrative protocols should be complete by July 10, 2023.

12345
TESTING
1234 MAIN STREET
ANYTOWN, NY 12345

Dear <Member Name>:

We have important information to share about your behavioral health coverage. Excellus BlueCross BlueShield is writing to notify you of reimbursement changes effective January 1, 2023. We may not be able to reimburse you for the same amount we have in the past. This change affects visits to the out-of-network provider types listed below.

While we are not able to list the specific names of the affected out-of-network providers, you may have seen at least one affected provider this year. If you visit one of these providers in 2023, **you may have to pay more out of pocket:**

- Physician Assistant and Nurse Practitioner
- Dietician
- Nurse Midwife
- Licensed Clinical Social Worker (LCSW)
- Licensed Creative Art Therapist (LCAT)
- Licensed Master Social Worker (LMSW)
- Licensed Marriage and Family Therapist (LMFT)
- Licensed Mental Health Counselor (LMHC)

We want to help you maximize your care and minimize your costs. We are here to help. Excellus BCBS contracts with a full range of in-network behavioral health providers. Let us help you find an in-network provider.

You can use our **find a doctor** tool at ExcellusBCBS.com/FindADoctor.

We also have an entire team ready to help. The team will also be able to tell you which provider you saw whose reimbursement amount has changed. To reach Customer Care, call 1-800-499-1275.

Sincerely,



Alexander Levi
Vice President, Customer Care
EXC_CNMD

MEMORANDUM

DATE: MARCH 17, 2023

**TO: PROACT, INC.
GTCMHIC CLIENT SERVICES TEAM
MORGAN RANDAZZO, DAVE MASTRANGELO, AND RON ROMANO**

FROM: LOCEY & CAHILL, LLC

SUBJECT: THE NEW YORK STATE “FROZEN FORMULARY” MANDATE

This memorandum provides our understanding of the New York State “Frozen Formulary” Mandate and how its terms and conditions should be applied to the Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”) Plans.

As you are aware, the Consortium is a self-insured municipal cooperative health benefit plan which received a certificate of authority from the New York State Department of Financial Services (“NYS-DFS”) on October 1, 2010. As such, the NYS-DFS requires the Consortium to follow the same laws, rules, and regulations as an Article 43 “Not-For-Profit” Insurance Company as it relates to the benefits offered by the Consortium in its various hospital, medical, surgical, and pharmacy benefit plans.

It is our understanding that the requirements noted above include the Consortium’s compliance with the recently passed “Frozen Formulary” Mandate. As such, Locey & Cahill, LLC on behalf of the Consortium is hereby advising ProAct, Inc. of the following:

1. The prescription drug formulary must be reviewed and certified each year by ProAct, Inc.
2. Once the formulary has been established for the year by ProAct, Inc. it will be effective on January 1st and may be modified with the following exceptions:
 - a. ProAct, Inc. may not move a prescription medication to a higher cost tier.
 - b. ProAct, Inc. may not remove any prescription medication from the formulary, unless the United States Food & Drug Administration rules that the prescription medication should be removed from the market as the result of safety concerns.
 - c. ProAct, Inc. may only impose new utilization management restrictions if the United States Food & Drug Administration issues a notice regarding safety concerns associated with the prescription medication.
 - d. ProAct, Inc. may move a prescription medication to a higher member cost share (deductible, coinsurance amount, or copayment) provided an AB-rated generic equivalent or an interchangeable biological product for such prescription medication is added to the formulary at the same time.

PROACT, INC. GTCMHIC CLIENT SERVICE TEAM MEMO
FROM: LOCEY & CAHILL, LLC
DATE: MARCH 17, 2023
PAGE: 2

3. On or before October 1st of each year, ProAct, Inc. must provide the Consortium with a notice to be distributed to all covered members outlining any formulary changes which will be taking effect on January 1st of the next plan year. This notice must identify any prescription medications being removed from the formulary and any prescription medications which will include an increased member cost share (deductible, coinsurance, or copayment).

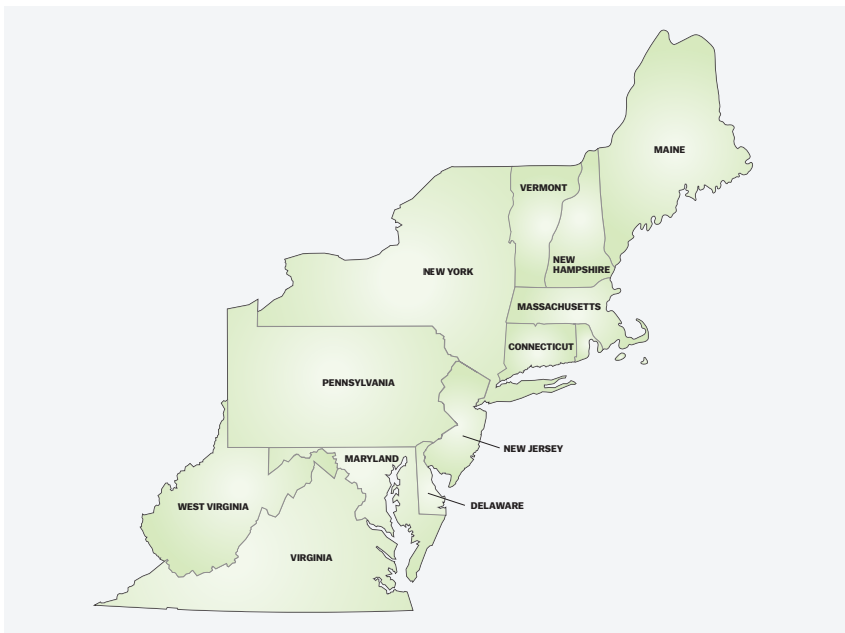
In an effort to avoid creating an unwieldy process by administering multiple formularies each year, the Consortium has chosen to not implement the following changes although outlined in this mandate as allowed by the NYS-DFS:

1. The prescription medication formulary could be altered to increase a prescription medication's cost share (deductible, coinsurance amount, or copayment) for any member not diagnosed with a condition treated by said medication, not already being treated by said medication, or not having a condition for which the medication would be part of the treatment regimen.
2. Agreeing to changes to the prescription medication formulary through the collective bargaining process between a municipality and a labor representation group ("union" or "collective bargaining group").

We hope the above provides ProAct, Inc. with the guidance necessary to properly implement and manage the prescription medication formulary for the Consortium. Please let us know if you have any questions or if we can provide any additional information or guidance in this regard.

We thank you for your time and cooperation on this most important matter.

M&T Bank Corporation is a financial holding company headquartered in Buffalo, New York. M&T's affiliates offer advice, guidance, expertise and solutions across the entire financial spectrum, combining M&T Bank's traditional banking services with the wealth management and institutional capabilities offered by Wilmington Trust. M&T Bank has a network of over 1,000 branches and 2,200 ATMs that span 12 states from Maine to Virginia and Washington, D.C.



A Bank for communities

For more than 165 years, M&T has strived to take an active role in our communities and build long-lasting relationships with our customers. We are a bank for communities – combining the capabilities of a large bank with the care of a locally focused institution. Our purpose is to make a difference in people's lives and uplift the communities we serve.

National and international reach

Through the combination of our traditional banking business, suite of specialty businesses and Wilmington Trust teams, our reach extends across the country and internationally. It allows us to be a bank for communities that can do more for its customers – pairing the capabilities of a big bank with the care and empathy of a locally focused institution.

M&T Highlights:

- **Top 15 Bank.** One of the 15 largest U.S. based, commercial bank holding companies¹
- **Strong Core Deposit Base.** M&T has a community-focused business model with a strong, well-diversified core deposit base, with no crypto deposits
- **Diverse Core Deposit Base.** M&T has a diversified mix of customers across a breadth of geographies with no significant concentration in any particular area
- **Strong Liquidity Position.** (meaning M&T has the ability to meet depositors' needs for cash). As of 12/31/22, M&T had \$25 billion in cash, representing 13% of total assets, compared to 5% for the median peer* banks
- **Strong Core Capital.** M&T consistently maintains strong capital positions with capital levels significantly higher than regulatory requirements
 - M&T's Common Equity Tier 1 ratio of 10.4%, a measure used to assess a bank's safety and soundness, is the highest in our peer* group—a phenomenon driven by our robust ability to generate capital
- **Strong Core Earnings Power.** (profitability). Our high level of core earnings is evidenced by our ability to be profitable over 186 consecutive quarters
- **#1 or #2 SBA Lender** in most of our larger communities, and Top 10 SBA lender nationally since 2009²
- **Highest Possible Community Reinvestment Act Rating** awarded by the Federal Reserve Bank of New York on every exam since 1982

M&T by the numbers

M&T Bank	(Data as of 12/31/22)
Total Assets	\$201 billion
Total Deposits	\$164 billion
Total Loan and Leases	\$132 billion
Total Shareholders' Equity	\$25 billion
Loans to Deposits	80.5%
Branches	Over 1,000
ATMs	Over 2,220
Customers	~5.2 million
Employees	22,000+
Charitable Contributions	\$47 million to more than 3,400 non-profit organizations

Credit Ratings

M&T Bank Corporation	Moody's Investor Service	S&P Global Ratings	Fitch Ratings	DBRS
Long-term Issuer / Senior Debt Rating	A3	BBB+	A	A (high)
Manufacturers & Traders Trust Company				
Long-term Deposit Rating	Aa3	A-	A+	AA (low)
Short-term Deposit Rating	P-1	A-2	F1	R-1 (middle)

Credit Ratings were last updated on November 22, 2022.

For further details on financial information and credit ratings for M&T Bank, please visit our Investor Relations website: <https://ir.mtb.com/>



* Peer group data can be found in our 2023 Proxy Statement: <https://ir.mtb.com/financial-information/annual-reports>

1 Based on total assets, excluding certain non-U.S. bank holding companies and non-commercial banks

2 According to statistics released by the U.S. Small Business Administration (SBA) for total approved loans through the SBA's 7(a) lending program during the federal fiscal year ending 9/30/2022.

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Account Protection and Safety

What you should know about the safety of your financial accounts

M&T Bank Corporation data (as of 12/31/2022)

- \$201 billion in assets
- \$165 billion in assets under management¹
- \$25 billion in shareholders' equity
- \$132 billion in loans and leases
- \$164 billion in deposits
- Tier 1 capital ratio: 11.8%
- Profitable for 186 consecutive quarters as of 12/31/22

We understand that knowing your assets are protected is extremely important, particularly during times of severe market volatility. In Corporate Trust, providing prudent financial solutions is one of our greatest responsibilities, and has been since our founding more than a century ago.² We are proud to be part of the M&T corporate family, one of the 15 largest U.S.-owned, commercial bank holding companies.³

There are certain types of accounts available for safekeeping—and some for potential growth—of your valued assets. The type of account you select depends on your individual needs and circumstances, as well as your desired long-term objectives and tolerance for risk. The following information provides an overview of the security of some of the types of financial accounts that are available.

Trust and fiduciary accounts

Assets held by Wilmington Trust and M&T Bank entities in trust and fiduciary accounts, other than cash, are not considered assets or liabilities of Wilmington Trust and M&T Bank; they are owned by the individuals or entities for whose benefit we are acting as a trustee or fiduciary. While we may provide investment management, administration, and other services for the account, the assets belong to the client. Trust and fiduciary assets are segregated from Wilmington Trust and M&T Bank's assets and are not subject to the claims of third-party creditors of Wilmington Trust and M&T Bank. Non-cash assets include, but are not limited to, balances held in mutual funds, securities, bonds, annuities, limited partnership interests, and life insurance policies. These types of investment products are not insured by the FDIC. Cash held on behalf of Wilmington Trust and M&T Bank clients is covered by Federal Deposit Insurance Corporation (FDIC) insurance up to current FDIC insurance limits, as more fully detailed below.

Custody accounts

Securities and other assets, other than cash, that are held by Wilmington Trust and M&T Bank entities for safekeeping in custody accounts are not considered assets or liabilities of Wilmington Trust and M&T Bank and cannot be reached by any creditors of the institution. The assets remain the property of the owner, whether they are registered in an individual's name, Wilmington Trust or M&T Bank's name, or in nominee name. We simply act as custodian, holding such assets on the client's behalf and performing duties such as collecting dividends and interest, and others, at the direction of the client. Cash held on behalf of Wilmington Trust and M&T Bank clients in custody accounts is covered by FDIC insurance up to current FDIC insurance limits, as more fully detailed below.

Continued

Brokerage accounts

Generally, “securities” that are held by a broker-dealer are protected under the Securities Investor Protection Corporation (SIPC); those few that are not protected by SIPC must disclose this fact to their customers. The Securities Investor Protection Act defines “securities” for purposes of SIPC coverage, but generally includes stocks, bonds (including municipal bonds), mutual funds (including money market mutual funds), brokered certificates of deposit, and in certain situations, variable annuities. SIPC covers up to \$500,000 per unique customer (determined by tax ID), up to \$250,000 of which can be cash. In addition, many broker-dealers maintains excess of SIPC protection for assets that exceed current SIPC limits.

Of note, SIPC coverage and excess SIPC coverage do not cover a decline in the market value of a client’s investments. They provide coverage in the unlikely circumstance that a broker-dealer is being liquidated under the Securities Investor Protection Act. An excess SIPC claim would only arise if a broker-dealer failed financially and client assets for covered accounts—as defined by the SIPC—cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules. Additionally, these protections do not cover limited partnerships and other securities, such as hedge funds, private equity, Delaware business trusts, and other alternative interests. For more information on details and limitations on SIPC’s coverage, please visit the SIPC website at sipc.org.

Deposit accounts and cash held by M&T bank

Deposit accounts (including checking, savings, certificates of deposit, and uninvested cash held as trust demand deposits) that a client may have are covered by FDIC insurance up to \$250,000 per depositor, per FDIC insured bank, per FDIC ownership category. Deposits held in different FDIC ownership categories are separately insured, up to at least \$250,000, even if held at the same bank.

Funds in deposit accounts that are in excess of FDIC insurance limits are considered liabilities of M&T Bank and would be subject to the claims of M&T Bank’s creditors. As always, the FDIC does not insure investments nor does it cover losses in principal value of assets held in stocks, bonds, mutual funds, life insurance policies, annuities, municipal bonds, or other investments. For more information and limitations on FDIC coverage, please visit the FDIC website at fdic.gov.

Financial strength of Wilmington Trust and M&T Bank

During times of turmoil it is critical to have confidence in your firm. As a member of the M&T corporate family, Wilmington Trust is part of an organization that has historically separated itself from the rest when times are challenging. As one of only two banks in the S&P 500 index that did not cut their dividend during the 2008 financial crisis, M&T gives you confidence that you are working with a firm that has been standing strong through times both good and bad for 165 years.

¹ Assets under management data are calculated in the aggregate, and include assets managed by various Wilmington Trust entities, including M&T Bank, Wilmington Trust Company, Wilmington Trust, N.A., Wilmington Trust Investment Advisors, Inc., Wilmington Funds Management Corporation, and Wilmington Trust Investment Management, LLC.

² Wilmington Trust traces its roots to the founding of Wilmington Trust Company in 1903.

³ S&P Global Market Intelligence as of December 31, 2022. Methodology excludes subsidiaries of foreign bank parents, investment banks, credit card companies, insurance company subsidiaries, brokers, and asset managers.

This document is not designed or intended to provide financial, tax, legal, accounting, or other professional advice since such advice always requires consideration of individual circumstances. If professional advice is needed, the services of a professional advisor should be sought. This document is for informational purposes only; it is not intended as a recommendation, offer, or solicitation with respect to the purchase or sale of any security.

Investment products are not insured by the FDIC or any other governmental agency, are not deposits of or other obligations of or guaranteed by Wilmington Trust, M&T Bank, or any other bank or entity, and are subject to risks, including a possible loss of the principal amount invested.

Wilmington Trust is a registered service mark used in connection with various fiduciary and non-fiduciary services offered by certain subsidiaries of M&T Bank Corporation including, but not limited to, Manufacturers & Traders Trust Company (M&T Bank), Wilmington Trust Company (WTC) operating in Delaware only, Wilmington Trust, N.A. (WTNA), Wilmington Trust Investment Advisors, Inc. (WTIA), Wilmington Funds Management Corporation (WFMC), and Wilmington Trust Investment Management, LLC (WTIM). Such services include trustee, custodial, agency, investment management, and other services. International corporate and institutional services are offered through M&T Bank Corporation’s international subsidiaries. Loans, credit cards, retail and business deposits, and other business and personal banking services and products are offered by M&T Bank, Member FDIC.



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RESOLUTION NO. 00X- 2023 – RATIFICATION OF PERMANENT APPOINTMENT OF BENEFITS SPECIALIST – KYLIE RODRIGUES

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) created the Benefits Specialist position by Resolution No. 035 on December 17, 2020, and

WHEREAS, the Selection Committee had determined that Kylie Rodrigues possessed the necessary knowledge and skills to satisfactorily perform the duties of the Benefits Specialist position, and

WHEREAS, Kylie Rodrigues was provisionally appointed by the GTCMHIC's Executive Director effective June 28, 2021, and

WHEREAS, the Tompkins County Civil Service office has provided the certificate of eligible listing for the said title and Kylie Rodrigues was a reachable candidate; now, therefore be it

RESOLVED, That the Executive Committee hereby ratifies the Executive Director's permanent appointment of Kylie Rodrigues as Benefits Specialist, effective February 14, 2023, with a twenty-six (26) week probationary period applies with no further action if there is successful completion of the probationary period as determined by the Executive Director.



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RESOLUTION NO.XXX – 2023 – GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM UPDATE TO SUBCOMMITTEES FOR VIDEOCONFERENCING AND REQUIRED ATTENDANCE OF OPEN MEETINGS LAW PROCEDURES FOR THE CONSORTIUM'S BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

WHEREAS, On April 9, 2022, Governor Hochul signed Chapter 56 of the Laws of 2022 relating to the New York State budget for the 2022-2023 state fiscal year. Included in the bill is an amendment to the Open Meetings Law (OML) to make (semi) permanent (until July 1, 2024) the expanded use of videoconferencing by public bodies to conduct open meetings, under extraordinary circumstances, regardless of a declaration of emergency, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium adopted resolution no. 005 – 2022 - Adoption of Open Meetings Law Procedures for the Consortium's Board of Directors and Committees indicating the Consortium shall allow members to attend remotely via an established satellite location with participation counting towards quorum and adopted procedures for members attending remote meetings, and

WHEREAS, the GTCMHIC consists of 60 municipalities within the State of New York within a 90 mile radius and anticipates yearly growth, and

WHEREAS, due to a wide mile radius, travel time limits the availability of Committee members for Committee Meetings and the Consortium struggles to form a quorum for Standing Committees of the GTCMHIC. These subcommittees of the GTCMHIC include: Joint Committee on Plan Structure and Design, Operations, Audit and Finance, Claims and Appeals, and Nominations & Engagement, and

WHEREAS, The Executive Committee recognizes the need to reduce the restrictions of the "extraordinary circumstances", and allow GTCMHIC subcommittee members belonging to municipality locations that requires several miles of travel, to attend via videoconferencing, and

WHEREAS the Executive Committee recommends and carries the importance that the Executive Committee and Board of Directors Meetings must continue the "extraordinary circumstance" that excuses a member from in-person participation to allow for voting, discussion, and Board Meetings of such individuals, therefore now be it,

RESOLVED, on recommendation of the Executive Committee, to hereby adopt the full use of videoconferencing for meetings of the Consortium's subcommittees to establish quorum and abolishes the rules set in Subdivision (c) of section 103 of the Public Officers Law to solely videoconference due to an "extraordinary circumstance." and,

RESOLVED FURTHER that the GTCMHIC will continue to allow Executive Committee members and Board of Director Members remote attendance to count for quorum only via an established satellite location, with the following criteria being met: a satellite location must provide notice of the publicly accessible location from which they will attend as soon as possible but no later than within 48 hours of the meeting for posting on the Consortium's website. Members attending remotely from a publicly accessible location where proper notice has been given will be counted towards quorum.

* * * * *



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RESOLUTION NO. XXX - 2023 – TEMPORARY APPOINTMENT OF JUDITH DRAKE, AS AUDIT AND FINANCE COMMITTEE CHAIRPERSON, FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

WHEREAS, a planned retirement (June 2023) has been announced of Chief Financial Officer, Steve Thayer, who also acts as the Chief Financial Officer and serves as a voting committee Chairperson of the Greater Tompkins County Municipal Health Insurance Consortium's (GTCMHIC) Audit and Finance Committee, and

WHEREAS, the GTCMHIC will have a vacancy in the title of Chief Financial Officer and voting Chairperson on the GTCMHIC Audit and Finance Committee, and

WHEREAS, The GTCMHIC's Municipal Cooperative Agreement states that the GTCMHIC's Chief Financial Officer must be the City Comptroller from the City of Ithaca, and

WHEREAS, the Consortium's Executive Director and Finance Manager are currently serving on a search committee of all candidates eligible as new Chief Financial Officer for the City of Ithaca, and

WHEREAS, the chosen individual as Chief Financial Office for the City of Ithaca will automatically become the Consortium's Chief Financial Officer based on the GTCMHIC Municipal Cooperative Agreement, and

WHEREAS, the vacancy on the Audit and Finance Committee will need to be filled for the remainder of 2023 until a new slate of officers and committee members will be presented to the full Board of Directors, and

WHEREAS, the Nominations and Engagement Committee have recommended to the Executive Committee an individual, who is familiar with the Audit and Finance Committee finances and voting process, be temporarily appointed on the Audit and Finance Committee Chair to fill the role of the vacant voting body, now, therefore be it

RESOLVED, That the Nominations and Engagement Committee, on behalf of the Executive Committee, hereby approves recommendation of appointment of Judith Drake, the Consortium's past Chair, as temporary voting Chairperson of the GTCMHIC Audit and Finance Committee until a new slate of committee members and Chairs has been appointed.



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RESOLUTION NO. XXX – 2023 – AMENDMENT TO RESOLUTION 034-2021 ADOPTION OF AMENDED INVOICE PAYMENT PROCEDURE (REPLACING PROCEDURE ADOPTED DECEMBER 15, 2021, BY THE AUDIT AND FINANCE COMMITTEE)

WHEREAS, The Audit and Finance Committees was presented with recommendations of Consortium staff for streamlining current invoice payment procedures, and

WHEREAS, The Audit and Finance Committee will initiate appropriate action and to monitor and approve expenditures and contractual agreements, and

WHEREAS, If the Audit and Finance Committee will not be meeting by the time the invoice becomes due, the Executive Director will first petition the contractor for a time extension until the Audit and Finance Committee meets. Should that petition be denied, the invoice will be paid and reported to the Committee at the next meeting, and

WHEREAS, The Monthly Financial Abstract Report detailing monthly expenditures will be presented at each Audit and Finance Committee meeting for review. All invoices approved by the Audit and Finance Committee will have checks prepared by the Finance Department and signed by the Executive Director. If the Executive Director is not available, then the Human Resource Manager or Chief Financial Officer will sign the checks for payment, and

WHEREAS, After the bank statements have been received the Finance Department will reconcile all related financial statements, and

WHEREAS, The Audit and Finance Committees has reviewed and recommended an amended Invoice Payment Procedure be approved by Executive Committee, now therefore be it

RESOLVED, On recommendation of the Audit and Finance Committees, That the Executive Committee, on behalf of the Board of Directors, hereby approves the following amended Invoice Payment Procedure effective April 6, 2023 to replace the procedure approved December 15, 2021 by the Audit and Finance Committee.

* * * * *

GTCMHIC Invoice Approval Procedure
(Adopted April 5, 2023; effective April 6, 2023)

All invoices will be in the Monthly Financial Abstract Report submitted by the Finance Department for review at the Audit and Finance Committee Meeting. The Monthly Financial Abstract Report will detail monthly ~~and year-to-date~~ expenditures. The primary purpose of this report is to enable the Audit and Finance Committee to initiate appropriate action and to monitor and approve expenditures ~~against budget line items~~ and contractual agreements.

The Audit and Finance Committee will approve The Monthly Financial Abstract Report for payment and all invoices will be processed for payment according to the following procedures.

Previously Approved Expenditures Ready for Payment

Invoices listed below are considered ready for payment when received and will be entered for Payment by the Finance Department without further approval as assigned by the budget process or contract. The Monthly Financial Abstract Report will provide details for all pre-payments made for the following:

- Claims invoices and administrative fees from our third-party benefit administrators (medical and prescription drug) including flu clinic fees,
- State and Federal taxes and fees,
- Stop-loss,
- Business Insurance,
- Tompkins County invoices,
- Town of Ithaca Payroll invoices,
- ~~Town of Ithaca~~ Rent/Lease invoices.
- Contract progress payment invoices (e.g., Actuary, Claims Auditor, Bonadio,)
- Invoices for non-fixed price contract payment under \$10,000 (e.g., Consortium Consultant, newsletter production, and printing,)
- Invoices for supplies, expense reimbursements and day to day operations under \$10,000.

Audit and Finance Committee Approval Needed

Invoices not listed as Previously Approved for Payment shall be included in the Monthly Financial Abstract Report for approval at the next Audit and Finance Committee meeting.

- Invoices for non-fixed price contract payment over \$ 10,000 (e.g., financial auditor);
- Invoices for services not previously approved by contractual arrangement,
- Contract final invoices (e.g., Actuary, Auditor, Claims Auditor).

If the Audit and Finance Committee will not be meeting by the time the invoice becomes due, the Executive Director will first petition the contractor for a time extension until the Audit and Finance Committee meets. Should that petition be denied, the invoice will be paid and must be approved by the Board Chair and reported to the Committee at the next meeting.

Board Chair Approval Needed

Any reimbursements made to the Executive Director must be approved by the Board Chair and will be included in the Monthly Financial Abstract Report at the next Audit and Finance Committee meeting.

Payment of Approved Invoices

- Medical and Prescription Claims/Admin Fee invoices will be paid via ACH as required by contract terms,
- Credit Card statement will be paid in advance to have payment received prior to due date.

The Monthly Financial Abstract Report will be presented at each Audit and Finance Committee meeting for review. All invoices approved by the Audit and Finance Committee will have checks prepared by the Finance Department and signed by the Executive Director. If the Executive Director is not available, then the ~~Treasurer~~ [Human Resource Manager](#) or Chief Financial Officer will sign the checks for payment.

Reconciliation

After the bank statements have been received the Finance Department will reconcile all related financial statements ~~and send to the Treasurer for final approval~~ and bring to the Audit and Finance Committee for final review.



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RESOLUTION NO. XXX- 2023 – ADOPTION OF AMENDMENTS TO THE 2023 BUDGET

WHEREAS, The Board of Directors adopted the 2023 Budget, Reserve amounts, and Premium Equivalent Rates on September 22, 2022, and

WHEREAS, The 2023 budget has been impacted by several factors including new members and changes to contracts renewed after September, and

WHEREAS, There is a need to amend budget lines in order to ensure the Consortium operates with a budget that reflects actual performance for the year, 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 approves amendments to the Consortium's 2023 budget,

RESOLVED, Further, That a copy of the amended budget shall be made available on the Consortium's website and will be reviewed as part of the regular monthly Audit and Finance Committee reports.

* * * * *



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RESOLUTION NO. XXX - 2023 – AUTHORIZING EXTENSION OF OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

WHEREAS, In 2019 the Executive Committee negotiated a lease agreement with The Town of Ithaca for office space; and

WHEREAS, The Consortium’s legal counsel reviewed and approved the language contained in the lease agreement; and

WHEREAS, The lease agreement was updated in 2021 to include additional space to accommodate the Consortium’s additional personnel needs; and

WHEREAS, The lease is set for a one year term and the ability to extend annually with all utilities being the responsibility of the landlord; and

WHEREAS, The lease agreement allows the Tenant to default on the lease by failure to pay Rent within a period of 30 days of the due date of if the premises become deserted or vacant for more than twenty-one days, Landlord shall have the right to terminate the Lease; and

WHEREAS, The Town of Ithaca has verbally informed the Executive Director for the Greater Tompkins County Municipal Health Insurance Consortium that they will accept a 30-day notification to exit the lease, in lieu of creating a new month to month agreement for this new annual period, should we wish to move to a new location; now, therefore, be it

RESOLVED, On recommendation of the Audit and Finance Committee, that the Executive Committee authorizes the Executive Director to sign said lease agreement dated March 14, 2023 with the Town of Ithaca for office space for the period April 1, 2023 thru March 31, 2024.



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RESOLUTION XXX-2023 - AUTHORIZING A LEASE AGREEMENT WITH 408 UPLAND ROAD LLC FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC) AT 408 EAST UPLAND ROAD, ITHACA, NEW YORK 14850

WHEREAS, The GTCMHIC has entered into a Letter of Intent referring to a tenant/landlord agreement to the building address of 408 East Upland Road, Ithaca, New York 14850 for the Business Office/Headquarters for GTCMHIC; and

WHEREAS, The Letter of Intent is for office space on east side of building. Total Useable Space based on Architect drawing is 3,257 with an initial lease term of ten years commencing by or before May 1, 2023 and target rent commencement date of June 1, 2023.; and

WHEREAS, The initial base rent is set for \$17/SF [\$55,365 annually] with a rent escalation of Year 2 - \$20/SF [\$65,135 annually]; Year 3 - \$22/SF [\$71,649 annually]; Year 4 - \$23/SF [\$74,906]; and Year 5 - \$24/SF [\$78,162 annually] Year 6 thru 10 would be a \$1 increase annually; and

WHEREAS, In addition to rent the Tenant is to pay their pro-rata share (60%) of property taxes invoiced to GTCMHIC w/net 30-day terms and common area charges of Tenant's pro-rata share of snow removal, mowing and landscaping charges, cost to be invoiced quarterly to GTCMHIC w/net 30-day terms. Tenant to pay their share of utility costs (if any) and water/sewer charges; and

WHEREAS, The Landlord will have responsibility to maintain the HVAC, plumbing and electrical systems plus if and as required to structure; and

WHEREAS, The Tenant is responsible for any other maintenance within the Premises to include janitorial / housekeeping; and

WHEREAS, The Landlord's will contribute \$162,000 to complete the interior finishes to a "vanilla box". The total cost of the build out is estimated to be approximately \$311,624. The Tenant is responsible for any costs above \$162,000 to build / fit out work required for Tenants occupancy; and

WHEREAS, The Tenant has the option to renew for One [1] Five [5] Year Option with base rent to increase by 3% annually beginning in Year 11; and

WHEREAS, Miscellaneous considerations include Tenant requests that Landlord consider covering cost for architectural drawings for Tenant's portion of build / fit out. Landlord will contribute \$7,500 to architectural drawings, as long as Holt Architect is used; and

WHEREAS, A budget was approved by the Audit and Finance Committee for \$235,000 related costs to a move as outlined above with fixtures and furnishings; and

WHEREAS, An additional \$125,000 will be needed to complete the project. The initial capital costs can be amortized for the term of the lease and therefore would not require any budget changes for 2023; and



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WHEREAS, A policy will be established allowing the Consortium to amortize capital costs for fixed assets and, now, therefore, be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Executive Committee authorizes the Executive Director to sign said lease agreement represented within the Letter of Intent composed by 408 Upland Road LLC for office space at 408 East Upland Road, Ithaca, NY 14850 for the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) Business Office/Headquarters.



2023 Fiscal Year Budget Performance Report As of February 28, 2023

Locey & Cahill, LLC
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Section 1

2023 Fiscal Year-to-Date Income Budget vs Actual Results

2023 Income Budget vs Actual (02/28/2023)

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2023 Budget Performance Analysis

Results as of: 2/28/2023

of Months: 2

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Income							
	Medical and Rx Plan Premiums	\$58,409,919.48	\$62,109,184.32	\$10,351,530.72	\$10,323,208.39	-\$28,322.33	-0.27%
9020	Interest	\$450,000.00	\$450,000.00	\$75,000.00	\$50,792.38	-\$24,207.62	-32.28%
9010	Rx Rebates	\$2,900,000.00	\$2,900,000.00	\$725,000.00	\$738,936.88	\$13,936.88	1.92%
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%
Total Income		\$61,759,919.48	\$65,459,184.32	\$11,151,530.72	\$11,112,937.65	-\$38,593.07	-0.35%

Key Facts:

1. Total Income was 0.35% below the amended budget for the first 2-months of the fiscal period. The amended budget reflects the changes in plan designs by participants as well as the additions of new members municipalities.

2023 Income Budget vs Actual (02/28/2023)

Key Facts (continued):

- The number of contracts insured by the Consortium increased by 8.90% and the number of covered lives grew by 9.58%, primarily as the result of adding new municipalities to the Consortium.

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
2023	3,395	1,526	2,074	6,994

* Member = Employee, Retiree, or COBRA Contract Holder

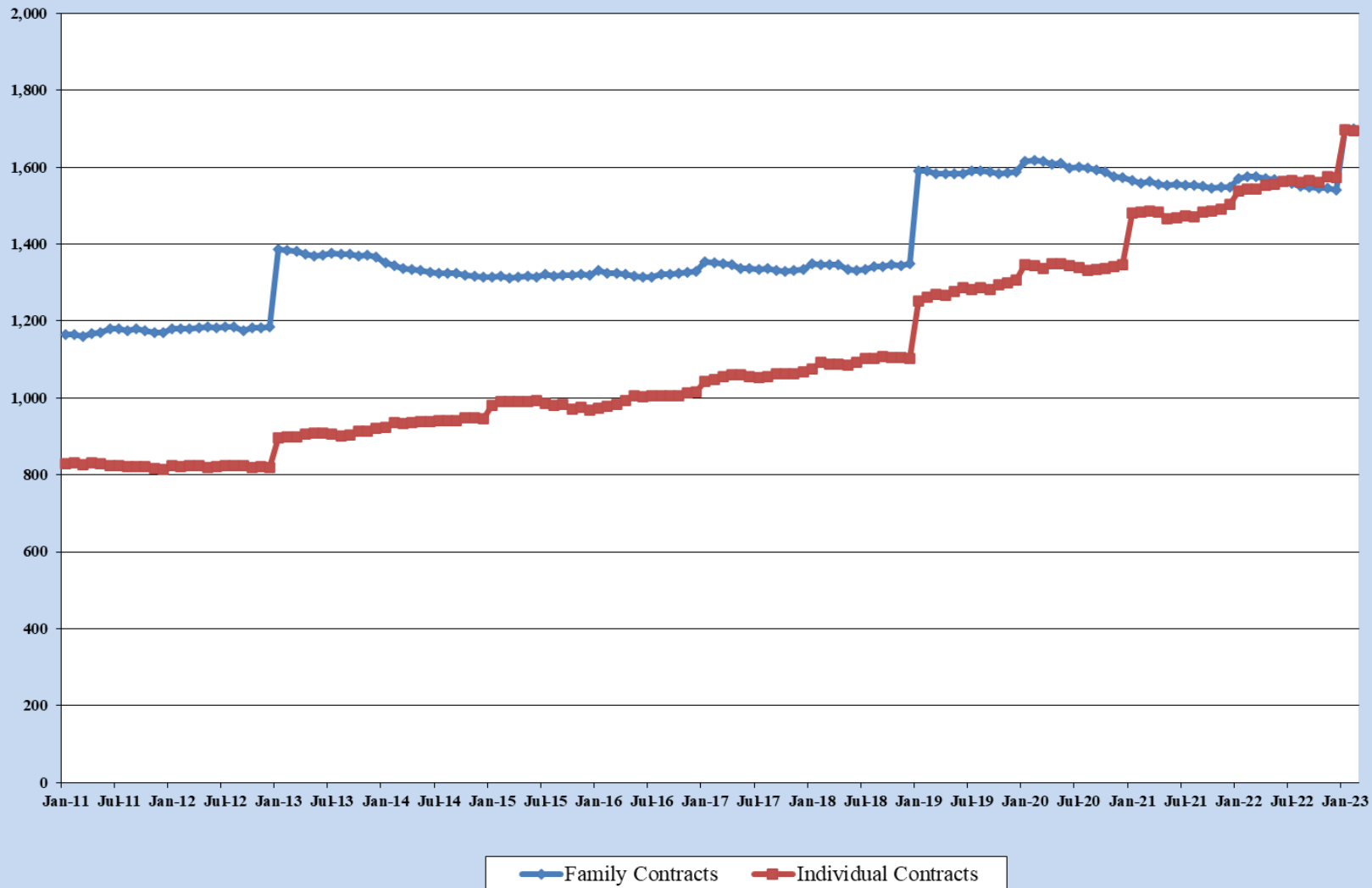
Monthly Average Contract Count by Fiscal Year

<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	2,942	2.132	3.081
2021	1,555	1,481	3,036	2.076	3.101
2022	1,559	1,558	3,118	2.047	3.094
2023	1,698	1,697	3,395	2.060	3.120

Greater Tompkins County Municipal Health Insurance Consortium

Monthly Contract Count by Plan Type

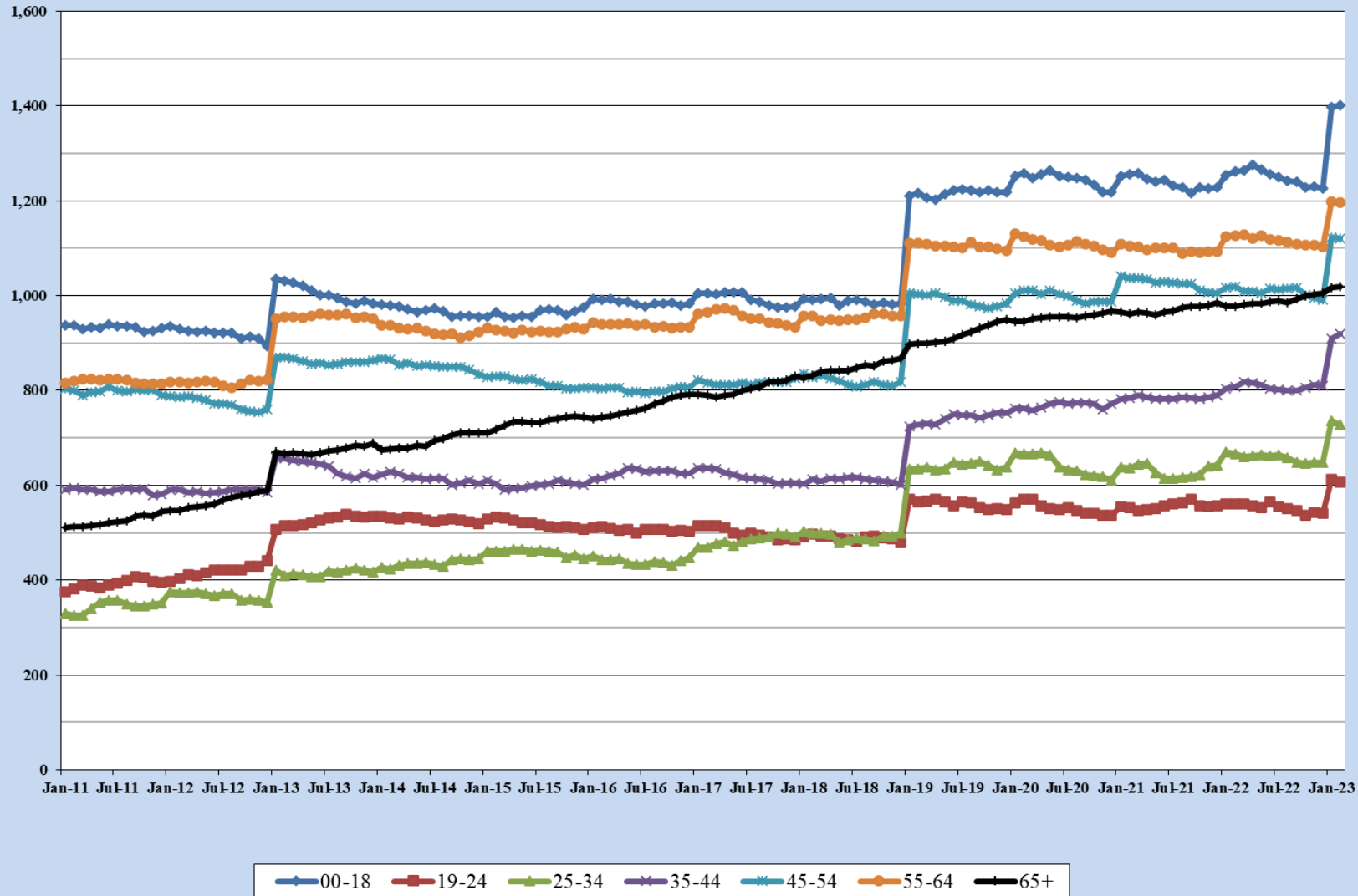
January 1, 2011 to February 28, 2023



Greater Tompkins County Municipal Health Insurance Consortium

Monthly Covered Lives by Age Band

January 1, 2011 to February 28, 2023



2023 Income Budget vs Actual (02/28/2023)

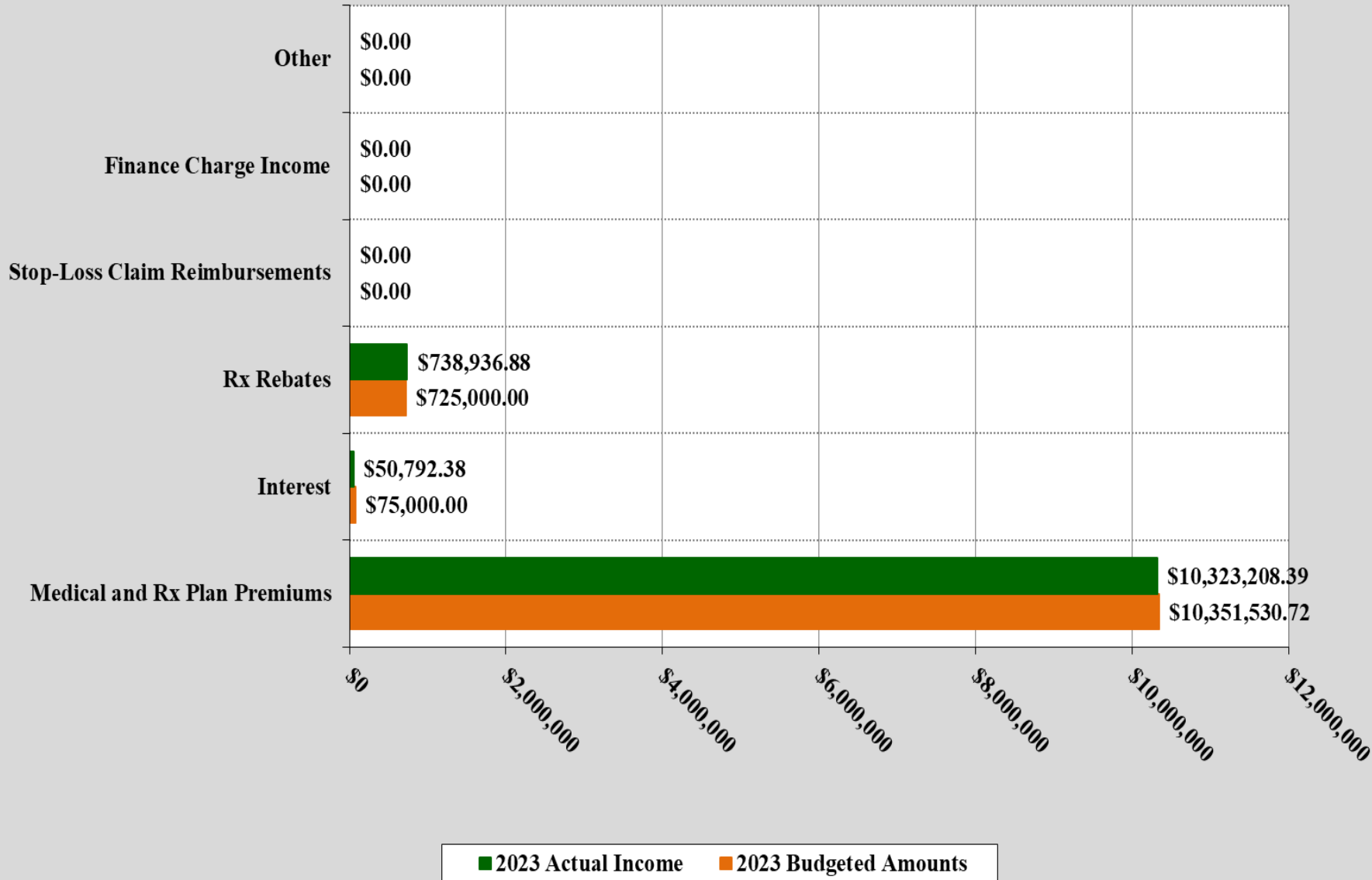
Key Facts (continued):

2. The Consortium invests in notes/bonds which are held to maturity but records gains and/or losses on a monthly basis (“mark to market”). Interest earnings for shorter term investments have shown greater returns with market conditions improving.
3. The Consortium received the first pharmaceutical manufacturer rebate payment for 2023 in the amount of \$738,936.88, which slightly exceeded the budget expectation.
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 February 28th. 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

2023 Income Distribution

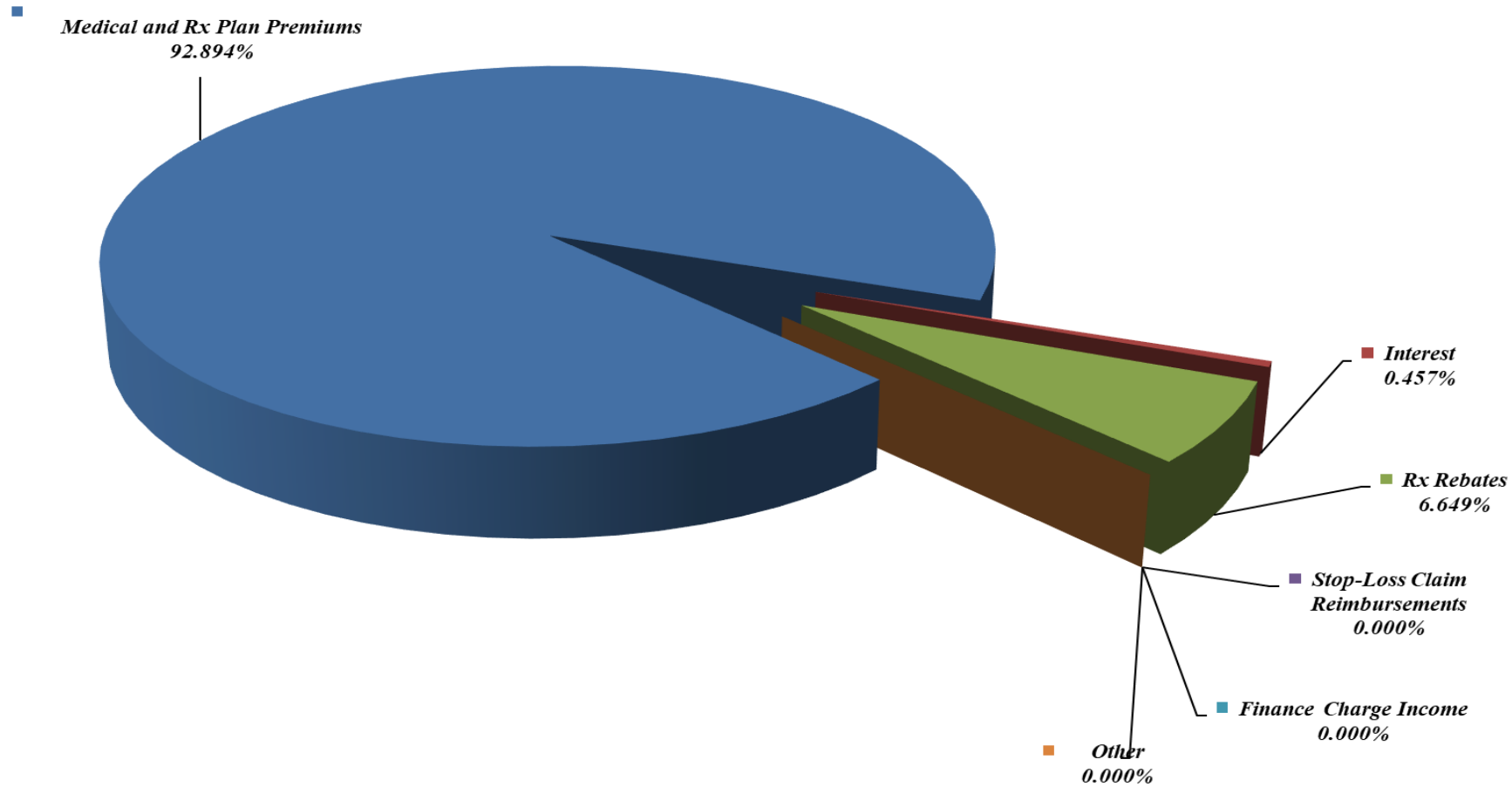
January 1, 2023 to February 28, 2023



Greater Tompkins County Municipal Health Ins. Consortium

2023 Income Distribution

January 1, 2023 to February 28, 2023





Section 2

2023 Fiscal Year-to-Date
Expense Budget vs Actual Results

2023 Expense Budget vs Actual Results (02/28/2023)

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Expenses							
8090	Medical Paid Claims	\$40,773,545.30	\$43,149,264.56	\$6,498,648.39	\$6,095,518.26	-\$403,130.13	-6.20%
	Advance Deposit / Pre-Paid Claims	\$39,415.00	\$139,700.00	\$139,700.00	\$139,700.00	\$0.00	0.00%
8120	Rx Paid Claims - ProAct	\$17,640,630.54	\$18,787,861.39	\$2,890,440.21	\$3,100,379.60	\$209,939.39	7.26%
8121	Rx Paid Claims - CanaRx	\$178,747.40	\$178,747.40	\$29,791.23	\$22,902.50	-\$6,888.73	-23.12%
8084	Flu Clinic Fees	\$23,733.39	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8050	Medical Admin Fees	\$1,606,871.12	\$1,762,898.30	\$293,816.38	\$282,618.00	-\$11,198.38	-3.81%
	Rx Admin Fees	\$272,156.43	\$298,582.82	\$49,763.80	\$46,779.50	-\$2,984.30	-6.00%
8091	NYS Covered Lives Assessment	\$387,749.01	\$429,780.00	\$71,630.00	\$71,676.82	\$46.82	0.07%
9060	ACA PCORI Fee	\$19,830.73	\$21,756.29	\$21,756.29	\$0.00	-\$21,756.29	-100.00%
8110	Specific Stop-Loss Insurance (Actual)	\$795,720.20	\$872,984.63	\$145,497.44	\$53,367.53	-\$92,129.91	-63.32%
8000	Accounting Fees	\$19,570.00	\$19,570.00	\$3,261.67	\$0.00	-\$3,261.67	-100.00%
8010	Actuarial Fees	\$7,416.00	\$7,416.00	\$1,236.00	\$0.00	-\$1,236.00	-100.00%
8020	Audit Fees (Financial)	\$164,935.00	\$164,935.00	\$27,489.17	\$0.00	-\$27,489.17	-100.00%
8021	Audit Fees (Claims)	\$52,833.85	\$92,750.00	\$15,458.33	\$23,875.00	\$8,416.67	54.45%
8055	Consultant Fees (Barber & Strat Plan)	\$20,000.00	\$100,000.00	\$16,666.67	\$0.00	-\$16,666.67	-100.00%
8030	Consultant Fees (L&C)	\$94,399.50	\$94,399.50	\$15,733.25	\$15,700.00	-\$33.25	-0.21%
8070	Legal Fees	\$12,360.00	\$12,360.00	\$2,060.00	\$1,265.00	-\$795.00	-38.59%
8065	Wellness Program Costs	\$12,500.00	\$12,500.00	\$2,083.33	\$50.00	-\$2,033.33	-97.60%
6600	Salaries	\$310,542.75	\$310,542.75	\$51,757.13	\$47,572.00	-\$4,185.13	-8.09%
66002	Fringe Benefits	\$124,217.10	\$124,217.10	\$20,702.85	\$15,350.93	-\$5,351.92	-25.85%

2023 Expense Budget vs Actual Results (02/28/2023)

		2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Expenses							
8060	Insurances (D&O / Prof. Liability)	\$64,092.60	\$65,014.00	\$10,835.67	\$10,835.66	-\$0.01	0.00%
8041	Internal Coordination (Finance)	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$1,000.00	\$1,000.00	\$0.00	0.00%
8044	Internal Coordination (IT Support)	\$6,881.43	\$12,881.43	\$2,146.91	\$1,130.16	-\$1,016.75	-47.36%
9065	Marketing Expenses	\$2,500.00	\$2,500.00	\$416.67	\$0.00	-\$416.67	-100.00%
9055	Investment Management Services	\$24,000.00	\$24,000.00	\$4,000.00	\$0.00	-\$4,000.00	-100.00%
8150	Supplies Expense	\$4,202.40	\$7,500.00	\$1,250.00	\$216.24	-\$1,033.76	-82.70%
8151	Computer Equipment	\$5,000.00	\$5,000.00	\$833.33	\$0.00	-\$833.33	-100.00%
8152	Lease Expense / Parking Fees	\$60,000.00	\$60,000.00	\$10,000.00	\$2,453.20	-\$7,546.80	-75.47%
8153	Mileage- Travel Expenses	\$2,500.00	\$2,500.00	\$416.67	\$87.31	-\$329.36	-79.05%
8154	Software	\$0.00	\$0.00	\$0.00	\$235.92	\$235.92	0.00%
8155	Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
8156	Furniture and Fixtures	\$25,000.00	\$75,000.00	\$12,500.00	\$0.00	-\$12,500.00	-100.00%
8157	Training & Prof. Dev.	\$5,000.00	\$5,000.00	\$833.33	\$0.00	-\$833.33	-100.00%
8158	Subscriptions	\$1,000.00	\$1,000.00	\$166.67	\$0.00	-\$166.67	-100.00%
9060	Other Expenses / Supplies	\$7,822.85	\$7,822.85	\$1,303.81	\$0.00	-\$1,303.81	-100.00%
Total Expenses		\$62,771,172.60	\$66,854,484.02	\$10,343,195.19	\$9,932,713.63	-\$410,481.56	-3.97%
Net Income		-\$1,011,253.12	-\$1,395,299.70	\$808,335.53	\$1,180,224.02	\$371,888.49	

2023 Expense Budget vs Actual Results (02/28/2023)

	<i>2023 Adopted Budget</i>	<i>2023 Amended Budget</i>	<i>2023 Year-to-Date Budget</i>	<i>2023 Actual Results</i>	<i>Variance</i>	<i>% Difference</i>
Paid Claims	\$58,656,071.63	\$62,255,573.35	\$9,558,579.84	\$9,358,500.36	-\$200,079.48	-2.09%
Claims Admin. Fees	\$1,879,027.55	\$2,061,481.12	\$343,580.19	\$329,397.50	-\$14,182.69	-4.13%
Stop-Loss	\$795,720.20	\$872,984.63	\$145,497.44	\$53,367.53	-\$92,129.91	-63.32%
Taxes and Fees	\$407,579.74	\$451,536.29	\$93,386.29	\$71,676.82	-\$21,709.47	-23.25%
Professional Services	\$384,014.35	\$503,930.50	\$83,988.42	\$40,890.00	-\$43,098.42	-51.31%
Insurance/Internal Fees	\$648,759.13	\$708,978.13	\$118,163.02	\$78,881.42	-\$39,281.60	-33.24%
Total Expenses	\$62,771,172.60	\$66,854,484.02	\$10,343,195.19	\$9,932,713.63	-\$410,481.56	-3.97%
Net Income	-\$1,011,253.12	-\$1,395,299.70	\$808,335.53	\$1,180,224.02	\$371,888.49	

The above provides an “easier to read” summary version of the expense data for the Consortium through February 28, 2023. As you will note, the paid claims which collectively include medical, prescription drug, CanaRx and pre-paid claims account for 94.22% of the total expenses of the Consortium through the first 2-months of 2023. We show the overall paid claims to be 2.09% (including the advanced deposit for prepayment of claims) below budget for the 2023 Fiscal Year to Date, based on the amended budget as adjusted for the movement of contracts to other benefit plans and with the new municipal partners added to the program.

2023 Expense Budget vs Actual Results (02/28/2023)

Key Facts:

1. We continue to work with the Consortium's Executive Director and Financial Team to fine tune budget allocations and improve detailed reporting of expenses. This was done to provide a more detailed and accurate summary of the internal and external professional support costs. The amended budget updated some of the budget numbers based on the addition of new members and changes in enrollment by existing members.
2. Being only two months into the fiscal period many of the expense items are 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 do not anticipate their paid claims being mature until the 3rd month or so as the "run-out" claims (claims incurred on or before December 31, 2022) are the responsibility of their prior insurance carrier.

2023 Expense Budget vs Actual Results (02/28/2023)

Key Facts:

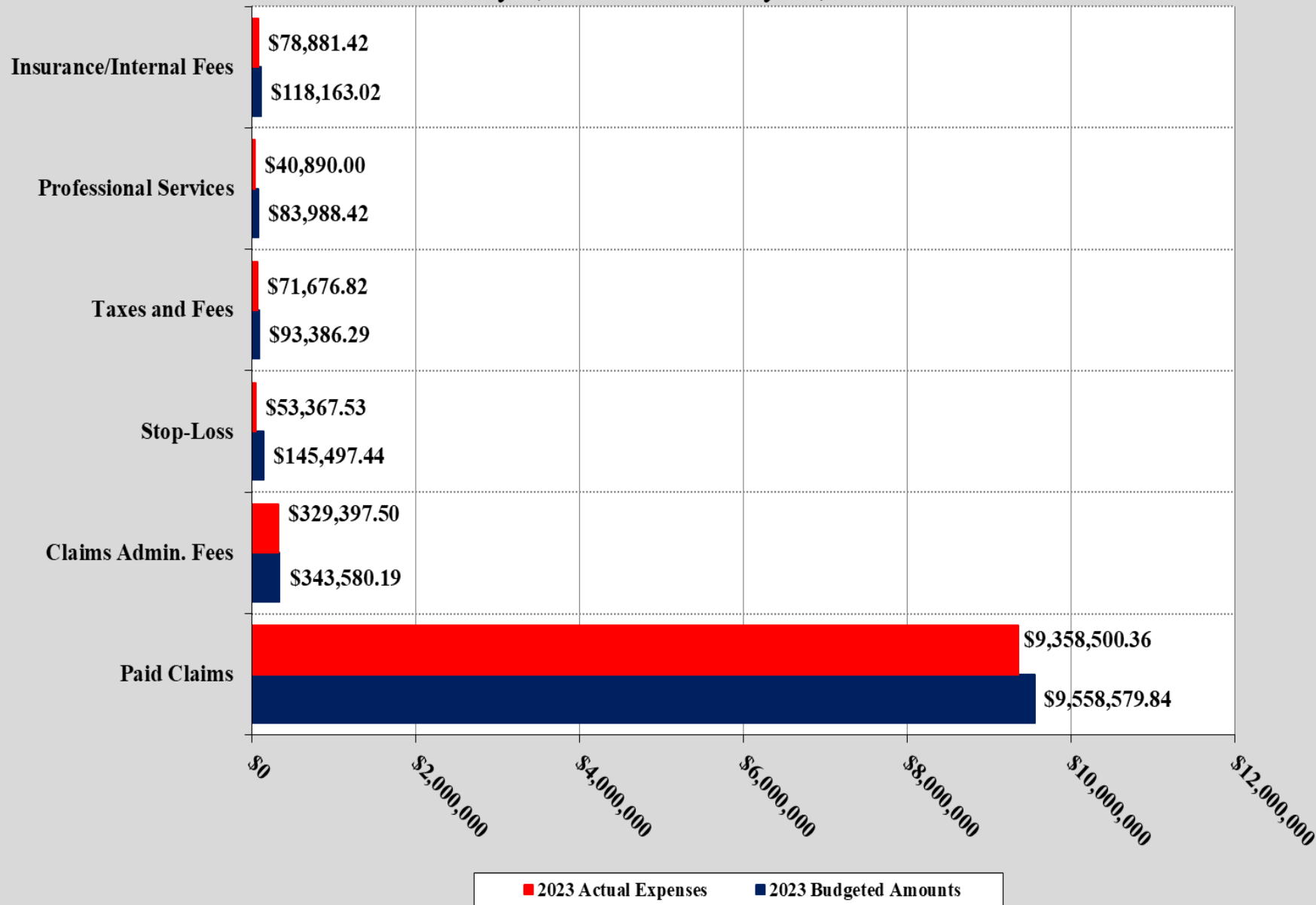
4. Medical Paid Claims in the first 2-months were **6.07% below the amended budget**, including the advanced deposit, for the fiscal year. Other factors include:
 - a) An increase in the covered lives ($\uparrow 9.58\%$) and in the number of contracts ($\uparrow 8.90\%$) skews the early 2023 medical 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) The continuation of identifying the “new normal” of elective and/or minor medical procedures being performed following COVID-19 pandemic.
 - d) We continue to monitor the impact of inflation on the medical community.

5. Rx Paid Claims were **7.26% over budget** for the first 2-months of the 2023 Fiscal Year. We continue to monitor pharmacy paid claims trend closely as pharmacy claims become a greater contributor to the number of large loss claims we are seeing across our entire book of business.

Greater Tompkins County Municipal Health Ins. Consortium

2023 Expense Distribution

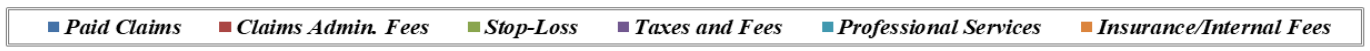
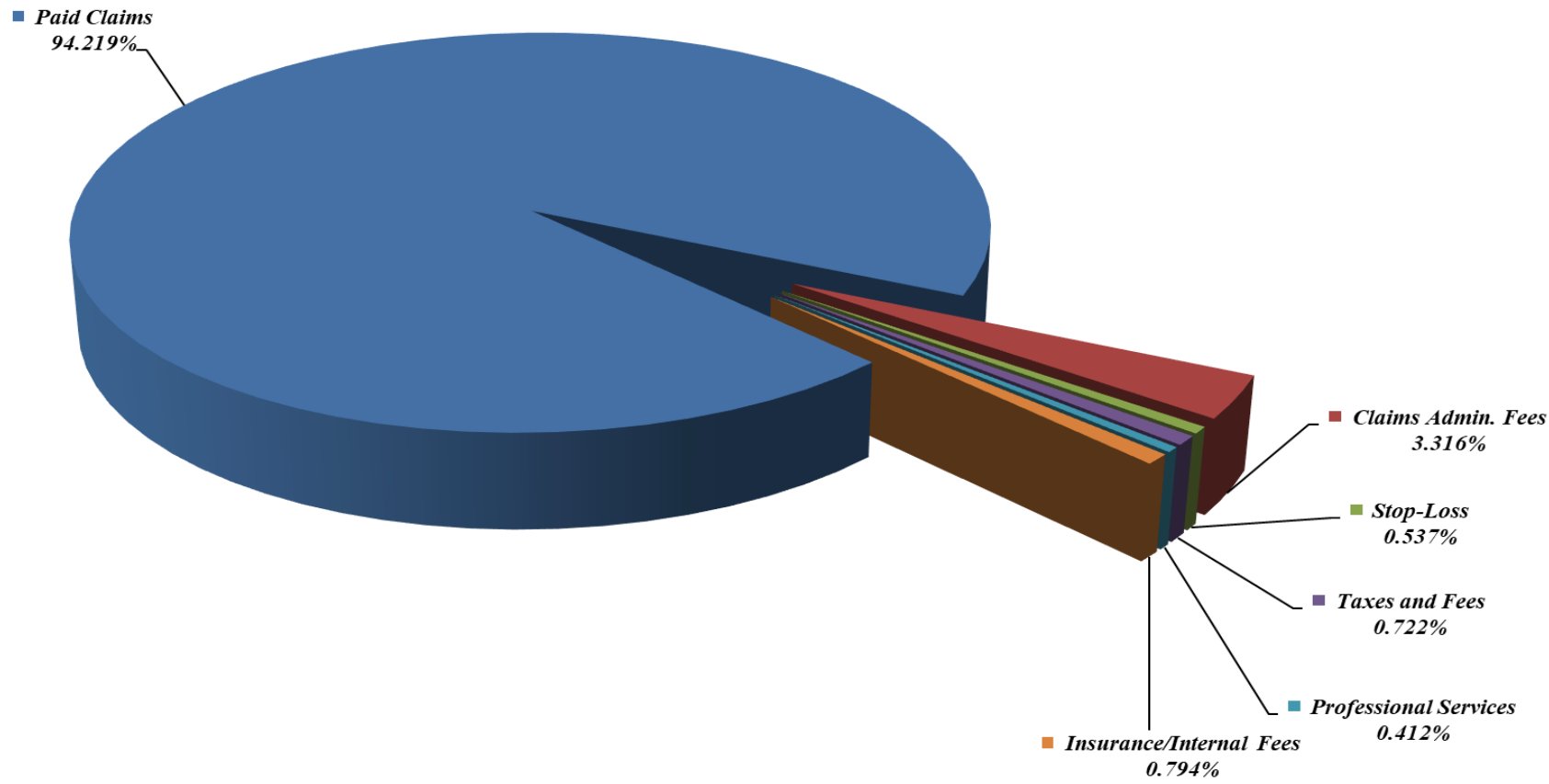
January 1, 2023 to February 28, 2023



Greater Tompkins County Municipal Health Ins. Consortium

2023 Expense Distribution

January 1, 2023 to February 28, 2023



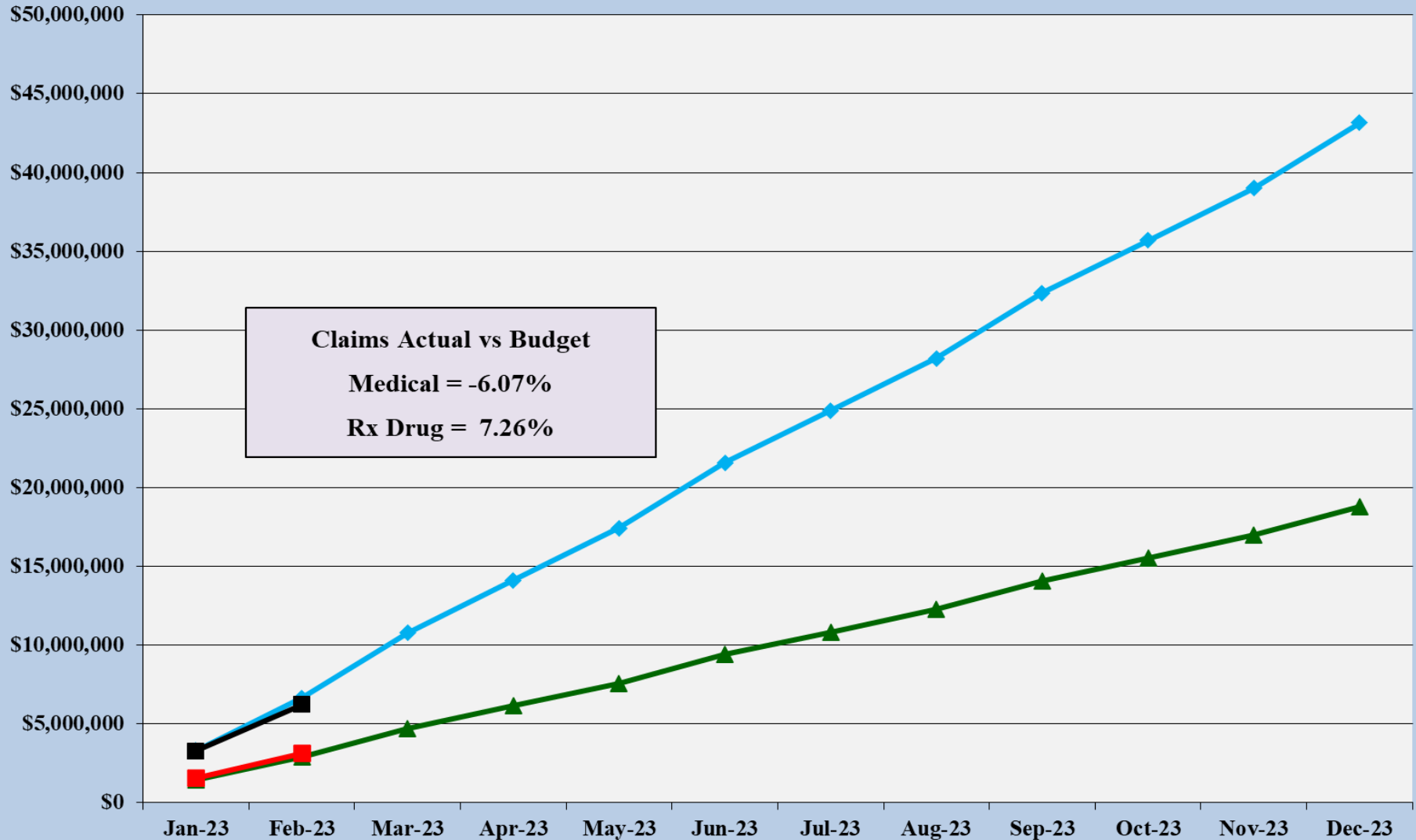


Section 3

2023 Fiscal Year-to-Date Paid Claims Budget vs Actual Results

Greater Tompkins County Municipal Health Insurance Consortium

2023 Cumulative Paid Claims and Budgeted Claims by Month

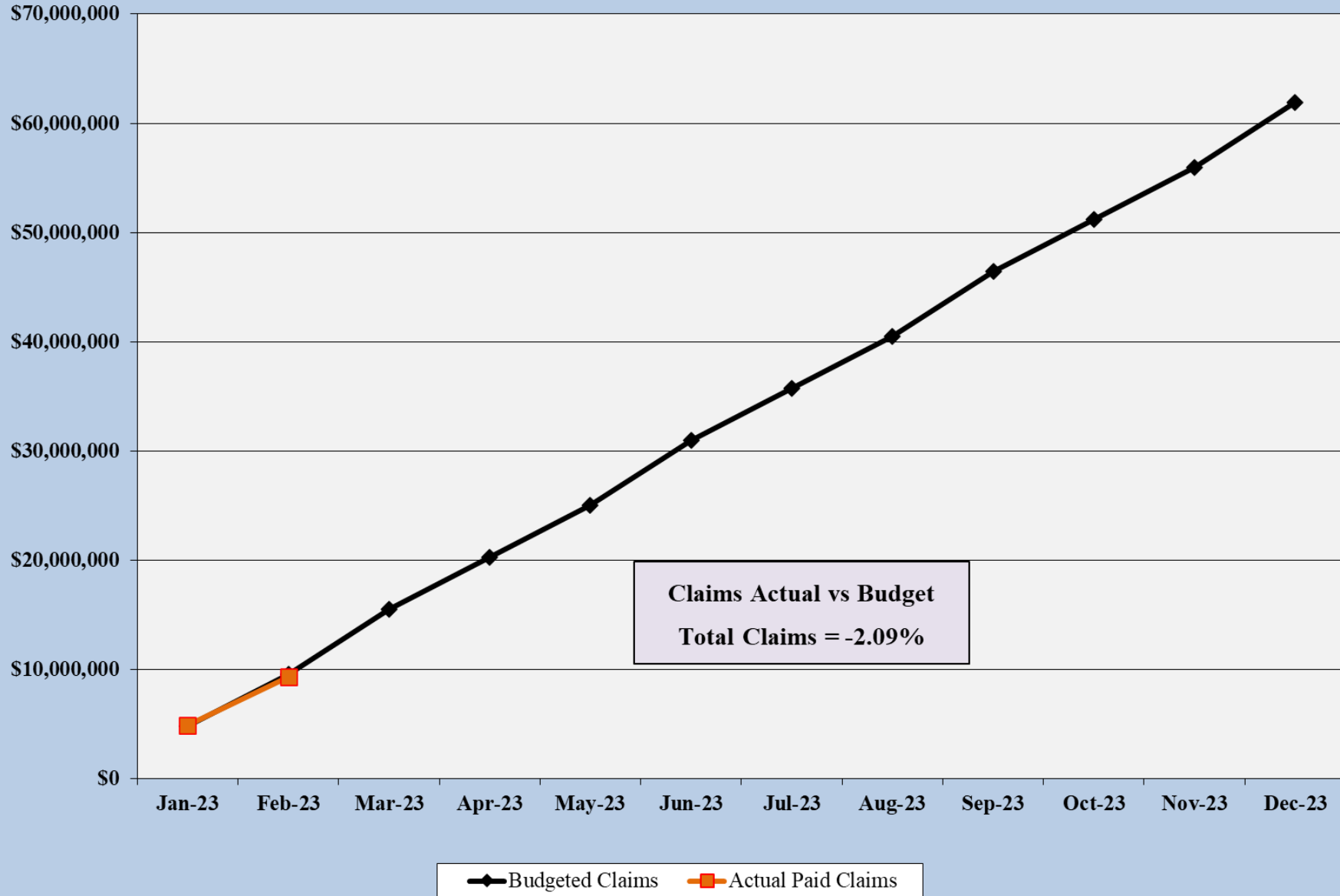


Claims Actual vs Budget
 Medical = -6.07%
 Rx Drug = 7.26%

◆ Medical Plan Budgeted Claims
 ■ Medical Plan Actual Paid Claims
 ▲ Rx Plan Budgeted Claims
 ■ Rx Paid Claims

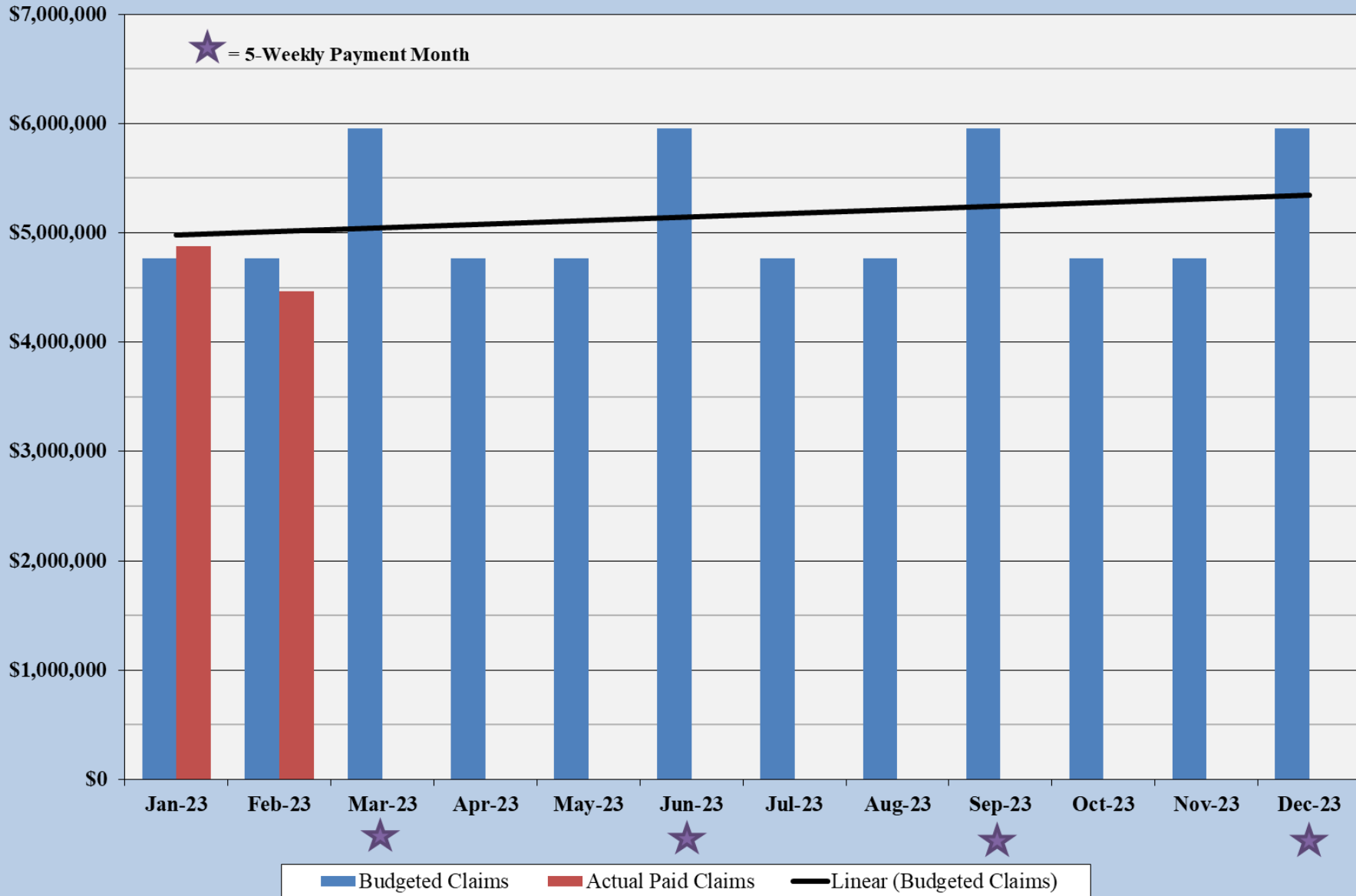
Greater Tompkins County Municipal Health Insurance Consortium

2023 Cumulative Paid Claims and Budgeted Claims by Month



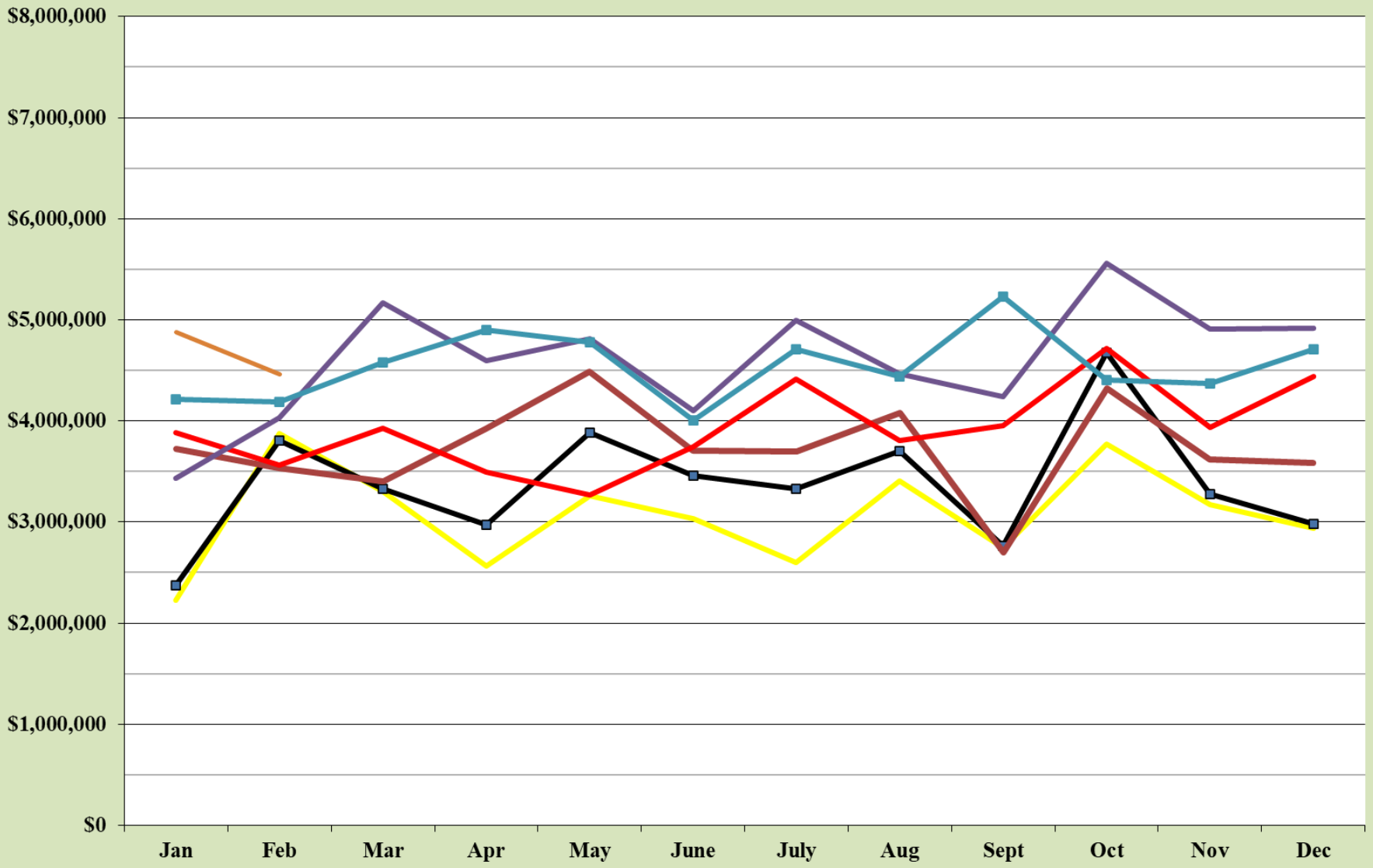
Greater Tompkins County Municipal Health Insurance Consortium

2023 Budgeted vs Actual Paid Claims by Month



Greater Tompkins County Municipal Health Ins Consortium

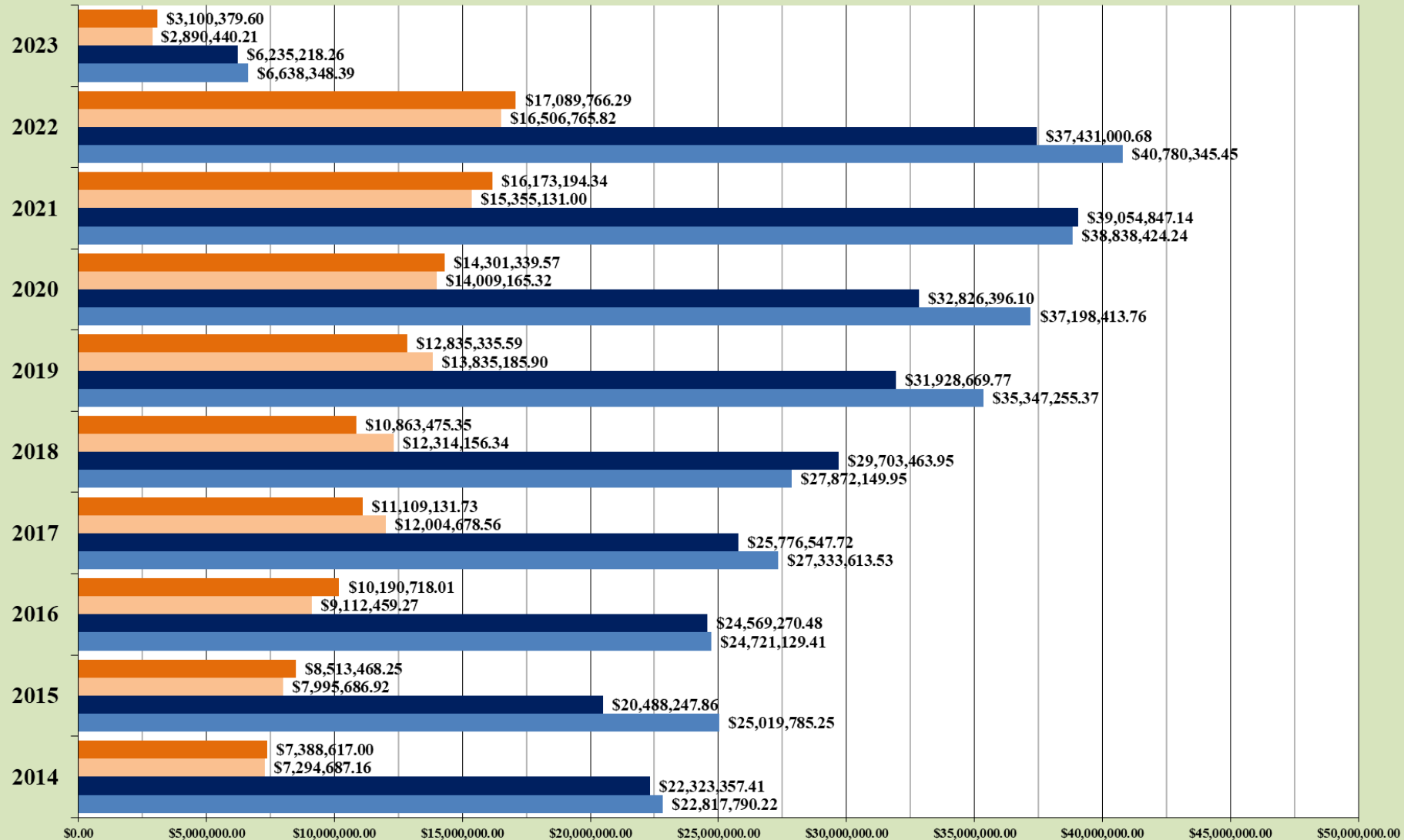
2017-2023 Monthly Paid Claims by Fiscal Year



—■ 2017
 —■ 2018
 —■ 2019
 —■ 2020
 —■ 2021
 —■ 2022
 —■ 2023

Greater Tompkins County Municipal Health Ins Consortium

2014-2023 (as of 2/28/2023) Annual Paid Claims v Budgeted Claims

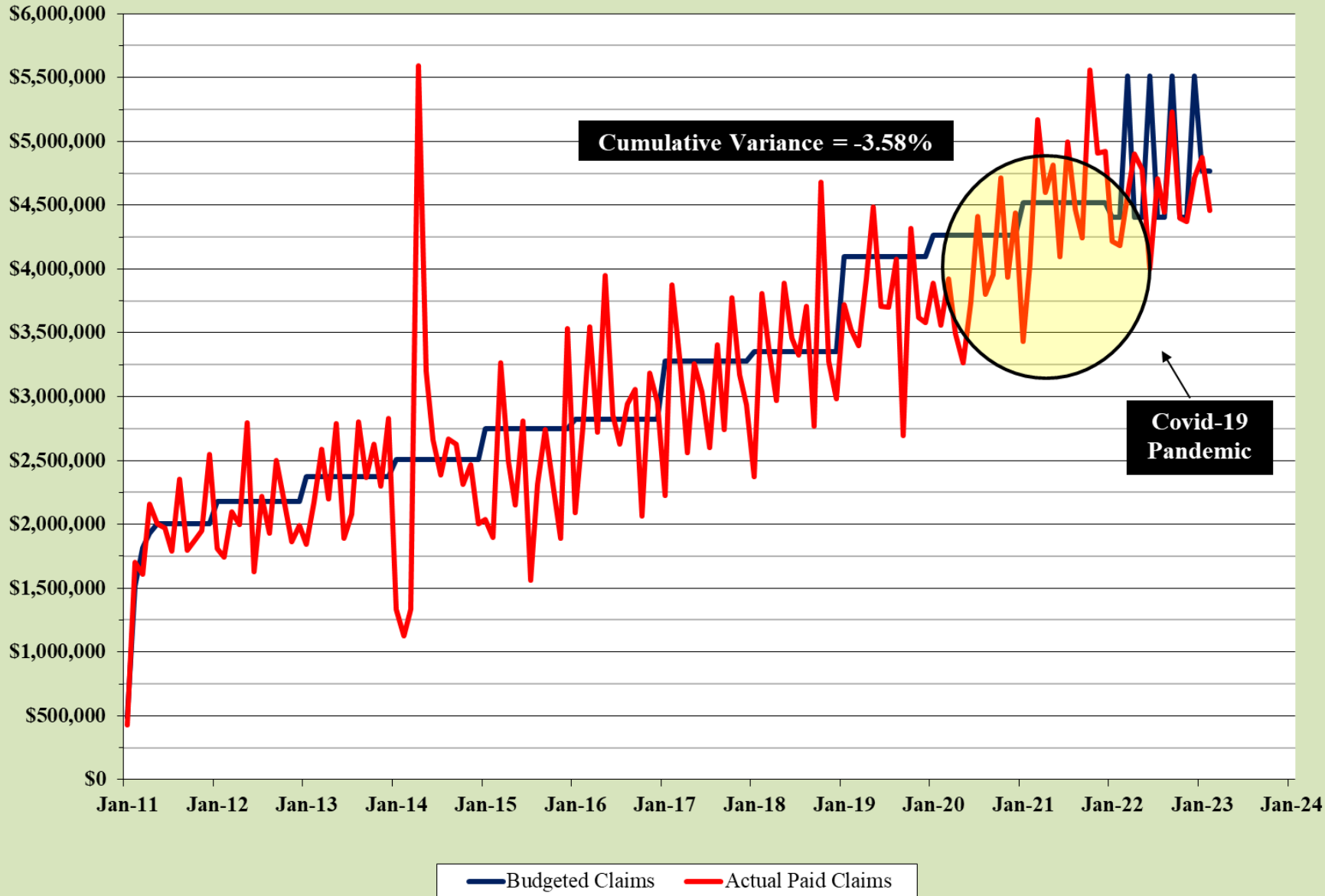


■ Actual Rx Claims
 ■ Budgeted Rx Claims
 ■ Actual Medical Claims
 ■ Budgeted Medical Claims

Greater Tompkins County Municipal Health Ins Consortium

2011-2023 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to February 28, 2023



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

Large Loss and Catastrophic Claims History (as of February 28, 2023)

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
2011	\$250,000.00	4,400	13	3	1	0	0	\$2,357,898.22	\$146,063.45	\$384,392.52
2012	\$275,000.00	4,448	16	6	3	2	1	\$3,904,221.28	\$1,136,196.38	\$361,366.41
2013	\$300,000.00	5,077	22	7	4	1	0	\$4,079,308.91	\$292,967.64	\$592,381.65
2014	\$300,000.00	5,012	18	6	1	1	0	\$3,494,872.81	\$184,734.14	\$720,784.39
2015	\$400,000.00	5,021	23	2	1	1	1	\$3,722,006.77	\$125,880.36	\$642,080.30
2016	\$400,000.00	5,063	39	4	1	1	1	\$6,070,055.86	\$242,433.49	\$766,281.18
2017	\$450,000.00	5,172	24	12	1	1	0	\$3,057,208.40	\$8,294.21	\$738,819.42
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
2020	\$1,000,000.00	6,277	60	18	5	3	1	\$11,290,214.72	\$0.00	\$264,390.72
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	73	20	8	3	3	\$14,164,145.90	\$0.00	\$295,916.60
2023	\$1,000,000.00	6,994	1	0	0	0	0	\$115,019.29	\$0.00	\$53,367.53
Totals		71,525	446	125	40	24	16	\$84,139,030.37	\$2,619,537.80	\$6,225,627.76
Averages		5,502	34.308	9.615	3.077	1.846	1.231	\$6,472,233.11	\$201,502.91	\$478,894.44

Overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 42.08%

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	73	1.14%	\$295,916.60	\$3.86	\$14,164,145.90	\$54,694,907.67	25.90%	\$4,642,294.20	\$236,359.85
2023	\$1,000,000.00	6,994	1	0.01%	\$53,367.53	\$3.82	\$115,019.29	\$9,358,500.36	1.23%	\$4,808,739.38	
Totals		71,525	446	0.62%	\$6,225,627.76	\$7.25	\$84,139,030.37	\$457,464,736.64	18.39%		\$1,042,187.82
Averages (2011-2023)		5,502	34	0.62%	\$478,894.44	\$7.86	\$6,472,233.11	\$35,189,595.13	18.39%		

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 0.62% of the Covered Lives Account for 18.39% of Paid Claims

Catastrophic Claims Self-Insurance Pool Activity

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

		Actual	Actual	12/31/2022
		2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Budgeted Premium	\$600,000 Deductible	\$762,506.00	\$706,791.00	\$723,382.00
Actual Premium Paid	\$1,000,000 Deductible	\$264,391.00	\$272,341.00	\$295,916.60
Premium Savings		\$498,115.00	\$434,450.00	\$427,465.40
Member # 000001179452	Deductible (Laser Applied)	\$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	\$0.00	\$0.00	\$2,073.85
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	\$186,798.19	\$419.30
Member # 000014235037	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$633,727.34	\$629,589.83
	Prior Year Lag Claims	\$0.00	\$0.00	\$42.02
	Catastrophic Claims Pool	\$0.00	\$133,727.34	\$129,631.85
Member # 000012168307	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$836,622.21	\$0.00
	Catastrophic Claims Pool	\$0.00	\$336,622.21	\$0.00
Member # 000001551134	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$648,218.91	\$0.00
	Catastrophic Claims Pool	\$0.00	\$148,218.91	\$0.00
Member # 00000346623	Deductible	\$500,000.00	\$500,000.00	\$500,000.00
	Actual Claims Paid		\$387,223.45	\$604,696.17
	Catastrophic Claims Pool	\$0.00	\$0.00	\$104,696.17
Catastrophic Claims Self-Insurance Pool Claims		\$0.00	\$805,366.65	\$236,821.17
Net Impact on Fund Balance		\$498,115.00	-\$370,916.65	\$190,644.23

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”.

Catastrophic Claims Self-Insurance Pool Activity

Catastrophic Claims Self-Insurance Pool	2020 Fiscal Year	2021 Fiscal Year	2022 Fiscal Year
Beginning Balance	\$ 4,500,000.00	\$ 5,032,220.00	\$ 4,641,832.88
Add: Premium Savings	\$ 498,115.00	\$ 434,450.00	\$ 427,465.40
Add: Interest Income	\$ 34,105.00	\$ -	\$ 27,149.63
Gain / (Loss) on Investments	\$ -	\$ (19,009.15)	\$ (51,348.68)
Less: (Catastrophic Claims)	\$ -	\$ (805,827.97)	\$ (236,359.85)
Ending Balance	\$ 5,032,220.00	\$ 4,641,832.88	\$ 4,808,739.38

2021 Fiscal Year - Interest Earnings and Losses on Investments are Blended Together

As of February 28, 2023, the Consortium has lowered its specific stop-loss insurance premium by approximately \$1,360,030.40 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,042,187.82. This is a net gain for the Consortium of \$317,842.58. This figure does not take into consideration that the pool is also picking up an extra \$100,000 in risk per member annually.



Section 5

2023 Fiscal Year
Net Income, Liabilities, and Reserves

2023 Net Income, Liabilities & Reserves

	2023 Adopted Budget	2023 Amended Budget	2023 Year-to-Date Budget	2023 Actual Results	Variance	% Difference
Total Income	\$61,759,919.48	\$65,459,184.32	\$11,151,530.72	\$11,112,937.65	-\$38,593.07	-0.35%
Total Expenses	\$62,771,172.60	\$66,854,484.02	\$10,343,195.19	\$9,932,713.63	-\$410,481.56	-3.97%
Net Income	-\$1,011,253.12	-\$1,395,299.70	\$808,335.53	\$1,180,224.02	\$371,888.49	

9005	Gain on Investments	\$0.00	\$0.00	\$0.00	\$81,079.19	\$81,079.19	
9005	Loss on Investments	\$0.00	\$0.00	\$0.00	\$8,396.68	\$8,396.68	

Adjusted Net Income	-\$1,011,253.12	\$178,747.40	\$29,791.23	\$1,252,906.53	\$1,223,115.30	
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Ending Balance	\$27,604,250.55	\$29,801,556.03	\$28,724,599.86	\$30,875,715.16	\$2,151,115.30	7.49%
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Liabilities and Reserves						
4010	IBNR Claims Liability Per §4706(a)(1)	\$7,038,728.60	\$7,038,728.60	\$6,672,663.00	\$6,672,663.00	12.0% of Incurred Claims
5010	Surplus Account Per §4706(a)(5)	\$2,920,495.97	\$2,920,495.97	\$2,729,554.76	\$2,729,554.76	5.0% of Premium Income
5014	Rate Stabilization Reserve	\$4,399,205.37	\$4,399,205.37	\$3,892,443.28	\$3,892,443.28	7.5% of Paid Claims
5012	Catastrophic Claims Reserve	\$4,598,144.86	\$4,598,144.86	\$4,808,739.38	\$4,808,739.38	Calculation Per Resolution
3500	Excellus BCBS Advance Deposit	\$788,300.00	\$788,300.00	\$928,000.00	\$928,000.00	Increased by \$139,700 2/2023
Total Liabilities and Reserves		\$19,744,874.80	\$19,744,874.80	\$19,031,400.42	\$19,031,400.42	

Unencumbered Fund Balance	\$7,859,375.75	\$10,056,681.23	\$9,693,199.44	\$11,844,314.74
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The net cash assets (unencumbered fund balance) finished the year at 19.07% of 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 \$4.81 million.

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 31st there are going to be covered medical services received by covered members on or before December 31st which will not be paid until sometime after December 31st. 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 2023 Fiscal Year budget forecasted this reserve to equal \$7,038,728.60 (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 2023 Fiscal Year, Excellus' estimate of this liability was \$5,138,400 which is approximately 8.7% 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 2023 Fiscal Year budget forecasted this reserve to equal \$2,920,495.97 (5.0% of projected premium income of \$58,409,919.48). 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 policy 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 approved a resolution to document the funding method of this reserve fund. Based on that resolution, the Catastrophic Claims Reserve Fund was at \$4,808,739.38 as of December 31, 2022.

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 6

2023 Fiscal Year-to-Date Summary & Observations



2023 Fiscal Year-to-Date Summary & Observations

1. The overall revenue of the Consortium is a slightly below budget as of February 28, 2023. We believe that as the enhanced pharmaceutical manufacturer rebates and interest earnings, especially when longer term investments mature, will help the Consortium to stay close to its targeted budget number.
2. The combined **Medical and Rx Paid Claims were 2.09% below budget** through the first 2-months of the 2023 Fiscal Year. We are keeping a close eye on the paid claims and how they evolve during the “new normal” post COVID-19 pandemic. 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.

2023 Fiscal Year-to-Date Summary & Observations

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing better than projected through the first 2-months of the 2023 Fiscal Year. With only two months “in the books”, the financial indicators are pointing toward a positive fiscal year. 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 February 28, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, which may allow for some premium relief to assist the Participating Municipalities during potential difficult financial times as COVID-19 relief monies dry up.