

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

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

* - attended remotely due to extraordinary circumstances

Call to Order

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

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of October 5, 2022

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

Chair's Report Long-Term Planning Discussion

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

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

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

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

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

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

Executive Director's Report

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

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

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

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

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

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

Action Items:

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

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

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

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

1. Indemnity Plan MM3

Plan Description:

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

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

Plan Descriptions:

MS1 - Medicare Supplement Plans with No Prescription Drug Coverage

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

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

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

, and

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

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

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

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

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

End Date: December 31, 2022

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

End Date: December 31, 2022

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

End Date: December 31, 2023

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

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

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

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

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

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

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

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

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

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

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

* * * * *

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

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

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

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

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

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

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

* * * * *

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

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

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

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

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

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

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

(Ed Fairbrother excused 3:56pm)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Committee Reports

a) Nominations and Engagement:

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

b) Claims and Appeals:

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

c) Audit and Finance:

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

d) Operations:

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

e) Joint Committee:

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

Financial Update

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

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

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

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

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

Report on Large Loss Claim Activity

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

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

Next Agenda Topics

Remote attendance
November & December financials

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

Executive Committee
December 6, 2022

Adjournment

The meeting adjourned at 4:34 p.m.

Next Meeting: February 1, 2023

Respectfully submitted by Lynne Sheldon, Clerk of the Board