

Executive Committee Minutes
APPROVED
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.

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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.

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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)

Respectfully submitted by Lynne Sheldon, Clerk of the Board