

**Executive Committee
Minutes – DRAFT
June 21, 2023 – 3:30 p.m.
Town of Ithaca – Aurora Room**

Present: Rordan Hart (Chair); Lisa Holmes; Judy Drake; Kate DeVoe; Steve Thayer; Ed Fairbrother; Bud Shattuck; Scott Steve (arrived 3:40p)
Peter Salton (arrived 3:53p)

Present via remote* Eric Snow; Laura Granger

Excused: Ray Bunce

Absent: Gary Mutchler

Guests: Steve Locey, Rob Spenard*, Locey & Cahill;

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

There were no changes to the agenda.

Approval of Minutes of April 19, 2023

It was MOVED by Ms. Granger seconded by Mr. Snow, and unanimously adopted by voice vote by members present and via remotely, to approve the minutes of April 19, 2023, as submitted. MINUTES APPROVED.

Chair's Report

Mr. Hart reported that the Consortium continues to move forward with construction on the new office space in Cayuga Heights. The Consortium is hopeful that the move to the new location will be in September or October.

Executive Director's Report

Ms. Dowd referenced her Executive Director written report for June 2023. She reported that on behalf of the the Nominations & Engagement Committee the Clerk tis sending out a questionnaire to board members asking confirmation of directors and alternates, best meeting times for the August and September meetings, and if members would be interested in serving on one or more Consortium committees. Once the questionnaire results are in, a Nominations and Engagement committee meeting will be set up to discuss the slate of 2024 members.

DFS Audit Update

Ms. Dowd said that a recommendation has come from the Department of Financial Services (DFS) requesting that the Consortium separate the Audit committee from the Finance Committee. She said that the Consortium's attorney has looked at this recommendation and suggested that members of the audit committee may also serve on the finance committee, however, only non-officers will be seated on the Audit Committee. It was determined both committees would meet at the same time when appropriate.

**RESOLUTION 012-2023- DISSOLUTION OF THE AUDIT & FINANCE COMMITTEE
AND FORMATION OF AN "AUDIT COMMITTEE" and a "FINANCE COMMITTEE"
FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE
CONSORTIUM**

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

WHEREAS, The Board of Directors, by Resolution Nos. 7 and 15 of 2012, created the Audit Committee and Finance Committee and charged each committee with a list of tasks to respond to recommendations made by the New York State Department of Financial Services previous audit, and

WHEREAS, By Resolution No. 12 of 2014 the Board of Directors established merging of the Audit and Finance Committee, and

WHEREAS, Per the current audit conducted by the New York State Department of Financial Services, they have recommended a dissolution of the Audit and Finance Committee, and the formation of an "Audit Committee" and a "Finance Committee" and an adoption of an Audit Committee Charter (Charter attached), and

WHEREAS, The New York State Department of Financial Services recommends that the Audit Committee meet to review with the independent auditors the financial statements, the financial reporting process, the system of internal controls, the audit process, and the Consortium's monitoring of compliance with laws and regulations. The Audit Committee shall report this information to the Executive Committee and Board of Directors.

WHEREAS, The Audit Committee shall provide its recommendations for action to be taken by the Board of Directors and management in order to strengthen the Consortium's controls, compliance procedures and financial reporting process. The

Audit Committee shall monitor management's progress in responding to the independent auditor's finding, and

WHEREAS, No member of the Audit Committee shall be an officer or employee of, nor receive any compensation from, the Consortium Board of Directors, and ideally, members of the Audit Committee shall professionally be knowledgeable in business management and financial reporting, now therefore be it,

RESOLVED, The Executive Committee on behalf of the Board of Directors hereby establishes an "Audit Committee" to review audit filings, audit policies and procedures to be sure they are in compliance with Article 47 and the Certificate of Authority, and establish a list of all reports due to the Board and regulators and the process and timeline to insure accurate and timely reporting, and

RESOLVED, further, The Executive Committee on behalf of the Board of Directors hereby establishes a "Finance Committee" to recommend a budget, recommend premium rates, review Jurat reports, recommend reinsurance and retention policies, and appropriate reserve levels in compliance with a municipal health care organization and any necessary policy and procedures relative to being fiscally prudent stewards of the organizations funds and assets; and

RESOLVED, further, That the Executive Committee on behalf of the Board of Directors seeks to appoint no fewer than three and no more than five Board of Directors/Alternate Directors for the "Audit Committee".

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Dependent Audit

Ms. Dowd spoke of the Consortium conducting audits of each municipality to certify that dependents are still dependent on their plans and avoid any unnecessary risk for the Consortium. There is one group that has not completed the audit, and the Consortium spoke with that group's director for solutions to complete the audit. As a result, the Consortium obtained a quote to complete the audit. which was approximately \$7,500 to \$10,000. It is now proposed that the Consortium staff conduct the audit and bill the municipality for staffing hours and any supplies, postage costs.

RESOLUTION NO. 013 – 2023 - DIRECTING EXECUTIVE DIRECTOR AND STAFF TO COMPLETE THE CITY OF ITHACA’S DEPENDENT CERTIFICATION AUDIT

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

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, changes occur in employees lives with marriage, divorce, childbirth, adoptions that may not become known to the health insurance provider, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium has a responsibility to all employees and employers to ensure that the Plan covers only eligible spouses, domestic partners, and/or dependents, and

WHEREAS, the latest deadline, of Resolution No. 001-2015, the Dependent Certification Audit, was set to be completed by May 16, 2022 by all municipal members, and

WHEREAS, the City of Ithaca has approximately 196 family contracts with unconfirmed dependents and has been given multiple extensions to complete the Dependent Certification Audit, now therefore be it

RESOLVED, on the recommendation of the Executive Committee that Executive Director notify the City of Ithaca, that the Greater Tompkins County Municipal Health Insurance Consortium will be conducting the dependent audit directly with those subscribers of the unaudited family contracts, and

RESOLVED, further, that the Greater Tompkins County Municipal Health Insurance Consortium will bill the City of Ithaca for any and all expenses incurred while performing the Dependent Certification Audit. These costs will include but are not limited to, postage, dedicated staff time, and office supplies, and

RESOLVED, further, any subscribers failing to comply with the audit will have their dependent’s coverage suspended until verification is received and the City of Ithaca’s Dependent Certification Audit will be completed by September 1, 2023.

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September BOD Meeting

(Mr. Steve arrived 3:40 pm)

Ms. Dowd said that in preparation for September's Board meeting, the Consortium will be making some administrative changes and omitting two municipalities on the 2024 Municipal Cooperative Agreement (MCA). The Town of Niles currently doesn't have any individuals insured and does not foresee any additional members in the future. The Consortium will also be removing the Town of Onondaga, who was accepted last year, but due to other circumstances did not join the Consortium in 2023.

Ms. Dowd also discussed the Medicare Advantage Plan. Late last year, the Consortium proposed a Medicare Advantage Program with Aetna. At that time, most municipalities had already made decisions as to how they were going to cover the retirees. She said that the Consortium has many prospective new members coming on board that already have Medicare Advantage Plans. One of the potential members' plans is no longer available to them, and it would be prudent for the Consortium to be able to offer a replacement plan for their retirees. Offering a Medicare Advantage Plan does not preclude us from continuing offering a Medicare Supplement Plan.

(Mr. Salton arrived 3:53 pm)

Ms. Dowd also said that municipalities would have to pick one or the other. The Medicare Advantage plan would be with an outside fully insured provider, because the Consortium cannot do Medicare Advantage. The subsidies that come from the Government will not come to an Article 47. She did say that this option does have some disadvantages because the Consortium is not able to commit the entire Consortium to a Medicare Advantage Plan, the municipalities would be committing one at a time, so the rates wouldn't be as competitive as some other groups. *(The agenda packet sent to the Executive Committee included other group rates so Committee members could review price comparisons)*. The Consortium presented a resolution listing the tentative options of considering Aetna vs. Excellus and based on if a decision was made, the resolution would reflect the provider that the Committee agreed upon.

Mr. Shattuck asked the number of group quotes received when the Consortium put out a Request for Quote (RFQ). Ms. Dowd confirmed that United Healthcare declined to quote unless the Consortium could commit the entire group. There were a few others who also didn't respond to the request like Humana.

Mr. Shattuck also asked about Excellus rates. Ms. Dowd said that Excellus felt that their pricing is the actual cost for Medicare advantage plans with all the subsidies, and that some of these other programs that are bigger than they are, that they won't be able to continue at the lower rates that underwriting wouldn't support.

Mr. Locey added that many plan carriers in the market commonly will quote a low amount to gain business. Mr. Locey also said that have seen where other entities had the same company for two years, and then in the third year they've received a 50% rate increase.

Mr. Salton asked about the Excellus plan quoted for the Consortium. Ms. Rodrigues said they quoted for large group plans. varying in drug coverage. She said when dealing with a large group employer plans, the employer can work out the benefits to the advantage of the employee, whereas an individual market such as the Excellus Medicare Blue Classic is pre-determined benefits that Excellus created for the individual open market to have open enrollment during Medicare's open enrollment (October 15-December 7th of each year).

Mr. Steve asked if Aetna is still requesting "all in", meaning the whole municipality must enroll 100 percent. Ms. Dowd said the Consortium will confirm this information, but believes Aetna had an enrollment requirement of 50%. *(Post meeting follow up, Aetna requires minimum that all members of a certain labor group must enroll, since they are aware union negotiations take time and may not all align in the same year for renewal or allow for changes to be made all at once.)* Therefore, not all retirees must enroll, but at least all a certain labor group must enroll at one time.

Mr. Hart noted the pass-through resolution not indicating that new members coming in the Consortium as to who may be reimbursing retirees for carrying their Medicare advantage on their own or have an outside Medicare advantage supplier that they're content with. He questions if the Consortium is still required to grant them a waiver for that per the MCA. Currently, the MCA has not removed that option per Resolution No. 013-2022: Clarification Regarding Participant Medicare-Aged Retirees in Relation to Municipal Cooperative Agreement (MCA) Requirement, the term date for this allowance is 12/31/2024 and will be reviewed in future Executive Committee Meetings.

RESOLUTION NO. 014- 2023 – AUTHORIZING MEDICARE ADVANTAGE PASS-THROUGH BENEFITS- AETNA

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

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, the Consortium believes that offering a Medicare Supplement Plan is an excellent option for Medicare eligible retirees; however, due to federal subsidies currently available to fully-insured plans the Consortium's Medicare Supplement Plan is unable to compete with the lower costs of some Medicare Advantage Plans, and

WHEREAS, although the Consortium cannot set up a Medicare Advantage program within the fund, the Consortium can provide a convenient, pass-through option as is done with other ancillary benefits offered through the Consortium, and

WHEREAS, the Executive Committee, has determined that it is in the Consortium's best interest to develop a relationship with Aetna to offer two Medicare Advantage Plan options to be solely administered by Aetna for medical and prescription claims.

WHEREAS, Aetna has agreed to give consideration in future years for Premium Rates to vary based on growth in enrollment numbers, now therefore be it

RESOLVED, That the Executive Committee, on behalf of the Board of Directors hereby approves the 2023 Medicare Advantage plans, Aetna Medicare S02 ESA PPO Plan and the Aetna Medicare C04 ESA PPO Plan; Medicare Advantage pass-through option, for inclusion in the Greater Tompkins County Municipal Health Insurance Consortium's available benefit plan menu to be effective January 1, 2024.

RESOLVED, that any Consortium municipal member who offers the Consortium Medicare Advantage Plan option is obligated to pay a minimum of 50% cost share of the premium rate of the Medicare Advantage plan.

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Premium Equivalent Rate Audit Update

Ms. Dowd reported that the audit is still in the works and the analysis for tiers. Additional information will be provided at the next Executive Session, as there are currently no updates.

EAP Update

Ms. Dowd stated that the Joint Committee requested that the Consortium pursue getting quotes for Employee Assistance Programs (EAP), which would be like the other ancillary benefits the Consortium provides. This program quotes will be presented to members at the upcoming August Joint Committee meeting.

New Member Update

Ms. Dowd reported that the Consortium currently has one application, Town of Brutus, which will go to Audit and Finance for review. There are a few other potential applicants. Ms. Dowd is also getting questions from potential new members on a decision for offering more than just the single and family tiers.

Committee Reports/Resolutions

Nominations and Engagement

Mr. Fairbrother indicated that he did not have any items to report regarding the Nominations and Engagement Committee at this time. Ms. Dowd stated that the questionnaire to be sent to the Board of Directors, and their alternates regarding potential committee interests would be sent out this or next week.

Claims and Appeals

Mr. Shattuck indicated that he did not have any items to report regarding the Claims and Appeals Committee at this time.

Audit and Finance

Ms. Drake reported that many current items have been or will be discussed during this meeting. She also reported that the committee recently dedicated a resolution of appreciation for Steve Thayer, the Consortium's long-time Chief Financial Officer, who will be retiring in the very near future.

Operations

Ms. Granger stated that the Consortium is bringing forth the resolution for the authorization to execute an agreement with Excellus Blue Cross Blue Shield as the pharmacy benefits manager (PBM) for the Consortium.

Executive Session

It was MOVED by Ms. Holmes, seconded by Mr. Salton and unanimously adopted by voice vote by members present and via remote, to enter executive session at 4:29 p.m. to discuss matters relating to the possible formation of contracts with third parties. The meeting returned to open session at 4:46 p.m.

RESOLUTION NO. XXX-2023: AUTHORIZATION TO EXECUTE AN AGREEMENT WITH EXCELLUS BCBS AS THE 2024 PHARMACY BENEFITS MANAGER FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

MOVED by Mr. Steve, seconded by Ms. Drake. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution and present to the GTCMHIC Board of Directors for approval.

WHEREAS, Excellus BCBS provided and presented Greater Tompkins County Municipal Health Insurance Consortium’s Operations Committee pertinent pharmacy benefit information which was received and analyzed by the Operations Committee, and

WHEREAS, Operations Committee moved Motion No. 001-2023 to advance the pharmacy benefits proposal from Excellus BCBS to the Audit and Finance Committee for recommendation and approval, and

WHEREAS, the Audit and Finance Committee has gone through the proposal and analysis of the new program and has recommended that the Consortium enter into an agreement with Excellus BCBS as Pharmacy Benefits Manager, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, that the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium hereby authorizes the Chair of the Consortium to execute a contract with Excellus BCBS as the 2024 Pharmacy Benefits Manager of the Greater Tompkins County Municipal Health Insurance Consortium effective January 1, 2024 through December 31, 2024 with the option to renew for two successive years.

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Joint Committee on Plan Structure and Design

Ms.DeVoe reported that the last Joint Committee meeting consisted of presentations from Excellus and ProAct’s utilization reviews. She also reported that she

is working on recruiting more individuals to become involved and/or increase meeting attendance.

Financial Update

Mr. Locey presented and referred to the Budget Performance Report as of May 31, 2023 to include the following key facts:

1. The overall revenue of the Consortium is slightly below budget as of May 31, 2023. Locey & Cahill 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 4.61% over budget, largely impacted by the Rx Paid Claims, through the first 5-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.
3. Overall, the is performing slightly below the projected budget through the first 5-months of the 2023 Fiscal Year. With only five months “in the books”, we will need to monitor the uptick in claims closely, especially as we begin the 2024 budget development cycle. In the end, we are hopeful that long term financial planning 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. Locey & Cahill pointed out that the fiscal results experienced by the Consortium as of May 31, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. Based on the early claim activity, this appears to be a prudent decision. 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.

Mr. Spenard reported on large loss claim activity through April 2023 as they have not received May information as of yet. He said the Consortium has 13 members with claims just below two million dollars. The Consortium continues to see an increase in the

number of claimants above \$100,000. He said the Consortium has grown in terms of covered lives, taking on more individuals, which means taking on more risk and more claims.

Mr. Spenard said in terms of pending claims for the Consortium, one member has two claims pending: One for \$235,000 and the second pending for \$226,000. He said Locey & Cahill is continuing to monitor those claims.

Mr. Locey also said that the overall Stop-Loss Insurance Loss Ratio (Paid Claims ÷ Premium) = 41.71%. (Target is 70%) He added it was a positive move to use some of the fund balance as an active reserve as there has been about a million dollars savings to the Consortium and lowered the Consortium's stop-loss premium.

Future Agenda Topics

2024 Budget
Reserves (potential changes to percentage rates)
Update of Rate Study-Tiers

Adjournment

The meeting adjourned at 5:06 p.m.

Next Meeting: August 16, 2023

Respectfully submitted by Lynne Sheldon, Clerk of the Board