

**Executive Committee
Minutes – DRAFT
August 16, 2023 – 3:30 p.m.
Town of Ithaca – Aurora Room**

Present: Lisa Holmes; Judy Drake; Kate DeVoe; Bud Shattuck; Steve Thayer
(arrived 3:45p)
Peter Salton

Present via remote* Rordan Hart (Chair); Eric Snow; Gary Mutchler; Scott Steve (arrived
3:37p)

Excused: Laura Granger; Ray Bunce; Ed Fairbrother

Absent: Kate DeVoe

Guests: Steve Locey, Rob Spenard, Locey & Cahill*; Kelli Lasher, Brandon
Holt, Mark Muthumbi, BCBS*

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 3:35 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of June 21, 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 June 23, 2023, as submitted. MINUTES APPROVED.

Chair's Report

Mr. Hart said he did not have any comments or reports for the month of August.

Excellus BCBS Claims Trending Presentation

Ms. Dowd explained that the Audit and Finance Committee requested a meeting of clarification of claims trending and what Excellus is planning for as far as increases to claims costs. Ms. Dowd introduced Mark Muthumbi, Central New York Regional Presidents of Excellus BCBS. She said that the Consortium has been working closely with Mr. Muthumbi regarding the Pharmacy Benefit Management (PBM) proposals that will be presented to the Board of Directors in September.

Mr. Muthumbi thanked the members for allowing BCBS to service the Consortium. He reported trends and what will be planned for 2024 and the open enrollment season.

In terms of affecting trends, deductibles, and copay leveraging, he explained the following items that are investigated include:

- Contracts with facilities and providers, and unit costs negotiated with those entities.
- Utilization, where they look at the number of services that are provided. The level of intensity and severity of services that are provided year over year. He said they are seeing an increase in knee and hip surgeries.
- Changes in covered populations, such as the Consortium and its growth along with the selection between multiple plans, such as high deductible plans, how individuals choose between plans, and what's allowed within your consortium.
- New technologies on the hospital side, new technologies on the Rx side. He said newer therapies that are out there are things like gene therapy drugs that are really targeted to change upon genetic make-up and like biosimilars. Those affect trends, deductible, and copay leveraging.

Mr. Muthumbi included looking back at the first quarter of 2023 and looking at 2024, trends are going up between a point to about a point and a half, but overall, still below 10%. He said what is driving that is significant cost pressures coming out of the pandemic from facilities and physicians when it comes to negotiations. He said that there are also staffing issues or changes pertaining to facilities in all markets.

Mr. Muthumbi also added that Excellus BCBS filed with Department of Financial Services (DFS) for a 12.6% increase for small groups or employers that have less than a hundred full time equivalent employees. He said Excellus BCBS is still waiting for New York State approval on those rates. He said groups of over 100 employees that are not self-funded are seeing a 15% increase.

Mr. Muthumbi said, in terms of rate mitigation, prescriptions are a huge component in the overall cost of care. He said formulary rebates that Excellus BCBS passes on to groups and having medical and prescription benefits together can be used to offset premiums, especially for self-funded accounts. He said from a corporate aspect, Excellus looks at what can be done at home versus the hospital, or what services can be performed at different settings other than a hospital that may be cost effective, but do not diminish the quality of care. He said BCBS is also trying to negotiate longer term contracts as well.

Mr. Muthumbi also added that Locey & Cahill should have the digital utilization information if individuals on the committee were interested.

Ms. Dowd inquired that some of the small group customers are moving them to the high deductible Bronze Plan with HRAs funding the deductible to lower premiums, especially to compete with the Consortium. She asked how this move will affect claims trending or the marketplace, and if BCBS has seen this trend. Mr. Muthumbi responded through an HSA or HRA, one is offsetting some of that cost, sharing with a member to a large extent and not changing anything. He said as much as it may be an offset for

the member upfront, it doesn't change the utilization, and the premiums are still going to go up year after year.

Mr. Salton asked if Excellus signs different types of contracts with private providers or a provider group that's tied to a hospital, and if so, why are they different and what is the difference. Mr. Muthumbi responded that in the market, post pandemic, private provider's goals are also to try and negotiate the best deals possible, in terms of their own individual entity. He said Excellus negotiates with them, just like small group plans are negotiated differently than large group plans.

Executive Director's Report

Ms. Dowd referenced her Executive Director written report for August 2023. She said one of the current items at the Consortium is claims are trending very high. She said this is the first time that the Consortium has had to transfer money to cover cash flow. She said we will see the high claims trending carried over to the 2024 budget projections.

Ms. Dowd also reported that the Joint Committee discussed Silver and Gold Plan changes for 2024, which included deductible levels changing due to the Actuarial Value Calculator. She also reported that five new members have applied to the Consortium.

Ms. Dowd added that the DFS continues to audit the Consortium; they have added two additional auditors to the process, and it has been very time-consuming for staff.

Premium Equivalent Rate Audit Update

Ms. Dowd reported that during the month of September the Consortium will be looking at audit work that has already been completed on the premium equivalent rates, but also going to add in the analysis that Locey & Cahill will be presenting regarding what changes would look like if we moved to 3 or 4-tier. She said two potential new municipalities have asked what one and two person rates would be, and the Consortium looks forward to more information on what that analysis reveals.

MCA Changes

Ms. Dowd stated DFS has asked the Consortium to make some changes to the Municipal Cooperative Agreement regarding the Town of Niles and Town of Onondaga. The committee discussed those changes and Ms. Dowd explained those changes will be going to the Board of Directors Meeting in September for approval.

Committee Reports/Resolutions

Claims and Appeals

Mr. Shattuck said this prescription drug claims audit will be looking at all the claims, and all the financial agreements for 2022 and 2023. He said this will also audit rebates for the 2022 year. Ms. Dowd added that when the budget was amended, the amendment included the cost for both medical and prescription drug audits.

RESOLUTION NO. 015-2023 – AUTHORIZE CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADJUDICATION AUDIT FOR PLAN YEARS 2021, 2022, and YTD 2023

MOVED by Mr. Shattuck, seconded by Mr. Steve. The Resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations 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 prescription drugs claims as adjudicated by pharmacy benefit manager, ProAct, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic prescription drug claims audits to ensure the RX claims and associated rebates are paid 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 Prescription Drug Claims Auditing Services was issued on October 26, 2022, to perform prescription drug claims auditing services for the Consortium for the 2021, 2022, and YTD 2023 plan years, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, the Executive Director is granted the authority to enter into a contract with BMI Auditing Services for plans year 2021, 2022 and YTD 2023 with the terms and conditions agreed upon by the Committee.

Audit and Finance

Ms. Drake reported that the Consortium will now have assets due to the new construction and the addition of office supplies. Ms. Apalovich also added an update on the Construction of the new office, stating the electrical components are currently being installed.

RESOLUTION 016-2023: ESTABLISHING A CAPITALIZATION POLICY TO ESTABLISH THE PRINCIPLES RELATED TO THE ACCOUNTING TREATMENT OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM’S (GTCMHIC) CAPITAL ASSETS

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

WHEREAS, In order to provide all required services to the Consortium members, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) has made material investments in its physical assets, and

WHEREAS, The GTCMHIC is required to depreciate its exhaustible capital assets, including infrastructure, and

WHEREAS, The GTCMHIC has established a capitalization policy to establish the principles related to the accounting treatment of the GTCMHIC's capital assets, now, therefore be it,

RESOLVED, On recommendation of the Audit and Finance Committees, that the Executive Committee, on behalf of the Board of Directors, that effective immediately a Capitalization Policy listed below shall be implemented for the GTCMHIC:

Greater Tompkins County Municipal Health Insurance Consortium

CAPITAL ASSET POLICY

***ADOPTED: AUGUST 16,
2023***

I. SCOPE

In order to provide all required services to the Consortium members, the Greater Tompkins County Municipal Health Insurance Consortium "Consortium" has made material investments in its physical assets. The Consortium is required to depreciate its exhaustible capital assets, including infrastructure.

II. PURPOSE

This policy is to establish the principles related to the accounting treatment of the Consortium's capital assets.

III. CAPITAL ASSET DEFINITION AND OVERVIEW

Definition. Capital assets primarily include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and other tangible assets that are used in operations and have initial useful lives extending beyond a single reporting period.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.

Overview. Capital assets are reported in the statement of net assets at historical cost. The cost of a capital asset should include capitalized interest and ancillary charges (i.e., freight and transportation charges) necessary to place the assets into use. Donated capital assets should be reported at their estimated fair market value at the

time of donation, plus ancillary charges, if any.

Capital assets should be depreciated over their estimated useful lives unless they are either in- exhaustible (assets in which service potential is used up so slowly that the estimated useful life is extraordinary long, such as land and land improvements) or are infrastructure assets reported using the modified approach. In no event shall the useful life of an asset be less than the period of probable usefulness established for the purpose of debt issuance as found in Section 11 of the New York State Local Finance Law.

Depreciable assets are reported net of accumulated depreciation in the Statement of Net Assets. Accumulated depreciation may be reported on the face of the statement or disclosed in the Notes to Financial Statements. Capital assets that are not being depreciated, such as land or infrastructure assets reported using the modified approach, should be reported separately

CAPITALIZATION THRESHOLD

The Capitalization threshold is the cost established by the Consortium that must be met or exceeded if the asset is to be recorded and depreciated as a capital asset. As of the date of this Policy, the Consortium has established a threshold of \$5,000.

The threshold will be based on the cost of a single asset. All assets irrespective of the capitalization upon acquisition are recorded as expenditures or expenses in governmental funds. Assets that meet the capitalization threshold will be capitalized on the government – wide financial statements. Other costs incurred for repairs and maintenance are expensed as incurred.

DEPRECIATION AND CAPITALIZATION – ASSETS EXCEEDING THE THRESHOLD

Capital assets purchased with budgeted operating, capital or grant funds are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position.

Classification. All reported capital assets, except land and construction in progress, are depreciated. The following class of asset categories and useful lives are used for the Consortium:

Asset Class	Life (In Years)
Land	Not Depreciated
Works of Art	See Below ⁽¹⁾
Land Improvements	15-50
Buildings	15–50
Building Improvements	15–50
Machinery and Equipment	5-30
Infrastructure	5–50
Vehicles	3-10
Small Equipment	3-10

- (1) Depreciation is not required for Works of Art and Historical Treasures that are inexhaustible. If collection/items are exhaustible, then depreciate over estimated useful life.

Depreciation. Capital assets shall be depreciated over their estimated useful lives in accordance with this Policy unless they are deemed inexhaustible.

The straight-line depreciation method (historical cost less estimated residual value, divided by useful life) is the method that shall be used by the Consortium for depreciating capital assets. Depreciation shall be calculated on an annual basis. A full year of depreciation shall be included in the year of completion or acquisition of the asset. Depreciation expense shall not be included in the year of disposition. Accumulated depreciation will be summarized and posted to the accounting general ledger.

ASSETS PROVIDED TO CONSORTIUM EMPLOYEES

Certain Consortium assets may be issued to individual employees for their exclusive use in the conduct of their work for the Consortium. This includes, but is not limited to, items such as laptops, tablets, cellular phones, and other types of department specific small equipment. Separated employees are responsible for returning all Consortium owned assets regardless of value.

LEASED EQUIPMENT OR ASSETS

Equipment shall be capitalized if the lease agreement meets any one of the following criteria:

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term is equal to 5% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair market value of the leased property.

Leases that do not meet any of the above requirements shall be recorded as an operating lease and reported in the Notes to Financial Statements, if deemed material.

RESIDUAL VALUE

Residual value is the estimated fair market value of a capital asset or infrastructure remaining at the end of its useful life. To calculate depreciation for an asset, the estimated residual value must be established before depreciation can be calculated.

The use of historical sales information is a valuable method for determining the estimated residual value. Proceeds from sale of assets shall be netted against residual value in computing net gain or loss from sale.

The Consortium generally purchases assets with the intent to use such assets until their usefulness is exhausted. Therefore, unless otherwise applicable, the Consortium policy shall generally be to estimate residual value as zero for all capital assets.

DISPOSITION OF CAPITAL ASSETS

When an asset is sold, a gain or loss shall be recognized when:

1. Cash is exchanged and the amount paid does not equal the net book value of the asset.
2. Cash is not exchanged, and the asset is fully depreciated or has a residual value.

When an asset is sold, a gain or loss shall not be reported when:

1. Cash exchanged equals the net book value, and the asset does not have a residual value.
2. Cash is not exchanged, and the asset is fully depreciated and has no residual value.

To compute a gain or loss from the sale of capital assets, proceeds received shall be subtracted from the asset's net book value.

The methods of disposition to be used by the Consortium are as follows:

1. For dispositions with an estimated value up to \$5,000.00 dollars, the decision will be left to the discretion of the Consortium Executive Director.
2. For dispositions with an estimated value greater than \$5,000, there shall be required a written offer for sale and a written offer to purchase from three (3) offerors. A good faith effort shall be made to obtain the required number of offers to purchase. If the Consortium is unable to obtain the required number of offers to purchase, the attempts made shall be documented and become part of the disposition record. In no event will the inability to obtain the required number of offers to purchase be a bar to the disposition.
3. The above notwithstanding, the Consortium Executive Director may require standards which exceed those presented in this policy.

Documentation. Documentation of actions taken in connection with each method of disposition is required, as follows, and will be maintained as part of the disposition

record.

1. Where a written offer for sale is required or made, a copy of that written offer for sale, and any written offer for purchase, submitted by offerors in response to that request.
2. Where a verbal offer for sale is required or made, a listing of the offerors contacted and the response, if any, that each offeror made.
3. Any memoranda, forms, notations, or other documentation used in establishing the basis of the disposition decision.
4. No documentation other than the independent estimate itself is required when the disposition is left to the discretion of the Consortium Executive Director.

Awards to Other than Highest Responsible Dollar Offeror. Whenever any disposition is awarded to other than the highest responsible dollar offeror, the reasons such an award furthers the purpose of the Consortium as set forth herein above shall be documented by the Consortium's Finance Manager and be maintained as part of the disposition record.

ANNUAL REVIEW & AMENDMENTS

On an annual basis, or as deemed necessary, the Consortium Audit & Finance Committee shall review the Capital Asset Policy and shall approve policy revisions, if any, by formal resolution.

Ms. Drake reported that the Town of Onondaga was approved for membership, however, they did not enroll in the plan. Therefore, the 2023 MCA does not properly reflect the Consortium's membership.

RESOLUTION NO. XXX-2023 – ACCEPTANCE TO WITHDRAW THE TOWN OF ONONDAGA AS A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM AND TO BE OMITTED WITHIN THE 2024 MUNICIPAL COOPERATIVE AGREEMENT

MOVED by Mr. Mutchler, seconded by Mr. Snow. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to be presented to the Board of Directors.

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Onondaga submitted an official resolution authorizing the Town of Onondaga to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, the Board of Directors hereby accepted and welcomed the Town of Onondaga by Resolution No. 024-2022, as a municipal participant, with health insurance coverage beginning January 1, 2023, and

WHEREAS, immediately after being approved for membership by the Board of Directors and therefore included as a member in the 2023 GTCMHIC Municipal Cooperative Agreement (MCA), but prior to enrollment in the plan or commitment through signing the 2023 GTCMHIC MCA, the Town of Onondaga notified the Greater Tompkins County Municipal Health Insurance Consortium they would like to withdrawal their application and not enroll in the GTCMHIC effective January 1, 2023, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium has not considered the Town of Onondaga a current participant and also has not considered, or will not consider any future events of insurance claims for the Town of Onondaga for calendar year 2023, and

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium will prepare the 2024 Municipal Cooperative Agreement to exclude the Town of Onondaga for the future unless the Town of Onondaga submits a new application to GTCMHIC, now therefore be it,

RESOLVED, on recommendation of the Audit & Finance Committee and the Executive Committee, That the Board of Directors hereby authorizes the Greater Tompkins County Municipal Health Insurance Consortium to withdraw the Town of Onondaga as a participant of the Greater Tompkins County Municipal Health Insurance Consortium, and the Town of Onondaga will be omitted from the 2024 Amended Municipal Cooperative Agreement.

RESOLUTION NO. XXX-2023 – ACCEPTANCE TO WITHDRAW THE TOWN OF NILES AS A PARTICIPANT WITH THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

Ms. Drake said the Town had one member of the Consortium that is no longer employed, and another member joined the Teamsters benefit program. Mr. Locey added that the Consortium asked the Town of Niles to send a letter to withdraw from the Consortium. He said the MCA has a provision that notates the process that the Consortium does follow.

MOVED by Mr. Thayer, seconded by Mr. Snow. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to be presented to the Board of Directors.

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Niles submitted an official resolution authorizing the Town of Niles to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, the Board of Directors hereby accepted and welcomed the Town of Niles by Resolution No. 019-2018, as a municipal participant, with health insurance coverage beginning January 1, 2019, and

WHEREAS, the Town of Niles has since notified the Greater Tompkins County Municipal Health Insurance Consortium that they no longer would like to be a municipal participant of health insurance coverage effective immediately.

WHEREAS, The Town of Niles is listed on the Consortium’s Municipal Cooperative Agreement for the calendar year 2023, and

WHEREAS, per the Town of Niles, the Greater Tompkins County Municipal Health Insurance Consortium will not consider any future events of insurance claims for the Town of Niles for calendar year 2023,

RESOLVED, on recommendation of the Audit & Finance Committee and the Executive Committee, That the Board of Directors hereby authorizes the Greater Tompkins County Municipal Health Insurance Consortium to withdraw the Town of Niles as a participant of the Greater Tompkins County Municipal Health Insurance Consortium immediately, and the Town of Niles will be omitted from the 2024 Municipal Cooperative Agreement.

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RESOLUTION NO. 017-2023 – MODIFICATION TO LOCEY & CAHILL’S CONSULTING SERVICES AGREEMENT TO REVIEW PREMIUM TIER MODELS

(This resolution was amended at the meeting to include additional information – see red-lines)

Ms. Drake explained that the Resolution brought forward reflects Locey & Cahill providing services outside of the original agreement. Ms. Drake said this new resolution states that Locey & Cahill will perform a detailed premium rate cost analysis regarding shifting the Consortium from a 2-tier premium rate model to a 3-tier or 4-tier premium rate model to be billed on an hourly basis.

MOVED by Mr. Shattuck, seconded by Mr. Steve. The Resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

WHEREAS, the Consortium and Locey & Cahill entered into a Consulting Services Agreement dated July 1, 2023, whereby Locey & Cahill agreed to provide the Consortium with professional consulting services subject to certain terms and conditions contained in that agreement through a term ending on December 31, 2023 with an option to extend this contract in one-year increments through December 31, 2026.", and

WHEREAS, the Existing Consulting Agreement provides that its terms may only be modified in a written agreement signed by the parties to be bound, and

WHEREAS, the Consortium has notified Locey & Cahill that it would like Locey & Cahill to perform a detailed premium rate cost analysis regarding shifting the Consortium from a 2-tier premium rate model to a 3-tier or 4-tier premium rate model; and,

WHEREAS, this analysis will produce a detailed and informative report which will allow the Consortium's Leadership to make an informed and educated decision on the future of the premium equivalent rates, now therefore be it,

RESOLVED, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree to modify the Existing Consulting Agreement as follows:

1. The "Services to be Provided" section of the Agreement is amended to include the work and services related to the completion of a 3-tier (individual, two-person, and family) premium rate analysis and a 4-tier (individual, employee & spouse, employee & child[ren], and family) premium rate analysis.

2. **The fees for said services as outlined in the amended consultant agreement will be billed on an hourly basis.**

3. The results of the project are to be delivered in draft form as requested by the Consortium at Committee meetings and/or Board of Directors meetings during the months of August and September with the final report being delivered to the Consortium no later than September 30, 2023.

4. Locey & Cahill shall keep, and make available to the Consortium, detailed records regarding its time and actual costs associated with fulfilling all its duties and responsibilities on behalf of, or related to, the Consortium as they relate to this modification to the Agreement.

5. This Contract Modification is intended as an amendment and supplement to the Existing Consulting Agreement, whose terms continue to control relative to all other aspects of the parties' contractual relationship save those specifically addressed herein.

6. This Contract Modification may be executed in counterparts, each of which shall

be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Contract Modification delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Contract Modification.

7. This Contract Modification is contingent upon approval of the Consortium's Executive Director and Executive Committee at the next regularly scheduled meeting.

FURTHER RESOLVED, the Executive Committee on behalf of the Board of Directors, authorizes the Executive Director to sign said contract with Locey & Cahill, for the performance of a detailed premium rate cost analysis regarding shifting the Consortium from a 2-tier premium rate model to a 3-tier or 4-tier premium rate model with the final report being delivered to the Consortium no later than September 30, 2023.

Proposed 2024 Budget

Ms. Drake said discussions at last meeting regarding the budget, the committee was presented an 8.5% increase with question about the utilization of the rate stabilization reserve. She said that what is driving this is the claims trending higher than normal. She said the next committee meeting will be an additional review of information and numbers.

Operations

Ms. Granger was excused from today's meeting. Ms. Dowd said the Notice of Privacy Practices has not been updated since 2013 and some of the language is missing or outdated. She said that some of the information added is also included and duplicated from Excellus BCBS' Privacy Practices.

RESOLUTION NO. 018-2023 - Approval to Update the Greater Tompkins County Municipal Health Insurance Consortium's Notice of Privacy Practices and Policy

MOVED by Ms. Holmes, seconded by Ms. Drake. The Resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

WHEREAS, per Resolution No. 014-2013, the Greater Tompkins County Health Insurance Consortium approved a Privacy Policy, as was determined by the New York State Department of Financial Services Audit that the Consortium needed to develop and implement a Privacy Policy, and

WHEREAS, that since the implementation of the Privacy Policy there have been various state and federal laws passed that affect the implementation and the safeguarding of protected health information (PHI), and

WHEREAS, the Consortium is required to comply with applicable federal and state laws to maintain the privacy of protected health information, and give all enrollees notice of said privacy practices, therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee, on behalf of the Board of Directors, hereby adopts the updated attached Privacy Policy,

RESOLVED, further, that the Policy will be made available on the Consortium website and sent via email to all municipality Benefit Clerks to be dispensed and/or posted for all employees enrolled in the Consortium's health insurance plans.

Ms. Dowd explained this is a contract with Lifetime Benefit Solutions (LBS) to process some administrative portions of COBRA administration. She said it is the responsibility of members/employers to send an employee COBRA notification to continue coverage. Many large employers already have a system in place and already contract with LBS, who takes care of sending out the notifications for them. However, many smaller municipalities are out of compliance as they do not contract with other services to handle Cobra administration, or when new members join the Consortium, they previously had an Excellus plan that had provided COBRA administration for them. Ms. Dowd noted a concern of DFS is making sure all municipalities stay in compliance with COBRA administration.

Ms. Dowd said this expense would be a shared service that would be paid by the Consortium for small municipalities to administer the notice and administrative work. She used an example that if an individual does choose COBRA, the Consortium would charge the municipality a 100% fee to cover the premium and then an extra 2% fee that applied to offset the cost of the COBRA administration fees through Lifetime Benefit Solutions

RESOLUTION NO. 019-2023 - APPROVAL OF CONTRACT TO ENTER INTO AN AGREEMENT WITH LIFETIME BENEFIT SOLUTIONS TO MANAGE COBRA ADMINISTRATION FOR SMALL GROUP MUNICIPAL MEMBERS ONLY

MOVED by Mr. Mutchler seconded by Mr. Snow. The Resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

WHEREAS, qualified beneficiaries are entitled to continue to receive coverage identical to that being provided under the plan to “similarly situated beneficiaries” to whom a qualifying event has not occurred, and

WHEREAS, U.S. Department of Labor (DOL) law requires small employers, less than 20 employees, to provide the equivalent of Consolidation Omnibus Budget Reconciliation Act (COBRA) benefits, and

WHEREAS, under Article 47 that governs the Consortium, all small employers’ employees are entitled to thirty-six months of continued health coverage at a monthly cost to them of 102% of the actual cost of the employer, and

WHEREAS, Excellus currently includes Lifetime Benefit Solution (LBS) COBRA administration to all small group plans to help ensure compliance with the Consolidation Omnibus Budget Reconciliation Act, and

WHEREAS, the Consortium has found inconsistencies in small group municipal members, small group is defined by less than fifty enrollees, offering COBRA coverage to qualified beneficiaries, who is any individual who, on the day before a qualifying event, is covered under a group health plan maintained by the employer of a covered employee by virtue of being: (1) the covered employee (2) the spouse of the covered employee, or (3) the dependent child of the covered employee, THEREFORE, let it be thus

RESOLVED, all COBRA premiums for Consortium small group municipal members will be set at 102% of the premium rate, the two-percentage administration fee is added to offset the cost of the COBRA administration fees through Lifetime Benefit Solutions, and

FURTHER RESOLVED, the additional expense for the Lifetime Benefit Solutions COBRA administration will be included in all the municipal members’ premium calculations, and

FURTHER RESOLVED, on recommendation of the Operations Committee and the recommendation of the Audit and Finance Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves COBRA administration services to be provided by Lifetime Benefit Solutions for all Consortium small group municipal members only beginning January 1, 2024.

Joint Committee on Plan Structure and Design

Ms. DeVoe was absent from the meeting. Ms. Dowd explained that Locey & Cahill performed the analysis on the Consortium's high deductible health plans in regards to the CMS Actuarial Value Calculators. It was determined that both the Silver and Gold Plans were not compliant. The Joint Committee reviewed options to bring the plans into compliance.

RESOLUTION NO. XXX-2023 – APPROVAL OF ADJUSTMENTS TO THE SILVER HIGH DEDUCTIBLE HEALTH PLAN

MOVED by Mr. Scott, seconded by Mr. Salton. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to be presented to the Board of Directors.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium ("GTCMHIC") Board of Directors by their approval of Resolution No. 014-2015 adopted the "GTCMHIC Standard Silver Plan", now known as the GTCMHIC Silver High Deductible Health Plan ("HDHP") for inclusion in the GTCMHIC's available benefit plan menu with an effective date of January 1, 2016, and

WHEREAS, the GTCMHIC in accordance with GTCMHIC Resolution No. 014-2015 annually reviews the actuarial value for its Silver HDHP to ensure it falls within its established range as set by the Centers for Medicare and Medicaid Services ("CMS") of 70% +2% / -2%, subject to traditional mathematical rounding, and

WHEREAS, adjustments to the Silver HDHP have previously occurred in accordance with GTCMHIC Resolutions: 015-2016, 005-2018, 013-2020, 012-2020, and 029-2022, and

WHEREAS, upon entering data into the CMS actuarial value calculator for 2024 it has been determined that adjustments need to be made to the GTCMHIC Silver HDHP to get its actuarial value within its approved range, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, effective January 1, 2024, the following benefit plan adjustments will be made to the GTCMHIC’s Silver HDHP:

Silver HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$2,750/\$5,000	\$3,000 / \$6,000	\$4,125/\$8,250	\$4,500/\$9,000
Out-of-Pocket Single/Family	\$7,000/\$14,000	\$7,500 / \$15,000	\$10,500/\$21,000	\$11,250/\$22,500
Coinsurance	80%	80%	50%	60%
Actuarial Value	72.68%	71.57%	72.68%	71.57%

RESOLUTION NO. XXX-2023 – APPROVAL OF ADJUSTMENTS TO THE GOLD HIGH DEDUCTIBLE HEALTH PLAN

MOVED by Ms. Drake, seconded by Mr. Scott. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to be presented to the Board of Directors.

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (“GTCMHIC”) Board of Directors by their approval of Resolution No. 014-2015 adopted the “GTCMHIC Standard Gold Plan”, now known as the GTCMHIC Gold High Deductible Health Plan (“HDHP”) for inclusion in the GTCMHIC’s available benefit plan menu with an effective date of January 1, 2016, and

WHEREAS, the GTCMHIC in accordance with GTCMHIC Resolution No. 014-2015 annually reviews the actuarial value for its Gold HDHP to ensure it falls within its established range as set by the Centers for Medicare and Medicaid Services (“CMS”) of 80% +2% / -2%, subject to traditional mathematical rounding, and

WHEREAS, adjustments to the Gold HDHP have previously occurred in accordance with GTCMHIC Resolutions 015-2016, 017-2017, 025-2018, 013-2020, and 012-2020, and

WHEREAS, upon entering data into the CMS actuarial value calculator for 2024 it has been determined that adjustments need to be made to the GTCMHIC Gold HDHP to get its actuarial value within its approved range, now therefore be it

RESOLVED, on recommendation of the Executive Committee and the Joint Committee on Plan Structure and Design, effective January 1, 2024, the following benefit plan adjustments will be made to the GTCMHIC’s Gold HDHP:

Gold HDHP	From In-Network	To In-Network	From Out-of-Network	To Out-of-Network
Deductible Single/Family	\$1,500/\$3,000	\$1,800 / \$3,600	\$2,250/\$4,500	\$2,700 / \$5,400
Out-of-Pocket Single/Family	\$3,500/\$7,000	\$3,600 / \$7,200	\$5,250/\$10,500	\$5,400 / \$10,800
Coinsurance Amount	80%	80%	60%	60%
Actuarial Value	82.55%	81.38%	82.55%	81.38%

Ms. Rodrigues announced that at the previous Joint Committee meeting, it was mentioned to investigate EAP (Employee Assistance Programs), and whether the Consortium would offer them or what options are available. She said that the Consortium researched and asked for a few proposals. The Consortium has compared two different companies, ESI EAP (*offers Total Care EAP*) and Next Gen EAP.

RESOLUTION NO. 020-2023 – AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENT FOR EMPLOYEE ASSISTANCE PROGRAM (EAP) SERVICES

MOVED by Ms. Drake, seconded by Ms. Holmes. The Resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

WHEREAS, the Joint Committee on Plan Structure and Design of the Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”), has advocated for more extensive mental health resources in the Consortium’s wellness program, and

WHEREAS, to provide a cost-efficient method and expand mental health support available to all Consortium municipal members, and

WHEREAS, an Employee Assistance Program (EAP) is a voluntary program which can help employees and their family members obtain professional support in dealing with personal, emotional, family, or health problems, and

WHEREAS, members of the Consortium have access to various EAP programs, and after reviewing other programs the Consortium has secured superior, cost-effective benefits with ESI EAP, and

WHEREAS, this benefit is not a Consortium product, but a direct cost to the municipality at a pre-established rate for EAP services, with cost to be reevaluated on a yearly basis based on number of Consortium enrollees, and

WHEREAS, the Consortium’s Executive Director has negotiated a fair and reasonable price for EAP services for municipalities new to ESI’s EAP program, and

WHEREAS, the Joint Committee has chosen to secure the attractive pricing through shared services of ESI EAP, now therefore be it

RESOLVED, on recommendation of the Executive Committee, pending final approval from the Joint Committee on Plan Structure and Design, authorizes the Executive Director to enter into agreement for this EAP benefit package with ESI EAP.

* * * * *

Nominations and Engagement

Mr. Fairbrother was excused from the meeting. Ms. Dowd reported that a survey was sent out regarding interests in serving on a committee(s). She said individuals’ terms will be extended, and the Consortium also has some new individuals interested in serving. Ms. Dowd said that the Consortium will be filling the new, non-officer Audit Committee seats, and those meetings will be held at the same time as the Finance Committee.

Financial Update

Mr. Spenard referred to the monthly Budget Performance Report, as of June 30, 2023 and covered the following key items:

1. The overall revenue of the Consortium is slightly below budget as of June 30, 2023. Locey & Cahill believes 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 3.17% over budget, largely impacted by the Rx Paid Claims, through the first 6-months of the 2023 Fiscal Year.

3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing slightly below the projected budget through the first 6-months of the 2023 Fiscal Year. With six 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, Locey & Cahill 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.

Mr. Spenard also noted that a RX Rebate came in on August 8th, in the amount of \$850,000, and the Consortium should be receiving another one at the end of this year. Ms. Drake asked if this amount was higher or less than the expected amount. Mr. Locey answered it was higher than expected and if the next payment is higher and similar, the rebates will be over budget at the end of the year.

Future Agenda Topics

2024 Budget

Adjournment

The meeting was adjourned at 5:03 p.m.

Respectfully submitted by Lynne Sheldon, Clerk of the Board

Next Meeting: Special Meeting – September 13, 2023

