

# **Greater Tompkins County Municipal Health Insurance Consortium**

## **Executive Committee**

**Minutes – APPROVED**

**July 17, 2024 – 3:30 p.m.**

**GTCMHIC Headquarters – 408 East Upland Road, Ithaca, NY**

Present: Rordan Hart (Executive Committee Chair); Lisa Holmes (Executive Committee Vice-Chair); Judy Drake (Audit and Finance Committees Chair); Bud Shattuck (Claims and Appeals Committee Chair); Scott Steve (arrived 3:35 pm); Wendy Cole; Gary Mutchler (Nominations & Engagement Committee Chair); Amie Hendrix (arrived 3:49 pm); Lorrie Scarrott, Tompkins County (appointed CFO for GTCMHIC)

Present via remote: Laura Granger\* (Operations Committee Chair)

Excused: Peter Salton\* (Secretary); Ray Bunce

Absent: Kate DeVoe (Joint Committee Chair)

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; Kerry Mannion, Town of Dewitt

\* - Due to Extraordinary Circumstances attended remotely via Satellite Location: Seneca County:  
1 DiPronio Drive, Waterloo

### **Call to Order**

Mr. Hart, 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 June 12, 2024**

It was MOVED by Mr. Mutchler, seconded by Ms. Holmes, and unanimously adopted by voice vote by members present and via remotely due to extraordinary circumstances, to approve the minutes of June 12, 2024. MINUTES APPROVED.

### **Chair's Report**

Mr. Hart reported that there were several items on the agenda for today's meeting for the Committee to discuss.

### **Executive Director's Report**

Ms. Dowd said that she had just returned from the City of Elmira and it appears that they will be applying to join the Consortium.

Ms. Dowd reported that the Consortium has not heard back yet from the Department of Financial Service (DFS) regarding the audit; the Consortium is awaiting the results.

Ms. Dowd said approximately 10 municipalities are still in need of turning in their Municipal Cooperative Agreements (MCA) for 2024. The DFS has asked the Consortium to

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resubmit those using “evergreen” resolutions for their release of the Consortium’s updated Certificate of Authority.

Ms. Dowd reported the Consortium has also submitted 2023 and 2024 Summary Plan Descriptions (SPDs), of which DFS still has some questions and updates are being made by the Consortium.

Ms. Dowd introduced Lorrie Scarrott, Finance Director, who is recommended at today’s meeting to serve as the Consortium’s new Chief Fiscal Officer to replace Steve Thayer.

Ms. Apalovich said that she has researched the last five years 2019-2023 (not including the IBNR reserve) of the Consortium’s net position, which showed a \$9.7 million reduction. She said as far as the Consortium’s reserves, which includes IBNR, and includes the Consortium’s unencumbered fund balance, the Consortium has a net decrease of about \$7 million over the last five years. She also said the Consortium’s unencumbered fund balance has gone down \$14.6 million in the last five years. Ms. Apalovich also said she has been struggling with cash flow issues.

Ms. Apalovich said using the amended 2024 budget, the average weekly revenue, including rebates, is \$1.3 million. She said the average weekly claims come in at \$1.25 million. Ms. Apalovich said recently she has been transferring money from New York Class, and then transferring it back in every couple of weeks due to the cash flow.

Ms. Dowd said in the last five years, the Consortium did plan for a few of those years to have a net income loss. She said the Consortium is suffering the consequences of that because the Consortium was bringing down the very high unencumbered fund balance. She said as the Consortium was purposely doing that, the claims unexpectedly increased. Ms. Dowd said Locey & Cahill will be sharing the Consortium’s five-year trend on claims and where the Consortium is to date to show a much broader financial picture.

### **New Members Update**

Ms. Dowd reported several municipalities are looking to join the Consortium including two that are part of other shared services. To date, three municipalities - Town of Sterling, Corning, and the Village of Baldwinsville will be brought forth to the Finance Committee on the 13<sup>th</sup> of July.

Mr. Mutchler asked Ms. Dowd when she presents to a potential municipality what percentage increase projection she is specifying. Ms. Dowd initially said 10%, but due to recent developments, she may use a higher number. Mr. Locey said in 2023 Consortium municipalities collectively saved \$3.8 million, about 23% less than they would have paid just in a year if they had remained with Excellus. He said even with a 10% or 12% rate increase, the Consortium’s current rates are more attractive.

### **Review of Suggested MCA Updates**

The members of the Committee were provided a red-lined copy of the 2024 MCA ([Click here – Red-lined 2024 MCA](#)). [Notes for Red-lined copy](#) Ms. Dowd said staff has been looking at streamlining the document to remove redundant items and organize items that should be separate policies or addendums. She said the Consortium has grown significantly since this document was initially created and needs updating. Ms. Dowd said one change would be how we present new members in the document. She said this section has been moved out of the body of the document and now made as an attachment which can just be updated yearly. Ms. Dowd said the Consortium hopes DFS will approve the updated MCA, which will make it much easier for them to review the document along with the supporting materials that go along with it. Ms. Dowd also said the drafted, red-lined copy will also be reviewed by the Consortium's attorney.

### **Executive Committee**

Mr. Hart reported the Executive Committee did not have any resolutions to consider today.

### **Nominations and Engagement Committee**

#### **Resolution: Amendment to Resolution 013-2024 -Announcement of Individual to Replace Chief Fiscal Officer (CFO) for GTCMHIC**

Mr. Mutchler reported Steve Thayer has retired as Controller for the City of Ithaca. Mr. Thayer's replacement must meet the qualifications of a fiscal officer, as defined within the MCA. Currently, there are only a few of the Consortium's other municipalities that meet those qualifications, one of those entities is Tompkins County's Finance Director. Mr. Mutchler said the resolution names Lorrie Scarrott as the Consortium's new Chief Fiscal Officer (CFO).

#### **RESOLUTION NO. 019-2024 – AMENDMENT TO RESOLUTION 013-2024 – ANNOUNCEMENT OF INDIVIDUAL TO REPLACE CHIEF FISCAL OFFICER FOR GTCMHIC**

MOVED by Mr. Mutchler, seconded by Ms. Holmes, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances. Mr. Salton abstained from the vote.

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

WHEREAS, under Section 4705 (6) of NYS Insurance Law the GTCMHIC must designate a Fiscal Officer of a participating municipal corporation to be the Chief Fiscal Officer of the municipal cooperative health benefit plan, and

WHEREAS, the GTCMHIC 2024 Municipal Cooperative Agreement (MCA) states in Section I (Number 1-8), various duties and responsibilities associated as the GTCMHIC Chief Fiscal Officer and names “The Chief Fiscal Officer shall be the City Controller of the City of Ithaca”, and

WHEREAS, per Resolution 1 of 2011, the GTCMHIC Board of Directors named and elected Mr. Steven Thayer, City of Ithaca’s Controller, to serve as the GTCMHIC Chief Fiscal Officer, and

WHEREAS, Mr. Thayer served as the GTCMHIC Chief Fiscal Officer since 2011 and has recently retired from his position with the City of Ithaca, and

WHEREAS, the City of Ithaca has been actively searching for a replacement for Mr. Thayer’s position, which has resulted in multiple failed searches and the City is not able to provide a time frame that a new search/hiring will be completed.

WHEREAS, for reasons indicated above, the GTCMHIC has explored having their Executive Committee appoint the Director of Finance for Tompkins County to serve as GTCMHIC Chief Fiscal Officer, and with the support of the County will be able to act in that capacity for the GTCMHIC, and

RESOLVED, on recommendation of the Nomination Committee, That the Executive Committee, on behalf of the Board of Directors, recommends and approves the replacement of the City of Ithaca Controller, with the **Tompkins County Finance Director, Lorrie Scarrott**, to now serve as the GTCMHIC’s Chief Fiscal Officer until such time that the Board of Directors can ratify this appointment through a Municipal Cooperative Agreement amendment.

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### **Claims and Appeals Committee**

Mr. Shattuck announced a resolution to be passed by the Claims and Appeals Committee. He said this is for the acceptance of the prescription drug Claims Audit Report performed by BMI Audit Services. Mr. Shattuck said the Consortium will be preparing another audit RFP soon for subsequent medical claims.

### **RESOLUTION NO. 020-2024 – ACCEPTANCE OF PRESCRIPTION DRUG/RX CLAIMS AUDIT REPORT**

MOVED by Mr. Shattuck, seconded by Mr. Mutchler, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances. Mr. Salton abstained from the vote.

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, the New York State Department of Financial Services during its initial audit recommended that the Consortium conduct periodic prescription drug/RX claims audits, and

WHEREAS, by Resolution No. 015 of 2023 the Board of Directors authorized a contract with BMI Audit Services to perform a prescription drug/RX claims audit to ensure prescription drug/RX claims paid by ProAct are in accordance with benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, BMI Audit Services has completed the prescription drug/RX claims audit and presented the final report to the Claims and Appeals Committee, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, That the Executive Committee on behalf of the Board of Directors, accepts the final prescription drug/RX claims audit report presented by BMI Audit Services of 2021, 2022, and YTD 2023 (through 9/30/23).

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### **Audit and Finance Committees**

Resolution: Finance: **Approval to Adopt the Premium Payment Policy**

Ms. Drake expressed the Operations Committee had also reviewed the Premium Payment Policy. [Click here for Premium Payment Policy](#) She said updates include the Consortium's current financial system software, set to automatically generate payment reminders on the seventh day (7<sup>th</sup>) of each calendar month during the Plan Year. She also said the software now sends monthly premium invoice reminders automatically 14 days before the premium invoice due date and again on the due date if no payment has been received. She included that another reminder will be sent 7 days after the due date with the one percent (1%) late fee included on the invoice. If a payment has not been made 90 days after the due date, the Executive Director will be notified.

### **RESOLUTION NO. 021- 2024 – APPROVAL OF AMENDMENT TO ADOPT THE PREMIUM PAYMENT POLICY**

MOVED by Ms. Drake, seconded by Mr. Shattuck, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, per Resolution No. 33 of 2020, the Greater Tompkins County Municipal Health Insurance Consortium, (GTCMHIC), approved a policy to adopt a late payment fee policy

that can be administered to all participants in circumstances where premium payment is not received in a timely manner, and

WHEREAS, the current policy refers to accounting staff, "Principal Accountant" to make adjustments to future invoices. The Consortium's current financial staff member capable of adjustments has since been named as, "Finance Manager", which shall be updated to the amended Premium Payment Policy, and

WHEREAS, the current Premium Payment Policy indicates "each participant's monthly premium equivalent, by enrollee classification, shall be paid by the first day (1<sup>st</sup>) of each calendar month during the Plan Year". Due to the current financial system software set to automatically generate payment reminders, the GTCMHIC has since revised the date to the seventh day (7<sup>th</sup>) of each calendar month during the Plan Year, and

WHEREAS, in addition to payment modifications, the GTCMHIC's financial system software now sends monthly premium invoice reminders automatically 14 days before the premium invoice due date and again on the due date if no payment has been received. Another reminder will be sent 7 days after the due date with the one percent (1%) late fee included on the invoice. If a payment has not been made 90 days after the due date, the Executive Director will be notified, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee, on behalf of the Board of Directors, hereby adopt the GTCMHIC's "Approval of Amendment to Adopt the Premium Payment Policy", effective immediately.

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Resolution: Finance: **Creation and Revision of Position(s) – Senior Benefits Specialist, Benefits Manager, Benefits Specialist**

Ms. Drake said this resolution was also reviewed by the Operations Committee and pertains to the creation of the position of Senior Benefits Specialist, Benefits Manager, and revisions to the current Benefits Clerk job description. She said through strategic planning, it is the Consortium's intention to budget for 2025 for the Benefits Manager transition. She said this resolution also helps to organize Civil Service procedures and create and update job descriptions.

**RESOLUTION NO. 022-2024 – CREATION OF POSITION(S) – SENIOR BENEFITS SPECIALIST AND BENEFITS MANAGER, & REVISION TO BENEFITS SPECIALIST JOB DESCRIPTION AT THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)**

**(See Appendix B attached for Job Description Details)**

MOVED by Ms. Cole, seconded by Ms. Granger, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, The Executive Committee has discussed the future and current staffing needs of the Consortium, and supports the need to expand staff to be able to meet the needs of the growing GTCMHIC, an

WHEREAS, as the Consortium is being asked by members to provide more benefit information comparisons, enrollment changes, assistance with claims, participant issues, negotiations material and Consolidated Omnibus Budget Reconciliation Act (COBRA) information than was previously provided by their insurance agency, it is recommended that the Consortium create the positions of Benefits Manager, Senior Benefits Specialist, and revise the job description of the Benefits Specialist, now therefore be it

RESOLVED, on recommendation of the Operations and Finance Committees, the Executive Committee on behalf of the Board of Directors of GTCMHIC hereby creates the following positions in accordance with the applicable New York State and Tompkins County Civil Service rules:

The following positions are established and are in the competitive class pursuant to Section 44 of the Civil Service Law.

1-(One) – Benefits Manager

1-(One) – Senior Benefits Specialist

RESOLVED, further, That the Executive Committee on behalf of the Board of Directors does hereby approve the job descriptions for the said positions as created and monitored by Tompkins County Civil Service; and be it further

RESOLVED, on recommendation of the Operations and Finance Committees, the Executive Committee on behalf of the Board of Directors of GTCMHIC hereby approves the revisions to the Benefits Specialist job description to coincide with the creation of other Benefit positions.

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### **Operations Committee**

Resolutions: **Adoption of “Meetings Policy and Procedures”**

Ms. Granger explained that this policy defined, clarified, and outlined the meetings specifically subject to NYS Open Meeting Law (OML). Mr. Hart added that the Committee discussed at the previous meeting a potential guest policy. He said due to the conversation, the Committee asked for a different approach to clearly define the

difference between the committees that are subject to OML. He said all the Consortium's Sub-Committees are advisory in nature, except for the Executive Committee. He said the policy also includes specific meeting rules and procedures for committees subject to OML and those who are not subject to OML.

**RESOLUTION NO. 023 - 2024 – ADOPTION OF “MEETINGS POLICY AND PROCEDURES”**

**[Click here for Meetings Policy and Procedures](#)**

MOVED by Ms. Granger, seconded by Ms. Drake, the resolution was adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a unique, “hybrid” organization formed and operates under various and differing sections of NY State law. With municipal governments as its primary membership, and public monies as its primary source of revenue, certain aspects of the Consortium's operations – in particular, certain meetings – are subject to NY State Open Meeting Law (OML), while others are not, and

WHEREAS, the GTCMHIC created a “Meetings Policy and Procedures” to clarify and codify how Consortium meetings must operate in an effort to efficiently conduct the business of the Consortium, while remaining compliant with statute when required, and

WHEREAS, the “Meetings Policy and Procedures” shall reference and clarify the following:

- Purpose/Definitions
- Board(s)/Committee(s) Subject to OML
- Board(s)/Committee(s) Not Subject to OML
- Specific Meetings Rules & Procedures for Board(s)/Committee(s) Subject to OML
- Specific Meetings Rules & Procedures for Board(s)/Committee(s) Not Subject to OML
- General Meetings Rules & Procedures for All Board(s)/Committee(s)

Therefore now be it

RESOLVED, on recommendation of the Operations Committee, That the Executive Committee, on behalf of the Board of Directors, hereby adopt “Meetings Policy and Procedures” attached hereto as “Exhibit A”, effective immediately.



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### **Joint Committee on Plan Structure and Design**

Ms. DeVoe was excused from the meeting. Ms. Dowd reported the Joint Committee will meet again on August 1, 2024. Ms. Dowd said Ms. DeVoe will be stepping down from the Chair position at the end of the year but will remain on the Committee as a Labor Representative. Ms. Dowd also said that the Committee made minor changes to their Bylaws. Ms. Dowd said the Consortium presented some changes to the benefit plan design based on feedback from potential new members, current plan participants, and staff. She said some of the plan design recommendations include waiving copays on services, such as mental health, and outpatient mental health. She also mentioned a possible change regarding vaccinations and Medicare Supplement Plans. Ms. Dowd said that Locey & Cahill will price these recommendations and make sure the changes do not affect the Consortium's Actuarial Value.

### **Financial Update**

#### **2024 Fiscal Year Budget Performance Report**

Mr. Locey 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 was 5.63% over budget as of June 30, 2024. We believe that the enhanced pharmaceutical manufacturer rebates for the second half of the fiscal year, as well as enhanced interest earnings, especially when longer term investments mature, will help the Consortium to finish strong on the revenue side of the budget.
2. The combined Medical and Rx Paid Claims were 3.86% over budget through the first 6 months of the 2024 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.  
Future Agenda Topics
3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing slightly ahead of budget projections through the first 6 months of the 2024 Fiscal Year.
4. The fiscal results experienced by the Consortium as of June 30, 2024, support the Board of Director's decision to increase premium rates by 8.0% for the 2024 Fiscal Year. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, which may allow for some premium relief to assist the Participating Municipalities during potential difficult financial times as COVID-19 relief monies dry up.

5. As of June 30, 2024, the Consortium has lowered its specific stop-loss insurance premium by approximately \$2,510,147.15 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,855,189.45. Interest earnings/Investments on the fund equaled \$181,962.37. All factors considered, the savings to the consortium was \$654,957.70, not inclusive of the fact that the pool is also picking up an extra \$100,000 in risk per member annually, between \$500,000 each and the \$600,000 deductible.

### **2025 Draft Budget Discussion**

Ms. Dowd said the Consortium started the 2025 budget process. She said the team is reviewing trends and where they believe the Consortium numbers will be on medical and prescription claims. The Committee reviewed a preliminary 5-year projection and held a discussion. Concerns were discussed regarding the proposed percentage increase of the medical and pharmacy claims as well as the usage of reserves. Discussion was also held regarding Pharmacy Benefit Managers and how government decisions may affect them and the Consortium in the future.

The Finance Committee will continue to discuss budget recommendations that will be extended into additional discussion by the Executive Committee.

### **Future Agenda Topics**

August Educational Meeting 8/22/24  
September Board of Directors Meeting 9/26/24

### **Adjournment**

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

*Respectfully submitted by Lynne Sheldon, Clerk of the Board*

Appendix B: Click for Job Descriptions: [Benefits Specialist](#), [Senior Benefits Specialist](#), [Benefits Manager](#)