

# Greater Tompkins County Municipal Health Insurance Consortium

## **Executive Committee**

### **Minutes – APPROVED**

**September 11, 2024 – 3:30 p.m.**

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

Present: Rordan Hart (Executive Committee Chair); Wendy Cole (At-Large); Judy Drake (Audit and Finance Committees Chair); Bud Shattuck (Claims and Appeals Committee Chair); Lorrie Scarrott, Tompkins County (appointed CFO for GTCMHIC); Ray Bunce (At-Large); Peter Salton (Secretary); Scott Steve (At-Large) (arrived 3:40 pm); Lisa Holmes (Executive Committee Vice-Chair); Laura Granger (Operations Committee Chair)

Present via remote: Kate DeVoe (Joint Committee Chair); Amie Hendrix\* (At-Large) (arrived 3:45 pm);

Excused: Gary Mutchler (Nominations & Engagement Committee Chair)

Absent:

Guests: Steve Locey, Locey & Cahill

Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Kylie Rodrigues, Benefits Specialist; Teri Apalovich\*, Finance Manager

\* - Due to extraordinary circumstances - attended remotely

### **Call to Order**

Mr. Hart, Chair, called the meeting to order at 3:31 p.m.

### **Changes to the Agenda**

Ms. Dowd expressed a change to the agenda: She said Resolution "Adopt Rule of Order Allowing Consent Agendas" has been added.

### **Approval of Minutes of August 21, 2024**

It was MOVED by Mr. Shattuck, seconded by Ms. Cole, and unanimously adopted by voice vote by members present and via remotely due to extraordinary circumstances, to approve the minutes of August 21, 2024. MINUTES APPROVED.

### **Chair's Report**

Mr. Hart reported he did not have anything specific other than the topics on the agenda.

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

Ms. Dowd referred to her formal written [August Executive Director Report \(click here\)](#) as a reference and reported that RSVP's have been coming in for the Yearly Board of Directors Meeting. She said staff has been contacting directors to encourage attendance.

Ms. Dowd said that Department of Financial Services (DFS) did approve rates for fully insured small group rates and shared information with the committee showing where BCBS Excellus had petitioned DFS for an average of a 19% increase and then received an average of 10.5%. She shared other information showing other small groups that are in the market, and what type of percentages they will be. She said that if the Consortium has a 14% increase, the rates will still be significantly lower than Excellus's current 2024 rates.

## **FOIL Information**

Ms. Dowd notified the Committee at the last meeting, that the Consortium had received a Freedom of Information Law (FOIL) request. She said that the FOIL request was received from Ballard Spahr, which is a law firm located in Washington, DC. She said Ballard Spahr represents the partnership for safe medications and they requested any correspondence reports, etc., that the Consortium has had with CANARX back to June of 2022. She said they were also looking for medications that have been distributed, along with the cost of those medications.

Ms. Dowd said that Ballard Spahr had send a response to the original FOIL seeking additional information. Ms. Dowd said that she spoke with CANARX, who said that they were very familiar with what's going on. She said Ballard Spahr is representing an organization that is for the safe transportation of prescription drugs from foreign countries, and is looking to stop the international companies from doing mail service into the United States.

Ms. Dowd said that she will continue to update the Committee with these requests.

## **Committee Reports**

### **Executive Committee**

Mr. Hart reported that the resolution that was added to the agenda is to adopt rule of order to allow consent agendas. He read through the resolution and there were a few adjustments that the Committee recommended prior to moving forward to the Board of Directors. (see red-lined below).

Mr. Hart also explained that at the beginning of a meeting, items may be removed from a consent agenda on the request of any one member. He said Items not removed may be adopted by general consent without debate, and removed items may be taken up, either immediately after the consent agenda, or placed later, on the agenda, at the discretion of the Consortium's Committees.

## **RESOLUTION NO. XXX- 2024- ADOPT RULE OF ORDER ALLOWING CONSENT AGENDAS**

MOVED by Ms. Drake, seconded by Ms. Holmes, the amended 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 ("Health Consortium") operates as a municipal cooperative health benefits plan pursuant to a Certificate of Authority issued by the New York State Department of Financial Services in accordance with Article 47 of the New York State Insurance Law ("NYIL"), and

WHEREAS, the Health Consortium holds a yearly Board of Directors meeting where there are items that come to the agenda that do not need any discussion or debate either because they are routine procedures or have been approved previously by the Health Consortium's sub-committees and subsequently approved by the Executive Committee, and

WHEREAS, a consent agenda allows the Board of Directors to approve all these items together without discussion or individuals motions, which can free up a substantial amount of time, and

WHEREAS, typical consent agenda items shall include and be distributed with agenda packages **no less than one week prior to a meeting (to be read by members or directors prior to meeting)**, and may include:

- Approval of minutes;
- Resolutions, programs, and/or policies that were adopted and/or action taken at the Executive Committee when the Board of Directors is not in session;
- Final approval of proposals or reports that the board has been discussing for some time and all members are familiar with the implications;
- Routine matters such as appointments to committees;
- Staff appointments requiring board confirmation;
- Reports provided for information only;
- Correspondence requiring no action;

and,

WHEREAS, a consent agenda may be presented by the Chairperson at the beginning of a meeting. Items may be removed from the consent agenda on the request of any one member. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent agenda or placed later on the agenda at the discretion of the Health Consortium committees, therefore now let it be

RESOLVED, on recommendation of the Health Consortium's Executive Committee, that the Board of Directors adopt the rule of order allowing for the consent agenda process as listed above, effective immediately.

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Mr. Hart spoke of the Consortium staff diligently working on drafting amendments to areas of the Municipal Cooperative Agreement (MCA) and discussed the bullets within the resolution below that represent those amendments. He expressed that each area has been discussed in detail by the committee as well as the other Consortium sub-committees. Mr. Hart also said a copy of the 2025 MCA draft has been sent to the Department of Financial Services (DFS) for their acceptance of the changes to the document.

**RESOLUTION NO. XXX- 2024 – APPROVAL OF THE 2025 MUNICIPAL COOPERATIVE AGREEMENT (MCA) TO INCLUDE THE ADDITION OF NEW PARTICIPANTS TO REQUESTED NEW ADDENDUM “A” AND ADDITIONAL PROPOSED REVISIONS LISTED (RED-LINED ATTACHED)**

MOVED by Mr. Salton, seconded by Mr. Bunce, the amended 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 (Health Consortium) 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, the Health Consortium has been working with Locey & Cahill and the Consortium's attorney, John Powers, to update the MCA to ensure changes the Consortium is making are sound, include historical context of importance stays, and relevance to NYS Insurance Law, and

WHEREAS, the New York State Department of Financial Services requires that any amendment to the GTCMHIC Municipal Cooperative Agreement (MCA) be circulated and approved by all Participants, and

WHEREAS, the GTCMHIC wishes to amend the MCA with the following modifications:

- Addition/update(s) of new member(s) (once approved) shall comprise the current members of the Health Consortium on to a separate addendum page listed as "Addendum A" within the MCA
- Articulation of action taken to reflect the change of the Chief Fiscal Officer transfer from the City of Ithaca to Tompkins County.
- Move to majority vote instead of 2/3 on almost all voting aspects except for dissolution, and expulsion.
- Clearing up redundancies and consistent wording.
- When the Board is not in session, the Executive Committee shall act as the Board's delegate with respect to the management, control, and administration of the Consortium and the municipal cooperative health benefit plan, and

RESOLVED, On the recommendation of the Executive Committee, the Board of Directors moves to approve the addition of new members as Participants in "Addendum A" as well as the above listed modifications of the 2025 Municipal Cooperative Agreement and to circulate to all municipal member Participants' governing board for review and approval through resolution.

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### **Nominations and Engagement**

Mr. Mutchler, Chair, was excused from the meeting. Mr. Hart presented the committee structure and appointments for members resolution. It was discussed that the Executive Committee will not have the Joint Committee Chair seat filled after December 31, 2024. Ms. Dowd said that the Joint Committee will meet in November with the hopes the committee votes in a new Director at that time. She said the Consortium staff has been trying to recruit for Labor representatives.

**RESOLUTION NO. XXX-2024 – CREATION OF 2025 COMMITTEE STRUCTURE AND APPOINTMENTS OF MEMBERS FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (“HEALTH CONSORTIUM”)**

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

WHEREAS, the Board of Directors at its Annual Meeting established a Committee structure and appointed members to the Health Consortium’s standing committees, and

RESOLVED, upon recommendation of the Health Consortium’s Nominations and Engagement Committee and Executive Committee, the Board of Directors, hereby appointments the following committee structure and membership to 2025 committees effective January 1, 2025:

**EXECUTIVE COMMITTEE:**

To be elected at annual meeting along with Chairs of standing committees

MEMBERSHIP: Seats to be filled by Directors; 11-15 Members; one-year terms

MEETINGS (subject to change): Bimonthly beginning in January on 3rd Wednesday

1. Board Chair (Hart)
2. Board Vice Chair (Hendrix)
3. Chief Financial Officer (Scarrott)
4. Secretary (Salton)
5. JCPSD Chair (DeVoe)
6. AFC Chair/At-large (Bunce)

7. Operations Chair (Granger)
8. Nominations and Engagement Chair (Mutchler)
9. Claims and Appeals Chair (Shattuck)
10. Past Chair (Drake)
11. At-large (Cole)
12. At-large (Steve)
13. At-large (Vacant)

**STANDING COMMITTEES:**

Audit Committee

CHARGE: The Audit Committee shall be responsible to review audit filings, audit policies and procedures to be sure in compliance with Article 47 and the Certificate of Authority; establish a list of all reports due to the Board and regulators and the process and timeline to insure accurate and timely reporting.

MEMBERSHIP: Seats may be filled by Directors; 3 members-5 members; two-year staggered terms MEETINGS (subject to change): Monthly; 4<sup>th</sup> Tuesday

Terms Expiring 12/31/25

1. Judith Drake (Chair)

2. Mark Emerson
3. Amanda Anderson
4. Wendy Cole
5. Janine Bond

## Finance Committee

**CHARGE:** The Finance Committee shall be responsible 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.

**MEMBERSHIP:** Seats may be filled by non-Directors; 9 members; two-year staggered terms

**MEETINGS** (subject to change): Monthly; 4<sup>th</sup> Tuesday

### Terms Expiring 12/31/26

1. Scott Steve
2. Wendy Cole
3. Bud Shattuck
4. Peter Salton
5. Vacant (Labor)

### Terms Expiring 12/31/25

6. Judith Drake (Chair)
7. Kerry Manion
8. Amanda Anderson
9. Rordan Hart (Vice Chair)
10. Lorrie Scarrott (CFO)

## Operations Committee

**CHARGE:** The Operations Committee is responsible for oversight of Consortium operations and charged with review and oversight of any policies impacting the overall well-being of the organization. The Operations Committee may recommend changes to improve the efficiency of the organization's practices, policies, procedures, and the organizational structure, including personnel and staffing needs.

**MEMBERSHIP:** Seats may be filled by non-Directors; 8 members with two-year staggered terms **MEETINGS** (subject to change): Bi-monthly beginning in January; 4<sup>th</sup> Monday

### Terms Expiring 12/31/26

1. Ruby Pulliam
2. Laura Grainger (Chair)
3. Kemi Shokunbi
4. Janine Bond
5. Judith Drake
6. Melissa Greenthal
7. Vacant (Labor)

### Terms Expiring 12/31/25

8. Kerrie Fusco
9. Sunday Earle
10. Mark Emerson
11. Laurie Walter

## Nominations and Engagement Committee

**CHARGE:** The Nominations and Engagement Committee will assist the Executive Committee in

engaging Directors in finding meaningful ways to contribute to the organization, especially through the consideration of succession and long-term planning. The Committee shall:

1. Be responsible for presenting a slate of recommended Officers, Committee Chairs, and At- Large Executive Committee members at the annual Board of Directors meeting;
2. Be responsible for presenting a slate of recommended Nomination and Engagement Committee members;
3. Recommend to the Executive Director engagement strategies with:
  - a. the work of committees;
  - b. disseminating information ahead of and at the annual meeting in an interactive model and insuring a super-majority attendance at annual meeting; and
  - c. long-term leadership succession planning.

Membership: Seats may be filled by non-Directors; 5 Members with two-year staggered terms  
MEETINGS: Approximately 4x/year.

Terms Expiring 12/31/26

1. Gary Mutchler, Chair
2. Vacant, Labor (JC Chair)
3. Vacant

4. Judith Drake
5. Rordan Hart

Terms Expiring 12/31/25

Claims and Appeals Committee

CHARGE: The Claims and Appeals Committee will hear all appeals that come to the Board of Directors for action and recommend a determination to the Board. This Committee will also monitor claims data and trends and oversee all annual third-party administrator claim audits.

Membership: Seats may be filled by non-Directors; 5 Members with two-year terms  
MEETINGS: As needed (2-4x/year)

Terms Expiring 12/31/26

1. Don Fischer, Vice Chair
2. Jeanne Grace (Labor)
3. Krissie Brown
4. Mike Murphy

5. Bud Shattuck, Chair
6. Donna Dawson
7. Tom Brown
8. Laurie Walter

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Joint Committee on Plan Structure and Design

CHARGE: The JCPSD reviews all prospective Board actions in connection with the benefit structure and design of the Plan and develops findings and recommendations with respect to such matters. Committee may also consider wellness-related initiatives.

Membership: Each Participant and each labor group shall have one voting seat each. Quorum determined by Committee; No set terms.

MEETINGS (subject to change): Bi-monthly (beginning in February)  
Chair and Vice Chair – to be selected by the membership of the JCPSD as outlined in the Committee's Bylaws.

**Claims and Appeals**

Mr. Shattuck, Chair, stated he did not have any information to report.



### **Audit and Finance**

Ms. Drake stated that the day previous, the Finance Committee discussed all elements of the Excellus BCBS (3<sup>rd</sup> Party Administrator) administrative services renewal and reviewed a memo from Locey & Cahill recommending approval.

#### **RESOLUTION NO. XXX- 2024- AUTHORIZING HEALTHCARE BENEFITS RENEWAL (ADMINISTRATIVE SERVICES AGREEMENT) WITH THIRD PARTY ADMINISTRATOR - EXCELLUS BLUECROSS BLUESHIELD**

MOVED by Ms. Drake, seconded by Ms. Holmes the amended 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 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 current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third party benefit administrators for the furnishing of goods and services, and

WHEREAS, the Operations and Finance Committees have determined that it is in the Consortium's best interest to continue its relationship with Excellus BlueCross BlueShield for the administration of the Consortium's medical and prescription drug claims, and

WHEREAS, Excellus BlueCross BlueShield has agreed to give consideration in future years for Administration Rates to vary based on growth in enrollment numbers and has set discounts at six different contract band levels, now therefore be it

RESOLVED, on recommendation of the Finance Committee and the Executive Committee, the Board of Directors hereby approves the 2025 Healthcare Benefits Renewal with Excellus BlueCross BlueShield under the proposed fee structure presented to the Board of Directors for 2024, 2025 and 2026,

RESOLVED, further, That the Chair of the Board of the Greater Tompkins County Municipal Health Insurance Consortium be authorized to execute the 2025 contract on behalf of the Consortium.

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Ms. Drake introduced the resolution for the budget, premium rates, and reserve amounts for 2025. She said the relevant committees have had several discussions regarding the contents of the resolution. Mr. Salton expressed he hopes for the future, the Consortium try to compile a

consistent statistical analysis calculating what the Consortium reserves will be. He says when the budget is being built, there is no growth considered. Ms. Dowd said that she will work with Locey & Cahill to compose a chart that shows most of the calculations by per member count per month.

**RESOLUTION NO. XXX -2024 – ADOPTION OF BUDGET, PREMIUM RATES, AND  
RESERVE AMOUNTS FOR 2025**

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

WHEREAS, the Finance and Executive Committees have had detailed discussions and have considered the Consortium's 2025 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels, in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2025 proposed budget reflects the adopted budget guidelines (Resolution No. 015-2020) as follows:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain a rate stabilization Reserve not less than 2.5% of expected premium level through at least year four of the annual proforma calculation;
- Set Catastrophic Claims Reserve to 2024 beginning balance of \$4,606,088.23 plus any earned interest and Stop Loss Insurance premium savings (between \$600,000 policy and the \$1,000,000 policy costs) in 2024 less any Large claims between \$500,000 and \$1,000,000 for 12 months of 2024.
- If unencumbered fund balance goes less than 12% of expected premium, it will be returned to nothing less than 12% of expected premium by year four of the annual proforma calculation;

- Set the annual budget to accomplish a zero to two percent (2%) net income level; and
- Increase Premium Revenue by 14% in 2025 across all benefit plans; now therefore be it

RESOLVED, on recommendation of the Finance and Executive Committees, That the Consortium's attached 2025 budget including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

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### **Operations**

Ms. Granger reported two resolutions were approved to forward on to the Executive Committee's review. One was to adopt the premium payment policy, which included setting up a calendar reminder system, for sending out premium invoices and designating a 1% late fee included on the invoice for the time that members that are not paying on time. (Resolution: **APPROVAL OF AMENDMENT TO ADOPT THE PREMIUM PAYMENT POLICY**)

Ms. Granger said the other resolution outlined which meetings are subject to open meeting laws. (Resolution: **ADOPTION OF "MEETINGS POLICY AND PROCEDURES"**)

### **Joint**

Ms. DeVoe reported the Joint Committee has not met since the last Executive Committee meeting and did not have any new updates.

### **Financial Update/Year-to-Date Performance**

Ms. Apalovich said that due to having the Committee meeting a week earlier, she does not have updated numbers to report. Ms. Dowd said the Consortium will be working to update the budget package with the August numbers as soon as possible. She said the Consortium did receive a rebate check from Excellus which is the second to last rebate the Consortium will receive this calendar year.

Mr. Locey said that Excellus BCBS is working through some contract negotiations with the Family Care Medical Group and two major hospitals in Syracuse. He said these negotiations maybe be common within the next few years, however, said Excellus BCBS's interest is aligned with the Consortium's interest to keep the claims down. He also said Medicare and Medicaid keep cutting their rate of reimbursement, which puts more pressure on private sector health insurance.

Mr. Locey also said that if may be typical that the Consortium will see a couple more years of higher-than-average trends.

**Future Agenda Topics**

Board of Directors Meeting Follow-up  
Future Reserve Funding  
Metal Level Discounted Premium (actuarial values)  
Stop Loss/Other contract renewals  
Insurance Renewals  
2025 Staff Payroll

**Adjournment**

The meeting was adjourned at 4:22 p.m.

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