

Greater Tompkins County Municipal Health Insurance Consortium

**Audit and Finance Committee**

**Agenda**

**October 23, 2018 – 3:30 p.m.**

Old Jail Conference Room

1. Call to Order (3:30) M. Cook
2. Changes to Agenda (3:30)
3. Approve Minutes of September 25, 2018 (3:32)
4. Presentation on ACQA by Excellus (3:35) B. Miller
5. ProAct Contract Proposal (3:50) C. Prashaw
  - a. Resolution No. – Recommend Authorization to Extend the Agreement with ProAct for Prescription Benefits Management Services for 2019
6. Wilmington Trust: Investment Proposal (4:05) M. Avery
7. Resolution No. – Recommend Authorization to Sign Agreement with Wilmington Trust for Investment Management Services (4:25)
8. Financial Update and 2019 Budget (4:30)
  - a. Report on Receivables S. Locey
  - b. High Cost Claim Report R. SnyderS. Locey
8. Resolution No. – Authorizing Extension of Consulting Services for the Consortium (4:45)
9. Resolution No. – Authorizing Agreement for Technology Services – Tompkins County Information Technology Services Department (4:50)
10. Executive Director's Report (4:55) D. Barber
  - a. DFS Communications
  - b. Reports from Other Committees
  - c. Municipal Health Care Financing Cooperative and Stop-Loss update
  - d. BMI Audit of Medical Claims
  - e. Town of Covert
  - f. Marketing Expense line
  - g. Committee Membership – Terms expiring 12/31/18: Salton, Shawley, Cook, Shattuck
  - h. Invoices: Armory Associates – September 30, 2018; Town of Ulysses GASB 75 (info. only)  
Bonadio – September 30, 2018 (info. only)  
BOCES Printing – October 4, 2018 (info. only)
11. Next Agenda Items (5:10)
  - a. Restricting Reserves from a Departing Municipality's Pro Rata Share
  - b. Retiree Inclusion and Benefit Plan Impact
12. Adjourn (5:15)

*Next Meeting: November 27, 2018*

**MINUTES**  
**Audit and Finance Committee**  
**September 25, 2018 – 3:30 p.m. - draft**  
**Old Jail Conference Room**

Present: Mack Cook, Bud Shattuck, Olivia Hersey, Peter Salton, Steve Thayer, Ann Rider (arrived at 3:33 p.m.); Laura Shawley (arrived at 4:59 p.m.)  
Excused: C. Rankin, R. Hart  
Guests: J. Drake, Board Chair; Don Barber, Executive Director, Rick Snyder, Treasurer, Corey Prashaw, ProAct, Lisa Holmes, Deputy County Administrator; John Bennett, City of Cortland

**Call to Order**

Mr. Cook, Chair, called the meeting to order at 3:30 p.m.

**Approval of Minutes of August 20, 2018**

It was MOVED by Mr. Thayer, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present, to approve the minutes of August 10, 2018 as submitted. MINUTES APPROVED.

**Executive Director's Report**

Department of Financial Services Communications

Mr. Barber briefly reported on a conversation that took place between a group of Consortium representatives and the Department of Financial Services on the start-up of other Article 47's and legislative changes that need to be made. This is something he will be devoting more time in the next month to and will report back at the next meeting.

Ms. Rider arrived at this time.

Mr. Barber said after the adjusted 1<sup>st</sup> quarter 2018 and 2017 Jurats were sent to the Department they requested corrections be made and for the revised documents to be re-filed. That has been done and there has been no response received as of this date.

Reports from Other Committees

Mr. Barber said a report from the Wellness Consultant was included in agenda packets that included an update on flu clinics and the Owning Your Own Health Committee. The Joint Committee on Plan Structure and Design spent a considerable amount of time at its last meeting discussing formulary edits and specifically Prior Authorization and Step Therapy.

Investment Management Services Committee Update

Mr. Barber reported on interviews that took place with three investment management firms and the Review Committee has recommended Wilmington Trust as it was the only firm that offered a complete package of investment and custodial services. The Committee agreed all firms were qualified to fulfill the roles and the fees being offered by all firms were fair but Wilmington had the lowest.

Mr. Barber reported the Intermunicipal Agreement has been signed. The Bylaws have been reviewed by the Consortium's attorney who provided significant input and they are ready to be signed by each municipal participant. He said the Stop Loss carrier would be Berkley, the Captive insurer would be Green Mountain which contracts with Strategic Risk Solutions to

manage its captive cells, and the consultant is Relph Benefits Advisors. He referred to information provided in the supplemental agenda packet that provided a detailed explanation of how the concept works.

Mr. Barber referred to a document in the packet containing e-mail communications he received stating Berkley would not quote Stop Loss insurance for Seneca County. He explained that Seneca County is in MVP and they will not supply claims information that they have for Seneca County; however, Mr. Locey has done a claims analysis based on his expertise and the information he was able to gather. Mr. Salton questioned whether the Consortium needs Seneca County's claims data in order to make a decision of whether to accept that group into the Consortium for 2019. Mr. Locey said for purposes of the Consortium it is not needed but it would be helpful for Stop Loss. Mr. Barber said Seneca County has attempted to get the claims information and although it is their information and should be able to get it they have not been successful.

Mr. Locey spoke of Seneca County having similar demographics and said he didn't think that not having large loss information would be a reason to not accept them into the Consortium. However, he said as more municipalities from that County come into the Consortium it would be a good idea to do some analysis based on employers by region to see if there are any adjustments that should be made. As Mr. Barber said, the idea of the Consortium was to try to offer a program that helps the taxpayers and municipalities collectively from a financial perspective and to not do something that could help them goes against the Consortium's original intent.

Ms. Drake spoke of the significant amount of time Mr. Barber and Mr. Powers have put into the Captive and there was consensus that the Mr. Barber should advise the group that without including Seneca County in the Stop Loss quote, the Consortium would not be joining the Captive for 2019. Mr. Barber and Mr. Locey said a request for other Stop Loss quotes has been issued and they feel confident the Consortium will receive some good responses. Mr. Salton expressed concern that if approached by other counties to join in 2020 the Consortium could be faced with this situation again. Mr. Locey explained that Seneca County is unique in that it is in a community-rated HMO and most counties are either experience-rated or self-insured and would have their own data.

#### Website Tutorial

Ms. Cocco provided the Committee with a brief tutorial of the Consortium's new website. It was suggested that members be canvassed annually at the organizational meeting to determine whether they will be doing their own online enrollment or if the Consortium would be responsible for submitting information on their behalf to Excellus.

#### Invoices

It was MOVED by Mr. Salton, seconded by Ms. Rider, and unanimously adopted by voice vote by members present, to approve an invoice from Hancock Estabrook dated August 3, 2018 in the amount of \$880 and September 24, 2018 in the amount of \$3,038.75. MOTION CARRIED.

Two invoices for Newsletter editing services for January-March, 2018 in the amount of \$427.50 and for June-September, 2018 in the amount of \$798.75 were presented for information only.

#### Request by Town of Elbridge to Join Consortium

Mr. Barber reported the Town of Elbridge has submitted a letter to the Consortium asking to join; however, the Town is located in a county that is not contiguous to Tompkins County. He

said it would require a majority vote of the Board of Directors to accept a municipality outside of the region designated in the Municipal Cooperative Agreement.

**RESOLUTION NO.            - 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF  
NILES TO BECOME A PARTICIPANT IN THE GREATER  
TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE  
CONSORTIUM**

MOVED by Ms. Hersey, seconded by Ms. Rider, and unanimously adopted by voice vote by members present. Mr. Barber said the Town of Niles will bring in one person; they have three individuals on Teamsters and have said they will move them to the Consortium in the Gold Metal Level Plan.

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 has 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, the Town of Niles has complied with membership process outlined in Resolution Nos. 005 of 2012 (amended by Resolution No. 027 of 2014), and Resolution No 7 of 2018, and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, recommends that the Board of Directors hereby accepts and welcomes the Town of Niles as the 36<sup>th</sup> municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO.            - 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF  
COVERT TO BECOME A PARTICIPANT IN THE GREATER  
TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE  
CONSORTIUM**

MOVED by Ms. Hersey, seconded by Ms. Rider, and unanimously adopted by voice vote by members present. Mr. Barber said the Town of Covert will be bringing two individuals into the Consortium.

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

WHEREAS, the Town of Covert has complied with membership process outlined in Resolution Nos. 005 of 2012 (amended by Resolution No. 027 of 2014), and Resolution No 7 of 2018, and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium recommends that the Board of Directors hereby accepts and welcomes the Town of Covert as the 37<sup>th</sup> municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF SENNETT TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM**

MOVED by Ms. Hersey, seconded by Ms. Rider, and unanimously adopted by voice vote by members present. Mr. Barber said the Town of Sennett will be bringing eight employees and five retirees into the Consortium. They will be moving up from the Bronze Metal Plan to the Gold or Platinum Plan and will also be saving money.

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

WHEREAS, the Town of Sennett has complied with membership process outlined in Resolution Nos. 005 of 2012 (amended by Resolution No. 027 of 2014), and Resolution No 7 of 2018, and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium recommends that the Board of Directors hereby accepts and welcomes the Town of Sennett as the 39<sup>th</sup> municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF MENTZ TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM**

MOVED by Mr. Salton, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present. Mr. Barber said the Town of Mentz will be bringing two individuals into the Consortium in the Platinum Metal Level Plan.

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

WHEREAS, the Town of Mentz has complied with membership process outlined in Resolution Nos. 005 of 2012 (amended by Resolution No. 027 of 2014), and Resolution No 7 of 2018, and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium recommends that the Board of Directors hereby accepts and welcomes the Town of Mentz as the 40th municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE SENECA COUNTY TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM**

MOVED BY Mr. Salton, seconded by Ms. Hersey. Mr. Barber referred to claims information contained in the agenda packet and stated the information is consistent with the Consortium's claims. He noted that a decision to accept Seneca County would also determine what the Consortium will do relative to Stop Loss. They likely will be coming into the Platinum Plan and have three to four labor unions. Most retirees have the same plan as the actives; there is a very small group that have a Medicare plan. The resolution was unanimously adopted by voice vote by members present.

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 Seneca County has submitted an official resolution authorizing the Seneca County to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Seneca County has complied with membership process outlined in Resolution Nos. 005 of 2012 (amended by Resolution No. 027 of 2014), and Resolution No 7 of 2018, and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor and

WHEREAS, the Seneca County has also complied with membership process outlined in Resolution No 7 of 2018 by submitting the limited claims data they could retrieve from their current carrier which have been reviewed by our Benefit Plan Consultant who finds no issues of concern



in the data received and is recommending Seneca County's application for admission into the Consortium be accept, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Seneca County as the 38<sup>th</sup> municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO.      – 2018 - ACCEPTANCE OF APPLICATION BY THE NEW ROOTS  
CHARTER SCHOOL TO BECOME A PARTICIPANT IN THE  
GREATER TOMPKINS COUNTY MUNICIPAL HEALTH  
INSURANCE CONSORTIUM**

Mr. Barber said Mr. Snyder has spent a great deal of time reviewing the School's financial data and has no concerns with accepting this group into the Consortium; however, there is an issue as to whether New Roots is a municipal corporation. He said New Roots provided some legal analysis that was forwarded to John Powers, the Consortium's legal counsel, who disagreed and found that their analysis was light. Mr. Barber forwarded the information to the Department of Financial Services (DFS) and they were in agreement with Mr. Powers. The DFS found that although they did not provide any good information that they should be a municipal corporation that it would be up to the to the Consortium as to whether or not to accept New Roots into the Consortium. Mr. Barber said he has requested additional information from New Roots but has not yet received anything. He said at this point he doesn't believe the Consortium has the information it needs to take action.

The Committee took no action on the resolution.

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**RESOLUTION NO.      - 2018    – RECOMMEND AUTHORIZATION TO ENTER INTO  
AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL  
REPORTING FOR 2019-2020**

MOVED by Mr. Salton, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services during the years 2013-2018, and

WHEREAS, the Consortium wishes to continue the current arrangement for two additional years, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a two-year contract expiring December 31, 2020.

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**RESOLUTION NO. - 2018 – RECOMMEND AUTHORIZATION TO EXTEND THE AGREEMENT WITH PROACT FOR PRESCRIPTION BENEFITS MANAGEMENT SERVICES FOR 2019**

Mr. Barber called attention to a spreadsheet contained in the agenda packet that shows an increase in fees from \$1 to \$1.75 and said this increase warrants an explanation. Mr. Prashaw said the contract between the Consortium and ProAct is completely transparent and the only revenue source is in the administration fee. As they continue to bid business nationally they are trying to stay consistent but low enough to stay competitive and \$1.75 is custom on a fully transparent bid. There was consensus to defer this resolution to the October meeting to allow time for more discussion between the Consortium and ProAct. RESOLUTION DEFERRED.

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**RESOLUTION NO. - 2018 – AMENDMENT TO RESOLUTION NO. 12 OF 2016 – EXTENSION OF CONTRACT WITH AN INDEPENDENT CONTRACTOR FOR CONSORTIUM NEWSLETTER EDITING SERVICES AND EXPENSES**

MOVED BY Ms. Hersey, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present.

WHEREAS, in 2016 it was determined that continued production of the Consortium's newsletter requires editing and layout expertise and knowledge was not available within the Consortium's resources, and

WHEREAS, Resolution No. 2016 authorized a contract with Jennifer Jensen to produce four quarterly issues of the newsletter and to provide the necessary software at an annual cost of \$5000, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium recommends that the Consortium hereby approves an extension of that one-year contract through December 31, 2020 with Jennifer Jensen to provide services related to the production of the Consortium's newsletter at total annual cost not to exceed \$5000,

RESOLVED, further, That the Consortium will continue to provide the necessary software at amount not to exceed \$240/year is hereby cover costs associated with the purchase of software needed to produce the newsletter.

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**Financial Update and 2019 Budget**

Mr. Locey reviewed financial results through August 31, 2018 and noted there have been significantly more prescription drug rebates than budgeted. He said total revenue is 1.2% over budget; medical claims are over budget by 5% and prescription drug claims are 8.5% below budget with the net result for claims ytd being 1.027% over budget. At this time there is \$820,000 in net income with three months left in the year.

Mr. Locey reviewed a memorandum from Locey and Cahill and provided details on the 2019 budget containing the following recommendations:



- 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. The value of this reserve, as projected for the 2019 Fiscal Year, is \$2,563,039.37 This will maintain the financial stability of the Consortium and protect the Municipalities from the possibility of a mid-year assessment, if paid claims projections are exceeded.
- Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of “run-out” claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. This reserve would equal approximately 5,901,892.95 for the 2019 Fiscal Year.
- Continue to evaluate the stop-loss insurance policy which recently increased the deductible to \$600,000 for the 2019 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$2,000,000.00 for the 2019 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the overall paid claims due to individual high dollar claimants.
- Maintain the Claims/Rate Stabilization Reserve in an amount equal to 5% of expected paid claims. These funds could be used in future years to mitigate premium rate increases and to “soften the blow” from a period of hyper-inflation.
- Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.
- Establish an investment strategy designed to maximize the interest income earned while maintaining the flexibility in cash assets necessary for the prudent financial management of the Consortium.
- In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 5.0% increase in premiums for the 2019 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$425,000 for the 2019 Fiscal Year.
- It should be noted that the Consortium’s Silver Plan’s benefits did present an Actuarial Value which exceeded the set goal of 70% +/- a 2% standard deviation when it was calculated for the 2019 Plan Year. As a result, some benefit changes were made to the plan which will be effective on January 1, 2019. These benefit modifications lowered the Actuarial Value from 72.64% to 71.11% and will result in a premium increase of 3.47% on January 1 2019, based on the 5% recommendation listed above.

Mr. Locey said there are several reasons Locey and Cahill continues to recommend a premium rate increase of 5%. First, the Consortium is adding several municipalities, data from Seneca County is lacking, and last year if the Consortium does better it could keep next year’s rate increase down.

Mr. Salton suggested Mr. Locey add the word “future” to “paid claims trend on page to page four of the spreadsheet.

Mr. Shattuck said he had been supporting a rate increase of 4%; however, the changes that have been discussed and the plans to add staff has changed his mind. He said it is not known at this time what the staffing costs will be which leaves enough variables for him to think it would be prudent to be more conservative at this time.

Mr. Locey reviewed the major changes included in the 2019 proposed budget:

Interest income – increased by \$200,000  
Prescription rebates - \$1.5 million  
Executive Director – increased from \$50,000 to \$150,000  
Consultant expenses – increased from \$56,700 to \$85,000  
Audit expenses -\$90,000

Mr. Locey said next year he will send out a notice to anyone providing service to the Consortium to get an estimate of upcoming expenses.

Mr. Locey provided rate information and said they have been adjusted by 5% from 2018; the Silver Plan was adjusted by 3.4% based on the deductible change from \$1,800 to \$2,600 for individual coverage and from \$3,600 to \$4,400 for family coverage. Mr. Shattuck said this is an \$800 difference and his municipality will make a decision on how that increase will be covered.

**RESOLUTION NO. - 2018 - ADOPTION OF BUDGET, PREMIUM RATES, AND  
RESERVE AMOUNTS FOR 2019**

MOVED by Mr. Shattuck, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present.

WHEREAS, the proposed 2019 budget has been discussed by the Audit and Finance Committee at its meetings in June, July, August and September of 2018, and

WHEREAS, several scenarios of rate increase for 2019 and the next 4 years explored, and

WHEREAS, our Benefit Plan Consultant has modified our claims trend based on our data and that of similar groups they have research, and

WHEREAS, the Audit and Finance Committee has investigated the increase of Rx Rebate Revenue and determine that for the foreseeable future this revenue line should be increased to \$1.5 million, and

WHEREAS, the proposed 2019 was recommended by the Audit and Finance Committee at the September 25, 2018 meeting for submission to the Board for its review, and

WHEREAS, notable items included in the proposed budget are the following:

- Premium increase of 5% over 2018 rates, except for Silver plans which will experience reductions in actuarial value and have a rate increase of 3.47%;
- 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 the Rate Stabilization Reserve in an amount equal to 5% of expected paid claims;
- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims; and
- Maintain Catastrophic Claims Reserve at \$2,000,000

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the attached 2019 budget and premium equivalent rates, and reserve amounts be adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

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Mrs. Shawley arrived at this time.

#### **Retiree Inclusion and Benefit Plan Impact**

This item was deferred to the next meeting.

#### **Discussion of Restricting Reserves from a Departing Municipality's Pro Rata Share**

Mr. Barber said this discussion would relate to establishing a policy for return of surplus for withdrawing participants of the Consortium. He referenced a memorandum he prepared dated September 22, 2018 and said he will distribute a spreadsheet prepared by Mr. Locey showing retained fund balance by municipality. He asked that members review the information in preparation for the October meeting and in particular how the IBNR liability, Surplus, Rate Stabilization Reserve, and Catastrophic Claims Reserves should be handled.

#### **Next Agenda Items**

The following were identified as items to be included on the next agenda:

- Resolution – Recommend Authorization to Extend Authorization to Extend the Agreement with ProAct for Prescription Benefit Management Services for 2019
- Retiree Inclusion and Benefit Plan Impact
- Discussion of Restricting Reserves from a Departing Municipality's Pro Rata Share

#### **Adjournment**

On motion the meeting adjourned at 5:08 p.m.



## Greater Tompkins County Municipal Health Insurance Consortium

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[www.tompkinscountyny.gov/hconsortium](http://www.tompkinscountyny.gov/hconsortium) • [consortium@tompkins-co.org](mailto:consortium@tompkins-co.org)

*"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."*

### **RESOLUTION NO.      – 2018 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2019 – PROACT**

WHEREAS, the Board of Directors by Resolution No. 028-2016 awarded a one-year contract with ProAct for Prescription Benefits Manager services with the Consortium having the option to extend the contract annually for each of the next two years, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for another year, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended for the period January 1, 2019 through December 31, 2019.

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## Greater Tompkins County Municipal Health Insurance Consortium

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*"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."*

### **RESOLUTION NO. - 2018 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – 2019**

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium by Resolution No. 17 of 2013 awarded a contract for Plan consultant services on December 19, 2013 to Locey & Cahill, LLC of Syracuse for the period January 1, 2014 through December 31, 2015 with the option to renew for three additional one-year terms, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium retain Locey and Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium's contract with Locey and Cahill, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends the contract with Locey & Cahill, LLC be extended for an additional one-year term for the period January 1, 2019 through December 31, 2019.

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*"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."*

### **RESOLUTION NO. - 2018 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2019 THRU DECEMBER 31, 2019**

WHEREAS, the Consortium has received technical assistance at no charge from the Tompkins County Information Technology Services Department (ITS) since beginning operations in 2011, and

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, audio and visual assistance, development of a secure online enrollment program, and general computer support, and

WHEREAS, the frequency of requests and time involved has increased as the Consortium has grown, and

WHEREAS, the Executive Committee has recommended that the Consortium provide compensation for work done by the Department on behalf of the Consortium, now therefore be it

RESOLVED, That the Audit and Finance Committee recommend the Board of Directors approve an agreement with Tompkins County Information Technology Services for 2019 based on a rate for an average of four (4) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2019 thru December 31, 2019 for a total of \$2,880,

RESOLVED, that the amount of \$2,880 will be submitted as a single invoice by ITS in January, 2019, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

RESOLVED, further, that the TC Information Technology Services Agreement will be kept on file in the Consortium's records.

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# GTCMHIC Name Audit Timeline

RESPONSIBLE PARTY	#	AUDIT STEPS	Med/Rx/Dental Audit	
			TARGET	COMPLETED
BMI / GTCMHIC	1	Execute BMI Services Agreement / Business Associate Agreement		8/3/2018
GTCMHIC	2	Complete and return Audit Process Guide.		8/07/2018
BMI / GTCMHIC	3	Kick-off call to review and discuss: <ul style="list-style-type: none"> <li>• Introductions – Who is handling various tasks</li> <li>• Establish the audit timeline</li> <li>• Review audit process and complete Audit Process Guide if necessary</li> <li>• Determine next steps and responsible parties</li> </ul>		
Locey	4	Send BMI plan documents, e.g. Summary Plan Description(s)/Benefit Booklet(s), Schedule of Benefits, ASO, etc.		10/1/2018
GTCMHIC	5	Send Excellus audit notification.		8/14/2018
BMI	6	Send Excellus audit scope.		9/5/2018 9/20/2018
Excellus/ BMI/GTCMHIC	7	Execute Excellus Confidentiality Form		9/24/18
GTCMHIC/ Excellus	8	Send BMI eligibility file		9/28/18
Excellus	9	Send BMI claims data		9/28/18
BMI	10	Define and test data set	Week of 10/29/2018	
BMI	11	Evaluate and select claim samples; submit to Excellus	Week of 12/7/2018	
Excellus / BMI	12	Conduct onsite (medical only)	Week of 1/14/2019	
Excellus	13	Excellus audit responses due	TBD	
BMI	14	Finalize report and send to GTCMHIC/ Excellus. <i>(If a draft report is required, continue to step 15)</i>	TBD	
BMI	15	<i>Complete draft report and send to Excellus</i>	TBD	
Excellus	16	<i>Draft response report returned to BMI</i>	TBD	
BMI	17	<i>Draft response reviewed, finalize report , and send to GTCMHIC /Excellus</i>	TBD	