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Municipalities building a
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AGENDA

Board of Directors Meeting

August 26, 2010 – Old Jail Conference Room 5:30 pm- 7:30 pm

1. Approve July minutes- **VOTE**
2. Overview of activity with NYSID
3. Resolution - AUTHORIZATION FOR CHAIR TO EXECUTE AGREEMENT WITH STATE OF NEW YORK- **VOTE**
4. Resolution - APPOINTMENT OF SUPERINTENDENT OF INSURANCE AS ATTORNEY- **VOTE**
5. Resolution - CERTIFICATE OF DESIGNATION BY INSURER - **VOTE**
6. Invoices to municipalities, number of contracts needed – David Squires
7. Resolutions needed from municipalities
 - Authorization to execute municipal cooperative agreement
 - Authorization to contribute to reserves
8. Retiree Outreach – Workshop scheduled Sept. 13th 3:00 pm Holiday Inn
9. Employee Communication
10. Joint Committee – need appointment from each municipality, discuss 1st agenda

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors MINUTES
July 22, 2010
Old Jail Conference Room
Agenda ******

draft

1. Approval of minutes both (May (reworked) and June)
2. Report by each municipality on its union consent-All
3. Status of amended application- S. Locey-
4. Discuss capitalization reserving commitment and resolution – All
5. Discuss premium and capitalization invoicing by County- D. Squires
6. Discuss implementation protocol with both Excellus and Medco - Locey
7. Discuss budget and premiums for 2011.- S. Locey
8. Discuss start up of Joint Committee of Benefits - D. Barber and C. Demarco
9. Discuss Planning Committee (formerly steering committee) charge to the committee and appointments; list attached- D. Barber

****Disclaimer: While these items have been discussed, NONE of them have been voted on or finalized. All plans are in the DRAFT phase.*

Present:

Municipality Representatives:

City of Ithaca – Carolyn Peterson, County of Tompkins – Anita Fitzpatrick
Town of Caroline - Don Barber, Town of Danby-Ric Dietrich, Town of Dryden - Mary Ann Sumner,
Town of Ithaca - Judith Drake, Town of Ulysses- Lucia Tyler, Town of Enfield-Herb Masser,
Village of Groton- Chuck Rankin, Village of Cayuga Heights – Norma Manning

Union Representative:

CSEA - Chantalise DeMarco, President

Absent:

Town of Groton, Village of Dryden, Village of Trumansburg

In attendance:

Locey & Cahill- Steve Locey

County - Joe Mareane & David Squires, City of Ithaca – Steve Thayer

2

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Welcome Agenda

Chair Don Barber called the meeting to order at 5:37 pm.

1. Approval of Minutes

a. May 13th – Motion: Mary Ann Sumner Seconded: Ric Dietrich

Discussion: Carolyn Peterson asked what the action result was from the motions as the vote is not shown for either. Minutes were amended to show that both votes were passed with a unanimous vote by the board. Carolyn also questioned the second bullet under Use of local fund balances to cover the shortfall – what did it mean as most of the municipalities have tight financial constraints. Board discussed that the original discussion was regarding the different financial calendar that the villages are under than the towns, city and county. Wording was amended to be “Due to the villages’ fiscal calendar they may be under tighter financial constraints. “

Carried as amended: Unanimously approved

b. May 27th – not presented as they are not ready for review

c. June 24th – Motion: Mary Ann Sumner Seconded: Carolyn Peterson

Carried: Unanimously approved

2. Union Consent Letter status

Don Barber expressed the joy that CSEA has signed the MOU regarding labor representation for all the CSEA units. Mary Ann Sumner stated that the Town of Dryden’s was signed. Town of Ithaca’s was signed. Don is collecting them, so that they can be presented as a packet with the application.

3. Status of Amended Application

Steve Locey explained that the Insurance Department requested information regarding the claims appeal process. Steve passed out to the BOD the appeals process that was submitted, just so they can discuss and understand the process and what the BOD’s role is in the process. The first step and second step of an appeals process is through Excellus. The third step is through the Consortium. The Executive Committee hears the appeal and makes a recommendation to the BOD for a decision. Experimental and investigative items are handled by the Department of Insurance as a third party neutral. Most appeals that occur will be handled by step 1 and 2 at Excellus.

4. Capitalization reserving commitment and resolution

Don expressed what an exciting time this is for the consortium, as with phone responses today, Albany is starting to talk about an actual start up date for the Consortium of October 1st.

Two items still need to be pulled together for submitting to the state.

a. Capitalization Reserving – resolutions committing the reserving are need to be received by each municipality so they can be submitted and the funds can be invoiced. A bank account with the funds needs to be established.

b. Union consent letters – signed letters need to be received to be submitted.

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Chantalise Demarco explained that CSEA did sign the letter which has been received. Don explained that the Department of Insurance is aware that not all the unions will be signing a consent letter. CSEA represents 912 of the 1300 employees that are represented. This is 70% of the employees, which is a majority of the employees. The hope is that those who don't sign a consent will still get involved in the Joint Committee once the Consortium is operating.

Steve Locey explained that the Department of Insurance was looking for a better understanding of how the community rate development is established. The rates are based on how the entire consortium's experience comes out versus one municipality against another. If the BOD determines a need for a 9 % increase than that is applied to all plan designs. Therefore, if two municipalities have the exact same plan than the premium will be the same. There may be a different rate adjustment for the prescription piece as that may trend differently then the medical piece.

The Department of Insurance has also requested more information regarding claims projections. This request has been reviewed a few times already back and forth.

There was general discussion regarding different scenarios for different municipalities and how that relates back to union negotiations. Each municipality establishes their own plan based on options available through the Consortium, with the different options having different rates associated. The Consortium doesn't establish what the employees pay or the benefit levels that is all decided individually by each municipality.

The Department of Insurance need signed copies of the contracts with Excellus and Medco. The contracts have already been reviewed and accepted by the DI. However, the companies can't provide signed agreements until there is a certificate of insurance. Don explained that there is now an email from the Department Insurance that will allow the contracts to be signed after the Conditional Certificate but before the final Certificate. This indicates that the Consortium will receive the Certificate of Insurance.

The Stop Loss binder is also needed but again need to have the money to pay the premium. Steve L is working on getting the binder prior to the payment with a clause that it is ineffective if payment is not received by x date.

Don discussed that the Municipal Cooperative Agreement that was emailed (7/20/10 version) to the BOD is approved by the DI and is ready for each municipality to sign. Actions by the municipal boards need to happen in August for the MCA and capitalization reserving. Steve L will have the application revised and sent to the DI by next week.

5. Premium and capitalization invoicing

Don reviewed the capitalization spreadsheet that was sent to each municipality. The projection is that by the end of 2013 there will be enough unencumbered fund balance, so that the municipalities that up fronted additional capital will be able to start getting paid back with an estimated 3% interest. The final action to do this will be decided by the BOD at that time. This capitalization shows all the cooperation that is occurring.

Claims exposure was discussed relating that the decrease in the IBNR to 12% from the original is still a very conservative number. The IBNR actual is around 8%.

David Squires explained that the Capitalization Reserve funds will be put in a separate and isolated account from the Consortium's operating funds. The reserve funds will not be available to pay any daily expenses. The billing for the capitalization will be occurring as soon as possible.

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David explained that for the monthly premiums the billings will be going out in the middle of September and are due by October 1st. It was stressed that these invoices need to be paid on time, so that the funds are available to pay bills that will be coming in from Medco by the 14th of October. Right now Excellus can float if bills are paid late, the Consortium in the start up won't have that ability to float an entity. It was also stressed that changes that occur e.g.: changes from single to family or new enrollment, will be picked up in the next month's billing. Changes to the bill received should not be done as it will make things more complicated for David S. to administer. There was general discussion of how the tracking of premiums paid will occur and be viewed by the BOD.

6. Implementation protocol with Excellus and Medco

Steve L. will be working with Excellus regarding notification of current contracts with Excellus being cancelled and moved to the Consortium. Steve L will work with Excellus and Medco to have them come down to meet and go over the implementation process with the municipalities. Meetings for the employees will also be arranged, with some municipalities grouped together. Steve L will draft a letter that each entity can use to officially notify staff that the switch over will be occurring. The letters should be sent once there is official notification from the Department of Insurance regarding the Certificate.

Ancillary benefits were discussed. Now that the process is moving forward again Steve L will move on the ancillary benefits, especially dental insurance. This is a concern for the entities with Teamsters coverage. Chantalise questioned what will happen with the anticipated change in October to a different Excellus plan – to be discussed with the County.

7. Budget and Premiums for 2011

Steve L walked the BOD through the 2010-2015 Fiscal Year Budget Projections. Premiums reflect a 9.5 % increase and so do the paid claims. These are conservative numbers with the expectation that rates won't be that high. By 2014 the capitalization investments should be paid back. Municipalities can use the 9.5% increase over the 2010 Consortium rates for budget estimating. At the September BOD Steve will be prepared to present 2011 rates for each of the plans.

8. Joint Committee on Plan Structure and Design

As there is no chair of the Joint Committee Don suggested that he and Chantalise work together to get a first meeting arranged. It was reiterated that the municipal representative on the Joint Committee doesn't have to be a member of BOD of Consortium. It may be more beneficial if it is the person that works on the health insurance for the municipality.

9. Planning Committee (formerly Steering Committee) charge and appointments

The Steering Committee has been dysfunctional since the BOD formed. There was discussion regarding the interest in creating a Planning Committee that could work on certain issues as an advisory committee. Such items may include:

- Staying abreast of changes and alternatives in the health insurance and the providing of health care

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- Establish a communication link between with other health insurance pools and look for collaborative opportunities
- Evaluate health insurance and or providing changes and alternatives for appropriateness for the Consortium

There is still \$100,000 left in the grant for wellness initiatives and health improvement incentives. This committee could work on those ideas.

The BOD members, that were present, showed interest in the idea and concept of creating the Planning Committee.

Adjournment

The meeting adjourned at 7:08 pm.

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AUTHORIZATION FOR CHAIR TO EXECUTE AGREEMENT WITH STATE OF NEW YORK

Whereas the GTCMHIC has not achieved the status of an operating municipal cooperative yet, as we have not received our Certificate of Authority, required to operate as a municipal cooperative, now therefore be it

RESOLVED that the Greater Tompkins County Municipal Health Insurance Consortium now authorized, or having applied for authority to do an insurance business in the State of New York, does hereby authorize the Chairperson and Secretary, under the corporate seal of Greater Tompkins County Municipal Health Insurance Consortium to appoint the Superintendent of Insurance of the State of New York, his successors in office, and any deputy superintendent, its true and lawful ATTORNEY, in and for the State of New York, upon whom all lawful process against said Greater Tompkins County Municipal Health Insurance Consortium may be served in any action or proceeding against said Greater Tompkins County Municipal Health Insurance Consortium in the State of New York, subject to and in accordance with all the provisions of the Insurance Law of the State New York in force at the time of such service. This appointment shall be binding upon any successor acquiring the assets and assuming the liabilities of such insurer by merger or consolidation, and shall not be terminated so long as there are in effect any contracts, or liabilities or duties arising out of contracts, which were issued or delivered by such insurer in this State; and it is further.

RESOLVED that the Greater Tompkins County Municipal Health Insurance Consortium does hereby authorize the Chairperson and Secretary, under the corporate seal of the Greater Tompkins County Municipal Health Insurance Consortium to execute and file in the office of the Superintendent of Insurance of the State of New York a certificate of designation of an officer, agent or other person to whom shall be forwarded all process served pursuant to the Insurance Law of the State of New York upon the Superintendent of Insurance of said State, his successors in office, or any deputy superintendent; and it is further

RESOLVED that the Greater Tompkins County Municipal Health Insurance Consortium does hereby authorize the Chairperson and Secretary, under the corporate seal of the Greater Tompkins County Municipal Health Insurance Consortium to change such designation, or any subsequent designation, by filing a new certificate of designation in the office of the Superintendent of Insurance of the State of New York.

I HEREBY CERTIFY that the above is a correct copy of the resolution of the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium authorizing the appointment of an attorney for the State of New York and authorizing the appointment of an agent to whom process may be forwarded.

Judy Drake, Secretary, GTCMHIC

CERTIFIED COPY of a resolution duly passed by the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium on the 26th day of August 2010.

At a meeting of the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium held on the 26th day of July 2010 at the office of the County of Tompkins a quorum of the said Board was present and on motion the following resolution was duly passed by said Board:

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APPOINTMENT OF SUPERINTENDENT OF INSURANCE AS ATTORNEY

Whereas the GTCMHIC has not achieved the status of an operating municipal cooperative yet, as we have not received our Certificate of Authority, required to operate as a municipal cooperative, now therefore be it

RESOLVED that That the Greater Tompkins County Municipal Health Insurance Consortium an insurer of the County of Tompkins in the State of New York, now authorized or having applied for authority to do an insurance business in the State of New York, hereby appoints the Superintendent of Insurance of the State of New York, his successors in office, and any deputy superintendent, its true and lawful ATTORNEY, in and for the State of New York. upon whom all lawful process against said insurer may be served in any action or proceeding in the State of New York, subject to and in accordance with all the provisions of the Insurance Law of said State of New York in force at the time of such service. This appointment shall be binding upon any successor acquiring the assets and assuming the liabilities of such insurer by merger or consolidation, and shall not be terminated so long as there are in effect any contracts, or liabilities or duties arising out of contracts, that were issued or delivered by such insurer in this State.

IN WITNESS WHEREOF, the said Greater Tompkins County Municipal Health Insurance Consortium, in accordance with the resolution of its Board of Directors duly passed on the 26 day of August 2010, has to these presents affixed its corporate seal, and caused the same to be subscribed and attested by its Chairperson and Secretary, at the County of Tompkins, in the State of New York, on the ____ day of _____ 20____.

Donald Barber, Chairperson, GTCMHIC

Judy Drake, Secretary, GTCMHIC

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STATE OF NEW YORK

) ss:

COUNTY OF TOMPKINS

On this ____ day of _____, 20____, before me, the subscriber, a notary public duly appointed to take the proof and acknowledgement of deeds and other instruments, came Mr. Donald Barber, Chairperson, and Ms. Judy Drake, Secretary of the Greater Tompkins County Municipal Health Insurance Consortium to me personally known to be the individuals described in and who executed the preceding instrument; and they each duly acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, deposed and said, that they were the said officers of the Greater Tompkins County Municipal Health Insurance Consortium, aforesaid, and that the seal affixed to the preceding instrument was the corporate seal of the said Greater Tompkins County Municipal Health Insurance Consortium and that the said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Greater Tompkins County Municipal Health Insurance Consortium.

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WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium must declare its attorney for the official start up of Consortium, now therefore be it

RESOLVED, THAT THIS IS TO CERTIFY that the Greater Tompkins County Municipal Health Insurance Consortium of the County of Tompkins in the State of New York, hereby designates:

John G. Powers, Esquire
(Name)

Hancock & Estabrook, LLP
(Employer)

1500 AXA Tower I, 100 Madison Street
(Post Office or Street Address)

Syracuse New York 13202

(City, Town, or Village) (State and Zip Code)

as its officer, agent or other person to whom shall be forwarded all lawful process served, pursuant to the Insurance Law of the State of New York, upon the Superintendent of Insurance of said State, his successors in office, or any deputy superintendent. This designation shall continue in full force and effect until superseded by a new designation.

IN WITNESS WHEREOF, the said Greater Tompkins County Municipal Health Insurance Consortium, in accordance with the resolution of its Board of Directors duly passed on the 16th day of August 2010, has to these presents affixed its corporate seal, and caused the same to be subscribed and attested by its Chairperson and Secretary, at the County of Tompkins, in the State of New York, on the 26th day of August 2010.

Donald Barber, Chairperson, GTCMHIC

Judy Drake, Secretary, GTCMHIC

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STATE OF NEW YORK

) ss:

COUNTY OF TOMPKINS

On this 26th day of August, 2010, before me, the subscriber, a notary public duly appointed to take the proof and acknowledgement of deeds and other instruments, came Mr. Donald Barber, Chairperson, and Ms. Judy Drake, Secretary of the Greater Tompkins County Municipal Health Insurance Consortium to me personally known to be the individuals described in and who executed the preceding instrument; and they each duly acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, deposed and said, that they were the said officers of the Greater Tompkins County Municipal Health Insurance Consortium, aforesaid, and that the seal affixed to the preceding instrument was the corporate seal of the said Greater Tompkins County Municipal Health Insurance Consortium and that the said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Greater Tompkins County Municipal Health Insurance Consortium.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the County of Tompkins the day and year first above written.