

GREATER

**TOMPKINS COUNTY MUNICIPAL
HEALTH INSURANCE CONSORTIUM**

Municipalities building a
stable insurance future.

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Agenda

Board of Directors

September 23, 2010 - Old Jail Conference Room

(free parking in County lots after 5:00 pm)

1. Approve August 2010 minutes **VOTE** (see attached)
2. Adopt 2011 budget **VOTE**
3. Roll out plans to employees – discussion
4. Request for Proposals - discussion
5. Administration coordination – discussion

**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors MINUTES
August 26, 2010
Old Jail Conference Room
Agenda ******

draft

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

****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-Laura Shawley , Town of Dryden - Mary Ann Sumner,
Town of Ithaca - Judith Drake, Town of Ulysses- Lucia Tyler, Town of Enfield-Stephanie Gaynor,
Village of Groton- Elizabeth Conger, Village of Cayuga Heights – Kate Supron, Village of Dryden-
Charles Becker, Village of Trumansburg- Rordan Hart

Union Representative:

CSEA - Chantalse DeMarco, President
TC3 Professional Admin. Assoc. - Darlene Finn, President

Absent:

Town of Groton

In attendance:

Locey & Cahill- Steve Locey
County - Joe Mareane & David Squires, City of Ithaca – Steve Thayer
TC3 – Sharon Dovi, CSEA – Margaret Lloyd

Welcome Agenda

Chair Don Barber called the meeting to order at 5:30pm.

Consortium Members:

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Mr. Barber opened with the exciting news that the consortium has passed all the necessary requirements of the State Insurance Department, so that the Certificate of Authority will be issued. Mr. Locey passed out an email from Mr. Simonet, NYSID, which explains that they will be issuing the Certificate of Authority once they receive the final 3 items: the 3 legal forms on agenda, the signature page for the Municipal Cooperative Agreement (MCA), and proof that the capitalization funds are on deposit.

1. Approval of Minutes -July

Motion made to approve July minutes by: Don Barber Seconded: MaryAnn Sumner
Vote: 11-0-1 motion carries Abstention: Kate Supron

2. Overview of activity with NYSID

The financials have been approved. The MCA has been approved and is waiting signatures. The NYSID is ready to issue the certificate as soon as we provide the last three items. There was a pre-meeting held earlier today about preparing for the implementation. Excellus and Medco have been put on notice that we are getting ready to start.

Mr. Locey passed out a memo about implementation steps for the program to go active. There are issues for those with Teamsters because they have several other ancillary benefits that need to be covered. The benefits through CSEA are being discussed as a comparison to what is offered by Teamsters. The County would need to make some improvements for one of their bargaining units. Plan documents have been approved in form, but now have to be one put together for each deductible and co-pay option. There are some side by side comparisons that need updating. Excellus and Medco have to make sure they have everything up on their systems so they process claims correctly. The enrollment data transfer has to occur from Excellus to Medco.

The organizational meeting of the Joint Committee has to be set up. The NYSID needs to know who the union members are going to be on the Board of Directors. The application has to be amended with the names of the union members. The Certificate is not going to be held up waiting for that. They do want to see that those meetings are taking place and there is representation from the unions. The municipalities also need to establish their representation to that committee also.

Retiree meeting is being set up for September 13th at the Holiday Inn. In addition, meetings with active employees need to be set up. Each municipality should notify their staff and retirees of scheduled meetings. There is the need to have meetings with unions, if there are still unresolved issues or questions. There will be new ID cards issued and welcome packets and benefit booklets sent out. These may generate questions by members.

2011 rates need to be established by October 15th. Rates will be discussed at the next meeting. The number in the budget projection is 9.5%.

The NYSID did give us green light but we still need the actual certificate. Right now we only have 33 days to October 1. This might not be enough time to do the implementation. If implementation date is later than October 1st there are some issues with some coverage for the County. The concern was pushing this too fast and not being able to do it correctly. Taking the time would allow more communication with staff and the ability to get information out. County and City would prefer the option for a January 1st roll out. Danby and some other smaller municipalities would be ready by the

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earlier date. It was asked about letting some transition on earlier than others. There could be potential issues with the insurance department and not having the 2,000 covered lives on day 1 of operation. There was discussion regarding the County's issue with the Classic Blue plan change that may have to occur on October 1st. Mr. Locey explained that a different date from October 1, 2010 has not been discussed with the NYSID, but felt that it was reasonable to have a later date to offer insurance products than the date the Certificate of Authority is issued. It was decided that October 1st was too tight of a schedule. It was also expressed that the meetings with staff and retirees has to get scheduled now so the process keeps moving forward for a smooth open enrollment period. If we put off the implementation we can not put off getting the last three items to the state. The 2011 consortium rates will need to be passed by the BOD by October 15th. Mr. Locey explained that the rates in the budget presented to the state are raising 9.5% over the 2010 Consortium rates. The revenue number can't change without opening another Pandora 's Box. Excellus rates for community rated are going up 9.5 – 12.5%. Teamsters' is going up 15%.

Be it Resolved, that the effective date for benefit plan implementation for the Consortium be January 1, 2011.

Moved: Don Barber

Seconded: Carolyn Peterson

Mr. Locey clarified that the role out would be for the actual implementation of the insurance benefit plans. The effective date of the Consortium operations would be October 1st, to be consistent with the application. Consortium would not start collecting premiums and paying benefits until January 1, 2011.

Vote: Unanimously approved

3. Resolution – AUTHORIZATION FOR CHAIR TO EXECUTE AGREEMENT WITH STATE OF NY- form 601

Mr. Locey read the form 601 sent by the state. There was concerned that the resolution says that the consortium is a corporation and that there is a corporate seal. The forms are what they have for insurance companies. The form was sent from the NYSID, so there was concern on making any changes that may jeopardize holding up the process. This resolution indicates that if NYSID is sued then the consortium is being sued. Form 602 –indicates who is going to receive lawsuits for the Consortium. Form 603 – indicates that the Superintendent of Insurance is the recipient of lawsuits.

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 August 2010 at the office of the County of Tompkins a quorum of the said Board was present and on motion the below resolution was duly passed by said Board:

AUTHORIZATION FOR CHAIR TO EXECUTE AGREEMENTS WITH STATE OF NEW YORK –Form 601

Whereas the Greater Tompkins County Municipal Health Insurance Consortium (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

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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.

Moved: Mary Ann Sumner

Seconded: Laura Shawley

Discussion: Ms. Peterson asked if the forms were pro-forma and they have to be used. Ms. Peterson had issue with the fact that the forms weren't gender neutral. Mr. Locey explained concern over changing too much that could raise issues for the state.

Motion to call the question: Moved: Charlie Becker Seconded: Mary Ann Sumner
Vote:11 -1-Carolyn Peterson - Motion carries

Vote on resolution: 11 -1 Carolyn Peterson – Motion carries

4. Resolution – APPOINTMENT OF SUPERINTENDENT OF INSURANCE AS ATTORNEY – Form 603

There was question about the resolutions sent out in the packet as it seemed to be the same or repeat of form 601. The forms were sent by the state and said they need them passed with no explanation of the why they need to be passed. Form number 603 sent by the state was read by Mr. Locey.

APPOINTMENT OF SUPERINTENDENT OF INSURANCE AS ATTORNEY- Form 603 KNOW ALL MEN BY THESE PRESENTS

Whereas the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) has not achieved the status of an operating municipal cooperative yet, as the consortium has not received the Certificate of Authority, required to operate as a municipal cooperative, now therefore be it

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RESOLVED 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.

Motion to authorize the chair and secretary to sign as read.

Moved: Mary Ann Sumner

Seconded: Charles Becker

Vote: 12-0 Unanimously Approved

5. Resolution – CERTIFICATE OF DESIGNATION BY INSURER – Form 602

From 602 was read by Mr. Locey

Certificate of Designation by Insurer -Form 602

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.

Moved: Charles Becker

Seconded: Mary Ann Sumner

Discussion: Ms. Peterson would like the resolutions to be gender neutral.

Vote: 12-0 Unanimously Approved

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6. Invoices to municipalities, number of contracts needed

Mr. Squires requested information regarding the number of contracts from each entity to make the bills are correct. Capitalization invoices and the first premium billing sample are being prepared to be sent out by next week. Capitalization payments will be due by the end of September. Premiums should be paid prior to the first of the month for that month's coverage. BOD expressed the need that billings need to be sent by the first of the month to be paid out by the end of the month, due to abstract requirements. Billing will be based on the last enrollment numbers. Changes will be picked up in the next month billing cycle. We need to have \$700,000 in the bank for Excellus to cover claims. Excellus' billing notices are sent on Wednesday for payment due by Friday. Medco bills every two weeks. Medco also has a 2 day turn around, therefore funding will need to be available to pay the bills on time.

There was discussion regarding the security requirement that is needed by Excellus and NYSID. One is for an advance deposit to cover when Excellus pays claims and hasn't been reimbursed yet by the consortium. The second is to cover the run out of claims period at the end of the contract – \$1.94 million. Initially the Consortium needs to have \$1.2 million in the bank to meet the needs of NYSID and Excellus. The remaining amount can be made up during the first year's operations.

The towns that are putting in extra capitalization requested an agreement be drafted, after the consortium is up and running, regarding the extra amount paid and how that will be paid back with interest. This will be added to a future agenda. A resolution can be drafted that shows the additional amount paid and the interest calculation.

7. Resolutions needed from municipalities

- **Authorization to execute municipal cooperative agreement -MCA**
- **Authorization to contribute to reserves**

Mr. Barber explained that all the reserving resolutions have been passed, except for the County. There are a few municipalities that haven't passed the resolution authorizing the CEO to execute the agreement (Town of Dryden, Village of Cayuga Heights, and County.) There is still the need to track down a few CEO's to sign the signature page of the MC Agreement. Mr. Locey did explain that they can just send a signed signature page, to be attached to the original MCA, if that makes it easier.

8. Retiree Outreach – Workshop scheduled for September 13th 3:00 pm Holiday Inn

Municipalities should advertise this meeting to their retirees. The goal is to have Excellus and Medco out to the municipality for educational meetings. Mr. Locey will have someone from his office reach out to each municipality to arrange a meeting. It would be preferred to group some municipalities together to conserve time.

9. Employee Communication

Mr. Barber agreed to send a letter to all the municipalities when the Consortium receives the Certificate of Authority. This letter can be shared with staff as the official notification that the Consortium is an authorized provider of insurance.

10. Joint Committee – need appointment from each municipality, discuss 1st agenda

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Each municipality needs to pass a resolution appointing their representation to the Joint Committee. The bargaining units also need to appoint their representatives. The committee does need to have an organizational meeting to establish rules of procedures, appoint the chair and co-chair, and appoint the two members to serve on the Board of Directors. This needs to be done so the names can be sent to the NYSID. The application needs to be amended to have the additional BOD names inserted. However, the NYSID is not holding up the Certificate pending the names.

A date will be proposed for a meeting in early October. Mr. Barber and Ms. DeMarco will work on proposing a meeting date that would occur during the working day. Ms. DeMarco had some sample by-laws that could be used as a model. The samples will be shared with the BOD.

Other topics discussed:

Mr. Locey stated that the Directors and Officers policy and Errors and Omissions policy are being discussed with the broker, so that will be coming up at the next meeting. The premium and policy forms will need to be approved.

Mr. Mareane comments: This is a champagne moment that is unfortunately shadowed, because we are working on a later implementation date of January 1st. I hope the group recognizes what a big deal this is and what has been accomplished. We are the first group to organize under Article 47. We have been a guinea pig for the rest of NYS. We have opened the door for communities all over the State, to figure out ways to come together and save money on health benefits. I think the group ought to feel awfully good about coming together during some times when the odds were looking like 60% losing and 40% winning, maybe at best, during some of the hard times. Yet, the group held together, persevered, and has come up with a plan that is a very good plan. It is really a credit to everybody who sat around this table and did what communities throughout NYS don't do often enough; which is to put interest aside, concentrate on the common effort and get it done. I hope everybody feels very good about that. I certainly would like to acknowledge what Don did for the effort. It is incredible. I have seen it first hand. He never gave up. There was an onslaught of emails every day, there were phone calls everyday. He never lost his cool. He worked it and worked it and worked it until it got it done. I know that we all appreciate that, and we acknowledge that, but it is important to say it. As for Steve Locey, he is probably sorry for taking this consulting contract. Who knows what he will have to do to make up for the money we should have paid him. (Steve- I am claiming you as a charity this year.) I think this is a very big deal, and just wanted to thank everybody for that. To acknowledge for what has been achieved here, even knowing that the finish line is still a little bit away, I am very confident that we will reach that goal.

Mr. Barber thanked Mr. Mareane for those nice words and also thanked Mr. Locey for his perseverance.

Adjournment

The meeting adjourned at 7:00 p.m.

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