

Greater Tompkins County Municipal Health Insurance Consortium
Finance Committee Meeting
December 5, 2023 – 3:00PM
Remote via Zoom
MINUTES – APPROVED

Present: Judith (Judy) Drake (Chair); Rordan Hart (Vice-Chair); Eric Snow; Bud Shattuck; Amanda Anderson; Peter Salton
Steve Thayer; Kate DeVoe
Absent: Lisa Henty
Excused:
Staff/Guests: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues, Benefits Specialist; Paul Pelton, Rob Spenard, Locey & Cahill

* All attendance via Zoom as audio & visual equipment in process of installation due to move into the Consortium's new location (408 E. Upland Road, Ithaca, NY)

Call to Order

Ms. Drake, Chair, called the meeting to order at 3:00 p.m.

Changes to the Agenda

Add-on: Resolution: Approval of New Contract for Plan Consultant – Locey & Cahill – January 1, 2024 to December 31, 2024

Approve Minutes – October 24, 2023

Mr. Salton abstained from the approval of the minutes as he was excused from the October 24, 2023 meeting.

It was MOVED by Mr. Shattuck, seconded by Mr. Thayer, and adopted by members via remote, to approve the minutes of October 24, 2023. MINUTES APPROVED.

Executive Director Report

Ms. Dowd announced that the Consortium staff is now onsite at the new headquarters located at 408 E. Upland Road in Cayuga Heights.

Ms. Dowd said that Excellus has recently dropped the blackout period for open enrollment, so data entry can be resumed by the municipalities and should be completed before the end of the year.

Ms. Dowd announced mailings were sent out regarding the transition from ProAct to Excellus. She said mailings also included new ID cards, and advised to remind members that they would need to bring their cards to the pharmacy after January 1, 2024 as the new ID cards also contain the updated BCBS BIN# reference numbers for the new coverage.

Discussion – Investment Resources Utilizing Wilmington Trust and NYCLASS

Ms. Dowd said the Consortium meets with Wilmington Trust on a quarterly basis regarding performance and upcoming notes coming due. She said that when certain notes come due, the Consortium has been moving some funds over to NYCLASS. She said that NYCLASS has had better returns recently between 4-5% and NYCLASS also gives an opportunity for the Consortium to easily access funds.

Mr. Hart suggested that the Consortium house most of the monies in NYCLASS as returns are better than Wilmington Trust. He said some additional research is needed but would consider maintaining a relationship with Wilmington Trust if they can secure something with a 5 to 10-year duration with a decent locked in rate. He also suggested the possibility of a new policy, which may indicate how much per institution and would also research what the County's policies may be and how much percentage they must have in their unencumbered balance.

Ms. Anderson said that even though the investments are the same type, it may be wise to keep monies in two places in the event there was a government shutdown. She also suggested receiving Wilmington Trust's current rates for the Committee's review.

Ms. Dowd and Ms. Apalovich both agreed that it is not easy to pull liquid funds from Wilmington Trust and will continue to research rates and information with Wilmington Trust. Ms. Dowd said the Consortium will come up with a recommendation for an investment policy statement or an amendment to our investment policy statement for the committee to consider at next month's meeting.

RFP Updates

Ms. Dowd stated an RFP for an auditor vendor was prepared, but not posted online due to staff time constraints of the ongoing Department of Financial Services (DFS) audit. It was a concern that staff would not have the time to manage the incoming bids during the audit. Because of this time constraint and scarce availability of municipal auditors at the beginning of the calendar year, Insero was asked to provide a quote. The Consortium has not heard back from Insero yet, but Ms. Dowd said the Consortium will have more details to provide at the next committee meeting.

DFS Examination Exit Meeting Feedback

Ms. Dowd said that the Consortium had the first exit interview with DFS where they advised they are no longer in the examination process, but currently in the feedback process. The Consortium has received 11 items of recommendations, which have included changes to policies and practices.

Items included, but not limited to:

- Separation of the Audit and Finance Committees
- Board members to attend all board meetings
- Fill all labor seats
- Adjudication with Excellus regarding COVID
- When determination letters should go out on appeals and how they are managed
- Cybersecurity focus

Ms. Dowd said that an exit letter will arrive after the holidays. Once that letter is received, the Consortium will have 15 days to respond, and a closing conference will be held. DFS advised the Consortium that the audit was a very clean audit and the Consortium, as well as vendors, were able to secure the information that DFS needed on a timely basis.

Resolutions:

RESOLUTION NO. XXX- 2023 – AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH FOXPOINTE SOLUTIONS FOR SUPPORT WITH CYBERSECURITY

Ms. Dowd explained there has been a recommendation to seek additional support to the Consortium’s cybersecurity program efficacy, data security, overall cyber risk management, and assessment of the Consortium’s third-party vendors. These recommendations come from DFS and include upcoming changes to New York State Laws in this area. The Consortium reached out to Tompkins County’s Information Technology (IT) Department for guidance. Tompkins County IT advised that they do not have the manpower to facilitate cyber security attestation and testing and recommended Foxpointe to the Consortium.

Ms. Dowd also said that she did reach out to the Consortium’s attorney, John Powers, to advise if the Consortium was exempt from New York State’s Section 500 Rules pertaining to Cybersecurity. Mr. Powers advised there are a few items the Consortium is exempt from; however, the Consortium does need to continue reporting most items of the State’s Section 500.

MOVED by Mr. Salton, seconded by Mr. Snow, the resolution was unanimously 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) has been asked to update several areas related to Cybersecurity as part of the NYS Department of Financial Services examination, and

WHEREAS, after discussing options with Tompkins County IT Department for additional support a mutual resource was identified for ongoing Cybersecurity efforts and FoxPointe Solutions was approached for additional assistance, and

WHEREAS, FoxPointe Solutions consulting engagement is meant to support GTCMHIC Management in its cybersecurity program efficacy, data security, and overall cyber risk management expectations, and

WHEREAS, FoxPointe Solutions, per Tompkins County IT Department’s recommendation, will perform GTCMHIC management-requested assessments and reporting services as GTCMHIC’s Virtual Chief Information Security Officer (“VCISO”) and cybersecurity consultant and manage GTCMHIC Information Security program. This includes activities required under the current versions of NYS DFS 23NYCRR500 Cybersecurity Rule (with limited exemptions), NY State SHIELD Act (§899-bb), HIPAA/HITECH Acts Security and Breach Laws (45CFR164.306-316, 45CFR164.400-414) and the Gramm-Leach-Bliley Act (GLBA) (GLBA Title 16, Chapter 1, Part 314 of Subchapter C, Safeguards Rule, and

WHEREAS, GTCMHIC wishes to engage FoxPointe Solutions for a period of one year, for IT cybersecurity/risk management, and now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, authorizes the Executive Director to enter into a one-year agreement with FoxPointe Solutions.

RESOLUTION NO. XXX - 2023 - AUTHORIZATION TO ENTER INTO AGREEMENT WITH BONADIO & CO. LLP - FINANCIAL REPORTING FOR 2024 – 2026

Ms. Dowd explained that the Consortium has a contract from Bonadio & Co., LLP, for financial review and recommendations for preparing quarterly and yearly reports. She said the hope for the Consortium after 2024, would be to only utilize Bonadio for the annual Jurat, and not on a quarterly basis.

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

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services during the years 2013-2023, and

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

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, authorizes the Executive Director to sign a letter of engagement with Bonadio & Co. LLP for a three-year contract expiring December 31, 2026.

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RESOLUTION NO. XXX- 2023 - AUTHORIZING HEALTHCARE BENEFITS RENEWAL (ADMINISTRATIVE SERVICES AGREEMENT) WITH THIRD PARTY ADMINISTRATOR - EXCELLUS BLUECROSS BLUESHIELD

Ms. Dowd said last September 2023, the Board of Directors approved to move forward with Excellus not just as the Consortium’s medical provider, but also as the Prescription Benefits Administrator. Mr. Locey provided the committee with a memo of detail of this agreement for their review.

MOVED by Mr. Thayer, seconded by Mr. Shattuck, the resolution was unanimously 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 Committee 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 four different contract band levels, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee on behalf of the Board of Directors hereby approves the 2024 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 2024 contract on behalf of the Consortium.

RESOLUTION NO. XXX –2023 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY-JANUARY 1, 2024 THRU DECEMBER 31, 2024

Ms. Dowd explained the resolution is a yearly renewal of the Consortium’s relationship with Tompkins County’s Information Technology’s services for email, telephone support, network, and other services provided.

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

WHEREAS, the Tompkins County Information Technology Services Department (ITS) has provided technical support to the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) since it began operations in 2011, and

WHEREAS, the GTCMHIC wishes to continue its contract arrangement with the Tompkins County Information Technology Services Department that was formalized in 2020, and

WHEREAS, the 2023 Memorandum of Agreement, between the GTCMHIC and the Tompkins County Information Technology Services Department (ITS) for the provision of technology services provided to the GTCMHIC, including support in compliance with 23 NYCRR 500, now therefore be it

RESOLVED, on recommendation of the Finance Committee, that the Executive Committee on behalf of the Board of Directors approves the updated agreement with Tompkins County Information Technology Services for 2024 for ITS support provided to the Consortium from January 1, 2024 thru December 31, 2024, and

RESOLVED, further, That the Executive Director is hereby authorized to execute this contract on behalf of the Consortium.

RESOLUTION NO. XXX-2023- AUTHORIZATION TO PURCHASE INSURANCE POLICIES: ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS LIABILITY, EMPLOYMENT PROTECTION COVERAGE, AND A FIDELITY BOND

Ms. Dowd explained that this resolution is authorizing the renewal of the annual required insurance Errors and Omissions, Directors and Officers Liability Insurance, and Fidelity Bond

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

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, hereby approves that the Consortium shall purchase coverage for these policies from the following for the period January 1, 2024 thru December 31, 2024:

- Errors and Omissions Insurance at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon)
- Directors and Officers Liability Insurance at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon); and
- A Fidelity Bond

RESOLVED, further, That the Executive Director is authorized to execute the renewal documents for the policies listed above.

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RESOLUTION NO. XXX-2023 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2024

Ms. Dowd said that a memo from Locey & Cahill was presented to the committee within the agenda packet, and Mr. Locey spoke to the committee regarding the decision the Consortium would need to make regarding stop loss insurance. He said two companies were willing to quote, and the existing carrier, Highmark, has worked the longest tenure of the Consortium out of the thirteen years.

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

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee on behalf of the Board of Directors authorizes the purchase of the Stop Loss insurance policy with a deductible of \$1 million for the policy period January 1, 2024 to December 31, 2024 with Highmark to include claims incurred from January 1, 2024 thru December 31, 2024 and paid during the period of January 1, 2024 thru June 30, 2025.

RESOLVED, further, That the Plan Consultant is directed to provide the Executive Director with a copy of said policy.

RESOLUTION NO. XXX-2023 – AUTHORIZING CONTRACT FOR ACTUARIAL SERVICES - RISK STRATEGIES – FISCAL YEARS 2023 and 2024

The committee discussed at length the process time of claims, choice(s) of vendor to provide the services, and difference between the contract types.

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

WHEREAS, the Greater Tompkins County Health Insurance Consortium conducted a Request for Quotes for Actuarial Services in November of 2023 and awarded a contract to Risk Strategies, and

WHEREAS, the Consortium wishes to engage Risk Strategies under the terms outlined in the proposed agreement for actuarial services for fiscal years ending 2023 and 2024, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, approves the Executive Director is hereby authorized to sign a contract on behalf of the Consortium with Risk Strategies for fiscal years ending 2023 and 2024.

RESOLUTION NO. XXX-2023 – APPROVAL OF NEW CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – JANUARY 1, 2024 – DECEMBER 31, 2024

Ms. Dowd stated that the resolution before the Committee is to continue ongoing plan consulting services for Locey & Cahill with the option to extend the contract in one-year increments.

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

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

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

WHEREAS, the Finance Committee has reviewed and discussed the terms of the Consortium's contract with Locey and Cahill, LLC, and

WHEREAS, Locey & Cahill, LLC presented an agreement that became effective as of January 1, 2023 and remains in effect through December 31, 2026. Thereafter, the Consortium has

the option to extend this contract in one-year increments through December 31, 2026, now therefore be it

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee on behalf of the Board of Directors hereby approves its contract with Locey & Cahill, LLC of the agreement contract for the period January 1, 2024 through December 31, 2024.

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Financial Update

Abstract Approval

Ms. Apalovich presented the named October 13 - November 30, 2023 financial abstract; It was MOVED by Mr. Shattuck and seconded by Mr. Snow, and unanimously adopted by voice vote by members present and via remote, to approve the October 13-November 30, 2023 abstract. MOTION CARRIED.

Budget Performance Report/Report on Large Loss Claim Activity

Mr. Pelton and Mr. Spenard referred to the monthly Budget Performance Report, as of October 31, 2023 and covered the following key facts:

1. Total Income was 0.18% below the amended budget for the first 10-months of the fiscal period. The amended budget reflects the changes in plan designs by participants as well as the additions of new members municipalities.
 2. The number of contracts insured by the Consortium increased by 9.10% and the number of covered lives grew by 9.39%, primarily as the result of adding new municipalities to the Consortium.
 3. The paid claims which collectively include medical, prescription drug, CanaRx and pre-paid claims account for 94.72% of the total expenses of the Consortium through the first 10-months of 2023. We show the overall paid claims to be 6.21% (including the advanced deposit for prepayment of claims) over budget for the 2023 Fiscal Year to Date, based on the amended budget as adjusted for the movement of contracts to other benefit plans and with the new municipal partners added to the program.
 4. As of October 31, 2023, the Consortium lowered its specific stop-loss insurance premium by approximately \$1,893,709.88 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,494,480.16. As of October 31st, the net gain on this pool, excluding 2023 investments, is \$399,229.72. This amount will be reduced each month by any chargeable loss as well as each monthly stop-loss premium made by the Consortium. It is important to remember that this figure does not take into consideration that the pool is also picking up an extra \$100,000 in risk per member annually.
 5. The net cash assets (unencumbered fund balance) as of October 31, 2023, equals 11.15% of premium revenues. This includes full funding of the Rate Stabilization Reserve at 7.5% of Expected Paid Claims and adjusting the Catastrophic Claims Reserve to \$4.81 million.
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Next Meeting Agenda Topics

Investments: Wilmington Trust, NYCLASS

Adjourn

The meeting was adjourned at 4:37 p.m.

Respectfully submitted by Lynne Sheldon, Clerk of the Board
