
**Greater Tompkins County Municipal Health Insurance Consortium
Board of Directors
February 25, 2010
Town of Ithaca Board Room
Agenda ******

1. Approval November, December, and January 2010 Minutes

2. Communications with NEW York State Insurance Department - outstanding items

- Respond to questions, yet to be posed by NYSID, on Municipal Cooperative Agreement
- Respond to questions just sent regarding Plan design
- Supply signed copies of contracts with third party administrators: Excellus for medical and Medco for prescriptions.
- Supply copy of Stop Loss Insurance Declaration page
- Supply certified copies of Board minutes with resolutions designating CPA and bank(s)
- Supply copies of union consent to their role with Consortium management
- Respond to questions about accumulating and funding Operating and Contingency Reserves

3. Status of union consent letters - copy attached

4. Confirm understanding of revised language in Municipal Cooperative Agreement

- Inclusion of one labor representative on BOD with weighted voting, who may serve as an officer.
- Revision of language for Alternative Dispute Resolution - labor not bound by ADR

5. Sample resolution: Authorization to execute Municipal Cooperative Agreement

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

Present:

Municipalities:

City of Ithaca - Carolyn Peterson, County of Tompkins - Anita Fitzpatrick, Town of Caroline - Don Barber, Town of Danby - Laura Shawley, Town of Enfield - Herb Masser, Town of Ithaca - Judith Drake, Village of Cayuga Heights - Jim Gilmore, Village of Dryden - Charles Becker, Village of Groton - Charles V. Rankin,

Union:

CSEA - Chantalse Demarco,

Absent:

Town of Groton, Town of Dryden, Town of Ulysses, Village of Trumansburg

In attendance:

Steve Locey - Locey & Cahill (via conference call) , David M Sanders - Locey & Cahill, Jackie Kippola - County Administration, Steve Thayer - City of Ithaca

Welcome Agenda

Chair Don Barber called the meeting to order at 12:05pm, Ms. Kippola called Mr. Locey who was waiting at his office in Syracuse due to weather conditions. After several minutes of technical difficulties, the meeting began with Mr. Locey on speaker phone.

1. Approval of December and January Minutes

The minutes were reviewed by the Board of Directors.

December Minutes

Motion: Don Barber

Second: Judy Drake

Discussion: Ms. Peterson thought the Stop Loss resolution was confusing because it read "Whereas" which is not how resolutions read.

Motion by Don to change "Whereas" to "Be it resolved."

Seconded by Jim Gilmore

Carried: Unanimously

December Minutes as Amended.

Carried: Unanimously

January Minutes

Motion: Don Barber

Second: Judy Drake-

Discussion: Page 3, remove {?} from language

Page 4, should read: 2/3 majority vote (not major vote)

January Minutes considered as presented with two revisions recommended

Carried: Unanimously

2. Updates on NYSID

The NYSID has asked the Greater Tompkins County Municipal Health Insurance Consortium to respond to the following;

Why are some municipalities not joining the Consortium?

Why is it necessary for management participants to be represented on a Union Committee?

PBA/NYSUPA attorney requested copy of correspondence between Consortium and NYSID; however, no written correspondence exists, John Powell from NYSID asked that the PBA/NYSUPA attorney contact him directly.

CSEA regional and local representatives scheduled to meet with Mr. Mareane, Mr. Barber and Ms. Fitzpatrick on 2/25/10; however, snowstorm caused delay until following week. Questions concerning the LMC role and further detail were some of the agenda items.

Ms. Demarco suggested that the LMC (Labor Management Advisory Committee) be renamed, "**Joint Committee on Health Benefits**". This would sound more familiar to CSEA officials, since that is the name of the State-CSEA committee. Ms. Demarco stated that this might help resolve some of the issues with what Labor-management means and how a "cooperative" committee might work. This change should be reflected in both the MOU and municipal agreement. A copy of the agreement is attached.

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Ms. Peterson stated that to date the City's firefighter union reps haven't signed and are requesting a meeting with NYSID via conference call. It was suggested that we provide the same opportunity to all Union leadership. Ms. Peterson offered City Hall as a possible venue for a "Group" conference call with NYSID. Ms. Fitzpatrick stated that it was important to invite all Union leadership/ officials to listen in. Mr. Barber will request a date for that conference call within the next week.

Suggested outreach organizers:

Ms. Anita Fitzpatrick: County, Library, and TC3 reps;

Ms. Shelley Michelle Nunn: City reps;

Ms. Judy Drake: Town of Ithaca;

Mr. David Sanders: will provide contact information from all the other municipalities with unions/bargaining units to Mr. Don Barber

3. Reserves and Premiums – communications from NYSID

The New York State Insurance Department (NYSID) called Mr. Barber on 2/25/10, Mr. Barber spoke with Mr. John Powell 2/26/10, who suggested that Consortium reserves are too low and perhaps the Consortium is not charging enough in premiums.

According to Mr. Locey, the NYSID is assessing the budget on an accrual basis, and counting IBNR claims twice, thus, creating a deficit at the end of the year. Mr. Locey is confident on his assessment of the standards; he feels that the rules apply to insurance companies, which is how "we" are being regulated. The assumption is that we have "investors" to provide upfront monetary reserves.

Our budget reflects a cash basis, and accounting for IBNR once, which provides a surplus.
Difference: \$1.5 million

Mr. Barber stated that the NYSID is willing to work with us, as well as the Department of State and the State Comptrollers office. He said that no-opinion provides no guidance; the Consortium Unions are looking to the NYSID for leadership.

Mr. Gilmore asked if Article 47 provided any guidance, Mr. Locey responded by stating that Article 47 does not address cash vs. accrual.

To satisfy the State, the municipalities could advance the Consortium 2 months' premiums in month one. This would establish adequate reserves and "seed" money.

Note One: the employers would have to front both their share AND the employees' share in these two premium payments.

Note Two: depending upon when the Consortium actually begins, this could cause hardships for Villages that don't operate on calendar year.

According to the NYSID an 8-10% increase on Premium Equivalent Rates would eradicate debt-income ratio which they feel is understated by two million dollars. Mr. Locey stated that this is not a reasonable solution, as it negates the reason for joining the Consortium in the first place. Mr. Jim Gilmore asked if a letter of credit at 1.5%, which might cost only \$30,000.00, would be sufficient to cover the deficit.

According to Mr. Locey the NYSID should look at accruals on both expenses and income.

4. Confirm understanding of revised language:

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

Mr. Barber presented the results from an on-line vote, considering the following;
Inclusion of one labor representative on BOD with weighted voting, who may serve as an officer (vote passed 8-4)Ms. Peterson Abstained
Revision of language for Alternative Dispute Resolution- labor not bound by ADR
(vote passed 8-4) Ms. Peterson Abstained

Ms. Peterson stated that she was opposed to email voting since it is not open government. Suggested that email be used as a poll to enable other actions to take place before next BOD meeting. The Agreement states that BOD must vote on such items at their next meeting, so the BOD voted today.

Municipal Cooperative Agreement C11 Chair of the Labor-Management Advisory Committee -
Revision of language omitting provision and changing “alternated” to “alternate.”

Motion: Don Barber

Second: Charlie Becker

(vote passed 8-1) Charles Rankin

Revision of language for Alternative Dispute Resolution (ADR) - remove “Any union participating in the Labor Management Advisory Committee shall also be bound by this procedure with respect to disputes within its defined scope.”

Motion: Ms Peterson

Second: Ms. Shawley

(vote passed 8-1) Mr. Gilmore

5. Sample Resolution: authorization to execute Municipal Cooperative Agreement

A resolution was provided in the agenda packet. While municipalities did pass resolutions June-August 2009, the agreement has since changed, and requires another resolution.

Ms. Kippola stated that in mid-December, the decision was made for the County to switch their prescription Third Party Administrator to Medco. Medco was unable to deliver prescription cards and accurately produce information in such a short turn around time. This became a Human Resources nightmare as many employees were upset with the changes. According to the County HR department there were anywhere from 50-60 phone calls requesting answers to many of the changes experienced through the transition from Informed Rx to Medco.

One significant change was how the two companies assign formularies. With the former Third Party Administrator TPA, an employee might have paid \$10; with the new formulary that Medco used, the prescription cost co-pay in some cases jumped to \$25. Since many of the complaints were anecdotal, Steve Locey is requesting actual drug usage reports from Medco to compare it to the old formulary from Informed Rx.

Therefore, it is suggested that the date on the resolution provide ample time (3-7 weeks) for Excellus and Medco to issue new cards, and ensure a smooth transition between plans.

The BOD reached a consensus to push the resolutions through in March (acknowledging that the City’s resolution wouldn’t get a vote until April 7th), and agree to join on or about May 1st. If for some

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg

reason they don't join until June, the resolution is still accurate.

Medco will be meeting with Tompkins County Personnel on March 9th to try to iron out any outstanding issues. Jim Gilmore asked that Norma Manning be invited to listen in on that meeting.

Adjournment 1:45pm

Consortium Members:

County of Tompkins ~ City of Ithaca ~ Town of Caroline ~
Town of Danby ~ Town of Dryden ~ Town of Enfield ~ Town of Groton ~ Town of Ithaca ~
Town of Ulysses ~ Village of Cayuga Heights ~ Village of Dryden ~ Village of Groton ~ Village of Trumansburg
