

Greater Tompkins County Municipal Health Insurance Consortium

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“Individually and collectively we invest in realizing high quality, affordable, dependable health insurance.”

Board of Directors March 28, 2019 – 6:00 p.m. - Approved Tompkins County Legislature Chambers

Municipal Representatives: 31

Mack Cook, City of Cortland	Kevin Williams, Town of Homer (arrived at 6:03 p.m.)
Alex Patterson, Town of Aurelius	Rordan Hart, Village of Trumansburg
Judy Drake, Town of Ithaca	Donna Dawson, Village of Horseheads
Charmagne Rungay, Town of Lansing	David Schenck, Town of Springport
Eric Snow, Town of Virgil	Don Hartill, Village of Lansing
Michael Murphy, Village of Dryden	Jim Doring, Town of Preble (arrived at 6:05 p.m.)
Peter Salton, Village of Cayuga Heights	Kristen Case, Village of Homer
Bud Shattuck, Village of Union Springs	Amy Guereri, Tompkins County
Laura Shawley, Town of Danby	Betty Conger, Village of Groton
Kathrin Servoss, Town of Dryden	Rick Gagliardi, Town of Sennett
Don Scheffler, Town of Groton	Miles McCarty, Village of Freeville
Terrance Baxter, Town of Moravia	Steve Thayer, City of Ithaca (arrived at 6:05 p.m.)
Christine Laughlin, Town of Newfield	Greg Pelicano, Seneca County
Gary Mutchler, Town of Scipio	Ann Rider, Town of Enfield
Tom Brown, Town of Truxton	Mark Emerson, Town of Mentz
Rich Goldman, Town of Ulysses (excused at 7:06 p.m.)	

Labor Representatives: 5

Olivia Hersey, 1st Labor Representative and Joint Comm. on Plan Structure & Design
Chair; Jim Bower, 2nd Labor Representative
Zack Nelson, 3rd Labor Representative
Tim Farrell, 5th Labor Representative
Carol Sosnowski 6th Labor Representative

Excused: 6

Ed Fairbrother, Town of Big Flats	Tom Adams, Town of Marathon
Edward Wagner, Town of Owasco	Alvin Doty, Town of Willet
Joan Jayne, Town of Niles	John Fracchia, Town of Caroline

Absent: 3

Doug Perine, 4 th Labor Representative John	Luann King Town of Cincinnatus
John Malenick, Town of Montezuma	

Others in attendance:

Don Barber, Executive Director	Jason Molino, County Administrator
Rick Snyder, Treasurer	Rita Barber
Greg Potter, Director of ITS	Kari Wheeler, Village of Horseheads
Loren Cottrell, Deputy Director of ITS	Sundae Eare, TC3
Michelle Courtney Berry, Wellness Consultant	Robert Spenard, Locey & Cahill
Andrew Braman, Deputy Finance Director	Corey Prashaw, ProAct
Chris Laverty ProAct	

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Beth Miller, Excellus

Call to Order

Ms. Drake, Chair, called the meeting to order at 6:02 p.m.

Approval of Minutes of December 13, 2018

It was MOVED by Mr. Farrell, seconded by Ms. Rungay, and unanimously adopted by voice vote by members present, to approve the minutes of December 13, 2018 as submitted. MINUTES APPROVED.

Mr. Williams arrived at this time.

Changes to the Agenda

A resolution was added to the agenda entitled Authorizing Entering into Agreement with Locey and Cahill, LLC for Assisting Consortium Employers with the Centers for Medicare & Medicaid Services (CMS) Retiree Drug Subsidy (RDS) Program Application, Cost Reporting, and Reconciliation.

Chair's Report

Ms. Drake asked Directors who have not yet signed an acknowledgement of receiving and reviewing the Consortium's Code of Ethics/Conflict of Interest form to do so as soon as possible.

Mr. Thayer and Mr. Doring arrived at this time.

Addition of Resolution to the Agenda

Ms. Drake said this evening is Don Barber's last meeting in which he will serve as the Consortium's Executive Director and added the following resolution to the agenda.

RESOLUTION NO. 001-2019 - RECOGNITION OF DONALD BARBER'S DEDICATED YEARS OF SERVICE TO THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Judith Drake, unanimously seconded and adopted by voice vote.

WHEREAS, Donald "Don" Barber, was the founding member of the Tompkins County Council of Governments ("TCCOG"), a collaborative that brings municipal leaders together to discuss and strategize to find solutions to common problems facing municipal governments in Tompkins County, and

WHEREAS, in 2007 under his leadership as Chair, TCCOG began working on a Shared Service Municipal Incentive grant to research how to provide quality and affordable self-funded health insurance to municipal employees and their families, and

WHEREAS, after two years and several meetings with many New York State officials the Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") received a Certificate of Authority in October 2010 and began operations on January 1, 2011, and

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WHEREAS, during the organizational set-up of the Consortium, Don was elected Chair of the Board of Directors, a role he filled until May 2014, and

WHEREAS, Don was appointed as the first Executive Director effective July 1, 2014, and has served in that role until his successor's appointment effective April 15, 2019, and

WHEREAS, Don has been instrumental in designing, developing, and growing the Consortium from the initial 13 members covering 2,000 municipal employees to an organization of 39 members covering 2,460 municipal employees and retirees, and

WHEREAS, with Don's dedication and devotion to the Consortium, it has become a well-recognized leader in municipal health insurance consortiums across the State of New York, and

WHEREAS, the Consortium has greatly benefited from Don's vast knowledge and experience with governmental agencies, his skilled stewardship of the mission of the Consortium, the goodwill he generated with the members and their employees through his thoughtful interactions, and his tireless devotion and desire to proudly serve our organization in order to make it a renowned intermunicipal cooperative, now therefore be it

RESOLVED, on this 28th day of March, 2019, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors expresses its sincere appreciation, admiration, and gratitude to Donald Barber for his distinguished and dedicated service to our organization.

* * * * *

Mr. Barber thanked the Board for the recognition and said the only way this Health Consortium got off the ground and continues to exist is because of intermunicipal cooperation. He said this is also recognition of the Board of Directors and its faith in intermunicipal cooperation. As stated in the resolution, he said this Consortium is recognized across the State of what government can do for its people.

Report from Executive Director Interview Committee

Ms. Drake thanked 12 members of the Committee for their dedication in working on this very important Committee. She said she has circulated Elin Dowd's resume and stated she comes to the Consortium with a lot of Executive Director experience in both non-profit and profit organizations. She noted the recommendation comes with the unanimous recommendation of the Committee.

RESOLUTION NO. 002 - 2019 – APPOINTMENT OF EXECUTIVE DIRECTOR

MOVED by Ms. Drake, seconded by Mr. Hart, and unanimously adopted by voice vote by members present.

WHEREAS, the Board of Directors adopted resolution No. 026-2018 which created the position of Executive Director, approved the position's job description, and formed a subcommittee to interview and recommend a candidate for the new position of Executive Director as the first employee of the Consortium, and

WHEREAS, the subcommittee, over the past three months has developed a pay and benefit structure, recruited, and interviewed seven candidates for the position, and

WHEREAS, the subcommittee has determined that Elin Dowd possesses the necessary knowledge and skills to fill the duties of Executive Director, and hereby recommends their appointment, and

WHEREAS, this appointment is a provisional appointment pending Civil Service classification of the position in the Non-Competitive Policy Influencing classification, now therefore be it

RESOLVED, That the Board of Directors hereby approves the provisional appointment of Elin Dowd to the position of Executive Director effective April 15, 2019,

RESOLVED, further, That this position is classified as a salaried position exempt from overtime, at the salary of \$90,000, with full time benefits,

RESOLVED, further, That a minimum twenty-six week probationary period applies, in which the Executive Committee is charged with developing the position's performance review criteria and conducting said review.

RESOLUTION NO. 003 - 2019 – ADOPTION OF PERSONNEL-RELATED POLICIES AND PROCEDURES – CONSORTIUM EMPLOYEES

MOVED by Ms. Hersey, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present.

WHEREAS, as the Consortium is now hiring employees there is the need to establish Personnel related policies, procedures and a benefit structure, and

WHEREAS, with the Town of Ithaca as the designated "Employer of Record", the Executive Director Employment Committee recommends utilizing the established policies, procedures and benefit structure of the Town of Ithaca, now therefore be it

RESOLVED, That the Board of Directors hereby adopts the Personnel-related Policies and Procedures and established benefit structure of the Town of Ithaca for the Consortium employees.

RESOLUTION NO. 004 - 2019 – AUTHORIZING OFFICE SPACE LEASE AGREEMENT WITH THE TOWN OF ITHACA

MOVED by Mr. Salton, seconded by Ms. Rungay, and unanimously adopted by voice vote by members present. Ms. Drake noted this agreement has been reviewed by both the Town of Ithaca Attorney and the Consortium's Attorney.

WHEREAS, the Executive Committee has negotiated a lease agreement with The Town of Ithaca for office space for its employee and future employees, and

WHEREAS, the Consortium's legal counsel has reviewed and approves the language of the lease agreement, and

WHEREAS, the term of the lease is for one year with the ability to extend annually and all utilities are the responsibility of the landlord, now therefore be it

RESOLVED, That the Board of Directors authorizes the Vice Chair to sign said lease agreement with the Town of Ithaca for office space.

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Report from the Executive Committee

Ms. Drake, Chair, reported the Committee will meet next on April 9th. The Committee has been very busy but will be returning to its regular schedule. She highlighted items the Committee will be discussing include the Segal report on the Consortium's operations audit and a staffing plan for the Consortium to address the needs of the Consortium going forward.

Report from Executive Director

Mr. Barber reported on communications with the Department of Financial Services (DFS) and said the Consortium had asked DFS to consider amendments to Article 47. One request was to change the statutory reserve requirement to less than 25% and to also consider changes that would make it easier for other local governments to create an Article 47.

Mr. Barber brought to the Board's attention that the FDA has cited CanaRx, a mail order pharmacy used by the Consortium, for illegal activity. Information was included in the agenda packet and also a response to each point by CanaRx. He referred to an article in the New York Times and said as the number of municipal governments doing business with CanaRx increases there is increased pressure from Pharma. He said this appears to be politically motivated and stated Steve Locey, the Consortium's Consultant, does not think there is any reason for there to be concern by the Consortium at this time.

Wellness Consultant Report and Branding Work

Ms. Berry provided the Board with a PowerPoint presentation. Highlights from the report are as follows:

Preventive Care Matters

1. The system is broken. Preventive care helps us fix it.
2. We tend to blame the victim. You can't make healthy choices if none are available.
3. According to the CDC, Americans use preventive services at half the rate they should.
4. The Consortium is leading the way in preventive care so that groups that have often been left out, are now included and at the table.
5. We spend more than other countries on healthcare, but we're sicker than those that spend less than we do.
6. The top diseases that kill us are mostly preventable.
7. Preventive care has less "pain points." It's substantially cheaper.
8. It creates longer, happier, healthier lives.

RESOLUTION NO. 015-2014 -RESOLUTION URGING MEMBER MUNICIPALITIES TO ADOPT A WELLNESS POLICY (signed August 24, 2014)

- Resolved, on recommendation of the Owning Your Own Health Committee, That the GTCMHIC Board of Directors urges its member municipalities to adopt a wellness policy (an example is attached that has been vetted by the Owning Your Own Health Committee) before the end of calendar year 2014,
- Resolved, further, That the GTCMHIC Board of Directors urges the member municipalities to direct representatives of their respective Wellness Committees, to regularly attend the GTCMHIC's Owning Your Own Health Committee to share

questions, accomplishments, and strategies for developing a culture of wellness awareness.

TOP 5 REASONS FOR WELLNESS

1. Decrease medical claims and reduce claims costs. Claims costs are currently increasing at an average of 8% per year which is unsustainable in the municipal environment.
2. Improve employee health and reduce absenteeism and presenteeism.
3. Catapult employee engagement and morale.
4. Build stronger, more productive teams.
5. Reinforce the preventive health care message.
 - Working with the ideas and words most used about health from OYOH minutes, meetings, and findings.
 - Listening deeply to the committee and their work efforts over the years.

Themes:

- Owning Your Own Health
Ownership of Health
- The Value of Owning Your Health

- Putting Fruit to Work Campaign and the Importance of Being in Nature - Natural Environment - Trees - Growth - Roots - Long-Lasting Impacts and Effects
- Graphics and Language are Designed to create a visual image that reminds everyone of the importance of preventive care and the value of that care for health, cost-savings, and lifelong benefits.
- Draft of logos and slogans to match these sentiments - shared here and with OYOH next month. Final versions will be available for voting on in the Board Retreat in May.

Financial Report

Mr. Spenard provided a financial update on 2018 results and said the Consortium had a total income of \$42,574,000. On the expense side there was a total of \$41,341,000; this resulted in the Consortium having a net income of \$1.2 million. In terms of assets the Consortium had an unencumbered fund balance of slightly over \$18 million. He reviewed budget performance through February 28, 2019, noting there are still claims for new members that have not yet matured as it is still early in the year. He referred to the expense distribution chart and noted 93% of income was use directly to pay benefits of members.

Mr. Snyder introduced Andrew Braman, Deputy Finance Director, who recently joined his staff and will also be working with the Consortium. Mr. Snyder said the Consortium's Investment subcommittee was tasked with looking at what the Consortium could do within the restricted nature of municipal government to gain better interest rates. They looked at the existing rates and began exploring how the Consortium could do better with local banks that the Consortium deals with for its operating funds and the other task was to have an investment firm manage the Consortium's investments within very tight parameters. An RFP was issued and Wilmington Trust was selected to be the Consortium's Investment Management Firm.

He said the Consortium keeps approximately \$8 million locally in accounts which represents less than two months of funds needed to pay bills and has been able to increase the interest rate earned on those funds by eight times what the Consortium was getting previously. The rest of the Consortium's funds have been invested and is in treasury notes earning an average yield of 2.41%. At the end of February the Consortium had accrued interest in the

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amount of \$26,000 for just that month; last year the Consortium received a total \$18,000 in interest for the entire year.

Mr. Goldman was excused at this time.

Mr. Snyder spoke of the activities his Office is engaged in that involves a number of different people working to provide information that is used in the preparation of the annual financial filing (Jurat); a required filing with the Department of Financial Services that contains information that is also used in the independent external audit and the actuary report. He said the auditors are currently on site and the process is on schedule to be brought to the Audit and Finance Committee at its April 23rd meeting.

Lastly, Mr. Spenard reported the IBNR (Incurred But Not Reported) is set at 12% and currently the Consortium is at 6.6%.

Audit and Finance Committee Presentation of Resolutions and Report

RESOLUTION NO. 005 - 2019 – ADOPTION OF CYBER SECURITY POLICY

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

WHEREAS, the Department of Financial Services (DFS) has promulgated Part 500 of Title 23 of the Official Compilation of Codes, Rules, and Regulations (NYCRR) of the State of New York, and requires Article 47 Municipal Cooperative Health Benefit Plans to comply, and

WHEREAS, Part 500 Cyber Security allows for agencies to seek exemption from some portions of this Part, and

WHEREAS, the Executive Director has filed and received exemption under the conditions of: 1) fewer than 10 employees, and 2) does not control any information systems, and

WHEREAS, these exemptions still require the Consortium to comply with sections 500.09 Risk Assessment, 500.11 Third Party Service Provider Security Policy, 500.13 Limitations on Data Retention, and sections 500.17 through 500.23, with only sections 9,11, and 13 requiring action by the Consortium's Board of Directors to establish a policy and perform risk assessments, and

WHEREAS, the Consortium has entered into a contract with the Tompkins County Information Technology Services Department for developing such policy and to perform the stated risk assessment thereafter, and

WHEREAS, the Tompkins County Information Technology Services Department has developed and presented a policy proposal for review by the Audit and Finance Committee, and

WHEREAS, the Audit and Finance Committee has reviewed said Cyber Security Policy and deems it to be in compliance with NYCRR Part 500 sections 09,11, and 13, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the GTCMHIC Board of Directors hereby adopts said policy,

RESOLVED, further That the Board of Directors directs the Executive Director to conduct an assessment for operations compliance with this Cyber Security Policy, and

RESOLVED, further, That the Board of Directors hereby delegates the authority to approve the amendments to this policy to the Audit and Finance Committee.

**RESOLUTION NO. 006 - 2019 – 2019 BUDGET AMENDMENT – CONSORTIUM
EMPLOYEE EXPENSES**

MOVED by Ms. Servoss, seconded by Ms. Conger, and unanimously adopted by voice vote by members present.

WHEREAS, the position of Executive Director has expenses associated with the position not anticipated in the adopted 2019 Consortium budget, and

WHEREAS, the Consortium will be entering into a lease with the Town of Ithaca for office space and will be acquiring additional equipment for its staff, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the following budget amendment be hereby approved by the Board of Directors:

FROM: Account No.

8805 Executive Director Fees \$130,566

TO: Account No.

	<u>Account No.</u>	<u>Amount</u>
	66002 Fringes	\$20,333
	66001 Executive Director Salary	\$90,000
	8805 Executive Director Fees	(to remain open for Consultant charges)
	8151 Computer Equipment	\$5,602
	8152 Lease Expense/Parking	\$4,500 (\$900 parking + \$3,600 lease)
	8044 Compensation – County ITS Support	\$10,131

**RESOLUTION NO. 007 - 2019 – AUTHORIZING ENTERING INTO AN AGREEMENT WITH
LOCEY AND CAHILL LLC FOR ASSISTING CONSORTIUM
EMPLOYERS WITH THE CENTERS FOR MEDICARE &
MEDICAID SERVICES (CMS) RETIREE DRUG SUBSIDY
(RDS) PROGRAM APPLICATION, COST REPORTING,
AND RECONCILIATION PROCESS**

MOVED by Mr. Schenck, seconded by Ms. Rider, and unanimously adopted by voice vote by members present.

WHEREAS, the Centers of Medicare and Medicaid Services (CMS) Retiree Drug Subsidy (RDS) Program was authorized by enactment of the Medicare Prescription Drug Improvement and Modernization Act of 2003, and

WHEREAS, employers which provide prescription drug coverage to Medicare-eligible retirees which is at least equivalent to the Medicare Part D prescription drug program may be eligible to participate in the CMS-RDS Program, and

WHEREAS, the CMS-RDS Program application requires among other information, an actuarial attestation, and

WHEREAS, Locey & Cahill, in partnership with the Consortium's current actuary, Armory Associates, has presented a Consultant Services Agreement for assisting Consortium employers seeking to apply for funds from the CMS-RDS Program and that Agreement has been reviewed by the Audit and Finance Committee, and

WHEREAS, by entering into this agreement, the Consortium will be providing to its municipal partners a very competitive fee for CMS-RDS Program assistance which includes, but may not be limited to, the Application and Reconciliation processes and said fee will be a pass-through charge to the municipal partner seeking such services, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Board Chair to execute the Consultant Services Agreement for the service associated with the CMS-RDS Program with Locey and Cahill, LLC,

RESOLVED, further, That the Executive Director shall communicate this Consortium service to all current and future municipal partners.

* * * * *

Report from the Governance Structure Committee

Mr. Barber said the Committee is Chaired by Chuck Rankin and has been working very hard. Currently the Consortium has 45 Directors and the Board has directed the Committee to recommend an alternative model for governance. The Committee recognized that there are restrictions set by Article 47 that include a requirement that every municipal partner have a vote on certain items such as benefit plan design and premium equivalent rates.

Mr. Barber explained the structure currently under consideration includes having an Executive Committee that would be elected by the Board of Directors at an annual meeting where plan design and premium equivalent rates are adopted. There would also be other standing committees appointed by the Board, having claims administrators report to the Executive Director, and because the Directors would only be meeting once per year that there would be a Nominations Committee that would be responsible for training and educating Directors. Next the Committee will be discussing bylaws and potential changes to the Municipal Cooperative Agreement; an update will be provided at the June meeting.

Report from the Joint Committee on Plan Structure and Design

Ms. Hersey, Chair, said the each year the Committee reviews the actuarial values for the Metal Level Plans to make sure they are within the valued specified by the Consortium. She said the Consortium set a standard deviation rate of two percent but this is based on a whole number; the Committee will be considering a recommendation relating to rounding to the nearest percentage number. The Committee will be hearing an update on the Blue4U Program and Telemedicine at the next meeting. She encouraged Directors to attend meetings that are held the first Thursday of each month at 1:30 p.m. at the Health Department.

Report from the Owing Your Own Health Committee

Ms. Servoss, Chair, reiterated what was stated earlier in the meeting by Ms. Berry that preventive care and a healthier lifestyle helps reduce claims costs. She said an initiative of the Committee this year is to get wellness committees started, and to encourage healthy lifestyles and activities, She encouraged Directors to look at the Consortium's wellness resolution template

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and take back to municipal boards for approval. Ms. Servoss provided an update on Telemedicine and said it is now available for all covered members and encouraged Directors to get employees to sign up. Ms. Miller reviewed the status of signups to the program, stating only four members have signed up at this time. She explained the benefit and said Excellus customer service representatives are available to help members register for the program.

Mr. Brown said while he appreciates the intent of the program and also wants to provide better care for members at a lower cost. However, he has concerns for the number of prescriptions that will be written through Telemedicine visits versus office visits and asked that reporting include information on this.

Adjournment

The meeting adjourned at 7:40 p.m.