



Greater Tompkins County Municipal Health Insurance Consortium

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

Special Meeting
Board of Directors – APPROVED
May 14, 2020 – 6:00 p.m.
Remote by Zoom

Municipal Representatives: 35

Steve Thayer, City of Ithaca
Mack Cook, City of Cortland
Greg Pelicano, Seneca County
Lisa Holmes, Tompkins County
Ed Fairbrother, Town of Big Flats
Mark Witmer, Town of Caroline
Luann King, Town of Cincinnatus
Laura Shawley, Town of Danby
Ellen Woods, Town of Enfield (arrived at 6:20 pm)
Miles McCarty/Nathan Nagel, Village of Freeville
Chuck Rankin, Town of Groton
Kevin Williams, Town of Homer
Donald Fischer, Town of Horseheads
Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing
Terrance Baxter, Town of Moravia
Christine Laughlin, Town of Newfield (exc. at 7 pm)
Joan Jayne, Town of Niles

Jim Doring, Town of Preble
Gary Mutchler, Town of Scipio
Tom Gray, Town of Sennett
Ray Bunce, Town of Spencer
David Schenck, Town of Springport
Tom Brown, Town of Truxton
Rich Goldman, Town of Ulysses
Peter Salton, Village of Cayuga Heights
Michael Murphy, Village of Dryden
Nancy Niswender, Village of Groton
Donna Dawson, Village of Horseheads
Tanya DiGennaro, Village of Homer
Ronny Hardaway, Village of Lansing
Rordan Hart, Village of Trumansburg
Bud Shattuck, Village of Union Springs
Lonnie Childs, Village of Watkins Glen
John Malenick, Town of Montezuma (arrived at 6:38 pm)

Labor Representatives: 4

Jim Bower, 2nd Labor Representative and Joint Comm. on Plan Structure & Design Chair
Zack Nelson, 3rd Labor Representative
Tim Farrell, 5th Labor Representative
Jeanne Grace, Labor Representative Alternate

Excused: 3

Alex Patterson, Town of Aurelius
Kathrin Servoss, Town of Dryden
Eric Snow, Town of Virgil

Absent: 7

Jason Cole, Lansing Community Library
Tom Adams, Town of Marathon
Richard Nielens, Town of Mentz

Ed Wagner, Town of Owasco
Alvin Doty, Town of Willet
Doug Perine, 4th Labor Representative
Carol Sosnowski 6th Labor Representative

Others in attendance:

Elin Dowd, Executive Director
Rick Snyder, Tompkins County Finance
Steve Locey, Robert Spenard, Locey & Cahill
Corey Prashaw, ProAct

Don Barber, Consultant
Michelle Cocco, Clerk of the Board
Debra Meeker, Admin./Computer Assistant
Beth Miller, Excellus

Call to Order

Ms. Drake, Chair, called the meeting to order at 6:05 p.m. and welcomed new Directors.

Approval of Minutes – December 19, 2019

It was MOVED by Ms. King, seconded by Ms. Jayne, and unanimously adopted by voice vote by members present by video or teleconference, to approve the minutes of December 19, 2019 as submitted. MINUTES APPROVED.

Changes to the Agenda

A resolution entitled Adoption of Policy Regarding Mid-Year Plan Changes was added to the agenda.

Chair's Report

Ms. Drake said there are still outstanding Code of Ethics Conflict of Interest forms and reminded Directors to submit one if they have not yet done so.

Appointments to Claims and Appeals Committee

It was MOVED by Ms. Drake, seconded by Ms. King, and unanimously adopted by voice vote by members present by video or teleconference, to appoint Bud Shattuck, Tom Brown, and Donna Dawson, to the Claims and Appeals Committee with no set terms. MOTION CARRIED.

Appointment to Audit and Finance Committee

It was MOVED by Ms. Drake, seconded by Ms. Niswender, and unanimously adopted by voice vote by members present by video or teleconference, to appoint Jon Munson the Audit and Finance Committee as a Labor representative for a term expiring December 31, 2021. MOTION CARRIED.

Ms. Drake reported a lot of work has taken place in recent months that included several communications with the Department of Financial Services (DFS) on things such as the Municipal Cooperative Agreement, financial filings, changes to LIBOR which relates to investment regulation changes, and preparation of a response to the Business Continuity Plan during the Pandemic.

Ms. Drake reported a communication was received last week from DFS stating they would not continue review of the proposed Municipal Cooperative Agreement because the Consortium's Certificate of Authority says that it can only operate within Tompkins County. She said this was surprising since the Consortium has been operating outside of Tompkins County since 2013 and has submitted financial filings as well revised the 2015 MCA to DFS. The Department was a part of the review of these documents and this has never been raised as an issue until now. She said work is being undertaken at this time to get the Certificate of Authority updated and said the Governance Structure Committee may be reconvened to consider additional language in the MCA that would match the Certificate of Authority.

Mr. Salton said he wasn't aware of the existence of the Certificate of Authority and would like it to be made accessible to Directors. Ms. Dowd clarified that the original Certificate of Authority is a one-page document that states the Consortium has authority to operate in Tompkins County. Mr. Locey said when the original MCA was filed it was clear in the Agreement that the Board had the authority to allow municipalities outside of Tompkins County to join. He believes when the Certificate of Authority was received everyone was under the assumption that it was stipulating that the Consortium was certified and that the base of operations for the Consortium was Tompkins County.

It was never thought that the Consortium was restricted to the borders of Tompkins County because they approved the Municipal Cooperative Agreement that allowed municipalities from outside of Tompkins County to be Participants. Ms. Drake said this will be discussed at both the Executive and Governance Structure Committees.

Executive Committee

RESOLUTION NO. 001-2020 – RATIFYING ACTION OF THE EXECUTIVE COMMITTEE TO WAIVE COST SHARING FOR THE TREATMENT OF COVID-19

Ms. Dowd noted that all mandates have been extended thru the end of July; however, what isn't covered is the cost of treatment. Excellus asked the Consortium to join them and to go beyond the mandate in eliminating any barriers to individuals having to pay. This ratifies what was put into place and the Consortium will continue to respond to mandates. She noted this is only for the member cost share and is only for coverage of treatment after testing and diagnosis.

It was MOVED by Mr. Baxter, seconded by Ms. Loughlin, and unanimously adopted by voice vote by members present by video or teleconference. RESOLUTION ADOPTED.

WHEREAS, On Thursday, April 2nd, the BlueCross BlueShield Association announced that independent and locally operated BlueCross BlueShield plans across the country decided to waive member cost-sharing for the treatment of COVID-19 through May 31, 2020, and

WHEREAS, this waives the member's copayment or cost share for testing, diagnosis and treatment, even if that treatment is delivered in the hospital, and

WHEREAS, it was recommended that it was in the best interest of Consortium to implement these measures effective April 10th to ensure that all members had access to the medical care needed without incurring any out of pocket expense will be helpful in slowing the spread of the virus, and

WHEREAS, due to the urgency in implementation of this waiver was unanimously approved by an electronic poll of the Executive Committee on May 8, 2020, now therefore be it

RESOLVED, That the Board of Directors hereby retroactively ratifies the action of the Executive Committee and approves the retroactive waiving of the member cost-sharing for the treatment of COVID-19 through May 31, 2020.

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Ms. Drake reported the Executive Committee met on May 5th and had discussion of options of lessening the cost burden of members due to COVID-19 and noted many municipalities are furloughing employees. Suggestions include having a premium holiday to looking at the 2021 premium rate increase. No recommendation has been made at this time; both the Executive and Audit and Finance Committees will continue to discuss this at upcoming meetings. Directors were encouraged to submit comments or ideas about this to Ms. Dowd. Ms. Drake reported the Committee also discussed plan design changes that will be presented at the next meeting of the Joint Committee on Plan Structure and Design.

Executive Director's Report

Ms. Dowd welcomed Ms. Cocco back from a medical leave and welcomed Debra Meeker who was recently hired to replace Brittini Griep in the position of Administrative/Computer Assistant. She thanked Tompkins County for allowing Brittini to assist with during the transition. Ms. Dowd provided the Board with a PowerPoint presentation with the following highlights:

- Waived all copay or co-insurance related fees to COVID-19 care (testing, diagnoses, treatment, etc.) through May 31st, 2020.
- Waived restrictions on prescription renewal limitations.
- Waived co-pays on any Telemedicine visits, regardless of diagnosis, through May 31st, 2020.
- Members with high deductible health plans will not be responsible for copayments, coinsurance and deductibles for COVID-19 related testing even if the deductible has not been met, under guidance from the Internal Revenue Service. This also means that an individual with an HDHP (High Deductible Health Plan) that covers these costs may continue to contribute to a health savings account (HSA).
- As of the end of April the total spend was \$8,200; the average costs per member related to testing was \$202.
- There have been many conversations with municipalities on areas including furloughs and layoffs, mid-year plan changes, 2021 plan movement, and requests for budget relief.
- 2019 Year-end reporting included: 18% growth in enrollment, \$50.7M in revenue - \$456,000 in interest income, 93.46% of total expenses to cover claims costs; net income \$4.4 million; the Consortium received a clean audit from Insero & Co., and the year-end JURAT was filed.
- Presentations for municipalities interested in joining are being held by webinar.
- The ProAct and Excellus Utilization reports will be presented at the June Board meeting

Report from the Operations Committee

Ms. Holmes reported the Committee has met three times since the last Board meeting. At those meetings the Committee adopted the Consortium's Cyber Security audit, discussed the Request for Proposals and procurement process and will continue to work on these in addition to developing a crisis management plan, a business continuity plan, and a disaster recovery plan.

RESOLUTION NO. 002-2020 – AMENDMENT TO THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM CODE OF ETHICS AND CONFLICT OF INTEREST POLICY (AMENDS RESOLUTION NOS. 001 OF 2014, 008 OF 2016, AND 016 OF 2018)

MOVED by Mr. Salton, seconded by Ms. King, and unanimously adopted by voice vote by members present by video or teleconference. RESOLUTION ADOPTED.

WHEREAS, on February 27, 2014, the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium ("GTCMHIC" or "Consortium") adopted a *Code of Ethics and Conflict of Interest Policy (Resolution No. 001 of 2014)*, and

WHEREAS, the New York State Department of Financial Services has recommended that the Consortium implement, as a good business practice, a process whereby board directors, officers, and key employees review and execute annual conflict of interest disclosure and acknowledgement forms, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the Consortium's *Code of Ethics and Conflict of Interest Policy* dated February 27, 2014 is amended to include the following additional paragraph:

14b. "Any Director or employee who has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with the Consortium which he or she is an officer or employee, shall publicly disclose the nature and extent of such interest in writing to the Board Chair and to the governing body thereof

as soon as he or she has knowledge of such actual or prospective interest, including prior to abstaining from a Board vote due to such conflict. Such written disclosure shall be made part of and set forth in the official record of the proceedings of such body.”

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RESOLUTION NO. 003-2020 - ADOPTION OF POLICY REGARDING MID-YEAR PLAN CHANGES

MOVED by Ms. Holmes, seconded by Mr. Schenck. Mr. Hart referred to the third Resolved and said while he supports this resolution he believes the technology exists and that the Consortium should be pushing Excellus to port patient information and deductibles over. Since most of the new municipalities coming into the Consortium will be small with very few contracts he thinks Excellus should be able to overcome any technical obstacles that prevent this from happening. Ms. Dowd responded that she will continue to work with Excellus to be able to move deductibles for mid-year plan changes. She said purpose of the resolution is to make sure members are aware that this is a hurdle and are informed of the consequences when moving plans.

In response to Mr. Williams, Ms. Dowd said mid-year changes are being allowed because of negotiated contracts, some village budgets being effective in June, and due to exposure related to COVID-19 a lot of municipalities needed to look at enrollment due to those being laid off or furloughed. She said mid-year plan changes are strongly discouraged; however, there are situations where there are good reasons to do so.

In response to concerns expressed it was MOVED by Mr. Salton, seconded by Mr. Baxter, and unanimously adopted by voice vote by members present, to approve the following amendment: “RESOLVED, further, That the Consortium will negotiate with the Medical Claims Administrator, Excellus, and the Prescription Benefit Manager, ProAct, to be able to migrate specific patient information mid-year.” AMENDMENT CARRIED.

The resolution as amended was unanimously adopted by voice vote by members present by video or teleconference. RESOLUTION ADOPTED.

WHEREAS, it has been brought to the attention of the Greater Tompkins County Municipal Health Insurance Consortium (“Consortium”) Board of Directors that the Consortium’s policies require updating regarding mid-year plan changes which are the result of collective bargaining, municipal board policy, personnel policy, or an individual qualifying for a plan change consistent with IRS 26 CFR §1.125-4 – Permitted Election Changes, and

WHEREAS, the Consortium offers several health insurance benefit plan options which include various Indemnity Plans, various Preferred Provider Organization (PPO) Plans, a Comprehensive Value Plan, and several High Deductible Health Plans (HDHPs), and

WHEREAS, these various health insurance benefit plan choices include a number of different deductible options, out-of-pocket maximum options, and other benefit limit options that are all managed on a calendar year basis, and

WHEREAS, allowing mid-year changes to benefit plans by a Participating Municipality for a collective bargaining group, employee group, and/or retiree group could cause administrative and financial issues for the covered member and/or the Consortium, and

WHEREAS, the Consortium needs to establish a policy and procedure to ensure any plan changes occur in a timely fashion with the least amount of administrative and financial disruption to the Consortium and to the covered member as possible, now therefore be it

RESOLVED, on recommendation of the Operations Committee, That the GTCMHIC hereby adopts a policy requiring all Participating Municipalities in the Consortium to notify the Consortium's Executive Director on or before October 31st each year of any benefit plan changes being made by said Consortium Participant with an effective date of January 1st of the next plan year,

RESOLVED, further, That the Policy also requires GTCMHIC Participants seeking to make mid-year benefit and/or plan changes must provide notice to the Consortium's Executive Director no later than 90-days preceding the effective date of said change or changes,

RESOLVED, further, That due to the complexities associated with migrating specific patient information regarding the covered member's satisfaction of their deductible, out-of-pocket maximum, and/or any specific benefit limitations, the Consortium will not be populating the new benefit plan with any of this data or information,

RESOLVED, further, That the GTCMHIC Board of Directors strongly discourages Participating Municipalities in the Consortium from making mid-year changes involving a group of employees or retirees who are either already in a High Deductible Health Plan (HDHP) or would be moving into a High Deductible Health Plan (HDHP).

RESOLVED, further, That the Consortium will negotiate with the Medical Claims Administrator, Excellus, and the Prescription Benefit Manager, ProAct, to be able to migrate specific patient information mid-year.

RESOLVED, further, That the Consortium Board of Directors strongly recommends that a municipality that migrates to a lessor benefit remain with that decision for two full plan years."

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Financial Report

Mr. Locey reviewed 2019 financial results and noted interest income was well-above budget. Prescription drug rebates were slightly under budget as was premium revenue. Premium revenue was down due to members moving to lower-cost plans and this should be offset by lower claims costs. He said 95.8% of the Consortium's revenue came from premium and approximately 3% of revenue comes from prescription drug rebates. In 2019 claims were significantly below budget which was the result of lower claims cost due to members moving to lower-cost plans, the movement of new municipalities into the Consortium and not having mature claims when they first joined, and there being fewer high cost claims.

Mr. Locey said only 6.5% of the Consortium's budget went towards the payment of all costs to operate the program; this is a very low number for a health insurance plan of this size and demonstrates that the Consortium is operating very efficiently. He said the Consortium had a very good year, approved a very modest increase for 2020, had excess revenue, and is now having discussion of what to do going forward to help take pressure off of municipalities.

Mr. Locey reviewed financial results through March 31st and said the Consortium is close to budget on revenue. In terms of expense the Consortium was already well below budget on both medical and prescription drug claims expense which is largely due to the number of high deductible health plans and members paying deductibles early in the year. He presented information related to the impact of COVID-19 from a claims perspective and stated claims went from averaging \$2 million per month to \$1.6 million in April; this is due to the number of minor or elective procedures being postponed. Those procedures will be resuming soon, therefore, he expects claims to return to the normal level. This is an area that will be monitored closely. He noted he doesn't expect there to be

a large impact from a claims perspective because many of those impacted by COVID-19 are the elderly population and Medicare A and B is picking up a large part of the expense.

Treasurer's Report

Mr. Snyder reviewed the 2019 annual financial filing (JURAT) and explained how information contained in the filing corresponds to the external audit report. He noted the following: total assets were up 18.5% to \$32 million and liabilities were up \$1.3 million or 24.6% over 2018. The Consortium's net position increased by \$3.5 million to \$25,328,000 which shows a healthy growth in the organization. He called attention to a new line being required to be reported of the net investment income in the amount of \$348,000 which is the net interest income after paying for the Investment Manager. He commented that due to DFS reporting requirements the total net income was adjusted downward; however, the Consortium's true net income is \$4.4 million that is in the audit. Mr. Snyder called attention to the increase in the Consortium's net position being \$3,684,253.

Mr. Snyder reviewed the results of the 2019 external audit report prepared by Insero & Co., highlighting the Consortium's growth in reserves and the increase in net position.

Report from the Audit and Finance Committee

RESOLUTION NO. 004-2020 – AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT – EXCELLUS BLUE CROSS BLUE SHIELD

MOVED by Mrs. Shawley, seconded by Ms. King. Mr. Cook said this resolution addresses billing and will not have a significant impact on Consortium operations or revenue. It amounts to less than one percent of the budget on an annual basis. The resolution was unanimously adopted by voice vote by members present by video or teleconference. RESOLUTION ADOPTED.

WHEREAS, the Greater Tompkins County Municipal Health Consortium Board of Directors executed an Administrative Services Agreement with Excellus BlueCross BlueShield effective January 1, 2018, and

WHEREAS, the Agreement has been revised with updated and clearer language from the BlueCross BlueShield Association (BCBSA) to better describe the program, and

Whereas, the following outlines modifications to the Agreement:

- a better description of the manner in which Host BlueCard claims are handled;
- a revised description of BlueCard Fees including the Access Fees;
- additional language around Value-Base Payment Programs at Host Plans; and
- a description of what is now called "Global Care", which is the new name for the BCBSA Worldwide program;
- the addition of new language protecting the confidentiality of Home and Host Blue Plan claim pricing information; this requirement also included a new paragraph that the group notify the Consortium if they get acquired by another organization. The purpose of these changes is to protect Blue Plan data due to the recognition of the increasing importance of data to the health care industry; the BCBSA wants to protect confidential and proprietary Blue Plan negotiated rates from inappropriate disclosure, including to competitors;
- new language describing the fact that Excellus may employ new clinical editing-type programs and that any savings associated with the programs will be credited back to the Consortium net of its administrative expenses associated with the program.

WHEREAS, by a majority of affirmative votes received through an electronic poll, the Board of Directors authorized the Chair to sign the amended agreement pending formal approval by the full Board at its next regular meeting, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors affirms the results of an electronic poll authorizing the Chair of the Board to sign the revised Administrative Services Agreement with Excellus BlueCross BlueShield retroactive to January 1, 2020.

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Mr. Cook, Chair, had no further report.

Report from the Governance Structure/MCA Review Committee

Mr. Rankin, Chair, reported the Committee met on January 8th and February 5th and although the Committee finalized the draft MCA there were developments as explained by Ms. Drake earlier in the meeting. A meeting will be scheduled once further information is received from the Department of Financial Services.

Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported Committee has been seeking interest in a member to fill the Labor Director seat vacated by Olivia Hersey's retirement. He said one of his goals as the new Committee Chair is to increase labor participation and attendance at meetings and will be updating the contact list for bargaining units. Suggestions being explored include increasing both physical and remote attendance. At the next meeting there will be discussion and a recommendation of adjustments to the Metal Level Plans and adjustments to its bylaws to reflect updated practices and the MCA.

The Committee also received a presentation on the Excellus Utilization Report comparing claims for 2018 to 2019. Highlights from that report included utilization being up by 11% but driven by an increase in enrollment. Total costs increased by 9%; costs per member month went down by 8%, and high claimant costs decreased. Some of the same past trends continued including members utilizing an Emergency Room for low acuity conditions as well as high number of diabetes-related costs. Mr. Bower reported the Committee will be working jointly with the Owing Your Own Health Committee to target a number of issues.

Report from the Owing Your Own Health Committee

Mr. Bower reported on behalf of Kathy Servoss, Chair, and said the Committee has been developing a wellness calendar. They have been working with Excellus to promote specific focus areas for each month such as diabetes awareness, cancer awareness, finding a primary care provider, when to use urgent care versus an emergency department, benefits of flu shots, etc. He reported on participation in the Blue4You clinics that were held in late February through March; one clinic was canceled due to COVID-19 and will be rescheduled.

New Business

There was no new business.

Adjournment

The meeting adjourned at 7:50 p.m.