



Greater Tompkins County Municipal Health Insurance Consortium

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

Regular Meeting
Board of Directors – APPROVED
September 24, 2020 – 6:00 p.m.
Remote by Zoom

Municipal Representatives: 29

Steve Thayer, City of Ithaca
Mack Cook, City of Cortland
Alex Patterson, Town of Aurelius
Lisa Holmes, Tompkins County
Ed Fairbrother, Town of Big Flats
Kathrin Servoss, Town of Dryden
Chuck Rankin, Town of Groton
Kevin Williams, Town of Homer
Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing
Gary Mutchler, Town of Scipio
Tom Gray, Town of Sennett
Darcy Rigdon, Lansing Community Library
Ed Wagner, Town of Owasco
Terrance Baxter, Town of Moravia

Chris Wagner, Seneca County
Tanya DiGennaro, Village of Homer
Ray Bunce, Town of Spencer (arrived at 6:10 p.m.)
Tom Brown, Town of Truxton
Rich Goldman, Town of Ulysses
Eric Snow, Town of Virgil
Peter Salton, Village of Cayuga Heights
Michael Murphy, Village of Dryden
Nancy Niswender, Village of Groton
Donna Dawson, Village of Horseheads
Rordan Hart, Village of Trumansburg
Bud Shattuck, Village of Union Springs
Christine Laughlin, Town of Newfield
Mark Witmer, Town of Caroline (arrived at 6:10 p.m.)

Labor Representatives: 3

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

Excused: 5

Vacancy – 1st Labor Representative
Lonnie Childs, Village of Watkins Glen
Ronny Hardaway, Village of Lansing

Joan Jayne, Town of Niles
David Schenck, Town of Springport

Absent: 12

Luann King, Town of Cincinnatus
Ellen Woods, Town of Enfield
Richard Neilens, Town of Mentz
Tom Adams, Town of Marathon
Alvin Doty, Town of Willet
John Malenick, Town of Montezuma

Donald Fischer, Town of Horseheads
Laura Shawley, Town of Danby
Jim Doring, Town of Preble
Doug Perine, 4th Labor Representative
Miles McCarty/Nathan Nagel, Village of Freeville
Carol Sosnowski 6th Labor Representative

Others in attendance:

Elin Dowd, Executive Director
Rick Snyder, Tompkins County Finance
Steve Locey, Robert Spenard, Locey & Cahill
Debra Meeker, Admin./Computer Assistant
Alvin White, Town of Hector

Don Barber, Consultant
Michelle Cocco, Clerk of the Board
Sunday Earle, TC3
Beth Miller, Excellus

Call to Order

Ms. Drake, Chair, called the Annual Meeting to order at 6:04 p.m.

Approval of Minutes – August 27, 2020

It was MOVED by Mr. Baxter, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present by video or teleconference, to approve the minutes of August 27, 2020 as corrected. MINUTES APPROVED.

Changes to the Agenda

With no objection by members present, Ms. Drake added to the agenda a motion to approve the 2021 Municipal Cooperative Agreement following action to accept new Participants and a discussion and motion regarding an extension of benefits with Excellus. The agenda was also reordered to address the 2020 premium holiday prior to adoption of the 2021 budget.

Mr. Bunce arrived at this time.

Chair's Report

MOTION NO. 006-2020 – APPOINTMENT TO THE AUDIT AND FINANCE COMMITTEE

It was MOVED by Mr. Salton, seconded by Ms. Holmes, and unanimously adopted by voice vote by member present by video or teleconference, to appoint Jason Molino to the Audit and Finance Committee for a term expiring December 31, 2021. MOTION CARRIED.

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**RESOLUTION NO. 020-2020 – CREATION OF NOMINATING COMMITTEE – 2021
CONSORTIUM LEADERSHIP**

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

WHEREAS, the Consortium Board of Directors annually establishes a Nominating Committee for the purpose of identifying and recommending a slate of officers to fill Consortium leadership roles: Chair, Vice Chair, Secretary, and Chief Fiscal Officer, and

WHEREAS, the Board of Directors is required to annually appoint a treasurer (the "Treasurer") who may or may not be a Director and who shall be the treasurer, or equivalent financial officer, for one of the Participants, and

WHEREAS, the 2020 Municipal Cooperative Agreement authorizes the creation of an Executive Committee to be appointed annually by the Board of Directors who will oversee operations and develop recommendations for Board actions, and

WHEREAS, the newly-formed Executive Committee will consist of at least eleven (11) and no greater than fifteen (15) Directors and shall always include the elected Chairperson, Vice-Chairperson, and the Secretary of the Consortium, as well as the designated Chief Fiscal Officer and Chairperson of the Joint Committee on Plan Structure and Design, now therefore be it

RESOLVED, That the Board of Directors establishes a Nominating Committee comprised of Ed Fairbrother, Terence Baxter, Laura Shawley, Gary Mutchler, and Kevin Williams

(tentative), that is charged with recommending a Treasurer and a slate of Directors to fill leadership roles of Chair, Vice Chair, Secretary, and Chief Fiscal Officer, for 2021,

RESOLVED, further, That the Nominating Committee is also charged with recommending a slate of membership from Consortium Directors to the 2021 Executive Committee as outlined in the Executive Committee Bylaws as follows:

- Board of Directors Chairperson to serve as Chair
- Board of Directors Vice Chairperson
- Secretary
- Chief Fiscal Officer
- Joint Committee on Plan Structure and Design Chair
- Standing Committee Chairs:
- Audit and Finance Committee
- Operations Committee
- Nominations and Engagement Committee
- Claims and Appeals Committee
- At-large
- At-large

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Executive Committee Report

Ms. Drake said now that the 2020 MCA has been approved the Bylaws for the Executive Committee will be presented to the Board for approval at the December meeting. Mr. Salton encouraged Directors to review the Bylaws as they set forth the way the Consortium will operate going forward.

In response to a question by Mr. Snow as to why the Owning Your Own Health Committee continues to be referenced in the Bylaws, Ms. Drake said the Owning Your Own Health Committee has been placed on hold; however, the option remains to bring that Committee back at some point in the future. The position of Chair of that Committee has not been included at this time in the proposed Executive Committee structure.

Ms. Dowd reported items the Executive Committee will be discussing at its upcoming meeting includes the Prescription Benefit Management contract, staffing needs, Executive Committee Bylaws, and the Consortium's Certificate of Authority request to the Department of Financial Services.

Executive Director Report

Ms. Dowd provided a written report in advance of the meeting and encouraged Directors to contact her with any questions. She reviewed highlights from that report and questions that have arisen related to the proposed 2021 Budget. She stated if the premium holiday is approved, information will be sent to municipalities to explain details and logistics surrounding invoicing. Premium rates continue to be worked on to ensure they are accurate; as soon as changes are complete they will be provided to Participants and posted on the website.

Ms. Dowd reported three Benefit Clerk webinars will be held in October. Benefits Clerks are strongly encouraged to attend one of the sessions as there will be an overview provided on plan changes, government updates, changes in ProAct and Excellus administration, and discussion of other common issues that have arisen over the last year. Ms. Dowd said two copies of the MCA along with a cover letter outlining the actions Participants need to take.

Ms. Dowd expressed appreciation to Don Barber for his work in bringing eight new Participants through the process of membership in the Consortium. Mr. Barber also continues to work on the Consortium's Newsletter. Ms. Dowd reported on the flu clinics and said there has been incredible participation.

Ms. Dowd said at the June meeting the Board approved coverage for copays and coinsurance for Covid-19 testing. Excellus has asked the Consortium to join them again to provide access to coverage with no barriers for those who have been diagnosed with Covid-19 because at this time there are no State mandates to cover treatment, only testing and diagnosis. Excellus has asked the Consortium to join in extending the coverage that would have ended on September 7th through the State of Emergency. She has spoken to Mr. Locey about the risk the Consortium might face as a result of this; at this time that risk has been determined to be minimal as what is being added would be the employee's copay or coinsurance.

MOTION NO. 007-2020 – EXTENSION OF EXPANDED COVERAGE OF PAID-IN-FULL BENEFITS FOR COVID-RELATED TREATMENT

It was MOVED by Ms. Drake, seconded by Mr. Witmer. Ms. Earle asked if a test is not medically necessary or medically driven but is a requirement, does insurance cover the cost of that test. Ms. Miller said a test is not covered unless an individual is showing signs or symptoms or is not requested by a physician.

Mr. Salton said he feels that in order to control the pandemic, organizations, including insurance companies, need to find a way to have all tests covered. In response to a question as to whether high deductible plans would be covered under this action, Mr. Locey said with the high deductible plans the initial testing and treatment copays and deductibles are waived. In terms of treatment beyond that he will have to look at IRS rules and what the impact would be on the use of a Health Savings Account to pay for that. He said it does not present much of a risk or liability from a plan standpoint as there are very few individuals in a high deductible health plan. If it was determined that it is now allowed because of IRS rules this benefit would not be applied to the Gold, Silver, or Bronze Metal Level Plans.

The motion was unanimously adopted by voice vote by members present by video or teleconference, to approve and extension of expanded coverage to allow paid-in-full benefits for any Covid-related treatment through the New York State of Emergency. MOTION CARRIED.

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Report from the Operations Committee

Ms. Holmes reported the Committee has not met since the last Board meeting; the next meeting will be October 28th.

Financial Report

Mr. Locey reviewed a financial update through August 31, 2020. Premium income is on budget; interest income continues to be down as a result of the pandemic, prescription drug rebates were \$380,000 over budget. Medical claims are approximately 16.2% (\$4.15 million) below budget and prescription drug expenses were 2.7%; total expenses were \$4.6 million below budget year-to-date. The Consortium continues to pay \$.94 of each \$1 to go towards the cost of claims, leaving only \$.06 going towards administration of the program.

Treasurer's Report

Mr. Snyder said he has worked with Mr. Locey and Ms. Dowd on planning for the premium holiday, helping with budget figures, and doing work on investments. Interest rates are currently near zero; last year they were around 1% to 1.5%.

Mr. Snyder spoke of the upcoming year and said he is willing and able to serve as Treasurer for 2021. Through the County's budget process there was some discussion of whether Finance staff would continue doing the Consortium's books next year. He stated they are willing and able to serve the Consortium for another year; however, if positions are created through the Consortium they will be glad accommodate that and relinquish control of any tasks the Consortium wishes to assume. He noted this could take a period of time and is willing to work with the Consortium to do this. They are committed to going forward to 2021 and if they can start delegating duties out they are willing to train and work with the Consortium through the year.

Mr. Salton thanked Mr. Snyder and his Department for all of the work they have been doing on behalf of the Consortium and said he appreciates the work that is going into conversations to address the Consortium's staffing needs. In response to Mr. Goldman, Mr. Snyder said the Finance Department bills the Consortium for staff time spent on Consortium work in the range of \$65,000 (70% of an Account Clerk position and 10% of the Deputy Finance Director position). Mr. Goldman asked why there would be a change in this arrangement.

Ms. Dowd said the Operations Committee will be discussing this. Up to this point the Consortium has been outsourcing all services and is growing at a level where it can be better served by bringing those services in-house rather than by contracting a percentage of an employee's time. The Consortium would continue to use the expertise of the County in consulting and coaching of those positions. Mr. Snyder commented that the Consortium has never been billed for the Director of Finance's time; the question of whether and how fast the Operations Committee considers adding staff is completely up to the Consortium.

Mr. Goldman said it may be financially beneficial to leave things the way it is. Ms. Drake said the Executive Committee will be talking about a full staffing plan for next year and years to come at its next meeting. She also expressed appreciation to Mr. Snyder and his staff and to the County as a whole for its support of the Consortium.

2021 Budget

Ms. Dowd said as Mr. Locey went through the 2020 results the total claims expense continue to be 11 percent below plan. As Mr. Locey noted, Excellus is a much larger organization than the Consortium and has seen claims trend more towards a normal level but that has not been the case for the Consortium. At this time Mr. Locey walked the Board through the prepared presentation and reviewed factors that contributed to the makeup of the 2021 Budget and assumptions going forward in future budgets. He spoke of the proposed premium holiday which amounts to \$4.4 million and said it was factored into the budget recommendation. He said next year it is expected that the Consortium will end the year with approximately \$57.3 million in revenue with a 5% premium rate increase. He spoke of the lower than expected claims cost and the intent was to use those funds to provide some immediate relief to members while also keeping a modest rate increase for next year.

Ms. Drake said the Audit and Finance Committee had a lot of discussion about lowering the percentage rate increase but making sure that trend is covered is the most important aspect. The 5% rate increase is still not where the cost trend is and why fund balance is expected to be used in the next year.

Report and Presentation of Resolutions from the Audit and Finance Committee

**RESOLUTION NO. 021-2020 – ADOPTION OF PREMIUM HOLIDAY FOR MEMBERS–
DECEMBER 2020**

MOVED by Mr. Baxter, seconded by Mr. Witmer. Mr. Cook said the Committee spent a significant amount of time discussing this; he noted this holiday extends to employers, employees, and retirees.

Mr. Williams said at the last meeting he had expressed concern about short-term premium relief and would prefer an action that would look more towards the long-term health of the Consortium. He said most municipalities have already been budgeting for this and expect to pay these premiums. Mr. Cook spoke of discussions held by the Audit and Finance Committee and said it was felt that if premium was reduced instead of having a premium holiday it would be very difficult for the Consortium to maintain one of its primary overarching goals, rate stability. He said the Committee discussed and gave great consideration to Mr. William's suggestion but reached a consensus to recommend a premium holiday.

A voice vote resulted as follows: - Ayes – 30, Noes – 2 (Tom Brown and Kevin Williams); Not Present – 17. RESOLUTION ADOPTED.

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the Policy provides that the Board of Directors may annually consider a premium reduction for subsequent year(s) to refund excess amounts of reserves and fund balance over budget targets through a premium reduction mechanism that may be in full monthly increments or partial monthly increments or other mechanisms, but not a reduction in premium increase that is significantly below the claims trend assumption, and

WHEREAS, the 2020 Budget is expected to have an excess net income in an amount that in accordance with the Budget Guidelines Policy would allow for a premium holiday to be granted to members in December 2020, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby approves a premium holiday for members for coverage for the month of December 2020,

RESOLVED, further, That the Executive Director is directed to work with the Consortium Treasurer to implement the premium holiday for members that will include the expectation that each municipality will include a mechanism to extend the holiday to employees and retirees who are enrolled and contribute to a Consortium benefit plan.

**RESOLUTION NO. 022- 2020 – ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE
AMOUNTS FOR 2021**

MOVED by Mr. Williams, seconded by Mr. Rankin. Mr. Cook noted the premium rate increases for each of the plans will be as follows: Platinum Plan – 5.0%; Gold Plan – 3.82%, Silver – 4.06%, and the Bronze Plan – 3.96%; all other plans will increase by 5.0%. The resolution was unanimously adopted by voice vote by members present.

WHEREAS, the Audit and Finance and Executive Committees have had detailed discussions and has given great consideration to the Consortium's 2021 budget and premium rates, and

WHEREAS, the Board of Directors has adopted a policy that provides guidance on targets for net income, fund balance, and both statutory and discretionary reserve levels in addition to creating a mechanism by which excess net income/fund balance can be returned to members, and

WHEREAS, the 2021 budget reflects the proposed guidelines and provides for a premium holiday to members for coverage in the month of December 2020 to reduce the current fund balance, and

WHEREAS, notable items included in the proposed budget are the following:

- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims;
- Maintain the Surplus Account at 5% of the annual premium of the Consortium in compliance with §4706(a)(5) of the New York State Insurance Law;
- Maintain the Rate Stabilization Reserve in an amount equal to 7.5% of expected paid claims;
- Maintain Catastrophic Claims Reserve at \$4,500,000; and
- Premium Revenue Increased by 5.0% in 2021

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Consortium's 2021 budget as attached, including premium equivalent rates and reserve amounts are hereby adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

RESOLUTION NO. 023- 2020 - ACCEPTANCE OF APPLICATIONS BY THE VILLAGE OF OWEGO, TOWNS OF BARTON, CATHARINE, CUYLER, DIX, HECTOR, AND TIOGA TO BECOME PARTICIPANTS IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Mutchler, seconded by Mr. Snow, and unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga, have submitted an official resolution authorizing the Village of Owego to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, these applicants have complied with membership process and have submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, on recommendation of the Audit and Finance, That the Board of Directors hereby accepts and welcomes the Village of Owego, Towns of Barton, Catharine, Cuyler, Dix, Hector, and Tioga and the Village of Owego as Municipal Participants in the Consortium, with health insurance coverage beginning January 1, 2021.

RESOLUTION NO. 024- 2020 - ACCEPTANCE, PENDING APPROVAL BY APPROVAL OF THE DEPARTMENT OF FINANCIAL SERVICES, OF APPLICATION BY THE ITHACA DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, INC. TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Mr. Brown, seconded by Mr. Witmer. Mr. Cook said they are a qualified entity under Article 47 because the District does have taxing authority; however, their tax or any increase in tax falls under the City of Ithaca Tax Cap. Ms. Dowd said this is being presented in a separate resolution because the Department of Financial Services has been asked to review this unique organization due to how they are governed; DFS has asked for additional information and will make the final determination. (The application was later terminated due a ruling by the Department of Financial Services that the District was not eligible as a qualified municipal corporation).

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, by Resolution No. 16 of 2019 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Ithaca Business Improvement District, Inc. has submitted an official resolution authorizing the Ithaca Business Improvement District, Inc. to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, this applicant has complied with the membership process and has submitted copies of financial reports which have been reviewed and found acceptable by the Consortium's Treasurer, Chief Financial Officer and/or the Consortium's Auditor, now therefore be it

RESOLVED, recommendation of the Audit and Finance Committee, *pending approval by the Department Financial Services that it is a qualified municipal corporation*, That the Board of Directors hereby accepts and welcomes the Ithaca Business Improvement District, Inc. as a Municipal Participant in the Consortium, with health insurance coverage beginning January 1, 2021.

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RESOLUTION NO. 025-2020 – AMENDMENT TO RESOLUTION NO. 016-2020 - APPROVAL OF AMENDED INVESTMENT MANAGEMENT SERVICES CONTRACT – WILMINGTON TRUST INVESTMENT ADVISORS, INC.

MOVED by Mr. Baxter, seconded by Mr. Thayer. Ms. Dowd explained the resolution adopted at a previous meeting stated there would be no changes in fee and no changes to staff that was supporting the Consortium. Since that time she was notified by Wilmington Trust and was told that because of the interest climate and the Consortium's low returns they didn't feel they could keep their fees at the same level and are now being cut in half.

Mr. Goldman said .10 is a rate that can be gotten at any bank and questioned what value Wilmington Trust is now providing. Mr. Cook said Mr. Goldman's comment is understandable; however, he spoke to the process that was undertaken to retain an Investment Manager and said it took over a year to put into place. He said the reduction period may resume after the pandemic and going through that process again may not be in the Consortium's best interest. Mr. Goldman said he feels Wilmington Trust has done a great job but the Feds are on record as stating they are keeping

the rates at zero for three years and questions whether it is worthwhile to give up half of the return of five basis points to get five basis points in return.

Mr. Salton suggested this be looked at carefully next year. Mr. Hart said if the Consortium were with the Trust Company which it was previously using it would not be earning five basis points today; therefore, the Consortium is doing better than it would if it did away with that relationship. The reason to stay with them is that last year the best the Trust Company could offer was one percent and Wilmington Trust offered two percent.

The resolution was unanimously adopted by voice vote by members present.

WHEREAS, Resolution No. 016-2020 authorized the Consortium to enter into a new investment advisory agreement with Wilmington Trust Investment Advisors, Inc., with no change in the total fees, and

WHEREAS, the Consortium has been advised by Wilmington Trust that due to the impact on the financial markets as a result of Covid-19, Wilmington Trust will be reducing the rate of fees charged to the Consortium for the term of this contract, now therefore be it

RESOLVED, That the Consortium hereby amends its contract with Wilmington Trust Investment Advisors, Inc. (WTIA), and authorizes the Chair of the Board to execute a contract on behalf of the Consortium.

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Report from the Joint Committee on Plan Structure and Design

Mr. Bower, Chair, reported the Committee met earlier in the month and selected Nancy Webster from Tompkins County's Blue Collar Unit to fill the vacant labor seat on the Board of Directors. Mr. Bower said flu clinics are scheduled and encouraged everyone to visit the Consortium website to schedule a vaccination. The Committee discussed the Maintain Don't Gain Challenge which will promote nutrition and exercise during the holiday season; more discussion will take place at the November meeting as the October meeting has been canceled.

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New Business

MOTION NO. 008-2020 – APPROVAL OF 2021 MUNICIPAL COOPERATIVE AGREEMENT

It was MOVED by Ms. Drake, seconded by Mr. Rankin, and unanimously adopted by voice vote by members present by video or teleconference, to approve the 2021 Municipal Cooperative Agreement and to circulate to all Participants for review and approval. MOTION CARRIED.

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Adjournment

The meeting adjourned at 7:58 p.m.