



Greater Tompkins County Municipal Health Insurance Consortium

125 East Court Street • Ithaca, New York 14850 • (607)274-5590
www.tompkinscountyny.gov/hconsortium • consortium@tompkins-co.org

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

Board of Directors Meeting August 23, 2018 – 6:00 pm – TC3 Sprole Conference Room

170 North Street, Dryden, NY

1. Call to Order
2. Approval of June 28, 2018 Minutes **(VOTE)** (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05) J. Drake
 - a. Report from the Executive Committee
 - b. **RESOLUTION:** Authorizing Chairperson of the Board to Sign Revised Municipal Health Financing Cooperative Intermunicipal Agreement
5. Executive Director's Report (6:10) D. Barber
 - a. DFS Communications
 - b. Potential members
 - c. Captive Layer Stop-Loss
 - d. Wellness Consultant Report
 - e. Investment Management Committee update
 - f. Website Update
 - g. Online enrollment status
6. Report from Consultant (6:25) S. Locey
 - a. Financial Update
 - b. Discussion of 2019 Budget
7. Report from Audit and Finance Committee (6:45) M. Cook
 - a. **RESOLUTION:** Acceptance of Application by the Town of Big Flats to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - b. **RESOLUTION:** Acceptance of Application by the Village of Freeville to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - c. **RESOLUTION:** Acceptance of Application by the Village of Lansing to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium
 - d. **RESOLUTION:** Resolution of the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium – Amendment to Conflict of Interest Policy
 - e. **RESOLUTION:** Authorization to Enter into an Agreement with Segal Consulting for Audit of Consortium Operations
8. New Business (7:00)
9. Adjournment (7:05)

Next Meeting: September 27, 2018



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Draft 07-03-2018

Board of Directors

June 28, 2018 – 6:00 p.m. **Draft**

Tompkins Cortland Community College – Sprole Conference Room

Municipal Representatives: 26

Steve Thayer, City of Ithaca	Terrance Baxter, Town of Moravia
John Fracchia, Town of Caroline	Christine Laughlin, Town of Newfield
Mack Cook, City of Cortland	Edward Wagner, Town of Owasco
Chad Hayden, Town of Aurelius	Jim Doring, Town of Preble
Judy Drake, Town of Ithaca	Gary Mutchler, Town of Scipio
Charmagne Rungay, Town of Lansing	Tom Brown, Town of Truxton
Eric Snow, Town of Virgil	Rich Goldman, Town of Ulysses
Michael Murphy, Village of Dryden	Kristen Case, Village of Homer
Peter Salton, Village of Cayuga Heights	Tom Adams, Town of Marathon
Bud Shattuck, Village of Union Springs	Sarah Thomas, Tompkins County
Laura Shawley, Town of Danby	David Schenck, Town of Springport
Kathrin Servoss, Town of Dryden	Alvin Doty, Town of Willet
Don Scheffler, Town of Groton	Nancy Niswender, Village of Groton

Labor Representatives: 4

Olivia Hersey, 1st Labor Representative and Joint Comm. on Plan Structure & Design
Chair; Jim Bower, 2nd Labor Representative
Zack Nelson, 3rd Labor Representative
Jeanne Grace, Alt., 5th Labor Representative

Excused: 4

Rordan Hart, Village of Trumansburg
Kevin Williams, Town of Homer
Ann Rider, Town of Enfield
John Malenick, Town of Montezuma (Viewed meeting via Skype)

Absent: 2

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

Others in attendance:

Don Barber, Executive Director	Beth Miller, Excellus
Steve Locey, Locey & Cahill	Rick Snyder, Treasurer
John Sheppard, Seneca County Manager	Chris Laverty, ProAct
Donna Dawson, Town of Horseheads	

Call to Order

Ms. Drake, Chair, called the meeting to order at 6:09 p.m.

Approval of Minutes of June 28, 2018

It was MOVED by Mrs. Shawley, seconded by Mr. Mutchler, and unanimously adopted by voice vote by members present, to approve the minutes of March 22, 2017 as submitted. MINUTES APPROVED.

Changes to the Agenda

Ms. Drake announced the following changes to the agenda:

Additions:

- Resolution - Authorizing Chairperson of the Board to Sign the Municipal Health Financing Cooperative Intermunicipal Agreement
- Resolution - Authorizing Acceptance of Application by the Village of Horseheads to Become a participant in the Greater Tompkins County Municipal Health Insurance Consortium

Withdrawn: Resolution of the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium – Amendment to Conflict of Interest Policy (Resolution No. 001-2014)

Chair's Report

Appointment to the Owning Your Own Health Committee

It was MOVED by Ms. Drake, seconded by Ms. Hersey, and unanimously adopted by voice vote by members present, to appoint Tyler Jordan from the Town of Danby to serve on the Owning Your Own Health Committee as a Labor representative for a term expiring December 31, 2010. MOTION CARRIED.

Report from the Executive Committee

Ms. Drake, Chair, reported the Committee has spent a lot of time discussing the Department of Financial Services Audit. Some of the concerns raised in the Audit included attendance at Board meetings and in response efforts have been made to reach out to Directors to encourage attendance. The Committee discussed the Plan Documents and is working on getting those documents out. Ms. Drake said there have been discussions about the growth of the Consortium and at the next meeting the Committee will discuss reconvening the Governance Structure Committee to discuss the size of the Consortium. The Committee will also be discussing the Consultant's contract which ends at the end of the year and having a consulting firm review administration of the Consortium to ensure it is running efficiently.

Report from Executive Director

DFS Audit

Mr. Barber reported a copy of the DFS (Department of Financial Services) Examination report has been provided to all Directors and they have returned a response certifying they have received and reviewed it. A copy of his response to DFS was made available at the meeting. He reported he received a communication from DFS yesterday asking that a number of changes be made to the financial report that is submitted to the Department on a quarterly and annual basis.

New York State Legislation for Agencies to Join the Consortium

Mr. Barber reported the New York State Senate has adopted Legislation that would change the definition of a District to include entities such as public libraries, Urban Renewal agencies, and other quasi government agencies created and that receive at least 50% of its funding from local government. This would expand the number of entities that could potentially join the Consortium and there would be many questions for the Governance Structure Committee to look at such as those entities not having taxing authority.

Captive Layer Stop Loss

Mr. Barber explained that Stop Loss insurance is a requirement of Article 47. It covers all claims above the deductible and as the deductible increases the premium decreases. He reviewed a high cost claimant history for the Consortium and noted that since the Consortium began operations it has been paying the majority of claims over \$100,000 and the Stop Loss carrier has only had to pay a small number of claims. The captive layer is a layer above the deductible. Over time the Consortium has been increasing the deductible and accepting more risk and this has resulted in the Consortium having more reserves and has lowered the rate of increase. Mr. Locey noted Mr. Barber is speaking of Specific Stop Loss which has a deductible that applies to each person. Aggregate Stop Loss protects the entire population and when claims exceed an amount by a certain level the Stop Loss carrier would pay up to \$1 million. After petitioning the State several times the Consortium received a waiver this year from having to purchase Aggregate Stop Loss and is saving approximately \$70,000 annually.

ProAct Formulary Edits

Mr. Barber said the agenda packet contains two letters from ProAct that will be sent next week from ProAct to subscribers concerning formulary edits relating to step therapy and prior authorization. The letters describe the edits and the process that will be effective August 1, 2018. Mr. Laverty said to avoid any disruption in medication, anyone who is currently taking a medication that would normally require step therapy will be grandfathered in. He also said ProAct posts its formulary to its website and identifies which drugs require step therapy. Mr. Barber said during the prescription drug claims audit that was performed last year it was identified that these edits are included in the plan documents but have not been done this since the transition from Medco to ProAct. It is estimated this involves approximately 1,500 drugs and the affected population is between 8-10%.

Online Enrollment

Mr. Barber said earlier this week each municipality should have received a letter from him about Online Enrollment which was adopted at the last Board meeting. The letter requests each municipality to inform the Consortium as to whether it will handle online enrollment with Excellus or if it chooses the Consortium to do it on behalf of the municipality. Instructions for uploading enrollment information through a secure web portal will be provided to municipalities that wish to have enrollment done by the Consortium.

Potential Members

Mr. Barber said in addition to welcoming the Village of Horseheads into the Consortium this evening resolutions requesting membership have been adopted by the Town of Big Flats and Village of Freeville.

Investment Management Policy

Mr. Barber said since the last meeting when the Board adopted an Investment Management Policy, a Request for Proposals was issued. Six responses were received and are in the process of being reviewed. He expects a recommendation to be presented to the Board at the August or September meeting.

Financial Report

Mr. Locey said Directors reviewed budgeted vs. actual results as of May 31st and net income has been very positive with slightly over \$900,000 year-to-date. At this point prescription drug rebates are slightly below budget; however, a payment is expected in the next few weeks. He expects to end the year with \$1.6 million in rebates as opposed to the \$1 million that was budgeted. Medical claims through May are slightly over budget but are offset by prescription drug claims being almost 8% below budget. Mr. Locey spoke of the Excellus Admin. fees and said one charge that will need to be accounted for going forward is for the integration of prescription drug data from ProAct into the Excellus system in the amount of \$50,000.

Mr. Locey pointed out the paid claims amount of 94.45% shows how extremely efficient the program is running. This is the amount that goes directly to pay the benefits of the Consortium's members, with only 5.55% going to pay the costs of all other fees and expenses. He pointed out that claims tend to spike in the month of May and he expects them to come down in June and July.

Mr. Locey referenced the high claimant report and said it is very difficult to predict when there will be high cost claims. This year the Consortium's two highest claimants are slightly over \$170,000 which is well-below the deductible; each had an average of \$2,500 in claims in the prior year. This shows how difficult it is to predict when this is going to happen and is something that can't be counted on.

At the request of Mr. Snyder, Mr. Locey provided information on what municipalities can expect in terms of premium rate increases for 2019. Mr. Locey said the budget model includes a rate increase of 5% for 2019, 6% for 2020, and 7% for the outlying years. He said it is important to make sure that the revenue is close to the expenses. If the fund balance is going to be spent down to reduce rate increase it should be very slow and manageable. He noted that in the health insurance environment 5-6% rate increases are much lower than what others in the private sector are getting; those increases typically are not below 12%.

Mr. Salton commented that the trend for prescription drug claims is very volatile and asked if there is any way to predict these expenses. Mr. Locey said they have spoken to many prescription drug managers, but it is very difficult because it is unknown what drugs will be coming along as well as specialty drugs.

Report from the Joint Committee on Plan Structure and Design

Ms. Hersey, Chair, reported the Committee has been discussing changes to the Silver Metal Level Plan to bring its actuarial value into the acceptable range and noted the three impacted municipalities have been involved in the dialogue. She said the Committee wanted to be sure that whatever change was made would last for a couple of years. In response to Mr. Shattuck, Mr. Locey said when there is a change in benefit there is also a change in the premium and if the Board adopts a 5% premium rate increase this plan would only increase by 3.5% to keep the rate commensurate with the benefit. All Metal Level Plans except the Platinum Plan qualify for a Health Savings Account (HSA). Ms. Hersey said the Committee continues to have a dialogue about the opioid epidemic and encouraged everyone to view the benefit from the Committee's January opioid presentation.

RESOLUTION NO. 005-2018 – APPROVAL OF ADJUSTMENTS TO THE SILVER METAL LEVEL PLAN

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

WHEREAS, data entered into the federal actuarial calculator indicates the Consortium's Silver Plan's actuarial value for 2019 will be 72.64% which exceeds the Plan's limit of 72%, and

WHEREAS, the three Participating Consortium employers enrolled in the Silver Metal Level Plan have been participating in the deliberations of benefit changes to their Plan, and

WHEREAS, Silver Metal Level Plan benefit plan adjustment to increase the in-network deductible for single from \$1,800 to \$2,200 and family coverage from \$3,600 to \$4,400 has a 2019 actuarial value of 71.11%, now therefore be it

RESOLVED, on recommendation of the Joint Committee on Plan Structure and Design and the Audit and Finance Committee, That the Board of Directors approves an adjustment to the Silver Metal Level Plan to increase the in-network deductible for single from \$1,800 to \$2,200 and family coverage from \$3,600 to \$4,400 and to increase the Out-of-Network deductible for single from \$3,600 to \$4,400 and family coverage from \$7,200 to \$8,800, effective January 1, 2019.

* * * * *

Audit and Finance Committee Presentation of Resolutions and Report

Mr. Cook explained the medical claims audit process and stated the process takes a sample of medical claims that have been paid and confirms payments that have been made were in compliance with the plan. The Committee has recommended an extension of the contract with BMI because of the good relationship and line of communication that has been established and BMI understands the Consortium's plans and the Excellus process.

RESOLUTION NO. 006-2018 – AUTHORIZE EXTENSION OF CONTRACT FOR MEDICAL CLAIMS AUDITING SERVICES – BMI MEDICAL CLAIMS AUDITING SERVICES

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

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued in accordance with Article 47 of the New York State Health Insurance Law, and

WHEREAS, being a self-insured medical plan the Consortium is responsible for the payment of claims as adjudicated by the Third Party Administrator, currently Excellus Blue Cross Blue Shield, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic medical claims audits to ensure the medical claims are paid by Excellus are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, a Request for Proposals for Medical Claims Auditing Services was issued on May 6, 2016 and by Resolution No. 014-2014 a contract was awarded to BMI Auditing Services to perform medical claims auditing services for the Consortium for the 2016 Fiscal Year, and

WHEREAS, upon satisfactory completion of the terms of the contract, Resolution No. 014-2014 authorized an extension of the contract for 2018 Fiscal Year, and

WHEREAS, the Executive Director and Consultant have recommended the contract be extended for the purpose of performing an audit of 2016-2017 medical claims, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That a contract for 2016-2017 medical claims auditing services with a minimum sampling size of 250 be awarded to BMI for the 2018 Fiscal Year for an amount not to exceed \$42,500,

RESOLVED, further, That the Chair of the Board of Directors, Benefit Plan Consultant, and the Executive Director are authorized to finalize terms of the agreement.

* * * * *

**RESOLUTION NO. 007-2018 - APPROVAL OF APPLICATION MATERIALS
MUNICIPALITIES MUST PRESENT FOR APPLICATION TO
JOIN THE CONSORTIUM AND RECOMMENDED
MUNICIPAL RESOLUTION LANGUAGE**

Mr. Cook said as the Consortium grows it is important to recognize a group's risk profile in relation to the Consortium, such as cost of care, ratio of members that would use services, and its demographic profile. As new members are admitted the only provision set forth in the Municipal Cooperative Agreement is a review of a municipality's AUD (Annual Update Document) and the Committee feels more information should be required. He said once the Committee developed a methodology it divided the requirements into three groups with the greatest amount of information being requested from the largest employers. He reviewed the requirements for each group and said the goal is to have a seamless process for admitting a new member and transferring information to the plan.

The resolution was MOVED by Ms. Hersey, seconded by Mrs. Shawley.

Mr. Goldman asked if the Consortium can refuse to accept a group based on information it receives. Mr. Cook said if a group were to present a risk to the existing model the Consortium is not obligated to accept the group as a member. Mr. Goldman expressed concern that refusing to accept a member could pose a liability risk and suggested specific criteria be included. Mr. Locey said as the Consortium has grown other things such as the area in which people seek care has also expanded. He said the Consortium needs to be sure that whatever premium rates are developed that they are commensurate with the risk. If a particular area presents a different level of risk than another area the Consortium could apply well-defined regional adjustments to its community rating. The intent is not to reject a municipality but to make sure whatever is done is fair and equitable to all of the Consortium's participants

collectively. Mr. Locey said this resolution outlines the data that will be requested and a decision on what will be done with that data has not been made at this point.

Mr. Barber clarified that this does not set policy; the policy for admission to the Consortium is set through the Municipal Cooperative Agreement. This resolution does not request information that has not been provided by other employers that have joined the Consortium. He said since the MCA was amended the Consortium has not admitted a municipality with over 50 full-time employees; however, if the Consortium were to be asked to admit a large municipality that has a different provider cost system than currently exists within the Consortium it could have an impact. The Consortium has not followed any municipality's claims data and has no intention of doing so; this will only ensure that the Consortium is consistent and is asking for the same information from new applicants as it has received in the past from others.

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

WHEREAS, the Consortium Board of Directors adopted Resolution No. 002-2015 to provide guidance to municipal corporations applying for Consortium membership, and

WHEREAS, The Consortium is experiencing rapid growth of municipal corporations applying to join the Consortium, and

WHEREAS, the Consortium has instituted several policies, not stated in the Municipal Cooperative Agreement, that joining members need to be aware of and comply with as part of the application process, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the following template language be considered in resolutions proposed for adoption by municipalities seeking membership in the Consortium: Appendix A for employers with fifty (50) or fewer full-time equivalent employees, Appendix B for employers with between 51 and 100 full-time equivalent employees, and Appendix C for greater than 100 full-time equivalent employees.

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Appendix A

Small Employers (50 or fewer full-time equivalent employees)

Sample Resolution Authorizing Municipality to Apply for Acceptance into the GTCMIC

RESOLVED, that the [municipal employer's name] [legislative body's name] hereby authorizes the [municipality's chief executive] to apply to become a "Participant" in the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC);

RESOLVED FURTHER, this authorization grants permission to the [municipality's chief executive] to:

1. Submit the [municipal employer's name] most recent two years of State Comptroller AUD (Annual Update Document) reports;
2. Submit the [municipal employer's name] most recent monthly premium billing statements from all health insurance carriers providing benefits to active employees and retirees.

Said premium billing statements should include the name of the municipality and the month for which the billing is related. In addition, said premium bills must include the number of contracts (employee, employee + spouse, employee + child (children), and family) and monthly premium rate for each plan of benefit.

3. Seek a waiver from the GTCMHIC Board of Directors for the payment of the Surplus Reserve payment (5% of annualized premium) as required Article 47 of the New York State Insurance Law and the GTCMHIC's Municipal Cooperative Agreement. If the waiver is not granted, the [municipality's chief executive] is authorized to pay the GTCMHIC the Surplus Reserve payment equal to 5% of anticipated annual premium, as determined by the GTCMHIC Board of Directors.
4. Sign the Municipal Cooperative Agreement of the GTCMIC upon notification that the GTCMHIC Board of Directors has approved the [municipal employer's name]'s application to become a Participant in the GTCMHIC.
5. Notify the GTCMHIC's Executive Director in writing, by November 1st, the GTCMHIC health benefit insurance plan the [municipal employer's name]'s employees and retirees will be participating in upon the effective date of participation in the GTCMHIC.
6. By November 1st, notify the GTCMHIC of the name and contact information for the person within your organization for benefit administration; and who will attend a new member orientation during the 1st quarter of the next year.
7. By December 15th, take the necessary steps to comply with the GTCMHIC's dependent verification.
8. By November 1st, notify the GTCMHIC of the [municipal employer's name]'s commitment to utilize the GTCMHIC's on-line enrollment process or to authorize the GTCMHIC to provide, for the [municipal employer's name]'s employees and retirees, this function.

Appendix B

Mid-Size Employers (between 51 and 100 full-time equivalent employees)

Sample Resolution Authorizing Municipality to Apply for Acceptance into the GTCMIC

RESOLVED, that the [municipal employer's name] [legislative body's name] hereby authorizes the [municipality's chief executive] to apply to become a "Participant" in the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC);

RESOLVED FURTHER, this authorization grants permission to the [municipality's chief executive] to:

1. Submit the [municipal employer's name] most recent two years of State Comptroller AUD (Annual Update Document) reports.
2. Submit the [municipal employer's name] most recent monthly premium billing statements from all health insurance carriers providing benefits to active employees and retirees.

Said premium billing statements should include the name of the municipality and the month for which the billing is related. In addition, said premium bills must include the

number of contracts (employee, employee + spouse, employee + child (children), and family) and monthly premium rate for each plan of benefit.

3. If currently an experience-rated or self-insured employer-sponsored health insurance plan, submit a minimum of three (3) years of monthly paid claims (medical and pharmacy separately) data and monthly covered lives counts.
4. Seek a waiver from the GTCMHIC Board of Directors for the payment of the Surplus Reserve payment (5% of annualized premium) as required Article 47 of the New York State Insurance Law and the GTCMHIC's Municipal Cooperative Agreement. If the waiver is not granted, the [municipality's chief executive] is authorized to pay the GTCMHIC the Surplus Reserve payment equal to 5% of anticipated annual premium, as determined by the GTCMHIC Board of Directors.
5. Sign the Municipal Cooperative Agreement of the GTCMIC upon notification that the GTCMHIC Board of Directors has approved the [municipal employer's name]'s application to become a Participant in the GTCMHIC.
6. Notify the GTCMHIC's Executive Director in writing, by November 1st, the GTCMHIC health benefit insurance plan(s) the [municipal employer's name]'s employees and retirees will be participating in upon the effective date of participation in the GTCMHIC.
7. By November 1st, notify the GTCMHIC of the name and contact information for the person within your organization for benefit administration; and who will attend a new member orientation during the 1st quarter of the next year.
8. By December 15th, take the necessary steps to comply with the GTCMHIC's dependent verification.
9. By November 1st, notify the GTCMHIC of the [municipal employer's name]'s commitment to utilize the GTCMHIC's on-line enrollment process or to authorize the GTCMHIC to provide, for the [municipal employer's name]'s employees and retirees, this function.

Appendix C

Large Employers (101 or More full-time equivalent employees)

Sample Resolution Authorizing Municipality to Apply for Acceptance into the GTCMIC

RESOLVED, that the [municipal employer's name] [legislative body's name] hereby authorizes the [municipality's chief executive] to apply to become a "Participant" in the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC);

RESOLVED FURTHER, this authorization grants permission to the [municipality's chief executive] to:

1. Submit the [municipal employer's name] most recent two years of State Comptroller AUD (Annual Update Document) reports;
2. Submit the [municipal employer's name] most recent monthly premium billing statements from all health insurance carriers providing benefits to active employees and retirees.

Said premium billing statements should include the name of the municipality and the month for which the billing is related. In addition, said premium bills must include the number of contracts (employee, employee + spouse, employee + child (children), and family) and monthly premium rate for each plan of benefit.

3. If currently an experience-rated or self-insured employer-sponsored health insurance plan, submit a minimum of three (3) years of monthly paid claims (medical and pharmacy separately) data and monthly covered lives counts; along with any other data and information required by the Consortium as part of the application process.
4. Seek a waiver from the GTCMHIC Board of Directors for the payment of the Surplus Reserve payment (5% of annualized premium) as required Article 47 of the New York State Insurance Law and the GTCMHIC's Municipal Cooperative Agreement. If the waiver is not granted, the [municipality's chief executive] is authorized to pay the GTCMHIC the Surplus Reserve payment equal to 5% of anticipated annual premium, as determined by the GTCMHIC Board of Directors.
5. Sign the Municipal Cooperative Agreement of the GTCMIC upon notification that the GTCMHIC Board of Directors has approved the [municipal employer's name]'s application to become a Participant in the GTCMHIC.
6. Notify the GTCMHIC's Executive Director in writing, by November 1st, the GTCMHIC health benefit insurance plans the [municipal employer's name]'s employees and retirees will be participating in upon the effective date of participation in the GTCMHIC.
7. By November 1st, notify the GTCMHIC of the name and contact information for the person within your organization for benefit administration; and who will attend a new member orientation during the 1st quarter of the next year.
8. By December 15th, take the necessary steps to comply with the GTCMHIC's dependent verification.
9. By November 1st, notify the GTCMHIC of the [municipal employer's name]'s commitment to utilize the GTCMHIC's on-line enrollment process or to authorize the GTCMHIC to provide, for the [municipal employer's name]'s employees and retirees, this function.

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RESOLUTION NO. 008-2018 – EXTENSION OF CONTRACT FOR EXECUTIVE DIRECTOR SERVICES – DONALD L. BARBER

MOVED by Ms. Drake, seconded by Mr. Fracchia. Mr. Shattuck shared the positive sentiment expressed as to value of Mr. Barber's service to the Consortium and commented that succession planning should be kept in mind. Ms. Drake responded that the Executive Committee is discussing succession planning for all positions within the Consortium.

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

WHEREAS, it was determined in 2013 that based on the increased responsibilities placed on the Consortium by the State and Federal governments, the Affordable Care Act, and the managing of an increased number of contracts it was in the Consortium's best interest to contract for services of an Executive Director, and

WHEREAS, following the issuance of a request for proposals in 2014 seeking contractors who could fulfill the responsibilities of Executive Director a contract was entered into with Donald L. Barber in 2014 and was extended in 2016, and

WHEREAS, the extended contract will expire on June 30, 2018, and

WHEREAS, the Consortium's Executive Committee which meets with Mr. Barber quarterly to review a work plan and the Consortium's operations believes the Executive Director services provided to the Consortium by Mr. Barber are valuable and important for the Consortium's stability, and has recommended the contract be continued for a two-year period, now therefore be it

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That the contract for Executive Director Services with Donald Barber be extended through June 30, 2020 under the terms and conditions in the recommended contract.

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**RESOLUTION NO. 009-2018 – APPROVAL OF WELLNESS CONSULTANT SERVICES
CONTRACT – MICHELLE C. BERRY**

MOVED by Ms. Servoss, seconded by Mr. Murphy. Mr. Barber said Ms. Berry was the only respondent to the Request for Proposals. After meeting with the Interview Committee Ms. Berry developed a work plan and a specific cost that needed to be adjusted from the original RFP. He said she is very excited about this opportunity and the Consortium is fortunate to have found someone of her caliber for this work.

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

WHEREAS, Board Resolution No. 001-2018 authorized the issuance of a Request for Proposals (RFP) for Wellness Consultant Services, and

WHEREAS, the Wellness Consultant proposal from Michelle Berry met stated requirements, and

WHEREAS, negotiations with the interview committee jointly developed a more detailed three-year work plan and then the interview committee requested costs estimates for accomplishing the first-year goals which were activities above and beyond the information required for the RFP, and

WHEREAS, developing a culture of wellness and preventative health care within the Consortium community is a prudent action to have subscribers who are able to enjoy life more fully with fewer health issues and reduce claims expense, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee That the Board of Directors approves the contract for Wellness Consultant Services with Michelle Berry for the term July 1, 2018 through June 30, 2019 under the terms and conditions in the recommended contract.

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**RESOLUTION NO. 010- 2018 - ACCEPTANCE OF APPLICATION BY THE VILLAGE OF
HORSEHEADS TO BECOME A PARTICIPANT IN THE
GREATER TOMPKINS COUNTY MUNICIPAL HEALTH
INSURANCE CONSORTIUM**

Board of Directors
June 28, 2018

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

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Horseheads has submitted an official resolution authorizing the Village of Horseheads to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Village of Horseheads has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 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, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Village of Horseheads as the 32nd municipal participant, with health insurance coverage beginning January 1, 2019.

* * * * *

RESOLUTION NO. 011-2018 - AUTHORIZING CHAIRPERSON OF THE BOARD TO SIGN THE MUNICIPAL HEALTHCARE FINANCING COOPERATIVE INTER-MUNICIPAL AGREEMENT

MOVED by Mr. Mutchler, seconded by Mr. Doty.

Mr. Barber referred to a document he provided Directors explaining this Cooperative. He said there currently are four self-insured counties in addition to this Consortium which have been approved by the Department of Financial Services to join the Captive Layer and currently they are discussing forming a municipal Healthcare Financing Cooperative. This resolution is not a commitment to buy into the Captive for the HFC, it is a commitment to be a voting member in creating the structure and framework of the Cooperative. He said the commitment to become part of the MHFC would likely happen in November and at that time all of the agreements and bylaws would be in place and the Consortium's attorney would have reviewed it and provided feedback. Mr. Barber said the goal is for the Consortium to save money (approximately half of the Stop Loss premium).

Mr. Salton suggested the word "Consortium" be changed to "Cooperative" in the second Whereas. Mr. Barber will look into whether this suggestion would be acceptable.

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

WHEREAS, since inception the Consortium has paid \$4.2 million in Stop-Loss premium which has paid \$2.1 million of claims expense above the Consortium deductible, and

WHEREAS, \$1.1 million of the Stop-Loss claims spend was in 2012, which demonstrates why Stop-Loss insurance is critical, and the other six years total \$1 million of Stop-Loss claims expense, and

Board of Directors
June 28, 2018

WHEREAS, creating a self-funded captive layer above the specific deductible will allow the Consortium recoup premium expense in years of low Stop-Loss claims expense, and

WHEREAS, the New York State Association of Counties (NYSAC) has identified four to seven self-funded consortiums and counties that are willing to pursue the captive layer model for 2019, and

WHEREAS, this group of interested partners need to know, by Board resolution authorizing the signing of the Inter-Municipal Agreement (IMA), which municipalities are willing to commit to the process of sharing data, developing bylaws, and agreements with a Stop-Loss carrier, consultant, and Captive Manager to create a Municipal Healthcare Financing Cooperative (MHFC), and

WHEREAS, there are no anticipated costs for forming MHFC, and

WHEREAS, the act of signing the IMA is a commitment to be a partner in the creation of the MHFC and is not a commitment to enter into the captive, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends That the Board of Directors authorize its Chairperson to sign the attached Inter-Municipal Agreement.

* * * * *

**AGREEMENT (IMA)
To Establish the Municipal Healthcare Financing Collective**

By and Among _____ for Joining
the Municipal Healthcare Financing Collective.

THIS AGREEMENT is made _____ (date) by and among the County of _____ and the County of _____ and the County of _____, and the County of _____, hereby referred to as the "MEMBERS."

WHEREAS, the MEMBERS deem it appropriate and efficient to create an intermunicipal consortium for the oversight, administration and delivery of stop-loss insurance services currently administered and delivered separately by each Member; and

WHEREAS, the MEMBERS have determined that the cost of procuring stop loss insurance separately, using individual covered lives, is more costly and more prone to market fluctuations than combining the number of covered lives, which is more cost effective and stable for purchasing stop loss insurance, and as such are the reasons for the MEMBERS' interest in creating a Municipal Healthcare Financing Collective; and

WHEREAS, the MEMBERS have agreed to proceed together to name Relph Benefit Advisors as the stop-loss consultant for preparation of a preliminary cost benefit analysis for choosing a stop-loss insurance carrier; and

WHEREAS, each Member has determined to explore and potentially participate in an alternative risk mitigation program that allows municipal employers to take advantage of the benefits of a self-funded employee health benefits plan while potentially reducing volatility and costs through participation in a group captive structure; and

WHEREAS, participation in the MHFC requires each Member to purchase a stop-loss policy from the designated stop-loss carrier and either join or form a group captive that will reinsure a portion of risks assumed by the carrier pursuant to the stop-loss policy; and

WHEREAS, the MEMBERS of the MHFC have determined to jointly participate in segregated cell account model for stop-loss insurance, to act as their group captive, and desire to set forth their obligations to each other as a result of this joint participation in the form of MHFC by-laws and to enter into this Agreement; and

WHEREAS, the MEMBERS further agree to finance their proportionate premium share of the stop-loss coverage as determined by the stop-loss consultant in consultation with the chosen stop loss insurance carrier; and

WHEREAS, the membership of MHFC is limited to the Members and to such future employers that the Members admit to the group pursuant to this Agreement; and

WHEREAS, the MEMBERS agree that following the establishment of this collective, the MEMBERS will execute another program agreement (By-laws) for the governance of the collective if they decide to proceed with the intermunicipal collective; and

WHEREAS, pursuant to Article 5-G and Section 119-o of the NYS General Municipal Law, the MEMBERS are authorized to enter into an Inter-Municipal Cooperation Agreement with respect to addressing a coordinated approach to the procurement of stop loss insurance because they individually are empowered to do so; and

NOW, THEREFORE, BE IT HEREBY AGREED by and between the MEMBERS, that.

Definitions:

MEMBER shall mean any Article 47 or Article 44 Health Insurance Cooperative, local government, county, school district, healthcare consortium, fire district, or other taxing jurisdiction that can do on their own what they can do as a group; and

MUNICIPAL HEALTHCARE FINANCING COLLECTIVE is the intergovernmental organization created to reduce the cost of stop-loss insurance by aggregating their numbers of contracted lives in their self-insured health plan and sharing a level of risk within the stop-loss amount; and also for exploring ways to reduce the cost of employee healthcare insurance in the future; and

STOP-LOSS CONSULTANT is the healthcare consultant that has (and will have) the authority to identify and recommend a stop-loss carrier that will provide stop-loss coverage and also recommend a stop-loss captive to manage the collection of participants' ceded stop-loss premiums and pay claims related to healthcare claims that exceed their respective stop-loss thresholds.

Rights and Responsibilities of Participating Members:

- A. The MEMBERS agree to proceed with the above referenced municipal healthcare financing collective as an intermunicipal consortium, and to proportionately share the cost for the services and shall thereafter jointly execute a separate By-law Agreement if they decide to proceed with the intermunicipal project summarized in the preliminary cost benefit analysis provided by the stop-loss consultant.

- B. Members agree to adhere to rights and responsibilities listed in the MHFC By-law Agreement, when such Agreement is executed, signed, and in effect.

This AGREEMENT may be amended by mutual AGREEMENT in writing by and among the PARTIES.

TERM:

This AGREEMENT shall be in full force and effect from and after _____, and shall continue until and unless terminated sooner by the PARTIES upon 90 days' notice in writing to the other PARTIES.

* * * * *

Report on External Financial Audit

Mr. Snyder reported the Audit and Finance Committee was presented with the results of the external financial audit performed by Insero & Co. He reminded the Board that the audit will not be presented to the full Board as it delegated authority to accept the audit to the Audit and Finance Committee to comply with the deadline set by the Department of Financial Services. He briefly reviewed the audit and offered Directors a copy. It is also available on the Consortium's website.

Report from the Owing Your Own Health Committee

Mr. Barber reported on behalf of Ted Schiele, Committee Chair, who was unable to attend, and said the Committee is looking forward to working with Michelle Berry. The Committee will also begin working on setting up flu clinics that will be held in September and October.

Website Committee

Mr. Barber reported the Committee has developed a design and site map for the new website and since the last meeting the contractor has been transferring content to the new site. He thanked Ms. Pottorff for her work on the site and said the new mobile-friendly site will be circulated for comments in the very near future.

Adjournment

The meeting adjourned at 7:52 p.m.



Greater Tompkins County Municipal Health Insurance Consortium

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RESOLUTION NO. - AMENDING RESOLUTION NO. 11 OF 2018 THAT AUTHORIZED CHAIRPERSON OF THE BOARD TO SIGN THE MUNICIPAL HEALTHCARE FINANCING COOPERATIVE INTER-MUNICIPAL AGREEMENT

WHEREAS, the Consortium has paid since inception \$4.2 million of Stop-Loss premium which paid \$2.1 million of claims expense above the Consortium deductible, and

WHEREAS, \$1.1 million of the Stop-Loss claims spend was in 2012, which demonstrates why Stop-Loss insurance is critical, and the other six years total \$1 million of Stop-Loss claims expense, and

WHEREAS, creating a self-funded captive layer above the specific deductible lets the Consortium recoup premium expense in those years of low Stop-Loss claims expense, and

WHEREAS, NYS Association of Counties (NYSAC) has identified four to seven self-funded Consortiums and Counties willing to pursue the captive layer model for 2019, and

WHEREAS, this group of interested partners need to know, by Board resolution to sign the Inter-Municipal Agreement (IMA), which municipalities are willing to commit to the process of sharing data, developing bylaws, and agreements with Stop-Loss carrier, consultant, and Captive Manager to create Municipal Healthcare Financing Cooperative (MHFC), and

WHEREAS, there are no anticipated costs for forming MHFC, and

WHEREAS, the act of signing the IMA is not a commitment to enter into the captive, signing the IMA is a commitment to be a partner in the creation of MHFC,

WHEREAS, a poll of Directors was conducted on July 24, 2018 with a majority of Directors expressing support for the Board Chair to sign an amended agreement, now therefore be it

RESOLVED, That the results of the poll of Directors is upheld giving the Chair authorization to sign an Inter-Municipal Agreement that was amended since first approved on June 28, 2018.

* * * * *



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RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF BIG FLATS TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 and Resolution No. 7 of 2018 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Town of Big Flats has submitted an official resolution authorizing the Town of Big Flats to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Town of Big Flats has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and Resolution No. 7 of 2018 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, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Town of Big Flats as the 33rd municipal participant, with health insurance coverage beginning January 1, 2019.

* * * * *



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RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE VILLAGE OF FREEVILLE TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 and Resolution No. 7 of 2018 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Freeville has submitted an official resolution authorizing the Village of Freeville to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Village of Freeville has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and Resolution No. 7 of 2018 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, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Village of Freeville as the 34th municipal participant, with health insurance coverage beginning January 1, 2019.

* * * * *



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RESOLUTION NO. - 2018 - ACCEPTANCE OF APPLICATION BY THE VILLAGE OF LANSING TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

WHEREAS, by Resolution No. 005 of 2012 and amended by Resolution No. 27 of 2014 and Resolution No. 7 of 2018 the Consortium Board of Directors adopted a policy outlining a process of applying for membership to the Consortium, and

WHEREAS, the Village of Lansing has submitted an official resolution authorizing the Village of Lansing to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Village of Lansing has complied with membership process outlined in Resolution No. 005 of 2012 and amended by Resolution No. 027 of 2014 and Resolution No. 7 of 2018 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, on recommendation of the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium, That the Board of Directors hereby accepts and welcomes the Village of Lansing as the 35th municipal participant, with health insurance coverage beginning January 1, 2019.

* * * * *



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RESOLUTION NO. – 2018 – RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM – AMENDMENT TO CONFLICT OF INTEREST POLICY

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 Audit and Finance 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 "17" and appended Exhibit "A":

"17. No later than April 15th, and each successive year thereafter, individuals serving as officer, director and key employee shall certify they have read and agree to the terms stated within the Greater Tompkins County Municipal Health Insurance Consortium's Conflict of Interest and Code of Ethics Policy. The Board of Directors shall be made aware of any outstanding agreements at its next regularly scheduled meeting after the April 15 deadline. Should a successor be appointed to fill a position mid-year they shall be asked to sign the agreement at that time.

For purposes of this policy, (i) the terms "officer" and "director" shall have the same meaning as set forth in the Municipal Cooperative Agreement, dated October 1, 2010; and (ii) the term "key employee" shall mean any employee of the Consortium with executive or managerial capacity." These positions include:

- All Directors and Alternates designated by a Participant to have voting authority;
- Executive Director or Assistant Executive Director;
- Treasurer;
- Wellness Consultant;
- Plan Consultant;
- Administrative Clerk

* * * * *

Greater Tompkins County Municipal Health Insurance Consortium
Code of Ethics and Conflict of Interest Policy
(Adopted 2-27-2014; amended by Res. No. 008-2016)

Employees and the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium shall:

1. Be dedicated to the concepts of an effective Consortium and believe that professional general management is essential to the achievement of this objective.
2. Shall affirm the dignity and work of the services rendered by the Consortium and maintain a constructive, creative, and practical attitude toward Consortium affairs and a deep sense of responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Conduct themselves so as to maintain public confidence in their profession, the Consortium, and in their performance of the public trust.
5. Conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their official duties.
6. Recognize that the chief function of the Consortium at all times is to serve the interests of all members.
7. Shall not disclose **Confidential Information** to others or use to further their personal interest, confidential information acquired by them in the course of their official duties.
8. Shall not, except pursuant to such reasonable exceptions as are provided by regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
9. Make no unauthorized commitment or promises of any kind purporting to bind the Consortium.
10. Shall act impartially and not give preferential treatment to any private organization or individual.
11. Shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Consortium duties and responsibilities.
12. Shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards promulgated pursuant to this order.
13. Shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or disability.
14. Shall not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict with their official duties.

15. **Reporting of Ethics Violations.** When becoming aware of a possible violation of the Consortium’s Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium Attorney-in-fact, John Powers, Esq.. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis. Resolution of the reported violation shall occur according to the alternative dispute resolution (ADR) process set forth in Article V of the 2015 Amended MCA, except as follows. In lieu of the ADR step set forth at MCA Article V.3.a.(i), the Attorney-In-Fact will collect all information presented regarding the matter and send that information to a neutral third party designated by the Board of Directors who shall attempt to resolve the matter informally through mediation. If unsuccessful, the mediator shall make a recommendation with respect to resolution of the dispute in writing to the Executive Committee, which shall present the recommendation to the Board as provided for in 2015 Amended MCA Article V.3.a.(i). The remainder of Article V shall remain in effect”,

16. Employees and the Board of Directors should not discuss or divulge information with anyone about pending or completed ethics cases except as authorized by the Board of Directors.

CODE OF ETHICS AND CONFLICT OF INTEREST AGREEMENT

To be signed and submitted to the Consortium no later than **April 15th** of each year.

I have read and agree to the terms stated within the Greater Tompkins County Municipal Health Insurance Consortium’s Conflict of Interest and Code of Ethics.

Signature

Print Name

Consortium Title/ Municipality

Date



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RESOLUTION NO. - 2018 - AUTHORIZATION TO ENTER INTO AGREEMENT WITH SEGAL CONSULTING FOR AUDIT OF CONSORTIUM OPERATIONS

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium is in its' eighth year of operations, and

WHEREAS, the Consortium has expanded from thirteen (13) municipal partners at inception to thirty-one in 2018, and

WHEREAS, this increase also represents an increase in total covered lives from 4,300 to 5,250, and

WHEREAS, the number of participating municipalities is expected to continue to rise, and

WHEREAS, the Consortium audits its financial records and claims administration on a regular basis, but has not audited or investigated its operations, and

WHEREAS, an operations audit could provide important information prior to the 2019 review of the Municipal Cooperative Agreement and an updated review of the organization structure by the Governance Structure Committees, and

WHEREAS, the Consortium continues to expand its membership, it would be prudent to evaluate current Consortium's operations efficiency, any areas in need of shoring up, and how our operations compare with comparable self-funded entities, and

WHEREAS, the Executive Committee has received two proposals for conducting a third-party operations audit work and recommends the Audit and Finance Committee consider the Consortium enter into a contract for an operations audit, now therefore be it

RESOLVED, on recommendation of the Executive and Audit and Finance Committees, That the Board of Directors authorizes the Board Chair to sign a contract with Segal Consulting to conduct operation audits of Administration, PBM contract and performance, and Stop-Loss contract.

* * * * *