



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

December 13, 2018 – 6:00 pm – TC3 Sprole Conference Room

170 North Street, Dryden, NY

1. Call to Order
2. Approval of September 27, 2018 Minutes (**VOTE**) (6:00)
3. Changes to the Agenda
4. Chair's Report: (6:05)
 - a. Report from the Executive Committee
 - b. Appointments to Owning Your Own Health Committee
 - Ted Schiele, Community Health and Wellness representative; Jackie Kippola – Municipal representative (terms expire December 31, 2021); Sarah Thomas, Judy Drake – Municipal representatives (terms expire December 31, 2020) (**VOTE**)
 - c. Appointments to Audit and Finance Committee - Terms expiring December 31, 2020:
 - Peter Salton, Laura Shawley, Mack Cook, Bud Shattuck (**VOTE**)
 - d. **RESOLUTION:** Consortium Employee (**VOTE**)
 - e. **RESOLUTION:** 2019 Meeting Schedule (**VOTE**)
 - f. **RESOLUTION:** Re-Establishment of Governance Structure Committee (**VOTE**)
5. Report from Nominating Committee (6:20)
 - a. Election of 2019 Consortium Officers
6. Executive Director's Report (6:25)
 - a. DFS Communications
 - b. New Member Update
 - c. Wellness Consultant Report
 - d. Newsletter
 - e. MHFC Update
7. Report from Consultant (6:35)
 - a. Financial Update
 - b. High Cost Claim Activity
8. Report from Audit and Finance Committee (6:45)
 - a. **RESOLUTION:** Authorization to Extend Agreement with ProAct for Prescription Benefit Management Services (**VOTE**)
 - b. **RESOLUTION:** Approval of Financial Services Agreement with Tompkins County for 2019 (**VOTE**)
 - c. **RESOLUTION:** Approval of Agreement with Tompkins County Information Technology Services (**VOTE**)
 - d. **RESOLUTION:** Authorizing Chair to Sign Agreement with Wilmington Trust for Investment Management Services (**VOTE**)

- e. **RESOLUTION:** Amendment to Resolution No. 008-2019 – Designation of Banking Institutions (**VOTE**)
- f. **RESOLUTION:** Authorizing Extension of Consulting Services for the Consortium – Locey and Cahill (**VOTE**)
- g. **RESOLUTION:** Authorization to Extend Agreement with Excellus for Medical Claims Administration (**VOTE**)
- h. **RESOLUTION:** Authorization to Purchase Insurance Policies: Errors and Omissions, Directors and Officers Liability, and Employment Protection Coverage (**VOTE**)
- i. **RESOLUTION:** Authorization to Purchase Stop-Loss Insurance for 2019 (Berkley), and Increase Catastrophic Claims Reserve (**VOTE**)

9. New Benefit: Telemedicine (7:15)

10. New Business (7:20)

11. Adjournment (7:25)

Next Meeting: _____, 2018



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Draft 10/31/2018

Board of Directors September 7, 2018 – 6:00 p.m. Draft Tompkins Cortland Community College – Sprole Conference Room

Municipal Representatives: 23

John Fracchia, Town of Caroline
Mack Cook, City of Cortland
Alex Patterson, Town of Aurelius
Judy Drake, Town of Ithaca
Charmagne Rungay, Town of Lansing
Eric Snow, Town of Virgil
Kathrin Servoss, Town of Dryden
Gary Mutchler, Town of Scipio
Tom Adams, Town of Marathon
Sarah Thomas, Tompkins County
Nancy Niswender, Village of Groton
Nancy Zahler, Town of Ulysses (arrived at 6:03 p.m.)

Ann Rider, Town of Enfield (arrived at 6:09 p.m.)
Kevin Williams, Town of Homer
Michael Murphy, Village of Dryden
Peter Salton, Village of Cayuga Heights
Don Scheffler, Town of Groton
Steve Thayer, City of Ithaca (arrived at 6:09 p.m.)
Rordan Hart, Village of Trumansburg
Tom Brown, Town of Truxton (arrived at 6:19 p.m.)
Laura Shawley, Town of Danby (arrived at 6:17 p.m.)
Christine Laughlin, Town of Newfield
Bud Shattuck, Village of Union Springs (arrived at 6:09 p.m.)

Labor Representatives: 3

Olivia Hersey, 1st Labor Representative and Joint Comm. on Plan Structure & Design Chair
Jim Bower, 2nd Labor Representative
Tim Farrell, 5th Labor Representative

Excused: 6

Kristen Case, Village of Homer
David Schenck, Town of Springport
Alvin Doty, Town of Willet

Terrance Baxter, Town of Moravia
Doug Perine, 4th Labor Representative
John Malenick, Town of Montezuma

Absent: 4

Edward Wagner, Town of Owasco
Luann King Town of Cincinnatus

Jim Doring, Town of Preble
Zack Nelson, 3rd Labor Representative

Others in attendance:

Don Barber, Executive Director
Steve Locey, Locey & Cahill
Deb Nottke, Town of Covert
Mark Emerson, Town of Mentz
Joan Jayne, Town of Niles

Beth Miller, Excellus
Rick Snyder, Treasurer
Chris Laverty, ProAct
Greg Pellicano, Seneca County
Ed Fairbrother, Town of Big Flats

Call to Order

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

Approval of Minutes of August 23, 2018

It was MOVED by Ms. Hersey, seconded by Mr. Patterson, and unanimously adopted by voice vote by members present, to approve the minutes of September 27, 2018 as submitted. MINUTES APPROVED.

Changes to the Agenda

The following resolutions were withdrawn from the agenda:

- Acceptance of Application by the New Roots Charter School to Become a Participant in the Greater Tompkins County Municipal Health Insurance Consortium;
- Authorization to Extend Agreement with ProAct for Prescription Benefits Manager Services for 2018

Chair's Report

Report from the Executive Committee

Ms. Drake reported the Executive Committee met on September 10th and spent a lot of time discussing strategic planning for the Consortium's future which included succession planning and the role of the Executive Director. She said this has been a very busy year for Mr. Barber and has required more time than he had originally committed to. She said the discussion led to the concept of hiring an Executive Director and noted this would be the first time the Consortium would have its own employee.

Mr. Thayer arrived at this time.

She said there has been preliminary discussions with Tompkins County about being able to hire under the umbrella of the County; there is a lot more work to be done and eventually she expects an agreement with the County will be developed for consideration. Further discussion will take place at the next meeting on October 2nd.

Mr. Salton asked if there would be a conflict having a position fall under the umbrella of Tompkins County when there are many other municipalities in the Consortium. Ms. Drake said much of the Consortium's administrative work already functions under the County and the Municipal Cooperative Agreement allows for the hiring of employees under a host agency. She stated that since most of the hiring systems are already in place at the County it would make financial sense.

Mr. Shattuck and Ms. Rider arrived at this time.

Ms. Drake reported a team meeting will be held on October 2nd to discuss the Online Enrollment program to ensure that there are no problems when enrollment season begins.

Ms. Drake said in November the Consortium will elect officers for 2019 and asked for volunteers to serve on the Nominating Committee.

MOTION NO. 003-2018 – CREATION OF 2019 CONSORTIUM LEADERSHIP NOMINATING COMMITTEE

MOVED by Ms. Servoss, seconded by Mr. Salton, and unanimously adopted by voice vote by members present to create the Nominating Committee for 2019 Consortium Leadership and

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appoint the following membership: Alex Patterson, Charmagne Rumgay, and Gary Mutchler.
MOTION CARRIED.

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Executive Director's Report

Mr. Barber said last month the Department of Financial Services reviewed the Consortium's quarterly and annual financial filings and recommended changes. Amended filings have been submitted and there have no further comments from the Department. He said he was able to arrange a conference call with senior management at the Department of Financial Services with Ms. Drake, Mr. Cook, Mr. Locey, and himself, to discuss potential changes to Article 47 that would allow others to be started. The Department was receptive to those changes and he hopes that any changes can be made before the end of the year.

Mr. Barber reviewed information concerning the status of the Captive Stop Loss that was included in the Supplemental agenda packet.

Mrs. Shawley arrived at this time.

He said a report from the Wellness Consultant was also included in the packet and commented that Ms. Berry has been very busy working on her goals and with the flu clinics.

Mr. Brown arrived at this time.

Mr. Barber reported interviews were held with Investment Management firms and said although all three firms were qualified to fill the role and the Consortium would be well-served by each, the Committee unanimously recommended Wilmington Trust. Their custodian is M&T Bank and they do investments in the Region. He expects a resolution will come forward to approve a contract at the November meeting with startup on January 1st. The budget includes earnings of \$200,000 which is significantly more than is currently being earned.

Website Demonstration

Ms. Cocco provided Directors with a presentation on Consortium's new website, highlighting the goal of the Committee to structure the site in a way that targeted the Consortium's three major but different audiences -- Board and Committee members, employees, and municipalities, and separating the information into a structure that is organized and easy to use. Following the demonstration Mr. Fracchia recognized her work on the site.

Financial Report

Mr. Locey reviewed year-to-date financial information for 2018 through August 31st. Mr. Locey reviewed year-to-date financial information for 2018 through August 31st. He also reported a reimbursement was received from Excellus for a claim that was paid by the Consortium. Excellus reimbursed the Consortium for this because they had provided the member with incorrect information.

Mr. Locey reported revenue was on target with the budget with additional revenue from prescription drug rebates. Medical claims were approximately 5% over budget but were offset by prescription drug claims being 8.5% below budget. The net result is a 1% (\$275,000) over budget in claims. The CanaRx program continues to trend downward. The Joint Committee on Plan Structure and Design has been discussing this and information will be going out to try to promote the program and get more utilization. Excellus admin fees are slightly over budget and continue to be tracked and Stop Loss insurance is way below budget because the deductible was increased

from \$450,000 to \$600,000. Year-to-date income is \$800,000 over budget and is higher than expected. Mr. Locey said 94.55% of the Consortium's funds go towards payment of claims which demonstrates the Consortium is operating very efficiently with each dollar being maximized to pay claims.

2019 Budget

Mr. Locey reviewed a memorandum from Locey and Cahill that included their 2019 Final Health Insurance Budget Recommendations as follows:

1. 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. The value of this reserve, as projected for the 2019 Fiscal Year, is \$2,563,039.37 This will maintain the financial stability of the Consortium and protect the Municipalities from the possibility of a mid-year assessment, if paid claims projections are exceeded.
2. Maintain the IBNR Claims Liability Reserve as required by §4706(a)(1) of the New York State Insurance Law at a value in line with the expected cost of "run-out" claims. We are recommending that this reserve continue to be funded at 12.0% of expected incurred claims consistent with the direction received by the Consortium from the New York State Department of Financial Services. This reserve would equal approximately \$5,901,892.95 for the 2019 Fiscal Year.
3. Continue to evaluate the stop-loss insurance policy which recently increased the deductible to \$600,000 for the 2019 Fiscal Year and maintain the Catastrophic Claims Reserve at an amount equal to \$2,000,000.00 for the 2019 Fiscal Year. This reserve is specifically designed to protect the cash flow of the Consortium from the effects of a significant increase in the overall paid claims due to individual high dollar claimants.
4. Maintain the Claims/Rate Stabilization Reserve in an amount equal to 5% of expected paid claims. These funds could be used in future years to mitigate premium rate increases and to "soften the blow" from a period of hyper-inflation.
5. Continue to negotiate reasonable increases to the administrative fees paid to Excellus BlueCross BlueShield and ProAct, Inc. as part of the annual renewal process.
6. Establish an investment strategy designed to maximize the interest income earned while maintaining the flexibility in cash assets necessary for the prudent financial management of the Consortium.
7. In consideration of the overall financial position of the Greater Tompkins County Municipal Health Insurance Consortium and its goals and objectives, Locey & Cahill, LLC is recommending that the Board of Directors approve a 5.0% increase in premiums for the 2019 Fiscal Year. As a point of information, a 1.0% increase in premiums paid equals approximately \$425,000 for the 2019 Fiscal Year.
8. It should be noted that the Consortium's Silver Plan's benefits did present an Actuarial Value which exceeded the set goal of 70% +/- a 2% standard deviation when it was calculated for the 2019 Plan Year. As a result, some benefit changes were made to the plan which will be effective on January 1, 2019. These benefit modifications lowered the Actuarial Value from 72.64% to 71.11% and will result in a premium increase of 3.47% on January 1, 2019, based on the 5% recommendation listed above.

Mr. Locey explained the process that takes place to bring a Metal Plan into the required actuarial value range and said the Silver Plan benefits were adjusted to bring it into the required range and based on this it will have a slightly lower rate increase in 2019.

RESOLUTION NO. 018-2018 - ADOPTION OF BUDGET, PREMIUM RATES, AND RESERVE AMOUNTS FOR 2019

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

WHEREAS, the proposed 2019 budget has been discussed by the Audit and Finance Committee at its meetings in June, July, August and September of 2018, and

WHEREAS, several scenarios of rate increase for 2019 and the next 4 years explored, and

WHEREAS, our Benefit Plan Consultant has modified our claims trend based on our data and that of similar groups they have research, and

WHEREAS, the Audit and Finance Committee has investigated the increase of Rx Rebate Revenue and determine that for the foreseeable future this revenue line should be increased to \$1.5 million, and

WHEREAS, the proposed 2019 was recommended by the Audit and Finance Committee at the September 25, 2018 meeting for submission to the Board for its review, and

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

- Premium increase of 5% over 2018 rates, except for Silver plans which will experience reductions in actuarial value and have a rate increase of 3.47%;
- 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 5% of expected paid claims;
- Maintain Incurred But Not Reported Claims Reserve at 12% of total claims; and
- Maintain Catastrophic Claims Reserve at \$2,000,000

now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the attached 2019 budget and premium equivalent rates, and reserve amounts be adopted by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

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RESOLUTION NO. 019- 2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF NILES TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED by Ms. Rider, seconded by Mr. Thayer, and unanimously adopted by voice vote by member present. Mr. Cook said the Town has one contract and will be opting into the Gold Metal Level Plan.

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

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

WHEREAS, the Town of Niles has complied with membership process outlined in Resolution Nos. 005 of 2012 (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 Niles as the 36th municipal participant, with health insurance coverage beginning January 1, 2019.

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RESOLUTION NO. 020-2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF COVERT TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED BY Mr. Salton, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present. Mr. Cook said the Town of Covert has two contracts and will be opting into the Platinum Plan.

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

WHEREAS, the Town of Covert has complied with membership process outlined in Resolution Nos. 005 of 2012 (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 Covert as the 37th municipal participant, with health insurance coverage beginning January 1, 2019.

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RESOLUTION NO. 021-2018 - ACCEPTANCE OF APPLICATION BY THE SENECA COUNTY TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED BY Mr. Salton, seconded by Ms. Rungay, and unanimously adopted by voice vote by members present. Mr. Cook said there is an average of 311 contracts coming in from Seneca County.

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 Seneca County has submitted an official resolution authorizing the Seneca County to join the Consortium in accordance with the terms and conditions outlined in the Municipal Cooperative Agreement, and

WHEREAS, the Seneca County has complied with membership process outlined in Resolution Nos. 005 of 2012 (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 and

WHEREAS, the Seneca County has also complied with membership process outlined in Resolution No 7 of 2018 by submitting the limited claims data they could retrieve from their current carrier which have been reviewed by our Benefit Plan Consultant who finds no issues of concern in the data received and is recommending Seneca County's application for admission into the Consortium be accept, 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 Seneca County as the 38th municipal participant, with health insurance coverage beginning January 1, 2019.

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Ms. Zahler asked if there is a point in order of magnitude of covered lives at which all would achieve a savings. Mr. Barber explained areas where savings can be achieved such as Stop Loss and getting a better return on investments are opportunities the Consortium is already engaged in. Mr. Locey said on the claims side, ProAct and Excellus are already negotiating the best prices for medical providers and reimbursements. The one thing the Consortium gets from a larger population is more stability; as the Consortium grows there are more lives to spread the risk. Therefore, it adds to the stability and the predictability of claims as long as the lives being added are from similar demographics and have a similar risk profile. He said one thing that will eventually be looked at is whether the Consortium should set regional adjustments for the rates; one reason to do this would be if care was found to be more costly in another area.

RESOLUTION NO. 022-2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF SENNETT TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

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MOVED BY Mr. Shattuck, seconded by Ms. Zahler, and unanimously adopted by voice vote by members present. Mr. Cook said the Town of Sennett will bring in eight active employees and five retirees to the Consortium's Platinum Plan.

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

WHEREAS, the Town of Sennett has complied with membership process outlined in Resolution Nos. 005 of 2012 (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 Sennett as the 39th municipal participant, with health insurance coverage beginning January 1, 2019.

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RESOLUTION NO. 023–2018 - ACCEPTANCE OF APPLICATION BY THE TOWN OF MENTZ TO BECOME A PARTICIPANT IN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM

MOVED BY Ms. Hersey, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present. Mr. Cook said the Town of Mentz will bring in two active employees to the Consortium's Platinum Plan.

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

WHEREAS, the Town of Mentz has complied with membership process outlined in Resolution Nos. 005 of 2012 (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 Mentz as the 40th municipal participant, with health insurance coverage beginning January 1, 2019.

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**RESOLUTION NO. 024-2018 – AUTHORIZATION TO ENTER INTO AGREEMENT WITH
BONADIO & CO. LLP - FINANCIAL REPORTING FOR
2019-2020**

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

WHEREAS, the Consortium entered into a contract with Bonadio & Co. LLP for financial reporting services during the years 2013-2018, and

WHEREAS, the Consortium wishes to continue the current arrangement for two additional years, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Chair to sign a letter of engagement with Bonadio & Co. LLP for a two-year contract expiring December 31, 2020.

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**RESOLUTION NO. 025-2018 – AMENDMENT TO RESOLUTION NO. 12 OF 2016 –
EXTENSION OF CONTRACT WITH AN INDEPENDENT
CONTRACTOR FOR CONSORTIUM NEWSLETTER
EDITING SERVICES AND EXPENSES**

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

WHEREAS, in 2016 it was determined that continued production of the Consortium's newsletter requires editing and layout expertise and knowledge was not available within the Consortium's resources, and

WHEREAS, Resolution No. 2016 authorized a contract with Jennifer Jensen to produce four quarterly issues of the newsletter and to provide the necessary software at an annual cost of \$5000, now therefore be it

RESOLVED, That the Audit and Finance Committee of the Greater Tompkins County Municipal Health Insurance Consortium recommends that the Consortium hereby approves an extension of that one-year contract through December 31, 2020 with Jennifer Jensen to provide services related to the production of the Consortium's newsletter at total annual cost not to exceed \$5000,

RESOLVED, further, That the Consortium will continue to provide the necessary software at amount not to exceed \$240/year is hereby cover costs associated with the purchase of software needed to produce the newsletter.

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New Roots Charter School

Ms. Drake explained why the resolution accepting New Roots Charter School was withdrawn from the agenda and said it is a different entity than municipal governments. It was unclear as to whether the School qualified as a municipal corporation based on Article 5G or the New York State Insurance Law as it specifically states "school district or BOCES" and has no reference to Charter School. Ms. Drake said attorneys from the School and the Consortium have

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looked into this and an opinion was also sought from the Department of Financial Services (DFS). She said DFS did not provide a clear opinion and after review, the Consortium's legal counsel advised that they did not feel New Roots was a comparable entity for participation in the Consortium. Based on this opinion the Audit and Finance Committee did not recommend accepting New Roots Charter School into the Consortium at this time.

Mr. Brown said he is familiar with this and said they are a public school and a public entity; however, using the term "District" moves into gray area. He said their risk may actually be a little lower than a traditional school because of having much lower claims and fewer retirees. Mr. Cook noted the Committee did not reject this; there was not enough information to move it forward at this time.

Report from the Joint Committee on Plan Structure and Design

Ms. Hersey, Chair, reported the Committee met on September 6 and received an overview of the budget and also spent time hearing from ProAct on the Formulary edits relating to Step Therapy and Prior Authorization that went into effect on August 1st as there were questions that have arisen since going into effect. She extended an invitation to all municipalities to attend the Committee's meetings that are held the first Thursday of each month at the Tompkins County Health Department and to also asked municipal representatives to encourage labor to participate.

Report from the Owning Your Own Health Committee

Mr. Barber reported Directors should have received a report from Michelle Courtney Berry, the Wellness Consultant. He said the Committee has embraced her work plan and has made it the Committee's work plan.

New Business

There was no new business.

Adjournment

The meeting adjourned at 7:25 p.m.



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RESOLUTION NO.

- 2018 – CREATION OF CONSORTIUM EMPLOYEE POSITION – EXECUTIVE DIRECTOR

WHEREAS, the Consortium's growth in membership and covered lives as well as reporting requirements to the Department of Financial Service Services, the number of Consortium operations contracts, enrollment management, potential member contacts, and general operations tasks have all increased over the past few years to the point where the amount of time to accomplish the duties of the Executive Director has become full-time, and

WHEREAS, the Executive Committee has discussed the options for securing a person to be full-time Executive Director as a paid position of the Consortium instead of a contracted Independent Contractor relationship, and

WHEREAS, The Town of Ithaca has expressed a willingness to perform the payroll function should the Consortium desire to hire a full-time Executive Director and other potential staff and have negotiated a Memorandum of Understanding (MOU) for providing this payroll and benefit service, and

WHEREAS, the proposed MOU provides that the Consortium would maintain authority to hire and fire as well as set pay and benefit levels that would be administered through the County's payroll system, now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby creates an Executive Director position as an employee for Consortium and approves of the job description for the position, and

RESOLVED, further, That the Board of Directors establishes a subcommittee to recruit and interview candidates for the Executive Director position, and to forward a recommendation of appointment to the Board including associated pay and benefits,

RESOLVED, further, That the Board of Directors gives the Executive Committee authority to complete negotiation of the MOU with The Town of Ithaca and establish pay and benefit levels that meet the Consortium's needs while complying with the Town's payroll system.



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RESOLUTION NO. - 2018 – ESTABLISH MEETING SCHEDULE – 2019

RESOLVED, on recommendation of the Executive Committee, That the Board of Directors hereby adopts the following meeting schedule:

BOARD OF DIRECTORS 2019 Meeting Schedule

March 28
June 27
August 22
September 26 – Annual Meeting (set rates)
December 19

Meeting time: 6:00 p.m. to 8:00 p.m.
TC3, Sprole Conference Room
170 North Street
Dryden, New York 13053

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RESOLUTION NO.

- 2018 – RE-ESTABLISHMENT OF GOVERNANCE STRUCTURE COMMITTEE

WHEREAS, NYS Insurance Law Section 4705(a)(8) requires the Cooperative to “establish a governing board to be responsible for the management, control and administration of the municipal cooperative health benefit plan...”, and

WHEREAS, NYS Insurance Law Section 4705(c)(1) requires the MCA to include provisions “describing the composition, number, and procedure under which governing board members are chosen...”, and

WHEREAS, Resolution 009-2017 created a subcommittee to explore alternatives to governance structure of the GTCMHIC, and

WHEREAS, the Governance Structure Committee reported out its work to the Board but did not make a recommendation, and

WHEREAS, the Consortium has continued to grow in number of municipal partners to the MCA as well as covered lives, and

WHEREAS, the Executive Committee deems a review of the Consortium’s governance structure is again of high importance to ensure both Director engagement and the Board’s ability to conduct business efficiently, and

WHEREAS, any proposed changes recommended by this subcommittee would require approval by all municipal partners and the Department of Financial Services as stated in NYS Insurance Law Section 4705 (a), now therefore be it

RESOLVED, on recommendation of the Executive Committee, That the GTCMHIC Board of Directors re-establishes the Consortium Governance Structure Review Committee charged with developing an alternative governance model for the GTCMHIC subject to the direction of the Executive Committee.

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MICHELLE COURTNEYBERRY

WELLNESS COACHING

11/26/2018

October-November 2018 update on Wellness Work for Don Barber, Executive Director

1. **Branding Work for the Consortium** - Designed first Consortium brochure and wellness flyers for brand marketing and recruiting new Wellness Champions for all Benefits Fairs. Attended Tompkins County Benefits Fair. Finalized two logo renderings for branding OYOH for employees, subscribers, and retirees. OYOH is now reviewing final renderings of the new logo for OYOH (two to choose from).
2. **Blue 4U** - Working closely with partners at Excellus, ProAct, Don, and our identified Wellness Champions to discuss Blue4U benefits, incentives, and future program roll-outs in Seneca County, Tompkins County, and in the joint meeting between Horseheads and Big Flats. Met with Don and Lisa Holmes to discuss expanding wellness committees, supporting existing champions, and Blue4U.
3. **Surveys** - Still working on gathering more information before sending out surveys targeted to key stakeholders in the Consortium. Survey send date has been delayed a couple of months while we first lay the strategies for branding/marketing (logo, language, etc). Anticipate sending surveys out (after Don has approved the questions) before the end of December.
4. **Site Visits/Meetings** - Attended site visit/orientation with Don, Excellus, and ProAct at Seneca County and Chemung County (Horseheads/Big Flats). Planning follow-up meetings to support the existing Wellness Champions in Seneca County and in Tompkins County. Planning to schedule a site visit with Cortland County before the end of December 2018. Met with incoming OYOH Chair Kathy Servoss to discuss her vision of OYOH and to review goals and objectives. Ongoing monthly meetings with Don through October and November, as per usual.
5. **Wellness Competition Pilot Program** - Ongoing work: Seeking involvement of the City of Ithaca, Tompkins County, and the Village of Horseheads to develop, plan, and execute a pilot, SMART goal-oriented (six-month) fitness program built on group walks or other fitness targets that can be measured and are incentivized with badges and prizes. Hoping this will become a template for others to engage, utilize, and be enthused by - as well as increase participation in Blue4U, Wellness Champion interest, and OYOH membership.

Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC)

2018 Budget Performance Analysis

Results as of: 10/31/2018
 # of Months: 10

	2018 Adopted Budget	2018 Year-to-Date	2018 Actual Results	Variance	% Difference
Income					
Medical Plan Premiums	\$42,527,371.07	\$35,439,475.89	\$35,318,290.92	-\$121,184.97	-0.34%
9000 Ancillary Benefit Plan Premiums	\$156,750.00	\$130,625.00	\$124,885.65	-\$5,739.35	-4.39%
Interest	\$16,000.00	\$13,333.33	\$16,512.70	\$3,179.37	23.85%
9010 Rx Rebates	\$1,000,000.00	\$750,000.00	\$1,308,285.17	\$558,285.17	74.44%
9040 Stop-Loss Claim Reimbursements	\$0.00	\$0.00	\$8,294.21	\$8,294.21	n/a
9030 Other	\$4,120.00	\$3,433.33	\$185.91	-\$3,247.42	-94.59%
Total Income	\$43,704,241.07	\$36,336,867.56	\$36,776,454.56	\$439,587.00	1.21%
Expenses					
8090 Medical Paid Claims	\$27,872,149.95	\$23,226,791.63	\$25,198,681.82	\$1,971,890.19	8.49%
8120 Rx Paid Claims - ProAct	\$12,014,156.34	\$10,011,796.95	\$9,111,214.10	-\$900,582.85	-9.00%
8121 Rx Paid Claims - CanaRx	\$300,000.00	\$250,000.00	\$134,027.10	-\$115,972.90	-46.39%
8050 Medical Admin Fees	\$1,044,357.36	\$870,297.80	\$903,981.03	\$33,683.23	3.87%
Rx Admin Fees	\$85,555.95	\$71,296.63	\$71,730.61	\$433.98	0.61%
8084 Flu Clinic Fees	\$10,000.00	\$8,333.33	\$450.00	-\$7,883.33	n/a
8091 NYS Graduate Medical Exp.	\$264,075.00	\$220,062.50	\$198,363.34	-\$21,699.16	-9.86%
9060 ACA PCORI Fee	\$12,259.93	\$12,259.93	\$12,361.08	\$101.15	0.83%
8115 ACA Transitional Reins. Program Fees	\$0.00	\$0.00	\$0.00	n/a	n/a
8110 Stop-Loss Aggregate and Specific	\$888,633.32	\$740,527.77	\$368,246.74	-\$372,281.03	-50.27%
Advance Deposit / Pre-Paid Claims	\$100,000.00	\$100,000.00	\$0.00	-\$100,000.00	-100.00%
8070 Legal Fees	\$10,609.00	\$8,840.83	\$10,026.25	\$1,185.42	13.41%
8055 Executive Director Fees	\$33,990.00	\$28,325.00	\$41,339.07	\$13,014.07	45.95%
8030 Consultant Fees	\$59,410.40	\$49,508.67	\$61,497.50	\$11,988.83	24.22%
8000 Accounting Fees	\$30,900.00	\$25,750.00	\$22,942.50	-\$2,807.50	-10.90%
8010 Actuarial Fees	\$11,404.68	\$11,404.68	\$16,800.00	\$5,395.33	47.31%
8020 Audit Fees	\$63,785.45	\$56,650.00	\$17,325.00	-\$39,325.00	-69.42%
8060 Insurances (D&O / Prof. Liability)	\$36,453.01	\$30,377.51	\$27,615.91	-\$2,761.60	-9.09%
8041 Internal Coordination (Finance)	\$65,400.00	\$54,500.00	\$42,905.27	-\$11,594.73	-21.27%
8042 Internal Coordination (Support)	\$20,600.00	\$17,166.67	\$18,367.20	\$1,200.53	6.99%
Surety Bond Fee / Loan Interest	n/a	n/a	\$0.00	n/a	n/a
Payment Refund	n/a	n/a	\$0.00	n/a	n/a
9050 Ancillary Benefit Premiums	\$156,750.00	\$130,625.00	\$123,422.19	-\$7,202.81	-5.51%
9060 Other Expenses / Supplies	\$6,180.00	\$5,150.00	\$21,581.16	\$16,431.16	319.05%
Total Expenses	\$43,086,670.40	\$35,929,664.89	\$36,402,877.87	\$473,212.98	1.32%
Net Income	\$617,570.67	\$407,202.66	\$373,576.69		

Ending Balance	\$25,802,131.21	\$25,591,763.20	\$25,558,137.23
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Liabilities and Reserves					
	IBNR Claims Liability	\$4,720,595.05	\$4,720,595.05	\$4,720,595.05	12% of Incurred Claims
5010 Surplus Account Per §4706(a)(5)	\$2,017,487.57	\$2,017,487.57	\$2,017,487.57	\$2,017,487.57	5% of Premium Income
Rate Stabilization Reserve	\$1,966,914.60	\$1,966,914.60	\$1,966,914.60	\$1,966,914.60	5% of Paid Claims
5012 Catastrophic Claims Reserve	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	Established by Board Policy
Total Liabilities and Reserves	\$10,704,997.23	\$10,704,997.23	\$10,704,997.23		

Unencumbered Fund Balance	\$15,097,133.98	\$14,886,765.98	\$14,853,140.00
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Medical Premiums = 6000 + 6010

Interest Income = 9021 + 9022

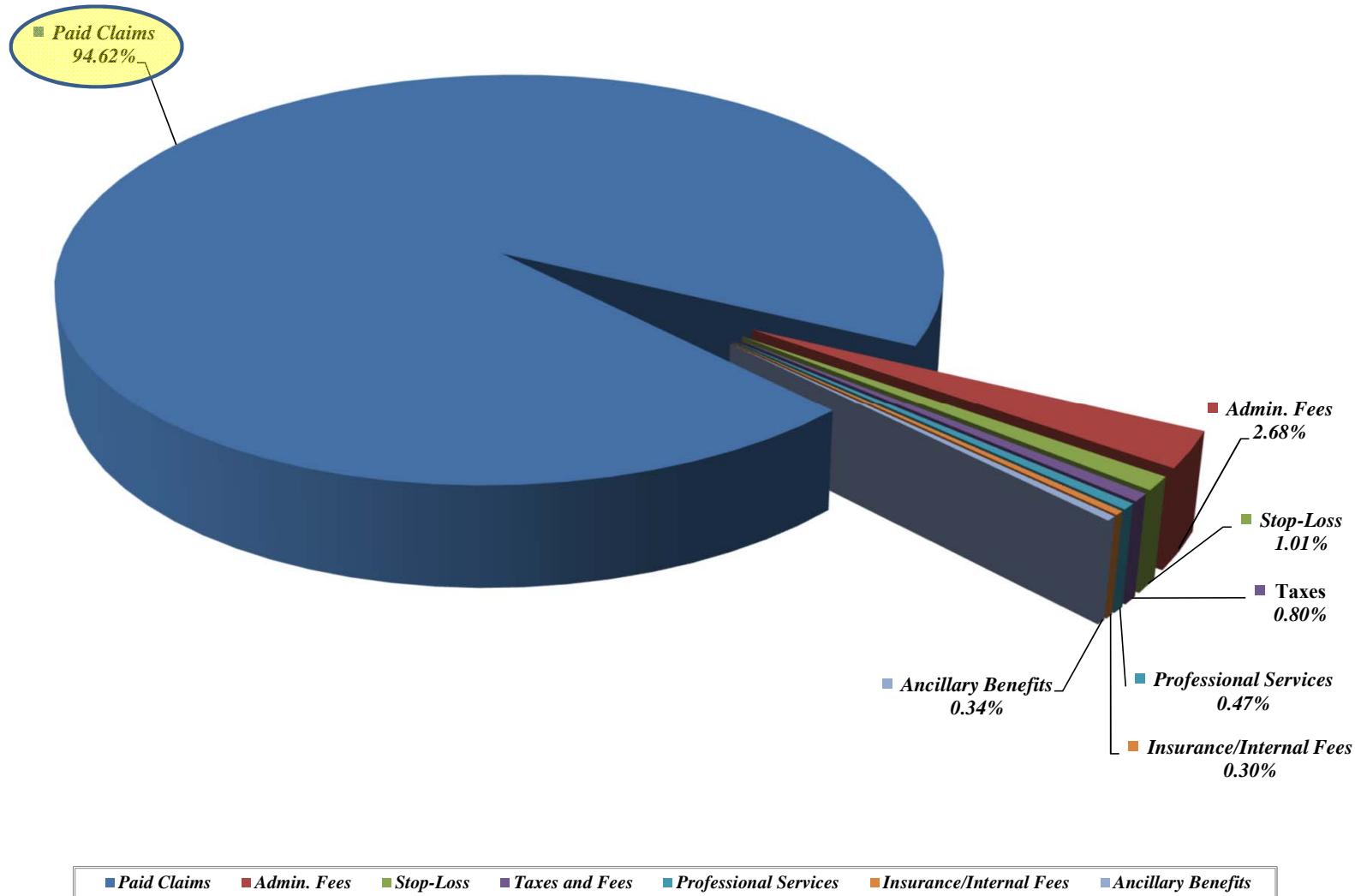
Rx Admins Fees = 8081 + 8082 + 8083

Advance Deposit = 4020 + 4021

Greater Tompkins County Municipal Health Ins. Consortium

2018 Expense Distribution

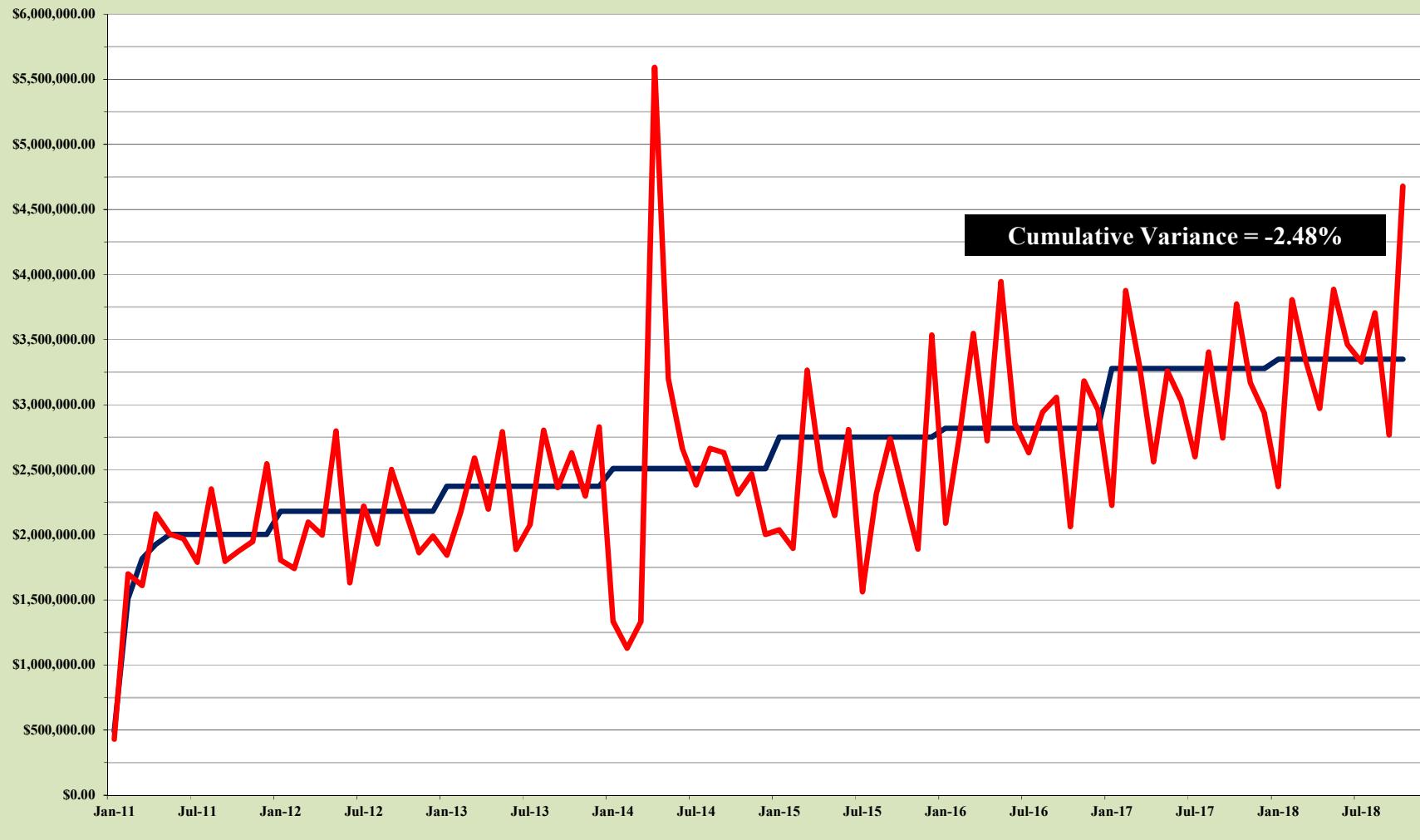
January 1, 2018 to October 31, 2018



Greater Tompkins County Municipal Health Ins Consortium

2011-2018 Monthly Paid Claims v Budgeted Claims

January 1, 2011 to October 31, 2018





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RESOLUTION NO. – 2018 - AUTHORIZE EXTENSION OF CONTRACT FOR PRESCRIPTION DRUG CLAIMS ADMINISTRATOR FOR 2019-2020 – PROACT

WHEREAS, the Board of Directors by Resolution No. 028-2016 awarded a one-year contract with ProAct for Prescription Benefits Manager services with the Consortium having the option to extend the contract annually for each of the next two years, and

WHEREAS, the Audit and Finance Committee has discussed and desires to extend the Prescription Benefits Manager services with ProAct for an additional two years pursuant to the Contract Addendum proposed September 19, 2018, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the contract with ProAct for Prescription Benefits Manager services be extended per the terms outlined for the period January 1, 2019 through December 31, 2020,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract with ProAct, Inc.

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**RESOLUTION NO. - 2018 – AUTHORIZING FINANCIAL SERVICES AGREEMENT WITH
TOMPKINS COUNTY – JANUARY 1, 2019 THRU DECEMBER 31,
2019**

WHEREAS, the Consortium initially formalized a contract with the Office of the Tompkins County Finance Director for the performing Consortium Treasurer functions on July 27, 2018, and

WHEREAS, the Consortium wishes to continue this contract arrangement, now now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby authorizes the Chair of the Board to sign the Financial Services Agreement with Tompkins County for a term commencing January 1, 2019 through December 31, 2019,

RESOLVED, further, that the Financial Services Agreement will be kept on file in the Consortium's records.

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RESOLUTION NO. - 2018 – AUTHORIZING INFORMATION TECHNOLOGY SERVICES AGREEMENT WITH TOMPKINS COUNTY – JANUARY 1, 2019 THRU DECEMBER 31, 2019

WHEREAS, the Consortium has received technical assistance at no charge from the Tompkins County Information Technology Services Department (ITS) since beginning operations in 2011, and

WHEREAS, technical support has included website hosting and assistance, e-mail account technical support, audio and visual assistance, development of a secure online enrollment program, and general computer support, and

WHEREAS, the frequency of requests and time involved has increased as the Consortium has grown, and

WHEREAS, the Executive Committee has recommended that the Consortium provide compensation for work done by the Department on behalf of the Consortium,

WHEREAS, the Audit and Finance Committee review the Memorandum of Understanding (MOU) for Information Technology Services and has recommend that the Board of Directors authorize the Board Chairperson to sign this MOU, and

WHEREAS, since initially approved by the Audit and Finance Committee, the need was identified for additional Information Technology Services to be added to the MOU for assistance with the Consortium's compliance with NYCRR 500 Cybersecurity requirements, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, That the Board of Directors approves an agreement with Tompkins County Information Technology Services for 2019 based on a rate for an average of seven (7) hours per month at \$60 per hour for ITS support provided to the Consortium from January 1, 2019 thru December 31, 2019 for a total of \$5,040,

RESOLVED, that the amount of \$5,040 will be submitted as a single invoice by ITS in January, 2019, and

RESOLVED, that ITS will invoice annually for the direct cost of the assigned Consortium Microsoft Office 365 licenses as procured under the Tompkins County Microsoft Office 365 tenant, and

RESOLVED, further, That this rate and hours associated with ITS support shall be reviewed annually to ensure that as the Consortium grows that it supports the assistance provided by the Department,

RESOLVED, further, That the Chair of the Board is hereby authorized to execute this contract on behalf of the Consortium,

RESOLVED, further, that the TC Information Technology Services Agreement will be kept on file in the Consortium's records.

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RESOLUTION NO.

- 2018 – APPROVAL OF CONTRACT FOR INVESTMENT MANAGEMENT SERVICES – WILMINGTON TRUST – 2019

WHEREAS, the Consortium conducted a Request for Proposal process that netted six responses, and

WHEREAS, the Consortium appointed an Investment Management RFP Review Committee that interviewed three (3) highly qualified firms, and

WHEREAS, the Investment Management RFP Review Committee found that Wilmington Trust, a subsidiary of M&T Bank, had by far the largest volume of fixed income assets under management, and Wilmington offered a complete package of investment management and custodial services, and

WHEREAS, Wilmington Trust will deliver month updates, quarterly and annual reports and expressed willingness to attend meetings and educational retreats to raise our awareness of the investment management business, and Wilmington Trust agreed to complete Schedule B of our quarterly and annual JURAT financial filings with DFS (Department of Financial Services) which these investments would now require the Consortium to file as part of their services, and

WHEREAS, the Investment Management RFP Review Committee unanimously recommends the Consortium enter into a one-year contract with Wilmington Trust for Investment Management Services, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the Consortium to enter into a contract with Wilmington Trust for investment management services for a one-year term period January 1, 2019 through December 31, 2019,

RESOLVED, further, That the Chair of the Board of Directors is hereby authorized to execute said contract on behalf of the Consortium.

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RESOLUTION NO. - 2018 - AMENDMENT TO RESOLUTON NO. 008-2013 - DESIGNATION OF BANKING INSTITUTIONS

WHEREAS, Consortium Treasurer must choices of approved banking institutions to conduct financial transactions on behalf of the Consortium, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That Resolution No. 008-2013 be amended to include M&T Bank as a designated banking institution for the Consortium.

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RESOLUTION NO. - 2018 – EXTENSION OF CONTRACT FOR PLAN CONSULTANT – LOCEY & CAHILL, LLC – 2019

WHEREAS, the Consortium requires ongoing Plan consulting services to continue its operations, and

WHEREAS, the Plan consulting services needed include: strategic planning, financial analysis, recommending a budget, producing and filing benefit plan documents, calculating premium equivalents, preparing a variety of internal reports and requests for proposals, attending Board and Committee meetings, claims trends and large loss analysis, assisting municipal partner with benefit and premium questions, and interfacing with third party administrators and ancillary benefit providers, and

WHEREAS, the Consortium by Resolution No. 17 of 2013 awarded a contract for Plan consultant services on December 19, 2013 to Loey & Cahill, LLC of Syracuse for the period January 1, 2014 through December 31, 2015 with the option to renew for three additional one-year terms, and

WHEREAS, the Executive Committee has discussed the need and scope of Benefit Plan Consultant Services and recommends that the Consortium retain Loey and Cahill, LLC for those services, and

WHEREAS, the Audit and Finance Committee has reviewed and discussed the terms of the Consortium's contract with Loey and Cahill, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors hereby extends its contract with Loey & Cahill, LLC for an additional one-year term for the period January 1, 2019 through December 31, 2019.

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RESOLUTION NO. - 2018 - APPROVAL OF RENEWAL OF ADMINISTRATIVE SERVICES CONTRACT WITH EXCELLUS BLUECROSS BLUE SHIELD FOR MEDICAL CLAIMS ADMINISTRATION

WHEREAS, the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) is a self-insured municipal cooperative health benefit plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services pursuant to Article 47 of the New York State Insurance Law, and

WHEREAS, Section E Paragraph 11 of the current GTCMHIC Municipal Cooperative Agreement defines the actions to be taken by the GTCMHIC Board of Directors to include the approval of contracts with third parties for the furnishing of goods and services, and

WHEREAS, the Audit and Finance Committee has determined that it is in the Consortium's best interest to continue its relationship with Excellus Blue Cross Blue Shield for the administration of the Consortium's medical claims, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee That the Board of Directors approvals renewal of the Administrative Services Contract with Excellus BlueCross BlueShield for Medical Claims Administration with fees of \$36.87 PMPM for 2019 (3.5%), and \$38.17 PMPM for 2020 (3.5%),

RESOLVED, further, That the Chair of the Board is authorized to execute said contract on behalf of the Consortium

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RESOLUTION NO. 2018 - AUTHORIZATION TO PURCHASE INSURANCE POLICIES: ERRORS AND OMISSIONS, DIRECTORS AND OFFICERS LIABILITY, AND EMPLOYMENT PROTECTION COVERAGE

WHEREAS, it is the desire of the Board of Directors to ensure liability coverage for the Consortium, the Board of Directors personally and professionally, and the participating municipalities, now therefore be it

RESOLVED, on recommendation of the Plan Consultant, Locey & Cahill, LLC, the Tompkins County Risk Manager, and the Audit and Finance Committee, That the Consortium shall purchase coverage for these policies from the following for the period January 1, 2019 thru December 31, 2019:

- Errors and Omissions Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention (placed by insurance agent Haylor, Freyer and Coon);
- Directors and Officers Liability Insurance with the Darwin Group at \$1,000,000 limit with \$25,000 retention and Employment Protection Liability at \$1,000,000 limit (placed by insurance agent Haylor, Freyer and Coon)

RESOLVED, further, That the Plan Consultant is directed to provide the Administrative Clerk of the Consortium with a copy of each policy.

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RESOLUTION NO. - 2018 - AUTHORIZE PURCHASE OF STOP LOSS INSURANCE FOR 2019 - BERKLEY AND INCREASE CATASTROPHIC CLAIMS RESERVE

WHEREAS, the Consortium must purchase stop loss insurance, as required by Section 4707 of New York State Insurance Law, and

WHEREAS, the Audit and Finance Committee has received three (3) proposals for 2019 Stop-Loss insurance and has considered the variations of Stop Loss insurance models and level of deductible, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Board of Directors authorizes the purchase of Stop Loss insurance policy with a deductible of \$600,000 from Berkley Insurance Company,

RESOLVED, further, That the Board of Directors hereby approves an increase in the Catastrophic Claims Reserve from \$2 million to \$2.8 million,

RESOLVED, further, That the Plan Consultant is directed to provide the Administrative Clerk of the Consortium with a copy of said policy.

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