

**Audit and Finance Committee
May 23, 2023
Town of Ithaca Aurora Room
MINUTES – APPROVED**

Present: Judith (Judy) Drake; Rordan Hart*; Eric Snow*; Amanda Anderson; Bud Shattuck;
Kate DeVoe; Scott Steve* (*arrived 3:17p*)
Excused: Peter Salton, Lorie Corsette
Absent:
Staff/Guests: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Steve Thayer; Teri
Apalovich, Finance Manager; Kylie Rodrigues*, Benefit Specialist; Steve Locey, Paul
Pelton, Rob Spenard, Locey and Cahill

*Remote due to extraordinary circumstances

Call to Order

Ms. Drake called the meeting to order at 3:02p.m.

Changes to the Agenda

There were no changes to the agenda.

Approve Minutes – April 25, 2023

It was MOVED by Mr. Shattuck, seconded by Ms. DeVoe and unanimously adopted by voice vote by members present, to approve the minutes of April 25, 2023, as submitted. MINUTES APPROVED.

Executive Director Report

Ms. Dowd reported that the Town of Brutus has submitted their application to become a member of the Consortium. The City of Geneva and Yates have both received potential member presentations from Consortium staff and their labor groups have asked for presentations as well. Ms. Dowd also said that Bud Shattuck suggested that the City of Auburn might also be interested in joining the Consortium.

DFS Audit Update

Ms. Dowd noted that the staff has been busy with several requests regarding the Department of Financial Services (DFS) audit. DFS has started to make recommendations to the Consortium. One item recommended is the need to include specific wording on all certificates of coverage. They have also referred the Consortium to general municipal law and indicated that the Audit Charter that the Consortium currently holds is in need of some revisions. Ms. Dowd said that the staff will be working on a resolution building an Audit Committee within the Finance Committee, the Consortium can keep the current Finance Committee Officers, but wouldn't be able to vote in the Audit Committee. The Audit Committee would probably only meet once or twice a year to commence, review, and accept the audit.

Lease Update

Ms. Dowd announced that the Consortium has signed a lease for the Consortium to reside in the Cayuga Heights Village. The Consortium is waiting to hear back from the builder to see when they will be able to commence building of the Consortium's side of the property. She said the staff is currently working on furniture purchases for office and meeting spaces.

Resolution: Authorization to Execute an Agreement with Excellus BCBS as the 2024 Pharmacy Benefits Manager for GTCMHIC

Ms. Dowd said that the Operations Committee completed a Request for Proposal (RFP) back in 2021 as there were concerns regarding the current pharmacy benefits provider. At that time, the Operations Committee reviewed three proposals. She said in 2021 the Operations Committee decided to stay with the current provider, but on a year-to-year basis to track the progress of their concerns about very specific technical, system issue areas, and prior authorizations approval time frames.

Executive Session

It was MOVED by Mr. Shattuck, seconded by Ms. DeVoe and unanimously adopted by voice vote by members present and via remote, to enter executive session at 3:21 p.m. to discuss matters relating to the possible formation of contracts with third parties. The meeting returned to open session at 3:42 p.m.

RESOLUTION NO. XXX-2023: AUTHORIZATION TO EXECUTE AN AGREEMENT WITH EXCELLUS BCBS AS THE 2024 PHARMACY BENEFITS MANAGER FOR THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

MOVED by Mr. Scott, seconded by Ms. DeVoe. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution to submit to the Executive Committee.

WHEREAS, Excellus BCBS provided and presented Greater Tompkins County Municipal Health Insurance Consortium's Operations Committee pertinent pharmacy benefit information which was received and analyzed by the Operations Committee, and

WHEREAS, Operations Committee moved Motion No. 001-2023 to advance the pharmacy benefits proposal from Excellus BCBS to the Audit and Finance Committee for recommendation and approval, and

WHEREAS, the Audit and Finance Committee has gone through the proposal and analysis of the new program and has recommended that the Consortium enter into an agreement with Excellus BCBS as Pharmacy Benefits Manager, now therefore be it

RESOLVED, on recommendation of the Audit and Finance and Executive Committees, that the Board of Directors of the Greater Tompkins County Municipal Health Insurance Consortium hereby authorizes the Chair of the Consortium to execute a contract with Excellus BCBS as the 2024 Pharmacy Benefits Manager of the Greater Tompkins County Municipal Health Insurance Consortium effective January 1, 2024 through December 31, 2024 with the option to renew for two successive years.

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Abstract Approval

Ms. Apalovich presented and reviewed the May 2023 monthly financial abstract; there were no questions or concerns. It was MOVED by Mr. Shattuck seconded by Ms. Anderson, and unanimously adopted by voice vote by members present and present via remotely, to approve the May 2023 monthly abstract. MOTION CARRIED.

Budget Performance Report

Mr. Pelton referred to the monthly Budget Performance Report, as of April 30, 2023 and covered the following key items:

1. The overall revenue of the Consortium is slightly below budget as of April 30, 2023. Locey & Cahill believes that the enhanced pharmaceutical manufacturer rebates and interest earnings, especially when longer term investments mature, will help the Consortium to stay close to its targeted budget number.
2. The combined Medical and Rx Paid Claims were 2.43% over budget, largely impacted by the Rx paid claims, through the first 4-months of the 2023 Fiscal Year. Locey & Cahill are keeping a close eye on the paid claims and how they evolve during the “new normal” post COVID-19 pandemic. Historically, the claims paid during the latter part of the calendar year tend to be a bit higher as annual deductibles and out-of-pocket maximums are met in the early months.
3. Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing close to the projected budget through the first 4-months of the 2023 Fiscal Year. With only 4 months “in the books”, Locey & Cahill said they will monitor the uptick in claims closely, especially as the Consortium begins the 2024 budget development cycle. In the end, Locey & Cahill is hopeful that long term financial planning will allow the Consortium to maintain modest premium increases for the next several fiscal years and/or provide premium relief to the participating municipalities.
4. Lastly, the fiscal results experienced by the Consortium as of April 30, 2023, support the Board of Director’s decision to increase premium rates by 6.5% for the 2023 Fiscal Year. Based on the early claim activity, this appears to be a prudent decision. With careful planning and monitoring, especially when experiencing growth of membership, the focus will be on providing stability in future budgets and premium increases, by building our reserves and meeting budget and reserve goals as outlined in the document.

Report on Large Loss Claim Activity

Mr. Spenard reported stop loss insurance report through March 2023. He said that there is a pending plan currently that’s going to be billed to the consortium in the next few weeks for \$226,000 and Locey & Cahill has been tracking their paid claims. Last year, this individual finished the year with \$133,000 in claims.

Mr. Spendard also presented that as of March 31, 2023, the Consortium has lowered its specific stop-loss insurance premium by approximately \$2,080,882.95 and it has incurred large loss claims between \$500 thousand and \$1 million totaling \$1,042,187.82. As of March 31st, the net gain on this pool, excluding investments, is \$1,038,695.13. This amount will be reduced each month by any chargeable loss as well as each monthly stop-loss premium made by the Consortium.

Resolution of Appreciation

Ms. Drake announced a resolution of appreciation of Mr. Thayer's service to the Consortium and congratulated him regarding his upcoming retirement.

RESOLUTION NO. XXX - 2023 - RESOLUTION OF APPRECIATION OF STEVE THAYER'S DEDICATED YEARS OF SERVICE TO THE CONSORTIUM

MOVED by Ms. Drake, seconded by Mr. Shattuck. The resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations to approve the following resolution.

WHEREAS, when the Tompkins County Council of Government started exploring a municipal cooperative self-funded health insurance program, they were fortunate to have the City of Ithaca Comptroller, Steve Thayer, involved in the beginning conversations and planning stages of the now Greater Tompkins County Municipal Health Insurance Consortium, and

WHEREAS, Steve, quickly was named the Chief Financial Officer for the Consortium and has served for a long time on the Audit & Finance Committee both as a member and as a Chair, and

WHEREAS, when some of the City's organized labor groups opposed joining the Consortium, Steve successfully championed the idea as a rate stabilized solution to unpredictable escalating insurance rates, and

WHEREAS, Steve has been known to attend many meetings and work several hours as a loyal supporter of the Consortium, and

WHEREAS, Steve has been an asset to the Consortium with his extensive background in finance, accounting and municipal law and is always a pleasure to work with due to his even and calm demeanor, and

WHEREAS, Steve is now at a stage in life where he can celebrate retirement both from the City of Ithaca as well as the Consortium, and

WHEREAS, Steve is wished much happiness as he steps down and finds time to explore other experiences that bring him joy with his friends and family, now therefore be it

RESOLVED, That the Board of Directors, staff, consultants, advisors, and associates, acknowledge the retirement of Steve Thayer and are appreciative for his many devoted and exemplary years of service,

RESOLVED, further, That on this 23rd day of May, 2023, the Audit and Finance Committee expresses its sincere gratitude to Steve Thayer for his distinguished and dedicated service to the Greater Tompkins County Municipal Health Insurance Consortium.

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Next Meeting Agenda Topics

2024 Budget
Capitol Asset Policy (Amortization and depreciation)
AFC Charter
Rate Stabilization Reserve Conversation

Adjourn

The meeting was adjourned at 4:05 p.m.