



Greater Tompkins County Municipal Health Insurance Consortium

P.O. Box 7 • Ithaca, New York 14851 • (607) 274-5590

Headquarters: 215 N. Tioga Street, Ithaca, NY 14850

www.healthconsortium.net • consortium@tompkins-co.org

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

RESOLUTION NO. XXX-2023 – Annual Premium Increase Target and Utilization of the Rate Stabilization Reserve

WHEREAS, Resolution No. 019-2014 adopted the 2015 Budget and established a Rate Stabilization Reserve at \$1.64 million "to protect the cash flow position of the Consortium should there be a year when claims cost exceed the prediction"; and

WHEREAS, The Rate Stabilization Reserve was updated to be funded at 7.5% of annual premiums with Resolution No. 034-2019; and

WHEREAS, It is the desire of the Audit and Finance Committees to define when and how the Rate Stabilization Reserve should be utilized and subsequently refunded; and

WHEREAS, It is the desire of the Audit and Finance Committees to refer to said resolution on an annual basis or deemed necessary during the yearly budget process, and shall approve any revisions by formal resolution; now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committees, and the Executive Committee, that the Board of Directors authorizes the establishment of an Annual Premium Increase Target of 5% - 8%; and

RESOLVED FURTHER, that Resolution No. 034-2019 is amended to set a target for the Rate Stabilization Reserve of 10% of annual premiums; and

RESOLVED FURTHER, that when budgeted premium increases exceed 8%, a budget will be developed that funds the Rate Stabilization Reserve at a level less than the 10%-of-premium target, but no lower than 2.5%-of-premium level, with the goal of meeting all other budget requirements as outlined in Resolution No. 015-2020; and

RESOLVED FURTHER, that when the Rate Stabilization Reserve is funded below the 10%-of-premium target, the budget that is developed as a result will be created to support returning to the 10%-of-premium target funding level in subsequent years and as quickly as possible; and

RESOLVED FURTHER, that on behalf of the Audit and Finance Committees, and the Executive Committee, that the Board of Directors authorizes the Greater Tompkins County Municipal Health Insurance Consortium to set an Annual Premium Increase Target and Utilization of the Rate Stabilization Reserve as defined in this resolution.

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RESOLUTION NO. XXX- 2023 - ACCEPTANCE THAT THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC) NO LONGER WILL PROVIDE A PREMIUM DISCOUNT WHEN MAKING ADJUSTMENTS DUE TO ACTUARIAL VALUE CALCULATOR

WHEREAS, It has been a practice of the GTCMHIC to discount premium increases for plans experiencing adjustments due to actuarial value calculator compliance, and

WHEREAS, when The Segal Group, Inc., was engaged by the GTCMHIC to conduct an independent review of its medical and prescription drug plans and conduct a parallel rating analysis to aid the Consortium's leadership in understanding the influence each plan offered has on its financial position, the results showed the trending for metal level plans that the premiums were no longer supporting claims activities and other plans were supplementing their costs,

WHEREAS, the GTCMHIC continues to have significant migration to the metal level plans, especially the Platinum Plan, and it would be prudent to migrate towards a model that has the premium for each plan more closely supporting the financial experience for that plan, now therefore be it,

RESOLVED, on recommendation of the Audit and Finance Committee, and Executive Committee on behalf of the Board of Directors hereby accepts that the metal level plans no longer provide a premium discount when adjusting due to actuarial value calculator, rather they too experience the full recommended premium increase suggested for all GTCMHIC plans.

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