

Greater Tompkins County Municipal Health Insurance Consortium

Executive Committee

Minutes – APPROVED

March 20, 2024 – 3:30 p.m.

GTCMHIC Headquarters – 408 East Upland Road, Ithaca, NY

Present: Rordan Hart (Executive Committee Chair); Judy Drake (Audit and Finance Committees Chair); Steve Thayer (CFO); Bud Shattuck (Claims and Appeals Committee Chair) Peter Salton (Secretary); Ray Bunce

Present via remote Kate DeVoe* (Joint Committee Chair)

Excused: Lisa Holmes (Executive Committee Vice-Chair); Gary Mutchler (Nominations & Engagement Committee Chair); Laura Granger (Operations Committee Chair); Lisa Henty

Guests: Steve Locey, Locey & Cahill

Staff: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Kylie Rodrigues, Benefits Specialist, Teri Apalovich, Finance Manager

* - Due to Extraordinary Circumstances attended remotely via Satellite Location (Tompkins County Public Library, 101 East Green Street, Ithaca, NY)

Call to Order

Mr. Hart, Chair, called the meeting to order at 3:04 p.m.

Changes to the Agenda

Ms. Dowd announced that Dr. Josephine McAllister, a local dermatologist, had asked at the previous meeting to address the Committee. However, she reached out to Ms. Dowd, and said she had since signed a contract with Excellus, no longer has an immediate concern, and will not be in attendance.

Ms. Dowd also said that there was also a slight wording change to one of the resolutions to be presented within the meeting. (Referenced below)

Approval of Minutes of February 21, 2024

It was MOVED by Ms. Drake, seconded by Mr. Shattuck, and unanimously adopted by voice vote by members present and via remotely, to approve the minutes of February 21, 2024. MINUTES APPROVED.

Chair's Report

Mr. Hart asked the Committee members at the previous meeting regarding holding Executive committee meetings monthly and Finance Committee meetings quarterly. A revised meeting schedule was presented.

MOTION NO. 001-2024– MOTION TO APPROVE THE AMENDED 2024 CALENDAR OF MEETINGS FOR 2024 AS PRESENTED

It was MOVED by Mr. Shattuck seconded by Ms. Drake, and unanimously adopted by voice vote by members present by video or in person, to approve the amended 2024 Calendar of Meeting for 2024, AS PRESENTED. MOTION CARRIED.

Executive Director's Report

Ms. Dowd advised that she will now be updating her Executive Director written report on a quarterly basis and the next report will be out in April.

Ms. Dowd reported that the Committee received agenda packets containing two financial documents. One that the Finance Manager prepared, and one being the traditional Locey & Cahill financial packet. Ms. Dowd said the Jurat requires reporting a bit differently, such as received rebates showing as a net of claims, whereas the Consortium traditionally sees rebates reported as income. Ms. Dowd said that the Consortium is in a period of transitioning and trying to be more consistent across the board, so that both parties' reports are consistent with each other.

Ms. Dowd said the auditors (Insero & Co., CPAs) are working with the Consortium this week, and a 2023 report will be coming at the end of April. She said that the Finance Committee and the Audit Committee will be meeting jointly next month to review that audit. Ms. Dowd said that currently, looking at unaudited 2023 numbers, the Consortium is looking at a \$4.8 million loss for 2023, which is significantly more than the Consortium thought they were going to lose when the budget was originally presented. She said reporting will also show changes of movement in the reserves. Ms. Dowd also said that the Committee talked about utilizing rate stabilization in 2024, and currently the unencumbered balances are down around the 5% level, where the goal is 12-18%. She said it was agreed last year that the Consortium would start using resources available, and the Consortium will continue to talk about resources especially when it comes to budgeting for 2025.

Ms. Dowd also included that the Finance Report presented today will show that 2024 expenses are lower than predicted in the first two months. She said the Consortium is remaining on track as far as the budget goes.

Ms. Dowd reported that Consortium staff had cyber security training earlier in the week held by FoxPointe Solutions. She said cyber security rules are changing drastically with Department of Financial Services (DFS

Strategic Planning

Ms. Dowd said staff has collected all 2023 MCA documentation from all municipalities and has submitted all materials to DFS. She said the Consortium will now await DFS's approval and release of the Consortium's Certificate of Authority. This approval will allow the Consortium to seek out municipalities within the Livingston and Monroe counties who are currently looking for insurance options within the Consortium.

Ms. Dowd advised that the Consortium is working on some additional organizational structure plans, such as: regarding open meetings law policies, open floor privileges at meetings, and certain MCA policies that may be prohibiting the Consortium from growth opportunities.

Reminder Canned Food/Pantry Drive

Ms. Dowd announced that the Consortium is conducting a food drive as part of the Consortium's Wellness Program and asked the committee for participation.

4-Tier Implementation Plan

Mr. Locey discussed that the Consortium has not come up with a community-based methodology for a 4-tier plan as of yet. The Consortium has researched new members coming into the Consortium with a 4-Tier option, while keeping current members in a 2-tier plan. Ms. Dowd said this project is taking a bit longer than expected and continuing to pursue it and try to find a work-around, so that a transition as such would not cause financial hardship for the Consortium's current members or Union negotiations.

Medicare Advantage

Ms. Dowd referred to a previous resolution regarding Medicare Advantage which was included in the packet (Resolution 013-2022). She said listed within the Resolution; the Consortium was to have approval of a Medicare Advantage vendor by October 2022 and to act as a pass through as a Medicare-aged retiree plan option commencing January 1, 2023. She also said that the Consortium was going to add a risk assessment fee on participants purchased from a source other than the Consortium, but the fee amount was never resolved. She said that the resolution will need to be brought back for discussion/review and an amendment will need to be written.

Ms. Dowd also added that there are new laws in the Inflation Reduction Act that are changing the Medicare environment and how Employer Group Waiver Plans (EGWPs) will be supplemented by Centers for Medicaid and Medicare Services (CMS).

Committee Reports/Resolutions:

Nominations and Engagement Committee

Mr. Mutchler was excused from the meeting. Ms. Dowd reported Nominations and Engagement has their first meeting in June.

Claims and Appeals Committee

Mr. Shattuck said the committee is holding a meeting on April 2, 2024, to discuss medical claims audit results from BMI.

Audit and Finance Committees

Ms. Drake presented resolutions that had been previously approved by the Finance Committee:

RESOLUTION NO. XXX- 2024 – ADOPTION OF AMENDMENTS TO THE 2024 BUDGET

MOVED by Ms. Drake, seconded by Mr. Thayer, the resolution was unanimously adopted by voice vote of members present, and visibly seen members via remote locations due to extraordinary circumstances.

WHEREAS, The Board of Directors adopted the 2024 Budget, Reserve amounts, and Premium Equivalent Rates on September 21, 2023, and

WHEREAS, The 2024 budget has been impacted by several factors including the addition of new members, changes to contracts renewed after September, and plan changes at the municipal level, and

WHEREAS, There is a need to amend budget lines in order to ensure the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC) operates with a budget that reflects actual performance for the year, now therefore be it

RESOLVED, On recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, hereby approves amendments to the GTCMHIC 2024 budget.

**RESOLUTION NO. 005-2024 – AMENDMENT TO RESOLUTION NO. 007-2020-
ADOPTION OF CONSORTIUM PROCUREMENT POLICY AND REQUEST FOR
PROPOSAL GUIDELINES**

MOVED by Ms. Drake, seconded by Mr. Salton. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the New York State Department of Financial Services recommends the Consortium develop a policy for the purpose of establishing guidelines for the procurement of goods and services by the Consortium involving an expenditure of funds, and

WHEREAS, a previous Procurement Policy (Resolution No. 003-2014) was amended in 2020 (Resolution No. 007-2020) which addressed the procurement of goods and services with additional guidelines for the development of requests for proposals, and

WHEREAS, there has since been a need to update this policy due to organizational changes including staffing and committee composition including Executive Committee for final approval on behalf of the Board of Directors, and

WHEREAS, there is also the update with Consortium purchases to be submitted as part of the Financial Abstract Report, now therefore be it,

RESOLVED, on recommendation of the Finance Committee, That Executive Committee on behalf of the Board of Directors hereby adopts the attached Greater Tompkins County Municipal Health Insurance Consortium's amended Procurement Policy, effective immediately.

**RESOLUTION NO. 006- 2024 - AMENDMENT TO RESOLUTON NO. 008-2013 AND
RESOLUTION NO. 034 – 2018 - DESIGNATION ~~AND CLOSING~~ OF BANKING
INSTITUTIONS**

MOVED by Ms. Drake, seconded by Mr. Thayer. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

(Mr. Hart offered a friendly amendment to remove the wording “and closing” from the resolution, as it is misleading. Ms. Drake, Finance Chair, concurred)

WHEREAS, pursuant to above said resolutions, the GTCMHIC Treasurer must choose banking institutions to conduct financial transactions on behalf of the GTCMHIC, and

WHEREAS, since above said resolutions, the 2023 Municipal Cooperative Agreement, approved by the Department of Financial Services (DFS), now specifies that the GTCMHIC Treasurer’s job duties have been replaced by the GTCMHIC Finance Manager, and

WHEREAS, GTCMHIC Finance Manager has closed all GTCMHIC banking accounts with banking institution First Niagara, and

WHEREAS, the GTCMHIC Finance Manager has recently chosen JP Morgan Chase as an additional banking institution, now therefore be it

RESOLVED, That the following banking institutions will be in effect for GTCMHIC: JP Morgan Chase, Tompkins Community Bank (formerly known as Tompkins Trust Company), and M&T Bank,

FURTHER RESOLVED, on recommendation of the Finance Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves that GTCMHIC approves banking institutions for the GTCMHIC to be JP Morgan Chase, Tompkins Community Bank, and M&T Bank until further notice.

RESOLUTION NO. 007-2024: MANAGEMENT OF INVESTED FUNDS WITHIN THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE CONSORTIUM (GTCMHIC)

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

WHEREAS, It is the primary objectives of the GTCMHIC for implementation of the Investment Policy, in priority order, are: (1) to conform with all applicable federal, state and other legal requirements; (2) to adequately safeguard principal; (3) to provide sufficient liquidity to meet all operating requirements of the Consortium; and (4) to obtain a reasonable rate of return, and

WHEREAS, the GTCMHIC Finance Manager will follow all objectives of the Investment Policy, when concerning the need for cash flow, the use of certain financial institutions as depositories, and transfers of investment funds, and

WHEREAS, the GTCMHIC Finance Manager (under the supervision of the Chief Financial Officer (CFO) and Executive Director as outlined in the GTCMHIC's Investment Policy) wishes to invest portions of its available investment funds in cooperation with the following banking entities and scenarios:

NYCLASS: GTCMHIC Short-term investments (to include catastrophic claims pool and rate stabilization fund)

Wilmington Trust/(M&T Bank) GTCMHIC Long-term investment (to include IBNR and Surplus Reserve funds)

JP Morgan: GTCMHIC Short-Term depository, Lockbox and Credit Card

Tompkins Community Bank (formerly known as Tompkins Trust Company): GTCMHIC Short-Term depository (local banking institution), therefore now be it,

RESOLVED, on recommendation of the Finance Committee, that the Executive Committee, on behalf of the Board of Directors, hereby approves to accept the GTCMHIC Finance Manager's recommendations (under supervision of the CFO and Executive Director) to adopt the said banking entities and scenarios regarding the management of invested funds for the GTCMHIC until further notice.

RESOLUTION NO. 008 – 2024 - ADOPTION OF AMENDED INVOICE PAYMENT PROCEDURE (REPLACING PROCEDURE ADOPTED DECEMBER 15, 2021) BY THE AUDIT AND FINANCE COMMITTEE

MOVED by Ms. Drake, seconded by Mr. Salton. This resolution was unanimously adopted by voice vote of members present, visibly seen members via remote locations due to extraordinary circumstances to approve the following resolution.

WHEREAS, the Finance Committee was presented with recommendations of Consortium staff for streamlining current invoice payment procedures, and

WHEREAS, updates were made to the policy due to the Audit and Finance Committee dissolution (Resolution No 013-2023) as well as the Finance Committee no longer meeting on a monthly schedule, rather a quarterly or as needed basis, and

RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, hereby approves the following amended Invoice Payment Procedure to replace the procedure approved December 15, 2021 (Resolution No. 034 – 2021) by the Audit and Finance Committee, effective immediately.

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Operations Committee

Ms. Granger, Operations Chair, was excused from the meeting. Ms. Dowd said that the Operations Committee will be meeting in April where FoxPointe will be joining to discuss cyber security risk assessment.

Joint Committee on Plan Structure and Design

Ms. DeVoe, JCPSD Chair, did not have any items to report.

Financial Update

Mr. Locey referred to the monthly Budget Performance Report, as of February 29, 2024 and covered the following key items:

1. Being only two months into the fiscal period, many of the expense items are well below budget. Some items are an annual expense and have not been billed to the Consortium. We anticipate these items will be more in line with the budget as the Consortium works its way through the fiscal year.
2. For new members added to the Consortium, Locey & Cahill does not anticipate their paid claims being mature until the 3rd month or so as the “run-out” claims (claims incurred on or before December 31, 2023) are the responsibility of their prior insurance carrier.
4. Medical Paid Claims in the first 2 months were 4.49% over the amended budget, including the advanced deposit, for the fiscal year. Other factors include:
 - An increase in the covered lives (↑4.13%) and in the number of contracts (↑4.71%) skews the early 2024 medical paid claims due to the “run-in lag”.

- Increased member participation in lower cost health insurance plans, like the Platinum PPO Plan and the Medicare Supplement Plan by several employer groups.
 - The continuation of identifying the “new normal” of elective and/or minor medical procedures being performed following COVID-19 pandemic.
 - Locey & Cahill continues to monitor the impact of inflation on the medical community.
5. Rx Paid Claims were 3.14% over budget for the first 2-months of the 2024 Fiscal Year. Locey & Cahill continues to monitor pharmacy paid claims trend closely as pharmacy claims become a greater contributor to the number of large losses claims they are seeing across our entire book of business.

Future Agenda Topics

Future Open Meeting Law (OML) Policies
New Consortium Name Ideas

Adjournment

The meeting was adjourned at 4:59 p.m.

Respectfully submitted by Lynne Sheldon, Clerk of the Board

Next Meeting: April 17, 2024

Open House May 2, 2024 – 11 a.m. – 1 p.m.