

**Greater Tompkins County Municipal Health Insurance Consortium**  
**Finance Committee Meeting**  
**October 24, 2023 – 3:00PM**  
**Town of Ithaca Aurora Room/Remote via Zoom**  
**MINUTES – APPROVED**

Present: Rordan Hart\*; Eric Snow\*; Bud Shattuck; Amanda Anderson;  
Steve Thayer; Judith (Judy) Drake, Chair; Kate DeVoe;

Absent:

Excused: Peter Salton

Staff/Guests: Elin Dowd, Executive Director; Lynne Sheldon, Clerk of the Board; Teri Apalovich, Finance Manager; Kylie Rodrigues, Benefits Specialist; Rob Spenard\*, Locey and Cahill, Lisa Henty\* (City of Cortland)

\* Attended via Remote via Zoom

**Call to Order**

Ms. Drake, Chair, called the meeting to order at 3:01 p.m.

**Changes to the Agenda**

There were no changes to the agenda.

**Approve Minutes – September 12, 2023**

It was MOVED by Mr. Shattuck, seconded by Mr. Thayer, and unanimously adopted by voice vote by members present via in-person and remote, to approve the minutes of September 12, 2023. MINUTES APPROVED.

**Executive Director Report**

Ms. Dowd announced the Consortium just received notification from Excellus BCBS that letters are now being sent out to members explaining the Pharmacy Benefit Manager (PBM) will be changing from ProAct to Excellus. The Consortium has advised Benefit Clerks to notify their employees that this letter will soon be delivered.

Ms. Dowd said the Consortium is anticipating moving into their new headquarters, at 408 E. Upland Road, in the next two weeks. She said the furniture is arriving on November 6<sup>th</sup> and the Consortium is hoping to be online after November 15<sup>th</sup>.

Ms. Dowd announced that this time of year is traditionally open enrollment through November 30<sup>th</sup>, however, due to the PBM change over to Excellus, they have placed a blackout period on the Consortium's member open enrollment data entry until Excellus has completed the changes on their system.

Ms. Dowd reported that the Consortium no longer has a Medicare Advantage partner. She said Aetna had anticipated that all Consortium members were joining the plan. When Aetna realized this would not be happening, they decided to rescind the potential agreement with the Consortium. Ms. Dowd said most of the current Consortium members have decided to stay with their current agreements, however, a few municipalities were planning on making a change in 2025 and moving to Aetna. The Benefits Clerks will be notified of the rescind with Aetna, and to halt on releasing any information regarding Aetna until further notice.

Ms. Dowd reminded that 2023 Municipal Cooperative Agreement (MCA) amendment approval resolution and signature pages are needed back from all municipalities. She said once the 2023 MCA approval process is complete with Department of Financial Services, the Consortium will start collecting 2024 MCA documentation also needed for DFS.

Ms. Dowd introduced Lisa Henty, who works for the City of Cortland. Lisa will be replacing Mayor Scott Steve as a new member of the Finance Committee, Executive Committee, and will also hold the Director position representing Cortland.

Ms. Dowd explained that the Executive Committee looked at a recent analysis from Locey & Cahill regarding the Consortium's premium equivalent rates, with an emphasis to offering a 4-tiered premium program. After the presentation of the analysis, the Executive Committee determined that they would like Locey & Cahill to provide additional information. The Consortium asked Locey & Cahill to focus solely on the metal level plans and compare these rates to the 4-tier plan with Excellus BCBS rates. Mr. Locey indicated that they would also include individuals who previously came over years ago from the New York State Health Insurance Plan. The Committee will commence after the report from Locey & Cahill has been completed in full.

**Resolution: Acceptance of the Village of Watkins Glen to Request an Extension to the Three-Year Waiver from Compliance Granted by the GTCMHIC**

Ms. Dowd described when the Consortium approved the Village of Watkins Glen to join, the Consortium gave them a waiver at the time due to the Village in midst of contract negotiations. She said Watkins Glen has three groups of contracts that did not previously join the Consortium. During the contract renewal period, the administration changed to an interim situation, and contracts were recently renewed without the knowledge to consider the Consortium. Ms. Dowd said she has met with the Village's new Mayor who acknowledged that they are not in compliance and asked the Consortium to provide them with a waiver and asked that the Consortium work with them in the next three years to get their contracts on board.

**RESOLUTION NO. XXX- ACCEPTANCE OF THE VILLAGE OF WATKINS GLEN REQUESTING AN EXTENSION TO A THREE-YEAR WAIVER FROM COMPLIANCE GRANTED BY THE GREATER TOMPKINS COUNTY MUNICIPAL HEALTH INSURANCE (GTCMHIC)**

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MOVED by Mr. Shattuck, seconded by Ms. DeVoe, the resolution was unanimously adopted by voice vote of members present and via remote,

WHEREAS, the Village of Watkins Glen submitted an official resolution in 2019 authorizing the Village of Watkins Glen to join the GTCHMIC in accordance with the terms and conditions outlined in the GTCHMIC Municipal Cooperative Agreement (MCA), and

WHEREAS, by Resolution No. 16 of 2019 the GTCHMIC Board of Directors adopted a policy outlining a process of applying for 2020 membership to the Consortium, and

WHEREAS, it is recognized that the Village of Watkins Glen did not bring all of the active employees into the Consortium as required by Section A.5. of the MCA due to contract conditions at that time, and

WHEREAS, due to new leadership and new contract negotiations since said year 2020, the Village of Watkins Glen is requesting an extension with the GTCHMIC to add an additional three years to the existing waiver of Section A.5. MCA compliance, now therefore be it

FURTHER RESOLVED, on recommendation of the Finance Committee, That the Executive Committee, on behalf of the Board of Directors, hereby accepts an additional three-year extension with the Village of Watkins Glen to be waived of compliance with section A.5. of the GTCHMIC's 2023 MCA, effective through December 31, 2025.

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## **Financial Update**

### **Abstract Approval**

Ms. Apalovich noted that an abstract was not presented last month. Due to this, the abstract is a much larger amount than the standard. She said the abstract also contains payments for the builder of the Consortium's new facility. Ms. Drake questioned how many payments the Consortium has generated to date to the Department of Financial Services (DFS). Ms. Apalovich said three payments have been made, which paid the months January to March 2023. She said that the Consortium is currently under budget for the DFS audit portion. Ms. Dowd said that the bills the Consortium has received to date only include two examiners, but currently there are four examiners. She said billing has not reflected the additional two examiners, and they have not received billing for the individual who examined the IT portion. Ms. Apalovich said that the budget has enough to cover this year, however, a revision to that budget line will most likely be needed in February 2024.

Ms. Apalovich presented the named August 2023-October 2023 financial abstract; It was MOVED by Mr. Shattuck and seconded by Ms. DeVoe, and unanimously adopted by voice vote by members present and via remote, to approve the August 2023 – October 2023 abstract. MOTION CARRIED.

### **Budget Performance Report**

Mr. Spenard referred to the monthly [Budget Performance Report](#), as of September 30, 2023 and covered the following key items:

- The overall revenue of the Consortium is slightly below budget as of September 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 revenue number.
- The combined Medical and Rx Paid Claims were 5.91% over budget, largely impacted by the Rx Paid Claims, through the first 9-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.
- Overall, the Greater Tompkins County Municipal Health Insurance Consortium is performing below the projected budget through the first 9-months of the 2023 Fiscal Year. With nine months “in the books”, Locey & Cahill will need to continue to monitor the uptick in claims closely, especially as the Consortium enters the 2024 fiscal year. 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.
- The fiscal results experienced by the Consortium as of September 30, 2023, support the Board of Director’s decision to increase premium rates by 6.5% and 8.0% for the 2023 & 2024 Fiscal Years, respectively. Based on the current 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, which may allow for some premium relief to assist the Participating Municipalities during potential difficult financial times as COVID-19 relief monies dry up.

Ms. Dowd asked Mr. Spenard if Locey & Cahill were analyzing how much should the Consortium expect catastrophic claims to increase since there is an increase in members as the Consortium grows. She said she is also seeing a different pattern of more claims and would like to know how the Consortium compares to the market. Mr. Spenard said they do receive data from all reputable stop-loss carriers with similar contract counts as the Consortium. Ms. Dowd asked that Locey & Cahill share that information with the committees at future meetings.

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**Next Meeting Agenda Topics**

Actuary RFP

**Adjourn**

The meeting was adjourned at 3:39 p.m.

*Respectfully submitted by Lynne Sheldon, Clerk of the Board*

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