

Greater Tompkins County Municipal Health Insurance Consortium

**JOINT MEETING**

**Finance and Audit Committees**

April 15, 2014

9:00 a.m.

**Old Jail Conference Room**

Agenda

1. Call to Order
  
2. Approve Minutes of February 26, 2014 Meeting (Finance Committee)
  
3. Approve Minutes of March 20, 2014 Meeting (Audit Committee)
  
4. Financial Reports and Updates:
  - a. Year-end financial results
  - b. NYS Department of Financial Services Annual Report (JURAT)
  - c. Year-end Utilization Report by Excellus
  - d. Plan Designs
  
5. Independent Auditors Report
  
6. Discussion: RFP - Medical Claims and Prescription Claims Audit and Funding
  
7. Adjournment

**Finance Committee  
February 26, 2014 – 3:30 p.m. - DRAFT  
Scott Heyman Conference Room**

Present: Don Barber, Mack Cook, Peter Salton, Glen Morey, Jared Pittman (arrived at 3:40 p.m.)

Guests: Judy Drake, Rick Snyder, Steve Locey

**Call to Order**

Mr. Barber called the meeting to order at 3:34 p.m.

**Approval of Minutes of December 17, 2013**

The minutes of December 17, 2013 were accepted as presented.

Mr. Barber reported on a meeting he had with Scott Weatherby, Chair of the Joint Committee on Plan Structure and Design, following the last Committee meeting about the role of the Committee in the Consortium and that it is to keep the Consortium viable and is not a place for labor-management negotiations.

Mr. Locey said there are many parts to the Affordable Care Act. One of the things everyone has to deal with is the Employer Mandate which states coverage must be provided to full-time employees at a certain level of benefit. The way they have graded benefits has been by an “actual value calculator”. When the benefits of a health plan are loaded into the calculator it will return a percentage which is the average amount of the individual’s medical care that they would expect a plan to cover in a given year. If the value were 60% for example, that would be a bronze plan. There are also options in platinum, gold, and silver. He said the idea behind creating the Joint Committee was that Committee would be the venue where new plan designs would be discussed and rolled out through the Consortium. It is an advisory committee that has no power and exists for unions to select representation on the Board of Directors and to review and make recommendations back to the Board on things happening in the Consortium by a consensus building manner.

Mr. Locey said Locey and Cahill felt that since everyone else is talking about plans and the grading levels, that there should be discussion within the Consortium in that framework as well to examine plan options and to build plans that fit into the framework of the different levels. This would provide employers an option to provide a lower cost alternative that they didn’t have to offer before and that would allow them to comply with the Employer mandate. He said they laid out a plan in each of the benefit levels that they felt were standard plans and designed based on what Blue Cross Blue Shield was offering and were what they thought would be good additions to the benefit plans that are already available through the Consortium.

At the Joint Committee the discussion turned to where there was talk about negotiating plans. Mr. Locey said the he believes the discussion of different plan options causes fear within bargaining units because once they are approved plans they are additional options for bargaining. Mr. Barber said although that it is true and one way health costs can be managed, there are other ways including wellness.

**Financial Report**

Mr. Locey distributed the 2013 Treasurer’s Report data for year end. He stated the Consortium finished the year with slightly over \$3 million in net income and this includes paying

back \$1.6 million in the initial assessment which was paid back with 3% interest per year. At this point after accounting for liabilities and reserves the Consortium still has a very healthy fund balance of over \$5 million. He said when the five-year preforma was established the initial assessment was estimated to be paid back in the fifth year and was paid back at the close of the third year.

When the budget was built for last year it was built based on the entitites that existed at that time. Once the budget was built and put into place the City of Cortland and Town of Lansing joined. Mr. Locey said they went back and revised the budget with the inclusion of those municipalities. From a revenue perspective the Consortium finished close to where it was expected and ended the year about 7% above budget in overall expense but much of that is due to the \$1.6 million that was paid back to municipalities.

He called attention to a pie chart showing the 2013 expense distribution and said 93 cents on every dollar is going to pay out for claims, leaving 7% for everything else (ancillary benefits, professional fees, insurances, taxes, Stop Loss, Admin. Fees). From an efficiency perspective he said the Affordable Care Act requires large group health plans medical loss ratio to be at least an 85% level; therefore, the Consortium is well above the minimum threshold. With regards to claims the Consortium finished year on target which was better than expected because the Town of Lansing and City of Cortland were not included in the budgeted amount.

Mr. Locey provided a comparative of 2011, 2012, and 2013 and a look forward to the next couple of fiscal years based on initial estimates and a trend built in of 8%. He cautioned not to overreact in good years when there is a little excess and said he would rather bringing the increase down slowly rather than dramatically to avoid high spikes in other years.

Mr. Locey explained there are several factors that go into paid claims inflation and that it is not just increases in the cost of service. It is the cost of care from one year to the next, the utilization, illness patterns and large losses, inflation, new technologies in the marketplace and New York State and federal mandated benefits. He said in the past there has only been discussion of a specific plan and over the years. Because of the cost sharing in the plan there has not been the ability to negotiate fast enough increases in the members share of the cost to make the relationship that it was years ago in terms of the plan payment and the out-of-pocket member expense. Although employers are sharing in the premium contribution it has always been heavily weighted towards the member in terms of enhancements of the plan. He stated from the Consortium standpoint all they can do is make plans available and with those plans there is an associated rate and employers can only chose within the approved plans. Mr. Locey also noted that plans are now able to contain a wellness component that offers incentives to members.

Mr. Locey distributed and reviewed information on large losses and said for the first three years the Consortium received back in claims slightly over \$1.4 million and paid in \$1.3 million in premium which is not normal. Typically the Consortium should expect loss ratio of 60% in claims versus premium. One area he would like to look at next year relates to Stop Loss. The Consortium has to also purchase aggregate Stop Loss which is aggregate for the group as a whole and he would like to see the State to accept a lower trend.

Mr. Locey noted the information provided did not include prescription drug expenses and said on average medical expenses make up 71% of the claims and over 39% for prescription drug expenses. Prescription growth rates used to be higher than medical rate growth, however, they have slowed tremendously over the last few years primarily because of the number of

generic drugs that have entered the marketplace. He said there should have been a decline in drug expenses; however, there has been a dramatic rise in specialty drugs.

He provided copies of medical plan utilization reports based on treatment type and said the reports are standardly used by Excellus and show the aggregate amount paid in 2011, 2012, and 2013. He said if the Consortium is going to start to look at educational items it should pick a few areas to target and gave examples of emergency room use, diabetes, and smoking cessation. He said the information can be drilled down even further than presented such as breaking out urgent care center visits, as well as have Excellus tell how many of the emergency care visits were avoidable.

The second report showed medical plan utilization data by certain diagnosis classes. Mr. Barber said in order to determine which areas the Consortium may want to concentrate it may be helpful to get information from Excellus on their aggregate data to determine how much the Consortium is paying in comparison to the average population. Mr. Locey has requested this and expects to receive the year-end utilization report from Excellus in the next couple of weeks. He said a good wellness program can target areas to bring down body mass index, cholesterol and high blood pressure medications, and other areas in the medical plan in terms of cardiovascular disease and those areas can be tracked to see if any impact is being made.

### **Investment Vehicles for Reserves**

Mr. Barber said the Article 47 and the Consortium's Municipal Cooperative Agreement contain language relating to the Consortium's ability to invest and there may other consortiums or collaborations where a number of municipalities have come together in ways to achieve a higher return on reserves. He asked Mr. Snyder to work with him on looking into what possibilities may exist for the Consortium.

### **Flu Clinic Funding**

Mr. Cook distributed information from the last Owning Your Own Health Committee meeting with regard to the Consortium sponsoring a Consortium-wide employer chosen flu clinic. He said that Committee is asking the Finance Committee to join with them in recommending to the Board of Directors that the Board promote the opportunity for all eligible employees, retirees, and spouses, and dependents over age 19 to participate in a flu clinic. After hearing what options are available he said the Owning Your Own Health recommends that ProAct be charged with administering those clinics that those employers choose to conduct at a claim cost of \$25 per shot.

Mr. Cook said the Committee was not comfortable in making a recommendation on the funding for a flu clinic and is seeking guidance from the Finance Committee. Last year there were 1,283 claims administered through Excellus at a cost of 30 each. Outside of that, ProAct worked with a couple of municipalities independently and administered 200 additional flu shots of which the majority were in Cortland and paid by the City outside of the Consortium's claims budget. He said the Consortium is looking at an approximate cost of \$37,000 and asked for guidance on the best way in which to fund the clinic. He said if ProAct were to administer the clinic it would be at \$25 per flu shot and they could bill the Consortium directly. Excellus would administer the flu shots and would bill at \$30 each. Mr. Locey said he sees there being many benefits and there are many savings that cannot be quantified; his only concern would be sharing a cost through the Consortium if every municipality would not be participating. Mr. Cook noted the Committee met with the Tompkins County Public Health Director who reported the

Health Department is moving away from providing public flu shot clinics and also said the Department charges \$30 per vaccine.

Mr. Barber said four of the largest employers are already conducting flu clinics. Ms. Drake said employees are more likely to get a flu shot if it is convenient. Mr. Cook said flu clinics also provide an opportunity to promote a message and share information with employees.

It was MOVED by Mr. Cook, seconded by Mr. Morey, and unanimously adopted by voice vote, to join with the Owing Your Own Health Committee, in promoting a Consortium-wide sponsored flu clinic.

Mr. Locey said although the total will be included in the claims he will separate it out to show what was spent. Ms. Drake said it will important to have someone to “champion” the flu clinic and municipalities will need to encourage employees to attend; Mr. Barber said ProAct will help market it as well.

### **Summary of the Status of Medicare Supplement From Other Committees**

Mr. Locey said at the next meeting of the Joint Committee on Plan Structure and Design action will be taken on a Medicare Supplement Plan to present to the Board of Directors. It is a standard plan with three drug options and associated rates. Once that occurs it will be up to the Board of Directors to see how the Board wants to proceed. He also reported Medicare Advantage programs are becoming nervous because federal reforms are looking to slash the subsidies they are paying to those programs and people with a Medicare Advantage program may be looking for another option. The Board of Directors will have to decide if and how it would be offered. He said he thinks they have rated it out at a fair level of premium for those people’s coverage and although it may not satisfy some people’s desire to have a real low cost option it is a lower cost option. He thinks the rate is fair and the way the benefits are structure it would not hurt the Consortium financially by having someone move from the active Medicare carve-out to the Medicare supplement.

### **Next Meeting**

The following items were suggested for inclusion at the next meeting:

Financials, Investment Policy, Plan Design

### **Adjournment**

The meeting adjourned at 5:00 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

**Minutes**  
**Greater Tompkins County Municipal Health Insurance Consortium**  
**Audit Committee**  
**March 20, 2014 - 2:00 p.m.**  
**Ithaca Town Hall**

Attendees: Steve Thayer, Judy Drake, Chuck Rankin, Laura Shawley  
Excused: Scott Weatherby  
Guests: Ann Muldoon, Locey, Locey & Cahill; Rick Snyder, Tompkins County Finance Director

**Call to Order**

Mr. Thayer called the meeting to order at 2:05 p.m.

**Approval of Minutes of February 20, 2014**

It was MOVED by Mr. Rankin, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to approve the minutes of February 20, 2014 as submitted. MINUTES APPROVED.

**Report on Responses to Request for Proposals for Medical and Prescription Drug Claims Auditing Services**

Mr. Thayer said the responses were not ready for review by the subcommittee that was established and asked Ms. Muldoon to provide an overview at this time. Ms. Muldoon said Mr. Locey distributed spreadsheets containing an overview of the responses received and commented that Mr. Locey recommends conducting the audits at different times. She reviewed the responses, commenting that the ideal sample size for the medical plan audit would be between 250 to 300 for the size of the Consortium. The following points were noted from the discussion of the medical audit responses:

- Questions raised during the discussion that need follow-up include: How much, if any funds were included in the budget?
- Including a discussion point of examining contracting with separate companies for the services or having one company conduct separate audits.
- Ms. Muldoon will follow-up with two of the responders with questions concerning sample size and rate questions that arose during the discussion.
- Ms. Muldoon will ask Mr. Locey to compile information on the cost per claim.
- The subcommittee scheduled to meet March 26<sup>th</sup> at 10 a.m. at the Town of Ithaca

**April Audit Committee Meeting**

The Committee agreed to cancel its April meeting with the intention of meeting jointly with the Finance Committee in April as there are overlapping agenda items (financials and financing the medical and prescription claims audits).

**Eligibility Audit/Recertification Process**

Mr. Thayer reported at the Board of Directors meeting on February 27<sup>th</sup> a request and recommendation was made to present the information to Joint Committee on Plan Structure and Design at its next meeting. That meeting was subsequently held and the Committee was in support of moving forward. Ms. Drake said there was discussion about establishing parameters around the process; it was the consensus to use the new forms for all new hires, however, the process and ramifications for a full recertification process still needs further discussion. It was suggested and members supported beginning with open enrollment on January 1, 2015 and to have a deadline of May 1<sup>st</sup>.

She suggested asking Beth Miller of Excellus for some guidance on this. Ms. Drake offered to contact Ms. Miller to see if she would be able to provide some guidance and training on this for health insurance clerks, particularly the smaller municipalities.

### **Procurement Policy**

The Committee reviewed the proposed Procurement Policy with changes incorporated from the last meeting. Mr. Snyder commented that the auditors are pleased to see this moving forward. No further changes were and the Committee supported moving the policy forward to the April 24 Board of Directors meeting for approval. Ms. Pottorff will draft a resolution to present to the Board of Directors to approve this policy.

### **Treasurer's Report**

Mr. Snyder reported his office has been very busy with the Consortium's Audit.

### **Other Items**

Mr. Thayer asked if anyone has heard about Excellus claims being in pending status. He said he spoke with Ms. Miller and was told it was due to a change in their system due to Health Care Reform and having to go through each contract to make a change effective January 1, 2014. She said she expected it to be completed by April 8<sup>th</sup>. This has resulted in claims expense appearing to be very low. Although it will not have an impact on the Consortium's financials this should be kept in mind as an explanation to why there will appear to be a spike when this is caught up.

### **Future Agenda Items**

Ms. Pottorff will follow-up with Mr. Barber on a request he made previously that the Committee become familiar with the Enterprise Risk Model.

### **Adjournment**

The meeting adjourned at 3:00 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

**STATE OF NEW YORK  
DEPARTMENT OF FINANCIAL SERVICES**

**DATA REQUIREMENTS FOR  
MUNICIPAL COOPERATIVE HEALTH BENEFIT PLANS**

Greater Tompkins County Municipal Health Insurance Consortium

Name of MCHBP

FOR THE FISCAL YEAR ENDING

December 31, 2013

To be filed 120 days from fiscal year end

Two copies of this Form bearing original signatures and notarization should be filed with  
the Department of Financial Services at the following address:

New York State Department of Financial Services  
Health Bureau  
One State Street, 11th Floor  
New York, New York 10004



## REPORT #1 — PART A: ASSETS

	Current Year	Previous Year *
	1 Total	2 Total
1. Bonds (Schedule B line 0199999)	-	-
2. Stocks:		
2.1 Preferred stocks (Schedule B line 0299999)	-	-
2.2 Common stocks (Schedule B line 0399999)	-	-
3. Real estate (Schedule J line 0199999)	-	-
4.1 Cash (Schedule A Line 0399999)	3,563,863	4,273,608
4.2 Cash equivalents (Schedule A Line 0499999)	-	-
4.3 Total Cash and Cash equivalents (Schedule A Line 0599999)	3,563,863	4,273,608
5. Premiums receivable (Schedule C, NY 10)	277,412	-
6. Other invested assets	-	-
7. Receivable for securities	-	-
8. Aggregate write-in for invested assets	-	-
9. Subtotal cash and invested assets (Lines 1 to 8)	3,841,275	4,273,608
10. Investment income due and accrued	-	-
11. Reinsurance:		
11.1 Amounts recoverable from reinsurers	217,354	984,662
11.2 Funds held by or deposited with reinsured companies	-	-
11.3 Other amounts receivable under reinsurance contracts	-	-
12.1 Current federal income tax recoverable and interest thereon	-	-
12.2 Net deferred tax asset	-	-
13. Electronic data processing equipment and software	-	-
14. Furniture and equipment, including health care delivery assets	-	-
15. Health care and other amounts receivable	212,000	222,360
16. Aggregate write-in for other than invested assets	6,864,425	2,227,983
17. Total Assets(Lines 9 to 16)	11,135,054	7,708,613
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 8 FOR INVESTED ASSETS</b>		
0801. _____	-	-
0802. _____	-	-
0802. _____	-	-
0804. _____	-	-
0805. _____	-	-
0898. Summary of remaining write-ins for Item 8 from overflow page	-	-
0899. TOTALS (Items 0801 thru 0805 plus 0898) (Page 2, item 8)	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR OTHER THAN INVESTED ASSETS</b>		
1601. <u>Restricted cash</u>	5,947,189	1,428,554
1602. <u>Ancillary benefits receivable</u>	9,136	829
1603. <u>Excellus BCBS prepaid claims (Advance deposit)</u>	908,100	798,600
1604. _____	-	-
1605. _____	-	-
1698. Summary of remaining write-ins for Item 16 from overflow page	-	-
1699. TOTALS (Items 1601 thru 1605 plus 1698) (Page 2, item 16)	6,864,425	2,227,983

\* As reported on Prior Year End filed Annual Statement.

## REPORT #1 — PART B: LIABILITIES AND NET WORTH

	Current Year	Previous Year *
	1 Total	2 Total
1.1 Unpaid claims (Schedule F, NY11)	2,749,847	3,082,421
1.2 Additional amount required by Section 4706(a)(1)	824,546	-
1.3 Total Claims payable	3,574,393	3,082,421
2. Premiums received in advance	196,396	-
3. General expenses due or accrued	-	-
4.1 Current federal income tax payable and interest thereon	-	-
4.2 Net deferred tax liability	-	-
5. Ceded reinsurance premiums payable	-	-
6. Amounts withheld or retained for the account of others	-	-
7. Borrowed money and interest thereon	-	-
8. Payable for securities	-	-
9. Funds held under reinsurance treaties	-	-
10. Aggregate write-ins for other liabilities	-	-
11. Accounts payable (Schedule G, NY12)	315,382	-
12. Claim stabilization reserve	-	-
13. Unearned premiums	-	-
14. Loans and notes payable	-	-
15. Aggregate write-ins for current liabilities	-	-
16. Total liabilities (Lines 1 to 16)	4,086,171	3,082,421
17. Aggregate write-ins for special surplus funds	600,000	-
18. Gross paid-in and contributed surplus	-	-
19. Unassigned funds (surplus)	4,723,499	3,197,415
20. Surplus notes	-	-
21. Surplus per Section 4706(a)(5) **	1,725,384	1,428,777
22. Total capital and surplus (Lines 17 to 21)	7,048,883	4,626,192
23. Total liabilities, capital, and surplus (Lines 16 + 22)	11,135,054	7,708,613
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER LIABILITIES</b>		
1001. _____	-	-
1002. _____	-	-
1003. _____	-	-
1004. _____	-	-
1005. _____	-	-
1098. Summary of remaining write-ins for Item 10 from overflow page	-	-
1099. TOTALS (Items 1001 thru 1005 plus 1098) (Page 3, item 10)	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 15 FOR CURRENT LIABILITIES</b>		
1501. _____	-	-
1502. _____	-	-
1503. _____	-	-
1504. _____	-	-
1505. _____	-	-
1598. Summary of remaining write-ins for Item 15 from overflow page	-	-
1599. TOTALS (Items 1501 thru 1505 plus 1598) (Page 3, item 15)	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR SPECIAL SURPLUS FUNDS</b>		
1701. <u>Assigned for Catastrophic Claims</u>	600,000	-
1702. _____	-	-
1703. _____	-	-
1704. _____	-	-
1705. _____	-	-
1798. Summary of remaining write-ins for Item 17 from overflow page	-	-
1799. TOTALS (Items 1701 thru 1705 plus 1798) (Page 3, item 17)	600,000	-

\* As reported on Prior Year End filed Annual Statement.

\*\* Calculation of current year reserves shown on NY16 (Schedule K).

## REPORT #2 STATEMENT OF REVENUE, EXPENSES AND NET WORTH

	Current Year	Previous Year *	Current Year	Previous Year *
	1	2	3	4
	Total	Total	PMPM	PMPM
	61,063	53,375	XXX	XXX
1. Member Months				
2. Net premium income:				
2.1 Basic	34,507,671	28,575,531	565.12	535.37
2.2 Drugs	-	-	-	-
2.3 Total	34,507,671	28,575,531	565.12	535.37
3. Change in unearned premium reserves and reserve for rate credits:				
3.1 Basic	-	-	-	-
3.2 Drugs	-	-	-	-
3.2 Total	-	-	-	-
4. Aggregate write-ins for other health care related revenues	-	-	-	-
5. Investment	9,871	7,332	0.16	0.14
6. Non-health revenues	146,563	105,902	XXX	XXX
7. Total revenues (Items 2 to 6)	34,664,105	28,688,765	567.68	537.49
<b>Hospital and Medical:</b>				
8. Hospital/medical benefits	21,438,806	18,190,193	351.09	340.80
9. Other professional services	-	-	-	-
10. Outside referrals	-	-	-	-
11. Emergency room and out-of-area	-	-	-	-
12. Prescription drugs	6,574,951	6,608,842	107.67	123.82
13. Aggregate write-ins for other hospital and medical	-	-	-	-
14. Incentive pool, withhold adjustments and bonus amounts	-	-	-	-
15. Aggregate write-ins for other expenses	237,105	208,359	3.88	3.90
16. Subtotal (Lines 8 to 15)	28,250,862	25,007,394	462.65	468.52
<b>Less:</b>				
17. Net reinsurance recoveries	281,688	984,662	4.61	18.45
18. Total hospital and medical (Lines 16-17)	27,969,174	24,022,732	458.04	450.07
19. Claims adjustment expenses, including cost containment expenses	-	-	-	-
20. General administrative expenses	-	-	-	-
20.1 Compensation	35,960	39,899	0.59	0.75
20.2 Interest expense	119,425	-	1.96	-
20.3 Occupancy, depreciation, and amortization	-	-	-	-
20.4 Marketing	-	-	-	-
20.5 Professional Fees	99,112	11,675	1.62	0.22
20.6 Administration Fees	939,946	858,215	15.39	16.08
20.7 Consulting Fees	64,722	58,612	1.06	1.10
20.8 Aggregate write-ins for other administrative expenses	614,612	415,760	10.07	7.79
20.9 Total administrative expenses	1,873,777	1,384,161	30.69	25.93
21. Increase in reserves for A&H contracts	-	-	-	-
22. Total underwriting deductions (Lines 18 to 21)	29,842,951	25,406,893	488.72	476.01
23. Net underwriting gain or (loss) (Lines 7 - 22)	4,821,154	3,281,872	78.95	61.49
24. Net investment income earned	-	-	-	-
25. Net realized capital gains or (losses) less capital gains taxes	-	-	-	-
26. Net investment gains or (losses) (Lines 24 + 25)	-	-	-	-
27. Aggregate write-ins for other income or expenses	(151,780)	(103,699)	(2.49)	(1.94)
28. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 23 + 26 + 27)	4,669,374	3,178,173	76.47	59.54
29. Federal income taxes incurred	-	-	-	-
30. Net income (loss) (Lines 28 - 29)	4,669,374	3,178,173	76.47	59.54
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 4 FOR OTHER HEALTH CARE RELATED REVENUES</b>				
0401. _____	-	-	-	-
0402. _____	-	-	-	-
0403. _____	-	-	-	-
0404. _____	-	-	-	-
0405. _____	-	-	-	-
0498. Summary of remaining write-ins for Item 4 from overflow page	-	-	-	-
0499. TOTALS (Items 0401 thru 0405 plus 0498) (Page 4, Item 4)	-	-	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 13 FOR OTHER HOSPITAL AND MEDICAL</b>				
1301. _____	-	-	-	-
1302. _____	-	-	-	-
1303. _____	-	-	-	-
1304. _____	-	-	-	-
1305. _____	-	-	-	-
1398. Summary of remaining write-ins for Item 13 from overflow page	-	-	-	-
1399. TOTALS (Items 1301 thru 1305 plus 1398) (Page 4, item 13)	-	-	-	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 15 FOR OTHER EXPENSES</b>				
1501. NYS Graduate Medical Education Tax	237,105	208,359	3.88	3.90
1502. _____	-	-	-	-
1503. _____	-	-	-	-
1504. _____	-	-	-	-
1505. _____	-	-	-	-
1598. Summary of remaining write-ins for Item 15 from overflow page	-	-	-	-
1599. TOTALS (Items 1501 thru 1505 plus 1598) (Page 4, item 15)	237,105	208,359	4	4
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 20.8 FOR OTHER ADMINISTRATIVE EXPENSES</b>				
20.801. Insurance (Directors & Officers, Professional Liability)	22,211	21,139	0.36	0.40
20.802. Stop-loss premiums	592,401	394,621	9.70	7.39
20.803. _____	-	-	-	-
20.804. _____	-	-	-	-
20.805. _____	-	-	-	-
20.898. Summary of remaining write-ins for Item 20.8 from overflow page	-	-	-	-
20.899. TOTALS (Items 20.801 thru 20.805 plus 20.898) (Page 4, item 20.8)	614,612	415,760	10	8
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 27 FOR OTHER INCOME OR EXPENSES</b>				
2701. Miscellaneous expenses	(5,217)	-	(0.09)	-
2702. Insured Ancillary benefits expense	(146,563)	(103,699)	(2.40)	(1.94)
2703. _____	-	-	-	-
2704. _____	-	-	-	-
2705. _____	-	-	-	-
2798. Summary of remaining write-ins for Item 27 from overflow page	-	-	-	-
2799. TOTALS (Items 2701 thru 2705 plus 2798) (Page 4, item 27)	(151,780)	(103,699)	(2)	(2)

\* As reported on Prior Year End filed Annual Statement.

**REPORT #2 STATEMENT OF REVENUE, EXPENSES AND NET WORTH (Continued)**

CAPITAL & SURPLUS ACCOUNT	Current Year	Previous Year *
	1 Total	2 Total
31. Capital and surplus prior reporting year	4,626,192	1,249,619
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>		
32. Net income or (loss) from Line 30	4,669,374	3,178,173
33. Change in valuation basis of aggregate policy and claim reserve	-	-
34. Change in net unrealized capital gains and losses less capital gains tax	-	-
35. Change in net deferred income tax	-	-
36. Change in nonadmitted assets	-	-
37. Change in unauthorized reinsurance	-	-
38. Change in surplus notes	-	-
39. Cumulative effect of changes in accounting principles	-	-
40. Capital Changes		
40.1 Paid in	-	-
40.2 Transferred to surplus	-	-
41. Surplus adjustments:		
41.1 Paid in	-	-
41.2 Transferred from capital	-	-
42. Dividends to participating municipal corporations (or school districts)	-	-
43. Change in surplus per Section 4706(a)(5)	(296,607)	198,400
44. Change in retained earnings/fund balance	(1,125,530)	-
45. Interest on surplus notes	-	-
46. Aggregate write-ins for changes in other net worth items	(824,546)	-
47. Aggregate write-ins for gains or (losses) in surplus	-	-
48. Net change in capital and surplus (Lines 32 to 50)	2,422,691	3,376,573
49. Capital and surplus end of reporting year (Line 31 + 51)**	7,048,883	4,626,192
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 46 FOR CHANGES IN OTHER NET WORTH ITEMS</b>		
4601. Additional needed for 12% IBNR	\$ (824,546)	\$ -
4602. _____	-	-
4603. _____	-	-
4604. _____	-	-
4605. _____	-	-
4698. Summary of remaining write-ins for Item 46 from overflow page	-	-
4699. TOTALS (Items 4601 thru 4605 plus 4698) (Page 5, item 46)	(824,546)	-
<b>DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR GAINS OR (LOSSES) IN SURPLUS</b>		
4701. _____	\$ -	\$ -
4702. _____	-	-
4703. _____	-	-
4704. _____	-	-
4705. _____	-	-
4798. Summary of remaining write-ins for Item 48 from overflow page	-	-
4799. TOTALS (Items 4701 thru 4705 plus 4798) (Page 5, item 47)	-	-

\* As reported on Prior Year End filed Annual Statement.



**GENERAL INTERROGATORIES (Continued)**

- 13 a) Provide the following information on the MCHBP's general liability insurance coverage:
- i) Name of Carrier: Each municipality within the Consortium carries its own GL coverage through a policy or as self-insured. Exposure is
  - ii) Limits of Coverage: minimal for a GL claim since the Consortium has no employees or offices. Most meetings are held at the County's conference
  - iii) Expiration Date: room, and the County is self-insured for activities that occur in that conference room.

14 Complete the Itemization of Stop-Loss Fund Recoveries schedule below.

	Itemization of Stop-Loss Fund Recoveries		
	1 Current Year	2 Prior Year	3 Projected
1. Aggregate Stop-Loss Coverage Per Insurance Law § 4707(a)(1)	1700000	725000	1700000
2. Specific Stop-Loss Coverage Per Insurance Law § 4707(a)(2)	1000000	1000000	1000000
3. Total	2700000	1725000	2700000

- 15 a) Provide the following information on the MCHBP's reinsurance (stop-loss) coverage:
- i) Name of Carrier: Highmark Life Insurance Co.
  - ii) Limits of Coverage: \$300,000 specific deductible w/\$1,700,000 policy year maximum, lifetime unlimited 125% aggregate corridor w/either a) sum of monthly aggregate deductible amounts applicable to each policy month in the current policy term, or b) minimum aggregate deductible. \$1,000,000 policy year maximum
  - iii) Expiration Date: December 31, 2014
- b) If the MCHBP does not have this coverage, explain:  
N/A

16 a) Does the MCHBP set up its claim liability for hospital and other medical services on a service date basis? Yes [ X ] No [ ]

b) If No, give details: N/A  
N/A

17 a) Was the MCHBP's prior year's annual statement amended? Yes [ ] No [ X ]

- b) If yes, furnish the following information regarding the last amendment to the prior year's annual statement filed with the MCHBP's state of domicile
- i) Amendment number: N/A
  - ii) Date of amendment: N/A

18 What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ciacshi Dietershagen Little Mickelson & Company, LLP, 401 East State Street, Suite 500, Ithaca, NY 14850

19 What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Acquarius Capital Solutions Group LLC, 110 Betsy Brown Rd, Port Chester, NY 10573. No affiliation with Consortium

20 Does the reporting entity keep a complete permanent record of the proceedings of its governing board and all subordinate committees thereof? Yes [ X ] No [ ]

21 a) Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$24,217

b) List the name of the firm and the amount paid if any such payment represented 5% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Superintendent of Financial Services	\$24,217

22 a) Does the MCHBP plan to refund any amounts in excess of reserves and surplus required by § 4706 of the New York Insurance Law and anticipated expenses in the plan's joint funds to participating municipal corporations during the next 90 days? Yes [ ] No [ X ]

- b) If a) is "Yes", provide the following:
- i) Anticipated date of distribution. Date: N/A
  - ii) Anticipated amount of distribution. N/A

23 a) Has the MCHBP's current community rating methodology been filed with and approved by the superintendent as required by § 4705(d)(5)(B) of the New York Insurance Law? Yes [ X ] No [ ]

- b) If a) is "Yes", answer the following:
- i) When was the request filed with the Department of Financial Services? Date: 10/01/10
  - ii) When was the request approved? Date: N/A
  - iii) If approved, please attach a copy of the approval letter.

c) If a) is "No", give particulars, including when the community rating methodology will be filed with the Department of Financial Services:  
This information was submitted as part of our application process to the state and was approved at that time.  
A defacto authorization has been deemed to be received as the Consortium received a Certificate of Authority to operate on 10/1/10.

SCHEDULE A — CASH AND CASH EQUIVALENTS

1	2	3	4	5	6	7	8	9
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Received During Fiscal Year	Amount of Interest Due & Accrued at end of Current Fiscal Year	Balance
Depository -- Cash	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Tompkins Trust Company (checking)	XXX	XXX	0.095	XXX	XXX	7,727	-	3,563,863
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
		XXX		XXX	XXX			
0199999 Total -- Cash on Deposit	XXX	XXX	XXX	XXX	XXX	7,727	-	3,563,863
0299999 Cash in Company's Office	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0399999 Total -- Cash	XXX	XXX	XXX	XXX	XXX	7,727	-	3,563,863
Description -- Cash Equivalent	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0499999 Total -- Cash Equivalent	XXX	XXX	XXX	XXX	-	-	-	-
0599999 Total -- Cash and Cash Equivalent	XXX	XXX	XXX	XXX	\$	\$ 7,727	\$	\$ 3,563,863

NOTE: Negotiable certificates of deposit to be reported in Schedule B.

**SCHEDULE B — INVESTMENTS**

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22		
CUSIP Identification	Description	Code	Foreign	Bond Characteristics	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A. C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date		
N/A	N/A													XXX									
														XXX									
														XXX									
														XXX									
														XXX									
														XXX									
														XXX									
0199998	From Overflow Page (NY 19)					-	XXX	-	-	-	-	-	-	XXX	XXX	XXX	XXX	-	-	XXX	XXX		
0199999	<b>Total bonds</b>					\$	-	XXX	\$	-	\$	-	\$	-	XXX	XXX	XXX	\$	-	XXX	XXX		
1	2	Codes		5	6	7	Fair Value			11	Dividends			Change in Book/Adjusted Carrying Value					23				
3	4	8	9				10	12	13		14	15	16	17	18	19	20	21		22			
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value per Share	Rate Per Share	Book/ Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Year's (Amortization) Accreti	Year's Other Than Temporary Impairment	Change in B./A. C.V. Common	Total Change in B./A.C.V. Preferred Stocks	Foreign Exchange Change in B./A.C.V.	NAIC Designation	NAIC Market Indicator (a)	Date Acquired	
XXX	List Preferred Stocks	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
N/A	N/A																	XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
																		XXX	-	XXX	XXX	XXX	
0299998	From Overflow Page (NY 20)					-	XXX	-	-	-	-	-	-	-	-	XXX	XXX	-	XXX	XXX	XXX	XXX	
0299999	<b>Total Preferred Stocks</b>				XXX	XXX	\$	-	XXX	\$	-	\$	-	\$	-	XXX	XXX	\$	-	XXX	XXX	XXX	
XXX	List Common Stocks	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
N/A	N/A				XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
					XXX	XXX												XXX	XXX	XXX	XXX	XXX	
0399998	From Overflow Page (NY 21)				XXX	XXX									XXX	XXX		XXX	XXX	XXX	XXX	XXX	
0399999	<b>Total Common Stocks</b>						\$	-	XXX	\$	-	\$	-	\$	-	XXX	XXX	\$	-	XXX	XXX	XXX	
0499999	<b>Total Common &amp; Preferred Stocks</b>						\$	-	XXX	\$	-	\$	-	\$	-	XXX	XXX	\$	-	XXX	XXX	XXX	

**SCHEDULE C — PREMIUMS RECEIVABLE (Other than Affiliates)**

Individually list all Municipal Corporations with account balances the greater of 10% of gross Premiums Receivable or \$5,000.

Name of Debtor	1 1-30 Days	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Non-Admitted	6 Admitted
	-	-	-	-	-	\$ -
Tompkins-Cortland Community College	277,412	-	-	-	-	277,412
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
0199999 Individually Listed Receivables	277,412	-	-	-	-	277,412
0299999 Receivables Not Individually Listed	\$ -	\$ -	\$ -	\$ -	-	-
0399999 Gross Premiums Receivable	277,412	-	-	-	-	277,412
0499999 Less Allowance for Doubtful Accounts					-	-
0599999 Premiums Receivable					-	277,412

**N.Y. SCHEDULE F — CLAIMS PAYABLE ANALYSIS  
(ON A FISCAL YEAR BASIS)**

**Calculation of Unpaid Claims Reserves at Year End**

Unpaid claims reserve = [(percent approved by the department expressed as a decimal)\*(Paid claims CY - Unpaid claims PY)] / [(1-percent approved by the department expressed as a decimal)]

Reserve requirement 12% As Approved by the Department of Financial Services (Formally the Insurance Department)

Paid claims CY	<u>\$ 28,869,504</u>	From Section I, Col B, Line 4 below
Unpaid claims PY	<u>\$ 2,657,286</u>	From Section I, Col C, Line 4 below. Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Result	<u>\$ 3,574,393</u>	
Total Claim Payable Per Actuary - Hospital and Medical Claims	<u>\$ 2,726,944</u>	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary - Drug Claims	<u>22903</u>	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary - Other	<u>0</u>	Includes expenses on claims reported and not yet paid, and expenses on claims incurred but not yet reported
Total Claims Payable Per Actuary	<u>\$ 2,749,847</u>	To be reported on page NY 3 Line 1.1
Total Additional Amount Required by Section 4706(a)(1)	<u>\$ 824,546</u>	To be reported on Page NY 3 Line 1.2
Total Claims Payable	<u>\$ 3,574,393</u>	To be reported on Page NY 3 line 1.3

**SECTION I — CLAIMS INCURRED**

A Description of Claims	B Paid During Year	C Unpaid Prior Year	D Unpaid Current Year	E Incurred This Year* (B - C + D)
1. Hospital & Medical Claims - Per Actuary	21,711,019	2,497,096	2,726,944	21,940,867
2. Drug Claims - Per Actuary	7,158,485	160,190	22,903	7,021,198
3. Other - Per Actuary	-	-	-	-
4. Total	28,869,504	2,657,286	2,749,847	28,962,065

\*Must equal hospital and medical expenses accrued and unpaid which are reported on Report #2, Line18.

**SECTION II — ANALYSIS OF UNPAID CLAIMS — CURRENT FISCAL YEAR**

A Description of Claims	B Reported Claims in Process of Adjustment	C Estimated Incurred but Unreported	D Total—Claims Payable* (Columns B + C)
1. Hospital & Medical Claims - Per Actuary	369,664	2,357,280	2,726,944
2. Drug Claims - Per Actuary	-	22,903	22,903
3. Other - Per Actuary	-	-	-
4. Total	369,664	2,380,183	2,749,847

\* Must equal Section 1, Col. D.

**SECTION III — ANALYSIS OF UNPAID CLAIMS — PREVIOUS FISCAL YEAR**

A Description of Claims	Claims Paid During the Year*		Claims Unpaid at End of Current Year Viz: Estimated Liability at End of Current Year		F Total Claims Paid During the Year and Claims Unpaid at End of Current Year on Claims Incurred in Prior Years (B + D)	G** Estimated Liability of Unpaid Claims at End of Previous Year	H Amount Unpaid Claims is Over or (Under) Reserved
	B On Claims Incurred Prior to Current Year	C On Claims Incurred During the Year	D On Claims Unpaid at End of Previous Year	E On Claims Incurred During the Year			
1. Hospital & Medical Claims	1,887,036	19,823,983	32,227	2,694,717	1,919,263	2,497,096	577,833
2. Drug Claims	141,054	7,017,431	-	22,903	141,054	160,190	19,136
3. Other	-	-	-	-	-	-	-
4. TOTAL	2,028,090	26,841,414	32,227	2,717,620	2,060,317	2,657,286	596,969

\* Must equal Section 1, Col. B.

\*\* Must equal Section 1, Col. C.

NOTE: The sum of the amounts reported on Line 4, Column D+E must equal the amount reported on Schedule F, Section II, Line 4, Column D.

NOTE: All three sections must be reported on a fiscal year basis.



N.Y. SCHEDULE H — FIVE-YEAR HISTORICAL DATA

A	B Current Year 2013	C 2012	D 2011	E 2010	F 2009
<b>BALANCE SHEET ITEMS (Page 2, 3)</b>					
1. Total Assets	11,135,054	7,708,613	4,320,054	1,441,811	-
2. Total Liabilities	4,086,171	3,082,421	3,070,435	-	-
3. Contingency Reserve	1,725,384	1,428,777	1,289,746	1,223,736	-
4. Total Net Worth	7,048,883	4,626,192	1,249,619	1,441,811	-
<b>INCOME STATEMENT ITEMS (Page 4)</b>					
5. Net Premium Income	34,507,671	28,575,531	25,794,917	1,441,099	-
6. Total Revenues	34,664,105	28,688,765	25,968,215	1,441,944	-
7. Total Hospital and Medical expenses	27,969,174	24,022,732	24,965,572	133	-
8. Total Administration expenses	1,873,777	1,384,161	1,194,835	-	-
9. Net Income	4,669,374	3,178,173	(192,192)	1,441,811	-
10. Member Months	61,063	53,375	52,873	0	0
11. Net Premium Income (PMPM)	565.12	535.37	487.87	#DIV/0!	#DIV/0!
12. Total Revenues(PMPM)	567.68	537.49	491.14	#DIV/0!	#DIV/0!
13. Total Hospital And Medical Expenses (PMPM)	458.04	450.07	472.18	#DIV/0!	#DIV/0!
14. Total Administration Expenses (PMPM)	30.69	25.93	22.60	#DIV/0!	#DIV/0!
15. Net Income (PMPM)	76.47	59.54	(3.63)	#DIV/0!	#DIV/0!
<b>FORMULAS</b>					
16. Other Invested Assets/Total Assets	0.00	0.00	0.00	0.00	0.00
17. Total Hospital and Medical Expenses / Net Premium IncomePremium	0.81	0.88	0.97	0.00	0.00
18. Total Administration Expenses / Total Revenues	0.05	0.05	0.05	0.00	0.00
<b>UNPAID CLAIMS ANALYSIS</b>					
19. Total Claims Paid During the Year etc. (From Schedule F, Section III, Col. F, Line 4)	2,060,317	1,764,389	-	-	-
20. Estimated Liability of Unpaid Claims— Previous Year	2,657,286	3,043,382	-	-	-

**SCHEDULE I-1 — PARTICIPATING MUNICIPAL CORPORATIONS (OR SCHOOL DISTRICTS)**

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of Participating Municipal Corporations	15	15	15	15	15

**SCHEDULE I-2 — EMPLOYEES AND RETIREES OF THE MUNICIPAL CORPORATION ENROLLED (OR SCHOOL DISTRICTS)**

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of employees and retirees enrolled	2,002	2,282	2,284	2,284	2,288

**SCHEDULE I-3 — ENROLLMENT DATA (Participants)**

A	B Prior Year End	C 1st Quarter	D 2nd Quarter	E 3rd Quarter	F 4th Quarter
Number of total lives covered	53,375	15,356	15,255	15,240	15,212

STATEMENT AS OF ##### OF THE Greater Tompkins County Municipal Health Insurance Consortium  
 (Year Ending) (Name)

**SCHEDULE J — REAL ESTATE**

1	Location		4	5	6	7	8	9	Change in Book/Adjusted Carrying Value Less Encumbrances				14	15
	2	3							10	11	12	13		
Description of Property	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (12-10-11)	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs, and Expenses Incurred
N/A														
<b>0199999 Totals</b>					-	-	-	-	-	-	-	-	-	-

**SCHEDULE K —CALCULATION OF SURPLUS PER SECTION 4706(a)(5)**

	Current Year
1. Number of participating Municipal Corporations	15
2. Number of enrolled members	2,288
3. Percentage used to calculate the Surplus per Section 4706(a)(5)	5%
4. Net premium income	34,507,671
5. Surplus per Section 4706(a)(5)	1,725,384

**OVERFLOW PAGE FOR WRITE-INS**

	Current Year 1 Total	Previous Year * 2 Total	Current Year 3 PMPM	Previous Year * 4 PMPM
<b>Page NY 2</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 8 FOR INVESTED ASSETS</b>				
0806.			xxx	xxx
0807.			xxx	xxx
0808.			xxx	xxx
0809.			xxx	xxx
0810.			xxx	xxx
0898. TOTALS (Items 0806 thru 0810)	-	-	xxx	xxx
<b>Page NY 2</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 16 FOR OTHER THAN INVESTED ASSETS</b>				
1606.			xxx	xxx
1607.			xxx	xxx
1608.			xxx	xxx
1609.			xxx	xxx
1610.			xxx	xxx
1698. TOTALS (Items 1606 thru 1610)	-	-	xxx	xxx
<b>Page NY 3</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 10 FOR OTHER LIABILITIES</b>				
1006.			xxx	xxx
1007.			xxx	xxx
1008.			xxx	xxx
1009.			xxx	xxx
1010.			xxx	xxx
1098. TOTALS (Items 1006 thru 1010)	-	-	xxx	xxx
<b>Page NY 3</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 15 FOR CURRENT LIABILITIES</b>				
1506.			xxx	xxx
1507.			xxx	xxx
1508.			xxx	xxx
1509.			xxx	xxx
1510.			xxx	xxx
1598. TOTALS (Items 1506 thru 1510)	-	-	xxx	xxx
<b>Page NY 3</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 17 FOR SPECIAL SURPLUS FUNDS</b>				
1706.			xxx	xxx
1707.			xxx	xxx
1708.			xxx	xxx
1709.			xxx	xxx
1710.			xxx	xxx
1798. TOTALS (Items 1706 thru 1710)	-	-	xxx	xxx
<b>Page NY 4</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 4 FOR OTHER HEALTH CARE RELATED REVENUES</b>				
0406.			-	-
0407.			-	-
0408.			-	-
0409.			-	-
0410.			-	-
0498. TOTALS (Items 0406 thru 0410)	-	-	-	-
<b>Page NY 4</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 13 FOR OTHER HOSPITAL AND MEDICAL</b>				
1306.			-	-
1307.			-	-
1308.			-	-
1309.			-	-
1310.			-	-
1398. TOTALS (Items 1306 thru 1310)	-	-	-	-
<b>Page NY 4</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 15 FOR OTHER EXPENSES</b>				
1506.			-	-
1507.			-	-
1508.			-	-
1509.			-	-
1510.			-	-
1598. TOTALS (Items 1506 thru 1510)	-	-	-	-
<b>Page NY 4</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 20.8 FOR OTHER ADMINISTRATIVE EXPENSES</b>				
20.806.			-	-
20.807.			-	-
20.808.			-	-
20.809.			-	-
20.810.			-	-
20.898. TOTALS (Items 20.806 thru 20.810)	-	-	-	-
<b>Page NY 4</b>				
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>				
<b>ITEM 27 FOR OTHER INCOME OR EXPENSES</b>				
2706.			-	-
2707.			-	-
2708.			-	-
2709.			-	-
2710.			-	-
2798. TOTALS (Items 2706 thru 2710)	-	-	-	-

\* As reported on Prior Year End filed Annual Statement.

**OVERFLOW PAGE FOR WRITE-INS**

	Current Year	Previous Year *
	1 Total	2 Total
<b>Page NY5</b>		
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>		
<b>ITEM 46 FOR CHANGES IN OTHER NET WORTH ITEMS</b>		
4606. _____		
4607. _____		
4608. _____		
4609. _____		
4610. _____		
4698. TOTALS (Items 4606 thru 4610)	-	-
<b>Page NY5</b>		
<b>DETAILS OF ADDITIONAL WRITE-INS AGGREGATED AT</b>		
<b>ITEM 47 FOR GAINS OR (LOSSES) IN SURPLUS</b>		
4706. _____		
4707. _____		
4708. _____		
4709. _____		
4710. _____		
4798. TOTALS (Items 4706 thru 4710)	-	-

\* As reported on Prior Year End filed Annual Statement.





**OVERFLOW PAGE FOR SCHEDULE B — INVESTMENTS (COMMON STOCKS)**

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value						21	22	23	
		3	4					9	10		12	13	14	15	16	17	18	19	20				
CUSIP Identification	Description	Code	Foreign	Number of Shares	Par Value per Share	Rate Per Share	Book/Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. Common Stocks (15-17)	Total Change in B./A.C.V. Preferred Stocks (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation	NAIC Market Indicator (a)	Date Acquired	
XXX	List Common Stocks	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
					XXX	XXX									XXX			XXX	XXX	XXX	XXX		
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					XXX	XXX									XXX			XXX	XXX	XXX	XXX		
0399998	Total Overflow Common Stocks						\$ -	XXX	\$ -	\$ -	\$ -	\$ -	\$ -	XXX	XXX	\$ -	XXX	XXX	XXX	XXX	XXX	XXX	XXX



Municipalities building a  
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November 8, 2013

Ms. Adrian Pope  
Insurance Examiner  
New York State Department of Financial Services  
Health Bureau  
25 Beaver Street  
New York, NY 10004

Dear Ms. Pope:

This letter is being sent to address the New York State Department of Financial Services of the Greater Tompkins County Municipal Health Insurance Consortium's use of a 12% factor for calculating the Consortium's incurred but not reported (IBNR) and incurred but not paid (IBNP) claims liability reserve. As you are acutely aware, §4706(a)(1) of the New York State Insurance Law requires the Consortium to establish this particular reserve in accordance with the following definition:

***(a) Notwithstanding any provision of law, the governing board of a municipal cooperative health benefit plan shall establish a reserve fund, and the plan's chief fiscal officer shall cause to be paid into the reserve fund the amounts necessary to satisfy all contractual obligations and liabilities of the plan, including:***

***(1) a reserve for payment of claims and expenses thereon reported but not yet paid, and claims and expenses thereon incurred but not yet reported which shall not be less than an amount equal to twenty-five percent of expected incurred claims and expenses thereon for the current plan year, unless a qualified actuary has demonstrated to the superintendent's satisfaction that a lesser amount will be adequate;***

As you are aware, the Greater Tompkins County Municipal Health Insurance Consortium was the first and remains the only Municipal Cooperative Health Benefits Plan to be formed and receive its Certificate of Authority under Article 47 of the New York State Insurance Law since the Law's enactment in 1993. As a result, much of what was undertaken by the Consortium and the New York State Department of Financial Services during the formation of the Consortium involved a collaborative effort to work through the requirements of Article 47 for a "start-up" Consortium.

One of the major areas of discussion involved the amount of and development of the required reserves. It was the contention of the representatives from the Greater Tompkins County Municipal Health Insurance Consortium that the reserve levels needed to be reasonable, prudent, but not excessive. In addition, it was the opinion of the Consortium that the reserves could be developed in the first year of the Consortium's operations as authorized by §4704(a)(7) as follows:

***(7) the municipal cooperative health benefit plan establishes premium equivalent rates sufficient to meet its contractual obligations and to satisfy the reserve and surplus requirements set forth in section four thousand seven hundred six of this article;***

Ms. Adrian Pope, Insurance Examiner  
 New York State Department of Financial Services  
 November 8, 2013

The discussions regarding the development of the reserves was a major issue for the Consortium as the Participating Municipalities were not in a position to invest significant dollars into the Consortium above and beyond their premium payments.

After a number of conference calls and meetings it was agreed that the Consortium's financial plan submitted with its application would include an initial assessment to all Participating Municipalities to "seed" the Surplus Account as required by §4706(a)(5)(A) of the New York State Insurance Law. In addition, it was agreed that the financial projections and models to be developed and submitted for consideration by the Consortium would include an IBNR/IBNP Reserve equal to 12% of expected incurred claims for the year in accordance with §4706(a)(1) of the New York State Insurance Law.

The above understanding was clearly noted in the Greater Tompkins County Municipal Health Insurance Consortium's Article 47 Application in Exhibit D and in the financial reports attached the Application. It is the position of the Greater Tompkins County Municipal Health Insurance Consortium that the approval of the Article 47 Application and the issuance of the Certificate of Authority represented the New York State Department of Financial Services approval of the 12% IBNR/IBNP Liability Reserve Factor.

Since this initial decision, the Consortium has continued to use this same 12% IBNR/IBNP Liability Reserve Factor even though the actual results have proven it to be a conservative approach. In fact, when we review the paid claims results for services rendered in 2011, we show 7.21% of the total incurred claims were paid in 2012 and -0.09% was paid in 2013. Please refer to the following chart for a summary of this information:

	<i>Incurred 2011 Paid 2011</i>	<i>Incurred 2011 Paid 2012</i>	<i>Incurred 2011 Paid 2013</i>	<i>Total Incurred 2011</i>	<i>Total Paid 2011</i>
<i>Hospital/Medical</i>	\$15,750,814.63	\$1,582,912.29	-\$21,706.53	\$17,312,020.39	\$15,750,814.63
<i>Prescription Drug</i>	\$6,465,217.00	\$141,401.00	\$0.00	\$6,606,618.00	\$6,465,217.00
<i>Total</i>	\$22,216,031.63	\$1,724,313.29	-\$21,706.53	\$23,918,638.39	\$22,216,031.63
<i>Percent of Total</i>	92.88%	7.21%	-0.09%		

The results for 2012 are showing similar results to 2011 with 8.09% of the total incurred claims for 2012 being paid in 2013. This data is through September 30, 2013 and may change slightly as there was a total of \$2,888.70 in paid claims reimbursed in September 2013 which were related to claims incurred in 2012. For a summary of the 2012 incurred claims data, please refer to the following:

	<i>Incurred 2012 Paid 2012</i>	<i>Incurred 2012 Paid 2013</i>	<i>Incurred 2012 Paid 2014</i>	<i>Total Incurred 2012</i>	<i>Total Paid 2012</i>
<i>Hospital/Medical</i>	\$16,357,266.91	\$1,914,255.32		\$18,271,522.23	\$17,940,179.20
<i>Prescription Drug</i>	\$6,987,849.00	\$141,054.00		\$7,128,903.00	\$7,129,250.00
<i>Total</i>	\$23,345,115.91	\$2,055,309.32	\$0.00	\$25,400,425.23	\$25,069,429.20
<i>Percent of Total</i>	91.91%	8.09%	0.00%		

Ms. Adrian Pope, Insurance Examiner  
New York State Department of Financial Services  
November 8, 2013

In summation, we respectfully advise you that we do not possess a letter from the New York State Department of Financial Services authorizing the use of the 12% IBNR/IBNP Liability Reserve Factor. Instead, we hereby request that the Department review the Article 47 Application for the Consortium which includes this information and we ask the Department to consider the information contained in this letter.

We hope this information is sufficient for your needs in addressing the questions regarding the Greater Tompkins County Municipal Health Insurance Consortium's use of the 12% IBNR/IBNP Liability Reserve Factor. We thank you for your time and consideration of this information. As always, we are available to answer any questions you may have regarding this information or any issues that relate to the Greater Tompkins County Municipal Health Insurance Consortium.

Respectfully Submitted,

Don Barber  
Chairperson, GTCMHIC  
Supervisor, Town of Caroline