



Greater Tompkins County Municipal Health Insurance Consortium

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

RESOLUTION NO. 011-2018 - AUTHORIZING CHAIRPERSON OF THE BOARD TO SIGN THE MUNICIPAL HEALTHCARE FINANCING COOPERATIVE INTER-MUNICIPAL AGREEMENT

MOVED by Mr. Mutchler, seconded by Mr. Doty, and unanimously adopted by voice vote by members present.

WHEREAS, since inception the Consortium has paid \$4.2 million in Stop-Loss premium which has paid \$2.1 million of claims expense above the Consortium deductible, and

WHEREAS, \$1.1 million of the Stop-Loss claims spend was in 2012, which demonstrates why Stop-Loss insurance is critical, and the other six years total \$1 million of Stop-Loss claims expense, and

WHEREAS, creating a self-funded captive layer above the specific deductible will allow the Consortium recoup premium expense in years of low Stop-Loss claims expense, and

WHEREAS, the New York State Association of Counties (NYSAC) has identified four to seven self-funded consortiums and counties that are willing to pursue the captive layer model for 2019, and

WHEREAS, this group of interested partners need to know, by Board resolution authorizing the signing of the Inter-Municipal Agreement (IMA), which municipalities are willing to commit to the process of sharing data, developing bylaws, and agreements with a Stop-Loss carrier, consultant, and Captive Manager to create a Municipal Healthcare Financing Cooperative (MHFC), and

WHEREAS, there are no anticipated costs for forming MHFC, and

WHEREAS, the act of signing the IMA is a commitment to be a partner in the creation of the MHFC and is not a commitment to enter into the captive, now therefore be it

RESOLVED, That the Audit and Finance Committee recommends That the Board of Directors authorize its Chairperson to sign the attached Inter-Municipal Agreement.

* * * * *

STATE OF NEW YORK)
) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium on June 28, 2018.


Michelle Pottorff, Administrative Clerk

AGREEMENT (IMA)
To Establish the Municipal Healthcare Financing Collective

By and Among _____ for Joining
the Municipal Healthcare Financing Collective.

THIS AGREEMENT is made _____ (date) by and among the County of _____ and the County of _____ and the County of _____, and the County of _____, hereby referred to as the "MEMBERS."

WHEREAS, the MEMBERS deem it appropriate and efficient to create an intermunicipal consortium for the oversight, administration and delivery of stop-loss insurance services currently administered and delivered separately by each Member; and

WHEREAS, the MEMBERS have determined that the cost of procuring stop loss insurance separately, using individual covered lives, is more costly and more prone to market fluctuations than combining the number of covered lives, which is more cost effective and stable for purchasing stop loss insurance, and as such are the reasons for the MEMBERS' interest in creating a Municipal Healthcare Financing Collective; and

WHEREAS, the MEMBERS have agreed to proceed together to name Relph Benefit Advisors as the stop-loss consultant for preparation of a preliminary cost benefit analysis for choosing a stop-loss insurance carrier; and

WHEREAS, each Member has determined to explore and potentially participate in an alternative risk mitigation program that allows municipal employers to take advantage of the benefits of a self-funded employee health benefits plan while potentially reducing volatility and costs through participation in a group captive structure; and

WHEREAS, participation in the MHFC requires each Member to purchase a stop-loss policy from the designated stop-loss carrier and either join or form a group captive that will reinsure a portion of risks assumed by the carrier pursuant to the stop-loss policy; and

WHEREAS, the MEMBERS of the MHFC have determined to jointly participate in segregated cell account model for stop-loss insurance, to act as their group captive, and desire to set forth their obligations to each other as a result of this joint participation in the form of MHFC by-laws and to enter into this Agreement; and

WHEREAS, the MEMBERS further agree to finance their proportionate premium share of the stop-loss coverage as determined by the stop-loss consultant in consultation with the chosen stop loss insurance carrier; and

WHEREAS, the membership of MHFC is limited to the Members and to such future employers that the Members admit to the group pursuant to this Agreement; and

WHEREAS, the MEMBERS agree that following the establishment of this collective, the MEMBERS will execute another program agreement (By-laws) for the governance of the collective if they decide to proceed with the intermunicipal collective; and

WHEREAS, pursuant to Article 5-G and Section 119-o of the NYS General Municipal Law, the MEMBERS are authorized to enter into an Inter-Municipal Cooperation Agreement with respect to addressing a coordinated approach to the procurement of stop loss insurance because they individually are empowered to do so; and

NOW, THEREFORE, BE IT HEREBY AGREED by and between the MEMBERS, that.

Definitions:

MEMBER shall mean any Article 47 Or Article 44 Health Insurance Cooperative, local government, county, school district, healthcare consortium, fire district, or other taxing jurisdiction that can do on their own what they can do as a group; and

MUNICIPAL HEALTHCARE FINANCING COLLECTIVE is the intergovernmental organization created to reduce the cost of stop-loss insurance by aggregating their numbers of contracted lives in their self-insured health plan and sharing a level of risk within the stop-loss amount; and also for exploring ways to reduce the cost of employee healthcare insurance in the future; and

STOP-LOSS CONSULTANT is the healthcare consultant that has (and will have) the authority to identify and recommend a stop-loss carrier that will provide stop-loss coverage and also recommend a stop-loss captive to manage the collection of participants' ceded stop-loss premiums and pay claims related to healthcare claims that exceed their respective stop-loss thresholds.

Rights and Responsibilities of Participating Members:

- A. The MEMBERS agree to proceed with the above referenced municipal healthcare financing collective as an intermunicipal consortium, and to proportionately share the cost for the services and shall thereafter jointly execute a separate By-law Agreement if they decide to proceed with the intermunicipal project summarized in the preliminary cost benefit analysis provided by the stop-loss consultant.
- B. Members agree to adhere to rights and responsibilities listed in the MHFC By-law Agreement, when such Agreement is executed, signed, and in effect.

This AGREEMENT may be amended by mutual AGREEMENT in writing by and among the PARTIES.

TERM:

This AGREEMENT shall be in full force and effect from and after _____, and shall continue until and unless terminated sooner by the PARTIES upon 90 days' notice in writing to the other PARTIES.

AGREED TO AND ACCEPTED:

_____ COUNTY
By: _____

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_____ COUNTY
By: _____