

Greater Tompkins County Municipal Health Insurance Consortium
Audit Committee

Thursday, February 20, 2014 – 2 p.m.

Ithaca Town Hall

Agenda

1. Call to Order
2. Approve Minutes of January 16, 2014 meeting
3. Discuss Responses to RFP's for Medical and Prescription Claims Auditing Services
4. Continued Discussion of Recertification Process and recommendation to Board on certification process for new hires to
5. Review of draft Procurement Policy
6. Other Items
7. Adjournment

Future Agenda Items:

Review results of State Audit (Sept.) *Results not received as of 11/27/13
Become familiar with Enterprise Risk Model (Don Barber requested)

Minutes
Greater Tompkins County Municipal Health Insurance Consortium
Audit Committee
January 16, 2014 - 2:00 p.m.
Ithaca Town Hall

Attendees: Steve Thayer, Judy Drake, Chuck Rankin, Laura Shawley (arrived at 2:10 p.m.)
Guests: Steve Locey, Locey & Cahill; Rick Snyder, Tompkins County Finance Director

Call to Order

Mr. Thayer called the meeting to order at 2:03 p.m.

Approval of Minutes of December 2, 2013

It was MOVED by Mr. Rankin, seconded by Ms. Drake, and unanimously adopted by voice vote by members present, to approve the minutes of December 2, 2013 as submitted. MINUTES APPROVED.

Update on Request for Proposals for Medical and Prescription Drug Claims Auditing Services

Mr. Thayer reported at its December 19, 2013 meeting the Board of Directors authorized the Consortium to issue the RFP's for medical and prescription drug claims auditing services. The County will be coordinating the distribution and receipt of the RFP's and Locey and Cahill will assist in answering any questions that arise and evaluating the responses. They will provide the County with list of qualified firms with contact information and asked that that they be distributed through the normal process as well as posted on the Consortium and Purchasing websites. *Mr. Locey said Locey and Cahill will summarize the responses and extract all of the pertinent information. They are also working on a grading sheet for the Committee to use in reviewing the responses.* It is anticipated that the Board will select a vendor at its April meeting.

Ms. Shawley arrived at this time.

Code of Ethics and Conflict of Interest Policy

Following a review of the proposed draft policy it was the consensus to amend the first sentence in No. 15 to read: "When becoming aware of a possible violation of the Consortium's Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium ~~Board of Directors~~ Attorney-in-fact, John Powers, Esq...."

The Committee unanimously accepted the draft policy and will submit to the Board of Directors for adoption.



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Greater Tompkins County Municipal Health Insurance Consortium
Code of Ethics and Conflict of Interest Policy

Employees and the Board of Directors of the **Greater Tompkins County Municipal Health Insurance Consortium** shall:

1. Be dedicated to the concepts of an effective Consortium and believe that professional general management is essential to the achievement of this objective.
2. Shall affirm the dignity and work of the services rendered by the Consortium and maintain a constructive, creative, and practical attitude toward Consortium affairs and a deep sense of responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Conduct themselves so as to maintain public confidence in their profession, the Consortium, and in their performance of the public trust.
5. Conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their official duties.
6. Recognize that the chief function of the Consortium at all times is to serve the interests of all members.
7. Shall not disclose **Confidential Information** to others or use to further their personal interest, confidential information acquired by them in the course of their official duties.
8. Shall not, except pursuant to such reasonable exceptions as are provided by regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
9. Make no unauthorized commitment or promises of any kind purporting to bind the Consortium.
10. Shall act impartially and not give preferential treatment to any private organization or individual.
11. Shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Consortium duties and responsibilities.
12. Shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards promulgated pursuant to this order.

13. Shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or disability.
14. Shall not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict with their official duties.
15. **Reporting of Ethics Violations.** When becoming aware of a possible violation of the Consortium's Code of Ethics, employees, Board of Directors, employees of members, and the public may report the matter to the Consortium Attorney-in-fact, John Powers, Esq.. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis.
16. Employees and the Board of Directors should not discuss or divulge information with anyone about pending or completed ethics cases except as authorized by the Board of Directors.

Eligibility Audit

Mr. Locey said the New York State Health Insurance Plan conducted an eligibility audit a few years ago and found some people who were insured under the program who shouldn't have been. Common issues include dependent children who are not really dependents (spouse's children) who are on a policy, and spouses who are no longer spouses. He said one thing the Consortium should be doing is making sure everyone is doing the same thing in regard to eligibility and encouraging people to do an annual recertification. He spoke of another audit that was done elsewhere and said there were a lot of steps to it but there was an initial notification with members being told they had a thirty day amnesty period to remove people from their policy who should not be covered. They were also told that if they were not removed that they could be subject to refunding claim expenses. *He will provide the Committee with the statistics on what was done in that audit.*

Mr. Locey distributed two sample documents that could be used to encourage employers to enroll members in a similar way. The first document was one that an employee would complete and the other was a document that would be completed by the employer to verify dependent eligibility. He noted the document does not include domestic partnerships and said this may not be necessary since same sex marriage is legal in New York State. He noted that the documents are only a front-end check and there would still need to be work done on the back end. Some of the Consortiums they work with are beginning to talk about some type of centralized membership. He said Locey and Cahill will be encouraging the Consortium to standardize as much as possible with regard to membership. They have also been talking to Excellus about improving the online enrollment system.

In terms of cost, an audit cost the BOCES Consortium \$150,000 which has approximately 13,500 covered lives; for another group similar in size to the Consortium it cost \$50,000. The recertification process could be done by the Consortium and should be done at the time of open enrollment.

Ms. Drake said she sees doing this for any new hires being done on a different track than recertifying those who are already covered.

Members did not wish to pursue doing an eligibility audit at this point but wished to move forward with a recertification process which would be done by each employer. Guidance could be provided to all of the employers but they could not be required to do this. *Mr. Locey will draft a recertification checklist specific to the Consortium and the Committee will also make a recommendation to the Board for a process on new hires.*

Ms. Drake said she would like to know how much additional work this will be for the City and the County.

Development of a Procurement Policy

Copies of the County's guidelines for writing a Request for Proposals was circulated to members.

Mr. Thayer asked what professional services or contracts the Consortium has. Mr. Locey provided the following examples: legal services, actuary, consulting, accounting, Prescription Benefits Manager, Third Party Administrator, Directors and Officers, and Errors and Omissions contracts.

Ms. Pottorff will work with Mr. Locey and Mr. Snyder in developing a draft policy to be discussed at the next meeting.

Treasurer's Report

Mr. Snyder reported he has been working on closing out 2013. He will be working with the Bonadio Group to get the necessary training to take over preparing the quarterly and annual reports for the Consortium.

State Audit Update

A draft report on the State Audit has not yet been received.

Privacy Policy

Ms. Drake asked how the Privacy Policy will be circulated now that it has been adopted. Ms. Pottorff will circulate to the Board of Directors, Health Insurance Clerks, and Excellus to post on their landing page.

Adjournment

The meeting adjourned at 2:58 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk