

Minutes
Greater Tompkins County Municipal Health Insurance Consortium
Audit Committee
October 17, 2013 - 3:00 p.m.
Ithaca Town Hall

Attendees: Steve Thayer, Judy Drake, Chantalise DeMarco, Laura Shawley, Chuck Rankin
Guests: Steve Locey and Judy Taber, Locey & Cahill (via conference call); Rick Snyder,
Tompkins County Finance Director

Call to Order

Mr. Thayer called the meeting to order at 3:06 p.m.

Acceptance of Minutes

The minutes of the August 15, 2013 meeting were approved with the correction submitted by Mr. Snyder concerning the billing of 13 payments in a 12 month period. He clarified that from a budgetary standpoint it should not impact budgets because if the last payment is made for January it will be marked as a pre-payment on the books and not as an expense.

Mr. Locey said the Consortium will likely be paying the initial capitalization assessment back to municipalities at the close of the fiscal year or at the start of the 2014 fiscal year. Mr. Snyder said his initial thought is that it would be better if it was paid back at the end of the year as it would clean up the balance sheet and the Consortium will already be looking at three other reserve accounts that will be included on its financial statements. He said it will not impact the County from a budgeting standpoint when it is paid back but would like to find out how it will affect all municipalities. The Finance Committee will be making a decision at its December 17th meeting and it will go to the Board of Directors on December 19th.

Consortium Privacy Questionnaire and Template for Municipalities

The Committee reviewed the draft privacy questionnaire policy. A question was raised as to how the policy would be distributed. Mr. Locey said the notice should be issued to any person who is considered a contract holder and believes it can be distributed electronically to active employees and mailed to retirees. A question was raised as to whether employers have to provide a privacy policy. Mr. Locey said under normal circumstances they would not, however, because the Consortium is the insurance company it has to do it and municipalities must as the employers.

It was recommended that the Chair of the Board of Directors be designated as the Privacy Official. A separate e-mail address will also be established for this purpose. The notice will also be posted on the Consortium's website once approved.

The Committee recommended the Privacy Questionnaire template be forwarded to the Board of Directors for approval.

Request for Proposals for Auditing and Medical Claims and/or Prescription Claims

The Committee reviewed the latest draft document. Mr. Snyder said if the document will go out as an official County Request for Proposals it will need to be reviewed by Lisa Hall in the Purchasing office. Mr. Locey suggested the Consortium use an RFP process from the County or another municipality and set up its own process. The Committee will include a discussion of developing a procurement policy on a future agenda.

Following discussion Mr. Locey agreed to draft language expanding the Introduction to identify which drugs are available for rebating and the value of that and language with regard to the actual bill amount versus the payment amount to make sure they are consistent. He also suggested adding language to the project scope outlining the number of claims the Consortium would like evaluated and will provide this wording. Once the information is provided the documents will be reviewed by the County Finance Department. It will come back to the next Committee meeting and then approved by the Board of Directors.

Mr. Thayer questioned how responses will be evaluated. Mr. Locey agreed to draft a rating sheet based on major categories and a scoring process to be included in the Request for Proposals.

A final review of the documents will be done at the next meeting and forwarded to the Board of Directors for approval.

Explanation of Sections of Financial Report

Mr. Snyder said he will circulate information explaining various sections of the financial report to members and if there are questions it can be included on the next agenda. He said there is a new State report that is in an Excel format.

Mr. Snyder provided an update on the transition to Quickbooks; they are working on minor issues but hopes to complete the transition in approximately three months.

Mr. Locey asked that the Committee consider adding eligibility audits to a future agenda. Some of the reasons for conducting this type of audit is to make sure all of the documentation for a spouse or dependent is valid and that all persons that are supposed to be covered under the plan are.

Adjournment

The meeting adjourned at 4:03 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk

