

Minutes
Greater Tompkins County Municipal Health Insurance Consortium
Audit Committee
July 18, 2013 - 3:00 p.m.
Ithaca Town Hall

Attendees: Steve Thayer, Judy Drake, Chuck Rankin, Laura Shawley (arrived at 3:33 p.m.)
Excused: Chantalse DeMarco
Guests: Judy Taber, Locey & Cahill; Rick Snyder, Tompkins County Finance Director

Call to Order

Mr. Thayer called the meeting to order at 3:05 p.m.

Acceptance of Minutes

The minutes of the May 16, 2013 meeting were approved as submitted.

Discussion of Excellus Claims Process Privacy Questionnaire

There was a brief discussion of the Privacy Examination Questionnaire that was a part of the New York State Audit. Mr. Thayer referenced string of emails in which Mr. Barber, Chair of the Board of Directors stated the Consortium's Treasurer receives paid claims detail information from both Excellus and ProAct regarding medical and pharmacy benefits paid on behalf of covered members and as a result the issues concerning the handling and securing of protected health information would most likely be an issue for the Audit Committee.

Ms. Taber distributed a copy of the examination questionnaire that was submitted to the State along with Regulation 169-Privacy of Consumer Financial and Health Information and Regulation 173-Standards for Safeguarding Customer Information. Attention was called to Section No. 10 within the Examination Questionnaire: "Has the organization developed its privacy policies and procedures in a written form? What management/internal control reports are available to monitor privacy compliance"?

The question was answered as follows: "No. The Greater Tompkins County Municipal Health Insurance Consortium has not developed any privacy policies and/or procedures at the present time. This is an item which is being taken back to the consortium Board of Directors as a potential action item. Said privacy policies and procedures will be developed as required based on the guidance of the New York State Department of Financial Services and the guidance of the Consortium's Legal Counsel".

The Committee agreed a privacy policy should be created, particularly because of HIPPA laws. Ms. Taber will look for policies that exist elsewhere that could be used as a template.

Mr. Thayer asked Ms. Pottorff to circulate the regulations to the Committee prior to the next meeting to prepare for continued discussion on this item.

Review Initial Request for Proposals for Claims Process and Audit

Mr. Thayer spoke of the need to have claims audited and data analyzed by a third party. The Committee began reviewing a draft Request for Proposals that was prepared in 2008 and

before the Consortium was formed. Ms. Taber said this is a specialized type of auditing that is focused more on the claims side rather than the financial side and there are many rules and regulations that are involved in addition to interpreting contract language. When Locey & Cahill perform this type of audit they usually evaluate the Administrator's work flow – how they do things, making sure their systems are secure, checking of who is involved in the process, and ensuring privacy.

A question was raised as to whether Tompkins County would still be the lead agency and it was assumed this would still be the case. Mr. Snyder saw no problems with continuing with this.

Ms. Taber asked what timeframe would be audited. Mr. Thayer suggested 2011 and 2012. Ms. Taber recommended including the period of transition to the new Pharmacy Benefits Manager. It was agreed to have the period 6-1-2011 thru 6-1-2013.

Ms. Shawley arrived at this time.

Ms. Taber said it may be a slight problem to get information from Medco as they are no longer the Consortium's Pharmacy Benefits Manager. Ms. Drake said it is very possible a provision about auditing was included in the original contract with Medco. Ms. Taber will look into this.

It was agreed Ms. Taber would forward a sample template of a medical claims Request for Proposals to Ms. Pottorff who will forward to Ms. Drake who will work on preparing new drafts of the medical and pharmacy Request for Proposals for the Committee to consider at the next meeting. It was noted that the RFP should include the City of Cortland and Town of Lansing.

Ms. Taber explained how the process works and said typically Excellus would provide a random sampling of claims for eight different claims payment amounts. Ms. Drake questioned whether Excellus could break those claims down by municipality. Ms. Taber said they could be asked.

Review of the 1st Quarter 2013 Financial Report

Mr. Thayer asked if members had questions relative to the first quarter report that was prepared by the Bonadio Group and included in the agenda packet. Ms. Pottorff stated the Bonadio Group met with the State Department of Financial Services to review a draft report before it was submitted. Ms. Drake questioned whether these reports were still being reviewing by the Mr. Mickelson of the CDLM auditing firm. Upon being informed Mr. Mickelson did review the report Ms. Drake said she hopes that the Consortium can move away from that step eventually.

Update on Transitions in Finance Department

Mr. Snyder reported the Finance Office is still assisting the Bonadio Group in making the transition to Quickbooks. He said the employee within the Department that has been working closely with the Consortium will be leaving and there is a transition in place in that position as well. He said overall the transitions are going well.

Mr. Snyder requested and received signatures on banking forms by Mr. Thayer as Chief Financial Officer and Ms. Drake as Secretary.

Request for Additional Information

Ms. Shawley referred back to the financial filing and said she would like to get a better understanding of the numbers contained within the document. Mr. Thayer said getting an explanation of sections of the form could be included as regular agenda item.

Adjournment

The meeting adjourned at 4:15 p.m.

Respectfully submitted by Michelle Pottorff, Administrative Clerk