

**Town of Wethersfield  
Insurance Committee Minutes  
January 31, 2008  
Town Manager's Conference Room**

The meeting was called to order by Polly Moon at 5:36 PM.

**Attendance:**

Polly Moon-Chairwoman, Mike Fortunato-Vice Chair(arrived at 5:45), Sey Adil, Paul Meade, Chris Lyons, Lisa Hancock-Director of Finance, Bonnie Therrien, Town Manager, Karen Clancy, Director of Business Services, BOE, Jeff Kotkin-Town Council Liaison (arrived at 5:42), Chris Monroe -Agent, Savino, Sturrock & Sullivan, Robert Pernicka and Terry DeMattie, The Segal Company.

Excused Absences: Chris Bazinet, Greg Bedula - TD BankNorth Insurance.

**Public Comments:**

No one was present from the public for comment.

**Approval of Minutes:**

Paul Meade moved for the approval of the [minutes from the meeting on December 20, 2007](#). Seconded by Sey Adil. Motion carried unanimously.

**Reports from Agents of Record:**

Greg Bedula - TD BankNorth Insurance

Not present - no report.

Chris Monroe - SS&S

Chris Monroe stated that he would prefer to wait until February's meeting to do an overview of claims.

Chris Monroe introduced Robert Pernicka and Terry DeMattie to discuss Prescription Purchase Coalition. Mr. Monroe provided them some claim history for their reference.

Jeff Kotkin arrived at 5:42PM.

Mike Fortunato arrived at 5:45PM.

Robert Pernicka explained the one time fee of \$4,000 to run through comparative models to determine anticipated savings. He stated that if the Town participates then Medco would reimburse \$2,000 back to the Town. No commissions are payable to Segal Company.

They stated that they need sufficient lead time to appropriately set up.

They stated that they also provide Life Insurance and Dental RFP, 3 vendors were selected, there were smaller savings

with regards to Dental as not a lot of coalition members moved over.

They stated that they are working on a medical plan that will be competitive with the state MEHIP Plan. The biggest savings have been on the prescription drug side.

They stated that the coalition has a website to refer to, [www.ctpspc.org](http://www.ctpspc.org), adding that Windsor, Manchester, Danbury, Norwalk, Stamford, Meriden, Middletown and East Hartford currently participate. They stated that there are economies of scale in purchasing drugs.

Chris Lyons questioned:

1. If there are no "retail drop off"?

They informed him that this should not be an issue in Connecticut.

2. What is the impact on the Anthem medical?

They informed him that when they looked at this in Meriden there was no impact.

Anthem assesses Administrative as a percentage of paid of claims. This would result in a savings to the Town as long as Anthem doesn't raise the Administrative fee due to the removal of prescriptions. Chris Monroe stated that he has not seen them do this as of yet.

Chris Lyons asked if anyone dropped out? Robert Pernicka stated "No"; however a Town can pull out at any time. There will be a cost to each town - to renegotiate a contract with Medco.

Chris Lyons left at 6:35PM.

Chris Monroe discussed the idea of a claim audit. The Segal Company has a staff in the Phoenix office - a statistical sample is done. The auditors would get a full understanding of employee contract, to know the plan design; they would also include a few large claim samples. They verify documentation and that all rules and processes as well as dollar values were appropriate.

He stated that periodic audits are recommended every 3 years. An electronic audit can be done, but they do not recommend that it is the right way to do an audit. The cost range is \$40,000 to do an audit for the size of the Town account.

Polly Moon asked how many their firm has done? Robert Pernicka stated that the Hartford office does 4 to 5 per year. He stated that 20% of them have some actionable issues.

Karen Clancy left at 6:48PM.

Mike Fortunato asked how far we can go back? Terry DeMattie stated that it is usually 2 years.

**Old Business - None**

**New Business - None**

**Adjournment**

Sey Adil moved to adjourn at 6:55 PM. Seconded by Paul Meade. Motion carried unanimously.