

[NOTE: These minutes are made available to the public prior to Insurance Committee acceptance.]

**Town of Wethersfield
Insurance Committee Meeting
Special Meeting
February 22, 2007**

The meeting was called to order at 5:45 PM by Chairperson Polly Moon.

Committee members present were Polly Moon, Sey Adil, Paul Meade, Mike Fortunato, and Chris Bazinet.

Also present were Lisa Hancock, Finance Director, Town of Wethersfield; and Karen Clancy, Director of Business Services, BOE

Members Absent (Excused): Chris Lyons, Ed Rosania and Jeff Kotkin, Town Council Liaison.

Paul Meade arrived at meeting at 6:04 PM.

Public comments: no one was present from the public to speak.

Employee Benefits Interviews:

HUB International - Bill McCarthy, Jude Hinrichs, Thom Mangan and Brenda Gothers

\$35,000 all three years.

Mr. McCarthy stated that Hub is new to Connecticut on the benefit side.

Mr. Mangan stated that HUB International is publicly traded; they are Sarbanes-Oxly compliant. The back-office function has strict policies, procedures and high security. They are a large company that has a significant amount of expertise and clients.

They are trying to implement Medicare Healthnet program for West Hartford. This implement would produce a savings of over \$400,000.

They take the approach of consumer-driven healthcare. Health Savings Accounts must be done slowly and make sure that the numbers work.

They build websites for clients with summary plans etc. They will provide benefit statements that will show employees total benefits. There is an additional charge for core benefit enrollment program; they sit with employee and review.

Mr. Meade arrived at meeting at 6:04 PM.

Mr. Adil asked if the firm produces these benefit statements and they responded "yes", adding that this includes all benefits such as car allowances, FICA, health, etc. It is a comprehensive product.

Mr. Fortunato asked what was happening with Connecticare. Mr. Mangan responded that they merged and has been downgraded.

Ms. Moon asked about their claims management strength and questioned their process for renewal. Mr. Mangan responded that as long as they have the data they can use their Milliman tables to verify the data and then communicate with the Carriers. Decision Master Warehouse actually monitors care providers.

Segal Company - Robert Pernick, Joe Melillo, Terry DeMattie.

Year 1: \$35,000 Year 2: \$36,500 Year 3: \$ 38,005 - plus RFP \$46,000 total.

They stated that this is a Consulting Firm, not a broker. They have over 60 years of experience between the three of them.

Mr. Pernicka stated that they do their own underwriting. They know the answers before they ask the questions. They have a very thorough RFP process when they bid services. They look for quality services and area trusted advisor.

Mr. Melillo stated that there are many little things that can be done to help reduce costs. They use results from hundreds of bids to review results of other bids to see if they are competitive. The plan design is important especially now with the requirements under GASB 45. The total philosophy is a combination of vendor management, plan management and design, and individual health care management.

An RFP will not be done every year. When it is done, there will be an additional charge for competitive bidding services. Formal bid process is a 140-page document, or they can do something abbreviated.

They have formed a Public Sector Purchasing Coalition which has resulted in savings for participants. Ms. Hancock asked if this process required any sort of initial payment by the Town to participate in. Mr. Pernick responded that there is a payment required to do the bids.

Mr. Fortunato asked if it was appropriate for New London and Danbury to be fully insured. The response was that some communities were unable to handle the risk as self insured; political issues. In the long term self-insurance is less expensive.

AON Consulting - Steven Ribeiro, Vera Mira Hettrick, Carlton Lindgren

Year 1: \$61,500 (in advance) Year 2: \$61,500 Year 3: \$63,345.

Ms. Hettrick provided an overview of AON Consulting. They offer an all-inclusive package of plan management; plan funding, implementation, renewals and marketing.

Mr. Ribeiro discussed health service model, benchmarking, strategy development, implementations and evaluations.

Mr. Lindgren stated that the firm has an electronic RFI that is updated frequently. It includes up-to-date information on providers. It is an info tool to provide important info on provider disruption analysis. Another tool is used to determine best discounts. Info Linx, web based info, monitors legislative changes.

Mr. Adil questioned that their contract was to begin November 1. Mr. Ribeiro stated that this was an error, and it would be July 1.

Ms. Moon asked what sets them apart from the other groups. Mr. Ribeiro stated that they specialize in the Municipal Market. If they do not have the expertise in the local office they can pull info/support from their other offices.

Mr. Adil asked if their fee had to be paid in advance and if they are negotiable on this.

Ovation Benefits: Carol Constant, Brian Driscoll, Ron Therriault

\$75,000 for each year (3 years) - this service includes a focus on controlling costs.

Mr. Driscoll stated that they are very aggressive in negotiations. He stated that behavioral-related events need to be addressed in order to help control costs. Employees need to be engaged with changing behavior.

Mr. Therriault discussed the quoted fees. He broke it out by

1. scope of services - 250 hours annually as in RFP \$40,000
2. continuous labor strategy and support \$10,000
3. Health and Wellness Council \$25,000. This consists of taxpayers, union and management.

He discussed the Health and Wellness Council. - Care Delivery - This helps build wellness base programs for clients. It teaches employees how to be better consumers of healthcare. They build plan designs to help deal with health issues. They work with State and carriers to develop grant program to assist with health issues.

Mr. Fortunato asked what they would do for Wethersfield. Mr. Therriault stated that they would take a traditional approach and then work on initiatives. This is the best pricing for July 1.

Banc of America - Trip McGarvey and Patrick Gilbert

Year 1: \$33,400 Year 2: \$34,750 Year 3: \$36,140

Mr. McGarvey discussed their three-phase approach; Discovery, Execution, and Thought Leadership.

Discovery - Reviews claims profile, labor agreements/limits, and demographic review to determine how benefits should be designed. They would interview vendors/providers to discuss problems and create solutions. They would learn what worked and didn't work in the past for the town. They would review programs for gaps, overlaps and would communicate observations.

Execution - Designed to meet needs of budget process. Market plans as needed and as desired. Provide ongoing legislative updates.

Thought Leadership - ongoing strategy. Setting strategic plans data for quick decisions.

Mr. Meade questioned what they saw as the primary way going forward for a municipality. Mr. McGarvey stated that there is control of costs and some cost shifting to raise more awareness about program. He stated that education is critical, adding that Health Savings Accounts/Consumer Directive Healthcare involve consumers with more wellness programs and disease management.

Ms. Moon wanted to know if they have any of the services to provide these health services. Mr. McGarvey stated that they could provide recommendations of where the Town could purchase them. He stated they would look at what areas impact claims.

Lockton - Deb Testa, Jeff Pichnarcik, and Dan Hebert

Year 1: \$60,000 Year 2: \$ 65,000 Year 3: \$ 70,000

Mr. Pichnarcik stated that they try and work in a long range strategic manner. He stated that they look at four components:

1. Collective bargaining analysis - benchmarking, compare to what has happened in other towns.
2. Human Resource Strategy - make sure employees are communicated with and how they can access information. Educate clients with weekly FYI's of what is developing.
3. Insurance Strategies - administration of programs. Are you in the right plan?
4. How do you manage components? Review insured verse self insured.

Ms. Testa stated that their focus is on service. As a privately owned company, they can draw information from other companies. They have senior leadership on Advisory Boards of major carriers. Their client retention rate is 100%. They have a suite of Technology products for use by employees and management.

They would do a survey tool well in advance of union negotiations.

Savino, Sturrock & Sullivan: - Chris Monroe and Tom Ragonese

Alternative: \$37,000 each year (3 years) \$25,000 each year (3 years)

They stated that since 1998 they have helped the Town drive down costs.

Mr. Monroe discussed the value of the various types of savings that his firm provided over the years. He stated that the total hard dollar savings were \$760,500.

Mr. Monroe stated that they have developed a benefit strategy over the long term. He met with teachers to educate them on the benefit advantages of moving off of Connecticare.

Mr. Monroe most recently implemented the Health Savings Account for the Board of Education.

The Committee discussed the various presentations.

Mr. Adil moved that the Committee recommend to the Town Manager Lockton and Savino, Sturrock & Sullivan for Employee Health Agent of Record. Mr. Fortunato seconded; and all voted unanimously.

Adjournment

Sey Adil moved for adjournment at 10:12PM. It was seconded by Paul Meade. Motion carried unanimously.

Respectfully submitted,

Lisa A. Hancock
Director of Finance