

**HAROLD KANE SELF INSURANCE COMMITTEE**  
**MINUTES TO MEETING OF DECEMBER 14, 2011**

The Harold Kane Self Insurance Committee of the Town of Southington held a meeting on December 14, 2011 in the Council Chambers, Town Hall building, 75 Main Street, Southington, Connecticut. Chairman Joe Labieniec called the meeting to order at 3:31 pm.

The following members were present: Jill Notar-Francesco, Dr. Al Natelli, John Barry, Cheryl Lounsbury, Sandra Feld, Pat Johnson, Terry Lombardi, and Sal Dominello.

Ex-officio members present: Emilia Portelinha, Sherri DiNello, Garry Brumback and Mark Sciota. Also present were Ron Theriault and Andy Hintz from Ovation Benefits.

1. Approval of the October 26, 2011 meeting minutes.

Mrs. Notar-Francesco made the motion to approve the minutes. Mrs. Feld seconded. Motion passed 8-0. Mr. Barry abstained

2. Review Current FY 2011-2012 Self Insurance Budget Status.

The members reviewed the October 2011 Summary of the Self Insurance Fund. Ms. Portelinha reported October's claims and fees were \$183,000 under budget. The year to date claims through October 2011 are \$427,000 in the black.

3. Review Anthem projections and determine level of funding for the FY 2013 Budget.

Mr. Theriault reported that he has not yet received the full renewal from Anthem. Anthem's preliminary renewal is a 9.4% increase or \$21,585,884. Anthem shows an increase in claims and fixed costs. Mr. Theriault disagrees with the increase in fixed costs. He also feels that both the ISL rate increase of 31.8% and the ASL rate increase of 8.1% are too high.

Of the total 9.4% Anthem projected increase, 6.2% is due to inflation on the claims and costs; and 3.2% is due to an increase of 88 family members. This member increase could be due to the law change requiring companies to cover dependent children through age 26, as well newborns and marriages. If in fact these are mostly dependents ages 24 – 26, they were added July 1, 2011 and the Town has not seen a dramatic increase in claims in the last few months. Ovation will ask Anthem to breakdown the makeup of the 88 new family members.

Mr. Hintz stated that the big discrepancy in Anthem's projection is that they are using a 10.1% trend, when Southington has been trending 4.5% over the last 18 months. Mr. Theriault confirmed that Anthem has already implemented the Lipitor generic resulting in a reduction in prescription costs into the renewal. The plan design changes effective July 1, 2012 have not been factored into Anthem's renewal. Mr. Theriault stated that these changes equate to a 0.6% decrease from Anthem's numbers. Ovation is recommending a 6% increase for fiscal year 2013. Mr. Dominello recommended a 5% increase based on the Southington's trending versus Anthem's trending. After further discussion, the committee decided to further reduce the 5% increase by 0.6% due to the July 1, 2012 plan changes, to an increase of 4.4%.

Dr. Natelli made a motion to recommend \$20,514,000 for the Fiscal Year 2013 Self Insurance Budget. Mrs. Feld seconded. Motion passed unanimously on a voice vote.

4. Determine Breakdown for the FY 2013 Budget funding.

After discussion, Mrs. Lounsbury made a motion to keep the Board of Education's percentage at 76.5 and the Town's percentage at 23.5 for the Fiscal Year 2013 budget funding. Mrs. Notar-Francesco seconded. Motion passed unanimously on a voice vote.

5. Update on the continuation of the Wellness Program.

John Myers was unable to attend the meeting. The committee discussed the continuation of the Employee Wellness Pilot Program and the addition of the Southington Takes Off Pounds Program. Some members feel that there was not enough participation in the Southington WINS program to warrant continuation. However the members agree that the wellness program is very important. In order to get this program going, the committee needs to create an excitement for the program as well as incentivize the employees. The program would start with collection of data, which would require spending money.

Mr. Theriault recommended the next step. Ovations currently has a program called "Health Navigators". The first step would be to do a full fasting draw and screen everyone. This would require offering incentives for participation. He estimates that we will find 15 – 20% of employees with major health problems. The screening will determine who should participate. The Town can offer eight 1 hour sessions at the worksite where employees can learn how to get healthy. For every \$1 spent on Wellness, we can expect a \$2 - \$10 return on your investment. Mr. Theriault will present the program at the next meeting.

6. Finalize recommended policy for Self Insurance Fund reserves.

Mr. Labieniec would like to change the policy to include Self Insurance Programs. After some discussion, Dr. Natelli made a motion to table the Self Insurance Fund Reserve Policy. Mrs. Notar-Francesco seconded. Motion passed unanimously on a voice vote.

7. Discuss and approve 2012 Meeting Schedule.

After discussion, Dr. Natelli made a motion to change the Self Insurance meeting time to 4:30 pm. Mrs. Feld seconded. Motion passed unanimously on a voice vote.

The meeting schedule will be posted as drafted with the new time. The committee can make changes as needed.

8. Other Business

The Committee can revisit the budget in the spring after a few months of claims to see if they can further reduce the budget.

Mrs. Johnson made a motion to adjourn. Mrs. Notar-Francesco seconded. Motion passed unanimously on a voice vote. The meeting was adjourned at 5:17 pm

Respectfully submitted,

Emilia Portelinha  
HK Self Insurance Committee