

SELF-INSURANCE COMMITTEE

Wednesday, October 24, 2007
3:00 pm - Town Hall Council Chambers
75 Main Street, Southington, CT

MINUTES

Chairman Harold Kane called the meeting to order at 3:08 o'clock, p.m, with the following in attendance:

Sherri DiNello, Robert Triano

Ex-Officio - Emilia Portelinha, Finance Director

Absent: William Della Vecchia, John Moise, Francis Verderame, Kathleen Rickard and Arthur Secondo.

John Weichsel, Town Manager
Mark Sciota, Town Attorney

Also in attendance: Ronald Theriault - Ovation
Jay Fiorello - Ovation

HAROLD KANE, Chairman, presiding:

1. Update on the Wellness Program by Ovation Benefits

The Team Member list was discussed. Mr. Kane said he would like to appoint these people officially. He had one more name to add for the BOE: Rita Stearns, Teacher Representative. Mr. Theriault said he would add it and send the completed list to the Town.

Mr. Theriault recapped the first meeting of the Wellness Committee, which happened the week before. We introduced to everybody the concept that we as a group feel that there is an opportunity for us to focus on helping to drive down the claim cost, utilization cost for the Town and the BOE employees by

(a) making them more aware of what it is that they for health benefits; and

(b) getting them to be better utilizers of the health benefits.

Explanation.

And, also the purpose of this meeting was to ask their buy-in on this. These are the people who are going to reach out to our employee population. We'll need their help in communicating to the employees:

- e-mail
- mail
- hard copy letters.

Extensive discussion.

The next steps going forward:

- Get out as soon as possible an employee survey on being involved in an incentive based Wellness Program being distributed to all employees. We asked the Wellness Committee to review it beforehand and come back to Ovation with any comments they had on the survey.

Get the results back and then as a group figure out how we're going to reach out to these folks.

To date there have been no negative or positive feedback.

Discussion about the incentive based question. And what the incentive might be.

It was decided to add a question before the incentive based question which would read:

Would you be willing to participate in Wellness Programs that you feel are beneficial, regardless incentives, just for the better health of yourself?

This would allow you to find out who would participate just for the sake of better wellness and health and who would only participate with an incentive.

Discussion.

Incentives are going to drive a much greater participation, commented Mr. Fiorello.

To goal is to get the survey finished by Monday, October 29th, 2007. Then we need to get it distributed, filled out and returned to us.

Discussion.

(Ms. DiNello left the meeting at this time.)

Ovation will provide a copy of the survey to the committee members.

Mr. Theriault continued the Wellness Group is going to have monthly meetings. And, the goal at that meeting is to talk about two things:

(1) Small universe of benefits we feel your employees should know about that would make a difference to them. IE: 24-hour nurse line. What a big difference if the folks new about that and how to use it versus running the ER on the weekend for a non-emergency situation.

(2) Talk about the benefits themselves. Understand what it is that we provide.

The following meeting, we should have the results of the survey. And, then we can start to build out programs.

A program that already jumped to the forefront is cardiology (heart issues). That was based on the results of the Bradley Screenings.

Discussion.

Urgent Care Right Now, a walk in center, was discussed and how to get people to go there instead of the emergency room on a weekend, spending half the cost.

A brochure could be created to indicate the positives and negatives of using a walk in center versus an ER for certain situations.

Discussion.

2. Discuss pharmaceutical options for Town.

What can we do to get people into the mail order plan? You do save money. The more you get to participate, the better off we are and that is a voluntary thing. How do we convince them it's a better thing?

Generic versus name brand use was extensively discussed.

The only way to give people incentive is through their wallet.
Discussion.

As union negotiations come up and there's talk about benefits, we have to make sure we have a substantial difference between generic and brand news from a co-pay standpoint so they have to make a decision.

Discussion of having a mandatory mail order plan. Pros and cons. Mr. Fiorello stated that, assuming we can't change it, our goal is to communicate better to them what they have available.

Discussion.

Changes either have to be mandated, which we don't like, or we need to show them what the value is to them, commented Mr. Fiorello. Most people aren't going to do out of the goodness of their heart. There has to be a catalyst.

Discussion.

Mr. Fiorello brought up the fact they had the opportunity to look at some of the administrative costs compared to some of our other self-funded. I wanted to show you this comparison.

Explanation of the comparison.

Extensive discussion on the administrative cost and the NAF fee. We would like to see those costs come down. We have some bargaining room here on the administration.

Anthem doesn't typically reduce their fees when we catch on to some of these things, but we will be searching for a pass.

Secondly, by using the NAF fee, a lot of your administration fee comes from your NAF fee, you end up paying the majority of your

administrative costs in the first five months and if we were to move it more towards a medical administration fee, instead of paying it in the first five months, I could probably get it spread out over 12 months which could help in cash flow.

Discussion.

Discussion of the network access fee and the cap.

Mr. Fiorello went through the comparison report in detail explaining each category.

Discussion of the comparison.

Opportunities to get the fixed costs and variable costs lower were brought up. Ovation feels there's an opportunity to say look, you're doing this for Client A and this for Client B, but you're not doing it for Southington. Why? Show us a difference.

Claims trending information was passed around for review.

(Ovation Representatives left the meeting at this time.)

Ms. Portelinha made a motion to adjourn the meeting. Mr. Triano seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 4:02 o'clock, p.m.)