

**HAROLD KANE SELF INSURANCE COMMITTEE**  
**MINUTES TO MEETING OF JUNE 22, 2011**

The Harold Kane Self Insurance Committee of the Town of Southington held a meeting on June 22, 2011 in the Town Council chambers, Town Hall building, 75 Main Street, Southington, Connecticut. Chairman John Moise called the meeting to order at 3:34 pm.

The following members were present: Sherri DiNello, Jill Notar-Francesco, Dr. Al Natelli, John Moise and Sal Dominello (arrived at 3:39 pm).

Ex-officio members present: Garry Brumback, Emilia Portelinha and Mark Sciota (left at 4:00 pm). Also present was Ron Theriault from Ovation Benefits.

Absent were: Francis Verderame, Joe Labieniec and John Barry.

1. Approval of the minutes of the March 30, 2011 meeting.

Mrs. Notar-Francesco made the motion to approve the minutes. Mrs. DiNello seconded. Motion passed 5-0.

2. Status on the Employee Wellness Pilot Program

John Myers updated the committee on the results of the three phases of the Wellness Pilot Program (Attachment 1 summarizes the participation). The entire committee will review the data from phases 1 and 2 at the August Self Insurance Committee meeting. The Committee discussed ideas on how to continue with the Wellness initiatives.

3. Review current FY 2010-2011 Self Insurance Budget Status.

The members reviewed the May 2011 summary of the Self Insurance Fund. Ms. Portelinha reported that May 2011 was another favorable month. May claims came in \$234,000 under budget. The Town is doing phenomenally in the Self Insurance fund. Year to date total claims and admin fees are \$2.356 million in the black, with all departments coming in under budget.

The committee discussed some reasons why the claims have come in so much lower than budgeted. Some possible explanations include:

- Anthem has overestimated the claims over the years.
- There appears to be a change in usage.
- The Town bid out the health insurance
- Ovations negotiated reductions in administration costs
- Employees are now paying more of the user costs.
- The Town is funding the Self Insurance fund appropriately, and the Town has had a few good years.

4. Review Anthem Projections.

Ron Theriault reviewed the Claims Analysis and Forecast report (Ovations report).

- April claims and fixed costs were about \$224K under budget
- Year-to-date claims and fixed costs are about 12% or \$2.24 Million under budget
- The current combined Medical, Rx and Dental trend is 7.20%
- The combined trend is 6.09% over the past 36 months while the current trend for most carriers is about 13% currently
- There are 7 claims over \$125,000 from 7/1/10-4/31/11
- The largest claim has incurred \$406K in 11 months, with only \$8K in the 2 most recent months

5. Confirm the e-mail vote to reduce the FY 2011-2012 Self Insurance Budget

Mrs. Notar-Francesco made a motion to confirm the e-mail vote to reduce the Fiscal Year 2011-2012 Self Insurance Budget by \$175,000. Dr. Natelli seconded. Motion passed 5-0.

6. Update on Policy for Self Insurance Fund reserves.

Mr. Brumback stated that he reviewed about five Self Insurance Fund Reserve Policies, and they are all over the map. The committee discussed the appropriate reserve level as well as usage of reserves in excess of the policy. The following suggestions were made:

- Keep one to two months of highest previous claims in reserves.
- Maintain an excess of reserves for premium stabilization.
- Designate a percentage of reserves for a Wellness Program.
- Apply amounts in excess of the designated reserves to CIP one time projects.

7. Review the inclusion of the Autism Mandate in the Town's Self Insurance Plan

A Town employee wrote a letter requesting that the Town reconsider adding Autism insurance coverage to the Town's Self Insurance Plan. Since the Town is Self Insured, we are not required to implement State Health Insurance Mandates. Mr. Theriault stated that the impact of this inclusion will be an increase in costs of approximately 0.8% to 1%. After some discussion, the Self Insurance Committee recommended that the employee bring this request forward during union negotiations.

8. Discuss a recommendation to the Town Council to allow the Plainville -Southington Regional Health District employees to remain on the Town's Health Insurance and pay premiums.

The Plainville – Southington Health District requested that they be setup as a separate entity on the Town's Health Insurance Plan, similarly to the Southington Housing Authority and Southington Water Department. The P-S RHD would pay the Town the full monthly premiums as determined by Anthem. Per State Statute, the Town of Southington must offer the District employees the same benefits they had as Town employees.

Mrs. Notar-Francesco made a motion to recommend to the Town Council that the Plainville-Southington Regional Health District be setup as a separate entity on the Town's Health Insurance Plan and pay the full premiums to the Town. Mr. Dominello seconded. Motion passed 5-0.

9. Any Other Business

None

Dr Natelli made a motion to adjourn. Mrs. Notar-Francesco seconded. Motion passed unanimously on a voice vote. The meeting was adjourned at 4:55 pm

Respectfully submitted,

Emilia Portelinha  
Self Insurance Committee



# **SOUTHINGTON WINS**

**A WELLNESS INITIATIVE FOR TOWN AND BOB EMPLOYEES**

## **June 22, 2011 Report**

### **Phase 1 – Kicked off the end of September 2010**

- Started in 8 Week Program 35
- Continued in 4 Month Offering 20 (4 families)
- 5 Continuing now
- Potential of 7 more in the fall

### **Phase 2 – Kicked off the end of October 2010**

- Started in 8 Week Program 32
- Continued in 4 Month Offering 22 (7 families)
- 7 Continuing now
- Potential 8 more in the fall

### **Phase 3 – Kicked off end of February 2011**

- Started in 8 Week Program 39
- Continued in 4 Month 19 (6 families)
- Will continue 4 Month in September 8
- Would like to continue after 4 Month 21