

SELF INSURANCE COMMITTEE
MINUTES TO MEETING OF FEBRUARY 9, 2011

The Self Insurance Committee of the Town of Southington held a special meeting on February 9, 2011 in the Town Council chambers, Town Hall building, 75 Main Street, Southington, Connecticut. Chairman John Moise called the meeting to order at 3:35 pm.

The following members were present: Sherri DiNello, Jill Notar-Francesco, Sal Dominello and John Moise.

Ex-officio members present: Garry Brumback, Emilia Portelinha and Mark Sciota. Also present were Ron Theriault and Katie Baldwin from Ovation Benefits.

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

The Self Insurance Committee members introduced themselves to the new Town Manager.

1. Approval of Minutes of the December 15, 2010 meeting.

The Committee did not have a quorum, and was unable to approve the minutes. Jill Notar-Francesco had e-mailed changes to the meeting minutes. After discussion, it was determined that the minutes would be amended and approved at the next meeting.

2. Status on the Employee Wellness Pilot Program

John Myers updated the committee on the status of the Wellness Pilot Program. We have already gone through two waves of "8 Weeks to a Better You". Out of 67 participants, 42 have continued on to the four month extension. The third wave begins at the end of February with 38 participants. Mr. Myers has received a lot of feedback. Participants involved in the program are "loving it". Some barriers to attending the sessions were the holidays and snow days. Many participants inquired about how the Town plans to proceed with this program.

Sherri DiNello asked John Myers for the names of the individuals extended beyond the eight weeks so they can be sent a letter of congratulations. After some discussion, it was determined that the committee would gather data after the eight week session, and after the four month extension. The Self Insurance sub-committee will meet to discuss how the Town will proceed with the Wellness Program.

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

The members reviewed the December 2010 summary of the Self Insurance Fund. Emilia Portelinha reported that December claims came in over budget by about \$34,000. However, year to date total claims and admin fees are \$1.074 million to the good overall, with most departments coming in under budget.

4. Review Anthem Projections and Confirm Level of Funding for the FY 2012 Budget.

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

- FY 2012 Preliminary Renewal Summary analysis reflects a 5.03% estimated reduction in claims.
- Ovations is negotiating the Stop Loss Premium with Anthem, which is currently priced at a 17.61% increase.
- Claims report through December 2010 reflects a \$1.013 million under budget
- Southington's 36 month trend is 4.64%, much better than most.
- Large claims analysis for the fiscal year shows 3 individuals over \$130,000 in claims.
- Comparison of calendar year 2009 to calendar year 2010 claims shows a decrease in the number of large claims, and an increase in the number of small claims.

- Utilization review reflects an increase in generic scripts, and a decrease in brand scripts.

5. Discussion of Policy for Self Insurance Fund Reserves.

The Self Insurance fund reserve balance as of June 30, 2010 is \$950,000. Ovation's recommends maintaining 10% of expected claims or \$2.0 million in reserves. Ron Theriault suggested setting a min and a max fund reserve in order to allow the Self Insurance Committee some flexibility.

Garry Brumback stated that the importance of reserves is two-fold, for utilization as a rainy day fund and as a premium stabilization fund long-term.

Joe Labieniec, Jill Notar-Francesco, Sal Dominello and John Moise will create a sub-committee to put together a Self Insurance Fund Reserve Policy.

5. Any Other Business

The committee will add the Kane Wellness Initiative to the next meeting agenda.

Mrs. Notar-Francesco made a motion to adjourn. Mr. DiNello seconded. Motion passed unanimously on a voice vote.

The meeting was adjourned at 4:25 pm

Respectfully submitted,

Emilia Portelinha
Self Insurance Committee