

HAROLD KANE SELF INSURANCE COMMITTEE
MINUTES TO MEETING OF MARCH 30, 2011

The Harold Kane Self Insurance Committee of the Town of Southington held a meeting on March 30, 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: Sal Dominello, Jill Notar-Francesco, Joe Labieniec, Dr. Al Natelli, John Moise and Sherri DiNello (arrived at 3:42 pm).

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

Absent were: Francis Verderame and John Barry.

1. Approval of the amended minutes of the December 15, 2010 meeting.

The minutes have been amended per Mrs. Notar-Francesco's e-mailed changes. Mrs. Notar-Francesco made the motion to approve the minutes as modified. Dr. Natelli seconded. Motion passed 5-0.

2. Approval of the minutes of the February 9, 2011 special meeting.

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

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

The members reviewed the February 2011 summary of the Self Insurance Fund. Ms. Portelinha reported that February 2011 was another favorable month. February claims came in at almost \$200,000 under budget. Additionally, year to date total claims and admin fees are \$1.5 million in the black, with all departments coming in under budget.

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

Brett Johnson reviewed the Claims Analysis and Forecast report (Ovations report).

- Total Fixed Costs & Medical/Rx/Dental Claims experience report depicts February 2011 \$189,000 in the black, and a fiscal year 2011 favorable variance to date of \$1.4 million. (difference due to estimated admin fees)
- Actual vs. Budgeted Total Costs report shows that actual claims & fees trend downward from July 2010 through November 2010, and then are higher in the winter months.
- Southington's 12 month trend is 2.97 %. The Town's 36 month average trend is 5.06%, which is much better than the industry average of 12% to 13%.
- Large claims analysis for the fiscal year shows 4 individuals over \$126,000 in claims, but none near the \$500,000 individual stop loss.
- Comparison of calendar year 2009 to calendar year 2010 claims shows a 49.48% decrease in the number of claims from \$100,000 to \$249,999.

6. Discussion of Policy for Self Insurance Fund Reserves.

The committee discussed the importance of maintaining a reserve balance in the fund. The sub-committee has made some phone calls, and discovered that many Towns do not have a Self Insurance fund reserve policy. Mr. Dominello stated that the actuarial reserve in the private sector is two months.

Towns live and die by the budget; therefore it's important to have a reserve in the Self Insurance fund. Ovations indicated that most Towns have a reserve of 8% to 12%.

Mr. Brumback worked in two Towns which both used 12%. He will get the templates from those Towns. Ms Portelinha will also look at the historic IBNR numbers.

Dr Natelli asked when the Town will see the dollar returns for the wellness program. Mr. Theriault responded that if you have a wellness program that is mandatory, you will be able to see the change in data on these participants. But you might never see the dollar savings. It shaves the increases in the costs. It bends the curve. Healthy employees are a good investment.

7. Harold Kane Initiative

The Committee discussed several ideas on how they could honor Harold Kane's memory. He was the driving force for the Town being self-insured, for the Self Insurance Committee, the Wellness Program, as well as many more contributions to this Town.

Dr Natelli made a motion to rename the Committee the "Town of Southington – Harold Kane Self Insurance Committee". Mr. Labieniec seconded. The motion passed 6-0

3. Status on the Employee Wellness Pilot Program

Mrs. DiNello updated the committee on the status of the Wellness Pilot Program. Of the 35 participants in phase one, 20 successfully moved on to the four month extension and 10 are still participating. We are waiting for additional data to see the results of the program such as weight loss, blood pressure, etc. The Town will be getting real data from the YMCA in May.

There was discussion on how the Town should proceed with the Wellness Program at a minimum cost. After some suggestions were shared, the committee decided to wait for the post-program data in May before making any recommendations.

8. Any Other Business

The Self Insurance Committee decided to cancel the April 27, 2011 meeting.

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

The meeting was adjourned at 4:37 pm

Respectfully submitted,

Emilia Portelinha
Self Insurance Committee