

Insurance Committee
November 17, 2006

A meeting of the Insurance Committee was held on November 17, 2006, at 8:00 a.m. in the Purchasing Office's conference room. The following people were in attendance: City: John Smith, Roald Erling, Glenn Klocko, Robin Manuele, Diane Ferguson, and Roger Spear, BOE: Tony Malavenda, Webster: Fred Moreno and Dom Perno, AON Consulting: Steve Ribeiro, Vera Hettrick and Carlton Lindgren.

Agenda item # 1 - The meeting was called to order at 8:08 am and Fred discussed the Claim Comparison report and noted that there is only one claim over \$25,000 for this fiscal year to date. Fred discussed the training that has recently taken place at the BOE - slip/fall and safe lifting and at the City - snow plow safety, slip/fall and lifting safety, and hazard communication. He said the both sessions were well attended and well received. He also mentioned that he would like to have more awareness at the BOE for proper footwear and slip and trip safety and planned on hanging posters and doing a payroll stuffer to provide more awareness. John asked how the old claims with CIRMA were progressing, and Diane said they were moving forward and many of them were being closed. She said another claim review needs to be scheduled. Webster representatives exited at 8:30 am and Aon Consulting entered.

Agenda item # 2 - Vera discussed the City's Health Insurance utilization report which compares calendar year 2004 with 2005. It was noted that inpatient claims are below norm and outpatient claims are above norm with prescription drugs also being above norm. This is positive because it lowers costs; patients are being treated as outpatients instead of being hospitalized. Steve said that mail order prescription drugs usage has increased but are still underutilized and they are a cost saving to the City. Vera stated that in total, the employee only pays 5% through cost sharing and co-pays for health insurance and the City pays the remaining 95%. Steve recommended for negotiations that the following items need to be looked at: increasing co-pays, increasing cost sharing and possibly changing benefits.

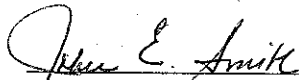
John asked about wellness programs and Steve said Anthem BC/BS is planning on launching a new wellness program in Spring/Summer of 2007. He doesn't know what the cost is yet, but said since the City pays \$3.95 per month per head right now, for managed care, and there really is none, he is going to try and negotiate with Anthem BC/BS on cost. He also noted that 2007-08 will be the City's first year off of the rate guarantee so he is expecting a substantial increase in administrative costs.

Carlton gave the committee an estimate of what to expect for the 2007-08 budget year for health insurance. He said if all things stay constant, based on the previous 12 months of claim data, we can estimate an 8.22% increase.

The Voluntary Benefit process was briefly discussed by Steve. He said a full blown RFP was done in 2001 and AON made recommendations to the City and the City made their selections based on AON's recommendations.

Agenda item # 3 - The final agenda item was to discuss liability claims. John asked Diane if there were any large or unusual claims and Roger and Diane said there were none that they were aware of.

The meeting adjourned at 9:30 am, with the next meeting scheduled for January 19th, 2007.



John Smith
Insurance Committee Chairman