

INSURANCE ADVISORY BOARD MINUTES
SPECIAL MEETING
City of Fort Lauderdale
Monday, June 27, 2005 – 8:00 a.m.

<u>Board Members</u>	<u>Special Meeting - Attendance</u>
Joseph Cobo, Chair	P
Mark Schwartz, Vice Chair	P
Ted Hess	P
Randall Swenson	P
Christopher Prestera	P
Roger Bond	A

Staff and Guests

Daniel Jilek, Risk Manager
Bernard Wray, Director of Finance
Dave Fortune, Fortune Consultants

Mr. Jilek stated that the topic of discussion for the meeting was the pending RFP on Gallagher for TPA services. He indicated that they are under a tight schedule and needed a special meeting in order to get this issue on the agenda for City Commission approval.

Chair Cobo indicated that they would be discussing their concerns regarding the recent allegations by the Broward County School Board regarding mismanagement of their account by Gallagher Bassett and Covell.

Mr. Jilek indicated that a telephone poll of Board Members had been taken to move the RFP forward, however, due to the recent news article, he felt further discussion was warranted. He mentioned in the RFP under section 8.1, the 90 day contract termination clause, should the City wish to invoke termination of the contract.

Mr. Jilek felt that so far, Gallagher has been doing a “commendable job” pointing out that the City runs their program differently than the BCSB, noting that BCSB had substantially increased their expenses by assigning a visiting nurse to each case. In addition, it appeared that the BCSB had “washed their hands of the program and let the TPA and medical case management literally run the whole program.” He indicated that the City controls their own program with all documentation being processed and logged in the City’s Risk Management office.

Mr. Prestera suggested that the problems appeared to be with the relationship between Gallagher and Corvel with Gallagher shifting responsibility to Corvel, enabling them to bill for additional services. Mr. Wray agreed, questioning whether the City should contract with Gallagher under the circumstances. Mr. Jilek stated that the way the City’s proposal is put together it will not be necessary to use Corvel in the future should the City decide to opt them out. Mr. Jilek pointed out that the City currently uses telephonic case management in lieu of first-person case management as it is more cost effective.

Mr. Wray suggested the alternative of hiring in-house claims management; however, Mr.

Fortune did not feel there were enough claims generated to justify adding several full time employees.

It was suggested that Gallagher be given an opportunity to present their version of the events to the Board.

Mr. Jilek stated the two main differences between the City's program and the BCSB program is 1) they were using a phone-in system instead of channeling claims through the risk management department, and 2) someone had apparently convinced BCSB management to allow hands-on case management by Corvel in every case.

Mr. Schwarz asked if it would be possible for the City to incorporate a safety trainer. Mr. Wray indicated that was under consideration. Mr. Jilek noted there is a safety person in Public Works who provides training for heavier work, and the police and fire have their own safety training, leaving basically the office employees, however, here is currently no loss prevention "department" within Risk Management.

Chair Cobo announced that due to a misunderstanding, the Gallagher Bassett representative had scheduled attendance at the Special Meeting for 10:45 a.m. that day instead of 8:30 a.m. Mr. Jilek will invite Gallagher Bassett to attend the Board meeting scheduled for June 30th, at 8:00 a.m.

With no further business to come before the Board, the meeting was adjourned.