

INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale

100 North Andrews Avenue

7th Floor Conference Room

Thursday, June 30, 2005 – 8:00 a.m.

<u>Board Members</u>	<u>Meeting Attendance</u>	<u>(1/05 to 12/05) Cumulative Attendance</u>	
Joseph Cobo, Chair	P	P-5	A-0
Mark Schwartz, Vice Chair	P	P-5	A-0
Ted Hess	P	P-5	A-0
Randall Swenson	P	P-4	A-1
Christopher Prestera	P	P-4	A-1
Roger Bond	A	P-1	A-3

Staff and Guests

Daniel Jilek, Risk Manager

Bernard Wray, Director of Finance

Nancy Countryman, Gallagher Bassett

Dave Fortune, Fortune Consultants

Lisa Edmondson, Recording Clerk

1. Roll Call

The regular meeting of the Insurance Advisory Board was convened by Chair Cobo at 8:00 a.m. on Thursday, June 30, 2005, at 100 North Andrews Avenue, 7th Floor Conference Room, Ft. Lauderdale, Florida.

2. Approve Minutes of May 24, 2005

Motion made by Mr. Swensen, seconded by Mr. Hess, to approve the minutes of the May 24, 2005 meeting. In a voice vote, the motion passed unanimously.

3. Discussion/Approval of WC TPA Contract with Gallagher Bassett Services

Mr. Wrey stated that he had met with Ms. Countryman requesting an analysis of the differences between the City's program and the Broward County School Board (BCSB) program. He also asked her to check whether or not their association with Corvel could be discontinued.

Ms. Countryman provided a breakdown of the City's program, having reviewed pertinent documents and the previous audit. She indicated that she could not address the BCSB situation as she had not been personally involved and was not at liberty to discuss those specific issues.

Ms. Countryman stated she is the Account Manager for the City. Neil Steinberg is the Account Executive involved in the finances (funding and contracts) of the program presented to the City for renewal. Once a program is set up, it is overseen by Ms. Countryman who is fully accountable for its implementation.

Ms. Countryman provided a brief history of the transition from Protegrity, guidelines for operation and staffing of the current program, and the relationship between Gallagher Bassett and Corvel. She indicated that managed care fees are received by Gallagher Bassett from Corvel for handling network issues, overseeing of providers, systems management, electronic data transfer, etc. Corvel is responsible for submitting the plan of operation for the City's program to the Agency for Healthcare Administration and is the vendor of choice. They also provide telephonic case management. Ms. Countryman added that a key component is keeping the employees educated on the elements of the managed care program.

She also reviewed:

- The process of reporting and processing claims
- Adjuster/field case management procedures
- Clinics used
- Primary and specialist physician availability

Chair Cobo expressed concern regarding using Corvel and the allegations from the BCSB pertaining to mismanagement. Ms. Countryman assured the Board that due to the City's hands-on policy regarding implementation of claims procedures, mismanagement is unlikely, as a partnership has been set up between Gallagher Bassett and City staff allowing for open communication and control by the City regarding all aspects of the program.

Ms. Countryman felt that the BCSB incident is a "one client issue" which has not affected other entities associated with Gallagher Bassett and Corvel. Mr. Fortune reminded the Board that there are simply "allegations" at this time, but no actual substantiation yet regarding mismanagement.

Chair Cobo requested a report from Ms. Countryman outlining the average cost of the 239 pending claims against the City, as well as an indemnity report and a list of employees currently under light duty status, which she agreed to provide.

Ms. Countryman indicated that Gallagher Bassett would be undertaking a program review and, if requested, could back Corvel out of participating. She indicated the bottom line, however, is that the City's program is in good shape.

Mr. Pretera assured the Board that when the selection committee had analyzed the five companies which had submitted an RFP for TPA services, Gallagher Bassett's score had been "so far above the rest of the competition" that there was no question that the City would continue with their services.

***Motion** made by Mr. Schwartz, seconded by Mr. Swensen, to continue the services of Gallagher Bassett as the City's TPA. In a voice vote, the motion passed unanimously.*

Chair Cobo requested that an overview of the claims, open and closed, be provided on a regular basis. Ms. Countryman indicated she would schedule claims reviews on a quarterly basis, adding that currently 30 to 90 day written status reports are provided regarding larger open claims.

4. Schedule July Meeting

The next meeting of the Insurance Advisory Board has been scheduled for July 21, 2005, at 8:00 a.m.

With no further business to come before the Board, the meeting was adjourned at 8:55 a.m.