

# INSURANCE ADVISORY BOARD MINUTES

City of Fort Lauderdale

100 North Andrews Avenue

7<sup>th</sup> Floor Conference Room

Thursday, September 22, 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-7	A-0
Mark Schwartz, Vice Chair	A	P-6	A-1
Ted Hess	P	P-7	A-0
Randall Swenson	P	P-5	A-2
Christopher Prestera	P	P-5	A-2
Roger Bond	P	P-3	A-3

## Staff and Guest

Daniel Jilek, Risk manager

Bernard Wray, Director Finance

Marilyn Mullen, Employee Benefits Coordinator

Brenda Cooper, Recording Clerk

### 1. Roll Call

The meeting was called to order 8:05 a.m.

### 2. Approve Minutes of June 30, 2005 and August 18, 2005

Motion made by Mr. Schwartz and seconded by Mr. Hess, to approve the minutes of the June 30, 2005 and August 18, 2005 meetings. In a voice vote the motion passed unanimously.

### 3. Review Renewal Efforts on Employment Practices Policy and Police Professional Policy

With regard to the police policy, Mr. Wray advised that he was working with a new broker to address the coverages, but because of the time frame, coverage had to be secured so there would be no lapse in the policy. He advised it appears the market has softened and he is obtaining quotes on both policies for less than the amounts paid last year. It was Mr. Wray's suggestion to remain with the same carrier, limits, and deductibles.

Motion made by Mr. Prestera, seconded by Mr. Hess to bind coverage. In a voice vote, the motion passed unanimously.

### 4. Update on Insurance Broker of Record Selection Process.

Mr. Jilek made a correction to the policy being discussed; it was for public officials and not employment practices. They are in the process of broker service selection, and have had initial five responses. These will be reviewed in the upcoming two weeks; Mr. Jilek will report back at the next meeting.

Mr. Swenson questioned whether any local offices had responded was advised by Mr. Wray that there had been none. He also questioned whether the numbers reflect two year locks and was advised they did.

5. Update of WC Claim Status

The Board was supplied with an updated report incorporating the new information requested at the last meeting including lost time information. It was noted that reserves have decreased.

Chair Cobo questioned the current status of the claims. There was also a question regarding how much medical information could be revealed. Chair Cobo asked what could be done to reduce the losses, although Mr. Wray advised that the ratio was what could be expected for a municipal operation.

6. Update from Marilyn Mullen on Benefits

Ms. Mullen provided an update on current City benefits. With regard to health plan enrollment, the most significant item is the PPO plan, which encompasses 141 individuals. Ms. Mullen would like see those individuals placed into the other plan. Mr. Jilek concurred that expenses are high in the PPO Plan. The issue is how many doctors would have to be switched.

Ms. Mullen advised that the City was doing well under the HMO plan based on revenue generated. The PPO plan is running at an even pace.

Ms. Mullen pointed out that none of the numbers reflect dental insurance. When the two plans are combined, revenues exceed expenses; however, the HMO is underwriting that cost.

Chair Cobo stated that he had looked at plans with a higher deductible, and had spoken with someone regarding the Neighborhood Health Plan (called the Freedom Plan). Individual coverage could be obtained through GE, and he felt the rates are quite dramatically different. Ms. Mullen questioned whether this should be introduced.

In terms of the rates, Ms. Mullen noted that with a high deductible health plan, the premium can be as low as \$193, i.e., such as under Blue Cross/Blue Shield. She indicated the employees seem generally happy to pay for the policy they have. Ms. Mullen did not recommend a significant reduction or switch in policy.

Ms. Mullen is conducting an investigation as to how many of the 141 employees are accessing the services locally and how many are nationwide. She indicated that if there is an opportunity at some time in the future to move them into a better program, it should be done as it would be better for the City. The City is currently under a PPO plan with a direct contract with North Broward Hospital District allowing a rate increase of 5%. Ms. Mullen stated she will see if AvMed rates are competitive.

Chair Cobo questioned Ms. Mullen regarding the percentage of medical drug use versus PPO. Ms. Mullen indicated she hadn't factored in those numbers yet. Chair Cobo also questioned whether they are controlling costs, based on negotiated control factor or utilization. Ms. Mullen replied it is a combination, although she is not privy to what they have in terms of discount for charges -- North Broward versus other programs. Prescriptions are 20% of total health care dollars. Not included in the numbers are bank fees, consulting fees, and actuarial fees totaling approximately 5%.

Ms. Mullen indicated one of her goals is to create an information piece, "Benefits at a Glance," to assist employees in their selection process. Mr. Jilek pointed out that currently there is no single source for an employee to look at the benefits, although Ms. Mullen indicated that information is online.

Mr. Swenson questioned the time line as open enrollment is upcoming; therefore, the booklet should be completed in the next few months.

The next meeting will be on the 13<sup>th</sup> of October, 2005.

With no further business to come before the Board, the meeting was adjourned at 8:33 a.m.