

**MINUTES
CITY COUNCIL WORKSHOP
CITY OF ARCADIA
THURSDAY, JULY 19, 2012
5:30 PM**

CALL TO ORDER, ROLL CALL

The workshop session was called to order at approximately 5:30 PM.

Arcadia City Council

Mayor Keith Keene

Deputy Mayor Alice Frierson

Councilman Robert Heine – Excused Absent

Councilman Joseph E. Fink

Councilman Robert Allen

Arcadia City Staff

Interim Administrator Judi Jankosky

City Recorder Virginia S. Haas

DISCUSSION:

1. City Health Insurance Consultant Services – 20 minute presentations

a. Albritton Insurance Services, LLC

Ms. Jennifer Backer, Albritton Insurance Services, stated she was born and raised in Arcadia and she reviewed her education and experience. She noted that Albritton Insurance is passionate about opening an office here in Arcadia. They are a member of the Chamber and participate in community events. She introduced Mr. Joe Albritton as the Owner and gave a brief summary of his education and background. She introduced Ms. Ashley Martin who handles the Life and Health Accounts.

Ms. Backer stated that their Company deals closely with Florida Blue, United, Cigna, Aetna, Humana, AFLAC and all other Florida Health care providers. They have an office in Wauchula with 9 licensed agents that serve as back office support. She summarized the Companies unique service model and listed some of their customers as Hardee County School Board, Hardee County Board of County Commissioners, City of Wauchula and Taylor County Board of County Commissioners. She added that the new Arcadia office would create local jobs for the area. She stated they are committed to local service and understand the need for job creation in rural Florida.

Ms. Ashley Martin reviewed that she handles all medical claims and acts as an intermediary between the employee, the doctor and insurance company assisting in invoices, open enrollment, "tickets" and employee education. We are at the disposal of the City of Arcadia and can be involved as much or as little as needed. We can assist with all areas of the process, which frees up staff. We are bound by the ethical standard of our insurance license and HIPPA compliance. We offer employee benefit education seminars "eat and greet" to discuss aspects of benefits and address issues before they become issues.

Mr. Joe Albritton stated their model stresses managing loss ratios and medical trends which drives your premiums. If you perform very well we can offer a profit sharing with the insurance company. Health Insurance is something you have to manage every day. He explained low severity claims versus high frequency claims. He explained that Albritton Insurance was able to save Hardee County Schools \$3.5 million on insurance since they started the management process. They also conduct a market survey every year and if we are appointed agent we can shop your insurance. He pointed out an example of Hardee County BOCC renewal that came in 19% under market. The huge component in that savings was daily management of claims. He stated that Albritton Insurance has all required resources the City may need. What sets them apart is managing claims every single day, looking at monthly losses, spikes and nonrecurring events. We look at each benefit line and across the carriers to see if it is an improvement.

He pointed out that he saw a trend when Hardee County was treated differently from Hillsborough County and other larger Counties so he developed a program to bring the same level of expertise, risk management and service that Hillsborough gets. He said it took three years but they found a software program that was HIPPA compliant. Taylor County has adopted their program and the results speak for themselves.

Ms. Martin replied to Deputy Mayor Frierson that she could meet with employees in their office or in City Hall and that would be up to the City. Mayor Keene stated he would be interested in some health lifestyle education for the employees. Councilman Fink asked about the Albritton name and told the story of how Arcadia got its name.

Mr. Albritton stated that their book of insurance is around \$12 million however premiums are not decided by the size of the book, their company gets good bids because they manage daily claims and loss ratios.

b. Brown and Brown Public Risk Insurance Agency (PRIA)

Mr. Alan Florez, VP and Ms. Robin Riley, Agent and Account Executive

Mr. Florez stated that PRIA is here because there is an opportunity to solve a problem. We feel there is a circumstance that we could provide what the City is looking for. Our level of service is a focus of what we do. We are part of Brown and Brown but our home headquarter is located in Daytona Beach, FL. Even though we are part of a large resourceful business we have 188 autonomous offices that are accountable to themselves and the top people stay out of our way as long as we get the job done. He reviewed their current clients some to include DeSoto County, Trenton County Clerk of Court, Hillsborough Transit Authority, City of Williston, etc. He noted that their bread and butter include the smaller cities that make the bulk of their very large book. He encouraged Council to call their references such as DeSoto County and they will find that services are not an issue because Ms. Riley is here in DeSoto County every month focused on their needs. We are incredibly technical and delve deep into your program. We fight the increase by creating options and we fight with the carriers with knowledge. We are very used to dealing with the underwriters such as FL Blue and United. They know and respect our negotiating capabilities. We can benchmark and make sense of

the rates. We are innovative and think out of the box so we can be ahead of the curve.

Mrs. Riley stated that their service is impeccable and what sets them apart. She reviewed results on accounts: City of wellington - savings \$48,035, City of Madison - savings \$383,000 and City was able to add dental and vision to enhance their program. In Highlands County they negotiated with BCBS saving \$299,526 and \$100,000 for a wellness program where each employee that participated received \$200 in their paychecks. She stated in this area you have BCBS and United that have viable networks in the system and we have a contact person in house at each carrier which provides fast, accurate information.

Mrs. Riley went over suggestions for a potential plan for the City. She met with Mrs. Jankosky and understands the need for services and someone to work on the City's behalf. Our first approach is to look at a formal bid process as carriers get very competitive and then they would negotiate with those carriers to bring the best terms and conditions. Next they could implement a wellness program through donations and raffles by partnering with local vendors. The other approach for small groups down the road would be a self funded program. Mr. Florez explained if you have good years and good claims you may ask why you are not getting a break or money returns however the only way is with a self insured program which is becoming more popular.

Mr. Florez stated in the bidding process at the request of the City they could administer that bid and they also work well with the incumbent carrier. For example, they fought with FL Blue about an increase and he gave the example of Pasco Sheriff's potential 9.8 increase. We reviewed the numbers and questioned the increases. Florida Blue agreed on some items and brought the number down to a 5.2 increase. He spoke some about transition and fears. They are able to work with the employees and create a checklist of improvements and design a service approach based on those requests. Also if the City moved to another carrier they would work with the employees by running a disruption report. Mrs. Riley also has back up in the office to handle day to day problems and Mrs. Riley is available by cell phone at all times.

Mrs. Riley responded to Mayor Keene that she can be here at our needs or even an extra day, she is currently here once a month for the County. She responded to Deputy Mayor Frierson that she can do the same day every month, currently she meets the second Monday of every month at the County however she may only spend two hours at the County. Mr. Florez reiterated that there will be staff available and if the issue can't be solved on the phone staff would come to the City.

c. Desoto Insurance

Mr. Lew Ambler, DeSoto Insurance Agency, thanked the Council for letting him participate in the process and hoped that he could shed some light on better ideas. Their office is located three blocks from here; they have 13 employees and filling two more positions. He introduced Mr. Phil Hunt, Mr. Thomas Guidry and Mr. Rex Smith all who have extensive experience in the industry. We have always tried to stay on the cutting edge of technology, but try not to lose the personal touch. We have been in business almost 95 years with 4,800 customers and several wide ranges of life and

health benefits. Mr. Tom Guidry would be the primary life and health representative if they are selected to be agent. There will always be someone in our office to service your account. Mr. Ambler stated that their philosophy is we are in business to protect people's stuff and we pride ourselves in thinking outside of box.

He responded to Deputy Mayor Frierson that the problem you have is the limitations of a doctor, pharmacy, etc not in network then you are subject to out of network expenses which is passed onto the employee. The problem with Desoto County is that there are only two networks FL Blue and United and DeSoto Insurance does business with both.

He responded to Councilman Fink if everything is presented the same all quotes will be similar pricing. Mr. Ambler stated that everything in Health Care has become so structured there is very little ability to pick up the phone and get something changed.

Mr. Tom Guidry explained that he has been with DeSoto Insurance since 1993 and specializes in health insurance. He reviewed what they could provide to make things cost effective for the City and employees.

As Agents for the City there are trends and changes but the main items that drive the cost is 1) Deductibles (City - \$500) which is a good low deductible. The standard is \$1,000 or more. He responded to Councilman Fink that you can provide a multi-plan option and some companies will provide three plans low, medium and high and the employer pays the low plan and the employees can pay the difference for the higher plans. 2) Co-insurance (City - 80%) you can pick and choose that as well, the lower the co-insurance the less expensive the policy. 3) Maximum out of pocket expense (City - 20% up to \$2,500) this drives your cost also. The higher you go in out of pocket expenses the less expensive the plan. 4) Doctor co-pays also drive your cost, most companies package different plans with different deductibles and co-pays (City - primary only - \$25.00 – no co-pay for specialist). The providers can look at your plan and come close to matching your plan benefits. 5) Prescription costs drive your plan also. In addition to those costs you can also explore multi-plan options, alternative plans, self insurance carriers or self funded plans. DeSoto Insurance can also provide reports on plan usage, claims experience, and offer supplemental insurance like AFLAC and retiree Medicare.

Deputy Mayor Frierson asked who determines what doctor is seen by employees in the event of a worker's compensation claim. He replied to Deputy Mayor Frierson that the doctor is determined by the Worker's Compensation Company.

Mr. Guidry explained the City has a PPO right now so you have a choice and do not need a referral. There are HMO's available but those get restrictive however the HMO's are not cheaper anymore. We can provide insurance for dependants but typically employees can buy individual policies cheaper than putting dependants on the group insurance.

Mr. Guidry reviewed some highlights of what United Health Care provides. They have a large network of 626,000 doctors and 5,035 hospitals. Some things to consider is to check if your doctor is in the network and those resources you can find online. United

Health has a tool called help for me which is a free application for smart phones. If you are going to have a procedure there is a tool to punch in your plan and they will give you an estimate of what it will cost you out of pocket. Preventative health care is free with United due to the health care reform. They have a comparison program, the premium designated program, in which doctors that follow medical guidelines allow lower co-pay. It is simple to find doctors and hospitals and they have "Care 24" where employees have benefits at their fingertips 24-7. They also have an employee assistance program where you can get help with legal, financial, and behavioral counseling. There are discounts on other types of programs, like laser surgery, gym memberships, etc.

Mr. Lew Ambler said they will have someone available in the office and there is a Spanish speaking employee as well. Mr. Ambler asked when the Council might make a decision. Mrs. Jankosky replied that the City is on an annual renewal. Mr. Ambler stated if the City decides to make us agent he would recommend a quote from FL Blue and United. DeSoto Insurance will need an agent of record.

Mayor Keene reviewed that there are only two insurance companies that can provide a network of services and this is a great starting point but we need to gather more information.

Mrs. Jankosky noted that it would be a crunch to change to an October 1st renewal. Mr. Ambler replied that he would not recommend changing from the calendar year because some employees have money invested in their deductible and will schedule a surgery in December. If you change from the calendar year you may get that waived but it is not guaranteed.

Deputy Mayor Frierson asked about the refund the City received for our medical insurance. Mr. Ambler replied that was a part of Obama Care, a Federal Law, that provides 80% of every premium policy must be spent on health care claims and if not that is reimbursed to the City.

Councilman Fink recognized former Councilman Phil Hunt in the audience.

- d. Other presentations – None
- e. Questions – Addressed above

PUBLIC COMMENTS- None

COUNCIL MEMBER COMMENTS - None

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ADJOURN

Having no further business, the workshop was adjourned at 7:30 PM.

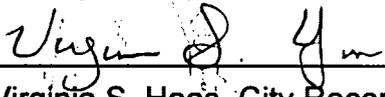
APPROVED THIS 8th DAY OF AUGUST, 2012

By:



Keith Keene, Mayor

ATTEST:



Virginia S. Haas, City Recorder