

COMMITTEE ON HUMAN RESOURCES/INSURANCE

June 28, 2010

4:30 PM

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Aldermen Shea, Ludwig, Ouellette, Arnold, Craig

Messrs: J. Burkush, G. Simmons, J. Gile, T. DeLacy

Chairman Shea addressed item 3 of the agenda:

3. Summaries of outstanding arbitrations and grievances submitted by the Human Resources Director.

(Note: Provided for informational purposes only; no action required.)

Chairman Shea addressed item 4 of the agenda:

4. Recommending that Ordinance amendment:

“Amending Section 33.081(F) (Sick Leave) of the Code of Ordinances of the City of Manchester.”

ought to pass and be referred to the Committee on Bills on Second Reading for technical review.

(Unanimous vote of Committee on Human Resources, 05/04/2010; referred back to Committee by BMA, 05/18/2010.)

On motion of Alderman Arnold, duly seconded by Alderman Ludwig, it was voted to discuss this item.

Mr. James Burkush, Fire Chief, stated we have made significant progress with local aid 56 towards a solution to this issue so we would ask that this issue be tabled for the next HR meeting, probably in August.

Chairman Shea asked is this agreeable to the union representative?

Mr. Burkush replied yes.

On motion of Alderman Craig, duly seconded by Alderman Ludwig, it was voted to table this item.

Chairman Shea addressed item 5 of the agenda:

5. Communication from Human Resources recommending approval of the Manchester Police Department's request for a new job classification of grade 15 for the Crime Analyst position.

On motion of Alderman Ludwig, duly seconded by Alderman Arnold, it was voted to discuss this item.

Alderman Arnold asked could we get a brief overview, Chief?

Mr. Gary Simmons, Assistant Police Chief, replied previously we had one position that handled both of our crime analyst duties as well as accreditation. However, it did both of those on kind of a part time basis. Back several months ago, the Chief came before the full Board and we separated those positions. The accreditation manager became a full time position and at that time, they approved our hiring or going after the position of crime analyst. By doing that, it would allow both of those positions to take on more of a full time role regarding those responsibilities and that was done previously. At this point what we have been doing is working with HR for the last several months in developing the specs for the crime analyst position. Our original focus was to give it a higher pay grade than what is coming before the Board today. However, based on the responsibilities that this position will have, HR said that it should be classified as a grade 15. We were acceptable to that and in the future, if this position were to develop more responsibilities, then maybe we would readdress the pay at that time.

Alderman Arnold stated I have a question for the Human Resources Director. Jane, I understand from the correspondence, I'm presuming that you or a member of your staff looks at other communities?

Ms. Jane Gile, Human Resources Director, replied yes, we do.

Alderman Arnold asked could you give a little background of that?

Ms. Gile replied I don't have the information with me tonight, but we do a comparative analysis of other like sized communities in terms of what the pay is as well as what the level of responsibilities are. Some of the positions that may have

been compensated at higher levels did have supervisory responsibilities and other responsibilities that would have given it a higher grade. Based on our analysis as well as the internal analysis that we do with our salary scale here to place like positions in categories that are comparable, our analysis showed that it would be a 15. As Assistant Chief Simmons did report, if we find that the essential duties and responsibilities of that position increase, we would take a look at it again and reevaluate whether or not it needs to be at a higher scale. Based on the information that we have currently, it is appropriately placed at a grade 15.

On motion of Alderman Arnold, duly seconded by Alderman Ludwig, it was voted to approve this item.

Chairman Shea addressed item 6 of the agenda:

6. Communication from Human Resources recommending that the City of Manchester accept CIGNA Healthcare's offer to renew the Medicare Advantage program for the time period of July 1, 2010 through June 30, 2011.

On motion of Alderman Craig, duly seconded by Alderman Ludwig, it was voted to discuss this item.

Mr. Tom DeLacy, Work Place Benefit Solutions, stated I am the City's health consultant.

Chairman Shea asked could you explain a little bit for the members so that they would understand.

Mr. DeLacy replied certainly. Last year we entered into an agreement with CIGNA Healthcare to provide a Medicare Advantage program to the post-65 retirees for the City of Manchester. At that time, they had offered an 18 month contract with flat rates for 18 months. The reason for that 18 months is because on January 1, 2011, Medicare Advantage programs have to go from what is called a deemed network to a full network, meaning that they have to have a network of providers like you do now where you open up a booklet or go online and you can see the providers accepting that product. Prior to January 1, 2011, it was a deemed network which meant that any provider who accepts Medicare could chose on a daily basis whether to accept a Medicare Advantage program or not. It can get a little bit confusing because an employee wants to look in a book or look online and see an actual network of physicians. The reality, since we implemented the plan a year ago, is that we have had very good success with physicians. I think on the City side the only issue we had was one hospital down in Jacksonville, Florida,

that wasn't accepting the Medicare Advantage program. The program is run very well, but what CIGNA is offering now is instead of renewing on January 1st and having to go to that full network they would offer to extend the contract for six months, in essence going from July of 2010 through June 30, 2011. By doing that you continue with the same deemed network so there is no disruption to the employees or former employees. They are offering to keep the rates at the same level. Essentially we are getting rates for two years, guaranteed through one carrier.

Alderman Craig asked are the rates competitive in your opinion?

Mr. DeLacy replied yes, it is actually interesting. We just did a bid for the School District and these rates are about \$40 per month, or about 15% or so below the rates of the School District. It is 10% to 15%. I can't remember off the top of my head, but they are about that.

Chairman Shea asked what happens after June 30, 2011?

Mr. DeLacy replied we will need to go out to bid again at that point, but I think it will give the carriers extra time to get their networks developed. As of right now, no one is able to bid on the business. I think that extra six months is going to be advantageous to us.

Chairman Shea asked would you have a little bit of warning for the people? Would they get a warning so they know where they stand? In other words, would you have some decision by early June of next year?

Mr. DeLacy replied our preference really would be to have that decision three, four or five months in advance so people have some opportunity to react. If we were trying to make a change for January we would typically try to go out and solicit bids very shortly.

Alderman Arnold stated I'm happy to accept the current rates. Is it possible to get any additional explanation as to why they are so low? Is this just regular supply and demand?

Mr. DeLacy replied it is really just extending the contract that is in place. When we were looking at this last year the rates that they came out with initially were pretty much the rates that they ended up with. It wasn't really a big negotiation of jumping around. Frankly, at the time, they were the only one offering the product. I think that they are getting sufficient reimbursement. I would tell you that the reason we would want to move forward with this is because there is a lot of anxiety around Medicare and Medicare Advantage and the rates with the

healthcare bill. If you remember in the healthcare bill, there is some \$140 to \$150 billion in Medicare cuts that are attributable to Medicare Advantage programs. It is my feeling that if we can lock in at this time, then we should probably do that.

On motion of Alderman Ludwig, duly seconded by Alderman Craig, it was voted to approve this item.

Chairman Shea addressed item 7 of the agenda:

7. Communication from Human Resources recommending that the City of Manchester contract with HM Life for individual stop loss insurance at the \$210,000 level for the period of July 1, 2010 through June 30, 2011.

On motion of Alderman Craig, duly seconded by Alderman Ouellette, it was voted to discuss this item.

Alderman Craig stated in looking at the two scenarios with the renewal at \$210,000, it is about a \$35,000 difference. How many cases do we have a year? If we have more than four of these cases a year it doesn't make sense.

Mr. DeLacy replied you would typically expect about two a year. Last year we ran at two. So far this year we are at two. There is one that is approaching \$200,000 that may or may not eclipse that point by year's end, but typically, when we look actuarially, thinking of a group this size of \$200,000 we would typically see two.

Chairman Shea asked did you say that there are two this year which ends at the end of June?

Mr. DeLacy responded the data that we have is through April because June hasn't ended yet and we don't have all the claims yet for May. We have one claim that is a little over \$400,000 and one that is right about \$210,000. There is another one in the \$180,000 range so that could hit or we may not see any more claims.

Chairman Shea stated so the time period then would extend up until 2011. Is that what you are saying?

Mr. DeLacy replied the time period where we are looking at this contract is from July 1, 2010, through June 30, 2011, so any claims that are paid in that period of time.

On motion of Alderman Craig, duly seconded by Alderman Ouellette, it was voted to approve this item.

TABLED ITEM

8. Proposed policy for the City relative to the use of Volunteers and Unpaid Student Interns submitted by Jane Gile, Human Resources Director.
(Tabled March 2, 2010; Human Resources Director to obtain feedback from departments.)

This item remained on the table.

There being no further business, on motion of Alderman Ouellette, duly seconded by Alderman Ludwig, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee