



Finance Committee Meeting Minutes

Glynn County Board of Commissioners

11:00 a.m., Monday, November 9, 2009

Third Floor Conference Room

W. Harold Pate Courthouse Annex

Brunswick, Georgia

Present:

Committee Members: *D. Hogan, T. Sublett, and T. Thaw*

Other Commissioners: *A. Callaway, J. Clark, B. Coleman*

Staff: *P. Christian, P. McNicoll, O. Reed, B. Rowell, T. Small, C. Stewart, C. Temple, A. Thomas, W. Worley*

Press: *N. Batiwalla*

Others: *F. McGinty, M. Malloy, other interested individuals*

1. Review and discuss the Group Health Plan (Group Health Insurance Administration and Network Services) bids for the period beginning January 1, 2010 and the staff recommendation.

Mr. Charles Stewart, County Administrator, presented this item and stated that staff had prepared and issued a Request for Proposals (RFP) for the county's self-insured group health insurance third party administrator (TPA). A four person staff evaluation team reviewed and scored the technical proposals. The 3 highest scoring proposals were then contacted and called in for interviews. After scoring the technical proposals for the three finalists, staff chose Cigna to recommend as the county's TPA. Mr. Stewart stated that there are three major elements involved in the insurance plan. The first is the TPA which charges administrative fees to process the health claims. The second is the stop loss insurance policy which pays the county when claims for an insured person exceed \$100 thousand during the year. The third element is the PPO network which provides claims discounts.

Mr. Fred McGinty, McGinty Gordon & Associates, stated that all the Finance Committee did on October 27th was delay for discussion which is why they were at this meeting. He stated that McGinty Gordon & Associates (MGA) average compensation from Covenant Administrators (the county's current TPA) was \$45 thousand over the last five years. He stated that they were not the "middle man" and they work for Glynn County, not for the insurance company. He stated that they had never received compensation on the TPA fees, that they had helped in placing the excess insurance and the commissions on the excess insurance were shared with Covenant.

Mr. Mike Malloy, McGinty Gordon & Associate, distributed a booklet on the services and costs for the county's self-insured healthcare program. He discussed the White Paper in the booklet and then reviewed the services that he listed as having provided to Glynn County over the past 12 months. Mr. Malloy reviewed the schedule of excess insurance provider history and prescription benefit savings estimate and several other statistical reports. He stated that he averages 2.5 Glynn County claims issues per week.

Mr. Stewart stated that if the County Commissioner approved Cigna as the TPA and carves out the excess insurance, that would be a strong proposal. He stated that the is a business decision.

Mr. McGinty stated that they haven't added fee to the TPA but have acted as the county's advocate with the TPA. If selected to be the broker on the excess insurance, they will continue to be an advocate for the county with the TPA at no additional charge.

Mr. Stewart stated that the fact is that health insurance has gone up significantly. He said that this is what staff really targeted in the evaluation. Cigna has claimed a larger discount for their PPO network. Mr. Stewart stated that MGA did not participate in the RFP process. Mr. Malloy agreed with that statement.

Commissioner Sublett stated that this should not be about personalities, but that we are charged with protecting Glynn County taxpayers. Every dollar should be spent efficiently and effectively. He said that everyone agrees that Cigna is a good choice and he stated that bidding out stop loss is a good idea. He asked Mr. McGinty if the county does that would it address his concerns.

Mr. McGinty answered that their issue was that they thought it would not be to Glynn County's advantage to place the plan totally with Cigna with no broker. The benefit of the broker being that if stop loss goes up, the broker could go to the market and get the best deal.

Commissioner Thaw stated that when the issue was brought to him on Fri, Oct. 23, he has asked some questions that could not be answered and still were not answered at the Finance Committee meeting on the 27th. He stated that the reason the item was deferred was because they needed more information.

Commissioner Sublett asked to hear from Ms. Orah Reed, Human Resources Director, and Commissioner Bob Coleman. Ms. Reed discussed the RFP process and agreed that the stop loss insurance should be separated and bid. Commissioner Coleman stated that his biggest concern was whether staff could handle this. He stated that the use of a broker may be the best \$45 thousand ever spent but that is still to be determined.

Commissioner Thaw stated that action would be taken on this item at the regular Finance Committee meeting on Tuesday, November 10, 2009, and the meeting was adjourned.