

Board of Selectman  
October 20, 2011

THESE MINUTES ARE SUBJECT TO APPROVAL BY EMPLOYEE MEDICAL BENEFITS BOARD

The Employee Medical Benefits Board held a special meeting Thursday, October 20, 2011 in the Council Chamber of the Municipal Center, 3 Primrose Street, Newtown. Finance Director Robert Tait called the meeting to order at 6:20pm.

**PRESENT:** Dan McAloon, Mark Mattioli, Donna Van Waalwijk and James Loring.

**ALSO PRESENT:** Finance Director Robert Tait, Business Director Ron Bienkowski and Employee Medical Benefits Consultant Joe Spurgeon.

Mr. Tait opened the meeting by introducing Mr. Bienkowski and Mr. Spurgeon to the board members and handing out the committee ordinance (Att. A). Mr. Tait also passed out an unaudited document of past experience (Att. B). The calculation for this year's budget is a 25/75 split between the municipal side and the education side. Mr. Spurgeon explained he is a resource for the board and he will take direction from the board. He distributed and discussed the Self Insurance Plan Summary (att. C). An RFP Discussion Outline (Att. D) was discussed which included RFP's, carriers/vendors, 3<sup>rd</sup> party RX vendors and Town/BOE purchasing requirements.

The meeting concluded with discussion about holding a future meeting on Nov. 14<sup>th</sup>.

**ANNOUNCEMENTS:** none.

**ADJOURNMENT:** Having no further business Employee Medical Benefits Board adjourned their special meeting at 7:35pm.

Respectfully submitted,

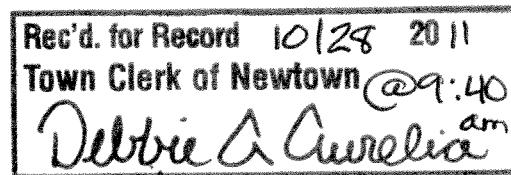
Susan Marcinek  
Susan Marcinek, Clerk

Att. A: Self Insurance Fund and Committee Ordinance

Att. B: Unaudited, past experience

Att. C: Self Insurance Plan Summary

Att. D: RFP Discussion Outline



## SELF-FUNDED HEALTH INSURANCE FUND AND COMMITTEE ORDINANCE

### § 1 Title

This article shall be known and may be cited as the “Self-Funded Health Insurance Fund and Committee Ordinance”.

### § 2 Creation of Fund and Committee

The Town of Newtown, hereinafter referred to as the “Town”, by this Ordinance, authorizes the creation of the “Self-Funded Health Insurance Fund,” hereinafter referred to as the “Fund,” whose purpose is described below; and also authorizes the creation of the “Self-funded Health Insurance Fund Committee,” hereinafter referred to as the “Committee” whose responsibilities are described below.

### § 3 Purpose of Fund

The purpose of this Fund is to hold funds to pay claims made by municipal and School District employees of the Town as required in fulfilling employee health insurance obligations of the Town of Newtown, and other such liabilities relating to those claims and obligations.

### § 4 Partner or Partners

For the purposes of this Ordinance it is the intention of the Town of Newtown to have the Board of Selectman and Board of Education, work collaboratively as “partner” or “partners,” in connection with the Fund and the benefits paid by the Fund pursuant to the above paragraph.

### § 5 Responsibilities of the Committee

The Committee Shall:

- a. Serve the interests of the Municipal and Education departments of the Town.
- b. Recommend the level of annual or other contributions to the Fund by the Town and apportionment to each of the Partners, in consultation with the insurance consultant in his work with the insurance provider.
- c. Serve as an information bridge between the town insurance consultant and the Partners.
- d. Work with the Town and the insurance consultant as needed in any matters pertaining to health benefits.

### § 6 Members of Committee; Appointment; Terms of Office

- a. There shall be three volunteer members of the Committee, with a preference for those who have relevant expertise and knowledge in finance, healthcare, and/or insurance.
- b. Members shall be appointed by the First Selectman with the approval of the Board of Selectmen to serve a three year term. Initially, the First Selectman shall appoint one member for a one year term, one member for a two year term and one member for a three-year term.
- c. There shall be two alternates each appointed for a two-year term. The term of the alternates shall run from January 1 of the even year through December 31 of the ensuing year. If a regular member of the Committee is absent, the Chairman of the Committee shall designate an alternate to act in the absent

## **SELF-FUNDED HEALTH INSURANCE FUND AND COMMITTEE ORDINANCE**

member's place, choosing the alternates in rotation so that they shall act as nearly equal a number of times as possible.

### **§ 7 Chairman; Clerk.**

- a. The Committee shall elect a Chairman, to serve for a term of one year.
- b. The Chairman shall preside at meetings and public hearings.
- c. The Committee shall utilize a clerk whose responsibility is the taking of minutes at all meetings, typing and filing the same, and performing all other clerical or recording services for the Committee.

### **§ 8 Meetings**

- a. The Committee shall meet quarterly and at other times as the Chairman deems necessary.
- b. The Chairman shall prepare an agenda prior to each meeting and distribute a copy to each Committee member.

### **§ 9 Self-Funded Health Insurance Fund**

- a. The Fund exists only to pay healthcare claims and related expenses of the plan and shall not be used for any other purpose.
- b. The Fund will build a reasonable (not to exceed three months of payments) balance to ensure that claims of covered employees can be paid during a high claim year.
- c. Investments of the Fund balance will be made in accordance with the Town's investment policy.
- d. In the event the Fund is terminated, any balance shall revert back to the general fund of the Town (after all self insurance claims have been paid) and shall be used to defray the Partners' future health insurance costs and obligations.
- e. The Fund shall continue year to year without lapsing unless terminated by the Town.

### **§ 10 Severability**

The provisions of this ordinance are declared to be severable and the invalidity of any portion thereof shall not affect the validity of the remainder.

Adopted by the Legislative Council January 19, 2011

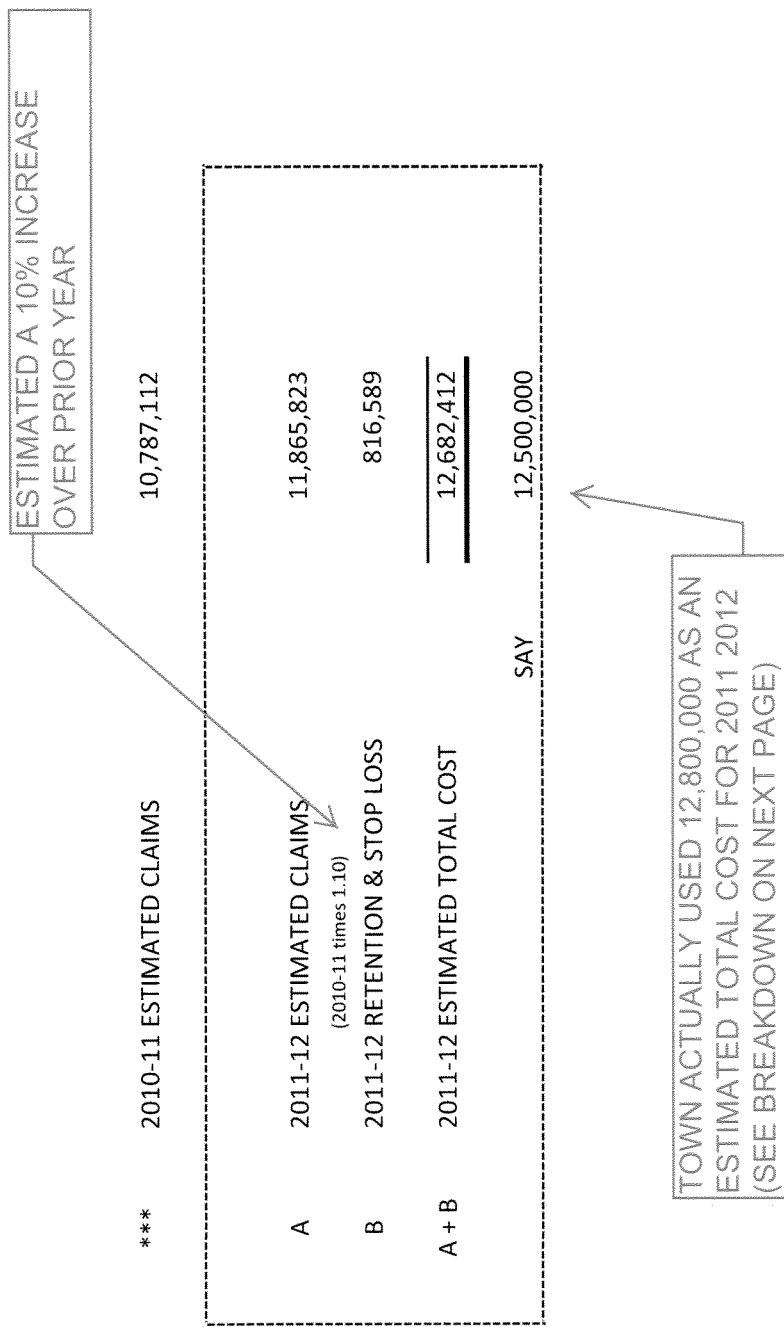
UNAUDITED

**SCHEDULE 8****TOWN OF NEWTOWN, CONNECTICUT**

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	BOE	DENTAL	MEDICAL INSURANCE	TOTAL
<b>OPERATING REVENUES</b>				
Charges for services.....	\$ 542,216	\$ 1,2724,920		13,267,136
<b>OPERATING EXPENSES:</b>				
Claims incurred.....	444,783	10,124,823		10,569,606
Administration .....	1,52	846,965		847,117
<b>TOTAL OPERATING EXPENSES.....</b>	<b>444,935</b>	<b>10,971,788</b>		<b>11,416,723</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>97,281</b>	<b>1,753,132</b>		<b>1,850,413</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income.....		3,935	3,935	
<b>NET CHANGE IN NET ASSETS .....</b>	<b>97,281</b>	<b>1,757,067</b>		<b>1,854,348</b>
<b>TOTAL NET ASSETS - JULY 1, 2010.....</b>	<b>81,665</b>	<b>-</b>		<b>81,665</b>
<b>TOTAL NET ASSETS - JUNE 30, 2011 .....</b>	<b>178,946</b>	<b>1,757,067</b>		<b>1,936,013</b>

**TOWN OF NEWTOWN  
MEDICAL SELF INSURANCE COST CALCULATION (BY TOWN)  
FOR 2011-12**



\*\*\* From 2010-11 Medical Self-Insurance Expenditures

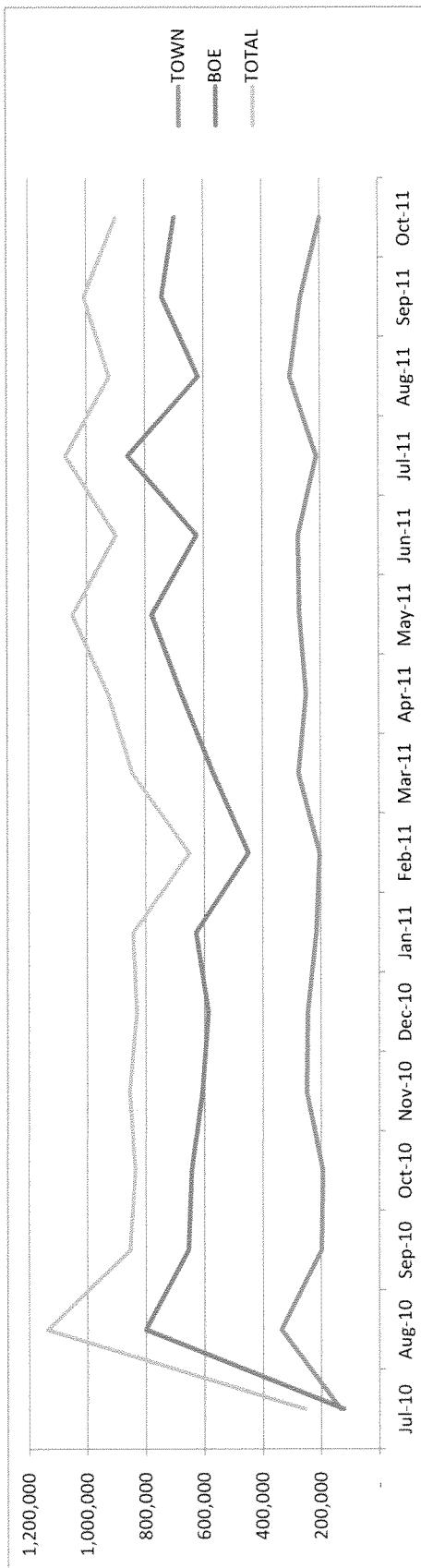
**2011-2012**

<b>MUNICIPAL:</b>			
TOTAL ESTIMATED COST <small>(Includes incurred claims and all retention components)</small>	A	3,315,200	25.9%
TOTAL ESTIMATED EMPLOYEE COST SHARE		(248,357)	
TOTAL ESTIMATED AGENCY COST SHARE		(257,895)	
TOTAL ESTIMATED RETIREE COST SHARE		(12,359)	
CONSULTING FEE (50%)		25,000	
MUNICIPAL CONTRIBUTION TO MEDICAL SELF INSURANCE FUND		<u><u>2,821,589</u></u>	
 <b>EDUCATION:</b>			
TOTAL ESTIMATED COST	A	9,484,800	74.1%
TOTAL ESTIMATED EMPLOYEE COST SHARE		(1,513,845)	
TOTAL ESTIMATED RETIREE/COBRA COST SHARE		(516,508)	
CONSULTING FEE (50%)		25,000	
HSA EMPLOYER CONTRIBUTION		60,000	
EARLY RETIREMENT COST		21,368	
EDUCATION CONTRIBUTION TO MEDICAL SELF INSURANCE FUND		<u><u>7,560,815</u></u>	
Note: Sum of the A's = 12,800,000			
			<b>TOTAL COST ESTIMATE USED</b>
			_____
			_____
			_____
			_____

TOWN OF NEWTOWN CLAIMS ANALYSIS  
JULY, 2010 TO OCT 2011

INITIAL PROJECTION WOULD BRING  
TOTAL COST TO AROUND 12,500,000

MEDICAL CLAIMS											
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11
TOWN	133,272	336,479	198,468	193,055	249,209	245,316	215,386	203,833	276,559	249,334	271,046
BOE	122,595	801,249	655,306	643,778	606,973	586,840	628,365	447,667	568,246	677,682	778,406
TOTAL	255,867	1,137,728	853,774	836,833	856,182	832,156	843,751	651,500	844,805	927,016	1,049,452



# NEWTOWN TOWN & BOE

## Self Insurance Plan Summary

For the Contract Year Beginning Jul-2011  
Claims Billed Through Sep-2011

This report will NOT show manual adjustments made to a group's account.  
**This report shows claims which were BILLED to the group during each month. The amounts subsequently PAID by the group or DRAWN from the group's account may not coincide with the month the claims were billed.**



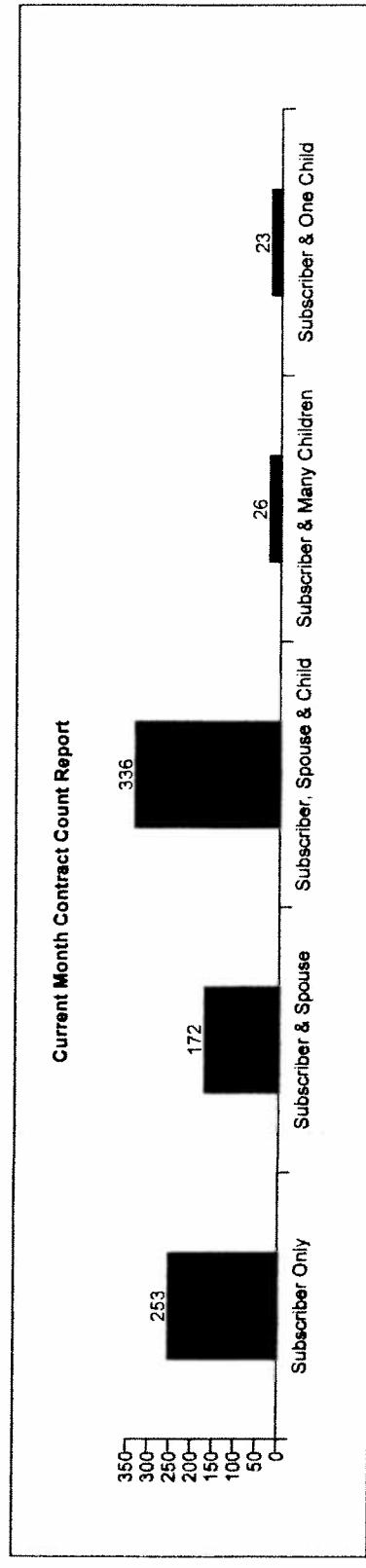
In Connecticut, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Maine, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Massachusetts, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In New Hampshire, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Rhode Island, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Vermont, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. The Blue Cross and Blue Shield trademarks and service marks are registered to one or more of the Blue Cross and Blue Shield organizations. The Blue Cross and Blue Shield names and symbols are trademarks of the Blue Cross and Blue Shield organizations and are used to identify health insurance programs and services provided by them. Other companies are independent contractors to the Blue Cross and Blue Shield organizations and are not affiliated with them. © 2011 Anthem Health Plans, Inc. All rights reserved. This report is based on a detailed or projected level of performance of the plan. Certain plans do not provide for automatic or automatic enrollment. Please refer to the plan documents for details. If you are not the intended recipient of this information, you are hereby notified that any disclosure of its contents to others is unauthorized. If you have received this message by error, please immediately notify the sender by email and delete the original message.

068410685  
Cover Page  
10/11/2011

## NEWTOWN TOWN & BOE

### Rolling 12 Months Medical Contract Count Summary Restated Membership From Oct-2010 through Sep-2011

Period	Medical Contracts	Medical Members	Subscriber only	Subscriber & spouse	Subscriber, spouse & child	Subscriber & many children	Subscriber & one child
Oct-10	823	2,130	246	180	346	23	28
Nov-10	823	2,122	248	182	343	24	26
Dec-10	822	2,120	249	181	343	24	25
Jan-11	821	2,121	247	182	342	24	26
Feb-11	825	2,125	252	183	338	25	27
Mar-11	822	2,114	252	182	336	25	27
Apr-11	822	2,113	255	178	337	26	26
May-11	824	2,115	254	175	340	26	26
Jun-11	820	2,119	251	177	340	26	26
Jul-11	829	2,155	246	184	344	27	28
Aug-11	787	2,045	240	168	329	27	23
Sep-11	810	2,088	253	172	336	26	23
<b>TOTAL</b>	<b>9,825</b>	<b>25,367</b>	<b>2,993</b>	<b>2,144</b>	<b>4,074</b>	<b>303</b>	<b>311</b>
<b>AVERAGE</b>	<b>819</b>	<b>2,114</b>	<b>249</b>	<b>179</b>	<b>340</b>	<b>25</b>	<b>26</b>



- Contractor and Member counts are for Medical Coverage  
- Membership is restated to reflect retroactive adjustments  
- This report is not meant to replace the contract year statement



In Connecticut, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Maine, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of New Hampshire, Inc. In New Hampshire, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of New Hampshire, Inc. In Massachusetts, Anthem Blue Cross and Blue Shield is the trade name of Anthem Blue Cross and Blue Shield Association. This report is issued on a monthly basis by Anthem Blue Cross and Blue Shield Association, which is a member of the Anthem family of companies. All rights reserved. ©2011 Anthem Blue Cross and Blue Shield Association. All rights reserved. The trademarks and service marks appearing in this report are the property of their respective owners. The names of the individual carriers and their affiliated companies are used for identification purposes only. If you are not familiar with the services or products offered by these companies, please contact them directly. If you have questions and think they may be related to this report, please contact us directly.

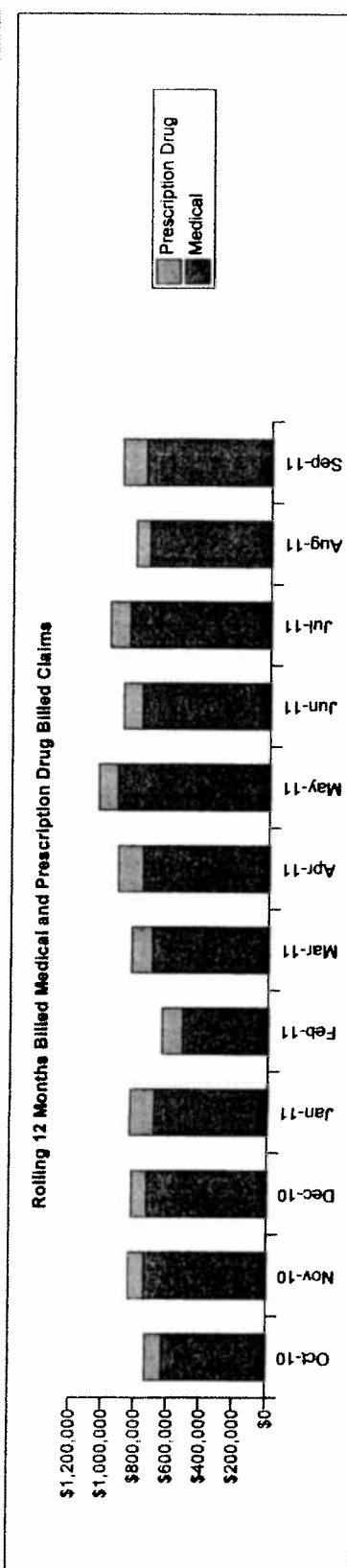
Contract Count  
1.A.1  
10/11/2011

## NEWTOWN TOWN & BOE

### Rolling 12 Months Medical and Prescription Drug Billed Claims Summary Report Billed Claims From Oct-2010 through Sep-2011

Period	Contracts	Members	Institutional	MediSurg	Major Med	Medical Total	Prescription Drug	Total Claims
Oct-10	823	2,130	\$247,393	\$380,453	\$0	\$627,845	\$101,456	\$729,301
Nov-10	823	2,122	\$319,081	\$418,902	\$0	\$737,983	\$97,469	\$835,453
Dec-10	822	2,120	\$339,302	\$384,813	\$0	\$724,115	\$94,866	\$818,981
Jan-11	821	2,121	\$353,326	\$330,839	\$0	\$684,165	\$148,046	\$832,211
Feb-11	825	2,125	\$213,303	\$301,000	\$0	\$514,303	\$125,240	\$639,543
Mar-11	822	2,114	\$287,961	\$412,336	\$0	\$700,297	\$128,889	\$829,187
Apr-11	822	2,113	\$374,830	\$386,200	\$0	\$761,030	\$152,670	\$913,700
May-11	821	2,115	\$467,964	\$449,188	\$0	\$917,152	\$117,145	\$1,034,297
Jun-11	820	2,119	\$340,775	\$430,108	\$0	\$770,883	\$116,876	\$887,759
Jul-11	829	2,155	\$512,223	\$337,017	\$0	\$849,240	\$121,686	\$970,926
Aug-11	787	2,045	\$334,296	\$397,916	\$0	\$732,213	\$85,237	\$817,450
Sep-11	810	2,088	\$358,480	\$397,630	\$0	\$756,110	\$143,663	\$899,773
<b>TOTAL</b>	<b>9,825</b>	<b>25,367</b>	<b>\$4,148,934</b>	<b>\$4,626,403</b>	<b>\$0</b>	<b>\$8,775,337</b>	<b>\$1,433,244</b>	<b>\$10,208,581</b>

AVERAGE	819	2,114	\$345,744	\$385,534	\$0	\$731,278	\$119,437	\$850,715
PEPM			\$422.28	\$470.88	\$0.00	\$893.16	\$146.49	\$1,039.04
PPPM			\$163.56	\$182.38	\$0.00	\$345.94	\$6.74	\$402.44



- Contract and Member counts are for Medical Coverage.
- This report is **not meant to replace the contract year settlement.**

**Anthem.  Health Insights DataView Direct**

Claims Summary  
2.A.1  
10/11/2011

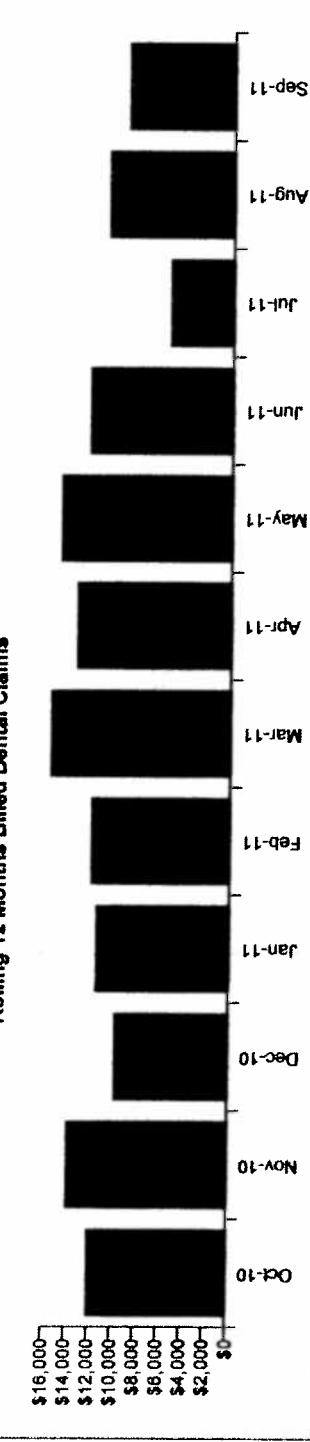
In Connecticut, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Maine, Anthem Blue Cross and Blue Shield is the trade name of New England Health Insurance Company, Inc., a member company of the Blue Cross and Blue Shield Association. In Massachusetts, Anthem Blue Cross and Blue Shield is the trade name of New England Health Insurance Company, Inc., a member company of the Blue Cross and Blue Shield Association. In Rhode Island, Anthem Blue Cross and Blue Shield is the trade name of New England Health Insurance Company, Inc., a member company of the Blue Cross and Blue Shield Association. The report contains information about products and services offered by the company. It is not intended to be a substitute for a contract or policy. If you have questions concerning your coverage, please contact your provider or the insurance company directly. If you have questions concerning your benefits, contact your employer or the insurance company directly. If you have questions concerning your enrollment, contact your agent or broker. The original document may contain many more details than are contained in this summary.

## NEWTOWN & BOE

### Rolling 12 Months Ancillary Billed Claims and Contract Count Summary Billed Claims From Oct-2010 through Sep-2011

Period	Dental		Vision		Pharmacy	
	Contracts	Members	Claims	Contracts	Members	Contracts
Oct-10	206	518	\$12,022	46	139	823
Nov-10	203	511	\$13,869	46	140	823
Dec-10	204	514	\$9,772	46	140	822
Jan-11	205	519	\$11,492	46	140	821
Feb-11	206	518	\$11,954	46	139	825
Mar-11	203	509	\$15,524	45	136	822
Apr-11	201	505	\$13,286	45	136	822
May-11	201	505	\$14,726	45	135	821
Jun-11	201	508	\$12,280	47	138	820
Jul-11	198	499	\$6,386	47	137	790
Aug-11	199	478	\$10,751	5	8	786
Sep-11	199	476	\$9,093	5	8	809
<b>TOTAL</b>	<b>2,426</b>	<b>6,060</b>	<b>\$140,173</b>	<b>469</b>	<b>1,396</b>	<b>9,784</b>
<b>AVERAGE</b>	<b>202</b>	<b>505</b>	<b>\$11,681</b>	<b>39</b>	<b>116</b>	<b>815</b>
<b>PEPM</b>			<b>\$57,78</b>		<b>2,105</b>	
<b>PPPM</b>			<b>\$23,13</b>			

Rolling 12 Months Billed Dental Claims



- If Contract and Member counts are zero, coverage is not through Anthem
- Vision claims are included in the MediSurge column of Medical claims
- This report is not meant to replace the contract year settlement.

- Pharmacy membership may differ from medical membership due to timing of file updates

Anthem Health Insights DataView Direct

2.B.1  
10/11/2011

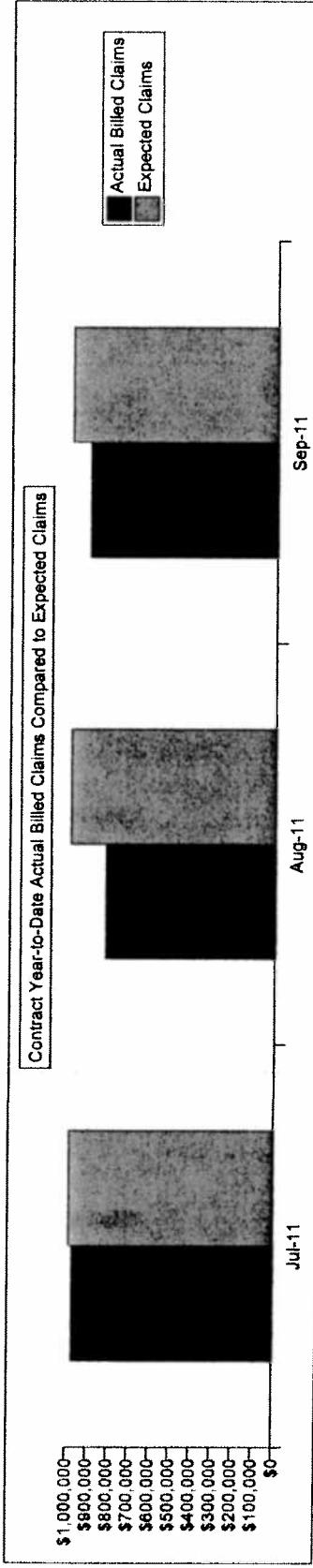
In Compliance with Indiana State Circular 900, dated March 2006, the trade name of Anthem Health Plans, Inc. in Indiana, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Indiana, Inc., a wholly-owned subsidiary of Anthem Health Plans, Inc. The trade name of Anthem Blue Cross and Blue Shield is used by its member health plans in Indiana to identify their separate legal entities. The member health plans are independent, not-for-profit corporations that are responsible for providing health care services in their respective service areas. They are not owned or controlled by Anthem Health Plans, Inc. The member health plans are not affiliated with the Blue Cross and Blue Shield Association or the Blue Cross and Blue Shield Foundation of America.

Ancillary Claims

## NEWTOWN TOWN & BOE

### Contract Year-to-Date Medical/Rx Claims Comparison Summary Billed Claims From Jul-2011 through Sep-2011

		\$175,000				
Period	Contracts	Claims over ISL		Cumulative Actual Billed Claims		Cumulative Maximum Aggregate
		Total Claims (Med & Rx)	Actual Billed Claims	Expected Claims	Cumulative Expected Claims	
Jul-11	829	\$970,926	\$0	\$970,926	\$986,676	\$1,233,345
Aug-11	787	\$817,450	\$0	\$817,450	\$986,676	\$1,233,345
Sep-11	810	\$899,773	\$0	\$899,773	\$986,676	\$1,233,345
<b>TOTAL</b>	<b>2,426</b>	<b>\$2,688,149</b>	<b>\$0</b>	<b>\$2,688,149</b>	<b>\$2,960,028</b>	<b>\$2,960,028</b>
<b>AVERAGE</b>	<b>809</b>	<b>\$896,050</b>	<b>\$0</b>	<b>\$896,050</b>	<b>\$986,676</b>	<b>\$1,233,345</b>
						<b>90.81 %</b>



- Contract and Member counts are for Medical Coverage
- Claims over ISL: credited claims dollars in excess of the Individual Stop Loss (ISL) amount
- Cumulative Amounts: These amounts are running sums.

- Expected Claims: Annual projection of claims made by Underwriting at renewal
- Total Claims: for Medical (including Vision) and Prescription Drug claims.
- Actual Billed Claims: the net claims amount (Total Claims less "Claims over ISL") billed to the group.
- This report is not meant to replace the contract year settlement.

**Anthem.®.V.** Health Insights DataView Direct

Claims Compare  
2.C.1  
10/11/2011

In Compendium: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc., a major health insurance company. The Blue Cross and Blue Shield Association is a national federation of independent Blue Cross and Blue Shield plans. The Blue Cross and Blue Shield Association is not affiliated with and does not administer plans maintained by the Blue Cross and Blue Shield plans. The Blue Cross and Blue Shield Association is not responsible for the acts or omissions of its member plans. The Blue Cross and Blue Shield Association is not an insurance company. The Blue Cross and Blue Shield Association is a service mark of the Blue Cross and Blue Shield Association, Inc., a registered trademark of the Blue Cross and Blue Shield Association, Inc., and is used with its permission.

## NEWTOWN TOWN & BOE

### Catastrophic Claims Summary

Billed Claims From Jul-2011 through Sep-2011

Year-to-Date Claimants exceeding 50% of Individual Stop Loss (Specific)

Group ISL = \$175,000

50% of Group ISL = \$87,500

Member Status	Relationship to Subscriber	Member	Newborn Ind	SIP Rel Code	Medical	Drug	Ancillary	Total Claims	Claims Over ISL	Actual Billed Claims
Active	CHILD	11520120090113409410	N	685	\$90,615	\$684	\$0	\$91,299	\$0	\$91,299

- If group does not purchase ISL insurance from Anthem, this report will show members with claims over \$50,000.
- Member Status: Active = member is enrolled in the group's medical plan, "Non-Active" = member is no longer enrolled in the group's medical plan.
- Member ID: Encrypted Member IDs will remain the same from one period to the next.
- This report is not meant to replace the contract year settlement.

- Claims over ISL: credited claims dollars in excess of the Individual Stop Loss (ISL) amount
- Actual Billed Claims: the net claims amount (Total Claims less Claims over ISL) billed to the group.
- Newborn Ind: If "Y" then it is possible Parent and Baby claims are combined. This will be resolved by Underwriting during contract year settlement.

Anthem  Health Insights DataView Direct

Catastrophic  
2.D.1  
10/11/2011

In Connecticut, Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans Inc. In Maine: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of New Hampshire, Inc. In Massachusetts: Anthem Blue Cross and Blue Shield is the trade name of Blue Cross and Blue Shield of Massachusetts, Inc. In New Hampshire: Anthem Blue Cross and Blue Shield is the trade name of Blue Cross and Blue Shield of New Hampshire, Inc. The services described herein are provided under the terms of one or more service contracts between the provider and the insurer. The services described herein are not provided under the Anthem Blue Cross and Blue Shield health plan. The services described herein are not provided under the Blue Cross and Blue Shield health plan. The services described herein are not provided under the Blue Cross and Blue Shield life insurance plan. The services described herein are not provided under the Blue Cross and Blue Shield accident and health plan. The services described herein are not provided under the Blue Cross and Blue Shield dental plan. The services described herein are not provided under the Blue Cross and Blue Shield vision plan. The services described herein are not provided under the Blue Cross and Blue Shield prescription drug plan. The services described herein are not provided under the Blue Cross and Blue Shield supplemental coverage plan. If you are not the intended recipient of the information contained in this document, you are advised to return it to the sender. If you have questions concerning this document, or if you would like to receive a copy of the original document, please contact the sender. If you believe the information contained in this document is inaccurate or misleading, please contact the sender. If you believe the information contained in this document is inaccurate or misleading, please contact the sender. If you believe the information contained in this document is inaccurate or misleading, please contact the sender.

**NEWTOWN TOWN & BOE**  
**Contract Year-to-Date Variable Fees Summary**  
**Billed Claims From Jul-2011 through Sep-2011**

Local Discount Savings		Local NAF Fee			SIP Admin Fee as % of Claims			
Period	Facility	Professional	Facility	Professional	Total NAF Fee	Other Variable Fees	Total Fees	
Jul-11	\$190,557	\$308,001	\$498,558	\$34,655	\$61,401	\$96,057	\$0	\$96,057
Aug-11	\$209,692	\$280,795	\$490,487	\$37,650	\$56,158	\$93,808	\$0	\$93,808
Sep-11	\$298,298	\$312,591	\$610,889	\$39,189	\$59,040	\$98,229	\$0	\$98,229
Total	<b>\$698,548</b>	<b>\$901,388</b>	<b>\$1,599,935</b>	<b>\$111,494</b>	<b>\$176,599</b>	<b>\$288,093</b>	<b>\$0</b>	<b>\$288,093</b>

**NOTE: Fees billed on a per contract or per member basis ARE NOT shown in this report. This report only shows variable fees which vary with monthly claims amounts.**

- Local Discount Savings: the difference between the provider's Charge amount and Anthem's Allowed contracted payment amount. These Discount Savings are for Anthem's local in-state provider network.
- Retention SIP Fees: includes only those fees that are based on a percentage of claims.
- This report is not meant to replace the contract year settlement.
- NAF Fees: Network Access Fees are based on a percentage of Anthem's Discount Savings amount.
- Other Fees: may include NH BH/N capitation fees and/or other administrative fees based on a percentage of claims.

**Anthem.  Health Insights DataView Direct**

Fees  
3.A.1  
10/11/2011

In Connecticut, Anthem Blue Cross and Blue Shield is the trade name of Connecticut Health Plan, Inc., in Massachusetts, Anthem Blue Cross and Blue Shield, Inc., in Rhode Island, Anthem Blue Cross and Blue Shield, Inc., in New Hampshire, Anthem Blue Cross and Blue Shield, Inc., in Vermont, and Anthem Blue Cross and Blue Shield, Inc., in Connecticut. In Connecticut, Connecticut Health Plan, Inc. is a registered trade name of Blue Cross and Blue Shield Association. Other registered trademarks of Blue Cross and Blue Shield Association, its member plans and its divisions are the property of Blue Cross and Blue Shield Association. This report is provided for informational purposes only and does not constitute a formal audit or audit report. It is the responsibility of the auditor to determine if the findings in this report are accurate. The report is intended only for the use of the individual or entity that requested it. The findings of this report are confidential and may not be distributed, or the results of any portion of this information, to anyone outside of the individual or entity that requested it. If you have questions concerning this report, please contact the auditor by email and obtain the original message.

## NEWTOWN TOWN & BOE

### Claims Lag Table

### Billed Claims From Oct-2010 through Sep-2011

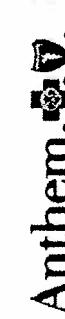
#### Medical

	Claims Only	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Total Incurred
Prior		\$295,300	\$32,400	\$25,658	\$2,895	\$1,528	\$2,526	\$2,380	\$808	-\$236	\$204	-\$483	\$2,072	\$365,051
Oct-10		\$332,546	\$321,338	\$42,105	\$21,017	\$2,713	\$5,559	-\$590	\$539	\$303	\$298	-\$666	\$184	\$725,346
Nov-10		\$0	\$384,246	\$301,844	\$18,663	\$5,598	\$2,396	\$1,442	-\$89	\$42	\$31	\$31	\$229	\$714,533
Dec-10		\$0	\$0	\$354,507	\$272,475	\$17,067	\$7,053	\$2,083	\$2,717	\$549	\$124	\$40	\$663	\$657,287
Jan-11		\$0	\$0	\$369,116	\$176,710	\$12,584	\$3,420	\$589	\$2,833	\$4,070	\$0	\$457	\$569,778	
Feb-11		\$0	\$0	\$0	\$0	\$310,686	\$197,982	\$56,169	\$2,056	\$4,362	\$13,204	\$1,232	-\$115	\$585,576
Mar-11		\$0	\$0	\$0	\$0	\$472,197	\$219,761	\$40,922	\$16,750	\$116,274	\$137	\$2,006	\$868,047	
Apr-11		\$0	\$0	\$0	\$0	\$0	\$476,355	\$345,140	\$70,186	\$3,371	-\$16,265	\$3,661	\$882,447	
May-11		\$0	\$0	\$0	\$0	\$0	\$0	\$524,469	\$258,968	\$121,737	\$44,423	\$39,254	\$988,850	
Jun-11		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$417,127	\$223,351	\$865	\$27,913	\$669,255	
Jul-11		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$366,478	\$278,113	\$24,151	\$668,742	
Aug-11		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$424,788	\$239,368	\$664,156	
Sep-11		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416,268	
<b>Total Paid</b>	<b>\$627,846</b>	<b>\$737,983</b>	<b>\$724,115</b>	<b>\$684,165</b>	<b>\$514,303</b>	<b>\$700,297</b>	<b>\$761,030</b>	<b>\$917,152</b>	<b>\$770,883</b>	<b>\$849,240</b>	<b>\$732,213</b>	<b>\$756,110</b>	<b>\$8,775,337</b>	

- Medical Claims Only: excludes Prescription Drug and Dental claims.

- Prescription Drugs: includes only those claims billed through a retail pharmacy using a drug card.

- This report is not meant to replace the contract year settlement.



Health Insights  
DataView Direct

Claims Lag

4.A.1

10/11/2011

In Cooperation: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. in Maine; Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. in New Hampshire. New Hampshire is the state of incorporation of the company. The company is also registered to do business in Maine under the name of Anthem Health Plans, Inc. The company is also registered to do business in Maine under the name of New Hampshire Blue Cross and Blue Shield Association. This report is based on a claimed or projected level of performance or is intended to be used to measure actual performance. Actual performance may differ from the projected level of performance. This report is not a formal audit and is not intended to be used as the sole basis for determining whether a plan has met its obligations under the plan documents. This report is not a formal audit and is not intended to be used as the sole basis for determining whether a plan has met its obligations under the plan documents. This report is not a formal audit and is not intended to be used as the sole basis for determining whether a plan has met its obligations under the plan documents. If you are not the subscriber/policyholder of this information, you are hereby notified that ANY disclosure, copying, distribution, or the taking of any action in reliance on this information, is strictly prohibited. If you have received this message in error, please immediately notify the sender by return e-mail and delete the original message.

## NEWTOWN TOWN & BOE

### Claims Lag Table

### Billed Claims From Oct-2010 through Sep-2011

#### Prescription

Drug	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Total Incurred
Prior	\$34,644	\$34	\$20	\$406	\$67	\$145	\$68	-\$41	\$0	\$0	\$0	\$0	\$35,351
Oct-10	\$66,811	\$22,026	\$50	\$45	-\$25	\$0	\$5	\$36	\$60	\$0	\$0	\$0	\$89,009
Nov-10	\$0	\$75,409	\$27,758	-\$2	\$0	\$25	\$95	\$0	\$0	\$0	\$0	\$0	\$103,720
Dec-10	\$0	\$0	\$67,038	\$36,855	-\$3	\$119	\$135	\$0	\$0	\$10	\$0	\$0	\$104,502
Jan-11	\$0	\$0	\$110,742	\$41,550	\$126	\$55	\$0	\$0	\$126	\$0	\$0	\$0	\$153,435
Feb-11	\$0	\$0	\$0	\$83,652	\$32,737	\$180	\$0	\$45	\$20	\$0	\$0	\$0	\$116,634
Mar-11	\$0	\$0	\$0	\$0	\$95,737	\$48,368	-\$102	\$7	\$30	\$0	\$0	\$0	\$144,862
Apr-11	\$0	\$0	\$0	\$0	\$0	\$103,764	\$27,908	\$14	\$1,206	\$0	\$0	\$0	\$133,714
May-11	\$0	\$0	\$0	\$0	\$0	\$0	\$89,343	\$36,561	\$179	\$10	\$0	\$0	\$126,945
June-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80,189	\$54,431	\$146	\$0	\$0	\$135,462
Jul-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,684	\$23,540	\$0	\$0	\$88,918
Aug-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,541	\$0	\$0	\$105,218
Sep-11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,473
Total Paid	<b>\$101,456</b>	<b>\$97,469</b>	<b>\$94,866</b>	<b>\$148,046</b>	<b>\$125,240</b>	<b>\$128,889</b>	<b>\$152,670</b>	<b>\$117,145</b>	<b>\$116,876</b>	<b>\$121,686</b>	<b>\$85,237</b>	<b>\$143,663</b>	<b>\$1,433,244</b>

- Medical Claims Only: excludes Prescription Drug and Dental claims.

- Prescription Drugs: includes only those claims billed through a retail pharmacy using a drug card.

- This report is not meant to replace the contract year settlement.



Health Insights  
DataView Direct

#### Claims Lag

In consideration of Anthem Blue Cross and Blue Shield as the Trade name of Northern Health Plans, Inc., in Boston, Massachusetts, and the fact that the Blue Cross and Blue Shield Association, incorporated under the laws of the Commonwealth of Massachusetts, has granted to Northern Health Plans, Inc., the exclusive right to do business as "Anthem Blue Cross and Blue Shield" in the Commonwealth of Massachusetts, the undersigned, hereby grants to Northern Blue Cross and Blue Shield, Inc., the right to use the name "Anthem Blue Cross and Blue Shield" in connection with the sale of its products and services in the Commonwealth of Massachusetts. If you are not the intended recipient of this information, please forward it to your healthcare provider. If you have received this message in error, please immediately notify the sender by email and delete the original message.

4.A.2

10/1/2011

## Glossary of Terms

**Actual vs Expected Claims:** "Actual Paid Claims" divided by "Expected Claims". Similar to a Loss Ratio. A value of 100% indicates the group's claims are as projected by Underwriting.

**ASL:** Aggregate Stop Loss, insurance to protect against excessive total group claims. This is a percentage of claims amount in excess of the expected claims amount.

**Average:** The average monthly amount - Claims divided by the number of months for the contract year-to-date (YTD).

**Claims over ISL:** Claims in excess of the Individual Stop Loss (ISL). If the group has ISL coverage through Anthem dollar amounts in this column will reflect claim dollars for members in excess of the ISL. These excess dollars were not billed to the group. If the group does not have ISL through Anthem, there will be no dollar amounts in this column.

**Contracts:** Medical contract counts (Subscribers/Employees). Amounts are restated to reflect retroactive membership adjustments.

**Dental:** Dental coverage under a separate (stand alone) policy. Does not include dental claims covered through the medical plan.

**Expected Claims:** This amount is determined in Underwriting. It is the projected claims amount for the contract period. The monthly value is 1/12 the annual amount determined by Underwriting.

**Institutional:** Claims billed through a facility (typically hospitals) on a UB92 claim form.

**ISL:** Individual Stop Loss, insurance to protect against excessive individual member claims.

**Local Discount Savings:** The in-state Anthem network savings. The difference between the claim CHARGE amount and the ALLOWED amount. Local Discount Savings does not include savings from Anthem's Blue Card (out of state) network or Retail Prescription Drug network. A group's Local Network Access Fee (NAF) may be calculated based on the Local Discount Savings.

**Local NAF Fee:** Network Access Fee (NAF) is a fee paid by the group to gain access to Anthem's local (in-state) provider network. This fee may be a percentage of the Local Discount Savings (LDS) amount. Some groups may be charged a per member/per contract amount to gain access to Anthem's Local provider network. Per member/per contract amounts ARE NOT shown in this report. Only NAF fees as a percentage of LDS are included in this report.

**Major Med:** Can include claims for Durable Medical Equipment (DME), Drug claims paid under the medical benefit, or other specially classified services.

**Maximum Aggregate:** The ASL % multiplied by the Expected Claims amount. For groups who do not have ASL coverage through Anthem, this amount may be \$0.

**MediSurg:** Claims billed through a physician's office on a HCFA 1500 claim form. This category also includes Vision claims.

**Member Status:** "Active" means the member is enrolled in the group's Medical plan. "Inactive" means the member is NOT enrolled in the group's Medical plan.

**Members:** (Employees and Dependents) are medical member counts. Amounts are restated to reflect retroactive membership adjustments.

**Newborn Inf:** Indicates if the member is a newborn baby. Occasionally, the newborn baby's claims will be combined with the parent's claims until the baby has its own member ID.

**Other Fees:** (Year-to-Date Fees Summary report): These are New Hampshire Behavioral Health Network (BHN) capitation fees or miscellaneous fees based on a percentage of claims. Other than BHN capitation fees, no per member/per contract fees are shown on this report.

**PEPM:** Per Employee Per Month - Claims per Employee per Month (for annual amounts multiply by 12).

**PPPM:** Per Member Per Month - Claims per Member per Month (for annual amounts multiply by 12)

**Prescription Drug:** Claims billed through a retail pharmacy using a prescription drug card.

**SIP Rel Cd:** The group's code used by finance (billing). A group could have more than one SIP Rel Cd depending on how the group is administered by Finance or Underwriting. Ex: A Town and a Board of Education could have separate SIP Rel Cds.

**SIP Retention Fee:** For groups with Administrative Fees based on a percentage of claims. Administrative Fees based on per member/per contract amounts ARE NOT shown on this report.

**Vision:** Vision coverage under a separate (stand alone) policy. The associated claims are included in the Med/Surg claims category.

**Year-to-Date (YTD):** The time period reflects months in the current contract plan year.

In Connecticut: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. in Maine: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In New Hampshire: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Rhode Island: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Massachusetts: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans, Inc. In Connecticut, Massachusetts, Rhode Island, and New Hampshire, Anthem Blue Cross and Blue Shield is a registered trademark of Anthem Health Plans, Inc., which is a wholly owned subsidiary of Anthem, Inc. In Connecticut, Massachusetts, Rhode Island, and New Hampshire, the term "Anthem" refers only to the name of the organization and not to any of its member companies. The member companies are independent contractors. In Connecticut, Massachusetts, Rhode Island, and New Hampshire, the term "Anthem" refers only to the name of the organization and not to any of its member companies. The member companies are independent contractors. If you have questions about this management or service, please contact your agent or broker.

Glossary  
10/11/2011

**Anthem.**  **Health Insights'**  
**DataView Direct**

## Newtown: Town and BOE Reserve Modeling

<b>Reserve Model: Carrier IBNR/ 50% ASO Corridor</b>			
Medical IBNR:		8.00%	Approx 1 Month (Standard Anthem Factor)
ASO Claim Corridor:		12.50%	1/2 Corridor to 125%
Budget Stabilization:		5.00%	Margin
Fiscal Year Ending June 30		<u>2011</u>	<u>2012</u>
Total Actual/Expected Claims	\$ 12,002,724	\$ 11,820,024	
Claim IBNR:	\$ 960,218	\$ 945,602	
ASO Corridor:	\$ 1,500,341	\$ 1,477,503	
Stabilization:	\$ 600,136	\$ 591,001	
<b>Combined Reserve:</b>	<b>\$ 3,060,695</b>	<b>\$ 3,014,106</b>	

LRI/CBMD

Created: 2/22/2011  
Updated: 4/27/2011

Newtown: Town and BOE  
July 2011 Benefits by Subgroup

Town Groups	100 Quasi Agency	101 PD	102 Highway	103 Town Hall	105 Non Union	107 Dispatch/Clerical	108 Parks	131 & 132 Retired PD	211 (sub # to change)	Notes:
Routine Office Visit	PPO \$30	PPO \$30	PPO \$30	PPO \$20	PPO \$30	PPO \$30	PPO \$15	HMO \$30	\$15	133. Retiree Spragg grandfathered
Specialists Visit	\$30	\$30	\$30	\$20	\$30	\$30	\$15	\$30	\$15	
Preventive Care Visit	\$30	\$30	\$30	\$20	\$30	\$30	\$15	\$30	\$15	
Inpatient Hospital	\$250	\$250	\$250	\$250	\$250	\$250	\$200	\$250	\$100	
Outpatient Services (1)	\$200	\$200	\$200	\$200	\$200	\$200	\$100	\$200	\$100	
Emergency Room	\$150	\$150	\$150	\$150	\$150	\$150	\$25	\$150	\$75	
Emergency Room	\$50	\$50	\$50	\$50	\$50	\$50	\$25	\$50	\$50	
Dental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Intergent Care	400/800/1k	400/800/1k	400/800/1k	400/800/1k	400/800/1k	400/800/1k	200/400/500	400/800/1k	1.6k/3.2k/4k	
PT/OT/Speech/Chiro	1.6k/3.2k/4k	1.6k/3.2k/4k	1.6k/3.2k/4k	1.6k/3.2k/4k	1.6k/3.2k/4k	1.6k/3.2k/4k	800/1.6k/2k	1.6k/3.2k/4k	2k/4k/5k	
Deductible	2k/4k/5k	2k/4k/5k	2k/4k/5k	2k/4k/5k	2k/4k/5k	2k/4k/5k	1k/2k/2500	1k/2k/2500	2k/4k/5k	
Coins										
Max										
Flex Copay	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$10/25/40	\$5/15/30	
Mail Order	1x	2x	1x	1x	1x	1x	Y	2x	2x	
Tax	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,000	\$2,000	\$3,000	
Supply	100/100	30/90	100/100	100/100	100/100	100/100	30/90	100/100	30/90	
Mandatory Generic	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Dental										
Flex Dental										
Deductible										
Annual Max										
Diag & Preventive										
Basic										
Major										
Ortho										
Fision Rider	No	Yes	No	No	No	No	No	No	Yes	
Premium Cost Share	?	?	?	?	?	?	?	?	?	
Future Plan Changes:										
										Plan change as of 8/1/11
										Plan change as of 9/1/11
										Plan change as of 10/1/11

**Newtown: Town and BOE  
RFP Discussion Outline  
October 20, 2011**

- I. LRI typically recommends RFP/Market Studies once every 3 years
  - a. Funding Alternatives
    - i. Self Funded
    - ii. Fully Insured
    - iii. Minimum Premium
    - iv. Participating
  - b. Stop Loss Alternatives
  - c. LRI Fee
    - i. \$20,000 for study, analysis, reporting, and council/board/union meetings
    - ii. Vendor change fee not to exceed \$12,500
  - d. Wellness Programs
    - i. Carrier Based
    - ii. 3<sup>rd</sup> Party
- II. Carrier/Vendors
  - a. Anthem-lost several public sector client for July 2010, and a few more in 2011.  
With some early 2012 activity they seem to be aggressively fighting to retain business that is out to market (but it's early in the cycle)
  - b. Aetna-trying to positioning itself in the Public Sector
    - i. They picked up the City of Middletown and RSD 1 a couple of years ago
    - ii. Groups over 500 lives part of a dedicated (CT based) Public Sector service team
    - iii. They had some problems in the past with Fully Insured pricing but the Self Funded pricing looked pretty good.
    - iv. They have some issues with plan design matching and stop loss limitations.
  - c. Cigna- seems to be positioning itself as Anthem's biggest competition.
    - i. They picked up 10 to 12 municipalities for the July 1, 2010 cycle and a few more in 2011. The majority of those were taken from Anthem.
    - ii. Cigna position is:
      - 1. Claim savings between 3-6% over Anthem based on:
        - a. Cigna Reported Provider Discount Advantage
        - b. Cigna Reported Clinical Management Advantage
      - 2. Lower Admin Fees and Multi Year Fees Guarantees
      - 3. Flexible funding arrangements
      - 4. Ability to match plan designs
  - d. ConnectiCare-
    - i. In the Public Sector they have primarily served as an optional HMO plan, but looking to expand.
    - ii. I believe they are sole carrier in Stratford.



- iii. Members/employees love them.
  - iv. They have had some issues in the past with plan design and out-of-state network.
  - v. Hired an Anthem VP who was heavily involved in the Public Sector
- e. United Health/Oxford-Have not had much luck/traction in the Public Sector. We have had some issues with their responses as far as consistency in their responses and RFP compliance. They claim they are very interested in the Public Sector.
- III. 3<sup>rd</sup> Party RX vendors
- a. One issue here is that you have RX maximums which tend to create a bit of an issue for members when you have a separate RX vendor.
  - b. Municipal Purchasing Coalition thru Medco. The Municipal Coalition will be getting improved pricing for January 2012 after bidding and staying with Medco.
  - c. State Plan thru Caremark. The State will now offer their contract pricing with Caremark to municipal clients. Caremark/State did participate in the Municipal Coalition RFP and according to Segal the deals was not as strong as Medco (data is subject to a confidentiality agreement)
- IV. We should start to find out if any union contracts (City and BOE) have restrictive language on carrier change.
- V. Town/BOE Purchasing Requirements-
- a. RFP be subject to any purchasing rules and postings?
  - b. Most clients allow us to send and receive the RFPs and do not requiring purchasing involvement, some allow us to do the sending and receiving but their purchasing area simply posts something in the paper saying there is an RFP, other require everything to go through purchasing.
- VI. Timing-We typically like to give the vendors 3-4 weeks to respond and we need a couple of weeks to analyze. So we need to back into when you would need the results and then start the process 5 to 6 weeks prior.
- VII. You may want to consider informing the unions ahead of time. We typically find the process goes well/better if we inform them of the process prior to the RFP and then provide them with some review afterwards.

