

**Organizational Synergy & Human Resources Committee
November 30, 2006 Meeting**

Draft Minutes

Members Present: Mark Cooper, Committee Chairman (Present beginning at 9:05 a.m.)
James Francis
Edna Karanian

CRRA Staff Present: Tom Kirk, President
Jim Bolduc, Chief Financial Officer (Present by phone)
Chris Hyfield, Human Resources Manager
Kristen Greig, Secretary to the Board/Paralegal

Also Present: Kurtis Denison, Assistant Vice President, RC Knox & Company

Director Francis called the meeting to order at 8:00 a.m. and noted that there was a quorum.

1. APPROVAL OF MINUTES OF THE OCTOBER 26, 2006 ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE MEETING

Director Francis requested a motion to approve the minutes of the October 26, 2006 Organizational Synergy & Human Resources Committee meeting. Director Francis made the motion, which was seconded by Director Karanian.

The minutes were approved unanimously.

2. REVIEW AND RECOMMEND CHANGE FROM ANTHEM TO CONNECTICARE FOR HEALTH INSURANCE, CHANGE FROM ANTHEM TO THE STANDARD FOR DENTAL AND THE RENEWAL OF THE LIFE/DISABILITY AND VISION INSURANCE PLANS WITH THE CURRENT PROVIDERS

Chairman Cooper noted that this new plan brings a significant cost savings to CRRA and provides better coverage to employees. Mr. Denison pointed out that ConnectiCare is rated the 6th highest health plan in the nation in terms of their HMO contracts and detailed ways that ConnectiCare pays particular attention to wellness issues.

Director Francis asked if there was a way to encourage employees to get their wellness exams by waiving the co-pay. Mr. Denison replied that there is a co-pay for wellness visits, but all immunizations are covered in full. Mr. Denison replied that ConnectiCare encourages wellness by doing on-site programs for employees and said that ConnectiCare will do on-site flu shots also.

Director Francis asked Mr. Denison if a better rate would be quoted for a multi-year plan. Mr. Denison stated that health insurance carriers typically will not quote multi-year rates, especially in the first year. Mr. Denison added that carriers like to get an idea of what types of claims they will encounter with a group before they will commit to a multi-year plan. Mr. Denison noted that multi-year plans were offered for the ancillary policies and multi-year rate guarantees were secured on those policies.

Director Francis asked if changing carriers each year would be a disruption to employees. Director Karanian stated that as of late, employers change carriers quite regularly and most hospitals and doctors participate in most plans. Mr. Denison stated that he and Mr. Hyfield did a poll of employees' primary care physicians, which scored well into the 90th percentile of primary care physicians that participate in ConnectiCare.

Director Karanian asked why carriers were dropping vision plans. Mr. Denison stated that with the advent of Flexible Spending Accounts, some companies have stopped providing vision coverage. Mr. Kirk asked about if CRRA was eligible to do Health Savings Accounts in addition to the Flexible Spending Accounts. Mr. Denison responded that CRRA is eligible, but said it would be difficult because Health Savings Accounts go hand in hand with high deductible health plans. There was a lengthy discussion regarding the difference between Flexible Savings Accounts and Health Savings Accounts and a specific discussion regarding the benefits and risks that go along with raising the limits on the Flexible Savings Accounts.

Director Francis asked about the cost of the vision plan. Mr. Hyfield responded that the plan costs \$13,000. Mr. Bolduc added that the benefit was a good one for the cost and is utilized by a number of employees. Mr. Denison stated that when getting quotes for renewals on the vision plan, the premium rose over 10%, mainly because of the high utilization of the plan by employees. Director Francis stated that maybe the vision plan could be eliminated with the justification that there is richer coverage in the health plan, which has some vision coverage.

Mr. Bolduc said that the vision plan was only implemented about two years ago because Anthem did not offer a hardware benefit. Mr. Bolduc stated that he didn't think it was a good idea to take a benefit away as management has been dealing with employee dissatisfaction regarding employee contributions for the past two years. Mr. Bolduc stated that currently employees are paying 10-13% of their premium, but at one point employees did not contribute to the plan. The increase is requiring some adjustment of the part of the employees. Director Karanian asked how CRRA employees' contributions compare to other companies. Mr. Denison replied that national averages run about 10% - 20% for employees and 20% - 30% for dependents. Mr. Denison said that CRRA falls between contributions seen on the state level and those of the private sector. Director Karanian stated that CRRA's benefits were very generous. Mr. Kirk agreed that employees would be hard pressed to find a better comprehensive package of benefits.

Director Francis asked about the financial health of ConnectiCare. Mr. Denison stated that ConnectiCare was purchased by the Health Insurance Plan of New York and is considered a boutique health plan. Mr. Denison said the company is very financially sound.

Mr. Kirk restated that the move to ConnectiCare would offer a significant savings to CRRA. Mr. Kirk said that this is not only a savings versus the alternative quotes, but there is an actual decrease in costs as compared to last year.

Chairman Cooper requested a motion regarding the above-mentioned item. Director Francis made the following motion:

RESOLVED: That the Board of Directors authorizes the change in health plans from Anthem Blue Cross Blue Shield to ConnectiCare and the change in dental plans from Anthem to The Standard Insurance for the period of January 1, 2007 through December 31, 2007 for an estimated premium of \$748,360.

FURTHER RESOLVED: That the Board of Directors authorizes the renewal of the vision, life, long-term disability and short-term disability insurance through Ameritas Insurance and The Standard Insurance respectively for the period of January 1, 2007 through December 31, 2007 for an estimated premium of \$85,486

Director Karanian seconded the motion.

The motion previously made and seconded was approved unanimously.

3. REVIEW ADDITION OF HEALTH AND DENTAL BENEFITS FOR PART-TIME EMPLOYEES

Mr. Hyfield stated that a proposal had been submitted by a group of CRRA educators requesting that management consider offering health and dental benefits to part-time employees. Mr. Hyfield stated that the Education Supervisor had indicated to him that only two of the part-time educators would be interested in the benefits if they qualified. Mr. Hyfield stated that it would also be beneficial to have this in place down the road should any organizational changes occur.

Director Karanian asked if a 30-hour week would be considered part-time. Mr. Denison stated that insurance companies dictate that the employee must work at least 30 hours in order to receive part-time benefits,

Mr. Kirk noted that this plan would be an “employee only” plan and the coverage is more costly to the employee.

Director Karanian stated that she was concerned that staff could be increasing work hours that were not needed in order to qualify for benefits. Director Karanian said that management should determine what positions call for 30 hours from a business perspective and those positions would be eligible.

Mr. Kirk indicated that management is looking at hiring part-time scale operators and this benefit would be attractive to part-timers. Mr. Kirk said that educators typically work 28 hours

per week and there has been enough work to support additional hours. The flexibility will also be useful to CRRA as CRRA moves forward with its strategic plan.

Chairman Cooper stated that he would recommend that management re-define the job descriptions showing the minimum 30-hour work week and share the potential benefits of future part-timers with the Board. Mr. Kirk stated that the requested documentation would be brought to the Board for review.

4. EXECUTIVE SESSION

Chairman Cooper requested a motion to enter into Executive Session to discuss personnel matters. The motion was made by Director Francis and seconded by Director Karanian. The motion previously made and seconded was approved unanimously. Chairman Cooper requested that the following people remain for the Executive Session, in addition to the Committee members:

Chris Hyfield

The Executive Session commenced at 8:55 a.m. and concluded at 9:00 a.m.

The meeting reconvened at 9:00 a.m. and Chairman Cooper noted that no votes were taken in Executive Session.

5. ADJOURNMENT

Chairman Cooper requested a motion to adjourn the meeting. The motion made by Director Francis and seconded by Director Karanian was approved unanimously.

The meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Kristen B. Greig
Secretary to the Board/Paralegal