

Cleveland Public Library

Human Resources Committee

September 15, 2011

RESOLUTION TO APPROVE HEALTH CARE CONSULTANT

- WHEREAS,** The Library is required by its labor contracts and Human Resources Manual to provide health insurance, and
- WHEREAS,** Library Management requested proposals and interviewed four firms, and
- WHEREAS,** The Library has benefited from lower insurance rates due to the actuarial services and negotiation skills of Gallagher Benefit Services, Inc. and
- WHEREAS,** The Library Administration recommends that the services of Gallagher Benefit Service, Inc. be engaged for a fifth year, to provide consulting including the negotiation of current health plan renewals and to provide actuarial services for benchmarking purposes including evaluation of health plans at time of renewal and mid-year; and to provide customer service support and provide support for insurance issues in labor negotiations for a reduced fee of \$33,600 for a one year contract, now therefore be it,
- RESOLVED,** That the director be authorized to sign the agreement with the expenditures being charged to General Fund Account 53710: Professional Services.

- 12. Provide a detail of your consulting fee and the applicable components. Provide an estimate of monthly and annual charges based on enrollment of 450 employees, annual medical cost about 3.8 M. The Cleveland Public Library is looking for a consultant, not a broker. Disclose any payments you would receive from the benefit providers.**

Gallagher Benefit services current arrangement with the Cleveland Public Library is a flat fee of \$3,000 per month or 36,000 per year. However, given that the group Life/AD&D, Voluntary Life and Long Term disability is under a two year rate guarantee and the Dental Plan through Delta Dental is under a three year rate guarantee, we propose a reduced fee of \$2,800 per month, retroactive to the contract year beginning May, 1, 2011.

Please note that Gallagher Benefit Services does not accept any commission, overrides or extra payments on account of our business placed on behalf of Cleveland Public Library

This fee is inclusive of, but not limited to, the following services.

- Benefit Plan Management and carrier negotiations
- Quarterly Review to include claims reporting and strategic planning.
- Employee communications
- Assistance with Payroll and Benefit issues
- GBS reporting and benchmarking
- GBS legal services
- Customer service including a toll-free employee hotline