

Lockport

City mulls joining healthcare consortium

LOCKPORT - Searching for ways to reduce employee medical costs, the city is interested in joining a health care consortium created in Erie County last fall.

City Clerk Richard P. Mullaney said the city hopes to save "considerable" money if it can

get into the Erie County Labor-Management Healthcare Consortium, begun Nov. 1 by Erie County's unions and the county government.

The plan sets up a policy package through Blue Cross Blue Shield of Western New York

that could be a route to reducing health insurance expenses, on which Lockport budgeted almost \$3.4 million this year.

The Common Council voted last week to spend \$2,500, if need be, to have a company compile a claims history for city workers.

"We're trying to get into the consortium for free," said Mayor Michael W. Tucker.

Niagara Insurance Group of Williamsville would produce the statistics and talk to the city's five unions, all of which are currently in contract negotiations with the city.

John Berger Jr., chief operating officer of Niagara Insurance Group, said it will take 30 to 60

"A lot of people like it," Berger said of the consortium. "It's governed 50-50 by labor and management."

days to carry out the research and present Lockport an eligibility report.

"A lot of people like it," Berger said of the consortium. "It's

governed 50-50 by labor and management."

Each member is entitled to choose one representative each from labor and management to serve on the consortium's board of directors.

Erie County's unions worked with Berger's company to set up an "experience-rated" health care plan, based on loss history.

Three Blue Cross Blue Shield options are offered, with current

premiums ranging from \$172 to \$219 a month for single employees and \$465 to \$622 a month for family coverage.

Korrin Erickson, a consortium employee, said that besides Erie County, the Niagara Frontier Transportation Authority and the Town of Hume in Allegany County are the only other members so far. Mullaney said Niagara Insurance Group asked for \$24,000 to investigate a variety of insurance options, but the city unions wanted the consortium, so the city saw no need to spend that much money.

However, the city would have to pay the consortium 1.5 percent of its total monthly premiums as an administrative fee, according to the literature presented to the city last month.

Another insurance consulting firm, Flexcare of Niagara Falls, has also sought to serve as a broker for the city.

Reproduced with permission of the copyright owner. Further distribution or reproduction without permission is prohibited.

Buffalo News, Buffalo, NY; April 12, 2004.

Thomas J. Prohaska, News Northtowns Bureau