

## Board trying to trim health insurance costs

The Tonawanda Town Board on Monday took a step toward controlling the rise in health insurance costs.

The board hired Niagara Insurance Group of Williamsville as a consultant to help with a two-phase effort to curb the increasing costs of medical benefits by using a single provider instead of the four carriers now offered.

The first phase will look into the possibility of the town joining Erie County's Labor Management Healthcare Coalition insurance plan. If that is not feasible, the town would turn to the market place and request proposals from all eligible providers. Officials said that both phases will include all union representatives since the benefits are in negotiated contracts.

The client service agreement with the consultant, at a cost not to exceed \$32,000, was approved during the meeting. The first phase will cost \$7,500, and the second, if needed, \$24,500.

"We want to save money for the town," said Susan M. Jividen, the town's personnel supervisor. "We've had large increases over the past years. Through this process, we'll be able to save some money and still provide quality care for the town's employees."

Last year's budget called for \$6.2 million to cover employee health benefits, including

retirees. The budget for the fiscal year is \$7.4 million. In 2002, the town paid \$5.2 million.

The county's plan – which Niagara Insurance worked on along with unions and county government – offers three BlueCross BlueShield options. Jividen said that if this does not work, the board could choose a single provider offering rates based on employees' claim histories.

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Cynthia Hammer, senior client executive for Niagara Insurance, said the process usually results in cost reductions and savings. "We need to have a two-or three-year plan to decide where we are going instead of going down this blind road," Hammer said.

Town Supervisor Ronald H. Moline said the support by Niagara Insurance and the cooperation of the unions are key to making the process a success.

"We should be able to save some money without sacrificing coverage by working together," he said.