

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Health Insurance Plan Ad Hoc
Advisory Committee
INITIATED BY



Josh Smith
DRAFTED BY

County Board Staff Committee
SUBMITTED BY

June 18, 2019
DATE DRAFTED

**Approving Changes to the County's Health Insurance Plan as Recommended
by the Health Insurance Plan Ad Hoc Advisory Committee**

- 1 **WHEREAS**, Rock County provides a health insurance program that is available to all eligible
- 2 employees and their families; and,
- 3
- 4 **WHEREAS**, an increase in the number of claims and the total cost of claims has contributed to
- 5 significant losses in the County's health insurance account; and,
- 6
- 7 **WHEREAS**, the Rock County Board of Supervisors established a Health Insurance Plan Ad Hoc
- 8 Advisory Committee, composed of employees and County Board members, to review options
- 9 and make a recommendation to the County Board; and,
- 10
- 11 **WHEREAS**, the County held 8 meetings to provide information and answer questions about
- 12 health insurance options that were attended by 494 employees; and,
- 13
- 14 **WHEREAS**, the County conducted a survey to solicit input about health insurance options and
- 15 received 890 responses; and,
- 16
- 17 **WHEREAS**, the Health Insurance Plan Ad Hoc Advisory Committee held four meetings and has
- 18 voted to recommend a fully-insured dual-choice point-of-service health insurance plan for 2020.
- 19
- 20 **NOW, THEREFORE, BE IT RESOLVED**, that the Rock County Board of Supervisors duly
- 21 assembled this 11th day of July, 2019 does hereby approve the change to a fully-
- 22 insured dual-choice point-of-service health insurance plan beginning on January 1, 2020, and
- 23 authorize negotiations on related changes to contracts to facilitate this change.
- 24
- 25 **BE IT FURTHER RESOLVED**, that the County Administrator is directed to include funding
- 26 for such a plan in the 2020 budget.

Respectfully submitted,

COUNTY BOARD STAFF COMMITTEE

J. Russell Podzilni
J. Russell Podzilni, Chair

Mary Mawhinney
Mary Mawhinney, Vice Chair

Richard Bostwick
Richard Bostwick

Henry Brill
Henry Brill

Betty Jo Bussie
Betty Jo Bussie

Absent
Louis Peer

Alan Sweeney
Alan Sweeney

Terry Thomas
Terry Thomas

Bob Yeomans
Bob Yeomans

19-7A-287

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Insurance Plan Ad Hoc Advisory Committee

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FISCAL NOTE:

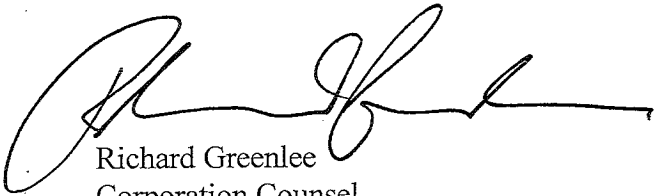
This resolution authorizes a funding change for Rock County Health insurance beginning in 2020. Funds will be budgeted for 2020 to reflect the anticipated health insurance rates.



Susan Balog
Assistant Finance Director

LEGAL NOTE:

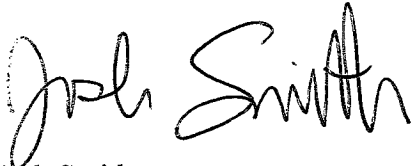
The County Board is authorized to take this action pursuant to §§ 59.01, 59.51 and 59.22(2) of the Wisconsin Statutes.



Richard Greenlee
Corporation Counsel

ADMINISTRATIVE NOTE:

The County's recent and ongoing adverse experience with health insurance claims and costs has forced this reconsideration of the health insurance benefits the County offers. There are pros and cons to each of the options that were considered, with each having potentially different effects on employees depending on their specific health and family situations. Future uncertainty regarding medical costs, rate increases, and federal regulation make this decision more difficult. However, after numerous information sessions and meetings, this option was chosen by a majority of staff through the survey and recommended by the Ad Hoc Committee. For these reasons, this action is recommended.



Josh Smith
County Administrator

Executive Summary
**Approving Changes to the County's Health Insurance Plan as Recommended
 by the Health Insurance Plan Ad Hoc Advisory Committee**

Over the past year the County has been discussing losses in its health insurance account due to an increase in the number of claims and costs per claim. In January 2019, the County held 9 meetings with employees to share information about increasing program costs. In March 2019, the County Board created a Health Insurance Ad Hoc Advisory Committee composed of employees and County Board members to review options and make a recommendation to the County Board. In May 2019, the County held 8 meetings attended by 494 employees to provide updated information and answer questions. The County also conducted a survey in May 2019 asking employees to rank five options. A total of 890 individuals responded to this survey.

On June 12, 2019, the Health Insurance Ad Hoc Advisory Committee voted 12 in favor – 2 against, with 4 members absent, to recommend a fully-insured dual-choice point-of-service plan. This option, known as Option C on the employee survey, was ranked as the first choice by 66.2% of responding employees and as the second choice by 29.7% of responding employees.

In 2019, Rock County budgeted more than \$21 million for employee health insurance. The plan recommended by the Advisory Committee was targeted to cost approximately \$19 million. Savings from this change would be used to reduce employee costs, including for the following:

- employee deductible reduced from \$750 single/\$2,250 family to \$500 single/\$1,500 family for in-network services;
- the County's share of cost sharing for in-network services (co-insurance) would be increased from 75% to 90%;
- the maximum employee out-of-pocket costs, including in-network deductibles, co-insurance, and co-pays, would be reduced from \$5,900 single/\$11,600 family to \$3,650 single/\$7,300 family;
- prescription costs would no longer have their own out-of-pocket maximum of \$1,500 single/\$3,000 family but would instead be included in the reduced medical maximum out-of-pocket costs noted above; and
- co-pays for in-network primary and specialty care would be reduced from \$25 to \$15.

It is anticipated that additional savings to the County would be used to ensure sufficient funding remains in the health insurance account to cover claims run-out costs from the County's current plan, as well as ensure funding is available to cover future health insurance costs.

Under this plan, employees and any family members on County insurance would be required to select either SSM Health (Dean) or MercyHealth as their in-network provider and would receive in-network coverage benefits as noted above. Employees will still be able to access other providers but would pay additional out-of-network costs, including a higher and separate deductible level (\$750/\$2,250), lower County co-insurance (65% instead of 90%), and the potential for balance billing for out-of-network services (it should be noted that both SSM Health and MercyHealth have arrangements with UW Health that eliminate or limit balance billing in certain circumstances).

The County would continue to offer a wellness program. Employees who comply will not pay a premium share, and those who do not will continue to pay 10%. The County would also commit to continuing its current telemedicine provider (My Ideal Doc) in 2020.

The County's health insurance consultant has engaged in discussions with SSM Health and MercyHealth to develop the plan design and costs noted above, which will need to be finalized through formalization of contracts. The final contracts are expected to include rate locks for 2021 (2.0%) and 2022 (8.9%).