

ENROLLED ORDINANCE 173-086

MODIFY THE 2018 ACTIVE EMPLOYEE PROGRAM BUDGET IN THE
HEALTH AND DENTAL INSURANCE FUND

WHEREAS, Waukesha County established the Health and Dental Insurance Fund in the 2009 budget as an internal service fund to account for all claims and costs filed against and paid by the county's self-insured insurance programs and the premiums and other revenues that fund these claims expenses; and

WHEREAS, this fund includes an active employee health insurance program, which is funded mostly through a premium share between employees and the county; and

WHEREAS, to guard against higher-cost individual health claims, the county purchases stop loss insurance, which reimburses the county for claims expenses above \$350,000; and

WHEREAS, the active employee health program has experienced higher-than-budgeted claims expenses, mostly from high-cost individual claims; and

WHEREAS, the County Board approved an ordinance in October to address projected above-budget claims expenses by increasing budget authority in the active health program by \$1.2 million, mostly funded with \$1.1 million of unbudgeted stop loss reimbursement revenues based on known high-cost claims at the time; and

WHEREAS, since then additional individual high-cost claims have been incurred requiring an additional \$500,000 of budget authority for the Health Insurance Fund; and

WHEREAS, the county is expected to receive an additional \$1.1 million in stop loss reimbursement revenues, which will more than cover the additional \$500,000 of budget authority needed.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the 2018 Health and Dental Insurance Fund budget be modified by increasing operating expenses \$500,000 and other revenues by \$500,000.

FISCAL NOTE

MODIFY THE 2018 ACTIVE EMPLOYEE PROGRAM BUDGET IN THE HEALTH AND
DENTAL INSURANCE FUND

This ordinance increases operating expense appropriations in the Health and Dental Insurance Fund Budget by \$500,000 to fund projected above-budget health claims expenses in the active employee health program. Projected above-budget claims expenses are largely due to higher-cost individual claims, for which the county receives a reimbursement from its stop loss insurance carrier for expenses above \$350,000. This ordinance appropriates \$500,000 of unbudgeted stop loss reimbursement revenues to cover this additional expenditure authority. (The county does not estimate stop loss reimbursement revenues in the adopted budget due to its unpredictability.)

In October, the County Board approved an earlier ordinance* increasing the active employee program budget by \$1.2 million, funded mostly with \$1.1 million of stop loss reimbursement revenue. At the time (based on mid-year projections), it was unclear how many higher-cost individual claims there would be, and that ordinance limited the increase in budget authority to known stop loss reimbursement revenues of \$1.1 million. Since then, the county has incurred at least another \$1.1 million in additional stop loss-reimbursable claims expenses, which is more than sufficient to cover the additional expenditure authority in this ordinance.

This ordinance is funded with projected above-budget revenues and does not result in any direct impact on tax levy.


Norman A. Cummings
Director of Administration

1/2/2019


BPD

JE# 2018-00014403

*The earlier ordinance in October also appropriated an additional \$800,000 of expenditure authority for the retired employee program, funded with fund balance generated from that program's prior-year favorable results. At this time, it does not appear that the retired employee program will need additional expenditure authority.

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Approved by:
Finance Committee

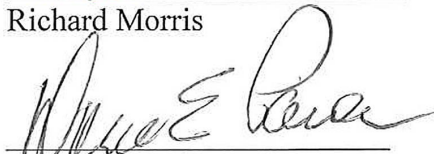

James A. Heinrich, Chair

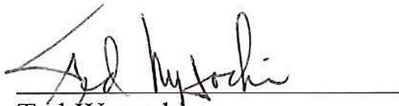

Timothy Dondlinger


Tyler J. Foti



Thomas A. Michalski


Richard Morris


Duane E. Paulson


Ted Wysocki

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: January 22 2019, 
Margaret Wartzman, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____

Date: 1/29/19, 
Paul Farrow, County Executive



Voting Results for 173-O-086

Modify The 2018 Active Employee Program Budget In The Health And Dental Insurance Fund
 Passed With 17 Yes Votes Needed

AYE: 23 NAY: 0 ABSTAIN: 0 ABSENT: 2

D1 - Foti	AYE	D14 - Wood	AYE
D2 - Zimmermann	AYE	D15 - Mitchell	AYE
D3 - Morris	ABSENT	D16 - Crowley	AYE
D4 - Batzko	AYE	D17 - Paulson	AYE
D5 - Dondlinger	AYE	D18 - Nelson	AYE
D6 - Walz	AYE	D19 - Cummings	AYE
D7 - Grant	AYE	D20 - Schellinger	AYE
D8 - Michalski	AYE	D21 - Gaughan	AYE
D9 - Heinrich	Motion	D22 - Wysocki	Second
D10 - Swan	AYE	D23 - Hammitt	AYE
D11 - Howard	AYE	D24 - Whittow	ABSENT
D12 - Wolff	AYE	D25 - Johnson	AYE
D13 - Decker	AYE		