

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 26, 2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to contract with Froedtert Health for wellness plan administration for January 2014 - December 2016.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact <input checked="" type="checkbox"/> Existing Staff Time Required <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) <input type="checkbox"/> Absorbed Within Agency's Budget <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget <input type="checkbox"/> Decrease Operating Expenditures <input type="checkbox"/> Increase Operating Revenues <input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures <input type="checkbox"/> Decrease Capital Expenditures <input type="checkbox"/> Increase Capital Revenues <input type="checkbox"/> Decrease Capital Revenues <input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|---------------------------------|--------------|-----------------|
| Operating Budget | Expenditure | \$0 | |
| | Revenue | | |
| | Net Cost | | \$345,000 |
| Capital Improvement Budget | Expenditure | | |
| | Revenue | | |
| | Net Cost | | |

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A.) Approval of this request would enable the Benefits Director to contract with Froedtert Health for administration of the County's wellness plan from January 2014 - December 2016 at an annual cost estimated at \$345,000 per year. Implementation would begin immediately upon execution of contract.

B.) There is no impact to the current year, other than the time of existing staff. The addition of the wellness plan is estimated to cause expenditures of \$345,000 beginning in 2014. This is before any incentive design costs/non-compliance revenue.

C.) There is no impact to the current year. All costs realized in future years would be reflected in the overall org. 1950 budget.

D.) The \$345,000 estimate is based on 70% participation in screening and assessments, and 30% of the population engaged in ongoing coaching. The base rates for services would be \$65 per participant for the initial labs, HRA, and review with a health coach. Ongoing coaching would be provided at a rate of \$60 per hour. Participation reporting is \$3800 per year at the County's current enrollment, and there is a fixed program fee of \$20,000 per year. Increases/Decreases to participation in the screening and/or coaching will positively or negatively impact projections.

Department/Prepared By Matthew Hanchek, Director of Benefits

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.