MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: December 1, 2012   Original Fiscal Note   ☒

                                     Substitute Fiscal Note   ☐

SUBJECT: Request for authorization to execute a three-year contract for dental administrative services with Delta Dental of Wisconsin.

FISCAL EFFECT:

☒ No Direct County Fiscal Impact   ☐ Increase Capital Expenditures

    ☒ Existing Staff Time Required

                                    ☐ Decrease Capital Expenditures

☐ Increase Operating Expenditures
   (If checked, check one of two boxes below)   ☐ Increase Capital Revenues

    ☐ Absorbed Within Agency's Budget   ☐ Decrease Capital Revenues

    ☐ Not Absorbed Within Agency's Budget

☒ Decrease Operating Expenditures   ☐ Use of contingent funds

☐ Increase Operating Revenues

☐ Decrease Operating Revenues

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		53,170
	Revenue		
	Net Cost		53,170
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 Administrator to contract with Delta Dental for dependent eligibility auditing to begin in 2012.

B.) Based on current enrollment and utilization, the proposed Delta Dental contract would reduce annual administrative costs by approximately $6,300 per year versus the current 2012 Humana contract. However, there is no material difference in total costs (Combined claims and admin).

C.) There is no impact to 2012. Rates are gauranteed for the entire 3-yr contract term.

D.) The cost stated in the report and fiscal note are based on current enrollment and utilization. Changes to employees enrollment and how they use their dental benefits could impact this analysis positively or negatively.

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[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.

Department/Prepared By   <u>Matthew Hanchek, Beneftis Administrator </u>

Authorized Signature   _____

Did DAS-Fiscal Staff Review?   ☐   Yes   ☒   No