

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: December 28, 2018

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for authorization to purchase stop-loss insurance coverage through Voya for 1/1/19 through 12/31/19.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> 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 | \$0.00 | \$0.00 |
| | Revenue | \$0.00 | \$0.00 |
| | Net Cost | \$0.00 | \$0.00 |
| 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/interpretations that were utilized to provide the information on this form.

A.) This item authorizes the Benefits Division to purchase stop-loss coverage for the 2019 medical plan from Voya.

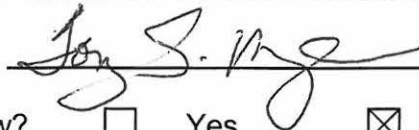
B.) The contract is for a premium rate of \$39.78 per covered person per month (PMPM). The rate is based on keeping the current deductible of \$350,000. At current enrollment (adjusted for Medicare Advantage), the projected premiums are approximately \$3,204,517.68 for Milwaukee County.

C.) It is matching the current deductible of \$350,000 as well as the current contract terms (24/12 contract, medical only coverage, retirees are included, and they're agreeing to mirror the County's current plan). The Voya offer is +7.63% over current; this is a savings of \$393,919 as compared to the UHC renewal. The Voya contract has some improved terms over UHC; specifically; They agree to no new laser upon renewal (UHC will not guarantee no new laser); and they agree to a renewal cap of no more than 40% (UHC does not provide a renewal cap). If the County goes with Voya, UHC charges \$1pepm (or \$80,556/year) to send reporting to Voya. This would reduce the savings noted above..

D.) The enrollment estimates have been reduced to reflect the County's decision provide a voluntary Medicare Advantage option to eligible retirees. Material changes in enrollment will cause a corresponding change to savings (positive or negative).

Department/Prepared By Tony Maze, Benefits Director, Human Resources

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.