



Milwaukee County

Legislation Text

File #: 11-63, **Version:** 1

A resolution seeking a change in State statutes to permit Milwaukee County to establish a health care expenditure stabilization fund,

A RESOLUTION

WHEREAS, the Milwaukee County 2011 Adopted Budget appropriates \$138.6 million for health care benefit expenditures for employees and retirees; and

WHEREAS, Milwaukee County is “self-insured” for health care benefits which, by nature, makes it difficult to precisely project actual health care expenditures each year; and

WHEREAS, the County purchases “stop-loss” insurance to cover claims above a certain threshold and to hedge against possible deficits that could have a significant fiscal impact on the County’s bottom line; and

WHEREAS, current state law prohibits Milwaukee County from creating reserve accounts, except for debt service, emergency needs or if required by an external funding source; and,

WHEREAS, the establishment of a health care expenditure stabilization reserve account would help the County protect itself against fluctuations in health care expenditures and, depending on the amount in the reserve, may allow the County to achieve savings by reducing its stop-loss insurance needs; and

WHEREAS, a funded reserve account is also viewed positively by outside bond rating agencies as it is seen as an additional protection that the County will be available to meet its debt service obligations; and

WHEREAS, if State policymakers permit the County to create a health care expenditure stabilization fund, Milwaukee County policymakers would be afforded an opportunity to develop guidelines and procedures for its use prior to implementation; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby supports a change in State law to permit Milwaukee County to establish and fund a health care expenditure stabilization reserve account for employee/retiree health care expenditures in order to protect against fluctuations that are typical in a self-insured health care plan; and

BE IT FURTHER RESOLVED, that the Director of Intergovernmental Relations is authorized and directed to communicate this resolution to State policymakers and work to implement this change in State law.