

**JANUARY 10, 2012 SESSION
OF THE
WALWORTH COUNTY BOARD OF SUPERVISORS
COMMITTEE OF THE WHOLE**

The Walworth County Board Committee of the Whole meeting was called to order by Chair Russell at 5:01 p.m. at the Government Center, 100 W. Walworth Street, Elkhorn, Wisconsin.

Roll Call

Roll Call was conducted and following Supervisors were present: Richard Brandl, Jerry A. Grant, Randy Hawkins, Kathy Ingersoll, Vice-Chair Daniel G. Kilkenny, Carl Redenius, Rick Stacey, Russ Wardle, David A. Weber, and Chair Nancy Russell. Absent: 1 – Joe Schaefer.

• **The purpose of the meeting is for a presentation by the Walworth County Finance Department regarding Health Insurance.**

Deputy County Administrator-Finance Nicki Andersen said this issue was brought to the Board because it has been a concern to a number of individuals due to the cost of health insurance continuing to escalate. She also said the purpose of this meeting is to give an update on health insurance in general, the status in the marketplace, and things to consider moving forward. She introduced Matthew A. Boray, GBDS, Partner/Sr. Account Executive, from M3 Insurance Solutions, Inc., the county's health insurance consultant.

Mr. Boray distributed handouts to those present. The main topics discussed were the health insurance market, cost of health insurance, and controlling health insurance costs. He explained the difference between fully insured and partially self funded plans. For fully insured, the employer chooses from packaged plan designs. Also, the employer pays a predetermined rate for each employee enrolled regardless of the amount of claims that were incurred in the year and the insurance company retains any profit in a fully insured plan.

A partially self funded plan offers greater opportunity to control costs, and there is also more flexibility with plan design. The employer also contracts with a third party administrator to process claims, and also contracts separately for reinsurance and network providers. A partially self funded plan is not the same as a self-insured plan. Self-insured plans do not have stop loss protection. As partially self funded, Walworth County does have stop loss protection.

Mr. Boray also discussed the health insurance market, and focused on the Southeastern Wisconsin area. He explained the differences between Preferred Provider Organization, Health Management Organization, and Accountable Care Organization. A Preferred Provider Organization (PPO) is a network of providers and the employer is contracted with a provider to receive discounts. If a participant goes out of network for health care, there is lower coverage by the plan. A Health Maintenance Organization (HMO) is a plan where the employer is contracted with a particular delivery system and a participant only has the option to go to that particular delivery system for health care. If a participant would go outside that network, there would be no coverage. HMO's are not common in Southeastern Wisconsin. Accountable Care

Organization (ACO) is a hybrid between a PPO and an HMO, and was introduced due to the changes in health care reform. Aurora Health Care has come out with an ACO, where employees would only be able to use Aurora providers at a higher level of benefits. Employees would be able to go to other providers, but would receive a lower level of benefits.

Mr. Boray also discussed Health Care Reform and the differences between state and federal mandates. The Health Care Reform Law is being implemented in phases over several years. A fully insured plan has to comply with state mandates, which can be limiting depending on what benefits the plan wants to cover.

Mr. Boray discussed the cost of health insurance and the impact of plan design on health insurance costs. He stated that higher deductibles, office visit copays, prescription drug copays, and out-of-pocket maximums will lower the cost of insurance. He also discussed the strategies that Walworth County has implemented to impact health insurance costs, such as multiple plan designs, limited network of providers, and a wellness program. He then discussed other strategies that can be explored to lower health insurance costs, for example, an onsite clinic. He explained the benefits of having an onsite clinic for employees to obtain health care.

Mr. Boray concluded the presentation by answering questions asked by Supervisors.

Adjournment

On motion by Supervisor Hawkins, seconded by Supervisor Brandl, the meeting was adjourned at 5:49 p.m.

STATE OF WISCONSIN)
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COUNTY OF WALWORTH)

I, Kimberly S. Bushey, County Clerk in and for the County aforesaid, do hereby certify that the foregoing is a true and correct copy of the proceedings of the County Board of Supervisors for the January 10, 2012 Committee of the Whole Meeting.