



AGENDA

Finance and Insurance Committee

July 19, 2010

9:30 a.m.

Jury Assembly Room

Lower Level, Courthouse Annex

1. Call meeting to order
2. Approve agenda
3. Public Comment – Speakers will be limited to 5 minutes
4. Approve minutes of June 21, 2010 – Please review website posting/County Board packet
5. Discuss/consider approving Release and Settlement Agreement recovering inappropriate payment of prescription drug claims from Claims Management Services, action if any (Attachment)
6. Discuss/consider Marinette County 2009 Audit Report and Management Letter as presented by Mike Konecny, Schenck SC Certified Public Accountants, action if any (Attachment)
7. Discuss/consider recommending to County Board approval of Amendment #16 to the Marinette County Personnel Policies and Procedures Manual, Section 1.11 Travel, Meal and Lodging Allowances, action if any (Attachment)
8. Discuss/consider recommendation to the County Board to amend the General Code of Ordinances of Marinette County – Chapter 2 County Government Sections 2.05 County Board Rules of Procedure and 2.08 Committees of the County Board regarding removal of standing committee and County Board approval of bills, claims, and accounts already budgeted, action if any (Attachment)
9. Discuss/consider recommendation to the County Board for Marinette County to apply for the Early Retiree Reinsurance Program (ERRP), action if any (Attachment)
10. Discuss/consider recommendation to the County Board approval to transfer and designation of remaining funds in the self-insurance health/dental segment of the County's self-insurance fund, action if any (attachment)
11. Discuss/consider Finance Director's Report
 - Monthly Investment Report
 - Quarterly Department Budget Report
 - Semi-annual Investment Performance Report
12. Discuss/consider Schedule of Appropriation Entries, action if any
13. Discuss/consider Schedule of Vouchers, action if any
14. Closed session per Wisconsin Statute 19.85 (1) (i) considering any and all matters related to acts by businesses under s. 560.15 which, if discussed in public, could adversely affect the business, its employees or former employees; to-wit: Anonymous Financial Complaints
15. Open session per Wisconsin Statute 19.85 (2), action if any
16. Set next meeting date –
17. Adjournment

cc: Bob Fraik Finance Director
John Guarisco County Board Chair
Kathy Just County Administrator
Connie Seefeldt Corporation Counsel
Vilas Schroeder County Clerk

PLEASE NOTE: AGENDA ITEMS MAY NOT BE CONSIDERED AND ACTED UPON
IN THE ORDER LISTED

If you are an individual who needs a special accommodation while attending the meeting as required by the "Americans With Disabilities Act", please notify County Clerk Kathy Brandt, Marinette County Courthouse (715-732-7406) at least 24 hours prior to the meeting in order to make suitable arrangements. Thank you. (TDD 715-732-7760)

1926 Hall Avenue, Marinette, WI 54143-1717

RELEASE AND SETTLEMENT AGREEMENT

I. The following parties are referred to as Releasors:

A. Marinette County, on behalf of itself and the Marinette County Health Plan, and any and all of their predecessors, successors, agents, administrators, heirs, attorneys, executors and assigns anywhere in the world.

II. The following parties are referred to as Released Parties:

A. Claim Management Services, Inc., d/b/a Anthem Blue Cross and Blue Shield ("Anthem") and any and all of its predecessors, successors, parent companies, subsidiaries, affiliates, officers, directors, stockholders, insurers, insureds, past or present, employees, agents, administrators, heirs, attorneys, executors, assigns and/or related entities, located anywhere in the world.

Whereas, [REDACTED] was a subscriber under the Marinette County Health Plan (the "Plan") that was administered by Anthem; and

Whereas, the Releasors and the Released Parties are in a dispute relating to representations made to the Plan's pharmacy benefit manager regarding [REDACTED] eligibility for benefits under the Plan, which resulted in the inappropriate payment of prescription drug claims (the "Dispute"); and

Whereas, the Released Parties deny all liability that is alleged in the Dispute; and

Whereas, all parties identified in this document desire to fully settle, once and for all, all claims and controversies of any kind existing between them and/or regarding the Dispute, and to that end, Releasors and Released Parties agree that no further claims, controversies, appeals or litigation of any nature whatsoever involving the parties hereto regarding the Dispute shall be made by the Releasors against the Released Parties.

NOW, THEREFORE, for and in consideration of the terms herein, the parties agree as follows:

1. **SETTLEMENT:** Releasors shall execute and deliver this Release and Settlement Agreement to the Released Parties. Released Parties shall pay the aggregate sum of twenty-nine thousand, six hundred and sixty-nine Dollars and 15/100 (\$29,669.15) to Releasors as soon as administratively possible. Released Parties shall also pay the aggregate sum of one-thousand two hundred and forty dollars and 00/100 (\$1,240.00) to Lindner & Marsack, as payment of the Releasors's attorney fees related to this matter, as soon as administratively feasible. In exchange, the Releasor authorizes and assigns the Plan's right to pursue recovery of the prescription drug overpayment from [REDACTED] to the Released Parties, who will retain any amounts received.

Releasors understand and agree that this Release and Settlement Agreement is the compromise of a disputed claim and that neither this Release and Settlement Agreement nor the payment to be made hereunder is to be construed as an admission of liability on the part of

Released Parties and that said Released Parties deny liability therefore and intend merely to avoid litigation and buy its peace. Nothing contained in this Release and Settlement Agreement shall be construed as an admission of fact regarding the Dispute. Releasors acknowledge and agree that no other consideration has been or will be furnished or paid by the Released Parties.

The Released Parties have maintained and continue to maintain, among other things, that the Releasors suffered no damage whatsoever as a result of any alleged actionable conduct on the part of the Released Parties. In return for the Released Parties' agreement to pay the above-referenced sum, the Releasors hereby agree to release, waive and forever discharge all claims of any type whatsoever regarding the Dispute.

2. **RELEASE A:** Releasors hereby forever release and discharge Released Parties, from any and all rights, claims, including but not limited to bad faith or the intentional infliction of emotional distress, demands, causes of action, obligations, suits, liens, damages or liabilities of any kind and character whatsoever, whether known or unknown, suspected or claimed, which Releasors can, shall or may have against Released Parties arising out of, based on, similar or related to, or connected with any of the matters referred to in the Dispute.

Releasors fully understand that if any fact with respect to which this Release and Settlement Agreement is executed is found hereafter to be other than or different from the fact in that connection now believed by them to be true, Releasors expressly accept and assume the risk of such possible difference in fact and agree that this Release and Settlement Agreement shall be and remain effective notwithstanding such difference in facts.

2. **B:** Released Parties hereby forever release and discharge Releasors, from any and all rights, claims, including but not limited to bad faith or the intentional infliction of emotional distress, demands, causes of action, obligations, suits, liens, damages or liabilities of any kind and character whatsoever, whether known or unknown, suspected or claimed, which Released Parties can, shall or may have against Releasors arising out of, based on, similar or related to, or connected with any of the matters referred to in the Dispute.

Released Parties fully understand that if any fact with respect to which this Release and Settlement Agreement is executed is found hereafter to be other than or different from the fact in that connection now believed by them to be true, Released Parties expressly accept and assume the risk of such possible difference in fact and agree that this Release and Settlement Agreement shall be and remain effective notwithstanding such difference in facts.

3 **COVENANT NOT TO SUE:** Releasors covenant and agree that they will forever refrain from instituting, prosecuting, maintaining, proceeding on, assisting with or advising to be commenced a suit which arises out of, or may be, in whole or in part based upon, related to or connected with the released matters herein or any of them, vis-a-vis Released Parties. Releasors will not hereafter, in any action at law, proceeding in equity or in any administrative proceeding, voluntarily attempt to offer into evidence against the Released Parties any fact concerning any act or omission of the Released Parties prior to the date of this Release and Settlement Agreement.

4. **REPRESENTATIONS AND WARRANTIES:** Releasors represent and warrant to the Released Parties that they have the full power, capacity and authority to enter into this Release and Settlement Agreement, that they have not sold, assigned or in any manner transferred any claims which they ever had against the Released Parties to any third party and that no other releases or settlements are necessary from any other person or entity to release and discharge completely the Released Parties from the claims specified herein. Releasors expressly acknowledge and agree that they will be solely responsible for satisfying any liens including, but not limited to, any and all attorney's liens and subrogation liens arising out of or connected to this matter.

5. **BREACH AND COSTS:** Each party to this Release and Settlement Agreement shall bear its own costs. In the event of a breach of the terms and conditions of this Release and Settlement Agreement by Releasors, the Released Parties shall be entitled to recover all costs and reasonable attorneys fees incurred to seek enforcement of this Release and Settlement Agreement.

6. **NO CONSTRUCTION AGAINST EITHER PARTIES:** The wording of this Release and Settlement Agreement was reviewed and accepted by Releasors and Released Parties prior to execution, and neither Releasors nor Released Parties shall be entitled to have any wording of this Release and Settlement Agreement construed or interpreted for or against the other Parties in the event of any dispute arising among the parties in connection with the Release and Settlement Agreement.

7. **LEGAL REPRESENTATION:** Releasors acknowledge that they had the opportunity to receive the advice of independent legal counsel prior to the execution of this Release and Settlement Agreement and the opportunity to receive an explanation from legal counsel regarding the legal nature and effect of this Release and Settlement Agreement and Releasors have fully exercised that opportunity to the extent desired and understand the terms and provisions of this Release and Settlement Agreement and its nature and effect. Releasors further represent that they are entering into this Release and Settlement Agreement freely and voluntarily, and not relying on the representations of any other party or of the counsel of any other parties.

8. **CONFIDENTIALITY:** Releasors and Released Parties recognize that this Release and Settlement Agreement is a private contract between and among the parties and is not for public disclosure. Releasors and Released Parties agree that neither they nor any of their agents or representatives have or will disclose the existence of any of the terms and conditions of this Release and Settlement Agreement or of the settlement it embodies, to any person or entity not a party to this Release and Settlement Agreement, other than to their attorneys, to their tax preparers in connection with the preparation of tax returns, or under such other circumstances as may be required by law, including any obligations of Releasors pursuant to the Wisconsin Open Records Law, Wis. Stats., Ch. 19, sub. Ch. II, or as may be required to enforce the terms of this Release and Settlement Agreement. It is further understood and agreed that this non-disclosure obligation shall survive the release of claims and remain binding on the Parties.

9. **APPLICABLE LAW:** This Release and Settlement Agreement is made, executed and entered into and shall be governed by the laws of the state of Wisconsin. The

Releasors hereby agree and consent to the jurisdiction and venue of the courts of the state of Wisconsin for any proceedings arising out of the alleged breach of this Release and Settlement Agreement.

10. **INTEGRATION:** This Release and Settlement Agreement represents the entire agreement and understanding concerning the subject matter herein and supersedes and replaces any prior negotiations and agreements between the parties hereto, and any of them, whether written or oral. The Release and Settlement Agreement cannot be amended without the express written consent of all Parties.

11. **EXECUTION AND COUNTERPARTS:** This Release and Settlement Agreement may be executed in counterparts, which counterparts, when executed, shall be construed as forming one agreement.

12. **SEVERABILITY OF TERMS:** If any term or condition of this Release and Settlement Agreement shall, to any extent, be found to be invalid or unenforceable, the remainder of this Release and Settlement Agreement shall remain in full force and effect and each remaining term or condition of this Release and Settlement Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. **INADMISSIBILITY OF AGREEMENT:** Any evidence of the existence, terms or negotiation of this Release and Settlement Agreement shall be inadmissible in any litigation, provided, however, that such evidence may be offered in an action seeking solely to enforce the terms of this Release and Settlement Agreement. This Release and Settlement Agreement has been entered into in reliance upon the provisions of Rule 408 of the Federal Rules of Evidence and under Rule 904.08 of the Wisconsin Statutes.

14. **AUTHORIZATION:** Releasors warrant and represent that they have full authority to execute this Release and Settlement Agreement. Releasors represent and warrant that no person other than the signatories hereto has or had any interest in the matters referred to herein.

RELEASORS AGREE THAT THEY HAVE READ THE FOREGOING TERMS AND CONDITIONS OF THIS SETTLEMENT AGREEMENT. BY SIGNING THIS SETTLEMENT AGREEMENT RELEASORS AGREE THAT THIS AGREEMENT IS ENTERED INTO UNDERSTANDABLY, KNOWINGLY AND WILLINGLY, WITHOUT ANY PROMISE OF ANY KIND TO DO SO.

IN WITNESS WHEREOF, the following individual has executed this Release and Settlement Agreement as of the day and year first written below:

Dated: June 11, 2010

Karen E. Auger
[NAME] Asst. Secretary
Claim Management Services, Inc.

Dated: _____

[NAME]

As to signature of [Party 1]:

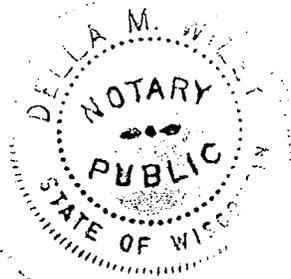
As to signature of [Party 2]:

Subscribed and sworn to before me
This 11th day of June, 2003. *DMW*

Subscribed and sworn to before me
this ___ day of _____, 2003.

Della M. Wiley
Notary Public, State of WI
My Commission Expires: 4/27/14

Notary Public, State of WI
My Commission Expires: _____



8. Appropriation Entries

Motion (Greason/Just) to approve Schedule of Appropriation Entries and recommend to the County Board approval of those indicated. Exhibit C

9. Schedule of Vouchers

Motion (Greason/Guarisco) to approve payment of Schedule of Vouchers totaling \$49,040.39. Motion carried

Motion (Just/Guarisco) to recommend to the County Board payment of Schedule of Vouchers totaling \$271,181.70. Motion carried.

10. Closed Session

Motion (Greason/Just) to enter closed session at 9:48 a.m. per Wisconsin Statute 19.85 (1)(g) conferring with legal counsel for the governmental body with respect to litigation in which it is or is likely to become involved; to wit: legal retainer agreement

Roll Call Vote - All supervisors present voting yes. Motion carried.

Present: Committee members, Finance Director, County Administrator, and HR Director

11. Open Session

Motion (Just/Guarisco) to enter open session at 10:10 a.m. per Wisconsin Statute 19.85 (2). Motion carried.

Motion (Guarisco/Greasion) to approve a retainer agreement not to exceed \$6,000 with Linder Marsack for representation related to a health insurance issue with funding to come from the Health Self-Insurance Fund. Motion carried.



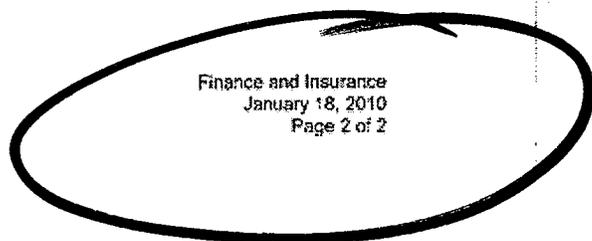
12. Adjournment

Motion (Guarisco/Just) to adjourn at 10:15 a.m.

Next meeting date: Monday, February 15, 2010 and Monday March 22, 2010

BobbieJean Boivin
Deputy County Clerk

Date approved/corrected:



**AMENDMENT 16
MARINETTE COUNTY
PERSONNEL POLICIES AND PROCEDURES MANUAL
SECTION 1.11 TRAVEL, MEAL AND LODGING ALLOWANCES**

DRAFT

This section shall be amended to read as follows:

1.11 Travel, Meal and Lodging Allowances

...

(h) Claiming Reimbursement of Authorized Expenditures.

...

- (3) The expense account statement reviewed and approved by the Department Head shall be submitted to the ~~Finance Department. Committee of Jurisdiction for approval.~~ Department Head expense vouchers are submitted directly to the Committee of Jurisdiction for approval.

Approved by Personnel:

Approved by County Board:

**AMENDING THE GENERAL CODE OF ORDINANCES OF MARINETTE COUNTY –
CHAPTER 2 COUNTY GOVERNMENT**

Sections 2.05 County Board Rules of Procedure and 2.08 Committees of the County Board

Section One: Section 2.05(5)(d)(13)(14)(15)(16)(17) is amended as follows:

...

- ~~(13) Bills over \$5,000.00~~
- ~~(14)(13) _____ Motions~~
- ~~(15)(14) _____ Reports of committees~~
- ~~(16)(15) _____ Letters and communications~~
- ~~(17)(16) _____ Adjournment~~

...

Section Two: Section 2.08(5)(b)(10) (e)(f)(g)(h)(i)(j)(k)(l)(m)(n) is amended as follows:

...

- (b) Each standing committee of the County Board shall have the authority to examine and settle all bills, claims, and accounts after payment has been processed and settle on behalf of the County Board, all budgeted bills and accounts related to their committee, not to exceed five thousand dollars (\$5,000.00). Bills, claims, and accounts exceeding five thousand dollars (\$5,000.00) shall be submitted to the County Board for approval, exclusive of those of the Highway Committee.

- (e) approve expenditures and transfer of funds as follows:
 - transfer funds between budgeted items within an individual County office or department, if such budgeted items have been separately appropriated, and supplement the appropriations for a particular office, department, or activity by transfers from the contingency fund. Such transfers shall not exceed the amount established in the contingency fund as adopted in the annual budget. In the case of an individual activity aggregate annual transfers shall not exceed ten percent (10%) of the funds originally provided for such activity. The publication provisions of §65.90(5)(a), Wis. Stats., shall apply to all committee transfers from the contingency fund;
- ~~(f) examine and settle all accounts of the County and all claims, demands, or causes of action against the county and issue County orders therefore, when the amount does not exceed five thousand dollars (\$5,000.00);~~
- ~~(g)(f)~~ examine, investigate and report on all claims of a general nature for which the County may have any liability and all claims, demands on causes of action against the County, except highway matters, and issue County orders thereon;
- ~~(h)(g)~~ direct the auditing of the books of all departments not otherwise delegated;
- ~~(i)(h)~~ Committee Chairperson audits County Board Supervisors mileage and expense claims;
- ~~(j)(i)~~ establish policies and procedures, in cooperation with the County Administrator and with Elected Officials as appropriate, for the following offices and departments:

- (1) County Clerk's Office
- (2) Finance Department
- (3) Information Services Department
- ~~(4) Printing Department~~
- ~~(5)~~(4) Treasurer's Office

~~(k)~~(j) oversee all insurance programs, including but not limited to workers compensation, hospital, dental, life and loss control;

~~(h)~~(k) approve insurance agreement amendments;

~~(m)~~(l) recommend a Finance Committee member to serve on the Wisconsin Counties Utilities Tax Association Board
(Ord #278 6/29/04)

...

Section Three: This ordinance shall be effective immediately upon passage and publication.

ADOPTED:

George Bousley, Chairperson

Katherine K. Brandt, County Clerk

Recommended: Finance Committee – July 19, 2010

Processing Accounts Payable on a Weekly Basis

Internal Controls

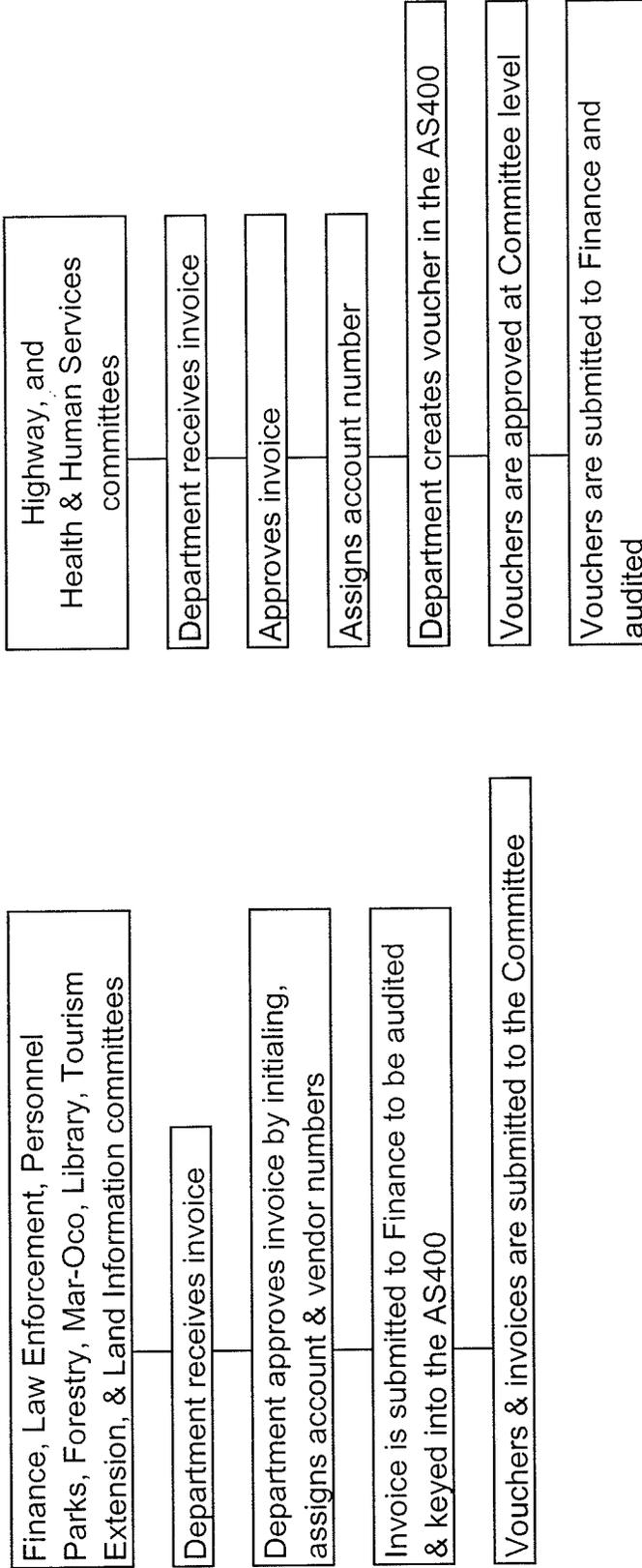
- Item to be paid must be in the approved budget.
Budget is approved by the parent committee, Finance Committee/Executive Committee, and the County Board.
- Payment of invoice is approved by the department head or designee.
- All invoices will be reviewed by the Finance Department. Any items not budgeted will not be processed unless Finance Director deems necessary to process invoice before budget transfer. Schedule of all payments will be presented to the parent committee at their monthly meeting. All documentation is available at the Finance Department.

Reasons to process invoices on a weekly basis include:

- Taking advantage of discounts
- Avoiding late fees
- Good business practice:
There are concerns about delays in payment from snowmobile/ATV clubs and from other vendors being paid over \$5,000. Currently vendors are waiting 45 – 60 days for large payments. Most of our vendors are part of the community and have their own expenses that need to be paid including payroll.
- Streamline process:
A substantial amount of the accounts payable process has already been removed from the departments and centralized by the Finance Department; this has already created efficiencies and effectiveness. Weekly payments would also make accounts payment more consistent.
- Time efficiency:
The new process would minimize the amount of check runs each month. Currently, 18 check runs are processed each month. If invoices were paid each week, there would be 6 check runs each month (4 weekly runs, Highway & HHS). The County Clerk's office prints the checks, and then all checks go to the Treasurer's office to be sealed.
- Decrease the number of checks printed. Multiple checks for the same vendor could be combined into one.
- Eliminate calling the committee chair for approval:
Weekly checks would eliminate the need to call the committee chair for approval for checks that must be processed immediately. Any missed invoices would wait until the next week.

There will be some additional programming required to change the accounts payable process to a weekly basis. Some of the programming will address the issue of ACH payments.

Current Voucher Process



Proposed Process

Department receives invoice

Department stamps invoice, approves invoice by initialing, and assigns account & vendor numbers

Invoice is submitted to Finance daily to be audited & keyed into the AS400

The final schedule of vouchers will be submitted to the County Clerk's office every Monday and checks will be processed.

Each department will have access to run a schedule of vouchers by month for the applicable committee.

Each committee will receive a schedule of vouchers for the month to review.

ARCHIVE ONLY: This site is no longer actively updated. Visit **HealthCare.gov** for new information. 

Monday 12, Jul 2010 | 4:15pm

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The Affordable Care Act's Early Retiree Reinsurance Program

Rising health care costs have made it difficult for employers to provide quality, affordable health insurance for workers and retirees while also remaining competitive in the global marketplace. The percentage of large firms providing workers with retiree health coverage has dropped from 66 percent in 1988 to 29 percent in 2009¹. Many Americans who retire without employer-sponsored insurance and before they are eligible for Medicare see their life savings disappear because of exorbitant rates in the individual market. Health insurance premiums for older Americans are over four times more expensive than they are for young adults², and the deductible these enrollees pay is, on average, almost four times that for a typical employer-sponsored insurance plan.³

The Early Retiree Reinsurance Program provides much-needed financial relief for employers, unions and state and local governments so retirees can get quality, affordable insurance. Applications for employers to sign up for this program are available now, and help is available for claims dating back to June 1 for those accepted into the program.

Purpose of the Program: Sustain Quality, Affordable Care for Early Retirees

- The Affordable Care Act provides \$5 billion in financial assistance to employers, unions and state and local governments to help them maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare.
- Employers, unions and governments can use the savings to reduce their own health care costs, provide premium relief to their workers and families, or both.

Access to Reinsurance: What Employers Need to Do

- Employers with self-funded and insured plans can apply, including private companies, state and local governments, nonprofits, religious organizations, unions operating employee benefit plans, and other employers.
- Applications are now available online at www.hhs.gov/ocio along with extensive application assistance materials and information on where to send the applications. Applicants are being accepted as of June 29.
- To participate in the program, employers must have their applications approved, be able to document claims, and implement programs and procedures that have or have the potential to generate cost savings for participants with chronic and high-cost conditions.
- Employers participating in the program will be subject to audits of their health benefit plans to ensure fiscal integrity.

Relief for Businesses, Unions and Governments

- HHS will reimburse medical claims dating back to June 1, 2010 -- three weeks before the statutory deadline for establishing the program. This allows more insurance claims to qualify for reinsurance payments for plans this year.
- Employers that are accepted into the program will receive reinsurance reimbursement for medical claims for retirees age 55 and older who are not eligible for Medicare, and their spouses, surviving spouses, and dependents.
- Health benefits claims that qualify for relief include medical, surgical, hospital, prescription drug, and other benefits that may be specified by the Secretary of Health and Human Services, such as coverage for mental health services.
- The amount of this reimbursement to the employer is up to 80 percent of medical claims costs for health benefits between \$15,000 and \$90,000. Claims incurred between the start of the plan year (often January 1) and June 1 are credited towards toward the \$15,000 threshold for reimbursement. However, only medical expenses incurred after June 1, 2010 are eligible for reimbursement under this program.
 - For example: If an individual incurs costs of \$30,000 between the start of the plan year and June 1, and \$40,000 after that date. The amount which may be reimbursed is \$40,000 – the costs above the \$15,000 threshold that occur after June 1.
 - If a plan incurs \$90,000 or more in expenses before June 1, it is treated as having met the \$15,000 threshold and is eligible for reimbursement for costs incurred after June 1.
- These limits apply and claims are filed for individual's costs. Employers cannot add two or more individuals together to attain the threshold.

Bridge to 2014

- The Early Retiree Reinsurance Program provides temporary assistance to employers and their early retirees to make the cost of health care coverage and health care more affordable.
- The program ends on January 1, 2014 when early retirees will be able to choose from the additional coverage options that will be available in the health insurance Exchanges.

¹ Kaiser / HRET. *Employer Health Benefits: 2009 Survey*.

² Center for Policy and Research. *Individual Health Insurance 2009*.

³ Kaiser Family Foundation. 2010. *Survey of People Who Purchase Their Own Insurance*.

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This is an official U.S. Government Web site managed by the U.S. Department of Health & Human Services.

ERRP

Early Retiree Reinsurance Program Application



U.S. Department of Health and Human Services

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1087. The time required to complete this information collection for this application is estimated to average 35 hours, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

HHS Form # CMS-10321



An asterisk (*) identifies a required field.

PART I: Plan Sponsor and Key Personnel Information
1) *Organization's Name (Must correspond with the information associated with the Federal Employer Tax Identification Number (EIN): _____)
2) *Type of Organization (Check the one category that best describes your organization): <input type="checkbox"/> Government <input type="checkbox"/> Union <input type="checkbox"/> Religious <input type="checkbox"/> Commercial <input type="checkbox"/> Non-profit
3) *Organization's Employer Identification Number (EIN): ____ - _____
4) *Organization's Telephone Number: ____ - ____ - ____ ext. _____
5) Organization's FAX Number: ____ - ____ - ____ ext. _____
6) *Organization's Address (must be the address associated with the EIN provided above): * Street Line 1: _____ Street Line 2: _____ *City: _____ *State: <u>Select One</u> _____ *Zip Code: _____
7) Organization's Website Address: _____
B. Authorized Representative Information
1) *First Name: _____ Middle Initial: ____ *Last Name: _____
2) *Job Title: _____
3) Date of Birth: Do not respond to this item now. To comply with the Application Instructions, you must provide this at a later date if and when the application is approved.
4) Social Security Number: Do not respond to this item now. To comply with the Application Instructions, you must provide this at a later date if and when the application is approved.
5) *Email Address: _____
6) *Telephone Number: ____ - ____ - ____ ext. _____
7) FAX Number: ____ - ____ - ____ ext. _____
8) *Employer Name: _____



PART II: Plan Information

A. Plan Information

- 1) *Plan Name: *Wisconsin County Association Group Health Trust Marinette County Medical Benefit Plan*
- 2) *Plan Year Cycle: Start Month/Day: *01/01* End Month/Day: *12/31*

B. Benefit Option(s) Provided Under This Plan (If the plan has more than one benefit option for which you intend to seek program reimbursement, please include the information below for each benefit option, on a separate copy of the Attachment below.)

- 1a) *Benefit Option Name: *N/A*
- 1b) *Unique Benefit Option Identifier: *N/A*
- 1c) *Benefit Option Type: Self-Funded Insured Both
- 1d) *Benefit Administrator Company Name: *United Medical Resources formerly United Health.*



D. *Estimated Amount of Early Retiree Reinsurance Program Reimbursements

Please estimate the projected amount of proceeds you expect to receive under the Early Retiree Reinsurance Program for the plan identified in this application, for each of the first two plan year cycles identified in this application. If you wish, you may provide a range of expected program proceeds that includes: (1) a low-end estimate of expected program proceeds, (2) an estimate that represents your most likely amount of program proceeds, and (3) a high-end estimate of expected program proceeds. For purposes of this estimate only, please assume for each of those plan year cycles that there will be sufficient program funds to cover all claims submitted by the Plan Sponsor that comply with program requirements. If necessary to provide a complete response, the sponsor may submit additional pages as an attachment to the application. Please reference such attachment in this space.

<u>YEAR</u>	<u>Low-end Estimate</u>	<u>Most L. kely Estimate</u>	<u>High-end Estimate</u>
2010	\$55,000	\$75,000	\$200,000
2011	\$100,000	\$115,000	\$250,000



E. *Intended Use of Early Retiree Reinsurance Program Reimbursements (continued)

- 2) If a sponsor decides to apply the reimbursement for its own use, it may only use the reimbursement to offset increases in its health benefit premium costs, if an insured plan, or its health benefit costs, if it is self-funded. If any amount of the reimbursement is used to offset increases in health benefit premium or health benefit costs of your organization (as opposed to offsetting increases to, or reducing, plan participants' costs), please summarize how program funds, as a result of being used by your organization for such purposes, will relieve your organization of using its own funds to subsidize such increases, thereby allowing your organization to instead use its own funds to maintain its level of financial contribution to the employment-based plan. (In other words, please explain how your organization will continue to maintain the level of support for this plan, and if it applies the reimbursement for its own use, will use the program reimbursement to pay for increases in health benefit premium costs or health benefit costs, as applicable). If necessary to provide a complete response, the sponsor may submit additional pages as an attachment to the application. Please reference such attachment in this space.

The County of Marinette plans to use the reimbursements to offset increases in its share of health benefit premium cost.

Tax revenue generation for Wisconsin Counties is limited under State imposed levy limits and levy caps. Any Early Retiree Reinsurance Program reimbursements applied against our health benefit premium cost will allow the County to maintain coverage for our retirees that we might not otherwise maintain and to shift scarce resources towards other needed services for our population.

The County of Marinette will continue to maintain its level of support for the health plan by shifting resources as necessary.



PART IV. Plan Sponsor Agreement	
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1.	<p>Compliance: In order to receive program reimbursement(s), Plan Sponsor agrees to comply with all of the terms and conditions of Section 1102 of the Patient Protection Act (P.L. 111-148) and 45 C.F.R. Part 149 and in other guidance issued by the Secretary of the U.S. Department of Health & Human Services (the Secretary), including, but not limited to, the conditions for submission of data for obtaining reimbursement and the record retention requirements.</p>
2.	<p>Reimbursement-Related and Other Representations Made by Designees: Plan Sponsor may be given the opportunity to identify one or more Designees (i.e., individuals the Sponsor will authorize to perform certain functions on behalf of the Sponsor related to the Early Retiree Reinsurance Program, such as individual(s) who will be involved in making program reimbursement requests). Plan Sponsor certifies that all individuals that will be identified as Designees will have first been given authority by the Plan Sponsor to perform those respective functions on behalf of the Plan Sponsor. Plan Sponsor understands that it is bound by any representations such individuals make with respect to the Sponsor's involvement in the Early Retiree Reinsurance Program, including but not limited to the Sponsor's reimbursement under, the program.</p>
3.	<p>Written Agreement: Plan Sponsor certifies that, prior to submitting a Reimbursement Request, it has executed a written agreement with its health insurance issuer or employment-based plan regarding disclosure of information, data, documents, and records to HHS, and the issuer or plan agrees to disclose to HHS, on behalf of the Plan Sponsor, at a time and in a manner specified by the HHS Secretary in guidance, the information, data, documents, and records necessary for the Plan Sponsor to comply with the requirements of the Early Retiree Reinsurance Program, as specified in 45 C.F.R. 149.35.</p>
4.	<p>Use of Records: Plan Sponsor understands and agrees that the Secretary may use data and information collected under the Early Retiree Reinsurance Program only for the purposes of, and to the extent necessary in, carrying out Section 1102 of the Patient Protection Act (P.L. 111-148) and 45 C.F.R. Part 149 including, but not limited to, determining reimbursements and reimbursement-related oversight and program integrity activities, or as otherwise allowed by law. Nothing in this section limits the U.S. Department of Health & Human Services' Office of the Inspector General's authority to fulfill the Inspector General's responsibilities in accordance with applicable Federal law.</p>
5.	<p>Obtaining Federal Funds: Plan Sponsor acknowledges that the information furnished in its Plan Sponsor application is being provided to obtain Federal funds. Plan Sponsor certifies that it requires all subcontractors, including plan administrators, to acknowledge that information provided in connection with a subcontract is used for purposes of obtaining Federal funds. Plan Sponsor acknowledges that reimbursement of program funds is conditioned on the submission of accurate information. Plan Sponsor agrees that it will not knowingly present or cause to be presented a false or fraudulent claim. Plan Sponsor acknowledges that any excess reimbursement made to the Plan Sponsor under the Early Retiree Reinsurance Program, or any debt that arises from such excess reimbursement, may be recovered by the Secretary. Plan Sponsor will promptly update any changes to the information submitted in its Plan Sponsor application. If Plan Sponsor becomes aware that information in this application is not (or is no longer) true, accurate and</p>



reimbursement will be made from Federal funds, any false statements, documents, or concealment of a material fact is subject to prosecution under applicable Federal and/or State law.

*Signature: _____



ANTI-WASTE POLICIES AND PROCEDURES OF UMR

UMR has developed programs and procedures that are intended to reduce or eliminate the waste of health plan assets of our clients. These programs and procedures target intentional or unintentional inappropriate consumption, mismanagement or squandering of health care resources. UMR accesses these programs on behalf of all of its self-funded and insured clients. The following is a synopsis of the programs.

- **Claims Payments:** UMR confirms payment is made according to the terms of the plan sponsor's plan documents.
- **Clinical Review and Support:** UMR supports an extensive in-house clinical review group staffed by medical professionals that develops policies and procedures that guide payment practices and assures that contracted network providers conform to those policies and procedures. This assures treatment options that are covered under UMR administered plans are informed by the latest medical community intelligence, thereby targeting treatments and avoiding waste.
- **Proven Treatments and Services:** UMR generally pays only for proven treatments and services as determined by its clinical area so that funds are not wasted on treatments that do not have a satisfactory clinical result.
- **Network Provider Requirements:** UMR offers access to multiple medical provider networks. These networks are responsible for credentialing and monitoring the performance of their providers. The networks have strict utilization review and cost control requirements for their providers and/or require their providers to comply with the requirements identified by the plan.
- **Out-of-Network Providers:** UMR reviews the charges of out-of-network providers and compares the charges to prevailing rates to reduce excessive billing and consequent waste of health plan assets.
- **Case management services.** These services are designed to provide a proactive, systematic process of health care coordination, including the evaluation of inpatient, outpatient and ancillary services, Participant education, the review of the short-term outpatient care needs and where appropriate, coordination and facilitation of discharge planning needs. These programs assure that health care benefits funds are used appropriately.

- **Medical Management Services.** UMR provides health care medical management services. These services focus on offering education, accelerating access to care and providing surveillance and monitoring of chronic conditions. The services are designed to facilitate participant education, identify and prevent delays in treatments, and provide intervention with respect to participants' health care needs that are highly likely to drive utilization and medical expenses of the Plan.

Utilization management – The primary focus of our URAC-accredited utilization management program is the determination of clinical eligibility for coverage and appropriate length of stay of proposed medical services. We achieve this through notification review, concurrent review and discharge planning. The program also works to identify cases that require additional intervention through case management or disease management. Early referral to these programs often results in great cost savings.

Case management – Also a URAC-accredited program, we designed our case management program to promote quality cost-effective outcomes for members with a catastrophic or high-cost condition. Nurse case managers work each case to ensure the members understand their conditions and treatment processes. These nurses also work to negotiate rates for added claims savings. Additionally, our nurses are well versed in stop loss and the need to communicate quickly and thoroughly on potential high claimants. All nurses who staff the case management program are registered nurses (RNs) and over 90 percent have Certified Case Management (CCM) credentials.

Marinette County Health Insurance Rate Determination 2003 - 2009

- 2003** 2003 rates were 2002 rates increased by 5%
- 2004** 2004 rates were 2003 rates increased by 7%. 2002 actual results and expected 2003 results were used to determine the 7% increase
- 2005** 2005 Consultant rates (Exhibit A) were used in determination of 2005 rates with the following parameter - Plan rates by tier (single family etc.) were adjusted to approximately 67% to 85% of the consultant rates. Consultant rates were described as market rates meaning a typical insurance company would charge these rates to fund our plan. In our rate determination we tried to limit the increase from 2004 rates to a reasonable level, thus the 67 to 85% range.
- 2006** County Share - 2005 rates increased by 5% .
Employee Share - 2006 Consultant rates (Exhibit B) Based on Plan Change
Note - County Share was not adjusted to 2006 consultant rates because consultant rates were not obtained in time to adjust 2006 budget.
- 2007** 2006 Consultant rates (Exhibit B).
- 2008** 2008 Consultant rates (Exhibit C).
- 2009** 2008 Consultant rates (Exhibit C) increased by 7%.

Plan H (rates include HCl access fees, does not include out of state/BCBS claim pricing)

EE \$492.11
EE+CH \$836.58
EE+ SP \$1,082.64
FAM \$1,525.53

Exh. 6.7
A

2004

Plan W (does not include WPPN access fees, does not include out of state/BCBS claim pricing)

EE \$675.03
EE+CH \$1,147.55
EE+ SP \$1,485.07
FAM \$2,092.60

No
Dental

2004

Standard (does not include out of state/BCBS claim pricing)

EE \$681.80
EE+CH \$1,159.05
EE+ SP \$1,499.95
FAM \$2,113.57

2005

Plan H (rates include HCl access fees, does not include out of state/BCBS claim pricing)

EE \$521.98
EE+CH \$887.37
EE+ SP \$1,148.36
FAM \$1,618.14

390.24
730.20
866.56
912.01

County 2004 RATES
without Dental

2005

Plan W (does not include WPPN access fees, does not include out of state/BCBS claim pricing)

EE \$717.62
EE+CH \$1,219.95
EE+ SP \$1,578.76
FAM \$2,224.62

406.18
894.77
1,061.99
1,117.71

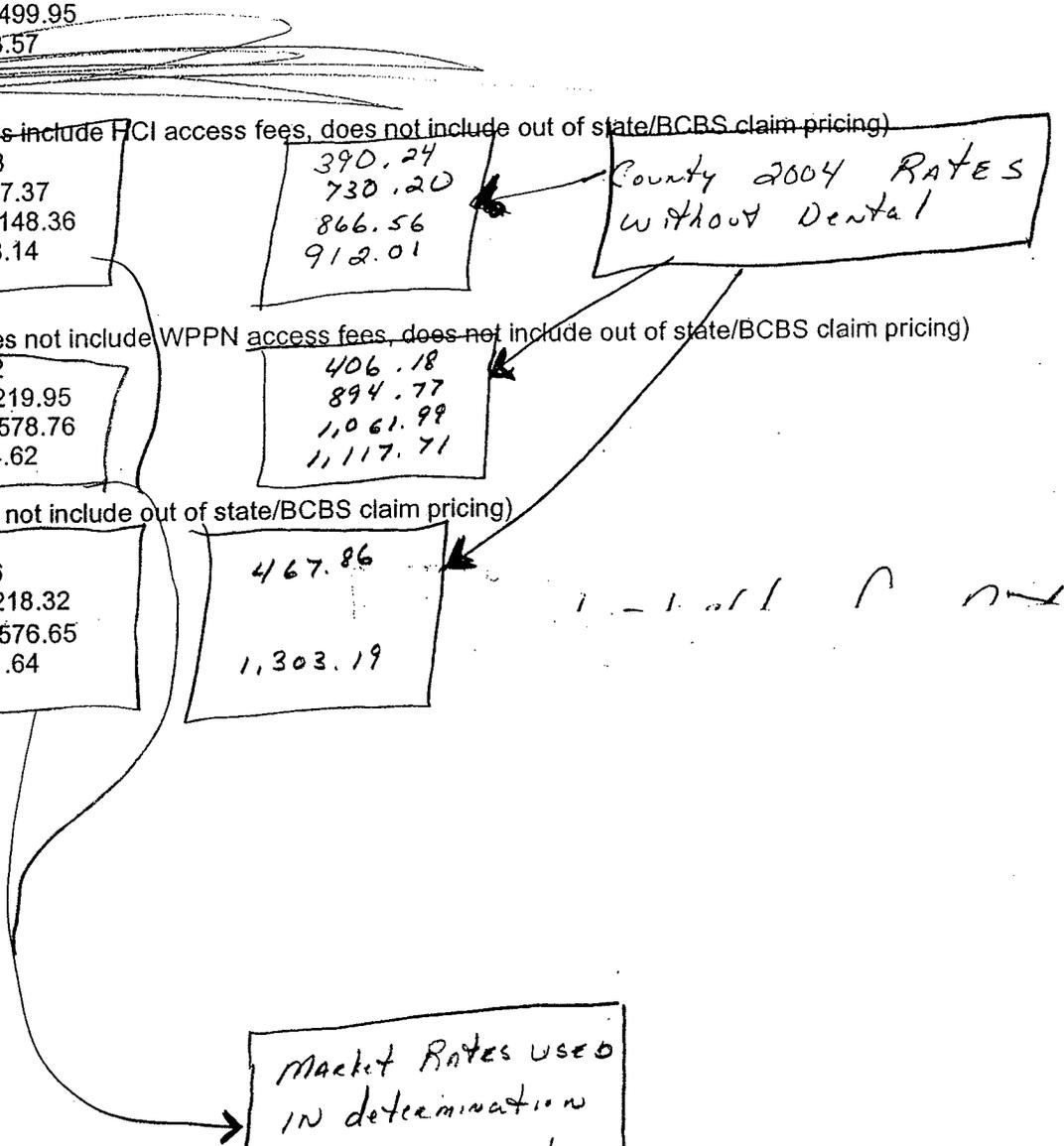
2005 (does not include out of state/BCBS claim pricing)

Standard
EE \$716.66
EE+CH \$1,218.32
EE+ SP \$1,576.65
FAM \$2,221.64

467.86
1,303.19

1 - total P W

Market Rates used
in determination
of 2005 County
and 2006 RATES

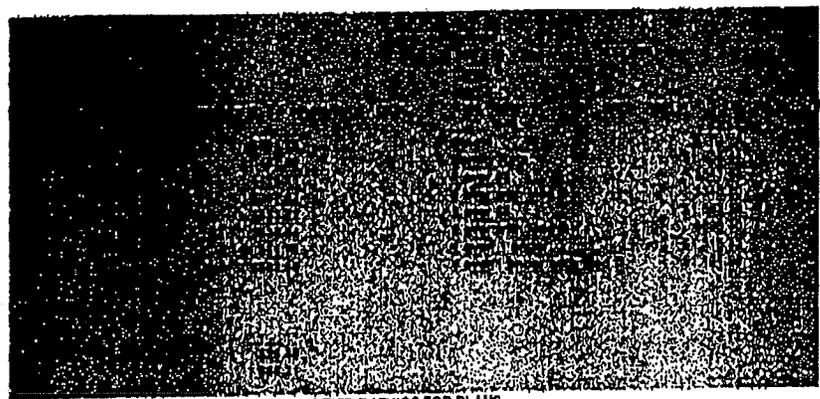


Exh. bit
B

\$2,000,000 (November update)
 Dental cost application:
 Dental PEPM: \$62.53
 Completed: \$53.60
 Trend Application for period 2/01/05-2/31/06 at 1% Annual Trend: 1,0141
 \$54.36
 Annualized at current enrollment: \$287,418

984.5

\$13.65
 n: \$ 2.40
 \$2.60
 v: \$1.05
 \$3.30
 \$0.30
 \$45.32
 \$108.62
 \$374,817



claims: \$1,525,333
 claims for Dental: \$47,280
 including insurers: \$1,318,578
 0.34%

Claims Reserve

4-TIER RATINGS FOR PLANS
 ENROLLMENT FOR BASE RATES: EO:107/ ES:40/ ES:95/ EF:163-RATIO:864.5
 CATEGORY: WITHOUT RESERVE ISSUE

PLANE	NETWORK	BL/CX NETWORK	CMS/STO PLAN NETWORK
SINGLE	\$571.28	\$618.91	\$823.68
EC	\$1,866.64	\$856.98	\$1,753.75
EA	\$1,265.38	\$1,167.55	\$4,498.25
EF	\$1,713.84	\$1,354.73	\$1,076.95
(base claims x 1.00)		(base claims x .80)	(base claim x 1.10)
1 OVER:	\$366.80	\$363.24	\$436.50
1 OVN/MED D	\$257.89	\$233.51	\$280.64
2 OVER:	\$788.80	\$726.47	\$873.11
2 OVN/MED O	\$514.16	\$447.02	\$581.29
1 OVI/UND:	\$971.18	\$682.15	\$1,080.21
1 OVI/UNW/MED D:	\$926.39	\$752.42	\$904.28

CATEGORY: WITH RESERVES

SINGLE	\$742.73	\$473.22	\$812.28
EC	\$1,374.06	\$1,245.46	\$1,502.88
EA	\$1,471.15	\$1,514.76	\$1,827.88
EF	\$2,224.10	\$2,016.48	\$2,438.75
1 OVER:	\$516.81	\$471.25	\$548.58
1 OVN/MED D	\$334.23	\$302.95	\$365.51
2 OVER:	\$1,636.42	\$1,442.61	\$1,737.15
2 OVN/MED O:	\$466.46	\$405.80	\$511.03
1 OVI/UND:	\$1,282.64	\$876.17	\$1,280.83
1 OVI/UNW/D:	\$1,076.98	\$876.17	\$1,177.76

re every 5 years.
 ver at least a 3 year history.
 all cost sharing benefit configurations.
 1 position to \$75,000 or below.
 1 or renegotiate the amount of
 affiliated physicians, or seek

Claims Reserve Deficit

nt, outpatient use and
 tem. The County must be willing
 1 first three tiers.
 9 co-pays, RX co-pays,
 n network except
 ible and \$3000 family
 raphics of the plan
 igital to steer
 1 discounts of
 vascular.

673.22 S
 2,019.55 F
 1,514.76 E/S
 1,245.46 E/C
 471.25 1over/5 million
 942.61 2over/5
 876.17 1over/1 under 65
 24.39 single dental
 62.53 family dental.

monthly reserve
 consultant rates
 used for employee
 share + retiree health
 insurance
 (not county share!)

RAE AND
GREG

MARINETTE COUNTY REVENUE ANALYSIS

2008
* RATES

#2
Exhibit
C

MEDICAL PLAN CODE DESCRIPTIONS	ENROLLMENT	CURRENT RATES		36 MONTH AMORT. RESERVE		FULL RESERVE	
		MONTHLY RATES	ANNUAL REVENUE	MONTHLY RATES	ANNUAL REVENUE	MONTHLY RATES	ANNUAL REVENUE
100 HB-SINGLE HEALTH	7	\$673.22	\$56,550.48	\$828.06	\$69,557.09	\$942.51	\$79,170.67
101 HB-FAMILY HEALTH	1	\$2,019.55	\$24,234.60	\$2,484.05	\$29,808.56	\$2,827.37	\$33,928.44
102 HE-EMP/SP HEALTH	2	\$1,514.75	\$36,354.00	\$1,863.14	\$44,715.42	\$2,120.65	\$50,895.60
103 HB-EMP/CH HEALTH	0	\$1,245.46	\$0.00	\$1,531.92	\$0.00	\$1,743.64	\$0.00
104 HB-ONE OVER 65 HEALTH	18	\$471.25	\$101,790.00	\$579.64	\$125,201.70	\$659.75	\$142,506.00
105 HB-TWO OVER 65 HEALTH	8	\$942.61	\$90,490.56	\$1,159.41	\$111,303.39	\$1,319.65	\$126,686.78
106 HB-1 OVER/1 UNDER 65 HEALTH	4	\$876.17	\$42,056.16	\$1,077.69	\$51,729.08	\$1,226.64	\$58,878.62
110 HB-SINGLE HEALTH	4	\$673.22	\$32,314.56	\$828.06	\$39,746.91	\$942.51	\$45,240.38
111 HB-FAMILY HEALTH	2	\$2,019.55	\$48,469.20	\$2,484.05	\$59,617.12	\$2,827.37	\$67,856.88
112 HB-EMP/SP HEALTH	5	\$1,514.75	\$90,885.00	\$1,863.14	\$111,788.55	\$2,120.65	\$127,239.00
113 HB-EMP/CH HEALTH	1	\$1,245.46	\$14,945.52	\$1,531.92	\$18,382.99	\$1,743.64	\$20,923.73
114 HB-ONE OVER 65 HEALTH	3	\$471.25	\$16,965.00	\$579.64	\$20,866.95	\$659.75	\$23,751.00
115 HB-TWO OVER 65 HEALTH	0	\$942.61	\$0.00	\$1,159.41	\$0.00	\$1,319.65	\$0.00
116 HB-1 OVER/1 UNDER 65 HEALTH	5	\$876.17	\$52,570.20	\$1,077.69	\$64,661.35	\$1,226.64	\$73,598.28
HB-SINGLE HEALTH	48	\$673.22	\$387,774.72	\$828.06	\$476,962.91	\$942.51	\$542,884.61
HB-FAMILY HEALTH	126	\$2,019.55	\$3,053,559.60	\$2,484.05	\$3,755,878.31	\$2,827.37	\$4,274,983.44
HB-EMP/SP HEALTH	73	\$1,514.75	\$1,326,921.00	\$1,863.14	\$1,632,112.83	\$2,120.65	\$1,857,689.40
HB-EMP/CH HEALTH	26	\$1,245.46	\$388,583.52	\$1,531.92	\$477,957.73	\$1,743.64	\$544,016.93
410 HWY HB-SINGLE HEALTH (NO VISION)	5	\$673.22	\$40,393.20	\$828.06	\$49,683.64	\$942.51	\$56,550.48
411 HWY HB-FAMILY HEALTH (NO VISION)	5	\$2,019.55	\$121,173.00	\$2,484.05	\$149,042.79	\$2,827.37	\$169,642.20
412 HWY HB-EMP/SP HEALTH (NO VISION)	0	\$1,514.75	\$0.00	\$1,863.14	\$0.00	\$2,120.65	\$0.00
413 HWY HB-EMP/CH HEALTH (NO VISION)	0	\$1,245.46	\$0.00	\$1,531.92	\$0.00	\$1,743.64	\$0.00
414 HWY HB-ONE OVER 65 HEALTH (NO VISION)	1	\$471.25	\$5,655.00	\$579.64	\$6,955.65	\$659.75	\$7,917.00
415 HWY HB TWO OVER 65 HEALTH (NO VISION)	1	\$942.61	\$11,311.32	\$1,159.41	\$13,912.92	\$1,319.65	\$15,835.85
416 HWY HB-1 OVER/1 UNDER 65 HEALTH (NO VISION)	0	\$876.17	\$0.00	\$1,077.69	\$0.00	\$1,226.64	\$0.00
420 HWY HB-SINGLE HEALTH (NO VISION)	0	\$673.22	\$0.00	\$828.06	\$0.00	\$942.51	\$0.00
421 HWY HB-FAMILY HEALTH (NO VISION)	0	\$2,019.55	\$0.00	\$2,484.05	\$0.00	\$2,827.37	\$0.00
422 HWY HB-EMP/SP HEALTH (NO VISION)	1	\$1,514.75	\$18,177.00	\$1,863.14	\$22,357.71	\$2,120.65	\$25,447.80
423 HWY HB-EMP/CH HEALTH (NO VISION)	0	\$1,245.46	\$0.00	\$1,531.92	\$0.00	\$1,743.64	\$0.00
424 HWY HB-ONE OVER 85 HEALTH (NO VISION)	0	\$471.25	\$0.00	\$579.64	\$0.00	\$659.75	\$0.00
425 HWY HB-TWO OVER 65 HEALTH (NO VISION)	0	\$942.61	\$0.00	\$1,159.41	\$0.00	\$1,319.65	\$0.00
426 HWY HB-1 OVER/1 UNDER 65 HEALTH (NO VISION)	0	\$876.17	\$0.00	\$1,077.69	\$0.00	\$1,226.64	\$0.00
600 NON-REP/ELECTED HB-SINGLE HEALTH	0	\$673.22	\$0.00	\$828.06	\$0.00	\$942.51	\$0.00
601 NON-REP/ELECTED HB-FAMILY HEALTH	0	\$2,019.55	\$0.00	\$2,484.05	\$0.00	\$2,827.37	\$0.00
602 NON-REP/ELECTED HB-EMP/SP HEALTH	1	\$1,514.75	\$18,177.00	\$1,863.14	\$22,357.71	\$2,120.65	\$25,447.80
603 NON-REP/ELECTED HB-EMP/CH HEALTH	0	\$1,245.46	\$0.00	\$1,531.92	\$0.00	\$1,743.64	\$0.00
604 NON-REP/ELECTED HB-ONE OVER 65 HEALTH	0	\$471.25	\$0.00	\$579.64	\$0.00	\$659.75	\$0.00
605 NON-REP/ELECTED HB-TWO OVER 65 HEALTH	0	\$942.61	\$0.00	\$1,159.41	\$0.00	\$1,319.65	\$0.00
606 NON-REP/ELECTED HB-1 OVER/1 UNDER 65 HEALTH	0	\$876.17	\$0.00	\$1,077.69	\$0.00	\$1,226.64	\$0.00
NON-REP/ELECTED HB-SINGLE HEALTH	9	\$673.22	\$72,707.76	\$828.06	\$89,430.54	\$942.51	\$101,790.86
NON-REP/ELECTED HB-FAMILY HEALTH	27	\$2,019.55	\$654,334.20	\$2,484.05	\$804,831.07	\$2,827.37	\$916,067.88
NON-REP/ELECTED HB-EMP/SP HEALTH	17	\$1,514.75	\$309,009.00	\$1,863.14	\$380,081.07	\$2,120.65	\$432,612.60
NON-REP/ELECTED HB-EMP/CH HEALTH	2	\$1,245.46	\$29,891.04	\$1,531.92	\$36,765.98	\$1,743.64	\$41,847.46
610 NON-REP/ELECTED HB-SINGLE HEALTH	2	\$673.22	\$16,157.28	\$828.06	\$19,873.45	\$942.51	\$22,620.19
611 NON-REP/ELECTED HB-FAMILY HEALTH	2	\$2,019.55	\$48,469.20	\$2,484.05	\$59,617.12	\$2,827.37	\$67,856.88
612 NON-REP/ELECTED HB-EMP/SP HEALTH	0	\$1,514.75	\$0.00	\$1,863.14	\$0.00	\$2,120.65	\$0.00
613 NON-REP/ELECTED HB-EMP/CH HEALTH	0	\$1,245.46	\$0.00	\$1,531.92	\$0.00	\$1,743.64	\$0.00
614 NON-REP/ELECTED HB-ONE OVER 85 HEALTH	0	\$471.25	\$0.00	\$579.64	\$0.00	\$659.75	\$0.00
615 NON-REP/ELECTED HB-TWO OVER 65 HEALTH	0	\$942.61	\$0.00	\$1,159.41	\$0.00	\$1,319.65	\$0.00
616 NON-REP/ELECTED HB-1 OVER/1 UNDER 65 HEALTH	0	\$876.17	\$0.00	\$1,077.69	\$0.00	\$1,226.64	\$0.00
950 PLAN H - SINGLE HEALTH	3	\$673.22	\$24,235.92	\$828.06	\$29,810.18	\$942.51	\$33,930.29
PLAN H - EMP/CH HEALTH	2	\$1,245.46	\$29,891.04	\$1,531.92	\$36,765.98	\$1,743.64	\$41,847.46
PLAN H - FAMILY HEALTH	0	\$2,019.55	\$0.00	\$2,484.05	\$0.00	\$2,827.37	\$0.00
TOTAL	411		\$7,164,046.08		\$8,811,776.68		\$10,029,664.51

*Revenue analysis does NOT assume current deficit position





Schenck

Government & Not-For-Profit Solutions

BETTER PEOPLE. BETTER RESULTS.

December 16, 2008

Patrick Kass, Finance Director
Marinette County
1926 Hall Avenue
Marinette, WI 54143

Dear Pat:

You have requested my opinion on whether Marinette County can recoup or recover prior year deficits from its self-funded health insurance program through adjustments or increases in current and future year rates. The deficits are a result of health insurance program expenses exceeding revenues in prior years. From our prior year audits of Marinette County we are aware that the County accounts for health insurance financial transactions in a separate internal service fund. The accounting method used by the County is in accordance with generally accepted accounting principles for governments.

In my opinion, it is correct and appropriate to include deficits resulting from prior year excess expenses of the self-funded health insurance program in the calculation of current year rates and premiums. This opinion is based on my review of applicable accounting principles and, also, from my experience of working with local units of government in Wisconsin. In support of my opinion, I offer the following information:

- 1) Accounting principles for governments are included in statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 10 sets forth specific criteria for health insurance internal service funds. This statement states that charges or rates of the internal service fund are required to be "based on an actuarial method or historical cost information and adjusted over a reasonable period of time so that internal service fund revenues and expenses are approximately equal". It also states that deficits do not have to be recouped in any one year, as long as charge or rate adjustments are made over a reasonable period of time.
- 2) I have worked with many Wisconsin counties over the past thirty-four years. A number of them use or have used internal service funds to account for financial transactions of a self-funded health insurance program. I contacted four of the counties that use or have used an internal fund for this purpose and three of them stated that they have included prior year deficits (or deducted excess surpluses, if any) in the establishment of current year charges and rates, including any percentage deduction allocated to the employee. The fourth county has always used the rates as determined by their insurance consultant. Over the years their fund balance has been able to accumulate a small reserve.

In addition, none of them have ever transferred funds or balances out of an active internal service fund set up for a self-funded health insurance program.

The above represents a summary of the applicable standards and my experience with health insurance internal service funds. If additional information is needed, do not hesitate to contact me.

Sincerely,

Michael W. Konecny, CPA



2200 Riverside Drive • P.O. Box 23819 • Green Bay, WI 54305-3819 • schencksolutions.com

Phone: 920-436-7800 • 800-676-0829 • Fax: 920-436-7808



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DECEMBER 2009

MARINETTE COUNTY SELF INSURANCE FUND

	Total	Health & Dental	Workers Comp	Property & Liability	Life Insurance
Beginning Balance 1/1/2009	550,352.25	(298,478.38)	799,196.30	43,368.53	6,265.80
Revenue:					
Property Tax	106,000.00			106,000.00	
Departmental Charges	8,191,881.08	7,668,464.40	264,989.68	240,869.00	17,558.00
H/D Charges-Section 125	820,512.12	820,512.12			
Retiree/Cobra Insurance	262,771.08	262,771.08			
Interest	-				
Reimbursement for W/C Wages	-				
Dividends	11,130.00	11,130.00			
Refund of Prior Yr. Exp.	-				
Insurance Recoveries	337,109.56	337,109.56			
Prescription Discounts	15,418.50	15,418.50			
Total Revenues	9,744,822.34	9,115,405.66	264,989.68	346,869.00	17,558.00
	9,744,822.34				
Expenditures					
County Administration	42,823.98		42,823.98		
EAP Contract (291)	10,500.00	10,500.00			
HCSC Contract (291)	-				
CMS Claims Processed	5,374,623.62	5,094,802.60	279,821.02		
Prescriptions Processed	1,416,784.04	1,416,784.04			
Accrual	-				
Attorney Fees	5,226.00		5,226.00		
Postage	419.50	404.51	14.99		
Printing	528.54	477.34	51.20		
Insurance Premiums	935,198.15	540,994.85	44,104.00	332,136.00	17,963.30
Administration	206,922.10	199,017.10	7,905.00		
Total Expenditures	7,993,025.93	7,262,980.44	379,946.19	332,136.00	17,963.30
	7,993,025.93				
Excess Revenue (Expense)	1,751,796.41	1,852,425.22	(114,956.51)	14,733.00	(405.30)
Transfer	-				
Ending Balance	2,302,148.66	1,553,946.84	684,239.79	58,101.53	5,860.50

Balance Sheet Reconcil:	
Equity	1,400,652.25
Estimated Rev.	(10,034,980.00)
Revenue	9,744,822.34
Appropriations	9,184,680.00
Expenditures	(7,993,025.93)
Total	2,302,148.66
Accrual	-
Ending Balance	2,302,148.66