

ENROLLED ORDINANCE 169-63

MODIFICATIONS TO HEALTH INSURANCE TO
COMPLY WITH THE AFFORDABLE CARE ACT

WHEREAS, the Affordable Care Act (ACA) federal health care legislation has established requirements for employer sponsored health plans in the areas of design, costs, and eligibility, and

WHEREAS, employees who work a minimum of 1560 hours per year must be offered the opportunity to enroll in the health insurance plan or the County would be subject financial penalties, and

WHEREAS, the use of temporary and regular part-time employees is a cost-effective staffing solution, and though departments manage the work hours of these employees to limit the impact of the obligations under the ACA, the County has regular part-time and temporary employees who will work enough hours to qualify for health insurance under the ACA, and

WHEREAS, the ACA establishes guidelines on the cost sharing thresholds that can be utilized by employers, and

WHEREAS, in order to comply with the ACA, the County must establish a stand-alone vision plan where employees have the ability to make an election to enroll in and have access to a vision benefit separate from the health plan, and

WHEREAS, the vision benefits are currently embedded within the health plans and must be separated out in order to comply with the ACA.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the following benefit changes become effective January 1, 2015:

I. Temporary Employees

- a. All temporary employees who are eligible for health insurance under the Affordable Care Act will be provided the opportunity to enroll in the HSA health plan.
- b. The County will contribute 75% of the Single plan premium and temporary employees shall pay 25%. For temporary employees electing the Family plan, the County will contribute an amount equal to 75% of the Single plan premium and temporary employees will pay all additional cost of the Family Plan.
- c. Temporary employees will not be eligible for County contributions toward the health savings account.

II. Regular Part Time Employees

- a. The County will contribute 75% towards the selected Single plan and 50% towards the selected Family plan. Employees will contribute 25% towards the selected single plan and 50% towards the selected Family plan.

III. Vision Plan

- a. The County will offer a fully insured vision plan, separate from the health plan, to regular full time, regular part time employees and full time elected officials. The County and the employees will each pay 50% of the established monthly premium rates.

FISCAL NOTE

MODIFICATIONS TO HEALTH INSURANCE TO COMPLY WITH THE AFFORDABLE CARE ACT

This ordinance authorizes changes to County health insurance plans to comply with the federal Affordable Care Act (ACA). Under the ACA, employees who work 30 hours per week (0.75 FTE or 1,560 hours per year) are considered full-time and must be offered health benefits. The County currently offers health insurance benefits to regular full-time (employees who work 40 hours per week) and regular part-time employees (who work between 20 and 40 hours per week). However, the ACA rule also applies to temporary staff that work at least an average of 30-hours per week over the course of a 12 month period. These temporary employees did not previously qualify for health benefits with the County. This ordinance establishes the County and employee health plan cost sharing for those qualifying temporary staff in order to comply with the ACA. However, the ACA does not require the County to provide a corresponding contribution to a health savings account for these ACA eligible temporary employees. Based on estimated qualifying staff, this compliance obligation is estimated to cost an additional \$23,000 in 2015 for this ACA requirement (see table below).

In addition, the ACA also mandates certain employee premium contributions cannot exceed certain thresholds. These mandates will require the County to increase its cost share on single health plans to regular part-time employees from 50% to 75%. The cost share for regular part-time employees choosing family plans remains the same at 50%. This change in health plan cost sharing is estimated to cost an additional \$55,000 in 2015. The estimate assumes more regular part-time employees will participate in addition to those currently enrolled due to the required increase in the County contribution toward single health plans.

Another requirement of the ACA prompted the County to separate out the vision benefit, which is currently included in the health insurance plan. Employees will be given the option of electing vision coverage through a separate plan, with the County and employees each paying 50% of the costs. The standalone vision plan will cost less than the current embedded plan costs by an estimated \$109,000 in 2015. The County costs will not increase through 2018 due to a four-year rate guarantee.

Summary of Net (Cost)/Savings Impact of Health Plan Changes

	Net (Cost)/ Savings
<u>ACA Changes for Health/Vision</u>	
Offering Health Insurance Coverage to Temporary Employees	(\$23,000)
Incr. County Cost Share on Part-Time Single Plans from 50% to 75%	(\$55,000)
Establishing Standalone Vision Benefit Plan	\$109,000
Total Net (Cost)/Savings	\$31,000

The proposed 2015 County Budget anticipated similar changes to the above factors in departmental personnel cost appropriations, which result in a favorable tax levy impact to the County. (Since personnel costs are funded about 70-75% with tax levy versus grants or proprietary revenues in the budget, levy savings will be about \$22,000-\$25,000.)

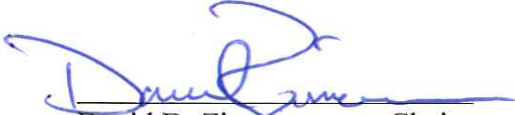


Linda G. Witkowski
Budget Manager
10/8/2014


MODIFICATIONS TO HEALTH INSURANCE TO
COMPLY WITH THE AFFORDABLE CARE ACT

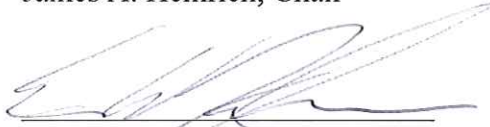
Presented by:
Human Resources Committee


Approved by:
Finance Committee

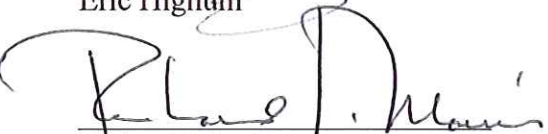

David D. Zimmermann, Chair


James A. Heinrich, Chair


Michael A. Crowley


Eric Highum

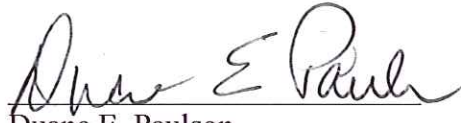

Jennifer Grant


Richard Morris


Christine M. Howard


Larry Nelson


Larry Nelson


Duane E. Paulson


Jeremy Walz

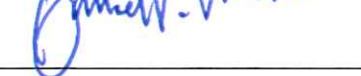

Steve Whittow

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 10/28/14, 
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____

Date: 10-31-14, 
Daniel P. Vrakas, County Executive

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-10/28/14 (ORD) NUMBER-1690067

- | | |
|--------------------------|-------------------------|
| 1 R. KOLB.....AYE | 2 D. Zimmermann.....AYE |
| 3 R. MORRIS.....AYE | 4 J. BATZKO..... |
| 5 J. BRANDTJEN.....AYE | 6 J. WALZ.....AYE |
| 7 J. GRANT.....AYE | 8 E. HIGHUM.....AYE |
| 9 J. HEINRICH.....AYE | 10 D. SWAN.....AYE |
| 11 C. HOWARD.....AYE | 12 P. WOLFF.....AYE |
| 13 P. DECKER.....AYE | 14 C. PETTIS.....AYE |
| 15 B. MITCHELL..... | 16 M. CROWLEY.....AYE |
| 17 D. PAULSON.....AYE | 18 L. NELSON.....AYE |
| 19 K. CUMMINGS.....AYE | 20 T. SCHELLINGER...AYE |
| 21 W. ZABOROWSKI.....AYE | 22 P. JASKE.....AYE |
| 23 K. HAMMITT.....AYE | 24 S. WHITTOW.....AYE |
| 25 G. YERKE.....AYE | |

TOTAL AYES-23

TOTAL NAYS-00

CARRIED_____

DEFEATED_____

UNANIMOUS_____

TOTAL VOTES-23