BEFORE THE ARBITRATOR

In the Matter of the Arbitration between

MARATHON COUNTY DEPARTMENT OF SOCIAL SERVICES AND COURT-HOUSE EMPLOYEES, LOCAL 2492, AFSCME, AFL-CIO (Paraprofessional and Clerical Unit)

and

MARATHON COUNTY

Case 182, No. 45184
INT/ARB-5913
Decision No. 27032-B

APPEARANCES:

AFSCME, Council 40, by Phil Salamone, appearing on behalf of Marathon County Department of Social Services and Courthouse Employees, Local 2492 (the paraprofessional and clerical unit).

Ruder, Ware & Michler, S.C. by Dean R. Dietrich, appearing on behalf of Marathon County.

JURISDICTION:

On November 21, 1991, the Wisconsin Employment Relations Commission notified the undersigned of appointment as arbitrator pursuant to Section 111.70 (4)(cm)6 of the Municipal Employment Relations Act, to resolve a dispute between Marathon County Department of Social Services and Courthouse Employees, Local 2492 (the paraprofessional and clerical unit), hereinafter referred to as the Union, and Marathon County, hereinafter referred to as the County or the Employer. A hearing was held at the Marathon County Courthouse on January 22, 1992 at which time the parties, both present, were given full opportunity to present oral and written evidence and to make relevant argument Post hearing briefs and reply briefs were filed in this dispute, the last of which was received by the Arbitrator on April 20, 1992.

THE ISSUES:

The issues in dispute involve family illness leave, health insurance, wages and wage adjustments The difference in the offers, as reflected in the final offers, are as follows:

Sick Leave: The Employer proposes amending Article 14, Paragraph D of the agreement by deleting the current language and adding the following:

> "Employees will be allowed to use up to sixteen (16) hours of sick leave per calendar year in a case of illness or injury in the immediate family where the immediate family member requires the attention of the employee. Immediate family is defined as the employee's spouse, children, parents, or a member of the employee's household This provision shall not apply to employees accompanying family members to any routine medical or dental appointments."

The Union proposes no change in this language.

Health Insurance: The Employer proposes revising Article 19, Section A of the agreement by adding the following two additional paragraphs.

> "Managed Care: Effective January 1, 1991, or as soon as possible thereafter, Marathon County will implement a Managed Care Program in accordance with the attached summary. A five hundred dollar ($500) penalty will be assessed for failing to follow procedures for precertifying medical treatments.
>
> Deductibles: Effective January 1, 1991, deductibles are one hundred ($100) per person, two hundred dollars ($200) per family per year. Effective January 1, 1992, deductibles are two hundred dollars ($200) per person, six hundred dollars ($600) per family per year."

The Union proposes to amend Article 19 by modifying it as follows:

> "Effective 1/1/92 or as soon thereafter as the County deems practicable, increase deductibles to three hundred dollars for the family plan
>
> Managed Care: Effective January 1, 1991 or as soon as possible thereafter, Marathon County will implement a managed care program in accordance with the attached summary A five hundred dollar ($500) penalty will be assessed for failing to follow procedures for precertifying medical treatments."

The managed care summary submitted by both parties is identical and attached as Appendix "A".

Wages and Wage Adjustments: The Employer proposes the following wage schedule and wage adjustment.

> "Effective January 1, 1991, a 3 percent increase.
>
> Effective July 1, 1991, a 1 percent increase (based on December 31, 1990 rates) plus $282 added to the 36 month rate, $274 added to the 24 month rate, $265 added to the 6 month rate, $254 added to the starting rate

Effective January 1, 1992, a 3 percent increase.

Effective July 1, 1992, a 2 percent increase (based on December 31, 1991 rates).

Effective July 1, 1992 move the Economic Support Specialist classification from Range G to Range I."

The wage schedule as proposed by the Union is as follows:

"Effective 1/1/91 - increase all wage rates by three percent (3%) across the board

Effective 7/1/91 - increase all wage rates by two percent (2%) across the board

Effective 1/1/92 - increase all wage rates by three percent (3%) across the board

Effective 7/1/92 - increase all wage rates by two percent (2%) across the board

Effective 1/1/91 - move Economic Support Specialist classification range from Range G to Range H

Effective 1/1/92 - move Economic Support Specialist classification range from Range H to Range I

STATUTORY CRITERIA:

Wis. Stats 111.70 (4)(cm)7 directs the Arbitrator to give weight to the factors found at its subsections a through j in deciding this dispute. Accordingly, this arbitration award will be rendered after considering the criteria and the evidence and arguments as it relates to the criteria.

POSITIONS OF THE PARTIES AND DISCUSSION:

In addition to differing on the issues identified above, the parties remain in dispute over what constitutes an appropriate set of comparables. The Employer urges that the comparables be those counties contiguous to Marathon County while the Union maintains the comparables should consist of counties it contends are more similar in size and economic circumstances. Both parties assert the selection of the comparables will lay the groundwork for resolving future disputes and cite prior arbitration awards affecting the County as support for the position espoused.

In concluding the appropriate set of comparables in this dispute consists of the counties contiguous to Marathon County, not only were size, adjusted gross income per capita, unemployment statistics, the full market value of each county and the county levy considered but their geographical proximity, the demographics of the area in which the proposed counties lie and the

likelihood of sharing a common labor market were considered. With respect to size and the economic condition of the counties, the Union is correct in its assertion that Marathon County is among the largest and most financially well-off of the contiguous counties. However, since the labor market for non-professional employees is more likely to extend itself no further than the boundaries of the contiguous counties and since both parties agree the contiguous counties are comparable to a certain extent, they were selected as the more comparable counties for this dispute.

Since a number of issues remain at impasse between the parties, following is an issue by issue summary of the parties' positions and a discussion as to which offer is more reasonable:

WAGES:

The County posits that its offer on wages is supported by both the external and internal comparables. Comparing its offer to the settlement pattern of the contiguous counties, the County concludes that its offer more nearly approximates the average wage settlement increase of 4.1% while the Union's offer is excessive. Further, comparing its offer with the settlements reached within the County, the County contends a clear internal settlement pattern has also been developed. In this respect it argues that there has been a long standing practice of uniformity in wage settlements since 1981 within the County which should not be interrupted by an arbitrator.

The Union does not believe the wage dispute to be significant. Citing the wage increase certain employees would receive under either offer, the Union concludes that in all cases the employer's offer is the slightly larger of the two and therefore the Union's offer should be favored

Discussion: While the ultimate rate increase proposed by both parties is relatively the same, the economic impact of implementing the offers differs dependent upon when the wage adjustment for the Economic Support Specialist is granted. A review of the offers, both as to the percentage increases and their impact upon wage rates as compared with those in contiguous counties indicates the percentage increases do not deviate significantly from the percentage increases among the comparables and that the wage rates generated by either offer places the employees in this unit at a rate similar to the median established by the external comparables. In addition, no clear pattern of settlement among the internal comparables has been established since six bargaining units representing approximately 80% of the represented employees are in arbitration. Based upon this evidence, it is concluded that the reasonableness of the wage increase established by either offer is not determinative of this dispute despite the fact that the County's offer is preferred since it more nearly approximates the cost of living adjustment for the year.

ECONOMIC SUPPORT ADJUSTMENT:

The only issue in dispute in this matter is the effective date of the upgrade. **The Union** seeks to upgrade the Economic Support Specialist position from Range G to H in 1991 and from Range H to I in 1992. It argues the rationale for this upgrade has existed for years and therefore its offer on this issue should be favored. **The County**, who seeks to upgrade this position from Range G to Range I in 1992, maintains that while the position title has changed, the duties performed by that

position have not changed therefore there is no need to upgrade the classification except in line with the timetable it has proposed.

Discussion: Except as this upgrade impacts upon the total package cost, there is no reason that the Union's offer should not be implemented This conclusion is reached based upon a comparison among the contiguous counties of the maximum rates paid this position in 1991 since the rate offered by the County will be higher in 1992 than that sought by the Union. Under the County's offer, the maximum rate paid in 1991 would be less than the maximum rate paid in five of the contiguous counties while under the Union's offer, the rate would be nearer the median since it would be less than three of the contiguous counties, very similar to one and slightly more than four of the contiguous counties The Union's offer is also preferred when the rates proposed by the parties are compared with the 1991 contiguous county average rate. The County's offer would result in a rate 42 cents per hour less than the average while the Union's offer would result in a rate 12 cents per hour more than the average.

The County's argument that there has been no change in duties performed by that position is also not persuasive The fact that the County proposes to upgrade the position to the same grade as that sought by the Union belies the argument that no change has occurred. Thus, if both parties believe the position deserves to be upgraded, the issue of when it is upgraded is not of such consequence as to be determinative of the overall dispute.

FAMILY ILLNESS LEAVE:

The County contends that its proposal with regard to the family illness leave language is reasonable and justified considering confusion which has existed regarding eligibility for the use of such leave and the extensive litigation which has resulted from that confusion. Stating the record shows the Union has filed a series of grievances challenging the County's interpretation of the family illness leave contract language, the County argues there is a need to simplify the language and clear up the dispute over the existing language once and for all It adds the need for this clarification is even greater given the Union's interpretation of the language as an unlimited and unrestricted right to use sick leave for family illness, a policy which would run contrary to the best interests of the public.

The Union, stating its offer maintains the status quo on the family illness sick leave language, argues that while there is no need for a change the parties could have settled their differences on this issue, as significant as it is, if it were not for the more substantial differences unresolved in the health insurance dispute According to the Union, the language which the Employer seeks to change has a bargaining history extending nearly 20 years into the past with no change in that language since 1978. It further states that until 1988 when the Employer unilaterally issued a policy which severely restricted the use of family illness sick leave, there was little if any dispute over the language.

Rejecting the Employer's effort to change this language, the Union posits that the Employer has provided no evidence that there was excessive use of the family illness sick leave or that its use created an undue operational hardship on the Department. The Union also rejects any Employer assertion that a language modification is needed to maintain a consistency in benefits among the County's employees Just as it disputes the Employer's contention regarding a settlement pattern

with respect to acceptance of the health insurance deductible, the Union disputes the establishment of a pattern with respect to family illness leaves citing the same arguments advanced below. Further, the Union asserts that the consistency in benefit level issue is not relevant since there are as many differences in benefits among the bargaining units as there are similarities, a fact which has been historically so, and concludes, based upon this, that any claim by the County that it is attempting to bring consistency to the various groups must fail.

The Union also argues there is a "potentially serious shortcoming in the employer's final offer on this issue." Citing the fact that the Employer set no effective date, the Union postulates it is conceivable that the implementation date would date back to January 1, 1991 and would, therefore, seriously impact upon employees who exceeded the two day limit between January 1, 1991 and the issuing of this award.

Finally, the Union argues that to allow a change in this language after employees have accrued sick leave expecting to be able to use if for family illness leave would be "patently unfair" since it is "equivalent . . . (to) changing the rules in mid-game." Further, asserting that efforts are under way nationally and at the state level to allow employees to take time off from work to care for their families, the Union posits that the County's proposal is a "direct contradiction" to the course being currently pursued.

Discussion: While the County asserts that it proposes a change in the language in order to clarify it, the proposal also caps the extent to which sick leave may be for family illness leave limiting it to 16 hours or 2 days per year. Since there is no showing of need for this type of change in this language it is concluded the Union's position which maintains the status quo on this issue is more reasonable .In arriving at this conclusion, it is noted that the County is correct in its assertion that there have been a significant number of grievances filed in the past few years regarding a dispute over the interpretation of the existing language. A review of the arbitration awards deciding these grievances, however, shows the dispute over the language results from the County's attempt to limit the amount of sick leave an employee may take for family illnesses by altering the definition of "serious".

If the issue in this dispute related to the definition of "serious" more consideration would be given the County's proposal despite the fact that the grievance arbitrations now fairly well define its meaning. Clarification is not the County's sole purpose with this proposal, however. It also seeks to limit the amount of time an employee may take as family illness leave. In seeking this change, the County asserts the change is needed not only to serve the best interests and welfare of the public but to prevent the possibility of having insufficient staff to complete needed tasks. Without evidence to show that the benefit has affected the interest and welfare of the public or has affected the Employer's operations, however, the Employer's argument is not persuasive. This is particularly so since the Employer is still able to review requests for leave related to family illnesses and to determine the reasonableness of the request thus avoiding abuse of this language. Since the Employer's argument is not persuasive it is concluded the Union's position on this issue is more reasonable

HEALTH INSURANCE:

Both parties agree the major issue in this dispute is that relating to health care. The Employer seeks to change its health insurance plan by implementing a managed care program and increasing the single policy deductible from $100 to $200 and the family policy deductible from $100 per person/$200 per family to $200 per person/$600 per family in 1992. While the Union agrees with the managed care program, it proposes to only increase the family policy deductible to a $300 aggregate.

The County maintains its proposal which requires employees to share in the cost of providing health care is needed because it must curb the continuing rise in the cost of providing the benefit. It adds its position on this issue is also supported by both the internal and external comparables and by the trends in health insurance plans and posits that it offers a generous *quid pro quo* to offset the impact of its proposal Further, the County contends that it is seeking only minor changes that will save the County money and require its employees to become better health care consumers by causing them to share in the cost of providing health care, a concept endorsed by other arbitrators.

According to the County, its excessively high health insurance rates and consumer use warrant a change in the overall plan design to keep costs under control. As support for its position, it cites a health care analysis completed for it by Frank F. Haack and Associates According to the County shows that its benefit-rich policy encourages in-patient use of health care; discourages home health care; overrides the state level of benefits for alcoholism, drug abuse and mental nervous disorders, discourages the use of generic or brand use of prescription drugs and has a per person deductible far below the norm for Wisconsin, all of which results in high employee usage under the plan On the basis of this study, the County concludes it must control its health care costs by incorporating a slightly larger deductible than currently exists and a managed care program. It also contends, based upon the consultant's conclusions, that a deductible lower than that which it proposes would not be a great enough incentive for its employees to use the plan wisely.

Making internal comparisons, the County declares its internal comparables support a change in the health insurance structure. Stressing that it has continually made an effort to maintain consistency in the benefits offered its bargaining units and noting that the Courthouse Professionals, the Sheriff's Supervisors, the Deputy Sheriffs, the Central Wisconsin Airport and its non-union employees have all agreed to the health insurance changes it proposes in this dispute, the County argues it would be "wholly inappropriate . . . to deviate from a clearly established pattern." As further support for its position, it cites several arbitrators' opinions that support maintaining a consistency in benefit levels among an Employer's bargaining units.

The County also argues that by offering an additional $282 increase at the 36 month step and a pro-rated amount on the other steps effective July 1, 1991 it has provided an increase available to 84% of the total bargaining unit immediately and has offered a more than adequate *quid pro quo* to offset the costs of the increased deductible It adds, however, that even though it has offered this *quid pro quo* it is not convinced it is needed since other arbitrators in similar situations have ruled that health insurance is an economic issue that does not require a *quid pro quo* to make changes

Finally, addressing the **interest and welfare of the public** criterion, the County submits that its final offer most properly reflects the public's interest given current trends in bargaining on the health care issue and its effort to protect the taxpayer by making a concerted effort to control health care costs through employee participation. According to the County, its offer "does not take away any benefits employees currently enjoy" but "merely attempts to achieve employee participation in an effort to make its employees better consumers of the rich benefits they receive."

The Union maintains the insurance deductible issue is the major dispute in this case not only because it involves an issue on which there is current national debate but because it has a significant financial impact on after-tax compensation for nearly 80% of the members within the unit. It also asserts that the changes sought by the County would "threatens to transform the character and integrity of the present health insurance plan" making it into a catastrophic plan that would pay only for the most serious of illnesses.

Positing that the County's employees already share in the cost of providing health care through an up-front deductible on all medical services of $100 for individuals and $200 for families and through an 80/20 co-pay on certain medical services and that it has agreed to further share in these costs by increasing the deductible to $300 for families and agreeing to a managed care program, the Union rejects the Employer's argument pertaining to the need for its employees to share in the cost of providing health care. Further, the Union challenges whether there is a need for any change in the health care benefit at all when the County's evidence alleging the need is considered. According to the Union, the County's insurance rate, while high, is not the highest among the comparables nor is it increasing as rapidly as that of the comparables It also questions whether the County's self-funding program has been wisely maintained and points to inconsistencies it believes exist in the fund balances. It also cites reservations it has about how the monies set aside for self-funding are used and questions whether the high increase in the insurance rate in 1990 was needed since the rate significantly moderated in 1991 and a surplus was created in the fund balance.

Specifically addressing the deductible issue, the Union posits there are two basic reasons to increase health insurance deductibles, either to shift the cost of providing health care coverage or to curtail the use of health care services In this respect, it argues that the increased deductibles sought by the County are meant to discourage use of the policy and declares that it believes the shift in cost will result in its members foregoing care for "seemingly minor ailments or preventative care" causing greater "in-patient" costs to occur.

Referring to the **comparability** criteria, the Union rejects any effort made by the County to assert that an internal settlement pattern has been established on the health insurance issue declaring the claim to be premature. As support for its position, it cites the fact that only represents 101, or less than 20%, of the 560 bargaining unit employees have settled with the County, a number which has been rejected in the past as setting a pattern by arbitrators in other County disputes. The Union also posits that a distinction must be made between those groups who have "truly 'accepted' the change as the result of meaningful collective bargaining and those it was unilaterally imposed upon." In this respect, it points out that two of the groups who have agreed to the County's proposal, the Sheriff Department's Supervisors Association and the non-union non-represented employees, may

engage in discussions with the County regarding benefits but have no choice but to accept any changes made by the County. It also asserts that among those represented units that settled, an adequate *quid pro quo* was offered, a factor that does not exist in this dispute.

Addressing external comparability, the Union maintains there is also "almost no external support for the County's final offer." Reviewing the Employer's proposal in a state-wide comparison, the Union concludes that "only four counties in the State have basic health insurance deductibles equal to or greater than" the County's proposal. The Union also posits that there is little evidence that the comparability groups offered by the parties have deductibles equivalent to the County's offer and that "with the possible exception of one plan in Eau Claire, there is no comparable county with single or family deductibles amounting to more than half the totals included" in the County's offer. It adds that a comparable examination of its offer with others indicates its offer is more equivalent to that in effect in other counties

Finally, the Union argues that the County's reliance upon the Frank F. Haack and Associates, Inc., study is misplaced. Stating the study is not supported by "traditional considerations interest arbitrators have utilized in deciding such cases" and "that interest arbitrators often require a 'compelling need' and a '*quid pro quo*' of the moving party," the Union charges that the Employer has not met the criteria needed to support its proposal.

Discussion: Despite the County's assertion that the changes it seeks regarding its health care plan are minor, the changes sought are significant. The most significant and the one that has the most impact upon the County's employees is the County's proposal to increase the family deductible from $100 per individual, $200 per family maximum to $200 per individual, $600 per family maximum This change has the potential to result in an additional $400 per employee out-of-pocket expense before being eligible for health care coverage for well over 60% of the employees in this bargaining unit. To offset this out-of-pocket potential, the County has offered a $282 increase on the 36 month rate and a pro-rated adjustment on the other steps. With the potential for such a large number of employees to be affected, the increase does not appear to be a sufficient *quid pro quo.*

The County, like most employers, has been confronted with continuing increases in the cost of providing health care benefits to its employees. In an effort to identify ways to control this increase in some way, it hired a consultant to review its employees use of the benefit The consultant concluded that the policy was benefit-rich, that the deductible encouraged employees to seek or to be offered more expensive care than was needed and that use of the benefit was increasing. Among the recommendations the consultant made was to increase the deductible; to implement a utilization review program; to implement co-insurance; to implement a managed care program; to limit certain benefits and to implement a wellness program. From these recommendations came the County's proposal in this final offer

A review of the consultant's study does not persuasively argue the County's position. While it is true that the County's cost of providing health care through self-insurance has risen substantially since 1986, the study indicates that the greatest increase in these costs results from greater enrollment in the plan and from a large increase in catastrophic claims rather than from increased use of the plan. Enrollment has increased from 524 employees in 1986-87 to 702 employees in 1989-90

and the total number of insureds has risen from 1,309 in 1987 to 1,837 in 1989, an increase of 34% in 3 years. Even though there has been an increase in insureds, an analysis of the percentage of insureds with no claims or claims under $2,000 (approximately 60% of the cost) has remained constant at approximately 91%. What is significant, however, is that the remaining 40% of the County's insurance costs is incurred by 9% of those insured. Further disputing the claim that insurance use has increased is the fact that the number of surgeries per 1,000 insureds has remained relatively flat during the same period of time. Since the cost has increased, however, this suggests that the surgeries have either been more serious or more expensive, a factor over which employees have little control except under a managed care program which both parties have already agreed upon. This conclusion is further proved by the fact that the study indicates the greatest increase in cost during the period of time studied resulted from catastrophic claims, "the largest single increase in costs for Marathon County." If, in fact, costs are increasing because there is a greater number of insureds and because catastrophic claims are increasing, increasing the deductible will not do much more than assure that employees will pick up a larger share of their health care costs prior to the self-insurance plan kicking in and would effectively deny insurance coverage for approximately 35 to 45% of the yearly claims which are less than $500 since the County would pay little or no insurance costs on these claims

Further mitigating against a deductible increase as that sought by the Employer is a review of the premiums paid in 1992 among the comparable counties While the evidence indicates Marathon County had one of the highest insurance premiums among the comparables during 1991, it also shows that the premium paid by Marathon County in 1992 is not substantially different than the premiums paid by the comparable counties. Of the eight counties compared, two pay higher rates than the County and two others are within $10 of the County's rate This places Marathon County's rate right near the median and suggests that the impact of providing health care upon the County and its taxpayers is not substantially different that the impact absorbed by the contiguous counties. Consequently, while the premium paid by Marathon County may be cause for seeking an employee contribution toward the cost of the premium, it is not cause for increasing the deductible since the current premium does not show any greater use than that which other counties are experiencing.

There is also evidence that the premium rate assessed during 1991 may have been higher than was needed. The County posits that it needs to increase the premium to this extent to establish a $600,000 fund balance, the fund balance recommended for its self-insurance program. Without disputing this assertion, the year-end fund balances in the past did not begin to approximate that figure and it is clear from the balance that exists at the end of 1991 that the County decided at the end of 1990 not only to increase the premium to accommodate the fund balance deficit but to accrue the entire $600,000 recommended fund balance in one year, a decision which caused the premium to increase substantially during 1991. This conclusion is supported by the fact that the rise in the premium from 1991 to 1992 is only 1% while most the contiguous counties are experiencing a premium increase of anywhere from 5% to 36% more

Also mitigating against an increase in the deductible as proposed by the Employer is that the agreed upon comparables do not support such a deductible Among the comparable counties, even when deductible is a major medical deductible rather than a deductible on basic coverage, the standard deductible is $100/$300. Consequently, since the Union has proposed a $100/$300

deductible, its proposal is more comparable which makes it is difficult to find the County's offer in this respect more reasonable than the Union's

In addition, it is concluded that an internal settlement pattern has not yet been established. While the County is correct in its assertion that five groups of employees have accepted its proposal, six bargaining units representing approximately 80% of the represented employees have not accepted the proposal and instead are going or have gone to arbitration. Since the larger bargaining units have not agreed to this change and the outcome of the arbitrations is unknown, it cannot be concluded that an internal settlement pattern has been established.

Finally, since both parties agree to a managed care program, the only health insurance issue is to be resolved is whether the County's offer or the Union's offer regarding the deductible is more reasonable Since it is concluded that there is no evidence that use of the benefit has indiscriminately increased; that the County's burden with respect to providing the benefit is no different than that of the comparable counties, that the Union's proposal regarding the deductible is consistent with the deductibles established among the external comparables and that no internal pattern of settlement exists, it is concluded that the Union's offer concerning this provision is more reasonable.

CONCLUSION:

Following is a summary of the conclusions reached in this decision:

The contiguous counties as proposed by the County is the appropriate set of comparables for this dispute.

While either party's wage offer does not substantially differ from the settlement pattern among the contiguous counties, the County's offer is preferred since it more closely approximates the cost of living increases during 1991 and 1992. The less reasonable impact of Union's offer, however, is not sufficient to determine the outcome of this dispute.

Both parties propose to upgrade the Economic Support Specialist position and the only real issue in dispute is the timeline by which it is accomplished. In this respect, the Union's proposal to upgrade the position is preferred since the proposed rate increase is similar to the rates currently paid this position in the contiguous counties even though this upgrade affects the total package cost raising it well above the normal cost of living increases

The fact that several grievances have been filed over the administration of family illness leave language does not indicate so much that the language is unclear but that the County is attempting to limit the amount of time an employee may use for family illnesses. Accordingly, the Union's position on this issue is preferred since it maintains the status quo and the County has shown no compelling reason for a change

On the health insurance issue the evidence shows that the burden upon the County to provide this benefit is no greater than the burden assumed by the contiguous counties and that there is no internal pattern of settlement yet established. Consequently, the Union's position is the more

reasonable one since it agrees to a managed care program and the deductible is more comparable to the prevailing pattern in the contiguous counties

From the above conclusions, greater weight is given to the comparability and reasonableness of the County's offer on wages and to the Union's offer on the Economic Support Specialist upgrade, the family illness leave and the health insurance provisions. On this basis, it is concluded the Union's offer more nearly conforms to the statutory criteria and therefore the following award is made:

AWARD

The final offer of the Union, together with the stipulations of the parties and those terms of the predecessor collective bargaining agreement which remained unchanged throughout the course of bargaining, shall be incorporated into the 1991 and 1992 collective bargaining agreement.

Dated July 1, 1991 at La Crosse, Wisconsin.

Sharon K. Imes

Sharon K Imes, Arbitrator

SKI:ms

3/13/91

APPENDIX "A"

SUMMARY OF THE MANAGED CARE SERVICES PROVIDED TO MARATHON COUNTY BY EMPLOYERS HEALTH INSURANCE COMPANY

The purpose of this document is to summarize the managed care services which will be provided by Employers Health Insurance Company (EHIC) under the name of Care Plus. The managed care program is designed to provide cost containment and control of medical expenses by eliminating unnecessary hospitalizations and guiding employees toward lower cost services such as outpatient surgery and home health care without compromising the quality of treatment.

Pre-Certification

Pre-certification is required when:

- Your physician recommends hospitalization, however, if admission is on an emergency basis, notification is required within 24 hours after admission or the first business day following admission;
- Inpatient or outpatient surgery is being considered for yourself or an eligible family member;
- You or an eligible family member becomes pregnant;
- Hospice or home health care is required.

The required procedure for pre-certification is to contact EHIC in writing or by telephone (1-800-647-4477) at least seven (7) days prior to admission or the time of outpatient non-emergency surgery. If necessary, EHIC may certify your admission or surgery by telephone on twenty-four (24) hours notice.

Upon notice, EHIC will:

1. Review your qualified practitioner's recommended treatment plan;
2. Advise you and your qualified practitioner if the proposed confinement or outpatient surgery is certified as medically necessary;
3. Advise you and your qualified practitioner for how many days the confinement is certified.

If your admission or surgery is not certified, benefits for the qualified practitioner are paid after a $500 penalty deduction per occurrence, subject to the plan lifetime maximum. The penalty deduction is not applied to the co-payment, regular up-front deductibles, or out-of-pocket maximums.

SUMMARY OF THE
MANAGED CARE SERVICES
PROVIDED TO
MARATHON COUNTY
BY
EMPLOYERS HEALTH INSURANCE COMPANY

Those employees who have properly certified may be offered the following enhancements to benefits covered by the major medical portion of the County's health plan:

1. Hospice Care: When hospice care is in lieu of a covered confinement in a hospital or convalescent home and has the prior approval of EHIC, benefits are payable at 100 percent. The up-front deductibles and co-payment will not apply;

2. Home Health Care: When home health care is in lieu of a covered confinement in a hospital or convalescent nursing home and has the prior approval of EHIC, benefits are not subject to the up-front deductibles, co-payments, and the limit on the number of visits per year is removed.

Case Management

If you or your covered dependents, become seriously/chronically ill or injured, your Plan provides Case Management Services to help you use your benefits under the Plan more effectively. This is accomplished by working with you and your qualified practitioner, to assist in planning and implementing health care alternatives to meet your needs.

Case Management is designed to work with you and your physician to effectively utilize your health benefits by assisting in planning and implementing care alternatives.

Case Management also helps to control costs and utilize your benefits by promoting health care alternatives that are acceptable to you and your qualified practitioner.

Case Management is a program with a proven track record for managing cost and care associated with catastrophic illness or injuries. A chronic or catastrophic illness or injury can generate claims that could easily exhaust your benefits if not carefully managed. With Case Management, we can conserve benefit dollars by making sure that your care is handled as efficiently as possible.

For Case Management Services telephone 1-800-558-4444.