BEFORE THE ARBITRATOR

In the Matter of the Arbitration between

MARATHON COUNTY

and

MARATHON COUNTY HEALTH DEPARTMENT EMPLOYEES UNION, WISCONSIN COUNCIL OF COUNTY AND MUNICIPAL EMPLOYEES, AFSCME AFL-CIO, LOCAL 2492-B

Case 186, No. 45252
INT/ARB-5932
Decision No. 27036- B

APPEARANCES:

AFSCME, Council 40, by Phil Salamone, appearing on behalf of Marathon County Health Department Employees Union, Wisconsin Council of County and Municipal Employees, Local 2492-B.

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

JURISDICTION:

On November 20, 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 Health Department Employees, Wisconsin Council of County and Municipal Employees, Local 2492-B, 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, mileage reimbursement, wages and wage adjustments The differences in the offers, as reflected in the final offers, are as follows:

Sick Leave: The Employer proposes amending Article 14, Paragraph E 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 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·

> 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."
>
> Effective 1/1/92 or as soon thereafter as the County deems practicable - increase deductible to three hundred dollars for the family plan.

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

Mileage Reimbursement: The Employer proposes to change Article 22, Section A by adding the following language:

Effective January 1, 1992, those individuals who maintain a personal insurance policy of not less than one hundred thousand dollars ($100,000) combined single limits of bodily injury and property damage, and who provide the Health Officer with a photocopy of their policy cover sheet shall qualify for a higher level of reimbursement equal to the IRS business mileage rate as of January 1 of each year. The higher reimbursement rate shall be adjusted on January 1 of each year and shall remain in effect for the entire year. Request for reimbursement shall be made on forms which indicate that the Health Officer has been provided with the necessary documentation certifying that the driver's personal insurance coverage meets or exceeds the established standards.

The Union proposes no change in this provision.

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

"Effective January 1, 1991 - 3 % increase.

Effective July 1, 1991, a 1 % increase (based on 12/31/91 rates) and add $282 to the annual Step D rate effective after the percent increase with appropriate percentage adjustments to Steps A-C.*

Effective January 1, 1992 - 3 percent increase.

Effective July 1, 1992 - 2 percent increase (based on 12/31/91 rates).

Revise Classification Schedule to place the Dental Hygienist at the same pay level as the Sanitarian I effective July 1, 1991, and effective July 1, 1992, place the Dental Hygienist classification at the same wage level as the Public Health Nurse.

Revise Classification Schedule by granting a 3% increase in all rates for the classification of Public Health Environmental Sanitarian II to be effective July 1, 1992.

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

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*It is noted that an error has been made in the rate date in this offer. It is assumed this is a typographical error and that the intent was "based on 12/31/90 rates "

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 7/1/91 - increase the Sanitarian II rate by three percent (3%) before applying the general wage increase

Effective 7/1/92 - increase the Sanitarian II rate by two percent (2%) before applying the general wage increase

Revise classification schedule to place the Dental Hygienist at the same pay level as the Sanitarian I effective July 1, 1991, and effective July 1, 1992, place the Dental Hygienist classification at the same wage level as the Public Health Nurse.

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 in conjunction with the criteria.

POSITIONS OF THE PARTIES AND DISCUSSION:

In this dispute, the parties essentially agree that the appropriate set of comparables consists of Chippewa, Eau Claire, Fond du Lac, La Crosse, Outagamie, Portage, Winnebago and Wood Counties. In addition, the Union urges that the contiguous counties and statewide data be considered as a secondary basis for comparison Since the parties agree on an appropriate set of comparables in this dispute and there are sufficient settlements among these comparables from which to make comparisons, there is no need for the arbitrator to make a separate ruling on this issue

Following is an issue by issue summary of the parties' positions on each issue and a discussion as to which offer is more reasonable.

Wages:

The County declares that its wage offer is most appropriate when it is compared with the external and internal pattern of settlements. Comparing its offer to the settlement pattern of its primary set of comparables, the County concludes that its offer more nearly approximates the average wage settlement increase of 4 1% and that the Union's offer is excessive The County also contends a clear internal settlement pattern has also been developed since five groups of employees

have already agreed to the proposal it makes in binding arbitration. Asserting that there has been a long standing practice of uniformity in wage settlements since 1981, the County argues that the practice should not be interrupted by an arbitration decision. The County also maintains that the settlement with its Courthouse Professionals should weigh heavy when considering the pattern of settlements as it affects this dispute.

The Union does not believe the wage dispute to be significant. According to the Union, the major differences between its proposal and that of the Employer are that the Employer offers $282 at Step D and a 1% increase in wages in July 1991 while the Union seeks a straight 2% increase then and that the County's offer does not include compounding. As support for its assertion, the Union cites wage increases certain employees would receive under either offer and concludes that the impact of either proposal is de minimus. In its reply brief, the Union also argues that some data relating to settlements among the agreed-upon comparables has been incorrectly reported by the County and that settlements for the Eau Claire County Public Health Nurses and split increases reflected for the Portage County Public Health Nurses are higher than that reported by the County.

The Union also rejects the County's argument that there is an internal pattern of settlements established and its reliance upon a previous arbitration award in which an internal pattern of settlements weighed heavily Referring to the prior instance, the Union posits that the arbitrator was correct in that a pattern of settlements had been established since over 80% of the employees had already settled before that arbitration It argues in this dispute, however, that a pattern of internal settlements does not exist since units representing only 101 of the 560 represented employees have settled

Discussion: A review of evidence disputes the Employer's contention that its offer is supported by the pattern of settlements established by both the internal and external comparables. With respect to the internal comparables, it is recognized that five groups within the County have settled for similar percentage increases on the rates, however, these groups include both represented and non-represented employees and constitute less than 20% of the employees. Consequently, since those units representing the largest number of employees have not settled and are in arbitration, it cannot be concluded that an internal settlement pattern has been established. Further, the packages offered those groups that have settled do not appear to be similar when the cost of the adjustments are factored in

With respect to the external comparables, there is evidence that the Employer's numbers regarding percentage settlements are incorrect in at least three of the comparable counties and that the average wage settlement increase is higher than the 4.1% cited by the Employer. This conclusion is reached based on a calculation of the actual rate increases stated in those counties' collective bargaining agreements

There is also no evidence that the Union's offer is excessive. There is approximately .5% difference between the parties' offers, a difference which also includes the cost of the wage rate adjustments made for the Dental Hygienist and the Sanitarian II Further, a review of the rates paid Public Health Nurses indicates that the maximum rate paid the Public Health Nurse under both the County's and the Union's offer in 1991 would be less than the rate paid this position in four of seven

of the comparable counties and that the 1992 rate would be less than the rates paid the same position in the two counties that are settled for 1992. The same is true for the rate paid the Sanitarian II under either offer. For this position, both offers would result in a maximum rate that is less than two of the four rates among the comparables Given these facts, it is concluded that the Union's offer with respect to the wage increase is more reasonable.

Wage Rate Adjustments:

With regard to this issue, the parties agree on the rate adjustment for the Dental Hygienist. They also agree on the Sanitarian II rate increase of 3% but differ over when the increase should be granted. They also disagree over whether this rate should be increased by an additional 2% in July 1992. **The Union** argues that the Sanitarian II wage rate should be increased as it proposes since this County is the only County to require a Masters degree for this position and many of the comparables do not even require a college degree and since the hourly rates for this position are near the bottom of those rates paid among the comparables. To emphasize how low the rate is, the Union declares that the County has had difficulty retaining and recruiting qualified individuals for this position and had to ask the Union, during March 1990, to allow it to offer an applicant for the position a higher starting salary than that provided for within the contract, a request that was not granted. **The County**, however, asserts that the difficulty in recruiting individuals for a Sanitarian II position results from the fact that there are not many who have the credentials for this position not from the wage rate offered the position. Further, it argues that when the increases are compared with the average, its proposal results in a competitive annual wage rate while that sought by the Union is excessive.

Discussion: The evidence shows that, indeed, the County has had difficulty in recruiting an individual for this position. Whether it is because the rate is too low or because there are not many people qualified for this position is not clear It is clear, however, as stated in the Wages discussion, that when the rates for the Sanitarian II under either offer are compared with the rates among the those comparable counties that also employ a Sanitarian II, the rate that would be paid in Marathon County is less than the rate paid in two of the four positions. Since the Union's proposed rate is slightly higher and the County requires more education than other counties do for a similar position, it must be concluded that the Union's proposed rate is more reasonable

Mileage:

According to the **County**, its proposal concerning mileage reimbursement would result in its employees receiving the allowable IRS business mileage rate in effect on January 1 of each year. The **Union** maintains that it is not needed and that since it has a "me too" clause in the current agreement, it will receive whatever rate increase other nonunion employees receive

Discussion: Since neither party strongly argues its position concerning this proposal, the reasonableness of the offer will not be discussed nor will it weigh heavily in deciding which of the two final offers is more reasonable

Family Illness Leave:

Stating the record before the Arbitrator shows a series of grievances filed over interpretation of the family illness leave language, the **County** contends in this regard is reasonable and justified since it eliminates the confusion that exists. It argues, further, that its cap should be adopted since the Union seeks an unlimited and unrestricted right to use sick leave for family illnesses, a right which not only runs contrary to common sense and the best interest of the public but which exposes the County to the possibility of insufficient staff to complete needed tasks.

The Union, contending this issue is among the most significant ones in dispute, maintains that there is no reason to change the status quo since the recent arbitration decisions over interpretation of the meaning of the word "serious" have defined it and since the Employer has shown no evidence that this benefit has been abused or that the Employer has incurred undue operational hardships resulting from the language. The Union also rejects any Employer assertion that a language modification is needed to maintain a consistency in benefits among the County's employees and disputes the establishment of an internal settlement pattern It also argues that consistency in benefit level among the bargaining units is not relevant since there are as many differences in benefits among the bargaining units as there are similarities

The Union also maintains there is a "potentially serious shortcoming in the employer's final offer on this issue." Citing that the Employer set no effective date, the Union theorizes it is conceivable that the implementation date would date back to January 1, 1991, and would seriously impact upon employees who exceeded the two day limit between January 1, 1991, and the issuance 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 unfair since it is "equivalent . . . (to) changing the rules in mid-game" and would result in employees having earned and banked a benefit based upon an understanding which no longer exists. The Union also argues that since the nature of child rearing and nurturing is changing in today's society it is especially important that an additional burden be placed upon employees and their families by removing a benefit that reflects the nation's trend.

Discussion: Although the County asserts it proposes a change in the language to clarify it, it also caps the extent to which sick leave may be used for family illnesses by limiting family illness leave to 16 hours or 2 days per year. Since there is no showing of need for this type of change 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 word "serious" in the existing language A review of the arbitration awards deciding these grievances, however, shows this dispute results from the County's attempt to redefine "serious" and restrict the employees' use of sick leave an employee for family illnesses

In this dispute, even though the arbitration awards appear to have adequately defined what is meant by the word "serious," the County is also correct when it states it will eliminate any confusion over what is meant by the word "serious" by deleting it from the clause However, that is not the only change sought by the County. It also seeks to limit the amount of time an employee may take as family illness leave It asserts this change is needed to serve the best interests and welfare of the public and 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, 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 on this issue is supported by both the internal and external comparables and by the trends in health insurance plans and is needed because it must curb the continuing rise in the cost of providing the benefit. It also posits that it offers a generous *quid pro quo* to offset the impact of its proposal. Referring to its proposal, 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 warrant a change in the overall plan design to keep costs under control. As support for its position, it states it had the second highest family rate among the comparables in 1991 and contends a comparison of the benefit shows many of the comparables also have self-funded plans, that all of them have deductibles in at least one of their plans and that a majority of them have more extensive co-insurance provisions than Marathon County does Further, relying upon a health care analysis completed for the County by Frank F. Haack and Associates, Inc , it contends its benefit-rich policy encourages in-patient use of health care and high use of the benefits Stating it has implemented many of the recommendations made in the study, the County maintains that it now seeks to act on the other recommendations aimed at controlling its health care costs by incorporating a slightly larger deductible 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 the County 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 effective July 1, 1991 on Step D and pro-rated on the other steps it offsets the costs of the increased deductible and it has offered a more than adequate *quid pro quo* since many of the employees may not even incur costs under the health plan. 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 on a number of members within the unit It also asserts that the importance of this issue is demonstrated by the fact that it is a multi-unit County since the changes sought by the County would have wide ranging implications by "transform(ing) a relatively standard health insurance plan 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 80 or 90 percent coverage 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 three of nine collective bargaining units have agreed to the County's proposal and that, more importantly, this only represents 101, or less than 20%, of the 560 bargaining unit employees. 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 27 counties have an up front deductible similar to the one in Marathon County and even fewer have a deductible near that which is proposed by the Employer. The Union posits the same is true when a comparison of the deductibles in made among the counties agreed upon. According to the Union only Eau Claire County, among the eight comparable counties, has a deductible similar to the Employer's proposal. It continues that the evidence shows La Crosse County has a $100/$300 deductible, Chippewa County has a $100/$200 deductible and a $100/$300 deductible plan and the remaining counties have a lesser deductible. It also notes that some of the deductibles are major medical deductibles rather than basic coverage deductibles

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.

In reply to the Union's arguments, the **Employer** continues to argue that its policy is a benefit-rich plan; that there is high use of the plan which increases the cost of providing the benefit; that the increased deductible will help makes its employees better health care consumers and that the Union's innuendoes regarding the Employer's handling of the fund balance "fog(s) the real issue - that being the extensive use of the health plan by Marathon County employees " Referring to external comparables, the Employer counters that only two of the eight comparables pay the full health insurance premium and both counties' premiums are much less than Marathon County's. It then concludes, on the basis of the settlements it has with five groups of employees, that its offer on all major issues is supported by the internal comparables.

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 a third of the employees in this bargaining unit. To offset this out-of-pocket potential, the County has offered a $282 increase at Step D and a pro-rated adjustment on the other steps. Without further information as to the actual impact upon the employees, it is difficult to conclude this increase is an adequate *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, four have plans with higher rates than the County, two Counties have plans with lower rates and two are not settled. This places Marathon County's rate right near the median even if it is assumed that those counties that are not settled have a lower rate than the Employer's rate in this dispute This fact 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 other counties are experiencing a premium increase of anywhere from 4.8% to 33% more.

Also mitigating against an increase in the deductible to $200 per person, $600 per family is that the agreed upon comparables do not support such a deductible Among the comparable counties, only one county, Eau Claire County, has a similar deductible Three other plans, two in La Crosse County and one in Chippewa County have a $100/$300 deductible and the remaining five counties have a $100/$200 deductible. Since the Union has proposed a $100/$300 deductible, its proposal is more comparable, thus, 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:

On the basis of the evidence submitted, the parties' arguments and the discussion set forth above, following is a summary of the conclusions reached in this decision:

The comparable counties are those agreed upon by the parties as comparable. They consist of Chippewa, Eau Claire, Fond du Lac, La Crosse, Outagamie, Portage, Winnebago and Wood Counties

Concerning wages, neither party's offer is unreasonable. The Union's offer is found to be more reasonable, however, since there is no internal pattern of settlements yet established and the Union's offer more closely approximates the settlement pattern established among the external comparables.

Both parties agree upon the rate adjustment for the Dental Hygienists and they also agree that the Sanitarian II's rate should be increased by 3% The only real issues in dispute regarding the wage adjustments are when the Sanitarian II's 3% rate increase should occur and whether the Sanitarian II's rate should be increased an additional 2%. The evidence indicates that the Union's proposal more reasonably reflects the wage rate paid similar positions among the comparable counties in each of the two years, therefore, the Union's proposal on this issue is preferred.

Neither party strongly argues its position concerning the mileage issue. Consequently, it is recognized that while this issue affects the reasonableness of the total final offer, it is not accorded great weight in deciding that reasonableness.

The County's proposal regarding a change in the family illness leave language is not supported by a "compelling need" for change. The dispute which has recently occurred over the interpretation of the word "serious" within the clause has been adequately defined by the series of grievance decisions which have been issued, therefore, there is also no need to change the language in the clause to clarify the language. Consequently, since the Employer's argument is not persuasive, the Union's position on this issue which maintains the status quo is preferred

The Union's proposal on the health insurance issue is also preferred since both parties have agreed to a managed care program and since the Union's increased deductible is more reasonable when compared with the external comparables. Further, the evidence does not show a need for the type of change sought by the Employer There is no evidence that employees have abused the benefit, that the County's burden with respect to providing the benefit is different from that of the comparable counties or than an internal settlement pattern has been established Absent such a showing, the Union's offer is found to be more reasonable

Having determined that the Union's offer more nearly conforms to the statutory criteria regarding the wage issue, the wage adjustment issue, the family illness leave issue and the health insurance issue, it is concluded that the Union's offer is more reasonable 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 bargaining, shall be incorporated into the 1991 and 1992 collective bargaining agreement.

Dated July 16, 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.

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.