



County of Ottawa

Administrator's Office

Alan G. Vanderberg
County Administrator

12220 Fillmore Street, Room 331, West Olive, Michigan 49460

(616) 738-4068

e-mail: avanderberg@miottawa.org

County Administrator's Weekly Digest September 3, 2010

CREDIT RATING UPDATE

Moody's Ratings issued their Aaa (top) rating for the Northwest Ottawa Water System refunding bond issue. We have now been rated three times since May. Up until recently a rating was considered good for at least a half-year and usually more. The increased and intense scrutiny of the rating agencies by the Feds since the 2008 financial meltdown has created a situation where the agencies are contacting governments that they rate on a much more frequent basis.

DR. MICHAEL BRASHEARS

I'm pleased to report that CMH Executive Director Michael Brashears and his family have now relocated to Ottawa County from Lansing.

GALLAGHER REPORT

We have reviewed the first draft of the Gallagher report and have met with Gallagher twice to discuss it. Gallagher is the firm that the County hired to complete a review of the County healthcare and related benefits and our self-insured status. The three goals we have kept in mind relate to wellness, cost and choice. The ultimate driver in any health care plan or system is claims. Ultimately we need a plan that will help employees make healthy choices. Cost is of course a huge factor in health care and the most rapidly increasing cost in most municipal budgets. Choice is important for the future. Employees should be able to choose among options the plan that best fits their needs balanced by their tolerance for risk.

Staff is working toward developing a recommendation that will be vetted by the Labor Management Cooperation Committee prior to presentation to the Board of Commissioners. With what I've seen so far, I believe that we will reach our healthcare goals.

HEALTH DEPARTMENT FLU SCHEDULE (Lisa Stefanovsky)

Health Department Flu Clinics Scheduled

It is the time of year to prevent the flu. The Centers for Disease Control indicates that anyone ages six months and older should receive a vaccine. This year, vaccine to protect against H1N1 flu is included in the 2010 seasonal flu vaccine, along with vaccine to fight other strains of the flu. Walk-in vaccine clinics are scheduled at the Ottawa County Health Department for the following dates and times.



Grand Haven Office: Tuesdays, October 19 & October 26

Hudsonville Office: Thursdays, October 21 & October 28

Holland Office: Fridays, October 22, October 29 & November 5

Hours: Walk-in between 8:30 am and 4:00 pm

Ages: Those three years and older can be vaccinated at these clinics. Children under age 18 must be accompanied by a parent.

Prices:

Flu shot: \$30

FluMist: \$40

Pneumonia vaccine: \$45

Insurance: Flu clinics are held in conjunction with North Ottawa Community Hospital, who will bill Medicare Part B and a Medicare HMO Part B. Please note clients must bring their Medicare card to the clinic.

Flu Hotline: 616-494-5575

Flu Website: www.miOttawa.org/flu

Facebook: www.facebook.com/flugranny

The Ottawa County Health Department also participates with the Vaccines for Children program, providing free vaccines to children who have no health insurance or are on Medicaid or have insurance that does not cover any part of the cost of vaccines. An administration fee, based on family income, is charged with each vaccine given. Please note, however, that this service is by appointment.

EARLY RETIREE REINSURANCE PROGRAM

Background:

The Early Retiree Reinsurance Program was created by the Affordable Care Act as a bridge to the new health insurance Exchanges in 2014, it provides \$5 billion in financial assistance to employers and unions to help them maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare. This assistance can be used to reduce employer health care costs, provide premium relief to workers and families, or both. The program will provide reinsurance for the claims of high-cost retirees and their families (80 percent of the costs from \$15,000 to \$90,000). The program ends on January 1, 2014, or earlier if funds are depleted, when State health insurance Exchanges are up and running.

The U.S. Department of Health and Human Services announced the first round of applicants accepted into the Early Retiree Reinsurance Program, and the County of Ottawa's application has been accepted. The approved applications represent nearly every sector of the economy: 32 percent of applications came from businesses, 26 percent from State and local governments, 22 percent from union sponsors, 14 percent from schools and other educational institutions, and 5 percent from non profits.

As stated above the program will reimburse employers up to 80% of the cost of individual health care claims between \$15,000-\$90,000 during a plan year. Claims incurred during the plan year in which June 1, 2010 falls will be credited towards the \$15,000 threshold, however, only claims incurred on or after June 1 are eligible for reimbursement under the program.

County of Ottawa Specific:

In July 2010, Ottawa County submitted the application to be considered for ERRP. As indicated above, the County's application has been accepted to be considered for the potential reinsurance.

Starting in September, Ottawa County can begin submitting eligible claims dating back to June 1, 2010 and anticipate we will begin to receive reinsurance payments on those claims beginning in October. The TPA for the County (ASR Corporation) projects the County of Ottawa may receive \$59,758 in reinsurance recovery for year one of this program.

We are working with our Agent and TPA to take the steps necessary to submit eligible claims.

MAC ANNUAL SUMMER CONFERENCE

Chair Kuyers, Vice-Chair Holtrop, Commissioners Rycenga, Schrottenboer, Disselkoe, ACA Keith Van Beek and I attended the MAC Summer Conference in Grand Rapids two weeks ago.

Attorney Doug Van Essen and I participated on a panel with Kent County entitled *Innovative Approaches to Reducing Costs*. Doug and I presented on the Ottawa County Insurance Authority. Our Powerpoint presentation can be accessed on the Front Page for those who may like to read it.

Kent County Administrator Daryl Delabbio and purchasing department staff Jon Denhof and Calvin Brinks presented on Kent County's reverse auction process for purchasing commodities. Five-years ago Kent developed an electronic vendor list which provides the backbone for the reverse auction purchasing process. Bids go out electronically whenever commodity purchases are necessary. Pre-registered vendors automatically get an email message with the opportunity to bid. The beginning bid is set at a standard level such as the state bid price. Bidding then goes down from there. It is almost like watching E-Bay in reverse. If you would like to see this process at work, go to AccessKent.org and click on purchasing. You might see an auction in process. Once the purchase has been completed an electronic notice goes to all vendors and the successful vendor receives an electronic invoice and shipping instructions. The item is then shipped to the office that purchased it and not to a central receiving area. Most commodity items such as supplies, paper, printers, etc. are now purchased in this manner. The results have been impressive. Kent has saved approximately 18% on commodity purchases since January 1.

Kent County had a purchasing staff of 7 FTE when I worked there and it is now 5 FTE. Ottawa County by comparison has always had a more decentralized purchasing system and we have one-half FTE dedicated to purchasing in Fiscal Services. Most other West Michigan counties have limited staff for purchasing. The West Michigan Strategic Alliance (WMSA) is working with Kent County to make this service available, through Kent, to all 8 counties that make up WMSA and all of the local units of government within the counties. Kent is now rolling it out to cities, townships and villages located within Kent County. I heard last week that the City of Walker recently went live with the system. Adding to the system does not add work to the Kent County purchasing staff due to the highly automated nature of the system.

Other sessions focused on the County Jail Reimbursement Program, health care reform, water quality and many other areas.

Ms. Pat Lockwood, former Fenton Mayor, former President of the Michigan Municipal League and currently heading up the Share Public Services Initiative for the state described this initiative during a luncheon presentation.

MAKING LAKE MICHIGAN GREAT 2010 BOAT TOUR

Commissioners are invited to join the Macatawa Watershed Project on the **Making Lake Michigan Great 2010** boat tour on Wednesday, September 8th. The tour will be held aboard the GVSU research vessel *W.G. Jackson*. Commissioners are invited to the 11:00 a.m. tour on a first-come, first-served basis. The tours are funded by the EPA's Great Lakes National Program Office with the goal of raising awareness of the Lake Michigan Lakewide Management Plan and soliciting input on Lake Michigan issues.

RSVP to Stephanie Beyer at 616-395-2688 or by email at sbeyer@the-macc.org.

MITCHELL CASE DISMISSED

Judge Bell has dismissed the Federal Complaint against the Jail and County in Mitchell. The Plaintiff has voluntarily dismissed the state action against the County, as well. So, proceedings involving

Mitchell against Ottawa County and its employees are terminated. This was one of two cases (Modd is the other) that made the evening television regarding plaintiffs allegations that they were denied meds at the jail.

OCCDA AUGUST CALL DATA (Tim Smith)

The numbers handled through Central Dispatch for August 2010 were:

Total Incidents – 11,201 down 2.4% over August 2009 and down 4.1% YTD over 2009

Fire Incidents – 1,124 down 17.9% over August 2009 and down 5.6% YTD over 2009

Law Incidents – 10,077 even with August 2009 and down 4% YTD over 2009

911 Calls – 9,160 down 7.6% over August 2009 and down 11.18% YTD over 2009

911 Hang Up calls - 1,230 up 1.2% over August 2009 and up 12.47% YTD over 2009

Wireless 911 calls – 74.5% of 911 calls for August and 72.6% of 911 calls YTD

911 calls answered in 10 seconds or less - 92.1% for August and 92.7% YTD 2010
(NENA recommended standard is 90% within 10 seconds)

GAMES THE STATE PLAYS

We learned late last week that the State is playing hardball on the collection of LEIN (Law Enforcement Information Network) fees. The State decided to garnishee a variety of payments that they make to counties in order to collect LEIN fees that many counties are not paying. In some counties the State refused to pay the Register of Deeds filing/recording fees for deeds, tax liens and other documents. In others the impact that was felt with Child Care payments. A range of services were impacted. Local government officials and their representatives such as MAC doubted the legality of the State garnisheeing these payments without legislative authority to do so.

The Prosecutors for all Michigan counties have agreed to not pay the LEIN fees. The money for these fees is being held in escrow. Less than half of the States Sheriff Offices have decided to not pay the fee. In our case, the Prosecutor's Office is not paying the fee and the Sheriff's Office is.

The issues involve Governor Granholm eliminating a committee that oversaw the program and had membership from local government officials. She assigned the program to the State Police and they have dramatically increased the fees and used the revenue for State Police operations. One very sore point is that the State uses information collected from local governments through the LEIN system and resells the information on the State Police web-based ICHAT program. This nets the State millions in revenue which they do not redistribute at all back to local government. All the while increasing LEIN fees for Prosecutor and Sheriff Departments.

A cease fire has been negotiated while MAC, the Prosecuting Attorney Association of Michigan, the Michigan Sheriffs Association, the State and others attempt to find middle ground on this issue.

COUNTY JAIL REIMBURSEMENT PROGRAM

The County Jail Reimbursement Program is a result of a cooperative program between the State and counties that saves the State a lot of money and provides revenue for counties who have the capacity in their jails and wish to maximize it more. Basically, inmates who qualify are housed in a county jail instead of a state prison. This saves the State about half the daily cost of housing an inmate per day. The program has been so successful that the State has overspent its expenditure line item for the County Jail Reimbursement Program almost every year. This has led State officials to focus in on how to curb this expense to save money so the amount Counties receive has been

reduced and eliminated all-together for 2010. The funds are supposedly in the 2011 budget but there are no guarantees with the economy and State budget in the shape it is in.