

Hicklin, Charles

From: Chawla, Yogesh
Sent: Tuesday, July 14, 2026 9:11 AM
To: Hicklin, Charles; Slaven, Shelby
Cc: Miles, Patrick; Erickson, Chuck; Andrae, Richelle
Subject: P and F meeting 7/13 follow up

Hello Chuck and Shelby,

Dane County is facing rising health care costs amid a structural budget deficit. To address this proactively, both in the current budget year and in future years, the committee requests that DOA research a range of approaches to managing health care costs and that DOA and employee groups discuss these options through the Meet and Confer process in an effort to reach consensus. Some of these changes are outside the scope of Meet and Confer, but should still be addressed in those discussions to the extent that is possible.

The Committee recognizes that the county's robust health insurance benefit is an important recruitment and retention tool, and one that employees value greatly, which contributes to a high quality of life and health. Our goal is to retain that robust benefit as much as possible while balancing the reality that the county's health insurance expenditures have increased by \$25 million total since 2021, and an estimated \$7.5 million increase in 2026 alone, where the county-wide budget for health insurance is \$77.7 million. Structural changes to employee health insurance are needed to offset the growing expense of this benefit, which is a major component of employee total compensation and, for the majority of county employees today, includes zero out-of-pocket costs.

The committee further requests that DOA and the employee groups hold a dedicated Meet and Confer session focused specifically on health care costs.

Below is a list of potential changes to explore, with a goal of achieving \$5 million in savings within the current budget, prioritizing long-term solutions over one-time fixes. The total of all these changes would exceed the \$5 million goal but would allow many different permutations to be explored that would aid in reaching a consensus to the County Exec's stated \$5 million request.

- Change to standard 30 Days Supply for RX (from M3 presentation to IAC)
- Change to \$10/\$25/\$50/30% RX (from M3 presentation to IAC)
- Remove Copay Waived for Dependents language (from M3 presentation to IAC)
- Change to \$10 copays for PCP and Specialty (from M3 presentation to IAC)
- Change to \$10 PCP and \$20 Specialty copays (from M3 presentation to IAC)
- Change to \$100 ER copay (from M3 presentation to IAC)
- Introduce an opt-out benefit for employees with health insurance available elsewhere, contingent on the employee maintaining health coverage (cash in lieu of benefit)
- Explore new High Deductible plans paired with a new employer contribution to employees' Health Savings Accounts and/or Individual Coverage Health Reimbursement Arrangements (ICHRA), an employer-funded plan that allows employers to reimburse employees for qualified medical expenses, including premiums for individual-market health insurance.
- Implement progressive premium sharing, where employees pay a percentage of their premium based on wages. Higher earners would pay a higher percentage, and the percentage would be determined by

salary at the time of enrollment. Ideally, such changes could be identified prior to the next budget year so that employees can plan and budget accordingly.

- Phase out retiree eligibility for County health insurance once retirees reach Medicare age
- Increase the percentage of PPO premiums paid by employees on PPO plans (currently 25% of the difference between HMO and PPO premiums)

We welcome all county employees, employee group leaders, and partners to forward creative solutions to help manage and mitigate rising expenses. We especially appreciate the work of the IAC, DOA, and County Executive for exploring all solutions.

Thanks,

Yogesh Chawla

Dane County Board Supervisor — District 6

Dane County Board Vice Chair

Member, Personnel and Finance Committee

608-438-5965

<https://yogeshchawla.com/d6-updates/>

Pronouns: He/Him/His