

Introduced by:	Mayor
Date:	02/14/12
Hearing:	03/13/12
Action:	Enacted
Vote:	8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2011-19-70**

**AN ORDINANCE APPROPRIATING \$200,000 TO HIRE A CONSULTANT TO ASSIST
THE BOROUGH IN DETERMINING THE COURSE OF ACTION TO PURSUE
REGARDING CURTAILING HEALTH CARE COSTS**

- WHEREAS,** beginning in June, 2011 the borough administration began meeting with representatives from the school district, the cities, Central Peninsula Hospital and South Peninsula Hospital to identify each entity's current health care costs and explore alternatives that may be available to reduce these costs for the participants and potentially other groups in the Kenai Peninsula; and
- WHEREAS,** one option being explored by this group is forming a health care coalition which the entities may join as members, that would negotiate with providers using the increased numbers of employees as leverage to negotiate better health care rates; and
- WHEREAS,** the borough spends in excess of \$18,660 per employee and the school district spends approximately \$17,436 per employee per year for health care; and
- WHEREAS,** the rising cost of health care is also driving up the cost of Public Employees Retirement System (PERS), the Teachers Retirement System (TRS), and costs incurred in the private sector; and
- WHEREAS,** as the owner of two hospitals the borough is also keenly interested in tracking changes in the healthcare industry from the provider's perspective and in anticipating changes needed to prepare for national health care reform measures; and
- WHEREAS,** establishing one or more mechanisms for reducing health care costs for all Kenai Peninsula Borough residents would be a significant benefit for all; and
- WHEREAS,** the field is complex and dynamic, and independent expertise is needed by the borough to help it identify potential options to reduce health care costs and take steps to implement selected options; and
- WHEREAS,** it is anticipated that expertise will be needed in several areas, including knowledge of legal changes in the health care industry for providers and patients, programs that have been tried or considered throughout the nation, preferred

mechanisms for implementation and financing preferred options, and other areas in the health care and insurance industries; and

WHEREAS, considering that potentially millions of dollars per year are at stake it is in the best interest of the borough and its residents to appropriate funds to retain expert assistance in attempting to reduce health care costs and prepare for upcoming legal changes;

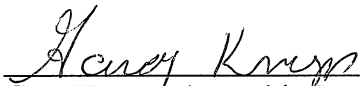
NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The sum of \$200,000 is hereby appropriated from the General Fund fund balance to account no. 100.94910.12HCC.43011, contract services, to be used for the purpose of hiring one or more independent consultants to assist the borough and the health care working group to advise the working group, research, and evaluate options available for reducing health care costs for these entities and their employees, and potentially assist in implementing one or more of the options subject to assembly approval.

SECTION 2. This appropriation is project length in nature and does not lapse at the end of any fiscal year.

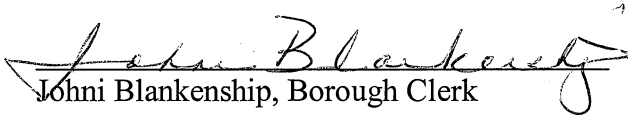
SECTION 3. That this ordinance takes effect immediately upon its enactment.

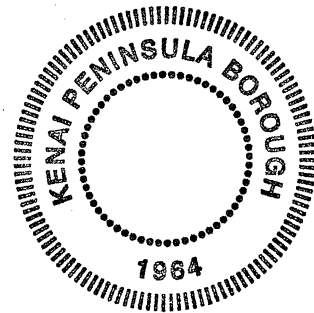
ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 13TH DAY OF MARCH, 2012.



Gary Knopp, Assembly President

ATTEST:


John Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: Pierce