




INTER-OFFICE MEMORANDUM

TO: Anthony Nicks, County Auditor

FROM: Hakeem Oshikoya, Finance Director 

DATE: March 3, 2017

SUBJECT: Employee Wellness Committee Audit Findings
Comments and Corrections

I thank you and your staff for the thorough review conducted on the Employee Wellness Program, and the ensuing report issued after the review. I have reviewed the report and discussed its contents with the appropriate staff and division responsible for managing the program in Finance Department. As properly noted in your report, the Wellness Program has been dissolved and now reconstituted with new members consisting of the following:

- County Manager
- Chief Operating Officer
- Chief Financial Officer
- Chief Strategy Officer
- Chief Human Resources Officer
- Finance Director
- Employee Benefits and Payroll Manager

From time to time, the assistance of other departments will be requested as needed. As part of the feedback on the report, I offer the following comments and corrections for your consideration:

- Each year, the County receives Wellness Credit or Allowance from its two medical insurance providers (Blue Cross Blue Shield and Kaiser Permanente) for the benefit of its employees and all eligible retirees. The amount received from Blue Cross Blue Shield (BCBS) is determined by applying share of their enrollment to the total enrollment, against the possible maximum amount of \$500,000, and Kaiser's payment is based on 10% of 6,200 eligible employees at \$179 per employee. In 2016, this amount for BCBS equates to \$346,485 with additional amount of \$70,097 for 2014 performance guarantee adjustment and \$93,463 for 2015 performance guarantee adjustment. For Kaiser, the amount is \$110,000.
- Other than no cost for services received by County employees when using Grady Health Systems for medical care, we are not aware of the \$200,000 cited in your report as being available for wellness and education services offered by Grady Health Systems.

- In your report, you expressed the possibility of losing unspent wellness funds at the end of the year. I am happy to inform you that we have been able to negotiate with BCBS to allow the wellness credit provided by the County to employees participating in the Wellness Program to count towards the use of their Wellness Allowance. By so doing, we were able to get the company to send us a check for \$208,583.65 from last year's allocation. The check has been deposited in a special revenue account to be used to enhance wellness programs for employees. The final decision on the use of the funds received will be made by the Wellness Committee. We are currently in negotiation with Kaiser and expect to receive the balance of last year's unspent amount of about \$33,000 from them as well.
- The Wellness Allowance used for the Wellness Program is maintained by third party vendors (BCBS and Kaiser). For this reason, it provides a challenge to strictly follow the County procurement procedures in the administration of the program, as recommended in your report. Alternatively, I am recommending that we consider the following approach in procuring goods and or services going forward:
 - Use County registered vendors for acquisition of items.
 - Request the invoices to be sent to Finance Department for approval.
 - Forward the approved invoices to the third party vendors (BCBS or Kaiser) for processing and payment.
 - Request monthly reports from BCBS and Kaiser to track all financial activities in the account.

Please let me know if additional information is needed in this matter.

C: Sharon Whitmore, Chief Financial Officer
Melissa Barnett, Employee Benefits Payroll Manager
Danielle Moore, Assistant Audit Manager