



MULTNOMAH COUNTY OREGON

BOARD OF COUNTY COMMISSIONERS
ROOM 605, COUNTY COURTHOUSE
1021 S.W. FOURTH AVENUE
PORTLAND, OREGON 97204

GLADYS McCOY • Chair • 248-3308
PAULINE ANDERSON • District 1 • 248-5220
GRETCHEN KAFOURY • District 2 • 248-5219
CAROLINE MILLER • District 3 • 248-5217
POLLY CASTERLINE • District 4 • 248-5213
JANE McGARVIN • Clerk • 248-3277

AGENDA OF
MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS
FOR THE WEEK OF
MARCH 28 - APRIL 1, 1988

Tuesday, March 29, 1988 - 9:30 AM - Informal Briefings . Page 2

Tuesday, March 29, 1988 - 1:30 PM - Informal Meeting . . Page 3

Wednesday, March 30, 1988 - 10:00 AM - Finance Page 4
Committee Meeting

Thursday March 31, 1988 - 7:30 AM - Commissioners attending State
Region I Jail Siting Advisory Committee, Blue Room, Mayor Clark's
Office

Thursday, March 31, 1988 - 9:30 AM - Formal. Page 5

-2-

Tuesday, March 29, 1988 - 9:30 AM

Multnomah County Courthouse, Room 602

INFORMAL BRIEFING

1. Briefing on audit functions performed by Price Waterhouse for Multnomah County
2. Briefing by representatives of Fred S. James & Co. on findings of the focus group benefit analysis for county employees - Rich Reese and Ted Woods, Fred S. James & Co.

Tuesday, March 29, 1988 - 1:30 PM

Multnomah County Courthouse, Room 602

INFORMAL

1. Informal Review of Bids and Requests for Proposals:
NONE
2. Informal Review of Formal Agenda of March 31
3. Status Report regarding services provided by the Youth Services Centers, their integration into the County's Youth Program Office, and proposed areas for further study of the centers as part of the County's Youth Services system - Michael Morrissey, Ron Potrue
4. Briefing on Teens on Patrol (TOPS) - Grant Nelson

Wednesday, March 30, 1988 - 10:00 AM

FINANCE COMMITTEE

Room 602 - Multnomah County Courthouse

A G E N D A

1. Fee Schedule Review (Draft Resolution and Administrative Procedure) - Thien-Huong Palmer, George Brower
2. Capital Improvement Projects - Wayne George
3. Inmate Welfare Fund Status Report - Linda Alexander, Dave Warren
4. County Investment Policy as amended - Dave Boyer
5. Dedicated Revenue Funds (Draft Resolution and Administrative Procedure) - George Brower

Thursday, March 31, 1988, 9:30 AM

Multnomah County Courthouse, Room 602

Formal Agenda

REGULAR AGENDA

BOARD OF COUNTY COMMISSIONERS

- R-1 In the matter of the re-appointment of Betty Kay Jacobs, Dale Pearson and Richard Leonard to the Food Services Advisory Board
- R-2 In the matter of the appointment of Toni Waymire to the Multnomah County Community Health Council
- R-3 In the matter of the appointment of Jean Cauthorn to the Juvenile Services Commission
- R-4 In the matter of the appointment of Lee Moore to the Multnomah Cable Regulatory Commission

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-5 In the matter of the appointment of John O. Fund and Marlene S. Fund to act as Animal Control Hearings Officers
- R-6 Order in the matter of the Acceptance of a Deed from Andy Huserik granting to Multnomah County a Perpetual Easement for County Road Purposes on Old Germantown Road, County Road No. 504, E of Germantown Road, Item 88-104
- R-7 Proclamation in the matter of proclaiming the week of April 2 - 9 as COMMUNITY DEVELOPMENT WEEK
- R-8 Proclamation in the matter of Proclaiming April 1988 as FAIR HOUSING MONTH IN MULTNOMAH COUNTY
- R-9 Order in the matter of Imposing Gross Weight Restriction on Vehicles Using the Stark Street Bridge Over Sandy River

SHERIFF'S OFFICE

- R-10 Order in the matter of accepting deed for Inverness Property from the City of Portland for jail purposes - public testimony invited. (Time Certain at 9:30 AM) - Continued from March 24)

DEPARTMENT OF HUMAN SERVICES

- R-11 Notice of Intent to apply to the Oregon Department of Education for \$149,640 to develop a parent education demonstration project in the Social Services Division
- R-12a In the matter of ratification of an Intergovernmental Agreement with Hood River County to provide a Community Corrections Alternative Community Service Forest Work Camp at Wyeth, Hood River County
- R-12b In the matter of ratification of an Intergovernmental Agreement with the U.S. Forest Service to provide a Community Corrections Alternative Community Service Forest Work Camp at Wyeth, Hood River County

ORDINANCES - NONDEPARTMENTAL

- R-13 First Reading - An Ordinance amending Ordinance #561 dated September 17, 1987 by changing the name of the Columbia River Gorge Interpretive Center, changing the number of members of the citizens committee, and defining additional duties for the committee, and declaring an emergency
- R-14 Continued Second Reading - An Ordinance amending MCC Chapter 6.31 by making the EMS Policy Board advisory to the Board of County Commissioners, and ratifying rules adopted by the EMS Policy Board, and declaring an emergency (Continued from March 24)

Thursday Meetings of the Multnomah County Board of Commissioners are recorded and can be seen at the following times:
Thursday, 10:00 PM, Channel 11 for East and West side subscribers
Friday, 6:00 P.M., Channel 27 for Rogers Multnomah East subscribers
Saturday 12:00 PM, Channel 21 for East Portland and East County subscribers

The Single Audit Act

As either a recipient of federal funds, or an auditor, you need to know the substance of the important changes brought about by the Single Audit Act of 1984. As discussed herein, there have been *substantial* procedural changes not only in the form of reporting required of CPAs, but more importantly, the scope and nature of compliance and internal control testing expected to be performed.

As many recognize and could readily discern from Congressional testimony and other actions of the General Accounting Office, Office of Management and Budget and the Inspectors General, a consistent federal position on single audit has in the past been difficult to identify. In fact, the 1984 single audit legislation was simply the last in a series of events by the several federal participants to flex their independent muscle on the subject.

The GAO had originally issued a "Red Book" single audit guide which has been subsequently withdrawn. OMB had issued regulations in the form of Attachment P to Circular A-102 (subsequently replaced by Circular A-128) and the Inspectors General were in the process of developing a cognizant audit agency guide. While they each emphasized areas of their individual concern, they each invariably also contributed to establishing conflicting and inconsistent expectations of CPAs. Now it was the legislator's turn to attempt to clear the air and give the single audit process a second chance to succeed.

Following the passage of the Single Audit Act of 1984, a valiant effort was made to develop and expose a new single audit guide which would be responsive to each of the federal participant's requirements. The product which resulted, an AICPA circulated exposure draft, at times resembled the proverbial committee effort to design a horse. The response of practitioners to the exposure draft "camel" suggested that the Institute's representatives and the federal participants return once again to the drawing board.

Most critics of the guide characterized it as lacking in specific audit guidance. The revision they agreed upon, which was issued in final form

as part of a new AICPA guide, Audits of State and Local Governmental Units, is substantially changed from the original exposure draft positions. Here's what's new:

- the formerly separate single audit guide and the new state and local government audit guide have been merged and integrated.
- the single audit compliance and internal control testing required to be performed has been more exactly defined.
- reporting has been more definitively tailored to the needs of the federal participants and the scope of the work performed.
- the federal participants have each concurred with the interpretations expressed in the guide.

While our primary purpose is simply a forewarning of things to come, and not a detailed analysis of the Single Audit Act, let us focus your attention on a few specific important highlights. They will give you a basis for rethinking your single audit strategy and methodology.

Financial Audit

The Regular Examination - the cornerstone of the single audit process remains the financial audit of the basic or general purpose financial statements of the entity. However, many of you will detect an increased emphasis placed upon compliance auditing and reporting.

GAGAS and GAAS - the guide specifically identifies the additional requirements imposed on the auditor to comply with generally accepted *government* auditing standards (GAGAS), as codified in the GAO's Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Basically, those additional requirements include an increased emphasis on compliance testing and more definitive reporting related to the conduct of internal control reviews.

GAGAS Reporting - the auditor is required to include opinion reference to generally accepted *governmental* auditing standards, but only in the supplementary financial informa-

tion report required to be issued in conjunction with the single audit.

Compliance Testing

General Purpose Financial Statements - testing must be sufficient to identify any events of non-compliance with laws and regulations which could have a material effect on the general purpose financial statements. *Importantly*, the guide prescribes, for the first time, a model compliance report to meet these circumstances, requiring both positive and negative assurances.

Major Federal Assistance Programs - the compliance work to be performed relative to these defined programs is not limited to financial statement effects areas, but a broader spectrum of general and specific law, regulation, contract and agreement testing. The testing to be performed must be sufficient in scope to permit the expression of *an opinion* on compliance as it relates to the major federal assistance programs being tested. And the auditor is required to identify all instances of non-compliance identified.

Non-Major Federal Assistance Programs - the compliance testing in these circumstances is limited to the follow-through examination of all transactions selected for testing during any phase of the examination of the basic or general purpose financial statements. The auditors report in these circumstances should provide positive and negative assurances on the transactions tested, but no opinion as it relates to compliance in these circumstances is required.

Internal Controls Reviews

General Purpose Financial Statements - the review is limited to that which would typically be performed in conjunction with the examination of the basic financial statements of the entity. As such, no opinion is required and the review is limited to *accounting* controls. The report on internal accounting controls

however, must include the expanded disclosure requirements provided for in the GAO's Standards for Audit regarding the specification of control cycles reviewed and not reviewed.

Major Federal Assistance Programs - This is an area of considerable expansion and clarification in the new guide. First, the review must include *accounting* and *administrative* controls relevant to the control of major federal assistance program expenditures. Secondly, the review must include the full spectrum review of controls defined by AICPA Statements on Auditing Standards AU320.56-72, irrespective of whether the auditor expects to place reliance on such controls. In addition, contrary to the review performed in conjunction with the basic financial statement examination, this review may not exclude any significant control cycles. The federal participants have been abundantly clear on their expectations in this area. Accordingly, while there is no requirement for an opinion to be expressed on accounting and administrative controls, there is nevertheless every expectation of performance of a very thorough review. Reporting is limited to the identification of material weaknesses.

Non-Major Federal Assistance Programs - considerable controversy surrounded this issue. It was finally agreed that if the full scope review applied to major program accounting and administrative controls encompassed 50% or more of the federal program expenditures for the period, the review of non-major program controls would be limited to a review consistent with that described in AU320.53, otherwise known as a "preliminary review."

However, if 50% of expenditures are not covered, the detail review required with respect to major programs would be extended to include the next largest non-major programs until the full scope review covered at least 50% of expenditures. Reporting is once again limited to an identification of major weaknesses.

Highlights of these major changes are presented in the following table.

Single Audit Overview Scope and Reporting

Audit Applied to:	Elements		
	Financial	Compliance	Internal Accounting Controls
Entity's Basic or General Purpose Financial Statements	<p>Scope -</p> <ul style="list-style-type: none"> GAAS audit examination <p>Reporting -</p> <ul style="list-style-type: none"> Opinion on general purpose financial statements Opinion on supplemental schedule of federal financial assistance, including reference to generally accepted government auditing standards (GAGAS) 	<p>Scope -</p> <ul style="list-style-type: none"> Review and testing for compliance with laws and regulations, non compliance with which could have a material effect on the financial statements, as required by GAGAS <p>Reporting -</p> <ul style="list-style-type: none"> Report of positive assurances on transitions tested, negative assurances on transactions not tested, as required by GAGAS 	<p>Scope -</p> <ul style="list-style-type: none"> Review for reliance thereon in connection with financial statement examination <p>Reporting -</p> <ul style="list-style-type: none"> Report of material weaknesses — major control systems reviewed are identified, as required by GAGAS reasons for non review of systems explained, as required by GAGAS
	Financial and Federal Compliance		
All Major Federal Assistance Programs as defined by the Single Audit Act	<p>Scope -</p> <ul style="list-style-type: none"> General and specific compliance testing of sufficient transactions, including transactions selected in the examination of the basic or general purpose financial statements, to permit expressing an opinion on the entity's overall compliance with laws and regulations, non compliance with which could have a material effect on the allowability of program expenditures for each major program. <p>Reporting -</p> <ul style="list-style-type: none"> Opinion on compliance, identifying all instances of non compliance encountered which may effect allowability of program expenditures. 		<p>Internal Accounting and Administrative Controls</p> <p>Scope -</p> <ul style="list-style-type: none"> Review and testing of all significant control cycles associated with each major program, in accordance with AU 320.56-72 <p>This review performed as though auditor will place maximum reliance on systems during audit examination of financial statements</p> <p>Reporting -</p> <ul style="list-style-type: none"> Report of material weakness
Non Major Federal Assistance Programs as defined by the Single Audit Act	<p>Scope -</p> <ul style="list-style-type: none"> Test specific compliance for all those non major federal program transactions selected for testing during any phase of a GAAS examination of the entity's general purpose financial statements. <p>Reporting -</p> <ul style="list-style-type: none"> Report expressing positive assurances on transactions tested and negative assurances on non major program transactions not tested, identifying all instances of non compliance. 		<p>Scope -</p> <ul style="list-style-type: none"> Review all control systems in accordance with AU 320.53 <p>This review is referred to as a preliminary review</p> <p>Additional testing required -</p> <ul style="list-style-type: none"> When major program expenditures comprise less than 50% of total expenditures of federal funds, the largest non major programs (to the 50% level) are selected for review of internal controls as though they were major programs <p>Reporting -</p> <ul style="list-style-type: none"> Material weaknesses incorporated into report on major programs

Action Reports

In addition to the required auditors reports, the recipient of funds is required to submit a plan for correcting current deficiencies as well as comments on the status of actions related to prior findings.

* * *

Well, there you have it. Undoubtedly a more extensive audit is required than was contemplated and described in the original single audit exposure draft. But, look at it this way, the language of the final guide is much more definitive and less subject to misinterpretation. Hopefully, that will result in greater consistency in audit approach, more comparable audit proposals (from a scope of work perspective) and a more satisfied federal establishment.

Price Waterhouse- Expect More From Us

Our years of experience providing audit and consulting services to federal, state and local governmental organizations is the key reason you can expect more from us. For further information on Single Audit, or other government services contact:

**Mr. Edward J. Haller, Jr., or
Mr. Edward P. Chait
Price Waterhouse
Office of Government Services
1801 K Street, N.W.
Washington, DC 20006
(202) 296-0800**

Single Audit A Second Chance



Price Waterhouse



DATE SUBMITTED March 22, 1988

(For Clerk's Use)
Meeting Date 3/29/88
Agenda No. Int #1 - 11m

*Audit Ref
Studies &
repts* ✓

REQUEST FOR PLACEMENT ON THE AGENDA

Subject: Price Waterhouse

Informal Only* March 29, 1988 a.m.
(Date)

Formal Only _____
(Date)

DEPARTMENT County Chair DIVISION _____

CONTACT Hank Miggins TELEPHONE 248-3308

*NAME(S) OF PERSON MAKING PRESENTATION TO BOARD _____

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

Briefing on audit functions performed by Price Waterhouse for Multnomah County

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA 1 hour

IMPACT:

PERSONNEL
 FISCAL/BUDGETARY
 General Fund
 Other _____

1988 MAR 21 PM 2:28
MULTNOMAH COUNTY
OREGON

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSICNER: Blady McLoys

BUDGET / PERSONNEL _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____
(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.



MULTNOMAH COUNTY, OREGON PRICE WATERHOUSE

AGENDA
MARCH 29, 1988

- I. Introductions
Audit Team:
 - Robert S. Falcone, Partner
 - L. Parry Ankersen, Manager
 - Nancy M. Horton, Alternate Manager
 - R. Cliff Porter, Senior in-charge
- II. Price Waterhouse responsibility to Multnomah County
 - Independence - actual and appearance
 - Objectivity
 - Expert information - what we can provide
- III. Price Waterhouse experience with Multnomah County
 - Audits - 1983 to present
 - Management letters
 - Special Projects:
- IV. Review of 1987 Financial Report
 - Major trends
 - Auditors' report
 - Certificate of Achievement for Excellence in Financial Reporting
- V. Single Audit
 - Scope and Federal Requirements
 - Reporting
 - Problems
- VI. Concerns of the County Commission and Questions.



MULTNOMAH COUNTY, OREGON PRICE WATERHOUSE

CONSULTING AND OTHER ENGAGEMENTS

Salary Commission Survey

Research on comparable salary levels for elected officials

A&T reconciliation and process recommendations

Evaluation of the reasons why the A&T balances did not reconcile to the general ledger (FMS System). Balancing procedures and recommendations to eliminate the situation in the future (draft report only)

Indirect cost proposal assumptions review

Assist Finance in evaluating the reasonableness and conformity of assumptions used in the Cost Allocation Plan used to spread overhead costs to grants.

Social Services Subgrantee Monitoring Program

Assist County personnel in applying their responsibility to monitor the use of federal monies by contractors and subgrantees. Resulted in a compliance manual and program, as well as a training session.

Course on Single Audit to County personnel

Instructed about thirty County employees in the rules and practices related to the Single Audit Act of 1984.

Typing financial statements

Due to numerous errors in previous years in the County's Comprehensive Annual Financial Report and difficulties with timelines, our statistical typists typed the CAFR at cost saving County and auditor time.

Establishing duties of Grants Coordinator

Based on a recommendation in our Letter to Management, we consulted with County personnel to outline the duties of the proposed position of Grants Coordinator. Although the proposed duties are modified, this position is now filled.

LGFS pre-implementation controls review

Prior to, and during the implementation of the County's new general ledger system, we consulted with Finance and DP personnel to guide and shape the controls surrounding the processing of data by the new system.



**MULTNOMAH COUNTY, OREGON
PRICE WATERHOUSE**

**CONSULTING AND OTHER ENGAGEMENTS
(continued)**

DGS reorganization review of controls

Based on a proposal to have Purchasing incorporated into Finance, we studied the control implications of the combination and made a recommendation

A&T computer assistance

A&T was considering several computer options, we consulted with appropriate personnel and assisted in forming a course of action.

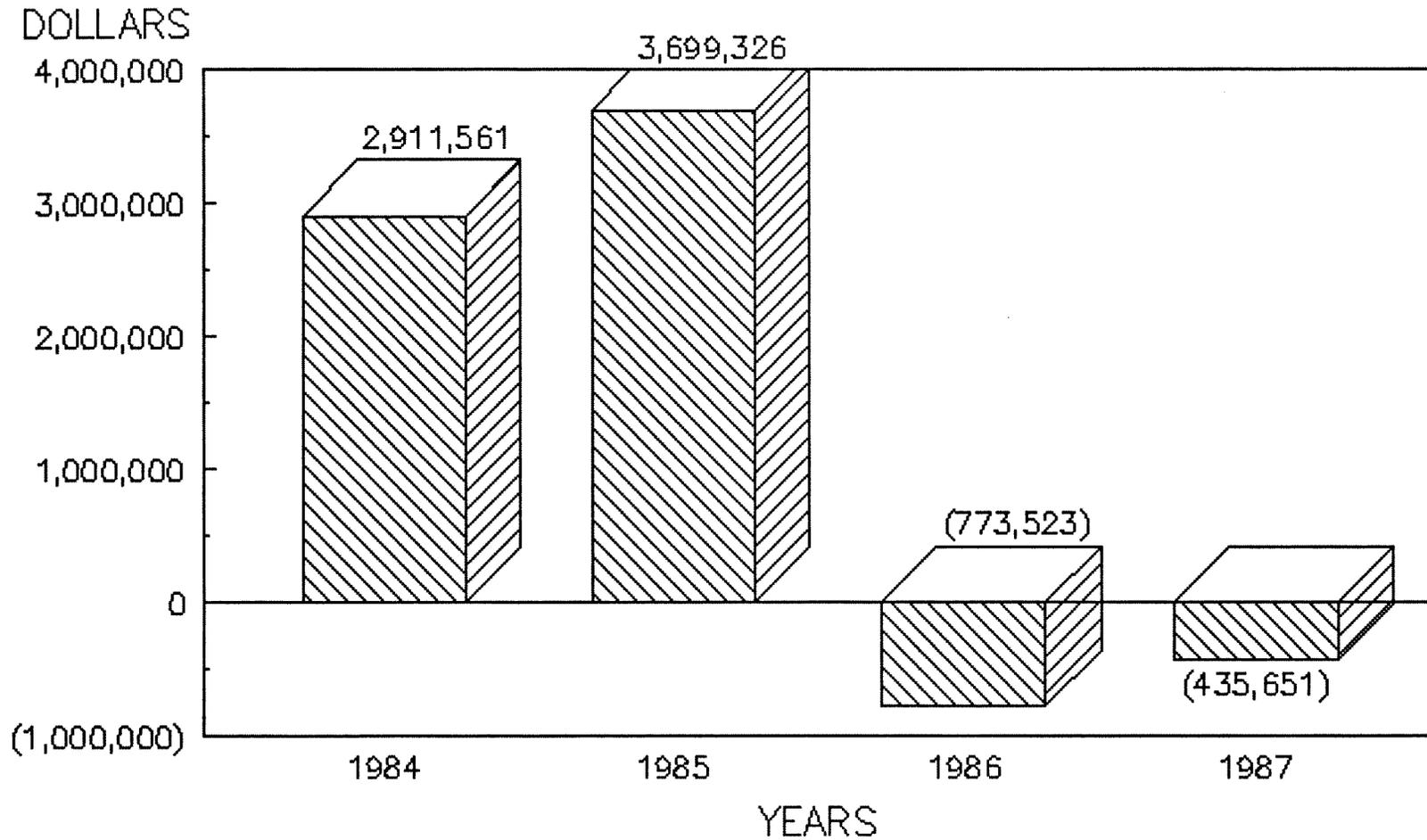
Assessment of accounting systems for Social and Aging Services

This assessment in 1984 provided, among numerous other recommendations, eight specific recommendations for the Public Guardian that would enhance accountability.

Cash management and banking review

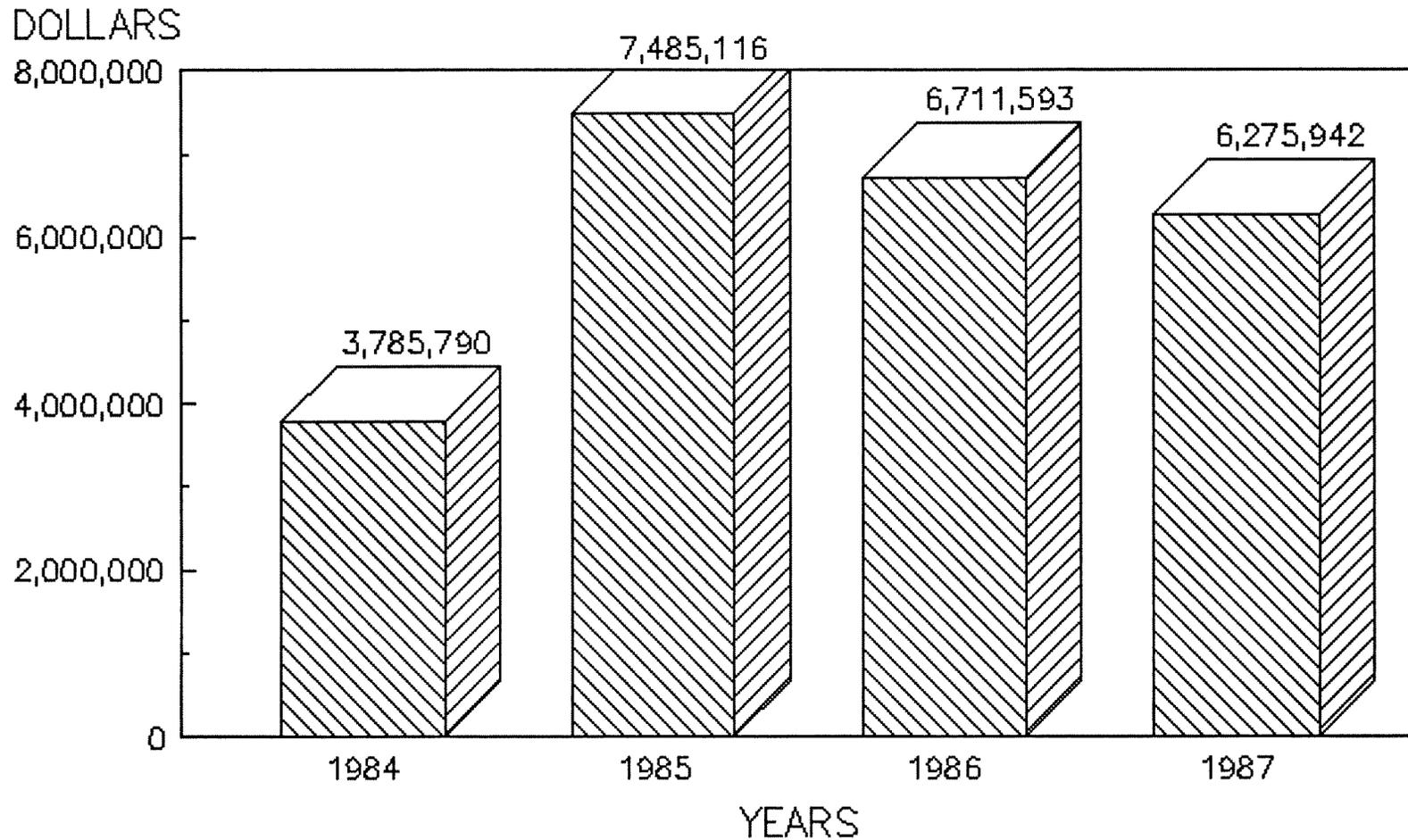
The review set in motion the County's current methods of investing and tracking temporarily excess funds.

MULTNOMAH COUNTY, OREGON
COMPARATIVE STATISTICS
ANNUAL CHANGE IN GENERAL FUND FUND BALANCE



2-22-88

MULTNOMAH COUNTY, OREGON
COMPARATIVE STATISTICS
GENERAL FUND FUND BALANCE

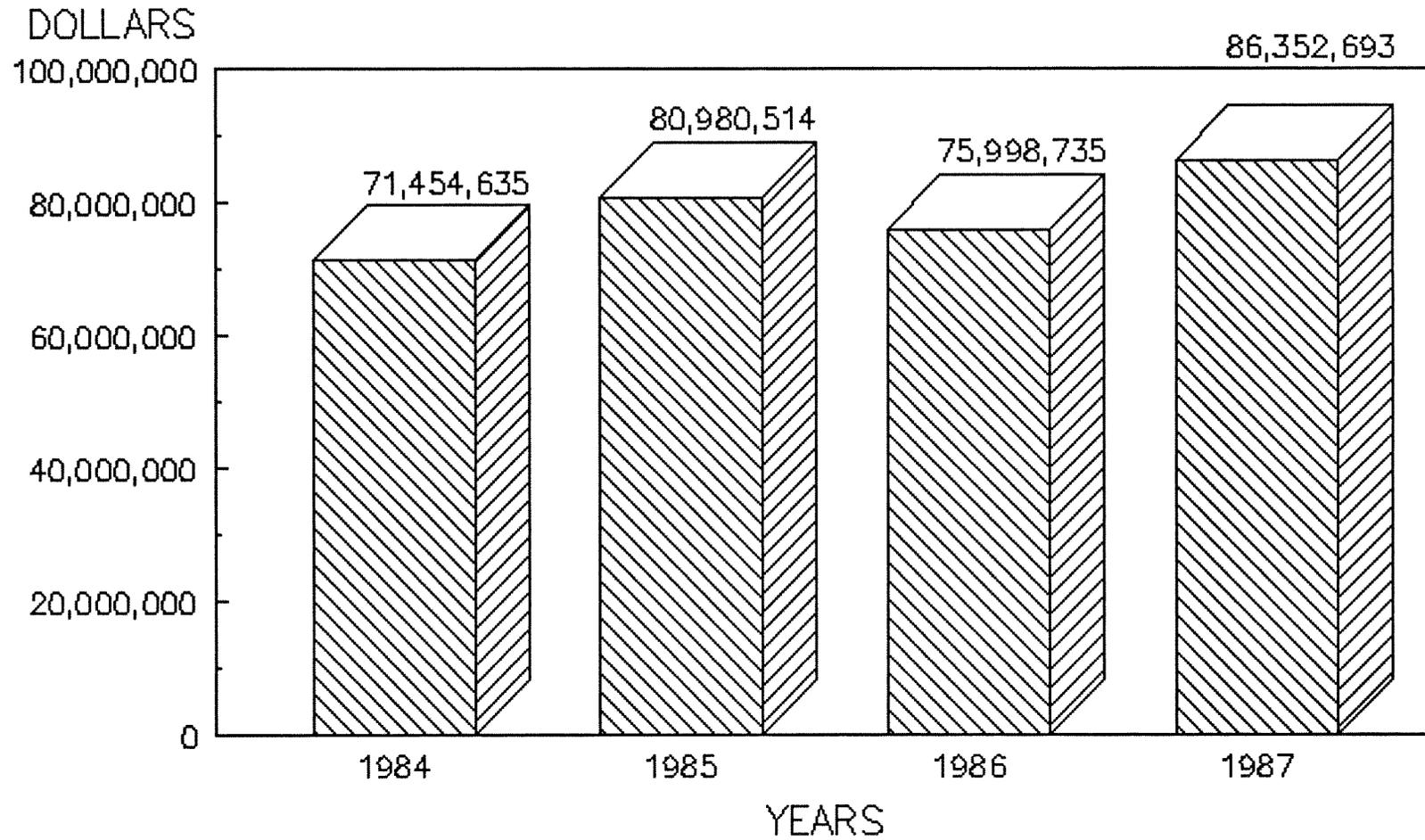


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MULTNOMAH COUNTY, OREGON

COMPARATIVE STATISTICS

GENERAL FUND REVENUES

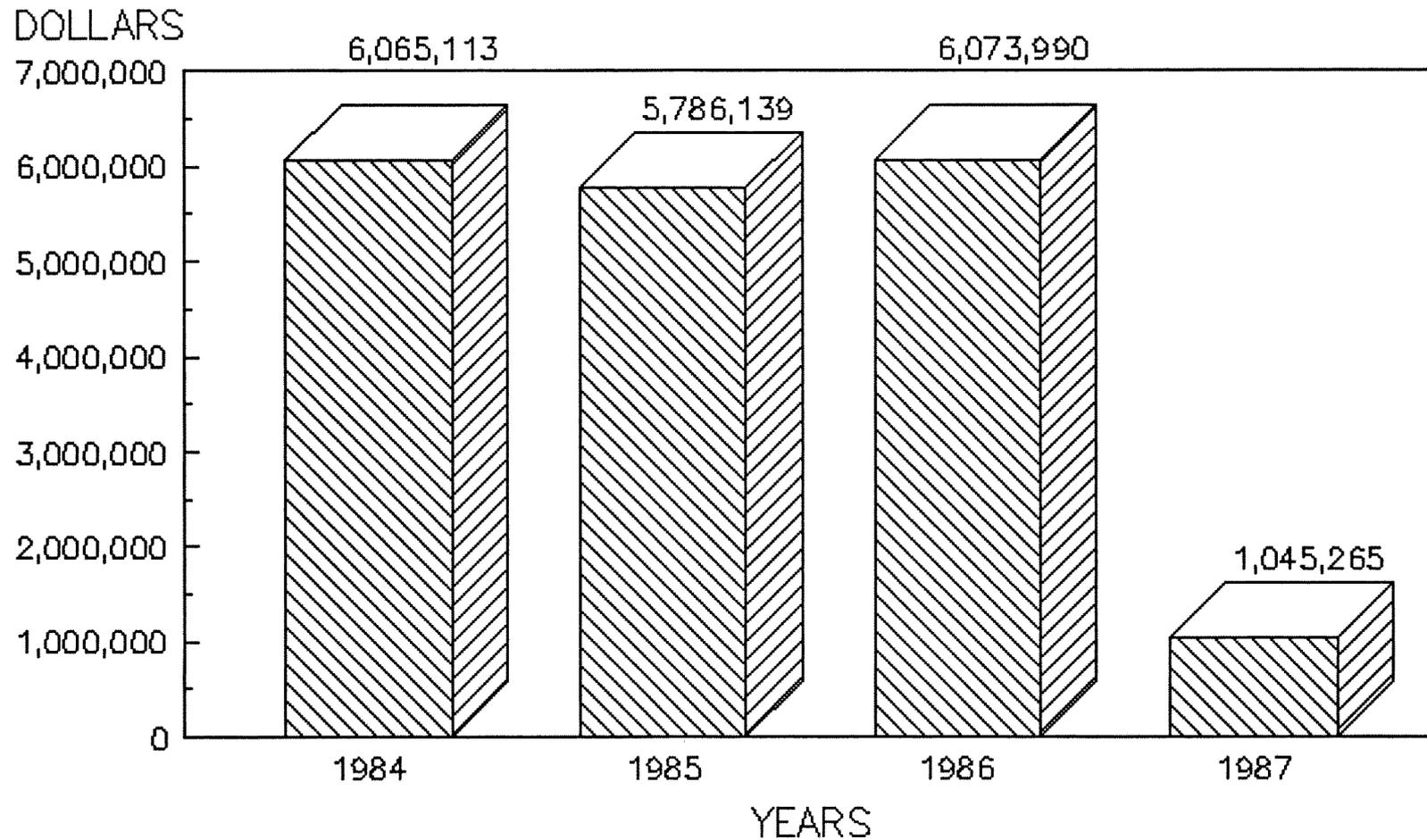


2-22-88

MULTNOMAH COUNTY, OREGON

COMPARATIVE STATISTICS

GENERAL REVENUE SHARING

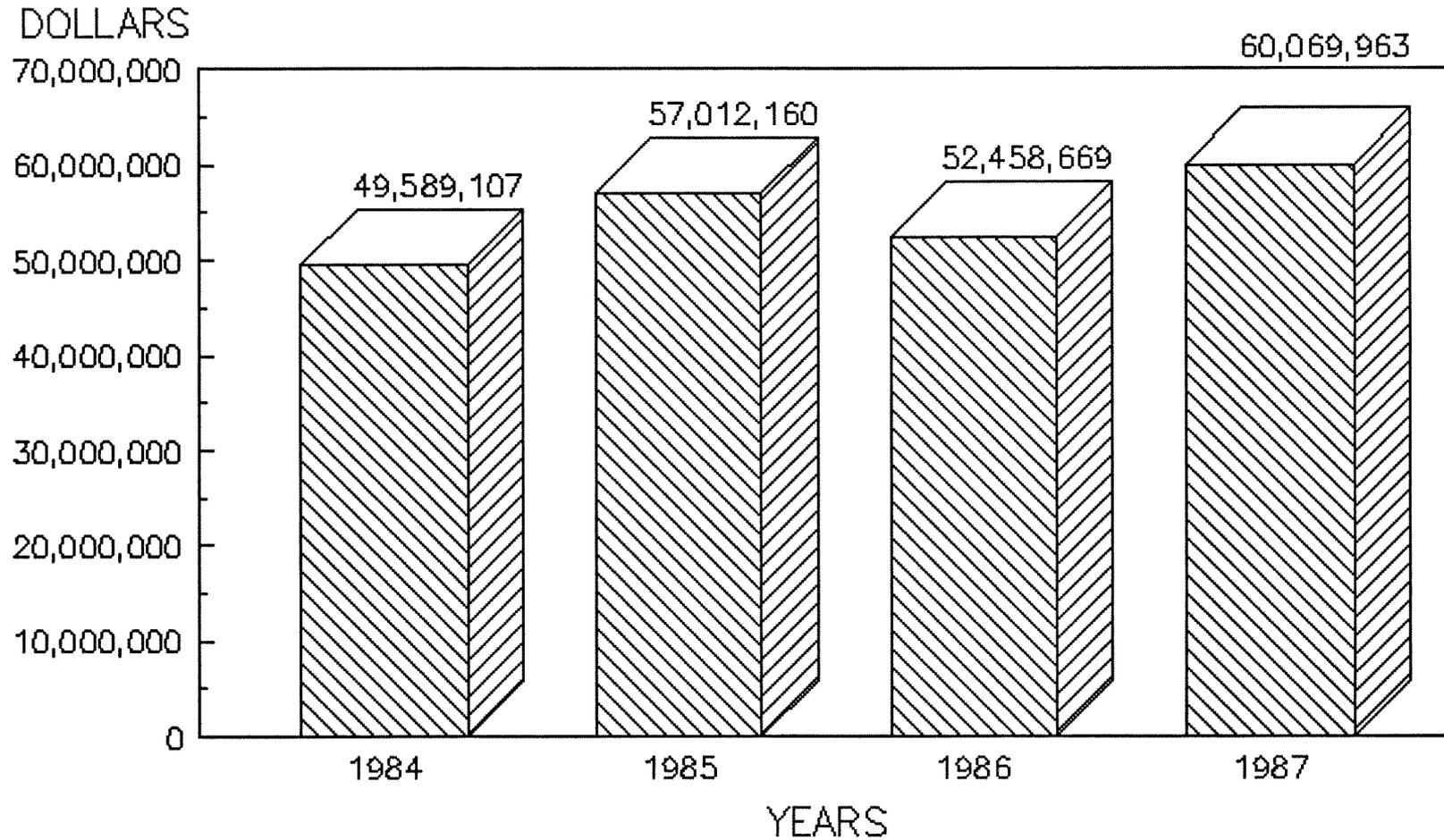


2-22-88

MULTNOMAH COUNTY, OREGON

COMPARATIVE STATISTICS

COUNTY TAXES REVENUE



2-22-88

DATE SUBMITTED _____

(For Clerk's Use)

Meeting Date 3/29/88
Agenda No. 20142 AM

*Employee Services
Streetlast Dept*

REQUEST FOR PLACEMENT ON THE AGENDA

Subject: Benefit Review/Focus Group Analysis

Informal Only* Tues., March 29th, 1988
(Date)

Formal Only _____
(Date)

DEPARTMENT General Services DIVISION Labor Relations

CONTACT Merrie Ziady TELEPHONE 248-5015

*NAME(s) OF PERSON MAKING PRESENTATION TO BOARD Rich Reese/Ted Woods, Fred S. James & Co.

BRIEF SUMMARY Should include other alternatives explored, if applicable, and clear statement of rationale for the action requested.

During November 1987, sixteen focus group sessions were conducted by Fred S. James & Co. to review the Multnomah County benefits package. Participants for 12 groups were randomly handpicked by the County to represent different bargaining unit demographic percentages. In addition, a group of Union Officials and three groups of management personnel were selected. In this presentation, representatives of Fred S. James & Co. will present the findings of the focus group benefit analysis.

(IF ADDITIONAL SPACE IS NEEDED, PLEASE USE REVERSE SIDE)

ACTION REQUESTED:

INFORMATION ONLY PRELIMINARY APPROVAL POLICY DIRECTION APPROVAL

INDICATE THE ESTIMATED TIME NEEDED ON AGENDA _____

IMPACT:

PERSONNEL

FISCAL/BUDGETARY

-General Fund

Other Information Only

BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY
OREGON
1988 MAR 16 AM 8 20

SIGNATURES:

DEPARTMENT HEAD, ELECTED OFFICIAL, or COUNTY COMMISSIONER: *Pinda D. Howard*

BUDGET / PERSONNEL _____ / _____

COUNTY COUNSEL (Ordinances, Resolutions, Agreements, Contracts) _____

OTHER _____

(Purchasing, Facilities Management, etc.)

NOTE: If requesting unanimous consent, state situation requiring emergency action on back.

James Benefits

NORTHWEST REGIONAL BENEFITS OFFICE 111 Southwest Columbia, Portland, Oregon 97201 503 248-6400 Telex 360128

Northwest Benefits Offices:

BOISE, ID
MISSOULA, MT
MEDFORD, OR
PORTLAND, OR
BELLEVUE, WA
SEATTLE, WA
SPOKANE, WA
YAKIMA, WA

December 18, 1987

EXECUTIVE SUMMARY

Multnomah County

Focus Group Research

During the week of November 16 - 20, 1987, Fred. S. James' Employee Benefits Consultants held sixteen focus group research sessions. Participants for these groups were selected by a stratified sampling process. We composed the groups to represent the percentage of employees from each bargaining unit to the total County employee population (excluding Management and Union Officials). After we knew how many people from each bargaining unit would be in each group, the participants were then chosen on an "nth" number basis from each unit. Management and Union Officials were selected on the "nth" number basis to attend their separate groups.

The **Objectives** of this study were to obtain information and generate hypotheses regarding:

1. The employee's level of awareness and actual understanding of the current group plans;
2. The level of satisfaction with these plans, specifically to test opinions about how adequately these plans meet employee needs;
3. Whether or not employees feel there are enough choices in their benefits package;
4. Whether or not employees would be receptive to examining new concepts of flexible benefit options; and
5. Any changes or enhancements employees would like to see in their benefits.

The **Hypotheses** present a synthesis of the focus group analysis and research objectives.

1. EMPLOYEE UNDERSTANDING OF CURRENT PLANS

1. The new employees have more information about their benefits than those who have been with the County for a longer period of time.
2. Some benefits are understood better than others.
3. In general, people are satisfied with their benefits, but unhappy with the communication of the benefits.

2. EMPLOYEE SATISFACTION WITH CURRENT PLANS

1. Pride and appreciation is generally high regarding the County-provided benefits. "...That's one of the reasons why I came to work for the County is because of the benefits".
2. While there are some areas for improvement, there is no major dissatisfaction with any of the benefits. "We've got it great".
3. Medical coverage, PERS and vacation are the most important benefits respectively.

3. ARE THERE ENOUGH CHOICES IN THE BENEFIT PACKAGE?

1. Generally, employees feel the current benefit mix is adequate.
2. Most people would like to see a third medical option.
3. The undercurrent says "Do not change our benefits". Change is synonymous with loss of benefits.
4. Employees are willing to pay small amounts for extended coverage on some of their existing benefits.

4. FEASIBILITY OF FLEXIBLE BENEFITS

1. The reaction to Flexible Benefits and Spending Accounts was mixed.
2. There is enough evidence to suggest participants were interested in investigating Flexible Benefits.
3. Communication would be a major concern in any Flexible Benefit Plan.
4. An actual or perceived take-away of benefits would not be tolerable.

5. COMMUNICATIONS

1. Initial orientation sessions do not seem to be the most successful method for communicating benefit information.
2. Published names and telephone numbers for information sources would help the flow of benefit assistance.
3. Follow-up orientation sessions periodically during the employee's career with the County would keep the employee more up-to-date on benefits.

The **Recommendations** coming from the research are:

- Provide feedback to the focus group members about this report.
- Do not make any changes to the current benefit package at this time, with the exception of looking at a third medical alternative.
- The County should continue to explore the options available for implementing Flexible Benefits and Spending Accounts with special attention to:
 - timetables
 - availability of this type of coverage
 - communication requirements
 - employee attitudes and skepticism

- A primary goal should be to evaluate and establish a Communication Program to support an ongoing benefits information strategy for better employee understanding, and to maintain and increase appreciation of the benefits. This might include information in the newsletter and seminars similar to wellness program lectures. It should also include publicizing names and telephone numbers of where to go for benefit assistance.
- Investigate the feasibility of regularly scheduled employee re-orientation meetings.
- Re-communicate existing benefits, especially during open enrollment, for greater participation:
 - Life/Supplemental Life
 - Salary Continuation
 - Deferred Compensation
- Examine internal County policies regarding:
 - Maternity
 - Continuing Education
- Produce Benefit Statements for all those employees who are receiving benefits.
- Schedule a follow-up focus group to measure attitudes and awareness in six months after any new communications have begun.

James Benefits

NORTHWEST REGIONAL BENEFITS OFFICE 111 Southwest Columbia, Portland, Oregon 97201 503 248-6400 Telex 360128

Northwest Benefits Offices:

BOISE, ID
MISSOULA, MT
MEDFORD, OR
PORTLAND, OR
BELLEVUE, WA
SEATTLE, WA
SPOKANE, WA
YAKIMA, WA

December 18, 1987

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1. Initial orientation sessions do not seem to be the most successful method for communicating benefit information.
2. Published names and telephone numbers for information sources would help the flow of benefit assistance.
3. Follow-up orientation sessions periodically during the employee's career with the County would keep the employee more up-to-date on benefits.

The **Recommendations** coming from the research are:

- Provide feedback to the focus group members about this report.
- Do not make any changes to the current benefit package at this time, with the exception of looking at a third medical alternative.
- The County should continue to explore the options available for implementing Flexible Benefits and Spending Accounts with special attention to:
 - timetables
 - availability of this type of coverage
 - communication requirements
 - employee attitudes and skepticism

- A primary goal should be to evaluate and establish a Communication Program to support an ongoing benefits information strategy for better employee understanding, and to maintain and increase appreciation of the benefits. This might include information in the newsletter and seminars similar to wellness program lectures. It should also include publicizing names and telephone numbers of where to go for benefit assistance.
- Investigate the feasibility of regularly scheduled employee re-orientation meetings.
- Re-communicate existing benefits, especially during open enrollment, for greater participation:
 - Life/Supplemental Life
 - Salary Continuation
 - Deferred Compensation
- Examine internal County policies regarding:
 - Maternity
 - Continuing Education
- Produce Benefit Statements for all those employees who are receiving benefits.
- Schedule a follow-up focus group to measure attitudes and awareness in six months after any new communications have begun.

**Focus Group Analysis
for
MULTNOMAH COUNTY**

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I. INTRODUCTION

The following comments and observations are derived from sixteen focus group sessions held for Multnomah County, Portland, Oregon, during the week of November 16-20, 1987. The participants for 12 groups were "randomly hand-picked" by the County to represent different bargaining unit demographic percentages. Exhibit #1 shows the demographic breakdowns for each group. In addition to these 12 groups, one group of Union Officials and three groups of management (exempt) personnel were also randomly selected. In each case, Union Officials and exempt were asked to respond to the focus group parameters as "employees of the County", not as representatives of their official roles.

Results of focus groups must be carefully analyzed. Since sampling methodology depended on non-probability sampling selection (which precludes an assessment of sampling error), we cannot place statistical bounds on our quantitative estimates or observations. The results may or may not be representative of what would be found in the general employee population, and therefore, what is found may not be quantitatively projectable. For instance, if 18% of the people in our research had said they only wanted group legal insurance, and nothing else, then we cannot interpret that 18% of the total County workforce wants only legal insurance.

Focus groups do, however, provide overall background information; and

are very productive for generating hypotheses and obtaining information about attitudes and feelings. They are also helpful in defining areas for further research.

We, Fred. S. James consultants, introduced ourselves as "outside Benefits Consultants, hired by the County with Union representatives and County management approval, to gather employee opinions and perceptions about the current benefit plans offered by the County." As usual in focus groups moderated by outside people, conversation did digress into areas not specifically stated under the original research objectives. Comments and general "threads" are usually exposed that are beyond the stated objectives, and this did happen in this study. These items are not statistically valid by any standards, but they will be offered in the spirit they were gathered. Even though they are outside the objectives, we feel they are a natural and expected part of the focus group process and are included in this report.

The Analysis part of this report then, presents a synthesis of the focus group content as it relates to the research objectives and the issues revolving around Multnomah County employees perceptions of their benefits.

II. OBJECTIVES

The Objectives for this focus group research were to obtain information and generate hypotheses regarding:

1. The employee's level of awareness and actual understanding of the current group plans;
2. The level of satisfaction with these plans, specifically to test opinions about how adequately these plans meet employee needs;
3. Whether or not employees feel there are enough choices in their benefits package;
4. Whether or not employees would be receptive to examining new concepts of flexible benefit options; and
5. Any changes or enhancements employees would like to see in their benefits.

Structured questions in the form of a Moderator's Outline (Exhibit #2, at the end of this report) were prepared in advance to cover these five objectives. Consistent with focus group methodology, however, conversations were allowed to deviate from the preplanned questions.

III. FOCUS GROUP ANALYSIS

A. General Overview

To develop discussions as unaided as possible, we asked the group members to relate to different life events to identify their level of awareness of their benefits. The life events were:

1. What would happen if you were to die?
2. What would happen if you became disabled?
3. What happens if you are sick or injured?
4. What will happen when you retire?
5. What other benefits does the County provide?

These life event topics were brought up in the form of a leading question such as "Is there a benefit the County provides for your beneficiaries if you die?" We then developed and expanded the discussion from their answers to gauge the level of actual understanding of each benefit mentioned. We are aware that some of the discussion about differences and confusion about benefits was because we had people from several different bargaining units represented at each group. In fact, someone in every group of non-exempt participants explained that the different answers we were getting were probably because of different contracts.

After the introduction of unaided recall and employee explanation of benefits, we administered a "self-test" (Exhibit #3 attached to the end of this report). This "self-test" was used only as a tool to introduce the actual benefits. At this point we highlighted actual coverages and initiated discussion about adequacy of the plans, and levels of satisfaction. After this review, we asked about Communications, and then we tested the concepts of flexible benefits and flexible spending accounts.

B. Current Benefits: Awareness/Understanding/Satisfaction

1. Life/Supplemental Life

When asked, "What sort of benefits does the County provide for your beneficiaries when you die?", most participants had a basic understanding about County-related life insurance benefits. Six groups questioned whether the life insurance was "whole" or "term" insurance.

While all thirteen, non-exempt groups agreed that \$10,000.00 of life insurance coverage was paid for by the County, there was some discussion. "We have to purchase life insurance. Or maybe we get a certain amount given and then if we want we can purchase additional coverage. I really don't know." "My understanding is \$5,000 bucks on life insurance". "Is that something that can be carried over if you retire? Do you have to be working for the County at the time you die"? "I don't think there's any coverage".

The three exempt groups all knew the formula for their life insurance is one times their annual salary. Five people from the exempt groups said they did not even know they had life insurance through the County.

One sheriff said he had \$10,000.00 line-of-duty coverage, plus \$25,000.00, which may include \$5,000 of funeral costs. Four groups with sheriffs or officers did mention a Federal requirement of \$50,000.00. Another sheriff said the County did not pay anything for life insurance benefits, but there is a \$5,000 policy that is paid through association dues.

Ten groups mentioned that Supplemental Life can be purchased through a payroll deduction; and two of these groups mentioned that additional spousal life insurance can also be a payroll deduction. Twenty people said they had never heard about the Supplemental Life option, and six groups did not mention Supplemental Life. "I don't think anybody out at the shop knows about it". Six people said they were currently participating in the Supplemental Plan.

One group discussed that at age 65 the life insurance goes to \$2,000 or to \$5,000, they were not sure of the amount, but were sure there was a change at retirement.

Eleven groups said that PERS may pay something on the death of a participant, but no one knew exactly what benefit would go to survivors. Five groups mentioned that two times the amount in their PERS account was

the benefit. "Under your pension you get a death benefit there where PERS pays you exactly what you have in your account at the time of death, plus they match it, so it would be double". "...But you have to have ten years in". "I know one thing in PERS that I just read...if you were vested for at least 10 years you got a disability benefit, no matter if you quit later or worked somewhere else".

Seven groups said there was some pay-off for sick time accrued. Seven groups mentioned vacation time pay-off to beneficiaries. Only three groups mentioned that outstanding salary would be paid. Six groups brought up the new PERS conversion of sick- to retirement- trade to be effective in 1988, but no one clearly understood how it will work.

Other possible sources of payment to beneficiaries were mentioned. One person in one group thought that the credit union would pay something. Worker's Compensation and Social Security were mentioned in one group. COBRA insurance continuation and bereavement leave were brought up in four groups, but there was confusion about the details of both.

After reviewing the coverage provided by the County for Life and Supplemental Life, there was about a 50-50 split on how satisfactory the life benefit is. Comments were: "My own feeling is that if you've had anyone die recently in your family, another \$10,000 isn't a whole lot". "If I understand insurance enough, it wouldn't cost the County that much more to increase that in a giant group policy if they would have wanted to".

"The County shouldn't have to support personal life insurance". "You could not rely on this if you have children". "The State is much better".

"Seventeen years ago it was fine, but not now". "It's adequate because you can buy more". "Is it the employees burden or the County's burden to provide life insurance"? "I think it's great". "I've always looked at it as supplemental to what I have outside the County". "Sure we'd all like more, but that's unreasonable". "Together I think they make a terrific package". "It's okay but I don't think its adequate without your own insurance". "I don't feel as though it is the employer's place to be stuck paying life insurance for you. It's your own".

"I think it's a good benefit, but I'm not clear as to whether you could continue...I don't know that it would be more valuable to me to pay the supplemental if (I) knew that if I went someplace else I could at least carry the supplemental with me...".

2. Long Term Disability

Exempt. The three exempt groups all identified the Long Term Disability Plan (LTD) as provided by the County. Eight people said they were unaware of the LTD. "I've been here for 12 years and I didn't know I had this".

In one group the payments were thought to be 60% of salary to a certain amount as being County paid for lifetime, or to age 65. Another group said

2/3 of salary is paid by Worker's Compensation and 60% or 66% was untaxed pay if not getting Worker's Compensation. A third group said LTD paid 60% of salary after 30 days, after all sick leave is used. "Worker's Compensation, you get 2/3 supplemental for 6 months, or your sick leave, I believe".

Long Term Disability was said to be good coverage by each group. One manager commented, "I think it's wonderful. I think it's too bad that only exempt employees have it".

Two groups said PERS would pay something for permanent disability, but no one knew the benefit.

3. Short Term Disability

Nonexempt. Ten groups identified the voluntary Short Term Disability Plan through Standard Insurance. "It guarantees a percentage of your salary for 26 weeks if you're disabled". Fourteen people said they were not aware of this option. Three said they had reviewed the plan and elected not to participate. Twelve said they currently are enrolled.

Comments were: "It's a benefit to sick abusers. They use up their sick as soon as they get it. They don't consider it an insurance policy. So then I think that's great for them". "I always felt like if you save up your sick time that's good insurance in itself". "I have thought about it, but I didn't know if it covered things like if you got sick, or cancer, or you had a surgery and

couldn't come back to work for three months, or something like that...". "I don't participate because it's too expensive". "We need something but this one's too expensive".

All thirteen non-exempt groups understood they are entitled to some form of Worker's Compensation for disability.

Eleven groups said they would receive their sick time pay if disabled; and three groups said they could also collect vacation pay. Nine groups thought PERS would pay something for disability, but no one in any group knew the benefit amount. Social Security payments, COBRA insurance continuation and regular wages were also mentioned as disability benefits.

Three groups voiced need for longer disability coverages. "I think it's a very important item. I think it should be available to part-time people. And it would be nice to have a couple of options, so that if you wanted something of a long-term nature, then that would be available". The consensus in two groups was that the Short Term Disability had not been communicated very well in the past. "Is this new"? "I remember getting a pamphlet once, way back".

4. Medical Coverages

The next life event we asked the group participants to respond to was: "What happens to expenses when you are sick or injured"? All sixteen groups

knew that Blue Cross and Kaiser are the medical options from the County. Sixty-four people were in Blue Cross, forty-four in Kaiser. Four groups thought there was another option but could not name it.

General. In three groups there was a general question about the adequacy of Blue Cross and Kaiser catastrophic coverage. "We haven't talked about catastrophic medical. I'm interested if we have any coverage for that". "There are obviously some things they (Kaiser) don't cover. I think they don't cover...kidney transplants...and major catastrophies". "If you're in critical condition for a long time, I think the ceiling (Blue Cross) is \$300,000.00 or \$350,000.00 (per accident)". "...Perhaps (we could have) a total paid major medical".

Prescription coverages were a consistent issue for both Kaiser and Blue Cross. Five people said that Blue Cross does not cover prescriptions at all under their plan. Eleven groups said Blue Cross covers prescriptions at 80%, and five groups mentioned the prescription coverage came after the deductible.

Kaiser members knew that prescriptions are not covered under their Plan. This was discussed in fifteen groups and was the issue with the most complaints. "I know there are plans where people get a better break on prescriptions than we do. That might be something we'd look at".

When asked if they would be willing to increase the amount of the co-pay from \$1.00 to maybe a \$4.00 or a \$5.00 co-pay to have prescriptions

covered, all people, except one, said they would be interested. "I would even pay so much per month in order to have drugs picked up, but then my drug bill isn't very high". "That's the thing we want".

Three people in separate groups mentioned that the Multnomah County Plans have no provision for second surgical opinion, or any cost containment provisions. "I have some problems with the way that the County handles, or the way we have our Blue Cross Plan, and that is things like not requiring second opinions, not having some kinds of restrictions on how people go about making decision on surgery and those sorts of things. I think that is ill-advised".

Blue Cross: In general, the Blue Cross Plan had average level of satisfaction in most groups. Aside from the differences between bargaining units, there was some confusion in all groups about Blue Cross deductibles and payments for procedures. "I have no idea how the thing works". "I pay 20% up to \$2,500, but I have no idea what the balance is paid at". "After \$100.00 deductible, 80% of the hospital is paid". Only one group mentioned that accidents were paid at 100%. "...There's major medical and I don't quite understand how it works".

The primary reason people chose Blue Cross was to choose their own doctor, which was mentioned in all but one group. "We have some very definite ideas on picking a physician...that is a real advantage to it, but arguing with the people at Blue Cross over what is a covered benefit is a real

hassel".

The second reason people chose Blue Cross was just not to have Kaiser, due to the horror stories they had heard about Kaiser. Eight groups all gave examples and stories to substantiate their decisions. "Nobody likes Kaiser". Individuals in six groups mentioned the inconvenience factor for Kaiser as being a reason they chose Blue Cross. "The reason I like Blue Cross is because no matter where you are, you are covered".

No physical exam and preventative coverage was a primary complaint about Blue Cross. "The doctor has to fudge to get it (physical exam) covered". "Kaiser is excellent for preventative health care. Blue Cross does not encourage preventative health care. They encourage you to get falling down dead first". "I was on Blue Cross and...if you have a problem or illness...it's fine, but if you're going in for routine check-ups, then, you know, preventive sort of care, it's not adequate at all and you can never get enough paid visits to make it tax deductible...so I found it isn't as good as Kaiser".

No well baby care was specifically mentioned in five groups as a problem with Blue Cross. "One of the draw-backs of Blue Cross is that they don't cover well care, well baby or well child, or well adult care".

All Blue Cross people in one group, and several others in other groups said they would be willing to pay out-of-pocket for increased wellness benefits. One person commented, "Multnomah County has one of the cheapest Blue Cross plans. We'd even like to have better coverage and pay some out of

pocket".

Several other complaints were made about Blue Cross. The Blue Cross administrators often did not approve the total incurred charges because of the plan's adherence to paying "reasonable and customary" charges. "I've heard that Blue Cross does not pay any of these benefits". More than one person said, "Blue Cross makes up the rules as they play the game". "I'm very unhappy with Blue Cross. Why can't we get them to pay what they're supposed to pay...".

Another comment from three groups was that the Blue Cross booklet is confusing and old and outdated. It could not be relied on for good information. "The main (problem) is finding out how much they're really going to pay on a bill. Because there is nothing to go by about why this day they paid so much on this claim and next week they'll pay something totally different on the same or similar plan".

Two groups mentioned the surgery schedule was not adequate. And three groups discussed the nervous and mental coverages were not able to cover much of the expense incurred for this treatment. One person added, "Somewhere in Portland there is a doctor who does appendectomies for \$2.95 and is keeping the average down".

On the more serious side, we heard these comments from two individuals: "I have gone around and around with them this year, and I am \$900 in debt because they told be they were going to pay a bill that they did not pay"; and,

"I have not really used my Blue Cross or my insurance in 11 years that I've been here...this is the year, in the 11th year of employment, that I really needed it, and it let me down. It has left me in debt".

Kaiser: While almost everyone in all groups knew that there is a \$1.00 co-pay per visit at Kaiser. There was some confusion. "I'm with Kaiser and I have no idea what my deductible is". " It's either \$1.00 or \$2.00 a visit". The majority of those covered by Kaiser thought their coverage was "good" and were happy with the service and care.

Being tied to using Kaiser facilities was an issue discussed in most of the groups. Six groups mentioned the distance factor for Kaiser as being a problem. There is no Kaiser clinic downtown Portland, and clinics for some people in the suburbs were not convenient. "Kaiser has made a lot of improvements in the last couple of years. They used to be awful. It also depends on which Kaiser you go to. The one up north is terrible, but Sunnyside is nice".

Having to use Kaiser facilities was also questioned as an issue. "The problem with Kaiser...if you're picked up and you go to St. Vincent because the cops sent you there, or the ambulance took you there, it's terrible to try to get covered 'til you get to Kaiser. As long as you're in a Kaiser facility you're okay".

While it was also noted that Kaiser rules and procedures (i.e. the \$1.00

co-pay) are a lot easier to understand than Blue Cross, the concept of "working the system" was shared in four groups. "I have had real good luck with Kaiser, but I think that you have to be a real aggressive consumer...Know the system and you can get almost anywhere and you get your specialty referrals, you can get almost anything done". "I know it is not good for elderly people. I had a great aunt who was involved with Kaiser, and it is a big bureaucratic system and it is not good for older people". "Kaiser...has a person who will go to your bargaining unit and tell you how to exist in Kaiser".

Three groups did mention a difference between regular Kaiser care and mental disorder care, which was stated that Kaiser only pays 50%. "One thing that I think both plans, because I'm involved in the mental health...both are not good in covering mental health. They're both poor". "To me mental health is just as important as major medical". "Kaiser doesn't have any mental health facilities, so they have to contract out so you have to go. You have to pay 50% for private hospital".

People chose Kaiser primarily because of the lower out-of-pocket expenses. "I have three children and a husband and doctor bill can get expensive on Blue Cross. A dollar is a lot easier to handle".

Preventative and wellness care were the second most often given reasons for belonging to Kaiser. Tradition played a deciding role in some people's choice of Kaiser, also. "I've just been with Kaiser a long, long time. And I have been very happy".

Kaiser was generally thought to be the best choice for families with small children. "We were under Blue Cross at one time and we found that all the incidental things you get with growing children, the cost of Blue Cross was just prohibitive. I just couldn't afford it. Through Kaiser we've had all kinds of illness and both my wife and my kids and I haven't had a negative experience with them. This has been ten years". "Kaiser does have good well baby care".

5. Dental

General. All groups were aware of dental coverage from Blue Cross and Kaiser from the County, and the general consensus from all groups was that the dental benefits are too low.

Three groups did not mention the DentaCare option. One group thought there might be something in addition to Blue Cross and Kaiser. "I'm not sure there is, but this girl in our office is going and it seems like a clinic she's going to". In one group 5 people hadn't heard of DentaCare, and in another group 6 were unaware of it as a third option.

There was some discussion about a recent change in the dental coverage. "I was heart-broken to lose ODS. I'd even be willing to pay some per month to get it back". "I want to have ODS back".

Orthodontia coverages were discussed in all groups except one. The primary request was to include adult orthodontia coverages. "I think that is a problem with both dental plans, (no) adult orthodontia".

Blue Cross. The incentive benefit structure (70-80-90-100% in 4 years) was understood in all groups. Most were aware that to advance or maintain the reimbursement level, regular visits to the dentist were necessary. There was some confusion whether "regular visits" were once a year or every six months. There was also some discrepancy in the incentive structure (i.e., 80-90-100% in 3 years). Several people were confused whether they would drop from 100% to 70% or to 90% if they failed to maintain the yearly exam.

All groups were aware that major work was covered differently than the incentive schedule, and most groups could recall the 50% co-pay. "I wish it paid more than 50% on crowns". "It doesn't cover bridges, and I think it should". The yearly maximum was viewed by most participants as being too low. "You got a twelve year old that knocks her teeth out, which is one of the complaints I had. A thousand bucks went down the tube, I mean the first time".

All but one group mentioned the orthodontia coverage. Most felt that the orthodontia coverage was minimal but better than nothing. Only a few people were aware of the \$1,000 lifetime maximum for orthodontia, which they felt was inadequate.

In general, most people thought that the Blue Cross dental plan was a good preventative plan. "I've been satisfied with the dental plan". "I got five kids through the dentist with that plan". "Kaiser was limited because there are just a few places you can go to get Kaiser dental care which is the reason I didn't choose it, because I wanted a little more flexibility where I went".

One area of concern with Blue Cross that we noted from three groups was the inconsistency of claims payment. A comment was, "The other thing is the dentists have (a) way, depending on what dentist you use and how manipulative they are. They ask for a pre-estimate of what Blue Cross is gonna cover. It's how they work it on the thing that they send in to Blue Cross as to whether Blue Cross covers it or not".

Kaiser. Most everyone knew Kaiser has a \$2.00 charge per visit, and a set amount for certain procedures. For the most part, those in the Kaiser dental plan were happy with the care they received. "I am very happy with Kaiser dental. I will say that I give them a higher mark on Kaiser dental, more than their medical plan".

The major complaint with Kaiser dental was the waiting time to get an appointment, and knowing how to use the system. "It was hard to find a good dentist, but now I am in the system". "Once you get established with a good dentist, it is a pretty good program, particularly the preventative side, because they are really strong on preventative. I finally learned how to get into the system".

During the unaided portion of the groups, the Kaiser orthodontia coverage was thought to be the best coverage by three groups.

DentaCare. Only six group participants were enrolled in the Dentacare Plan. Those who were participating were happy with DentaCare. "There's a lot of dentists there. They have pediatric dentists, and all kinds of surgeons. I have been real pleased with them".

Knowledge of the Plan varied, even among those participating in it. One person thought DentaCare covered everything 100%. Another person knew there was an incentive schedule of some kind, but thought it applied to something other than a check-up. One person commented, "It is a good plan if you can get in. It is getting very crowded".

Only two people knew how the orthodontia coverage compared with Blue Cross and Kaiser.

It was mentioned that DentaCare should have it's own booklet. The information about DentaCare was viewed as being "buried in Blue Cross stuff somewhere".

6. Vision

Most participants were aware that Blue Cross and Kaiser medical plans both have vision coverages, but 5 groups did not mention the vision benefits. Six people said they did not know they had vision coverage through the County. The specific charges or allowances were not fully known in any group. "Yah, there are some optometry coverages there. I'm not sure what they are".

One person would have been willing to eliminate vision altogether to trade for meaningful preventative medical. Other comments we heard were: "I am very happy with the coverage". "This could use some improvement, but vision really is a good option". "It's a heck of a deal. We didn't used to have anything". "I think it stinks". "Terrible". "Whole lot better than having to pay for the whole thing yourself". "I think that some improvement can be made, but the Plan is good".

Blue Cross: Every group mentioning vision knew that there is an allowance for some exam costs and some hardware costs. The frame allowance was felt to be too low. "When it says frames, two years, they will give you \$18.75 to buy frames every two years. That is very low". "I think that that's not sufficient". The use of the Plan every two years for adults and every year for children was mentioned in four groups.

Several people said it was not a good plan because it does not pay very

much. Six people used the phrase, "a little inadequate". It was also mentioned by two people that you "still have to use your deductible before they cover vision". One person said, "I knew I had it but it was confusing, so I just paid the whole thing myself". "I don't think they've ever covered any of my eye wear". " Well, it's not very good. That's all I can tell you because I go to the eye doctor at least once a year and, as far as I know, they cover very little of your glasses, contact lenses, and your eye doctor visit. I think they cover some of it, but it wasn't very much". "I think they pay for part of the exam, but they wouldn't pay for the contacts".

Kaiser. Most of the people with Kaiser were aware of the \$1.00 co-pay for exams and the allowance for one pair of glasses every other year. Those under the Kaiser Plan were generally satisfied with the coverage and care they received.

It was felt that the frame allowance, especially for women's frames, was not adequate under the Kaiser Plan. "The frames they give you are the ones that melt in the rain".

7. Retirement (PERS)

Eleven groups mentioned PERS as a County-provided benefit, with six groups specifically mentioning the 6% County pick-up. One person was confused about their contribution to PERS, "There is nothing on the pay stub.

I think the employee must have to contribute something, but where does it come from"? An explanation from another group we noted, "It's your 6%, the County gives more than 6%, I think, but they contribute 6% that we would have had. They picked up our contribution. I don't know what year that was, '83'..."?

There was some discussion and confusion about vesting. Six groups thought it was 5 years; 10 years was mentioned by several people; 28 years or age 55 was another suggestion; and one person said, "There is no vesting in PERS". Another person was real honest, "What is vesting, anyway"?

While everyone was familiar with PERS and knew some of the specifics of how it operates, only three groups knew the formula of 1.67 times years worked times the 3 highest plus some part of sick leave calculation. Five other groups did know 1.67 (2.0 for police and fire) times some formula.

Six groups mentioned the new sick leave conversion policy that will be effective January 1, 1988, but no one knew exactly how it would affect PERS. One person in one group thought the conversion was effective June 1, 1988.

For the most part people were very happy with the PERS program. "From what I have heard PERS is one of the best in the country". "Perfect". "The PERS people are real helpful. The County doesn't have a responsibility to put on seminars about retirement planning". One comment we did hear from one person was, "I've always questioned why we are automatically in it? I'd like to make other decisions".

Five groups mentioned being able to withdraw from PERS and then be able to reinstate by paying back an amount to PERS. There was a lot of confusion about taking the funds out of PERS at anytime and at retirement. "My understanding is that if you pull your share out, you lose the other share, even at retirement". "I always felt that the employer, not the employer's pickup piece but the other piece, was a paid benefit. It is a little bit like Social Security...the piece has to be there to pay somebody else's retirement benefit. It isn't really yours. And that bothered me".

The age for collecting PERS was in question in one group. "Sixty-two is what I thought it was". "Sheriff's office is 25 years (of active duty)". "I thought 58 was the earliest you can start drawing it".

8. Early Retirement Health Benefits

Thirteen groups failed to mention Early Retirement Health Benefits when we prompted with the question, "What does the County offer you in the way of benefits when you retire"? After we reviewed the current benefits, there were individuals who were aware of the benefit. One person in one group, and two people in another group knew. "I heard about it just yesterday, that if you retire from here after 28 years of service at age 58 or something, they will keep you at a certain percentage until you reach 65 for Medicare, but a lot of people don't retire at 28 years. So I think there's something in there, but I don't know what it is".

One group in particular was very vocal about retiree benefits. A comment from that group was, "This is a major concern for people I've talked to who have retired. They should be treated just like an active employee". A person from another group said, "That is one of the things that is different in the State. People that retire from the State get to continue it as if they were union members, if they pay their dues. The County, they can't do it. The people who have been long County employees are finding that quite a deduction".

A different group really appreciated the idea of Early Retirement Health Benefits, but gave it a poor rating because they felt the provisions varied too much from group to group. One person said, "This is a real good deal". No one knew of anyone who was participating in this Plan.

Another comment was: "...They have to purchase their own and ...the County not only has doubled their cost because they put them in a different group which increased their cost to the retirees for their health insurance. And I just feel that if a person has put in their 25 or 30 years with this County and worked, it's a shame to stick them out in the cold and then double their health coverage".

9. Deferred Compensation

Only one group failed to mention the Deferred Compensation program with the County. Twenty-four people in the groups said they participate in the

Plan. "This investment outweighs the bank's money market". At least one person in every group said they had never heard of the Deferred Compensation Plan. Nine groups named the choices of plans between Benjamin Franklin and AETNA; and six groups acknowledged the investment options within the Plans.

The groups mentioning Deferred Compensation knew the 25% or \$7,500.00 restrictions and that the money invested in plan was on pre-tax basis. "You put pre-tax money into a savings account and at 65 you can take it out and pay tax". Other people thought it might be 70 or 59 1/2.

Most groups also knew about the accelerated scheme to double investment in the three years before retirement, but there was some general confusion about withdrawing the investments. "If you leave the County you lose that money, right"? "Deferred you can withdraw if you leave the County, or reach the age of 59 1/2, or if it is an emergency and you get death of a spouse, ...or disability or something like that. You never get to participate again though".

The most common reason given for not participating in the Plan was, "I don't make enough money to participate". One person noted, however, "A guy told me that he was putting some in and it hasn't even changed his take home pay because it come out pre-tax". "It's great for younger people. It is the plan to get in to".

It was generally felt among the people who were familiar with the Plan

that Benjamin Franklin was very responsive to their needs. "Our department called someone at Benjamin Franklin, and he came right over and talked to us".

AETNA was equally praised by another person in a different group, "I can't call PERS and say, 'This is my account number and how much money is in my account at this time?' They won't tell me. I can call AETNA...and ask, 'What's my money doing today?' (She) can tell me exactly how many shares I bought or what company I bought them in and how much money I made or lost".

The criticism we heard in discussing Deferred Compensation was only that it was not well publicized. "I got information way back when, but I don't remember anything since". "This is the kind of thing that should be communicated on a regular basis". "I was never persuaded when I became eligible to participate in this".

10. Cascade Counseling Service

Only one group failed to mention Cascade. There was nearly universal understanding and high appreciation of this service. Every group knew that there are 10 visits per year and that the service extended to members of the family. Confusion came whether those visits were 10 per member of the family, or 10 per total family. The consensus was 10 visits per family per year. There was also general confusion about what happens after 10 visits,

whether there would be charge or referred out, or not allowed any more visits.

Three concerns were raised about the use of Cascade Counseling. One, the confidentiality of the patient; two, the limit of 10 visits; and three, the involvement of management in decisions regarding counseling. While most people thought that Cascade only reported statistics to the County, for instance how many people had used the facility during the month, a few people were still skeptical about receiving treatment at a County nominated facility. "The County has a contract with a counseling service, that will be the last counseling service I would consider using, even if they were the best in town". "No medical information is divulged, but I don't think privacy is honored totally".

The limit of 10 visits was recognized as not being adequate for major problems. "You can't go deep into psychoanalysis, but then Blue Cross would probably pay some".

Two groups were unsure of management support of the program. "I don't think our management supports it. If it's a management decision to send you there, then they do", was one comment we heard. "People should be able to seek self-help without management disapproval".

For the most part people did appreciate Cascade. "This is a real positive feature to add". "We can't lose this one. It's great". In one group no one had personally used the counseling and yet one person noted, "It is interesting

that we all know about it, but we have not used it".

Two people in one group said they had had a bad experience with Cascade. "...You don't feel that you need additional services, and they charge you \$55.00 per hour. I want to do my best to work through Local 88 to have their contract pulled. I think they have done you a injustice. Let me tell you, they worked me over. They worked over two or three of my co-workers, and I really think that if the County is ...providing them with a fee for service kind of thing, they are sitting there collecting their money and not doing their job". "...We had a major drug problem with my son, major. And they didn't diagnose it. And they could not diagnose drug abuse when they saw it right here".

11. Wellness Programs

Twelve groups identified the Wellness Programs as a benefit offered through the County. Universally, everyone was very pleased with the variety and content of these programs, and was knowledgeable on all the different options available. One person commented, "If people aren't informed about the health promotion programs here at the County, it's their own fault".

"I really think they try to do an excellent job on the budget they have. It's not a corporation with a big health club, but they do an excellent job with what we've got, especially given how spread out we are". "It all falls under preventative, and I like that". "I think the County has a wonderful wellness

program".

There was only one complaint we heard. As of January 1, 1988 the County buildings will be nonsmoking, and it came up in two groups that there is no "quit smoking program" scheduled at that time. "At the end of this year...there's no smoking. But yet they're not offering the programs". "I feel like if they're gonna stop the smoking at the end of year, I think every building should have a stop smoking program going immediately for all those people".

12. Time Off

Vacation. Twelve groups mentioned vacation as a benefit. It was generally known that vacation accrues on a scheduled system of some sort. Most people identified that there are so many days per year of service, while several other people explained vacation accumulation is based on some formula with the hours added each pay period. It was noted that the differences may be because of the various union contracts.

There was also some discussion about how vacation time will increase retirement income. It was noted that it is possible to lose vacation time if it is not used within a certain time frame.

Sick Leave. Twelve groups named sick leave as a County benefit. There

was no one group, however, to come to a consensus on how sick leave accumulated. One day per month, or 6 hours per month was suggested. Eight hours a month; 3.4, 3.69, 3.62, 3.7, 3.1 hours per pay period; 10, 12, and 13 days per year were all suggested as sick leave possibilities. Most people did know that sick leave could be used for doctor appointments, or for family illnesses. There was some confusion about definition of "family", however.

There was some discussion about sick leave abuse. "You are given benefits and not allowed to use it". "The system encourages sick leave abuse by not allowing time off". "Well, I think there is probably some bona fide abuse of that, too. But that stems from trying to plan ahead for days off and you can't get the days off and it is very important to you and your only option at that point is to be sick if it is that important to to you to be off".

In eight groups there was talk about unused sick days being swapped for vacation days, but it was not generally known how it works. At least two people in two groups were not aware of this Plan. "If you don't use 0 to 8 hours, you get 3 personal holidays". "If you don't use sick for 1 year you can swap for 3 vacation days". "You can change 2 sick days for 2 vacation days". It was noted in one group, "Nurses have an hourly bank and it's a better deal".

Eight groups mentioned the upcoming PERS conversion of sick leave days to retirement formula. No cap on the number of sick days accumulation was known in all groups.

Holidays. Nine groups mentioned holidays as a benefit, and nine groups specifically mentioned Personal Holidays. One of the management groups said, "People hoard those personal days. They do not like to use them". Most agreed that there are 9 holidays plus the 2 personal days. It was thought that nurses had 3 personal days. Sworn Officers thought there were 13 holidays.

Maternity. Four groups mentioned maternity, and there was generally confusion about maternity leave. It was felt that it varied from division to division too much and was unfairly administered. "How someone can and under what circumstances, use sick leave for maternity benefits...that's a question that I've asked and I still don't know the answer". It was noted that approval was needed to be gone without pay, but the job would be guaranteed. Two people thought maternity leave should be paid.

Other. Six groups mentioned bereavement leave. There was some discussion about 3 or 5 or 6 days off depending on how far away the employee would have to travel. There was also discussion about the definition of "immediate family". Some thought it extended to grandparents and grandchildren and others did not. "I think it extends to more than...the nuclear (family), it includes grandparent, brother-in-law, I think".

One group mentioned military leave of absence, and two groups said jury duty. Another group said medical leave of absence.

13. Child Care

Five groups mentioned the County child care facility in Northeast, and eight groups mentioned the new tax-advantaged day care program.

For the most part, the child care and referral service was not thought to be useful. "It's clear on the other side of town". "That's not very convenient. Any you have to either, you or your spouse or somebody has to spend a certain amount of hours volunteering, which is just not possible for a person who works all day. I think it's very unreasonable". "From what I understand it seems to be really spendy".

There were varying degrees of knowledge about the new dependent care program. "You have to estimate how much you're gonna be paying for dependent care in the next year. And then they take it out of your salary off the top so it's like deferred comp. except it's going then, the payments go to your child care or your dependent care provider. It's also for adults as well as children". "Yah, I saw something, but I round-filed it".

14. Other Benefits

Several other benefits offered by the County were also mentioned in the groups. The credit union and bus passes were mentioned in five groups. Four groups mentioned the two free tickets to the County fair, direct deposit to

their banking accounts, and tuition contributions. In all four groups discussing tuition there was a frustration at not knowing how it worked, or who could use it. It was felt to be too arbitrarily administered. One person called it the "phantom benefit".

Parking was added to the list of benefits in three groups. The lending library and the Magic Kingdom discount passes were talked about in two groups. Group homeowners insurance, paid mileage, car insurance, access to a County car, and the opportunity to contribute to the United Way were all mentioned once during the group sessions.

C. Ranking of Current Benefits

Each person in every group was asked to rate the benefits based on which was the most important (1), second most important (2), and third most important (3) to them as an individual, regardless if they have dual coverage.

	1st	2nd	3rd	Total	Rank
Life	1	4	2	7	8
Disability	0	8	6	14	6
Medical	80	16	5	101	1
Dental	1	11	5	17	5
Vision	1	0	0	1	9
Def. Comp.	1	3	5	9	7
PERS	20	41	27	88	2
Vacation	5	15	28	48	3
Sick	2	12	24	38	4
LTD	0	0	1	1	9
Day Care*	0	0	1	1	10
Bus Pass*	0	0	1	1	10

*We did not include these in the ranking schedule, but group participants offered these as their choices without prompting.

The Medical coverage, which was perceived by most as being good coverage, was rated first most often, as well as having the most total votes. When we were discussing the medical plans, most people said they were "not great, but they are adequate", and yet when it came to ranking the options, most people said they were "good". PERS and vacation came in second and third in first place votes, as well as total votes.

D. Communications

Orientation was discussed in all but one group as the usual way to receive communication about benefits. However, there were many comments about the effectiveness of doing benefit discussions during orientation. It was generally expressed in the groups that there is just too much information to absorb during orientation. "It's fairly quick, and you have exempt people and you have people from various different unions and they go for an hour or an hour and a half. They couldn't possibly get a very good orientation".

One suggestion we heard in several groups was to hold a follow-up orientation session periodically. "It seems to me that there should be some sort of semi-yearly re-orientation or something".

One person did comment about a recent orientation, "I just started not too long ago and they were very thorough in their orientation, I thought. The

information they handed out was good, and I think the people, I had questions about it after I read through everything, and the people in the department were very helpful".

The communications regarding the wellness programs was viewed as being very good. "In fact, it is probably one of the best communicated benefits, and I would like to say that I think that communications about the benefits misses the mark in returning to the county a positive feeling on the part of employees about the benefits that (we) have".

Four groups unhappily made statements such as, "They don't communicate with us, we have to communicate with them". "I guess if I have a comment, it is that it is never pursued on the part of anybody to inform you that you have become eligible for that (deferred compensation)". "I'm a Personnel clerk and I'm a Benefits clerk, and...even I have to dig. There've just been some new rules that I just found out about by accident". "I think the problem with a lot of these plans is that we have the information or the information we have, isn't very good, but it isn't getting out to the employees". One person recounted requesting disability information, "And look at the name on the brochure. It's 'Salary Continuation'".

There were several suggestions for improving communications by supplying a summary of some kind. Six groups requested outlines like the overheads we used during the group sessions. One person suggested, "I think the way you do it is just like when you go to a board meeting, they give out all these big, thick things for you to read. I think all you need is one cover

sheet. Just like you did here. Something like that, just hit the high points and refer to what is referred to in that manual. Or who to call...".

Six groups mentioned the need to have published names and numbers for someone to help answer questions. "Even management will come to me and ask me questions, because there's nobody to call in the County...Mary Ziady is now called the Benefit Rep., but Mary does six other things, too". "I don't know everything about benefits but if I don't know, I know a resource person that tells you a person to call, to find out. Every agency ought to have, in the County, ought to have a resource person for benefits".

Another person from another group said, " You mentioned about the supplemental insurance. I don't know if I have any. It probably wouldn't be a bad idea, just every so often get some sort of review of what you have already signed up for, what the options are, and what you already have and see if maybe you would like to change it or add something. I sure don't know what I did three years ago".

Still another person offered this comment, "I think things like a tickler that come around, if you have something that pops up at six months, you become eligible for, or something like, I didn't know in two years you are going to get another week vacation. It might just come up and surprise you. But it would be better if somebody just had a tickler file on you and said, 'Thank you for being here two years, and now you get another week'".

"We have a newsletter now, but it mostly personal interest kinds of

things, and so forth. It wouldn't hurt to say 'Do you know you have these things'?"

"My office has expressed that they would like to have a handbook that covered everything. We got the little handbook when I went to orientation, but it doesn't tell you what holidays you have". "I would like to see for exempt employees an actual handbook or whatever states these benefits".

Other sources of benefit information were people in payroll, union documents, and the employee "grapevine" was mentioned in several groups.

E. Overall Benefit Package Evaluation and Suggested Changes

In general, the County employees expressed satisfaction with their current benefits. "The benefits we have are huge compared to the private sector". "...I came out of the (private sector) and a lot of their benefit packages were the same as the County, and I know in the last two or three years, the private sector has really revamped their contracts, and a lot of this is no longer with the private sector. It is just gone". "Those things are not generally presented to us as a benefit package. I mean, we're luckier than I thought, more fortunate than I thought".

Several groups felt that the County should explain benefits more so employees would have a better understanding and appreciation of the benefits. "I think the County is doing a good job with the benefits. I really

do. I think it's a good plan and they do a good job with it. I think there are problems with every plan. I don't care where you work or what it is. I think we are very fortunate. I just don't think that the County does a very good job of publicizing how fortunate we are". "...The County is falling down when they are not sending out something to the employees saying this is how much your benefits are costing the County every year". "The County is really funding a lot of money and the employees are not aware of how much that is".

There was an underlying feeling that change might not be an improvement to their plans, but could be a take-away. "Right now it is pretty good. The County hasn't lost ground in the last five or six years as much as the private sector has, and to push for something new, it seems like you kick the nest and you end up getting stung". "What bothers me a lot though, too, is...the trend is to take away the benefits". "You're starting to see this in business and you see it in negotiations all the time now. Hey, you have it real good now and they want to start taking some things out. That concerns me".

Nine groups mentioned the need or desire to have options in addition to Blue Cross and Kaiser. "I would like to see an option. I think what happens is that Multnomah County has one of the cheapest Blue Cross policies that they can find. And I would like to see an option where, like with life insurance, perhaps for maybe an extra \$20.00 a month out of the employees paycheck...let people choose what they want".

"I would like to see a third option back again between Kaiser and Blue

Cross". "I would like to see some competition for Kaiser. Kaiser sits on its laurels being the only game in town. If a major employer, such as Multnomah County, offered another HMO maybe Kaiser would be competing a little harder for that dollar". "Blue Cross has so many better plans and there are so many other better plans, such as HMOs, that are available through Blue Cross".

"I don't think it is very cost effective for the County...I think because it is a hospital plan and because of the way health expenses are, it really behooves the County to buy an HMO type plan. I think they would ultimately save more money by keeping employees well and out of the hospital than they would paying hospitalization".

"In addition, one of the things that often isn't linked with that is the opportunity to be involved with alternative health care systems. You might want chiropractic. People might want to be able to go to a naturopath. You might want to be able to choose a set of those kinds of options in addition to the more preventative options".

Another comment, "I think there is an understanding of escalating medical costs and probably expectation of some co-payment by employees, but I think management is very sensitive to the benefits because overall our salaries don't match on the outside, at least we can fall back on this. But if they decide this is an assault on benefits...". "I would even be willing to pay some to keep some of these".

Despite the caution about changing benefits, suggestions regarding

benefit improvements were made;

1. Prescription coverage in the Kaiser Medical Plan
2. Better mental and nervous coverage in both the medical plans
3. An option in addition to Kaiser and Blue Cross, an HMO or maybe another alternative preventative option
4. Dental: Adult orthodontia, flouride, and sealants; increased maximums for dental and orthodontia
5. Rebates for those who do not use their medical
6. Time off during the day to exercise
7. Possible longer term disability coverage (non-exempt)
8. Re-orientaton day and summary information about benefits (better communication)
9. Better preventative coverage on Blue Cross medical

F. Flexible Benefits

The reactions to flexible benefits were mixed. As a whole, nine groups thought the concept was interesting enough to investigate further. When we started the general, unaided discussion of benefits at the beginning of the group sessions, five groups brought up the idea of flexible benefits with no prompting from us.

One person helped us out by saying, "And one thing many people don't understand, Blue Cross has many different plans and all the County does is

offer one of those plans. And part of the purpose of this meeting here today is to have input into negotiations for the future. I think that one idea many employers are going to is kind of a lump sum payment employees where that individual employee can choose to spend their benefit package how they see fit. I think that's a real smart way to go about it".

Another person very early in one session said, "Do the packages have to be the same for all employees? Can it be some kind of a selection or different plan for different people? Like one employee wanted heavier health benefit and another one wanted life insurance or disability taken care of? Would that be a complicated procedure"?

Five groups said it would be too much of a burden for both the individual and the County. "It would raise administrative costs just to keep track of who has what". "I think it would turn out to be a terrible mess". "I think another aspect of it is the cost to the County and the cost to the taxpayers in administering something like that because I think, of course, we would all like to have our specific benefits plan that suits our needs".

Everyone seemed to grasp the idea that one benefit package may not be right for all people. "I don't have all this family stuff and it's garbage to me and I'd rather have a whole lot of different things". "I would be delighted with a medical plan where, maybe, I paid the first five thousand dollars. I say okay, I'm on my own, I am reasonably healthy. It's unlikely to happen so I am willing to take the first five grand and that should be a very low cost medical plan".

"I would be very open to a plan like that. Fit it around your family, because everybody has different kids, different family structure, and to be able to put the plan together that fits your needs... I know, some of my friends, \$200.00 deductible on their kids would break them. But others, if you are not real active and you don't have children, a plan like this, you can put it together and convert some of that to retirement fund".

Six groups said they had a problem with allowing individuals to take cash instead of the benefits. "The only problem I see with that is like young families, especially where there's just one working person, like young mothers might be tempted to skimp on some of these benefits they really need...". Participants in several groups brought up the subject of not needing County sponsored benefits if they were covered elsewhere, and being able to take the cash as a good option, and as a good savings for the County. It was recognized, however, that by diminishing the pool of people in the plan, the costs could increase.

There was a concern, also, about people making the wrong choice and having to live with it for a year. "There would be a lot of people who would make wrong choices". "Well, my own personal belief, and I can't speak for people, is that it's too risky and should not be explored". "I'm afraid of it". "I would not touch a cafeteria plan with a ten foot pole. I would stick with the current plan". "I'm naturally cautious. At my age...I don't like changes".

Three groups mentioned that they did not feel flexible benefits were

flexible enough, because choices could not be changed during the year. It is unclear whether these people actually understood the concept, because with their current plan they are not allowed to make changes to their selections during the Plan year either.

Others felt that it is simply a disguise for taking away something. "I'm trying to be open-minded...I would consult with the Union, though. Because...skeptical when something comes down the pike from management. Is this the way they reduce our total benefits, or is it just a way of readjusting it to give us choices"?

G. Spending Accounts

The reactions to Spending Accounts were even more mixed and stronger than responses about Flexible Benefits. "Yeah, I like it", and "I wouldn't touch it. I'd be scared to death to touch it", were two comments. "I think in today's society, it helps both the single parent and the double working family in that it allows them to take pre-tax dollars and do things or allows them the flexibility to compensate for other spousal coverage".

When we explained this concept, it was evident some people understood the concept better than others. "I think it is really interesting as an option, as opposed to a replacement". "I'm probably not well organized enough person to be able to figure it out". Three groups brought up the Federal tax credit for day care expenses and were concerned how Spending Accounts would

influence their tax returns.

Four groups mentioned the similarity of the new day care system to the concept we outlined. In response to that program, one person said, "I heard...others talking about it. And they were very favorable. Of course they were single mothers...One of them talked to me about it and said that basically having that child care paid for is a load off of her mind. She was really, really all for it".

The basic idea of "use it or lose it" brought mostly negative responses, even after we explained how unlikely it would be that they would over-estimate their expenses.

IV. HYPOTHESES

A. EMPLOYEE UNDERSTANDING OF CURRENT PLANS

- 1. The new employees have more information about their benefits than current employees.**
- 2. Some benefits are understood better than others.**
- 3. In general, people are satisfied with their benefits, but unhappy with the communication of the benefits.**

Life/Supplemental Life

- Most people did know there is a Life/Supplemental Life benefit.
- Life/Supplemental Life ranked low on the "importance scale".

Disability

- Employees know about Worker's Compensation.
- Most employees felt coverage past sick leave would be nice but sick leave accumulation was the same thing as short-term disability.
- Some non-exempt employees would be interested in extended disability insurance.

Sick Leave

- Employees are generally satisfied with sick leave policies.
- Employees do not understand exactly how sick leave accumulates.
- Employees want to be able to use sick days as sick days without repercussions.

Medical:

- Medical coverage is the most important benefit to a majority of people.
- People are moderately satisfied with Blue Cross, and choose it primarily so they can choose their own physician.
- The loudest comment about Blue Cross was the inability to get answers from them, and to get anticipated payment.
- The other concern with Blue Cross was the lack of "preventative" benefits.
- Kaiser people are generally happy with Kaiser, and choose it for its lower out-of-pocket costs, wellness perspective on health care, and for family coverage.
- The loudest comment about Kaiser was the lack of prescription drug coverage. Kaiser people may be willing to accept a higher co-pay amount to include prescription drug coverages.
- People would like to have a third option for medical coverage.

Vision

- People are aware there is a Vision Plan within Blue Cross and Kaiser, and were fairly clear about the vision benefits.
- The vision coverage was viewed as inadequate.

Dental

- There is general satisfaction with the preventative part of the Dental Plan.
- Three things were requested to improve the Plan:
 - increasing the maximum for orthodontia coverage,
 - including adult orthodontia and flouride treatments, and
 - increasing the yearly maximum.
- People are willing to pay a small amount out of pocket to get increased dental coverage.

Retirement/PERS

- Most people are aware of the basic mechanics of PERS.
- The Pension fund is the second most important benefit to employees.
- There is confusion about vesting and withdrawal of funds.
- PERS does an adequate job of communicating with employees.

Deferred Compensation

- Knowledge of the Deferred Compensation varies. While it was mentioned in eleven groups, a significant number of employees had not heard of it.
- Those who are in the Plan or who are familiar with the plan, liked it.
- AETNA and Benjamin Franklin representatives are doing a good job.

Vacation/Holiday/Time off

- Vacation time is the third most important benefit to employees.
- Holiday time is adequate.

Other Benefits

- The County currently offers many benefits that were mentioned and appreciated by the groups. In general, the County is viewed as doing a good job with their benefits.

B. EMPLOYEE SATISFACTION WITH CURRENT PLANS

- 1. Pride and appreciation is generally high regarding the County-provided benefits. "...That's one of the reasons why I came to work for the County is because of the benefits".**

- 2. While there are some areas for improvement, there is no major dissatisfaction with any of the benefits.
"We've got it great".**

- 3. Medical coverage, PERS and vacation are the most important benefits, respectively.**

C. ARE THERE ENOUGH CHOICES IN THE BENEFIT PACKAGE?

- 1. Generally, employees feel the current benefit mix is adequate.**

- 2. Most people would like to see a third medical option.**

- 3. The undercurrent says "Do not change our benefits".
Change is synonymous with loss of benefits.**

- 4. Employees are willing to pay small amounts for extended coverage on some of their existing benefits.**

D. FEASIBILITY OF FLEXIBLE BENEFITS

- 1. The reaction to Flexible Benefits and Spending Accounts was mixed.**
- 2. There is enough evidence to suggest participants were interested in investigating Flexible Benefits.**
- 3. Communication would be a major concern in any Flexible Benefit Plan.**
- 4. An actual or perceived take-away of benefits would not be tolerable.**

E. COMMUNICATIONS

- 1. Initial orientation sessions do not seem to be the most successful method for communicating benefit information.**
- 2. Published names and telephone numbers of information sources would help the flow of benefit assistance.**
- 3. Follow-up orientation sessions periodically during the employee's career with the County would keep the employee more up-to-date on benefits.**

V. RECOMMENDATIONS

- **Provide feedback to the focus group members about this report.**

- **Do not make any changes to the current benefit package at this time, with the exception of looking at a third medical alternative.**

- **The County should continue to explore the options available for implementing Flexible Benefits and Spending Accounts with special attention to:**
 - timetables**
 - availability of this type of coverage**
 - communication requirements**
 - employee attitudes and skepticism**

- **A primary goal should be to evaluate and establish a Communication program to support an ongoing benefits information strategy to increase the employees' understanding, and to maintain and increase appreciation of the benefits. This might include information in the newsletter and seminars similar to wellness program lectures. It should also include publicizing names and**

telephone numbers of where to go for benefit assistance.

- **Investigate the feasibility of regularly scheduled employee re-orientation meetings.**

- **Re-communicate existing benefits, especially during open enrollment for greater participation:**
 - Life/Supplemental Life**
 - Salary Continuation**
 - Deferred Compensation**

- **Examine internal County policies regarding:**
 - Maternity**
 - Continuing Education**

- **Produce Benefit Statements for all those employees who are receiving benefits.**

- **Schedule a follow-up focus group to measure attitudes and awareness in six months after any new communications have begun.**

VI. EXHIBITS

Exhibit #1

Demographics of Multnomah County Focus Groups

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>
8 - 88's	8 - 88's	8 - 88's	8 - 88's
1 - O.N.A.	1 - O.N.A.	1 - O.N.A.	1 - O.N.A.
1 - Sheriff	1 - Sheriff	1 - Sheriff	1 - Sheriff
1 - Corrections	1 - Corrections	1 - Corrections	1 - Corrections
1 - Painter	1 - Engineer	1 - Electrician	1 - Pros. Attny.

<u>Group 5</u>	<u>4 Groups</u>	<u>3 Groups</u>
8 - 88's	8 - 88's	8 - 88's
1 - O.N.A.	1 - O.N.A.	1 - O.N.A.
1 - Sheriff	1 - Sheriff	2 - Corrections
1 - Corrections	2 - Corrections	1 - Pros. Attny.

Exhibit #2

Multnomah County Focus Groups

1. Welcome - randomly hand-picked
2. Introductions - Fred. S. James, outside consultants
3. What is a focus group? Attitude survey rather than written survey
4. Atmosphere:
 - casual
 - no right or wrong answers
 - taping
5. Why are we doing this? Objectives of focus group research
 - gather impressions
 - awareness
 - understanding
 - appreciation
 - test new concepts
6. Method
 - talk about benefits (life events)
 - review current benefits
 - rank benefits
 - flex
7. Life Events
8. Quiz
9. Review actual benefits
10. Communications
11. Rank benefits
12. Flexible benefits
13. Spending accounts
14. Other input

MY BENEFITS

1. LIFE INSURANCE \$ _____ benefit
2. ACCIDENTAL DEATH AND DISMEMBERMENT \$ _____ benefit
3. I have \$ _____ of ADDITIONAL LIFE INSURANCE that I pay for myself.
4. DISABILITY
 - I pay \$ _____ for this coverage.
 - Benefits are paid at _____% of my salary.
 - How long are the benefits paid? _____.
 - My survivor's benefit is _____.

5. MEDICAL

BLUE CROSS

- My deductible is \$ _____ per year for me with a family maximum of \$ _____
- After the deductible, I pay _____%
- The plan maximum is \$ _____.
- I pay \$ _____ per month for this coverage.

KAISER

- My deductible is \$ _____.
- I pay \$ _____ for an office visit.
 - \$ _____ for an x-ray.
 - \$ _____ for a lab test.
 - \$ _____ for a prescription drug.
- I pay \$ _____ per month for this coverage.

6. DENTAL PLAN

- My dental deductible is \$ _____ per year.
- A routine exam is paid at _____%. For Kaiser, my co-pay is \$ _____.
- Fillings are paid at _____%. For Kaiser, my co-pay is \$ _____.
- The big stuff is paid at _____%. For Kaiser, my co-pay is \$ _____.
- The maximum benefits per year is \$ _____. For Kaiser its \$ _____.
- I pay \$ _____ per month for this coverage.
- Orthodontia is paid at _____%. For Kaiser Orthodontia I pay \$ _____.
- My lifetime orthodontia maximum is \$ _____. For Kaiser its \$ _____.

7. VISION PLAN

- My insurance pays \$ _____ every _____ years for an eye exam.
For Kaiser, I pay \$ _____ for an eye exam.
- My insurance pays \$ _____ for necessary contact lenses.
- My insurance pays \$ _____ for cosmetic contact lenses.
Under Kaiser, my co-pay is \$ _____ for necessary contacts & \$ _____ for cosmetic contacts.
- My insurance pays \$ _____ every _____ years for lenses.
Under Kaiser, my co-pay is \$ _____ every _____ years for lenses.
- My insurance pays \$ _____ every _____ years for frames.

8. EARLY RETIREMENT (Medical, Dental and Vision Benefits)

- The County pays _____% for this coverage to age 65.
- I will pay _____% to continue this coverage to age 65.

9. DEFERRED COMPENSATION

- I am putting in \$ _____ before taxes.
- The maximum amount I can contribute is \$ _____.

10. RETIREMENT

- My benefit will be _____% times the years I work times my final average salary.
- I will own my benefits after _____ years.
- I pay \$ _____ for this coverage.

EXHIBIT #3 (nonexempt)

MY BENEFITS

1. LIFE INSURANCE \$_____ benefit.
2. ACCIDENTAL DEATH & DISMEMBERMENT \$_____ benefit.
3. I have \$_____ of ACCIDENTAL LIFE INSURANCE that I pay for myself.

4. DISABILITY

- I pay \$_____ for this coverage.
- Benefits are paid at _____ rate.
- Benefits are paid for _____ weeks.

5. MEDICAL

BLUE CROSS

- My deductible is \$_____ per year for me with a family maximum of \$_____
- After the deductible, I pay _____% to \$2,500.
- The balance is paid at _____%.
- I pay \$_____ per month for this coverage.

KAISER

- My deductible is \$_____.
- I pay \$_____ for an office visit.
- \$_____ for an x-ray.
- \$_____ for a lab test.
- \$_____ for a prescription drug.
- I pay \$_____ per month for this coverage.

6. DENTAL PLAN

- My waiting period is _____ months.
- My dental deductible is \$ _____ per year.
- A routine exam is paid at _____%. Under Kaiser, my co-pay is \$ _____.
- Fillings are paid at _____%. Under Kaiser, my co-pay is \$ _____.
- The big stuff is paid at _____%. Under Kaiser, my co-pay is \$ _____.
- The maximum benefits per year is \$ _____. Under Kaiser, its \$ _____.
- I pay \$ _____ per month for this coverage.
- Orthodontia is paid at _____%. Under Kaiser orthodontia I pay \$ _____.
- My lifetime orthodontia maximum is \$ _____. Under Kaiser its \$ _____.

7. VISION PLAN

- My insurance pays \$ _____ every _____ years for an eye exam.
Under Kaiser, I pay \$ _____ for an eye exam.
- My insurance pays \$ _____ for necessary contact lenses.
- My insurance pays \$ _____ for cosmetic contact lenses.
Under Kaiser, my co-pay is \$ _____ for necessary contacts and \$ _____ for cosmetic contact lenses.
- My insurance pays \$ _____ every _____ years for lenses.
Under Kaiser, my co-pay is \$ _____ every _____ years for lenses.
- My insurance pays \$ _____ every _____ years for frames.

8. EARLY RETIREMENT (Medical, Dental, Vision benefits)

- The County pays _____% for this coverage to age 65.
- I will pay _____% to continue this coverage to age 65.

9. DEFERRED COMPENSATION

- I am putting in \$ _____ before taxes.
- The maximum amount that I can contribute is \$ _____.

10. RETIREMENT

- My benefit will be _____% times the years I work times my final average sal.
- I will own my benefits after _____ years.
- I pay \$ _____ for this coverage.