



Milwaukee County Board of Supervisors

Lee Holloway

Chairman of the Board

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Contact: Harold Mester, Public Information Manager
414/278-4051 or harold.mester@milwcnty.com

HOLLOWAY ANNOUNCES PLAN TO SAVE MILLIONS IN TRANSIT FUNDING

Change in administration of transit employee health benefits will yield savings in 2012

Milwaukee, WI – County Board Chairman Lee Holloway is pleased to announce a new cost savings measure that will help offset some of the expected cuts to the Milwaukee County Transit System. The proposal calls for Milwaukee County to administer the health care contract for employees of the Milwaukee County Transit System (MCTS). MCTS is operated by a private firm under contract with Milwaukee County, but transit workers are not County employees.

“This is a way for Milwaukee County to leverage its existing relationship with United Health Care and lower costs for transit workers,” Chairman Holloway said. “We will save tax dollars by placing health benefits for these workers and their dependents in the County’s contract. Nothing will change for transit employees. They will still have the same network, plan design and benefit levels. They will not be merged into the County’s benefit plan.”

Compared to the transit system’s existing fully-insured arrangement, the shift to the County’s self-funded medical plan through United Health Care is expected to save \$2 million in expenditures annually.

“I intend to redirect as much of those savings as possible into the transit system,” Chairman Holloway added. “The State has cut transit funding by nearly \$7 million. We need all the help we can get.”

The change means Milwaukee County will coordinate health benefits for approximately 2,000 transit employees and retirees, plus their dependents.

When Chairman Holloway served as County Executive earlier this year, he directed the Employee Benefits Division to work with the transit system and other employee groups to lower health care costs and save taxpayer dollars. In 2006, he created the Employee Benefits Division and launched a private-sector model to lower employee and retiree health care costs, saving taxpayers more than \$130 million during the last five years.

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Room 201, Courthouse • 901 North 9th Street • Milwaukee, Wisconsin 53233
Phone: 414-278-4261 • FAX: 414-223-1380 • E-Mail: lee.holloway@milwcnty.com