

FISCAL YEAR 2019 BUDGET

Fund Summary

Fund Name : Health Benefits
Business Area : Human Resources
Fund No./Bus. Area No. : 9000 / 8000

	<u>FY2018 Current Budget</u>	<u>FY2018 Estimate</u>	<u>FY2019 Budget</u>
Beginning Fund Balance	17,429,017	17,429,017	24,565,165
Current Revenues	388,151,348	387,977,118	411,400,069
Total Available Resources	<u>405,580,365</u>	<u>405,406,135</u>	<u>435,965,234</u>
Maintenance and Operations	387,764,607	380,840,970	409,634,968
Total Expenditures	<u>387,764,607</u>	<u>380,840,970</u>	<u>409,634,968</u>
Planned Ending Fund Balance	<u>17,815,758</u>	<u>24,565,165</u>	<u>26,330,266</u>
Total Budget	<u><u>405,580,365</u></u>	<u><u>405,406,135</u></u>	<u><u>435,965,234</u></u>

The above summarizes the FY2018 Current Budget, the FY2018 Estimate and the FY2019 Budget for the Health Benefits Fund. Also included are the beginning and ending fund balances, total revenues and total expenditures.

The Health Benefits Fund is an Internal Service Fund established in 1984 to centralize the financial transactions of the City's benefit plans. The benefit plans include health, vision, dental, life insurance, dependent care reimbursement and a health flexible reimbursement arrangement plan. The City also provides five Medicare plans for all eligible retirees age 65 and over, who are covered by Medicare. The medical plans are supported by contributions from the City and subscribers.

The City became self-insured effective May 1, 2011, and initially purchased stop-loss insurance. Effective May 1, 2013, the City assumed the financial risk of catastrophic and overall claims liability and discounted the purchase of individual and aggregate stop-loss coverage.

In FY2019, Wellness and Employee Assistance Program will be consolidated to streamline the budget process as these cost centers work together.

Additionally, the FY2019 Active subscriber rates will increase by 6.67% effective May 1, 2018. The City departments' contribution rates will increase by 7.09% in aggregate effective July 1, 2018.

FISCAL YEAR 2019 BUDGET

Business Area Budget Summary

Fund Name : Health Benefits
 Business Area : Human Resources
 Fund No. /Bus. Area No. : 9000 / 8000

	FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget	
Expenditures	Personnel Services	4,930,125	5,124,958	4,726,089	5,081,983
	Supplies	68,376	97,264	76,815	83,903
	Other Services and Charges	361,346,462	382,362,108	375,861,585	404,251,010
	Equipment	157,800	126,478	126,478	200,000
	Non-Capital Equipment	7,235	53,799	50,003	18,072
	Total M & O Expenditures	366,509,998	387,764,607	380,840,970	409,634,968
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	366,509,998	387,764,607	380,840,970	409,634,968

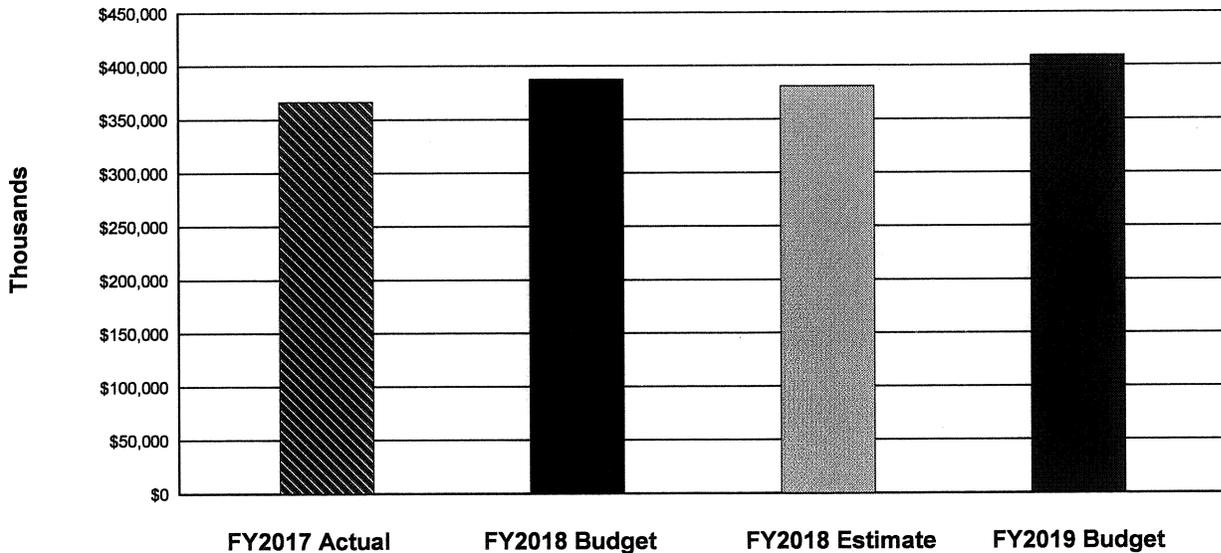
Revenues	359,970,722	388,151,348	387,977,118	411,400,069
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Staffing	Full-Time Equivalents - Civilian	47.7	50.8	44.1	50.5
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	47.7	50.8	44.1	50.5
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY19 Budget provides funding for health benefits and pension contributions.
- o Revenue Budget includes the increases in City and subscribers' contributions and active employees and their spouses' wellness non-engagement surcharge.
- o Implemented a new Employee Assistance Program (EAP) contract effective on 5/01/2018.

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2019 BUDGET

Business Area Performance Measures				
Fund Name : Health Benefits Business Area : Human Resources Fund No. /Bus. Area No. : 9000 / 8000				
Performance Measures	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Budget
Generic Drug Utilization	N/A	80%	88%	88%
Health Assessment Completion	N/A	50%	52%	90%
Expenditures Adopted Budget vs Actual Utilization	101%	98%	98%	98%
Revenues Adopted Budget vs Actual Utilization	101%	100%	100%	100%

FISCAL YEAR 2019 BUDGET

Division Summary						
Fund Name : Health Benefits Business Area : Human Resources Fund No. /Bus Area No. : 9000 / 8000						
Division Description	FY2017 Actual		FY2018 Estimate		FY2019 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
HR - Benefits Administration 800012 Administer, maintain, and communicate City sponsored benefits by utilizing a customer focused approach for employees, retirees and their dependents to create a healthy culture throughout the City of Houston. Develop and provide strategic direction of the Benefits Program that includes the Healthcare Delivery System and other employee health and welfare plans. Handle the management of all employee data.	29.4	3,658,940	25.6	4,218,728	31.5	5,325,083
HR - Employee Assistance Program 800013 Employee Assistance Program (EAP) provides confidential assessment, referral and short-term counseling to employees with personal concerns that may adversely affect their work performance. This program serves as a leader in complying with the Drug Free Workplace Act as well as consultation and education to supervisors and managers.	3.0	607,657	2.9	612,651	0.0	0
HR - Communications 800014 The Communications team provides city employees and retirees with information regarding city news, health and wellness benefits, safety and other need-to-know information. The team publishes two award-winning employee newsletters and HR communications for approx. 22,000 active employees and 11,000 retirees. The Communications team also fosters employee recognition and engagement through various activities, annual fundraising drive, and CMC.	7.3	794,746	7.6	835,139	8.0	850,833
HR - Benefits Financial/Reporting 800015 Assist in the design, maintenance and interpretation of management reports on operational and financial matters. Prepare the budget and monitor the various benefit plans' financial impact.	8.0	361,448,655	8.0	375,174,452	11.0	403,459,052
Total	47.7	366,509,998	44.1	380,840,970	50.5	409,634,968

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

Fund Name : Health Benefits
Business Area : Human Resources
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Category	FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Intergovernmental	(67,805)	0	0	0
Charges for Services	1	0	13	0
Interest	525,411	450,000	750,000	700,000
Miscellaneous/Other	359,513,115	387,701,348	387,227,105	410,700,069
Grand Total Revenues	<u>359,970,722</u>	<u>388,151,348</u>	<u>387,977,118</u>	<u>411,400,069</u>