

FISCAL YEAR 2006 BUDGET

Fund Summary

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

	<u>FY2005 BUDGET</u>	<u>FY2005 ESTIMATE</u>	<u>FY2006 BUDGET</u>
Beginning Fund Balance	767,509	767,509	1,220,286
Current Revenues	<u>228,045,829</u>	<u>216,544,847</u>	248,956,713
Total Available Resources	<u>228,813,338</u>	<u>217,312,356</u>	250,176,999
Maintenance and Operations	<u>228,135,811</u>	<u>216,092,070</u>	248,956,713
Total Expenditures	228,135,811	216,092,070	248,956,713
Planned Ending Fund Balance	<u>677,527</u>	<u>1,220,286</u>	1,220,286
Total Budget	<u>228,813,338</u>	<u>217,312,356</u>	250,176,999

The above summarizes the FY2005 Budget, the FY2005 Estimate, and the FY2006 Budget for the Health Benefits Fund. Also included are the beginning and ending fund balances, total available resources and total expenditures.

Implemented in 1994, the health benefits delivery system continues to employ aggressive managed care features. The City's current health benefits model is a combination of Health Maintenance Organization (HMO) and a Preferred Provider Organization (PPO) Program. These plans are supported by contributions from the City and subscribers. The Fund also includes two dental plans, a dental/health maintenance organizations (DHMO) and dental indemnity plan.

Health Coverage

The City has contracted with HMO Blue Texas (HMOBTX) to provide health benefits for employees and retirees since May 1994. Effective May 1, 2005, the City will award HMO Blue Texas the 2nd of two one-year options effective thru April 30, 2006. HMOBTX provides a fully insured HMO plan and administers the City's self-insured PPO program. Approximately 95% of the City's employees are enrolled in the HMO plan. Plan costs years are capped and prescribed by a formula. Contributions are established at a 78%/22% aggregate ratio with the City contributing 78% of the cost. Effective May 1, 2005 the City will provide two new Medicare Advantage Plans to Medicare eligible retirees with economical cost effective medical coverage.

Dental Insurance

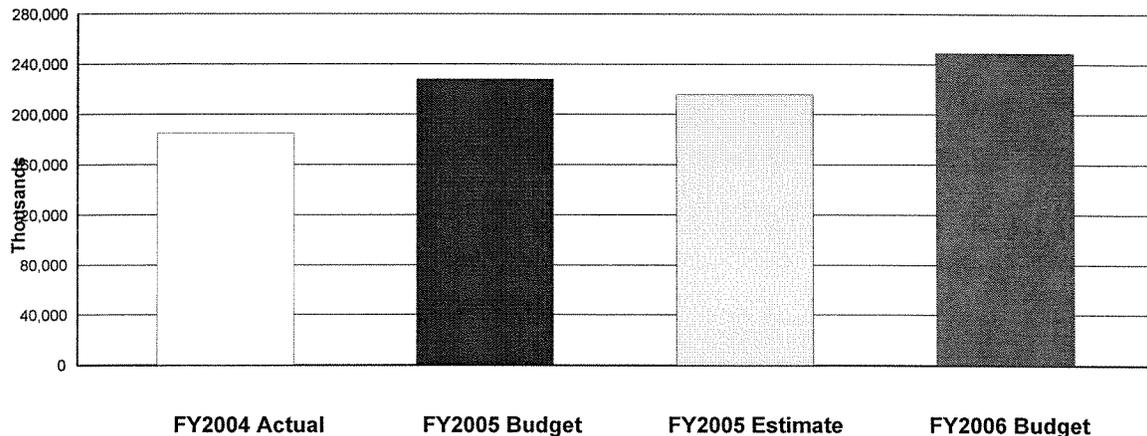
The City has contracted with National Pacific Dental and Spectera Insurance Company, Inc. since 1995 to provide dental benefits for employees and retirees. Participants pay the full cost for the coverage. The City retained the current plan model: a managed care (DHMO) plan and an indemnity plan with an underlying network of dentists with discounted fees. There is no cost to the City for the dental program. Plan participants pay the full premium. FY2006 DHMO rates will increase approximately 10% while indemnity rates will remain the same.

Life Insurance

Effective October 1, 2003, the City awarded a three-year contract with two one-year renewal options to Standard Insurance Company. Standard offered the most competitive proposal to improve benefits and reduced the basic life insurance premium rate by 33%. Under such contract, the Basic Coverage is one times salary of the employee and the rates are guaranteed for three years. Premiums for Basic Coverage are paid for by the city, with employees funding Voluntary Coverage.

Department Budget Summary					
Fund Name : Health Benefits					
Department Name : Human Resources					
Fund/Department No. : 888 / 80					
		FY2004 Actual	FY2005 Budget	FY2005 Estimate	FY2006 Budget
Expenditure Summary	Personnel Services	1,962,922	2,296,294	2,177,480	2,308,761
	Supplies	58,706	81,400	65,042	80,200
	Other Services and Charges	183,014,923	225,643,117	213,836,098	246,299,702
	Equipment	50,751	100,300	0	261,000
	Non-Capital Equipment	0	14,700	13,450	7,050
	Total M & O Expenditures	185,087,302	228,135,811	216,092,070	248,956,713
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	185,087,302	228,135,811	216,092,070	248,956,713
Revenue Summary		184,818,526	228,045,829	216,544,847	248,956,713
Staffing Summary	Full-Time Equivalents - Civilian	36.0	39.7	38.9	39.8
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Total	36.0	39.7	38.9	39.8
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.3
Budget Highlights	<ul style="list-style-type: none"> o Continue to explore options to mitigate cost to City and Subscribers. o Establish a 78/22% aggregate contribution ratio, City/Subscribers. o Promote Medicare Advantage Plans to retirees. o Explore web based enrollment system. o Produce and and release RFP for medical, dental, and supplemental Insurance. 				

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2006 BUDGET

Department Program Summary	
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80	
Program Description	Program Objectives
Health Benefits 1600 HMO Blue Texas 1225 Health Maintenance Organization (HMO) which provides employees with a managed healthcare plan.	Provide active employees with medical coverage to promote a healthy workforce.
Health Benefits 1600 Dental HMO 1321 Dental Health Maintenance Organization (DHMO) which provides employees with a managed dental plan. Plan is supported entirely by participants' premiums.	Provide employees with dental coverage to promote a healthy workforce.
Health Benefits 1600 Communications 1760 Communicate to employees their role in the organization, in following the Mayor's guiding principles, and the importance of excellent customer service. Improve employee morale, foster teamwork, recognize employee achievements, inform citizens about City services.	Educate employees about providing excellent customer service; educate employees/retirees about health issues and using their benefits wisely. Organize employee recognition programs. Promote a positive image of the City and its employees to the public.
Health Benefits 1600 Employee Assistance Program 1750 Offer confidential assessment, referral and short-term counseling to employees with personal concerns that may adversely affect work performance. Serve as a leader in compliance with the Drug Free Workplace Act. Provide consultation and education to supervisors/managers	Promote a productive workforce by reducing employee problems of a personal nature; train supervisors to recognize problem employees and refer to the EAP; and support a drug and violence free work place.
Health Benefits 1600 Benefits Administration 1700 Administer and analyze City sponsored benefits for employees, retirees, and their dependents.	Maintain health benefits delivery plan, monitor contract compliance, analyze the fund's financial status, and educate employee on how to be informed consumers of their City-sponsored health and welfare plans.

FISCAL YEAR 2006 BUDGET

Department Program Summary									
Fund Name : Health Benefits									
Department Name : Human Resources									
Fund/Department No. : 888 / 80									
Program Performance Measures	FY2004 Actual			FY2005 Estimate			FY2006 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	5935			5710			5740		
Employee + 1	3990			3845			3910		
Employee + 2 or more	9357			9162			9260		
Retirees	6546			7474			8140		
	0.0	160,610,545		0.0	190,242,765		0.0	219,416,388	
Retiree only	0			330			376		
Retiree + 1				325			338		
Retiree + 2 or more				20			26		
			0	0.0	61,000		0.0	590,790	
Retiree only	22			20			20		
Retiree + 1	2			2			2		
Retiree + 2 or more	1			1			1		
	0.0	12,111		0.0	11,169		0.0	12,584	
Employee only	306			306			312		
Employee + 1	131			132			132		
Employee + 2 or more	144			145			144		
	0.0	4,091,057		0.0	4,391,545		0.0	4,116,688	
Retiree only	441			470			517		
Retiree + 1	254			251			271		
Retiree + 2 or more	18			17			19		
	0.0	2,650,182		0.0	4,857,301		0.0	7,162,667	

FISCAL YEAR 2006 BUDGET

Department Program Summary	
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80	
Program Description	Program Objectives
Health Benefits 1600 Retiree Vol Life \$5,000 1423 This plan provides retirees with \$5,000 in basic life insurance coverage. The plan is supported entirely by retirees' premiums.	Provide retiree life insurance coverage to prevent economic hardship.
Health Benefits 1600 Retiree Vol Life \$2,000 1422 This plan provides retirees with \$2,000 in life insurance. The cost is supported entirely by retirees' premiums.	Provide retiree life insurance coverage to prevent economic hardship.
Health Benefits 1600 Active Employee Vol Life 1421 This insured plan offers additional life insurance which is provided by a commercial carrier and is supported entirely by employees' premiums.	Provide active employees an option for additional life insurance coverage.
Health Benefits 1600 Employee Basic Life 1411 This insured plan provides one times salary of life insurance to employees and up to \$2,000 dependent coverage at no expense to the employee.	Provide active employees life insurance coverage.
Health Benefits 1600 Dependent Care Reimbursement Plan 1325 Employees can reimburse themselves with tax-free money for dependent care expenses.	Provide employees with option to save money by contributing pretax money to an account. Reimburses them for eligible dependent care expenses.

FISCAL YEAR 2006 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2004 Actual			FY2005 Estimate			FY2006 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	0			8			0		
Employee + 1	0			0			0		
Employee + 2 or more	0			0			0		
Retirees									
	0.0	1,841,324		0.0	10,122		0.0		0
Employee only	4021			4005			4045		
Employee + 1	2544			2510			2560		
Employee + 2 or more	4814			4675			4750		
Retirees	1608			2025			2240		
	0.0	2,643,436		0.0	2,952,701		0.0		3,311,465
Employee only	1809			1735			1765		
Employee + 1	1219			1190			1215		
Employee + 2 or more	2448			2395			2440		
Retirees	1622			1895			2015		
	0.0	5,063,174		0.0	4,942,295		0.0		5,171,087
Employees participating	39			40			40		
	0.0	142,652		0.0	160,000		0.0		160,000
Active employees covered	20678			20300			20500		
	0.0	1,137,048		0.0	1,149,696		0.0		1,190,549

FISCAL YEAR 2006 BUDGET

Department Program Summary	
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80	
Program Description	Program Objectives
Health Benefits 1600 Dental Indemnity 1322 Insured dental plan offered to provide comprehensive dental coverage to all employee/retiree groups. Plan is supported entirely by participants' premiums.	Provide employees with dental coverage to promote a healthy workforce.
Health Benefits 1600 Plan X & Plan Y 1250 Medicare Advantage Plans HMO-Type Medicare Replacement Plans which provide retirees with alternative managed healthcare plans.	
Health Benefits 1600 Benefits Financial Division 1780 Assist in the design, maintenance, and interpretation of management reports on operational and financial matters; prepare the budget, and monitor the various benefits plans' financial impacts.	Provide retirees with economical medical options to help the better manage health care costs. Post, analyze, monitor, prepare and review financial documents associated with health benefits, and long term disability.
Health Benefits 1600 Benefits Planning & Development 1770 Design, analyze, and monitor City sponsored employee Health and Welfare benefits plans. Conduct annual health benefits satisfaction surveys. Conduct annual health fair.	Design plans that address strategic goals; analyze data to predict trends; monitor vendor service to determine quality of care. Monitor quality and service of vendors and adherence to performance standards.
Health Benefits 1600 Out of Area Plan 1316 Preferred Provider Organization plan offered to provide coverage for active employees and retirees who live outside the healthcare provider's service area (OOA/PPO).	Provide active employees and retirees with medical coverage to promote a healthy workforce.

FISCAL YEAR 2006 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2004 Actual			FY2005 Estimate			FY2006 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee	10216			9995			10150		
Spouse	4410			4255			4290		
Children	5093			4995			5135		
		0.0	4,196,385		0.0	4,266,027		0.0	4,329,982
Retirees covered	0			0			0		
		0.0	396		0.0	0		0.0	0
Retirees covered	7416			7975			8210		
		0.0	49,318		0.0	43,065		0.0	44,334
Employee Education meeting	322			600			700		
Process COBRA letters	1,124			1400			1400		
Process enrollment changes	12,779			8000			8000		
Handle employee inquires	54,871			70,000			80,000		
		21.0	1,446,531		21.0	1,588,340		22.0	1,963,091
Supervisory training	183			200			225		
Assess & Refer employees	659			800			825		
Employees oriented/									
Seminar attendance	3372			1700			2000		
		4.0	228,195		4.0	268,350		4.0	276,041

FISCAL YEAR 2006 BUDGET

Department Program Summary	
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80	
Program Description	Program Objectives
Health Benefits 1600 Retiree Plan A 1312 Self-insured plan which provides a schedule of fees for medical coverage to retirees.	Provide retirees with medical coverage to prevent economic hardship.
Health Benefits 1600 Retiree POS 1315 Preferred Provider Organization (PPO) plan offered to provide comprehensive medical coverage to retirees.	Provide retirees with medical coverage to prevent economic hardship.
Health Benefits 1600 Active Employee POS 1314 Preferred Provider Organization (PPO) plan offered to provide comprehensive medical coverage to active employees.	Provide active employees with medical coverage to promote a healthy workforce.

FISCAL YEAR 2006 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2004 Actual			FY2005 Estimate			FY2006 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Extra Milers newsletters	3			0			0		
Combined Mun. Campaign	1			0			0		
Public Service Recognition	1			0			0		
Benefits Publication	15			0			0		
City Savvy	4			0			0		
	4.0		398,257	6.0		411,609	5.8		472,654
Meet with vendor	12			12			12		
Conduct annual surveys	4			1			1		
Annual Health Fair	1			1			1		
Meet with Dental vendor	6			4			4		
	1.0		72,790	2.0		136,060	2.0		146,262
Prepare Monthly Financial	12			12			12		
Prepare Budget	1			1			1		
	6.0		503,901	6.0		600,025	6.0		592,131
Total	<u>36.0</u>		<u>185,087,302</u>	<u>38.9</u>		<u>216,092,070</u>	<u>39.8</u>		<u>248,956,713</u>

FISCAL YEAR 2006 BUDGET

Fund Name : : **Health Benefits**
 Department Name : : **Human Resources**
 Fund / Department No. : **888 / 80**

NO. of POSITIONS	JOB DESCRIPTION	JOB CLASS CODE	PAY GRADE
1	ACCOUNTING SERVICES SUPERVISOR	3427	16
1	ADMINISTRATION MANAGER	3029	26
2	ADMINISTRATIVE AIDE	3011	10
1	ADMINISTRATIVE ASSISTANT	3022	17
2	ADMINISTRATIVE COORDINATOR	3026	24
1	ADMINISTRATIVE SPECIALIST	3025	20
1	ADMINISTRATIVE SUPERVISOR	3035	22
2	ASSISTANT DIRECTOR-HUMAN RESOURCES(EXE LEV)	4029	32
1	COMMUNICATIONS SPECIALIST	8711	15
2	CUSTOMER SERVICE REPRESENTATIVE I	8862	13
3	CUSTOMER SERVICE REPRESENTATIVE II	8863	15
1	DIVISION MANAGER	3030	29
1	EAP MANAGER	4115	26
1	FINANCIAL ANALYST III	3563	21
1	FINANCIAL ANALYST IV	3564	25
6	HUMAN RESOURCES ASSISTANT	4014	13
2	HUMAN RESOURCES SPECIALIST	4021	17
1	HUMAN RESOURCES SUPERVISOR	4027	24
1	RECEPTIONIST	4821	7
1	SENIOR ACCOUNT CLERK	3412	13
1	SENIOR CLERK	4813	8
2	SENIOR COMMUNICATIONS SPECIALIST	8712	20
2	SENIOR COUNSELOR	4113	22
1	SENIOR GRAPHIC DESIGNER	8725	21
1	SENIOR OFFICE ASSISTANT	4921	12
2	STAFF ANALYST	3041	26
41.0	Total Positions		
1.2	Less adjustment for Vacancies and Part-Time Employees		
39.8	Full-Time Equivalent		

FISCAL YEAR 2006 BUDGET

Department Revenue Summary						
Fund Name : Health Benefits						
Department Name : Human Resources						
Fund/Department No. : 888 / 80						
Source	Description	Program Org	Program Name	FY2005 Budget	FY2005 Estimate	FY2006 Budget
7350	Other Intfd Services	1225	HMO Blue Texas	0	(3,000,000)	0
8700	Active Empl-City Share Health	1225	HMO Blue Texas	128,818,602	123,931,712	118,612,695
8706	Retirees B-City Share Health	1225	HMO Blue Texas	35,447,770	35,931,060	57,427,436
8710	Active Empl Cont-Health Plan	1225	HMO Blue Texas	22,284,769	20,627,844	25,471,005
8725	Retirees A Pension Contrib	1225	HMO Blue Texas	15,756,386	15,628,331	20,808,102
8706	Retirees B-City Share Health	1250	Plan X & Plan Y	0	45,750	443,067
8725	Retirees A Pension Contrib	1250	Plan X & Plan Y	0	15,250	147,723
8706	Retirees B-City Share Health	1312	Retiree Plan A	5,375	4,984	4,145
8725	Retirees A Pension Contrib	1312	Retiree Plan A	8,883	7,097	8,606
8700	Active Empl-City Share Health	1314	Active Employee POS	3,427,880	3,114,199	2,167,238
8710	Active Empl Cont-Health Plan	1314	Active Employee POS	1,729,380	1,578,103	2,003,183
8706	Retirees B-City Share Health	1315	Retiree POS	1,271,632	2,149,487	3,488,374
8725	Retirees A Pension Contrib	1315	Retiree POS	1,782,770	2,272,731	3,767,722
8700	Active Empl-City Share Health	1316	Out of Area Plan	75,494	3,093	0
8706	Retirees B-City Share Health	1316	Out of Area Plan	1,325,369	0	0
8710	Active Empl Cont-Health Plan	1316	Out of Area Plan	39,661	1,265	0
8725	Retirees A Pension Contrib	1316	Out of Area Plan	1,724,944	370,157	0
8710	Active Empl Cont-Health Plan	1321	Dental HMO	2,650,556	2,546,040	2,822,117
8725	Retirees A Pension Contrib	1321	Dental HMO	313,194	406,661	489,348
8710	Active Empl Cont-Health Plan	1322	Dental Indemnity	4,406,614	3,801,908	3,939,026
8725	Retirees A Pension Contrib	1322	Dental Indemnity	1,010,843	1,140,387	1,232,061
8711	Active Employee Depend Care	1325	Dependent Care Reimbursement	160,000	160,000	160,000
8700	Active Empl-City Share Health	1411	Employee Basic Life	1,177,861	1,149,696	1,190,549
8710	Active Empl Cont-Health Plan	1421	Active Employee Vol Life	4,239,695	4,266,027	4,329,982
8725	Retirees A Pension Contrib	1423	Retiree Vol Life \$5,000	38,151	43,065	44,334
8300	Interest On Pooled Investments	1700	Benefits Administration	300,000	345,000	350,000
8830	Prior Year Expend Recovery	1700	Benefits Administration	50,000	5,000	50,000
Total Human Resources				228,045,829	216,544,847	248,956,713

FISCAL YEAR 2006 BUDGET

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

ACCT	DESCRIPTION	FY2004 Actual	FY2005 Budget	FY2005 Estimate	FY2006 Budget
1100	Salary-Base Pay-Civilian	1,437,147	1,608,880	1,555,184	1,664,624
1105	Salary-Part Time-Civilian	10,363	13,574	0	0
1113	Bilingual Pay-Civilian	3,831	4,500	5,300	5,400
1120	Overtime-Civilian	0	8,011	5,000	10,006
1130	Termination Pay-Civilian	1,913	900	32,797	9,300
1135	Pension-Civilian	206,840	263,857	255,050	272,998
1140	Social Security-Civilian	106,361	124,051	118,292	127,140
1145	Health/Life Ins Active Civilian	173,872	201,536	181,874	185,430
1146	Health/Life Ins Retiree Civilian	9,652	10,865	8,513	17,252
1405	Workers Compensation-Civilian	7,345	8,517	7,899	8,481
1415	Unemployment Claims	1,931	1,365	1,365	1,365
1420	Long Term Disability	3,667	6,794	6,206	6,765
1981	Compensation Contingency	0	43,444	0	0
Total Personnel Services		1,962,922	2,296,294	2,177,480	2,308,761
2300	Audio-Visual Supplies	0	1,000	709	1,000
2305	Computer Supplies	6,538	14,000	6,266	13,500
2306	Paper & Printing Supplies	1,260	6,000	4,450	5,500
2315	Publications & Printed Materials	1,056	2,400	1,739	1,900
2323	Postage	34,816	36,000	34,100	35,800
2325	Miscellaneous Office Supplies	13,740	20,000	15,278	20,000
2738	Miscellaneous Parts & Supplies	1,296	2,000	2,500	2,500
Total Supplies		58,706	81,400	65,042	80,200
3107	Temporary Personnel Services	55,486	46,600	20,000	10,000
3205	Insurance Fees	1,137,048	1,177,861	1,149,696	1,190,549
3206	Insurance Administration Fees	543,704	590,064	489,831	604,140
3250	Employee Medical Claims	11,448,568	13,120,874	11,884,908	12,119,161
3251	Retiree Medical Claims	3,944,766	5,487,874	4,439,990	6,620,048
3255	Retiree "A" Medical Claims	5,111	5,554	4,624	4,459
3265	Employee Premiums	127,922,286	153,787,573	141,627,454	146,716,455
3267	Stop Loss Premiums	359,135	416,141	345,780	426,683
3270	Retiree Premiums	37,077,010	50,254,408	53,145,403	77,825,039
3305	Advertising Services	11,879	12,500	8,070	12,500
3323	Information Resource Services	0	0	0	4,000
3330	Legal Services	0	4,000	0	29,000
3335	Management Consulting Services	254,795	440,000	440,000	415,000
3345	Miscellaneous Support Services	3,065	8,000	6,000	20,500
3400	Real Estate Lease/Office Rental	93,468	93,468	93,468	93,468
3402	Parking Space Rental	18,232	8,400	10,050	10,400
3404	Metro Commuter Passes	4,329	8,000	7,000	8,000
3409	Office Equipment Rental	7,561	8,000	7,000	8,000
3510	Telephone	9,003	13,100	13,600	14,100
3515	Communication Lines	2,066	6,000	3,500	3,500
3615	Computer Eq/Software Maint Svc	960	7,600	4,000	7,600
3620	Enterprise Applications	2,305	0	2,500	2,500
3625	Office Equipment Services	194	1,000	700	1,000
3765	IntFd Photocopy Services	0	1,000	900	1,000

FISCAL YEAR 2006 BUDGET

Fund Name : Health Benefits
Department Name : Human Resources
Fund/Department No. : 888 / 80

ACCT	DESCRIPTION	FY2004 Actual	FY2005 Budget	FY2005 Estimate	FY2006 Budget
3794	Print Shop Services	23,469	13,500	7,977	13,500
3805	Printing & Reproduction Svcs	72,727	99,200	95,641	98,200
3895	Misc Other Services & Charges	5,505	3,000	8,151	9,000
3900	Education & Training	5,900	18,000	8,830	18,500
3905	Membership & Professional Fees	4,035	6,000	6,025	6,900
3910	Travel-Training Related	120	3,000	2,100	3,000
3950	Travel-Non-training Related	2,196	2,400	2,900	3,500
Total Other Services and Charges		183,014,923	225,643,117	213,836,098	246,299,702
4455	Other Communications Equipment	50,751	100,000	0	261,000
4467	Furniture & Fixtures	0	300	0	0
Total Equipment		50,751	100,300	0	261,000
4820	Non-Capital Computer Equipment	0	14,700	13,450	7,050
Total Non-Capital Equipment		0	14,700	13,450	7,050
Grand Total Expenditures		185,087,302	228,135,811	216,092,070	248,956,713