

FISCAL YEAR 2004 BUDGET

Fund Summary

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

	<u>FY2003 BUDGET</u>	<u>FY2003 ESTIMATE</u>	<u>FY2004 BUDGET</u>
Beginning Fund Balance	1,119,880	1,119,880	1,596,311
Current Revenues	<u>159,361,575</u>	<u>159,361,575</u>	<u>189,150,626</u>
Total Available Resources	<u>160,481,455</u>	<u>160,481,455</u>	<u>190,746,937</u>
Maintenance and Operations	<u>159,361,575</u>	<u>158,885,144</u>	<u>189,150,626</u>
Total Expenditures	<u>159,361,575</u>	<u>158,885,144</u>	<u>189,150,626</u>
Planned Ending Fund Balance	<u>1,119,880</u>	<u>1,596,311</u>	<u>1,596,311</u>
Total Budget	<u>160,481,455</u>	<u>160,481,455</u>	<u>190,746,937</u>

The above summarizes the FY2003 Budget, the FY2003 Estimate, and the FY2004 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 plan provides Health Maintenance Organization (HMO) and Point of Service (POS) plans. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a 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. We are in the 3rd year of a 3-year contract effective May 1, 2003 through April 2004, with 2 one-year options. HMO Blue Texas provides a fully insured HMO plan and administers the City's self-insured POS program. Approximately 95% of the City's employees are enrolled in the HMO plan. The delivery system and plan design modifications in FY2003 allowed the City to avoid costs in excess of \$5 million and another \$5 million in FY2004. Plan costs in subsequent years are capped and prescribed by a formula. Contributions are established at 88%/12% ratio with the City contributing 88% of the aggregate cost.

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. FY2004 indemnity rates will increase approximately 10% while DHMO rates remain the same.

Life Insurance

In October 1998, the City selected John Hancock Mutual Life Insurance as the life insurance carrier for Basic and Voluntary coverage expiring September 2003. The City pays for premiums for Basic coverage, with employees funding Voluntary coverage. The Basic coverage was increased from \$15,000 per employee, to 1 times annual salary, (minimum of \$15,000) an increase in total coverage of over 100%, while total premiums increased only 40%. Based on the incurred loss ratio, premiums are expected to remain the same. With the contract expiring, the City will release an RFP with preliminary market analysis indicating costs will remain competitive.

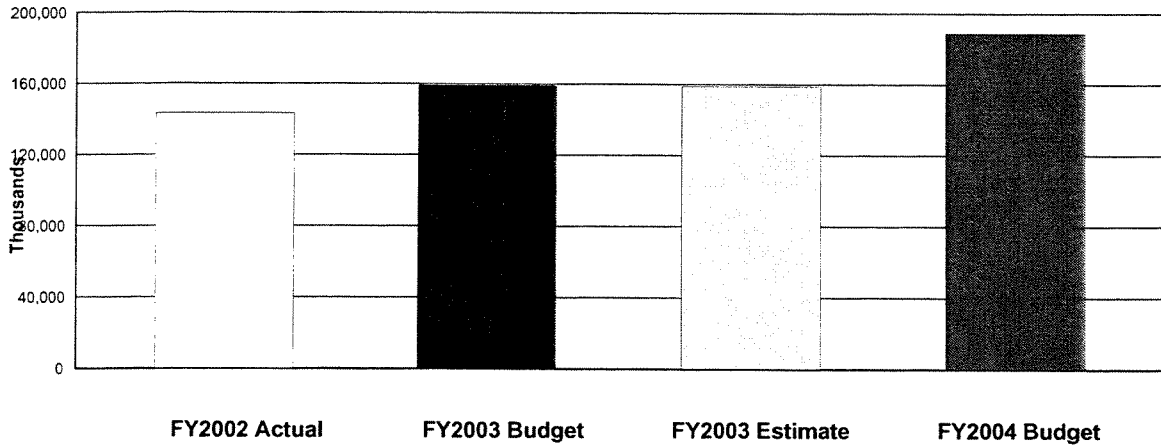
FISCAL YEAR 2004 BUDGET

Department Budget Summary

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

		<u>FY2002 Actual</u>	<u>FY2003 Budget</u>	<u>FY2003 Estimate</u>	<u>FY2004 Budget</u>
Expenditure Summary	Personnel Services	1,848,685	2,051,198	2,066,726	2,083,531
	Supplies	80,992	93,900	84,267	83,882
	Other Services and Charges	141,529,305	156,796,544	156,708,351	186,624,513
	Equipment	320	397,433	3,300	350,300
	Non-Capital Equipment	8,790	22,500	22,500	8,400
	Total M & O Expenditures	<u>143,468,092</u>	<u>159,361,575</u>	<u>158,885,144</u>	<u>189,150,626</u>
	Debt Service & Other Uses	0	0	0	0
Total Expenditures	<u>143,468,092</u>	<u>159,361,575</u>	<u>158,885,144</u>	<u>189,150,626</u>	
Revenue Summary		143,062,805	159,361,575	159,361,575	189,150,626
Staffing Summary	Full-Time Equivalents - Civilian	36.3	40.5	39.5	38.8
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Total	<u>36.3</u>	<u>40.5</u>	<u>39.5</u>	<u>38.8</u>
	Full-Time Equivalents-Overtime	0.3	0.1	0.5	0.2
Budget Highlights	The FY2004 Budget Includes:				
	o Funding to maintain an 88/12% aggregate contribution ratio, City/Employee.				
	o Participants contribution increasing 18.3% in accordance with the contribution structure.				
	o Implementation of a web based enrollment system.				

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2004 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 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 Active Employee POS 1314 Self-insured Point of Service (POS) plan offered to provide comprehensive medical coverage to active employees.	Provide active employees with medical coverage to promote a healthy workforce.
Health Benefits 1600 Retiree POS 1315 Self-insured Point of Service (POS) plan offered to provide comprehensive medical coverage to retirees.	Provide retirees with medical coverage to prevent economic hardship.
Health Benefits 1600 Out of Area Plan 1316 Self-insured plan offered to provide coverage for active employees and retirees who live outside the healthcare provider's service area.	Provide active employees and retirees 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.

FISCAL YEAR 2004 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2002 Actual			FY2003 Estimate			FY2004 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	6,105			5,885			5,911		
Employee + 1	4,500			4,272			4,296		
Employee + 2 or more	9,495			9,579			9,578		
Retirees	4,880			5,639			6,001		
		0.0	119,378,954		0.0	135,044,611		0.0	162,264,296
Retiree only	21			31			29		
Retiree + 1	15			3			4		
Retiree + 2 or more	1			1			1		
		0.0	18,706		0.0	22,403		0.0	16,377
Employee only	294			281			284		
Employee + 1	159			153			153		
Employee + 2 or more	184			167			169		
		0.0	4,220,800		0.0	3,576,760		0.0	4,107,715
Retiree only	275			264			290		
Retiree + 1	141			133			150		
Retiree + 2 or more	14			13			20		
		0.0	2,230,370		0.0	2,018,556		0.0	2,647,313
Employee only	1			2			2		
Employee + 1	4			3			3		
Employee + 2 or more	5			4			4		
Retirees	371			355			375		
		0.0	2,413,099		0.0	2,059,735		0.0	2,539,402
Employee only	3,689			3,899			3,875		
Employee + 1	2,650			2,663			2,645		
Employee + 2 or more	4,807			4,930			4,900		
Retirees	656			1,150			1,300		
		0.0	2,446,228		0.0	2,506,388		0.0	2,601,080

FISCAL YEAR 2004 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 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.
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 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 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 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.

FISCAL YEAR 2004 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2002 Actual			FY2003 Estimate			FY2004 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee only	2,292			2,073			2,075		
Employee + 1	1,583			1,455			1,450		
Employee + 2 or more	2,963			2,877			2,875		
Retirees	764			1,285			1,410		
		0.0	4,387,049		0.0	4,960,321		0.0	5,518,267
Employees participating	40			40			40		
		0.0	143,504		0.0	150,000		0.0	160,000
Active employees covered	22,150			21,700			21,300		
		0.0	1,472,282		0.0	1,491,595		0.0	1,609,545
Employee	11,250			10,850			11,150		
Spouse	5,000			4,900			5,100		
Children	6,000			5,600			5,600		
		0.0	4,038,616		0.0	4,184,072		0.0	4,384,119
Retirees covered	381			300			350		
		0.0	1,703		0.0	1,787		0.0	2,084
Retirees covered	5,393			6,000			6,300		
		0.0	83,894		0.0	88,546		0.0	94,947

FISCAL YEAR 2004 BUDGET

Department Program Summary

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

Program Description	Program Objectives
<p>Health Benefits 1600 Benefits Administration 1700</p> <p>Administer and analyze City sponsored benefits for employees, retirees, and their dependents.</p>	<p>Maintain health benefits delivery plan, monitor contract compliance, analyze the financial status of fund, and educate employee on how to be informed consumers of their City-sponsored health and welfare plans.</p> <p>Create a productive workforce by reducing problems of a personal nature; train supervisors to recognize potential risks; and create a drug-free work place.</p> <p>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.</p> <p>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.</p> <p>Post, analyze, monitor, prepare and review financial documents associated with health benefits, and long term disability.</p>
<p>Health Benefits 1600 Employee Assistance Program 1750</p> <p>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</p>	
<p>Health Benefits 1600 Communications 1760</p> <p>Communicate to employees their role in the organization, in following Mayor Brown's guiding principles, and the importance of excellent customer service. Improve employee morale, foster teamwork, recognize employee achievements, inform citizens about City services.</p>	
<p>Health Benefits 1600 Benefits Planning & Development 1770</p> <p>Design, analyze, and monitor City sponsored employee Health and Welfare benefits plans. Conduct annual health benefits satisfaction surveys. Conduct annual health fair.</p>	
<p>Health Benefits 1600 Benefits Financial Division 1780</p> <p>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.</p>	

FISCAL YEAR 2004 BUDGET

Department Program Summary									
Fund Name : Health Benefits Department Name : Human Resources Fund/Department No. : 888 / 80									
Program Performance Measures	FY2002 Actual			FY2003 Estimate			FY2004 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Employee Education meeting	362			609			600		
Process COBRA letters	1,168			1,216			1,300		
Process enrollment changes	10,037			7,839			8,000		
Handle employee inquires	48,189			63,861			70,000		
		19.6	1,260,308		21.5	1,358,112		21.8	1,806,627
Supervisory training	618			400			415		
Assess & Refer employees	766			800			850		
Employees oriented/ Seminar attendance	4,458			3,600			3,800		
		4.0	248,602		4.0	244,801		4.0	245,397
Extra Milers newsletters	6			5			4		
Combined Mun. Campaign	1			1			1		
Public Service Recognition	1			1			1		
Benefits Publication	21			15			15		
City Savvy	4			4			4		
		4.7	415,952		6.0	458,557		6.0	455,533
Meet with vendor	8			11			12		
Conduct annual surveys	4			2			4		
Annual Health Fair	1			1			1		
Meet with Dental vendor	4			5			6		
		2.8	150,082		3.0	156,187		2.0	143,469
Prepare Monthly Financial	12			12			12		
Prepare Budget	1			1			1		
		5.3	557,943		5.0	562,713		5.0	554,455
Total		<u>36.3</u>	<u>143,468,092</u>		<u>39.5</u>	<u>158,885,144</u>		<u>38.8</u>	<u>189,150,626</u>

FISCAL YEAR 2004 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	ADMINISTRATIVE AIDE	3011	10
1	ADMINISTRATIVE ASSISTANT	3022	17
1	ADMINISTRATIVE ASSOCIATE	3021	13
2	ADMINISTRATIVE COORDINATOR	3026	24
1	ADMINISTRATIVE SPECIALIST	3025	20
1	ADMINISTRATIVE SUPERVISOR	3035	22
2	ASST DIR-HUMAN RESOURCES(EXEC LEV)	4029	32
1	COMMUNICATIONS SPECIALIST	8711	15
1	COUNSELOR	4112	20
2	CUSTOMER SERVICE REP I	8862	13
2	CUSTOMER SERVICE REP II	8863	15
1	DIVISION MANAGER	3030	29
1	EAP MANAGER	4115	26
1	EXECUTIVE SECRETARY	4922	15
1	FINANCIAL ANALYST III	3563	21
1	FINANCIAL ANALYST IV	3564	25
1	GRAPHIC DESIGNER	8724	17
5	HUMAN RESOURCES ASSISTANT	4014	13
2	HUMAN RESOURCES SPECIALIST	4021	17
1	HUMAN RESOURCES SUPERVISOR	4027	24
1	PUBLIC INFORMATION OFFICER	8742	26
1	RECEPTIONIST	4821	07
2	SENIOR CLERK	4813	08
2	SENIOR COMMUNICATIONS SPECIALIST	8712	20
1	SENIOR EAP COUNSELOR	4113	22
1	SENIOR SECRETARY	4921	12
2	STAFF ANALYST	3041	26
<hr/>			
39.0	Total Positions		
0.2	Less adjustment for Vacancies and Part-Time Employees		
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38.8	Full-Time Equivalent		

FISCAL YEAR 2004 BUDGET

Department Revenue Summary

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

Source	Description	Program Org	Program Name	FY2003 Budget	FY2003 Estimate	FY2004 Budget
8700	Active Empl-City Share Health	1225	HMO Blue Texas	98,970,320	97,994,499	115,399,246
8706	Retirees B-City Share Health	1225	HMO Blue Texas	22,941,355	23,952,310	30,417,355
8710	Active Empl Cont-Health Plan	1225	HMO Blue Texas	11,018,468	10,789,382	13,105,996
8725	Retirees A Pension Contrib	1225	HMO Blue Texas	4,372,968	4,547,943	5,996,379
8706	Retirees B-City Share Health	1312	Retiree Plan A	14,189	12,081	5,714
8725	Retirees A Pension Contrib	1312	Retiree Plan A	14,266	10,880	10,935
8700	Active Empl-City Share Health	1314	Active Employee POS	3,108,384	3,045,104	3,432,745
8710	Active Empl Cont-Health Plan	1314	Active Employee POS	636,446	621,799	742,977
8706	Retirees B-City Share Health	1315	Retiree POS	1,445,111	1,453,408	1,821,109
8725	Retirees A Pension Contrib	1315	Retiree POS	635,219	631,431	870,048
8700	Active Empl-City Share Health	1316	Out of Area Plan	62,960	58,031	64,949
8706	Retirees B-City Share Health	1316	Out of Area Plan	1,598,928	1,503,743	1,795,162
8710	Active Empl Cont-Health Plan	1316	Out of Area Plan	10,811	9,859	11,327
8725	Retirees A Pension Contrib	1316	Out of Area Plan	589,071	558,663	710,018
8710	Active Empl Cont-Health Plan	1321	Dental HMO	2,308,973	2,303,368	2,367,029
8725	Retirees A Pension Contrib	1321	Dental HMO	206,064	203,020	234,051
8710	Active Empl Cont-Health Plan	1322	Dental Indemnity	4,326,226	4,234,665	4,654,017
8725	Retirees A Pension Contrib	1322	Dental Indemnity	709,412	725,656	864,250
8711	Active Employee Depend Care	1325	Dependent Care Reimbursement	150,000	150,000	160,000
8700	Active Empl-City Share Health	1411	Employee Basic Life	1,618,067	1,491,595	1,609,545
8710	Active Empl Cont-Health Plan	1421	Active Employee Vol Life	3,971,940	4,184,072	4,384,119
8725	Retirees A Pension Contrib	1422	Retiree Vol Life \$2,000	2,272	1,787	2,084
8725	Retirees A Pension Contrib	1423	Retiree Vol Life \$5,000	89,756	88,546	94,947
8300	Interest On Pooled Investments	1700	Benefits Administration	510,369	510,369	350,000
8830	Prior Year Expend Recovery	1700	Benefits Administration	50,000	279,364	46,624
Total Human Resources				<u>159,361,575</u>	<u>159,361,575</u>	<u>189,150,626</u>

FISCAL YEAR 2004 BUDGET

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

ACCT	DESCRIPTION	FY2002 Actual	FY2003 Budget	FY2003 Estimate	FY2004 Budget
1100	Salary-Base Pay-Civilian	1,422,124	1,547,746	1,563,257	1,546,137
1105	Salary-Part Time-Civilian	10,491	12,006	12,000	15,960
1113	Bilingual Pay-Civilian	3,475	6,300	3,591	3,600
1120	Overtime-Civilian	8,749	4,983	17,000	7,999
1130	Termination Pay-Civilian	408	1,220	900	900
1135	Pension-Civilian	142,464	154,771	156,849	154,613
1140	Social Security-Civilian	106,379	119,431	118,110	119,191
1145	Health/Life Ins Active Civilian	146,528	183,448	178,002	216,131
1146	Health/Life Ins Retiree Civilian	1,486	2,000	2,000	2,362
1405	Workers Compensation-Civilian	4,177	13,868	9,708	11,915
1415	Unemployment Claims	0	1,435	1,435	1,400
1420	Long Term Disability	2,404	3,990	3,874	3,323
Total Personnel Services		1,848,685	2,051,198	2,066,726	2,083,531
2300	Audio-Visual Supplies	0	1,000	1,000	1,000
2305	Computer Supplies	7,273	12,200	11,500	12,300
2306	Paper & Printing Supplies	1,560	5,000	7,500	7,000
2315	Publications & Printed Materials	1,321	3,800	2,458	2,958
2323	Postage	40,280	38,700	37,300	34,624
2325	Miscellaneous Office Supplies	27,344	32,200	23,509	25,000
2738	Miscellaneous Parts & Supplies	3,214	1,000	1,000	1,000
Total Supplies		80,992	93,900	84,267	83,882
3107	Temporary Personnel Services	109,749	42,000	60,000	46,600
3205	Insurance Fees	1,472,282	1,618,067	1,491,595	1,609,545
3206	Insurance Administration Fees	528,774	529,133	492,735	615,734
3250	Employee Medical Claims	10,745,344	10,894,362	10,731,278	11,849,637
3251	Retiree Medical Claims	4,111,093	3,737,496	3,581,204	4,558,753
3255	Retiree "A" Medical Claims	6,577	16,617	13,978	6,739
3265	Employee Premiums	102,376,963	112,113,429	110,000,262	131,067,355
3267	Stop Loss Premiums	324,464	336,272	324,968	399,291
3270	Retiree Premiums	21,269,708	26,859,398	29,468,754	35,838,091
3305	Advertising Services	4,461	2,000	7,500	15,500
3330	Legal Services	0	2,000	2,365	4,000
3335	Management Consulting Services	210,970	207,000	207,000	300,000
3345	Miscellaneous Support Services	2,907	14,500	8,859	9,000
3400	Real Estate Lease/Office Rental	93,468	93,468	93,468	93,468
3402	Parking Space Rental	11,371	15,400	15,400	15,400
3404	Metro Commuter Passes	4,191	8,000	8,000	8,000
3409	Office Equipment Rental	8,100	8,000	6,500	8,000
3510	Telephone	18,614	12,900	13,400	14,000
3515	Communication Lines	14,119	5,000	5,000	6,000
3615	Computer Eq/Software Maint Svc	1,230	18,300	6,600	7,600
3625	Office Equipment Services	407	1,000	1,000	1,000
3765	IntFd Photocopy Services	0	1,000	1,000	1,000
3794	Print Shop Services	28,085	17,800	17,600	17,800
3805	Printing & Reproduction Srvcs	133,876	159,902	111,500	99,500
3895	Misc Other Services & Charges	21,915	10,700	5,735	3,500

FISCAL YEAR 2004 BUDGET

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

ACCT	DESCRIPTION	FY2002 Actual	FY2003 Budget	FY2003 Estimate	FY2004 Budget
3900	Education & Training	15,276	34,000	13,900	18,000
3905	Membership & Professional Fees	4,725	21,900	11,900	6,000
3910	Travel-Training Related	8,136	13,500	4,000	3,000
3950	Travel-Non-training Related	2,500	3,400	2,850	2,000
Total Other Services and Charges		141,529,305	156,796,544	156,708,351	186,624,513
4455	Other Communications Equipment	0	394,033	0	350,000
4464	Office & Reproduction Equip	0	3,000	3,000	0
4467	Furniture & Fixtures	320	400	300	300
Total Equipment		320	397,433	3,300	350,300
4820	Non-Capital Computer Equipment	2,572	22,500	22,500	8,400
4830	Non-Capital Communication/Elect Equip	6,218	0	0	0
Total Non-Capital Equipment		8,790	22,500	22,500	8,400
Grand Total Expenditures		143,468,092	159,361,575	158,885,144	189,150,626