

FISCAL YEAR 2020 BUDGET

Fund Summary

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

	<u>FY2019 Current Budget</u>	<u>FY2019 Estimate</u>	<u>FY2020 Budget</u>
Beginning Fund Balance	29,229,037	29,229,037	37,741,073
Current Revenues	411,400,069	404,663,133	411,788,652
Total Available Resources	<u>440,629,106</u>	<u>433,892,170</u>	449,529,725
Maintenance and Operations	409,634,968	396,151,097	410,634,964
Total Expenditures	<u>409,634,968</u>	<u>396,151,097</u>	410,634,964
Planned Ending Fund Balance	<u>30,994,138</u>	<u>37,741,073</u>	38,894,761
Total Budget	<u><u>440,629,106</u></u>	<u><u>433,892,170</u></u>	<u>449,529,725</u>

The above summarizes the FY2019 Current Budget, the FY2019 Estimate and the FY2020 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.

Additionally, the FY2020 Active subscriber rates will increase by 10% except for employee only in Limited Plan which will be at \$0.00 effective May 1, 2019. The City departments' contribution rates will increase by 1.86% in aggregate effective July 1, 2019.

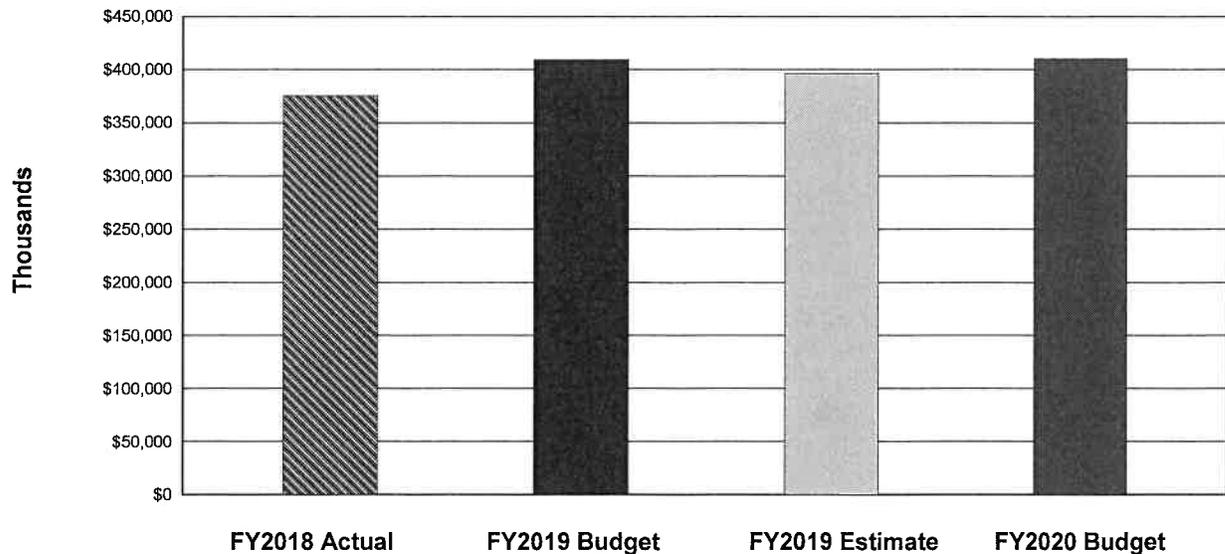
FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

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

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	4,487,818	5,081,983	4,444,306	5,460,499
	Supplies	64,592	82,683	73,009	71,979
	Other Services and Charges	370,986,513	404,436,445	391,550,716	404,875,598
	Equipment	17,304	22,421	73,066	200,000
	Non-Capital Equipment	55,567	11,436	10,000	26,888
	Total M & O Expenditures	<u>375,611,794</u>	<u>409,634,968</u>	<u>396,151,097</u>	<u>410,634,964</u>
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	<u>375,611,794</u>	<u>409,634,968</u>	<u>396,151,097</u>	<u>410,634,964</u>
Revenues		387,411,814	411,400,069	404,663,133	411,788,652
Staffing	Full-Time Equivalents - Civilian	42.1	50.5	43.8	52.2
	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	<u>42.1</u>	<u>50.5</u>	<u>43.8</u>	<u>52.2</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. o Expenditure Budget includes the increase in employees and medical claims. o FY2020 Budget includes funding for implementation of Retiree Self-Service HR platform. 				

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2020 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
Generic Drug Utilization	80%	88%	88%	88%
Health Assessment Completion	52%	90%	52%	90%
Expenditures Adopted Budget vs Actual Utilization	97%	98%	97%	98%
Revenues Adopted Budget vs Actual Utilization	100%	100%	98%	100%

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : Health Benefits							
Business Area : Human Resources							
Fund No. /Bus Area No. : 9000 / 8000							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 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.	23.3	3,454,335	26.4	3,913,099	31.2	4,615,852	
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.	2.3	570,062	2.0	478,580	3.0	720,053	
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.	7.6	802,368	7.2	831,934	8.0	842,668	
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.	8.9	370,785,029	8.2	390,927,484	10.0	404,456,391	
Total	42.1	375,611,794	43.8	396,151,097	52.2	410,634,964	

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Charges for Services	66	0	39	0
Interest	851,745	700,000	1,200,000	700,000
Miscellaneous/Other	386,560,003	410,700,069	403,463,094	411,088,652
Grand Total Revenues	<u><u>387,411,814</u></u>	<u><u>411,400,069</u></u>	<u><u>404,663,133</u></u>	<u><u>411,788,652</u></u>