

FISCAL YEAR 2021 BUDGET

Fund Summary

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

	<u>FY2020 Current Budget</u>	<u>FY2020 Estimate</u>	<u>FY2021 Budget</u>
Beginning Fund Balance	37,106,930	37,106,930	36,429,697
Current Revenues	411,788,652	377,510,491	418,226,515
Total Available Resources	<u>448,895,582</u>	<u>414,617,421</u>	454,656,212
Maintenance and Operations	410,634,964	378,187,724	416,762,117
Total Expenditures	<u>410,634,964</u>	<u>378,187,724</u>	416,762,117
Planned Ending Fund Balance	<u>38,260,618</u>	<u>36,429,697</u>	37,894,095
Total Budget	<u><u>448,895,582</u></u>	<u><u>414,617,421</u></u>	<u><u>454,656,212</u></u>

The above summarizes the FY2020 Budget, the FY2020 Estimate and the FY2021 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 FY2021 Active subscriber rates will increase by 3.83% except for employee only in Limited Plan which will be at \$0.00 effective May 1, 2020. The City departments' contribution rates will increase by 3.83% in aggregate effective July 1, 2020.

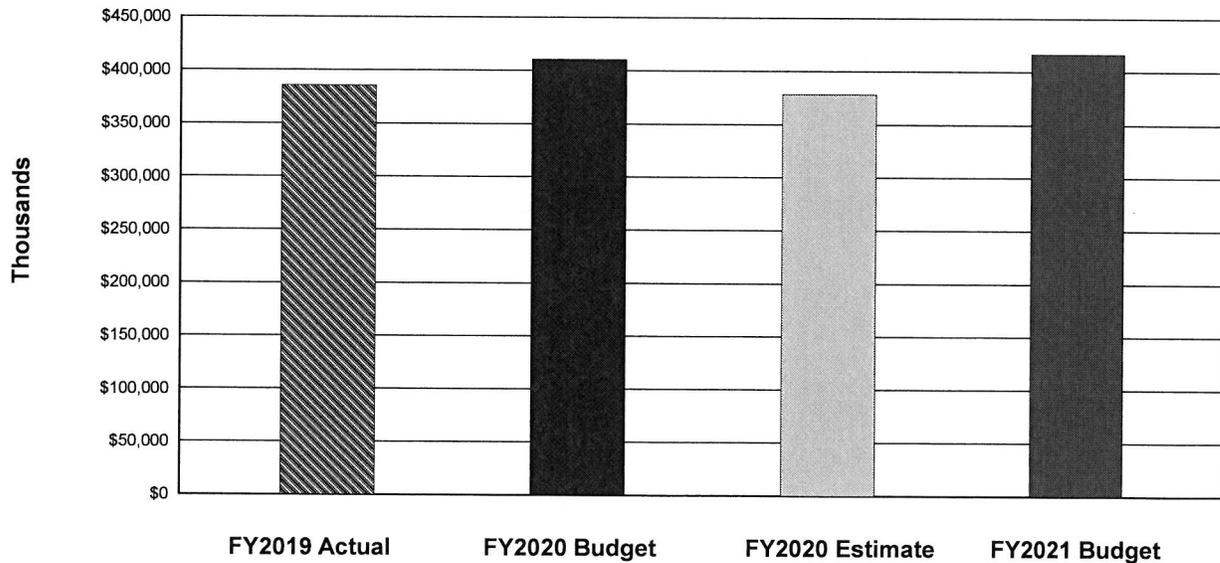
FISCAL YEAR 2021 BUDGET

Business Area Budget Summary

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

		FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Expenditures	Personnel Services	4,424,712	5,460,499	5,065,482	5,113,301
	Supplies	64,485	74,979	74,672	185,565
	Other Services and Charges	381,007,152	404,860,660	372,808,789	411,221,491
	Equipment	25,968	210,029	210,029	200,000
	Non-Capital Equipment	7,675	28,797	28,752	41,760
	Total M & O Expenditures	385,529,992	410,634,964	378,187,724	416,762,117
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	385,529,992	410,634,964	378,187,724	416,762,117
Revenues		393,407,884	411,788,652	377,510,491	418,226,515
Staffing	Full-Time Equivalents - Civilian	45.8	52.2	43.8	49.0
	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	45.8	52.2	43.8	49.0
	Full-Time Equivalents - Overtime	0.3	0.0	0.0	0.1
Significant Budget Changes and Highlights	o The FY2021 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.				
	o Includes new Wellness Program and Employee Assistance Program (EAP).				
	o Facilitates new Health Benefits consulting contract.				
	o Coordinates Other Post-Employment Benefits (OPEB) review and facilitates the GASB 74/75 valuations.				
	o Implements a Retiree Benefits platform that will allow retirees to enroll and submit payments online.				
	o The FY2021 Budget reflects 49.0 FTEs, which is 3.2 FTEs lower than the FY2020 Budget.				

**Health Benefits
Human Resources
Expenditure Summary**



FISCAL YEAR 2021 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2019 Actual	FY2020 Target	FY2020 Estimate	FY2021 Target
Annual Physical	63.5%	0%	0%	80%
HIPAA Training for HR new hires	0%	0%	0%	100%
Membership Sustainability	0%	0%	0%	5%
MWBE contractor compliance	0%	0%	0%	75%
Expenditures Adopted Budget vs Actual Utilization	94%	98%	92%	98%
Revenues Adopted Budget vs Actual Utilization	96%	100%	92%	100%

FISCAL YEAR 2021 BUDGET

Division Summary							
Fund Name : Health Benefits							
Business Area : Human Resources							
Fund No. /Bus Area No. : 9000 / 8000							
Division Description	FY2019 Actual		FY2020 Estimate		FY2021 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
HR - Benefits Administration 800012 Administers, maintains, and communicates 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. Develops and provides strategic direction of the Benefits Program that includes the Healthcare Delivery System and other employee health and welfare plans. Handles the management of all employee data.	26.9	3,613,250	26.4	3,956,340	30.0	5,054,559	
HR - Employee Assistance Program 800013 Provides confidential assessment, referral and short-term counseling to employees with personal concerns that may adversely affect their work performance. Serves as a leader in complying with the Drug Free Workplace Act as well as consultation and education to supervisors and managers.	2.9	645,310	2.0	650,102	4.0	824,217	
HR - Communications 800014 Provides employees and retirees with information regarding city news. Publishes two award-winning newsletters, benefits materials, annual publications, and communications for Wellness Program and Risk Management Program. Fosters employee recognition and engagement via PSRW activities, the City's Annual Giving Drive, and the Combined Municipal Campaign.	7.1	797,650	7.2	857,440	8.0	888,322	
HR - Benefits Financial/Reporting 800015 Assists in the design, maintenance and interpretation of management reports on operational and financial matters. Prepares the budget and monitor the various benefit plans' financial impact.	8.9	380,473,782	8.2	372,723,842	7.0	409,995,019	
Total	45.8	385,529,992	43.8	378,187,724	49.0	416,762,117	

FISCAL YEAR 2021 BUDGET

Business Area Revenues Summary

Fund Name : Health Benefits Fund
Business Area : Human Resources
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Category	FY2019 Actual	FY2020 Current Budget	FY2020 Estimate	FY2021 Budget
Charges for Services	50	0	8	0
Interest	1,507,841	700,000	1,600,000	1,000,000
Miscellaneous/Other	391,899,993	411,088,652	375,910,483	417,226,515
Grand Total Revenues	<u><u>393,407,884</u></u>	<u><u>411,788,652</u></u>	<u><u>377,510,491</u></u>	<u><u>418,226,515</u></u>