

**FISCAL YEAR 2023 BUDGET**

**Fund Summary**

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

	<u>FY2022 Current Budget</u>	<u>FY2022 Estimate</u>	<u>FY2023 Budget</u>
Beginning Fund Balance	21,355,153	21,355,153	<b>19,365,772</b>
Current Revenues	415,207,727	402,672,963	<b>433,383,076</b>
Total Available Resources	<u>436,562,880</u>	<u>424,028,116</u>	<b>452,748,848</b>
Maintenance and Operations	414,809,656	404,662,344	<b>427,766,494</b>
Total Expenditures	<u>414,809,656</u>	<u>404,662,344</u>	<b>427,766,494</b>
 Planned Ending Fund Balance	 <u>21,753,224</u>	 <u>19,365,772</u>	 <b>24,982,354</b>
Total Budget	<u>436,562,880</u>	<u>424,028,116</u>	<b>452,748,848</b>

The above summarizes the FY2022 Budget, the FY2022 Estimate and the FY2023 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 three 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.

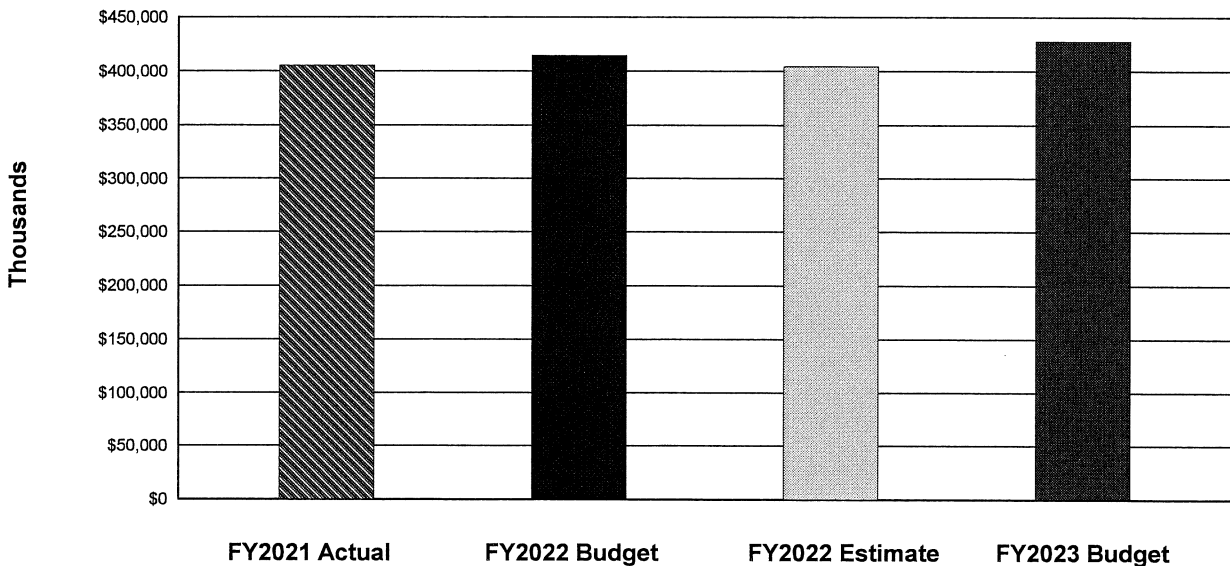
**FISCAL YEAR 2023 BUDGET**

**Business Area Budget Summary**

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	4,396,483	5,314,515	4,826,414	5,686,381
	Supplies	63,538	102,159	42,868	109,821
	Other Services and Charges	401,053,827	409,242,762	399,774,361	421,966,592
	Equipment	0	101,092	0	0
	Non-Capital Equipment	29,399	49,128	18,701	3,700
	Total M & O Expenditures	405,543,247	414,809,656	404,662,344	427,766,494
	Debt Service & Other Uses	0	0	0	0
Total Expenditure	405,543,247	414,809,656	404,662,344	427,766,494	
Revenues		387,849,925	415,207,727	402,672,963	433,383,076
Staffing	Full-Time Equivalents - Civilian	37.1	51.0	46.3	51.0
	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	37.1	51.0	46.3	51.0
	Full-Time Equivalents - Overtime	0.1	0.1	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> <li>o The FY2023 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.</li> <li>o Effective May 1, 2022 the Active subscriber rates will increase by 6.5% except for the Employee Only tier in Limited plan which will be \$25.00 per month (FY2022 was \$0.00); the Retiree subscriber rates will remain flat. Effective July 1, 2022 the City departments' contribution rates will increase by 6.4% in aggregate.</li> <li>o FY2023 Budget includes the opportunity for all Benefits Division staff to receive training to obtain Customer Service Certification.</li> <li>o Provides funding for employee and retiree health and wellness benefits programs and services.</li> <li>o Increases customer education, information and engagement through aggressive communication strategies and customer outreach programming.</li> <li>o Implements a Retiree Benefits platform that will allow retirees to enroll and submit payments online.</li> <li>o Includes opening the City of Houston Wellness Center that will provide a central location for onsite wellness programs.</li> </ul>				

**Health Benefits Fund  
Human Resources  
Expenditure Summary**



**FISCAL YEAR 2023 BUDGET**

<b>Business Area Performance Measures</b>				
<b>Fund Name : Health Benefits Fund</b> <b>Business Area : Human Resources</b> <b>Fund No. /Bus. Area No. : 9000 / 8000</b>				
<b>Performance Measures</b>	<b>FY2021 Actual</b>	<b>FY2022 Target</b>	<b>FY2022 Estimate</b>	<b>FY2023 Target</b>
"6000 Line" Customer Satisfaction Post-call Survey Results	N/A	N/A	N/A	75%
Benefits Education and Wellness Events	N/A	N/A	N/A	50
EAP Employee Training Attendance	N/A	528	4,136	4,250
Wellness Engagement - Active Employees	N/A	75%	57%	75%
Wellness Engagement - Retirees	N/A	50%	N/A	N/A
Wellness Engagement - Spouses	N/A	65%	48%	65%
Expenditures Adopted Budget vs Actual Utilization	97%	98%	98%	98%
Revenues Adopted Budget vs Actual Utilization	93%	100%	97%	100%

**FISCAL YEAR 2023 BUDGET**

<b>Division Summary</b>						
<b>Fund Name : Health Benefits Fund</b>						
<b>Business Area : Human Resources</b>						
<b>Fund No. /Bus Area No. : 9000 / 8000</b>						
<b>Division Description</b>	<b>FY2021 Actual</b>		<b>FY2022 Estimate</b>		<b>FY2023 Budget</b>	
	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>	<b>FTEs</b>	<b>Costs \$</b>
<b>HR - Benefits Administration 800012</b> 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.	20.2	3,560,221	26.7	4,530,310	30.0	5,641,704
<b>HR - Employee Assistance Program 800013</b> Offers counseling for work related concerns and mental health trainings to employees and their family members. Responds to disruptive events in the workplace and crises 24/7/365. Provides safety checks, threat assessments, enforcement of compliance to Last Chance Agreements, assists employees with substance abuse concerns and manages hospitalizations. Manages the external Employee Assistance Program that provides counseling for personal concerns.	2.8	581,859	4.4	839,887	5.0	917,399
<b>HR - Communications 800014</b> Provides employees and retirees with accurate information regarding City news. Publishes two award-winning newsletters; benefits materials; communications for the Wellness Program; as well as for the Risk Management Program; and many annual publications. Fosters employee recognition and engagement via Public Service Recognition Week activities and the City's annual giving drive, the Combined Municipal Campaign.	7.4	802,019	8.3	981,259	9.0	1,030,777
<b>HR - Benefits Financial/Reporting 800015</b> Assists in the design, maintenance and interpretation of management reports on operational and financial matters. Prepares the budget and monitors the various benefit plans' financial impact.	6.7	400,599,148	6.9	398,310,888	7.0	420,176,614
<b>Total</b>	<b>37.1</b>	<b>405,543,247</b>	<b>46.3</b>	<b>404,662,344</b>	<b>51.0</b>	<b>427,766,494</b>

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**FISCAL YEAR 2023 BUDGET**

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**Business Area Revenues Summary**

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

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Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Interest	910,998	1,000,000	449,399	660,000
Miscellaneous/Other	386,938,927	414,207,727	402,223,564	432,723,076
<b>Grand Total Revenues</b>	<b><u>387,849,925</u></b>	<b><u>415,207,727</u></b>	<b><u>402,672,963</u></b>	<b><u>433,383,076</u></b>