



Legislation Text

File #: 2018-6050, **Version:** 1

Consider a resolution approving the FY 2018-2019 Self-Funded Health Insurance Budget.

The City uses a self-insurance risk fund to provide health, vision, and dental coverage for employees. The City has used self-insurance to effectively manage costs for these benefits since 1993. The City regularly updates the plan to address the needs of employees and manage costs by reviewing the marketplace and updating the plan design.

The budget for 2018/2019 includes funds to operate the Health Clinic, administer the programs, stop loss/reinsurance, claims and other insurance related costs. The budget is covered by all employee and employer contributions, stop loss reimbursements, and other revenues available to cover expenses. Reserves for post-employment employee insurance continue to be met with the proposed budget. The current projections show that the 25% fund reserve will be met by the end of FY 2019. In the event that the reserves are under or over this amount, the practice is to adjust employer contributions as needed to recover or reduce excess funds over a 3 to 5 year period.

For 2018/2019, the City will contribute \$1,000 per covered employee per month. These costs are included in the department budgets and reflected in the FY 2019 budget adopted by Council on September 13, 2018. Staff will continue to closely monitor claims and program costs during the next year.