



Legislation Text

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Consider a resolution amending 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. There were several large unexpected health claims in FY2018-2019 that exceeded the amount budgeted for expenses by \$750,000. The City did receive some additional revenues through stop-loss coverage that reimbursed the fund for a portion of these large claims. This resolution amends the Self-Funded Health Insurance Budget by recognizing an additional \$450,000 in revenues from stop-loss reimbursements, increasing the planned use of available fund balance by \$300,000, and by increasing the expense budget by \$750,000 to cover the additional health claims costs. The fund has sufficient fund balance in excess of the 25% Reserve for Unexpected Claims to cover the additional costs without impacting future funding needs.