

292 - SELF-INSURED PPO HEALTH PLANS ISF

Operational Summary

Mission:

The County Indemnity Health Internal Service Fund (ISF) provides for self insurance of health benefits and administrative fees associated with claims from employees, retirees, and their dependents enrolled in the Premier Wellwise and Premier Sharewell health plans.

Strategic Goals:

- Fund 292 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

FY 2004-05 Key Project Accomplishments:

- Medical claims expenditures are expected to be lower than projected due to anticipated savings from health plan design changes, reduction in enrollments, as well as expected improvement in discounts and lower medical claims administration costs related to the new Third Party Claims Administrator.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Fund 292 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	61,672,396
Total Recommended FY 2005-2006	67,136,334
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Recommended Base Budget:

Medical inflation (trend) continues to rise causing an increase in medical and prescription claims within the PPO health plans. In January 2005, the County contracted with a new Third Party Claims Administrator, PacifiCare Health Plan Administrators. It is anticipated that savings will be generated as a result of health plan design changes, reduction in enrollment, and expected improvement in PPO discounts from PacifiCare Health Plan Administrators.

Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected ⁽¹⁾ At 6/30/05	Recommended	Projected Amount	Percent
Total Revenues	65,437,421	72,643,102	65,789,988	67,136,334	1,346,346	2.05
Total Requirements	62,397,691	72,643,102	61,672,396	67,136,334	5,463,938	8.86
Balance	3,039,730	0	4,117,592	0	(4,117,592)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Self-Insured PPO Health Plans ISF in the Appendix on page page 680

Highlights of Key Trends:

- Medical inflation (trend) continues to rise causing an increase in medical and prescription claims within the PPO health plans. In January 2005, the County contracted with a new Third Party Claims Administrator,

PacifiCare Health Plan Administrators. It is anticipated that savings will be generated as a result of health plan design changes, reduction in enrollment, and expected improvement in PPO discounts from PacifiCare Health Plan Administrators.

292 - Self-Insured PPO Health Plans

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
OPERATING INCOME					
7710	Insurance Premiums	62,919,312	61,098,696	61,322,008	61,322,008
Total Operating Income		62,919,312	61,098,696	61,322,008	61,322,008
OPERATING EXPENSES					
Services & Supplies					
1800	Office Expense	0	0	31,500	31,500
1900	Professional and Specialized Services	2,165,739	3,415,870	3,178,279	3,178,279
1911	CWCAP Charges	117,204	120,886	108,082	108,082
2400	Special Departmental Expense	1,733,657	1,732,871	2,044,638	2,044,638
2700	Transportation and Travel - Meetings/ Conferences	0	0	6,850	6,850
Total Services & Supplies		4,016,600	5,269,627	5,369,349	5,369,349
Other Charges					
3500	Judgments and Damages	(101,605)	0	0	0
3510	Other Charges - Operating	58,463,955	56,382,242	61,746,458	61,746,458
Total Other Charges		58,362,350	56,382,242	61,746,458	61,746,458
Total Operating Expenses		62,378,950	61,651,869	67,115,807	67,115,807
Net Operating Income (Loss)		540,362	(553,173)	(5,793,799)	(5,793,799)
NON-OPERATING REVENUE					
6610	Interest	199,114	332,382	432,618	432,618
7670	Miscellaneous Revenue	185,270	247,781	0	0
Total Non-Operating Revenue		384,384	580,163	432,618	432,618
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	18,135	20,527	20,527	20,527
5400	Loss or Gain on Disposition of Assets	607	0	0	0
Total Non-Operating Expenses		18,742	20,527	20,527	20,527
Net Non-Operating Income (Loss)		365,642	559,636	412,091	412,091
Income (Loss) Before Contributions & Transfers		906,004	6,463	(5,381,708)	(5,381,708)
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					
Income (Loss) Before Contributions & Transfers		906,004	6,463	(5,381,708)	(5,381,708)

Operation of Internal Service Fund Operational Statement for the Fiscal Year 2005-2006

Operating Detail (1)		FY 2003-2004	FY 2004-2005	FY 2005-2006	FY 2005-2006
		Actual (2)	Estimate (3)	Proposed Budget (4)	Final Budget (5)
7810	Interfund Transfers In - from Fund 100	838,160	1,071,399	1,264,116	1,264,116
	Changes to Reserves - Encumbrance - (Inc)/Dec.	264	0	0	0
	Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.	607	0	0	0
Increase (Decrease) in Net Assets - Unrestricted		1,745,035	1,077,862	(4,117,592)	(4,117,592)
Net Assets - Unrestricted - Beginning of Year		1,294,695	3,039,730	4,117,592	4,117,592
Net Assets - Unrestricted - End of Year		3,039,730	4,117,592	0	0