

Fund: HEALTH INSURANCE REIMBURSEMENT
Department: GENERAL GOVERNMENT
Division: GROUP HEALTH INSURANCE
Division No.: 47900

FUNCTION:

The function of the Group Health Insurance Division is to provide funding for health care benefits to active and retired City employees.

PROGRAM HIGHLIGHTS:

During FY 2015, the City of Carbondale received information from its current health insurance provider, Health Alliance, that it was severing ties effective March 31, 2015 with Healthlink. Healthlink provided “in network” coverage for employees who utilized health care providers in St. Louis, Cape Girardeau and Evansville. In addition, Health Alliance proposed to increase premiums by 35% for the coming year. Even with the late notice, the City was able to contact two additional companies to provide health insurance coverage to active and retired City employees and their dependants. Blue Cross Blue Shield presented the most balanced benefit option with the lowest increase in cost. The plan chosen was one that included a Health Reimbursement Account method of paying claims. The Group Health Insurance Division will pay these claims costs from funds from the active employee’s division and the retiree’s that are in excess of the insurance premium charged by Blue Cross Blue Shield.

Dental, Vision and Life Insurance policies for all active employees will continue to be paid from the proceeds of the Fund.

In addition to claims, the division will pay Blue Cross Blue Shield the insurance premium, administration fees from Kelly Insurance and the Third Party Administrator of the Health Reimbursement Account, and any additional costs, such as employee flu shots or IRS filings.

To provide for increased costs in FY 2016 a 5% increase to employee and employer internal premiums have been projected, as well as, the initiation of a monthly employee funded charge for employee-only coverage.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2014	BUDGET FY2015	ACTUAL FY2015	BUDGET FY2016
DIRECT OPERATING CHARGES & SERVICES				
271 Other Outside Services	42,359	42,408	42,783	42,624
281 Insurance and Bonds	<u>2,012,828</u>	<u>2,306,849</u>	<u>2,287,921</u>	<u>2,797,910</u>
TOTAL DIR. OPER. CHRGS. & SRVCS.	2,055,187	2,349,257	2,330,704	2,840,534
NON-OPERATING CHARGES				
430 Health Insurance Claims	<u>380,574</u>	<u>585,000</u>	<u>456,529</u>	<u>405,000</u>
TOTAL NON-OPERATING CHARGES	380,574	585,000	456,529	405,000
TOTAL EXPENDITURES	<u>2,435,761</u>	<u>2,934,257</u>	<u>2,787,233</u>	<u>3,245,534</u>