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| Fund:<br><b>HEALTH INSURANCE REIMBURSEMENT</b> |
| Department:<br><b>GENERAL GOVERNMENT</b>       |
| Division:<br><b>GROUP HEALTH INSURANCE</b>     |
| Division No.: <b>47900</b>                     |

***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 2016, the City of Carbondale sent out a request for proposals for brokerage services to negotiate with health insurance providers on behalf of the City of Carbondale. After receiving proposals back and meeting with representatives from three brokerages the City decided to switch to Dimond Brothers out of Paris, IL. The new brokerage firm will negotiate with national and regional companies to provide health insurance coverage to active and retired City employees and their dependants. Blue Cross Blue Shield presents the most balanced benefit option. The plan chosen was one that includes a Health Reimbursement Account method of paying claims. The Group Health Insurance Division will pay these claim 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 Dimond Brothers Insurance and the Third Party Administrator of the Health Reimbursement Account, and any additional costs, such as employee flu shots or IRS filings.

New for FY 2017 funding for a Wellness program will be provided by the division. A work out area is being set up in the offices that formerly housed the fire department administrative staff and emergency operations center in the City Hall basement. By opening this area for employees to exercise and increase their physical fitness we hope to see lower future costs. Similar areas are provided in the public safety buildings for those staff.

To provide for increased costs in FY 2017 a 7.5% increase to employee and employer internal premiums have been projected.

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| EXPENDITURE CLASSIFICATION                     | AUTHORIZED       |                  | ESTIMATED        |                  |
|--|------------------|------------------|------------------|------------------|
|  | ACTUAL<br>FY2015 | BUDGET<br>FY2016 | ACTUAL<br>FY2016 | BUDGET<br>FY2017 |
| <b>DIRECT OPERATING CHARGES &amp; SERVICES</b> |                  |                  |                  |                  |
| 250 Repairs & Maintenance-Equipment            | 0                | 0                | 0                | 2,105            |
| 271 Other Outside Services                     | 42,890           | 42,624           | 43,045           | 45,937           |
| 273 Operating Supplies & Materials             | 0                | 0                | 0                | 6,398            |
| 281 Insurance and Bonds                        | <u>2,292,010</u> | <u>2,797,910</u> | <u>2,826,541</u> | <u>3,373,638</u> |
| TOTAL DIR. OPER. CHRGS. & SRVCS.               | 2,334,900        | 2,840,534        | 2,869,586        | 3,428,078        |
| <b>NON-OPERATING CHARGES</b>                   |                  |                  |                  |                  |
| 430 Health Insurance Claims                    | <u>469,360</u>   | <u>405,000</u>   | <u>245,663</u>   | <u>325,000</u>   |
| TOTAL NON-OPERATING CHARGES                    | 469,360          | 405,000          | 245,663          | 325,000          |
| <b>TOTAL EXPENDITURES</b>                      | <u>2,804,260</u> | <u>3,245,534</u> | <u>3,115,249</u> | <u>3,753,078</u> |