

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 2012 the City of Carbondale entered into a contract with Health Alliance to provide Health Insurance Coverage to active and retired City employees and their dependants. The plan chosen was one that included a Health Reimbursement Account method of paying claims. The employee/retiree is responsible for a \$500 deductible as well as a 10% cost sharing of the next \$5,000 in costs for a total of \$1,000 out of pocket (up to a maximum of \$2,000 for plans with more than one insured). The City is responsible for a 90% cost share of the aforementioned \$5,000 and the next \$2,000 for a total out of pocket of \$6,500 per insured. 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 Health Alliance.

Due to the better than expected performance of the Fund, the Employee Benefit Committee requested that the City include in the Fund the purchase of Dental, Vision, and a \$20,000 Life Insurance policy for all active City Employees to begin in FY 2014.

In addition to claims the division will pay Health Alliance 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.

FY 2015 benefit amounts are expected to remain unchanged, while increased costs in premiums and costs associated with compliance of the Affordable Care Act will be paid from the accumulated fund balance.

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EXPENDITURE CLASSIFICATION	AUTHORIZED		ESTIMATED	
	ACTUAL FY2013	BUDGET FY2014	ACTUAL FY2014	BUDGET FY2015
DIRECT OPERATING CHARGES & SERVICES				
271 Other Outside Services	39,573	41,634	42,235	42,408
281 Insurance and Bonds	<u>1,866,175</u>	<u>1,954,162</u>	<u>2,024,111</u>	<u>2,306,849</u>
TOTAL DIR. OPER. CHRGS. & SRVCS.	1,905,748	1,995,796	2,066,346	2,349,257
NON-OPERATING CHARGES				
430 Health Insurance Claims	<u>420,330</u>	<u>603,500</u>	<u>496,590</u>	<u>585,000</u>
TOTAL NON-OPERATING CHARGES	420,330	603,500	496,590	585,000
TOTAL EXPENDITURES	<u>2,326,078</u>	<u>2,599,296</u>	<u>2,562,936</u>	<u>2,934,257</u>