



Legislation Details (With Text)

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Title: Human Resources Department, Risk Management Division, recommending the Board approve a Budget Transfer increasing revenue and appropriations in the Risk Management special revenue fund in the amount of \$700,000 to fund the County's Health Plan (4/5 vote required).

Sponsors:

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Code sections:

Attachments: 1. FY0910 Bud Trnsfr - Health 2

Date	Ver.	Action By	Action	Result
6/29/2010	1	Board of Supervisors	Approved	Pass

Human Resources Department, Risk Management Division, recommending the Board approve a Budget Transfer increasing revenue and appropriations in the Risk Management special revenue fund in the amount of \$700,000 to fund the County's Health Plan (4/5 vote required).

BUDGET SUMMARY:		
Total Estimated Cost		\$700,000
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$700,000	fund balance
Total Funding Available	\$700,000	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: Appropriations sto be increased by drawing down the Health Fund Balance in order to fund claims through FYE 2009-10.

Background: The County Health Plan is comprised of three major health care programs for its employees: Blue Shield, which is self-funded, and Kaiser and PacifiCare, which are fully insured. Health care costs, specifically in the self-funded program for FY 2009-10 have increased significantly over what was estimated and budgeted for the current fiscal year. A budget transfer was approved by the Board on June 15, 2010, in the amount of \$1.5 million to offset these increases, however, due to recently reported large claims, it is estimated that an additional \$700,000 will be required to cover the unexpected additional year end costs over budget for claims. The larger claims are partially offset by reimbursements from the County's stop-loss insurance. The total projected additional year end cost over budget for claims is now estimated to be \$2,200,000 and requires the use of an

additional \$700,000 of fund balance.

Reason for Recommendation: To date, claims costs have exceeded the FY 2009-10 budgeted appropriations and a budget transfer from the special revenue fund balance is necessary to cover the projected year end costs for claims.

Action to be taken following Board approval: Board to approve budget transfer to increase appropriations for claims drawing down the Health Fund balance.

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Concurrences: CAO