



County of El Dorado

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Legislation Text

File #: 10-0579, **Version:** 1

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 \$1,500,000 to fund the County's Health Plan (4/5 vote required).

BUDGET SUMMARY:		
Total Estimated Cost		\$1,500,000
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$1,500,000	fund balance
Total Funding Available	\$1,500,000	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: Appropriations to 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. Estimates are made approximately six to nine months prior to the fiscal year, as to costs and enrollment in the plans. Health care costs, specifically in the self-funded program, for FY 2009-10 have been tracking high and are projected to exceed actuarial projections by approximately 10 percent due to multiple large, unexpected claims and an overall increase in utilization by plan participants. The projected additional year end cost over budget for claims is now estimated to be \$1,500,000 and requires the use of fund balance.

Reason for Recommendation: To date, claims costs have exceeded the FY 2009-10 budgeted appropriations and a budget transfer from the fund 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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