

**AGENDA MEMORANDUM**  
City Council Meeting of April 24, 2018

**DATE:** April 18, 2018  
**TO:** Margie C. Rose, City Manager  
**FROM:** Steven Viera, Director of Human Resources  
[SteveV@cctexas.com](mailto:SteveV@cctexas.com)  
361-826-3445

Health Plan Update

**STAFF PRESENTER(S):**

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Steven Viera	Director of Human Resources	HR
2. Rose Bond	Benefits Manager	HR

**OUTSIDE PRESENTER(S):**

<u>Name</u>	<u>Title/Position</u>	<u>Organization</u>
N/A		

**BACKGROUND :**

Fire is at a \$(585k) loss this year with expenses 1.52% above expected. Police is no longer in a loss position, with a net FYTD gain of \$104 thousand. Expenditures are 3.13% below budgeted levels. Citicare is performing better than expected with expenditures currently 16.75% below budget.

We will be holding interviews for the Medical/RX finalists on April 12 and we anticipate this will go to Council on May 8<sup>th</sup> and 15<sup>th</sup>.

At the current trend, we will need to request a budget increase in the Fire fund in August. The other funds are performing well.

I estimate the fund balance in Citicare will exceed \$8 million by the end of the fiscal year with an appropriable balance of over \$5 million. The Police cash fund balance is projected to be \$3.7 million, far short of the \$7.1 million required under the fund balance policy and Police contract. If the current trend in Fire continues, their cash fund balance will be around \$4.5 million, about \$0.5 million short of the estimated \$5 million in reserves required by the fund balance policy and Fire contract.

**LIST OF SUPPORTING DOCUMENTS:**

Monthly Health Plan Reports (Charts)

# Monthly Health Plans Report

## FY 2018 Health Plans as of March 31, 2018

Target, 6 out of 12 months: 50.00%

4/10/2018

### Citicare - Fund 5610

Beginning fund balance, 10/1/2017	\$	3,792,929			
		Original Budget	YTD Actuals	% of Budget	Variance
Revenues	\$	26,171,112	\$ 11,024,580	42.12%	-7.88%
Expenditures	\$	(21,664,351)	\$ (7,255,478)	33.25%	-16.75%
Pending Stop Loss Reimbursements			\$ 52,870		
Change in FB		<u>\$4,506,761</u>	<u>\$3,821,972</u>		
Current cash fund balance			<b>\$7,614,901</b>		

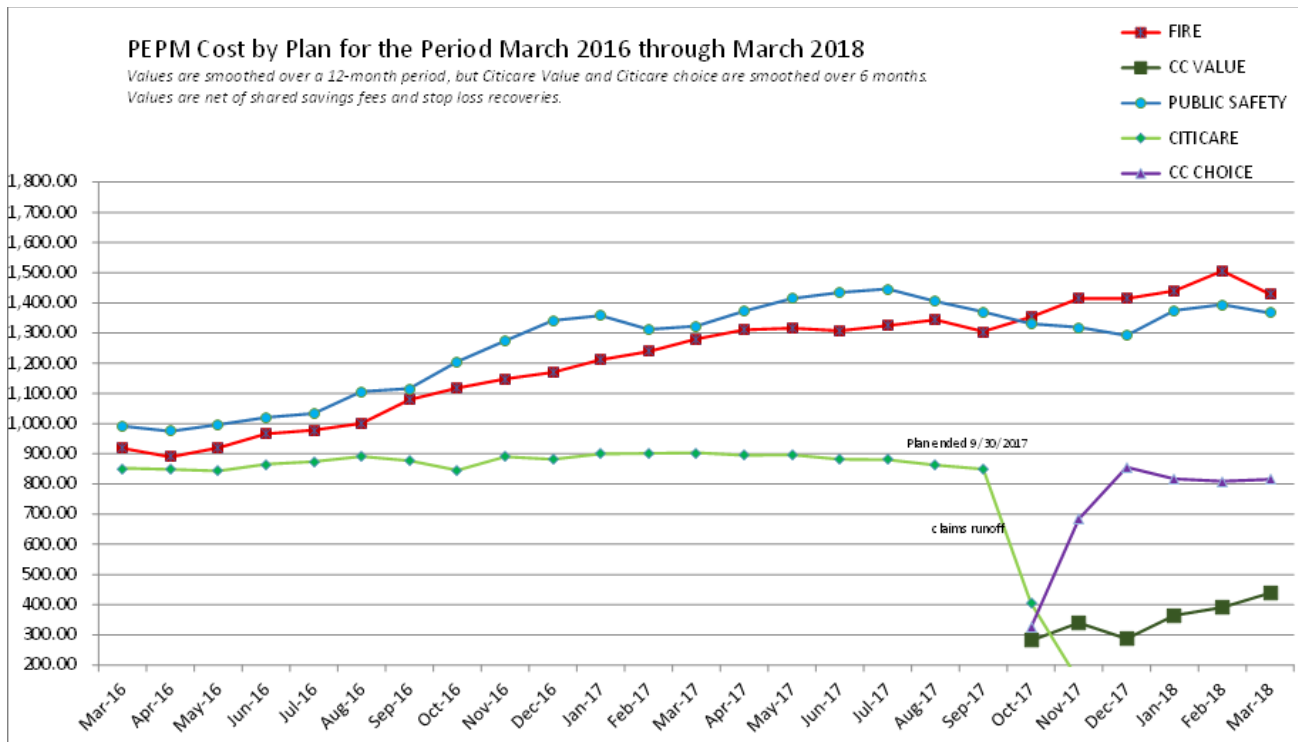
### Citicare Fire - Fund 5608

Beginning fund balance, 10/1/2017	\$	5,725,889			
		Original Budget	YTD Actuals	% of Budget	Variance
Revenues	\$	8,482,538	\$ 4,214,288	49.68%	-0.32%
Expenditures	\$	(9,316,636)	\$ (4,861,689)	51.52%	1.52%
Pending Stop Loss Reimbursements			\$ 62,195		
Change in FB		<u>(\$834,098)</u>	<u>(\$585,206)</u>		
Current cash fund balance			<b>\$5,140,683</b>		

### Citicare Police - Fund 5609

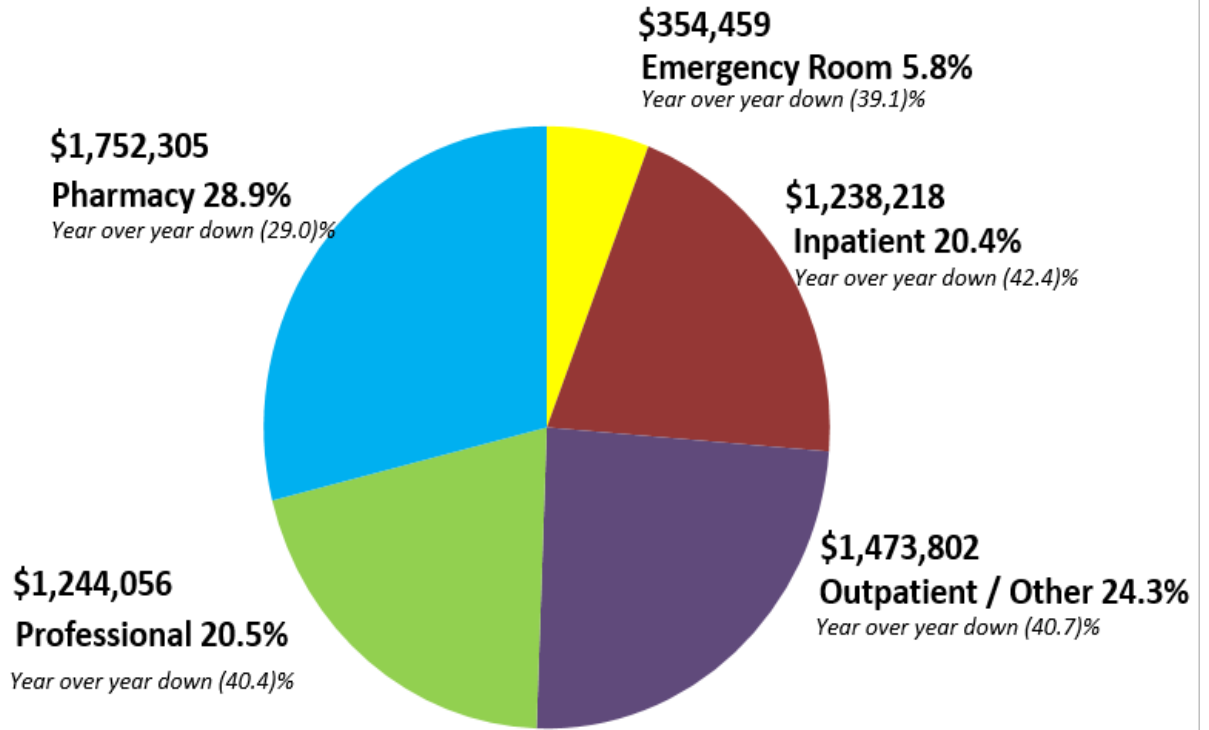
Beginning fund balance, 10/1/2017	\$	3,586,916			
		Original Budget	YTD Actuals	% of Budget	Variance
Revenues	\$	9,731,876	\$ 4,663,113	47.92%	-2.08%
Expenditures	\$	(9,726,140)	\$ (4,612,310)	46.87%	-3.13%
Pending Stop Loss Reimbursements			\$ 53,418		
Change in FB		<u>\$5,736</u>	<u>\$104,221</u>		
Current cash fund balance			<b>\$3,691,137</b>		

## Per Employee Per Month (PEPM) Chart



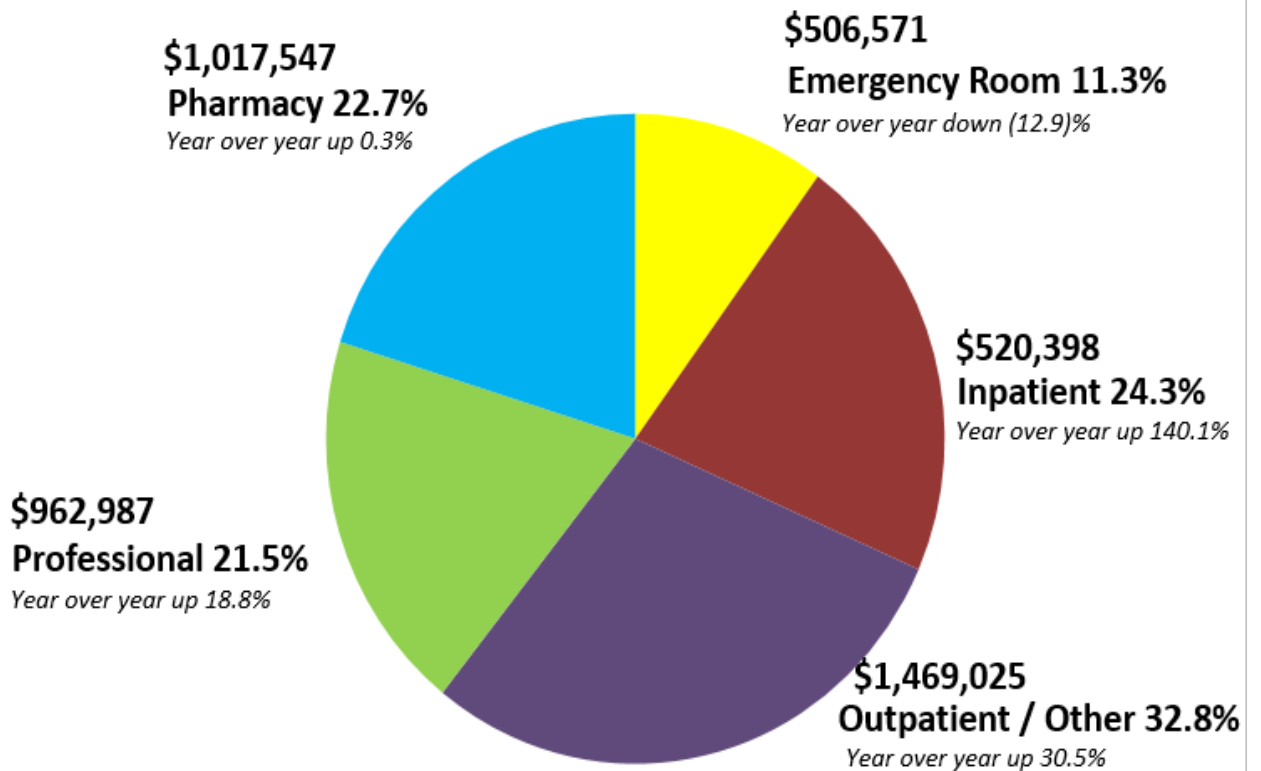
### Citicare Health Plans: Service Category Utilization October 2017-March 2018

Overall year over year costs down (38.0)%



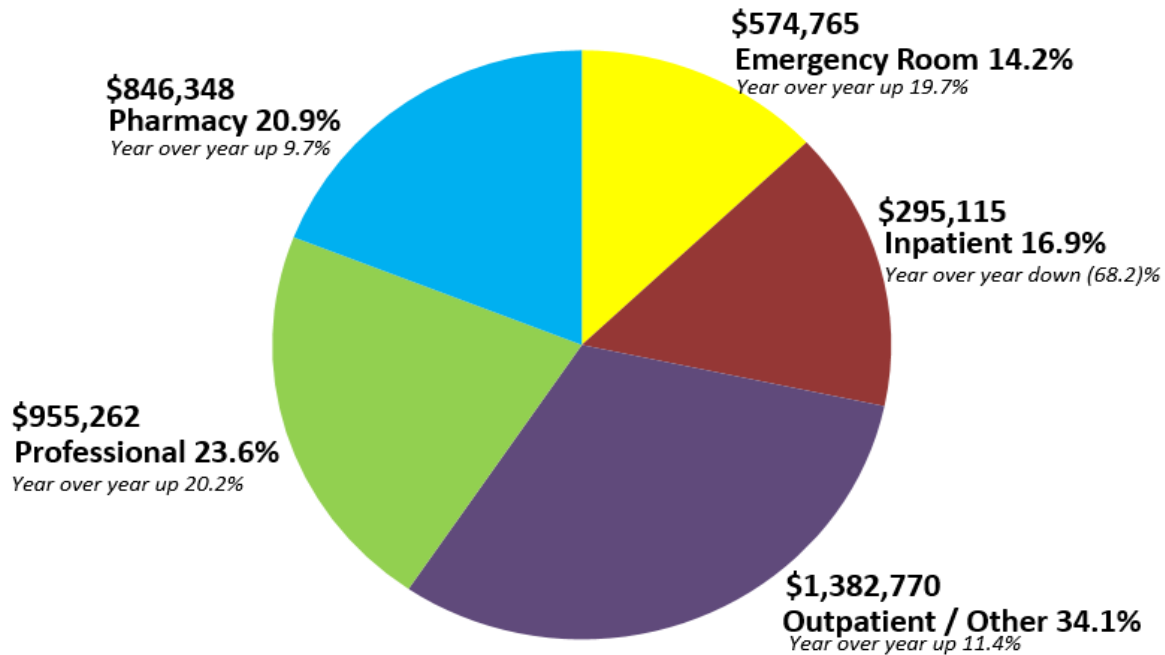
### Citicare Fire Health Plans: Service Category Utilization October 2017- March 2018

Overall year over year costs up 19.4%



## Citicare Police Health Plans: Service Category Utilization October 2017-March 2018

Overall year over year costs down (3.8)%



### CITY OF CORPUS CHRISTI

Health Plans for the Months of October 2017 through March 2018

2017	CITICARE	FIRE	POLICE	TOTAL
<b>CENSUS AVERAGE</b>				
# Employees / Retirees	1,586	468	478	2,532
increase (decr) from prior year	-8.8%	-3.1%	-1.6%	-6.5%
# Spouses + Dependents	993	705	829	2,527
increase (decr) from prior year	-34.0%	-0.4%	-4.5%	-18.0%
Total # Member Lives	2,579	1,173	1,307	5,059
increase (decr) from prior year	-20.5%	-1.5%	-3.5%	-12.6%
Dependents/EE ratio	0.63	1.51	1.73	1.00
<b>Total Paid by Health Plan - not smoothed over a 12-month period</b>				
Gross Medical Paid	\$ 4,310,535	\$ 3,458,981	\$ 3,207,912	\$ 10,977,428
Gross Rx Paid	\$ 1,752,305	\$ 1,017,547	\$ 846,348	\$ 3,616,200
Gross Medical/Rx Paid	\$ 6,062,840	\$ 4,476,528	\$ 4,054,260	\$ 14,593,628
<b>Per Employee Per Month</b>	<b>\$ 637</b>	<b>\$ 1,594</b>	<b>\$ 1,414</b>	<b>\$ 961</b>
increase (decr) from prior year	-32.0%	23.3%	-2.2%	-12.0%
<b>Per Member Per Month</b>	<b>\$ 392</b>	<b>\$ 636</b>	<b>\$ 517</b>	<b>\$ 481</b>
increase (decr) from prior year	-22.0%	21.3%	-0.4%	-5.9%
<b>Catastrophic Outliers</b>				
<b>Current Fiscal Year:</b>				
Gross Medical/Rx Paid	\$ 6,062,840	\$ 4,476,528	\$ 4,054,260	\$ 14,593,628
Claimants at 125k+	5	4	2	11
Claims Paid (125k+)	\$859,245	\$1,393,095	\$856,764	\$3,109,104
S/L reimb	\$0	(\$565,560)	(\$389,309)	(\$954,869)
	<u>\$859,245</u>	<u>\$827,535</u>	<u>\$467,455</u>	<u>\$2,154,235</u>
Cats % of Gross Dollars	14.2%	18.5%	11.5%	14.8%
<b>Last Fiscal Year:</b>				
Gross Medical/Rx Paid	\$ 9,774,675	\$ 3,748,383	\$ 4,215,606	\$ 17,738,663
Claimants at 125k+	7	2	5	14
Claims Paid (125k+)	\$1,739,022	\$385,339	\$1,912,291	\$4,036,652
S/L reimb	(\$289,837)	(\$64,223)	(\$318,715)	(\$672,775)
	<u>\$1,449,185</u>	<u>\$321,116</u>	<u>\$1,593,575</u>	<u>\$3,363,877</u>
Cats % of Gross Dollars	14.8%	8.6%	37.8%	19.0%