

BUDGET DETAIL

| | Actual 2005-06 | Actual 2006-07 | Budget 2007-08 | Requested 2008-09 | Proposed 2008-09 | Approved 2008-09 | Adopted 2008-09 |
|-------------------------|-------------------|-------------------|-------------------|----------------------|---------------------|---------------------|--------------------|
| Service Programs | | | | | | | |
| Medical Insurance | 15,972,915 | 16,984,296 | 22,399,158 | 23,908,484 | 23,908,484 | 23,908,484 | 23,908,484 |
| Total Expenditures | 15,972,915 | 16,984,296 | 22,399,158 | 23,908,484 | 23,908,484 | 23,908,484 | 23,908,484 |
| Funding Sources | | | | | | | |
| Departmental Revenue | 16,101,530 | 17,789,298 | 19,081,188 | 20,857,000 | 20,857,000 | 20,857,000 | 20,857,000 |
| Beginning Balance | 2,467,126 | 2,595,740 | 3,317,970 | 3,051,484 | 3,051,484 | 3,051,484 | 3,051,484 |
| Total Resources | 18,568,656 | 20,385,038 | 22,399,158 | 23,908,484 | 23,908,484 | 23,908,484 | 23,908,484 |

Purpose Statement:

To pay all administrative and claims costs associated with the medical, dental and vision insurance plans. Also included are employee benefit programs such as the Wellness Program, Employee Assistance, and flexible spending accounts for dependent care and health expenses.

Service Program Description:

1. **Medical Insurance:** Pays costs associated with the County's health insurance programs, flexible spending accounts and employee assistance programs.

County Administrator's Analysis:

Summary of Department's Requested Budget:

The requested budget for Medical Insurance totals \$23,908,484, an increase of \$1,509,326 (6.7%) as compared to the 2007-08 adopted budget. Budgeted revenues increase \$1,775,812 (9.3%) and the beginning fund balance is reduced by \$266,486 (8.0%).

Due to the budget preparation schedule, the requested budget was built on a projected increase of 11.6% for the Providence and 8% for Kaiser medical options and 4% for dental insurance. Since the budget was prepared, the actual premium increases for 2008-09 have been finalized. The actual Providence medical plan renewal increase will be 9.5% and the Kaiser plan will increase 9.4%. The dental plans will increase 7% for ODS and 10.5% for Regence Dental. Vision insurance rates will remain unchanged.

Estimated costs for employees for the three coverage areas combined (medical, dental and vision) are \$19.5 million for 2008-09. This represents an increase of \$1.5 million (9.0%) from the 2007-08 adopted budget. In addition to employee costs, this budget also includes medical, dental and vision insurance expenditures and revenues for retirees and COBRA participants. For fiscal year 2008-09, the estimated cost for these premiums is approximately \$1.0 million.

Rates charged to departments are unchanged for FY 2008-09. The premium increases will be funded by the beginning fund balance. The rates will be adjusted upward in FY 2009-10 as the beginning fund balance is reduced.

During 2008-09 the Human Resources Division will initiate a Countywide Benefits Committee to review current offerings and explore the full range of emerging benefit options and structures.

Highlights of Administrator's Proposed Budget:

I recommend that this budget be funded as requested.