

FUND 502: SELF INSURANCE (HEALTH BENEFIT)

This program provides for the management of the employee health insurance program. Responsibilities include: planning, organizing, implementing, and directing the self-insurance fund of the Town's Health Insurance Program.

The Town of Palm Beach has re-established a Town Clinic, located at Public Works, on Old Okeechobee Road in West Palm Beach.

The overall Employee Health budget is expected to increase, in anticipation of the requested expansion of Clinic services to include primary care (\$122K of overall increase) and annual increases in claims and stop-loss. Rates for Stop Loss coverage will increase by an estimated 15%, thus increasing the overall fixed rates for health insurance in FY24. Costs for health insurance claims, as expected, began to level out during FY23, providing a lower estimated increase of 0.4% for FY24. Claims were dramatically affected in FY22, causing an increase in employee premiums for the plan year 2023 (calendar). The increase in Clinic services, contracted out to Concentra, will provide minor urgent care and primary care services to all employees, ultimately impacting claims and reducing the overall claims expense in the upcoming and future years. The ROI will not be realized until we can review future claims experience. Additionally, the increase in clinic costs encompass the ultrasound costs associated with annual physicals for all public safety.

Revenue and Expense Summary

	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Budget	% Change
Revenues						
Employer Contributions	3,677,308	3,682,558	4,427,484	4,427,484	4,870,232	10.00%
Employee Contributions	794,165	849,069	880,000	912,098	891,400	1.30%
Insurance Recoveries	-	-	-	2,709	-	-%
Miscellaneous Revenue	154,332	8,356	-	-	-	-%
Interest Income	934	(148,873)	100,000	245,000	100,000	-%
TOTALS	4,626,740	4,391,110	5,407,484	5,587,291	5,861,632	8.40%
Expenses						
Salaries and Wages	48,828	50,653	84,306	80,000	90,219	7.01%
Employee Benefits	5,112,109	5,720,361	6,314,908	5,636,938	6,437,419	1.94%
Contractual	66,782	113,136	438,473	442,845	532,696	21.49%
Commodities	400	1,262	1,834	2,049	3,011	64.18%
Capital Outlay	-	-	-	-	-	-%
Other (Contingency)	-	-	500,000	-	500,000	-%
TOTALS	5,228,119	5,885,412	7,339,521	6,161,832	7,563,345	3.05%
Total Revenues Over/ (Under) Expenses	(601,379)	(1,494,302)	(1,932,037)	(574,541)	(1,701,713)	
Beginning Net Assets	7,890,457	7,289,079	5,794,777	5,794,777	5,220,236	
ENDING NET ASSETS	7,289,079	5,794,777	3,862,740	5,220,236	3,518,523	

REVENUES

Employer Contributions

Town's portion of health care expenses; plan funding requirements are determined by experience and actuarial analysis conducted by The Gehring Group. The Town contribution will increase 10% in FY24. There was a 20% increase in FY23, the first increase since FY13.

Employee Contributions

The employee portion of health care expenses are calculated based on experience and actuarial analysis by the Gehring Group.

Interest Income

This amount consists of interest earnings

EXPENSES

Salaries and Wages

The salary budget is derived from the payroll data for the Full Time Equivalent Employees (FTE) listed in the table below. The FY2024 budget includes a COLA increase and pay for performance increases.

Employee Benefits

The employee benefit costs include FICA, health insurance, retirement costs, any paid incentives and allowances, and the performance bonus. The health insurance and retirement costs are based on an allocation of the total Town costs by FTE per program.

Contractual

Includes professional and other contracted services for the Town's Clinic, contracted services for a 1094-C/1095-C filing program, and off-site document and record storage services.

Commodities

Commodities include office supplies and training expenses associated with professional development.

Full Time Equivalent Employees	FY2020	FY2021	FY2022	FY2023	FY2024
Director Of People & Culture	0.000	0.000	0.000	0.000	0.100
People & Culture Division Director	0.000	0.000	0.100	0.150	0.000
Risk Manager	0.000	0.000	0.100	0.000	0.000
People & Culture Manager	0.000	0.000	0.000	0.050	0.050
Talent Development Officer	0.000	0.000	0.000	0.000	0.050
People & Culture Generalist	0.000	0.000	0.050	0.300	0.300
People & Culture Coordinator	0.320	0.320	0.050	0.050	0.350
Administrative Assistant	0.000	0.400	0.100	0.050	0.050
Assistant Director of Human Resources	0.200	0.200	0.000	0.000	0.000
Director of Human Resources	0.100	0.100	0.000	0.000	0.000
People and Culture Analyst	0.100	0.100	0.250	0.050	0.000
People and Culture Specialist	0.200	0.000	0.000	0.300	0.000
	0.920	1.120	0.650	0.950	0.900