



Williamson County Self-Funded Health Plan

The Opportunity for Flexibility
and Cost Savings

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Origin of the Self-Funded Health Plan:

Approximately 20 years ago,
County Auditor David Flores
proposed the implementation of a
“Self-Funded Health Plan” to the
Commissioner’s Court.

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Self Funded Health Plan

The Court approved the proposal and a "Health Insurance Committee" was formed to oversee the Fund. At that time, there were just over 500 county employees with medical plan coverage.

The Committee members consisted of:

- David Flores, County Auditor
- Judge Wilson, County Judge
- Dorothy Jones, Tax Assessor-Collector

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Wellness Program



In 1994, 15 years ago, David Flores proposed the implementation of the "Commit to be Fit" Wellness Program.

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Today

- Both of these programs were considered to be "cutting edge" ideas even though they are considered mainstream today.
- In 1996, a new "Benefits" Department was formed and a new Department Head appointed.
- In 2001, the HR Department and the Benefits Department merged to become the current Human Resources Department which serves over 1,560 employees – a 200+% increase since the implementation of the Self Insured Health Plan.

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Self-funded Health Plan

- Cost Savings
 - The Employer does not pay an insurance company every month
 - The Employer uses fund monies to pay for claims incurred and administrative fees
 - The Employer retains any excess funds at the end of the health plan year
 - These funds are added to the Reserve Fund and can be used to pay future expenses of the plan
- Flexibility
 - The Employer has the Flexibility to fund the plan using several sources of revenue

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Revenue Sources - Cash

- Interest – Bank Deposits
- ***Interest - Reserve Fund Investments***
- Employer Contributions
- Employee Payroll Deductions
- COBRA Premiums
- Retiree Premiums

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Flexibility in Budgeting

- Instead of budgeting from the General Fund the total amount indicated by actuarial projections, the General Fund amount may be held in "reserve" until such time as claims exceed revenues
- At that time, the court may allocate additional funding from the General Fund, the Benefits Reserve Fund, or both, but only in amounts necessary at a given point in time
- This means that both the General Fund and Benefits Reserve Fund have the opportunity to retain all dollars that are not actually needed

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Employer Contribution Rate

Fiscal Year	Employee Count for Employer Contribution Purposes	Employer Contribution Rate Per Employee Per Month	Increase over Previous Year
2001-2002	1,062	\$400.00	
2002-2003	1,099	\$450.00	\$50.00
2003-2004	1,305	\$450.00	\$0.00
2004-2005*	1,278	\$450.00	\$0.00
2005-2006	1,366	\$450.00	\$0.00
2006-2007	1,459	\$461.50	\$11.50
2007-2008	1,486	\$461.50	\$0.00
2008-2009	1,562	\$461.50	\$0.00
*CSCD Moved	to ERS Health Ins.		

Self-Funded Health Plan Revenue

Fiscal Year	Revenue - Cash	Designation from Benefits Fund Cash Ending Balance	Designation from General Fund Cash Ending Balance	Total Budgeted Revenue
2001-2002	\$6,366,900.00	\$935,000.00		\$7,301,900.00
2002-2003	\$7,134,200.00	\$180,000.00		\$7,314,200.00
2003-2004	\$8,762,500.00	\$865,000.00		\$9,627,500.00
2004-2005*	\$9,519,300.00	\$2,340,000.00		\$11,859,300.00
2005-2006	\$10,130,000.00	\$3,485,000.00		\$13,615,000.00
2006-2007	\$11,418,500.00	\$3,040,000.00		\$14,458,500.00
2007-2008	\$12,073,000.00	\$3,380,000.00		\$15,453,000.00
2008-2009	\$12,532,500.00	\$3,380,000.00	\$1,000,000.00	\$15,912,500.00

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Revenue Sources – Reserve Fund

- Highest Balance in Reserve since 1996
 - \$4.35 Million
- Lowest Balance in Reserve since 1996
 - \$1.8 Million

Revenue Sources – Reserve Fund Balance

Fiscal Year	Benefits Reserve Fund Balance at Year End
2001-2002	\$1,794,721
2002-2003	\$2,285,013
2003-2004	\$3,082,418
2004-2005*	\$3,644,224
2005-2006	\$3,799,690
2006-2007	\$4,357,757
2007-2008	\$3,552,429
2008-2009	Projected > \$2M

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Designation from General Fund Cash Ending Balance

- In a continuing effort to contain costs for FY 2009 and still balance the Benefits Fund Budget, the following was adopted by the Court:
 - No increase to the Employer Contribution Rate – remains at \$461.50 *for the 3rd year*
 - Designate \$1M from the General Fund Cash Ending Balance to be available if needed.

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Budgeted Expenses – More than Health Plan

- Administrative Expenses for all the Benefit Plans offered by Williamson County
- Medical and Prescription Claims
- Reinsurance Coverage (Stop Loss for catastrophic claims)
- Wellness Program – Administration and Payments
- Free Group Life Coverage for employees & dependents
- Flexible Benefits Plan Administration (Flex Spending Accounts)
- COBRA Administration
- Employee Assistance Program (EAP)

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The Future

- In June 2009, RFP's will be issued for all plan options
- The Benefits Committee will be bringing their recommendations to the Commissioners Court in early August, 2009

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Thank You For Your Time

Questions or comments:

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