



FY 2017 Recommended Budget Budget Question

Board Question #: 34

BUDGET QUESTION: How much of the schools' increase is increased health care costs? Are we seeing a similar increase in the County's health care costs? If so, by how much are premiums going up for employees and how much of increased costs fall on taxpayers?

RESPONSE: \$3.8M of the Schools' increase is related to health insurance costs. This amount includes medical, dental, and prescriptions for both active employees and retirees.

The County is not expecting an increase in health insurance costs/rates for FY 2017 other than for retirees where the number of retirees is increasing. We were advised by Anthem to estimate an approximate 8.3% increase in our medical/drug claims and an approximate 11.9% increase in our dental claims. However, for the past several years, our total premiums have been more than sufficient to cover actual claims against the plan.

Anthem continues to caution us that we may have a bad year in which claims exceed premium contributions into the plan. However, given recent years' actual claims, that we have had budget savings from the lapse and turnover of budgeted positions which could fund any insurance overruns, and our health insurance reserve fund, staff sees no need to increase the rates for FY 2017.