

## **Group Insurance Fund**

**The Group Insurance Fund is used to account for monies accumulated to provide for the payment of benefits by the School Board's Self-Insurance Fund. Both Life, Dental and Health Care benefits are offered. Employer and employee contributions are used to purchase insurance, pay claims and pay for administration of the program.**

**Lafayette Parish School Board  
Group Insurance Program Fund Budget  
Adopted for Fiscal Year 2005/2006**

	Revised Budget 2004/2005	Actual July 1, 2004 through Dec 31, 2004	Adopted Budget 2005/2006	Notes
Projected Enrollment	4,505	4,571	4,619	1
Beginning Fund Balance	1,467,465	1,070,755	(327,630)	
<b>Revenues</b>				
Health Premiums--LPSB	17,602,422	8,554,375	20,744,939	2
Health Premiums--Members	7,640,789	3,720,198	8,937,132	
Life Premiums--LPSB	205,476	109,458	219,000	
Life Premiums--Members	651,504	359,465	718,920	
Dental Premiums	72,476	53,111	91,380	
Interest Income	82,000	45,690	65,000	
Refunds & Recovery	300,000	60,628	30,000	
Transfers from General Fund	6,550	204	6,550	
<b>Total Revenues</b>	<b>26,561,217</b>	<b>12,903,129</b>	<b>30,812,921</b>	
<b>Expenses</b>				
Health Claims	24,850,100	11,763,569	25,879,852	
EAP	82,000	25	82,000	
PPO Network Fees	179,415	90,617	0	3
Flexible Spending Account	6,550	3,150	6,550	
Specific Stop Loss Premium	853,957	278,307	939,970	4
Claim Processing	880,257	414,255	1,097,481	4
Life Insurance Premiums	856,980	464,495	937,920	
Dental Claims	72,473	44,661	91,380	
Consulting	25,000	7,500	25,000	
Auditing	4,000	0	4,000	
Administration	148,870	86,325	160,157	5
Transfers to Other Funds	0	0	0	
<b>Total Expenses</b>	<b>27,959,602</b>	<b>13,152,904</b>	<b>29,224,310</b>	
<b>Net Profit</b>	<b>(1,398,385)</b>	<b>(249,775)</b>	<b>1,588,611</b>	
<b>Ending Fund Balance</b>	<b>69,080</b>	<b>820,980</b>	<b>1,260,981</b>	

**Full Time Positions:**

Administrative/Professional	0.5	0.5	0.5
Classified	2	2	2
<b>Total Positions</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

**GROUP INSURANCE PROGRAM FUND  
FY 2005/2006**

**EXPLANATORY NOTES**

**Note 1.** We have arrived at our projected enrollment for 2005/2006 by calculating our average monthly enrollment during Plan Year 2004. The census can be broken down into the following categories:

active employees	3,146		
retirees	1,473	singles	2,347
COBRAs	<u>87</u>	families	<u>2,359</u>
TOTAL	4,706	TOTAL	4,706

“COBRAs” refers to both former employees continuing coverage via COBRA and surviving spouses of deceased employees.

**Note 2.** In order to determine the revenue needed for the coming fiscal year, we have secured data from several sources on what our projected claims costs will be as well as our plan's fixed administrative costs. Blue Cross Blue Shield's actuaries, as well as independent consultants, have examined several factors including our plan members' utilization patterns; our large claims (those which exceed \$50,000); inflation and market trends; negotiated provider contracts; and, plan amendments during the past year. Medical inflation is expected to be from 9% to 12%, while prescription drug costs are expected to rise between 18% and 20%. All factors considered, we anticipate requiring approximately 7% more revenue to operate our Group Health Fund for Fiscal Year 2005/2006. The increased revenue is budgeted strictly in the form of an increase in the premiums paid by both the employees and the employer.

The premium increase has been distributed among all of the funding sources: ½-cent sales tax, undedicated general fund/special fund revenues, and employee/retiree contributions. The total cost of the premiums to each revenue source is expected to be

½-cent sales tax	\$10,376,198
undedicated general fund/special fund revenues	\$9,799,742
employees/retirees	\$8,646,833

The numbers shown above are an annual premium revenue based on the increase effective on July 1, 2005.

**Note 3.** PPO (Preferred Provider Organization) network access fees are included in the claims processing fees and will no longer be accounted for separately.

**Note 4.** We have assumed a 10% increase on stop-loss and claims processing. Our administrative fee for 2005 is \$21.50 per person per month. Our current stop-loss insurance rates are \$8.84 per month for single plan subscribers and \$22.61 per month for each family enrolled in the plan.

**Note 5.** Administration costs consist of the following:

<b>Salaries</b>	
Professional salary	\$39,011
Clerical salary	\$55,370
Sub wages	\$ 5,000
Overtime	\$ 5,500
<b>Employee Benefits</b>	
Group insurance	\$ 12,258
Retirement	\$ 17,366
Other (Medicare, FICA)	\$ 1,752
<b>Other costs</b>	
Travel (in-parish)	\$ 600
Training/Seminars/Conference Fees	\$ 4,000
Subscriptions and dues	\$ 3,500
Supplies and materials	\$ 5,800
Equipment (computer)	\$ 2,000
Printing (open enroll and copy machine)	\$ 8,000
<b>TOTAL ADMINISTRATION</b>	<b>\$ 160,157</b>