



## Agenda Item

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**File #:** 22-0866

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**Requested Agenda Date:**

9/13/2022

**Requested Agenda Title:**

Budget Adjustment: Mayor's Finance and Administration Requests \$5.6M for the ESR Fund to Cover Increases in 2022 Actual Medical Claims and Anticipated Claims and Reinsurance Premiums in 2023.

**Requested Agenda Item Description:** The County is self-insured for medical insurance, meaning we pay the actual claims as they are incurred. In 2022 actual medical claims and some related costs have increased more than what was anticipated for in the budget. Because claims and reinsurance premiums are projected to be over what is budgeted in 2022, we are requesting a budget adjustment in the ESR Fund to cover these projected costs. The lines being adjusted are for PEHP and Select Health medical claims and reinsurance premiums. The ESR Fund has medical insurance reserves that will cover the increase in these expenses.

Medical costs in future years may continue to increase more than they have in prior years and 2023 adjustments could be needed to County and employee premiums, and to accounts in the ESR Fund, to cover costs and maintain reserves.

**Requested Action:** Discussion - Vote Needed

**Presenter(s) (with titles):** Hoa Nguyen, Council Budget and Policy Analyst

**Time Needed:** 5 MINS

**Is this Item Time-Sensitive and/or Requesting a Time-Certain?** No

**Requesting Staff Member:** Greg Folta, Director of Finance and Payroll

**Are Supporting Documents Needed for this Agenda Item Request?** Yes