



# Pinellas County

## Staff Report

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### **Subject:**

FY 2016 Board Budget Amendment No.12 to realign Employee Health Benefits Fund Reserves for higher than anticipated Medicare Advantage plan expenses.

### **Recommended Action:**

Approve FY16 Board Budget Amendment No.12 realigning \$1,488,350.00 within the Employee Health Benefits Fund for higher than anticipated Medicare Advantage plan expenses.

### **Strategic Plan:**

Create a Quality Workforce in a Positive, Supportive Organization  
1.3 Make workforce safety and wellness a priority

### **Summary:**

This amendment realigns appropriation from the Employee Health Benefits Reserves program to the Employee Health Benefits program. The fully insured Medicare Advantage PPO offered to Medicare eligible retirees and their eligible dependents experienced a significantly higher than anticipated number of enrollees.

### **Background Information:**

The County implemented the fully insured Medicare Advantage plan as an option for post 65 retirees effective January 1, 2008. In January 2011 the BCC approved the Medicare Advantage Plan as the only option for new Medicare eligible members. In 2015 Medicare Advantage became the default plan for Medicare members, requiring members to opt out if they wished to remain in the self-funded plan. As a result of this change, enrollment in Medicare Advantage increased to nearly 100%. Growth in the number of Medicare Advantage members has also been driven by the increasing number of newly eligible retirees within the "Baby Boomer" generation. Enrollment in the Medicare Advantage plan has grown from 1,213 members in December 2014 to 1,782 in September 2016.

### **Fiscal Impact:**

This amendment will realign \$1,488,350.00 within the Employee Health Benefits Fund budget. This amendment was not anticipated in the FY16 estimates which were submitted for the FY17 budget development process. The FY17 adopted budget reflects the increased Medicare Advantage enrollment and associated expenditures.

### **Staff Member Responsible:**

Donald Mello Jr., Budget and Financial Management Analyst  
Office of Management and Budget

### **Partners:**

Human Resources

### **Attachments:**

Board Budget Amendment

