

INTERNAL SERVICES FUND

Organizational Excellence

Provide the highest possible level of services by maintaining a fiscally sound organization that values a high performing, professional, and innovative workforce.



BUDGET SUMMARY

	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Recomm	FY2019 Adopted	\$ Chg	% Chg
EXPENSE							
Risk Retention-Liab/Prop/WC	2,381,729	3,268,997	3,269,225	3,291,641	3,291,641	22,644	0.7%
Health Care & Wellness	39,833,727	42,493,002	42,558,164	42,560,138	42,560,138	67,136	0.2%
Internal Services	42,215,456	45,761,999	45,827,389	45,851,779	45,851,779	89,780	0.2%
EXPENSE							
Personnel Services	167,496	197,368	197,368	200,532	200,532	3,164	1.6%
Supplies & Materials	2,376	2,737	3,054	2,737	2,737	0	0.0%
Other Services & Charges	42,045,584	45,561,894	45,626,967	45,648,510	45,648,510	86,616	0.2%
Total Expense	42,215,456	45,761,999	45,827,389	45,851,779	45,851,779	89,780	0.2%
REVENUE							
Charges for Services	41,114,478	43,278,438	43,304,842	43,345,574	43,345,574	67,136	0.2%
Other Revenues	0	40,000	40,000	40,000	40,000	0	0.0%
Total Revenue	41,114,478	43,318,438	43,344,842	43,385,574	43,385,574	67,136	0.2%
Operating Gain/(Loss)	(1,100,978)	(2,443,561)	(2,482,547)	(2,466,205)	(2,466,205)	(22,644)	0.9%
Interest Income	152,867	140,000	140,000	140,000	140,000	0	0.0%
Change	(948,111)	(2,303,561)	(2,342,547)	(2,326,205)	(2,326,205)	(22,644)	1.0%
Beginning Net Position	29,326,668	28,378,556	28,378,556	26,036,009	26,036,009	(2,342,547)	(8.3%)
Ending Net Position	28,378,556	26,074,995	26,036,009	23,709,804	23,709,804	(2,365,191)	(9.1%)
Positions	2.50	2.50	2.50	2.50	2.50	0.00	0.0%

DEPARTMENTAL PURPOSE

The Internal Services Fund accounts for Risk Management services provided to other departments of the County on a cost reimbursement basis. The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County protects itself from potential loss using a combination of risk financing methods, which are accounted for in the Internal Service Fund. The County's insurance programs consist of liability, property, workers' compensation, and employee healthcare insurance. All operating funds of the County participate in the risk management program and make payments to the program based on the insured departments' exposure factors. Payments are for prior and current year claims and to establish adequate reserves for catastrophic losses.

The Internal Services Fund also accounts for the employee healthcare program. The County administers the plan through a self-funded program, supplemented by employee contributions, to pay claims administration and medical claims of the employees and their covered dependents. Specific stop-loss insurance with a deductible level of \$375,000 per member for all occurrences is purchased to limit the County's losses for the overall program. The County provides a basic and an enhanced dental plan for employees, retirees, and covered dependents, supplemented by employee contributions, which are also accounted for in the self-funded program.

Effective January 1, 2014 Guilford County made significant changes to the healthcare program. Medicare-eligible retirees were transitioned from the self-funded health insurance plan to a fully insured Medicare Advantage plan, resulting in a significant reduction in per-retiree costs. Also one of two previously available healthcare plan options was eliminated. The remaining plan is available to employees, non-Medicare eligible retirees generally hired before July 1, 2009, covered dependents and eligible former employees.

HEALTHCARE

Carol Campbell, Benefits Manager

201 South Greene St., Greensboro, NC 27402 (336) 641-3324

Organizational Excellence

Provide the highest possible level of services by maintaining a fiscally sound organization that values a high performing, professional, and innovative workforce.



Healthy People

Strengthen coordination of care through partnerships which ensure the availability of quality social, physical, psychological and behavioral health services.



BUDGET SUMMARY

	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Recomm	FY2019 Adopted	\$ Chg	% Chg
EXPENSE							
Medical - Choice Plus	(2,806)	0	0	0	0	0	0.0%
Medical - Choice HMO	28,881,209	29,666,576	29,705,334	29,322,397	29,322,397	(344,179)	(1.2%)
Medical - Retirees	6,137,974	7,712,242	7,484,242	7,597,516	7,597,516	(114,726)	(1.5%)
Dental - Retirees	709,246	685,027	813,027	754,631	754,631	69,604	10.2%
Medicare Supplement	1,584	2,000	2,000	2,000	2,000	0	0.0%
Medicare Advantage Plan	2,249,095	2,531,930	2,558,334	2,954,420	2,954,420	422,490	16.7%
Dental Basic	569,151	568,992	568,992	550,542	550,542	(18,450)	(3.2%)
Dental Enhanced	1,288,275	1,326,235	1,426,235	1,378,632	1,378,632	52,397	4.0%
Health Care & Wellness	39,833,727	42,493,002	42,558,164	42,560,138	42,560,138	67,136	0.2%
EXPENSE							
Other Services & Charges	39,833,727	42,493,002	42,558,164	42,560,138	42,560,138	67,136	0.2%
Total Expense	39,833,727	42,493,002	42,558,164	42,560,138	42,560,138	67,136	0.2%
REVENUE							
Charges for Services	38,825,922	40,918,002	40,944,406	40,985,138	40,985,138	67,136	0.2%
Miscellaneous Revenues	0	0	0	0	0	0	0.0%
Total Revenue	38,825,922	40,918,002	40,944,406	40,985,138	40,985,138	67,136	0.2%
Operating Gain/(Loss)	(1,007,805)	(1,575,000)	(1,613,758)	(1,575,000)	(1,575,000)	0	0.0%
Interest Income	113,212	75,000	75,000	75,000	75,000	0	0.0%
Change	(894,593)	(1,500,000)	(1,538,758)	(1,500,000)	(1,500,000)	0	0.0%
Beginning Net Position	12,264,644	11,370,051	11,370,051	9,831,293	9,831,293	(1,538,758)	(13.5%)
Ending Net Position	11,370,051	9,870,051	9,831,293	8,331,293	8,331,293	(1,538,758)	(15.6%)

DEPARTMENTAL PURPOSE

To communicate, manage and provide oversight for the self-funded health and dental plans for active and retired employees and their eligible dependents. Being self-funded means that the County, through a paid administrator, pays claims costs instead of premiums for health coverage up to a certain amount, at which point stop loss insurance picks up the excess. This is considered best practice for larger groups that can absorb a bit more risk in return for lower overall costs. Because of some regulatory changes that made self-funding less desirable for Medicare-eligible retirees, the County chose to be fully insured for that group and those premiums are paid through the Healthcare fund as well.

FY 2019 GOALS & OBJECTIVES

- Provide employee total compensation statements to raise awareness of benefits value in relation to total compensation, and work to implement other communication improvements.
- Review annual enrollment and other processes to identify opportunities for improvement including reducing paperwork through switching to online enrollments.
- Continue wellness initiatives through Employee Wellness Committee.

FY 2019 ADOPTED BUDGET HIGHLIGHTS

- The FY 2019 Adopted budget increased by \$67,000 or 0.2% from the FY 2018 Adopted budget primarily to reflect increases in retiree insurance which are offset by associated revenues.
- The net Healthcare Fund position is continuing to be monitored determine what additional changes may be necessary to maintain its long-term sustainability and the county is reviewing options for minor adjustments to employee plans including a slight increase in monthly rates in future fiscal years to ensure this sustainability.

FY 2018 SIGNIFICANT ACCOMPLISHMENTS

- Completed third year of bio-metric screenings with greater than 95% participation from employees.
- Organized wellness activities including the “May the Fit” wellness walk at Bur-Mil Park that had about 100 participants and donated about 100 pounds of food to Urban Ministries.

FUTURE OPPORTUNITIES & CHALLENGES

- Costs continue to rise, particularly in the area of prescription drugs.
- Continually monitor regulatory and legislative changes that affect health coverage.

RISK MANAGEMENT

Yvonne Moebs, Risk Manager

301 West Market St., Greensboro, NC 27401 (336) 641-4766

Organizational Excellence

Provide the highest possible level of services by maintaining a fiscally sound organization that values a high performing, professional, and innovative workforce.



BUDGET SUMMARY

	FY2017 Actual	FY2018 Adopted	FY2018 Amended	FY2019 Recomm	FY2019 Adopted	\$ Chg	% Chg
EXPENSE							
Risk Retention Administration	180,749	211,990	215,470	217,634	217,634	5,644	2.7%
Liability Insurance	41,428	539,007	536,374	539,007	539,007	0	0.0%
Property and Other Ins	476,173	525,000	525,348	542,000	542,000	17,000	3.2%
Workers Compensation Ins	1,683,379	1,993,000	1,992,033	1,993,000	1,993,000	0	0.0%
Risk Retention-Liab/Prop/WC	2,381,729	3,268,997	3,269,225	3,291,641	3,291,641	22,644	0.7%
EXPENSE							
Personnel Services	167,496	197,368	197,368	200,532	200,532	3,164	1.6%
Supplies & Materials	2,376	2,737	3,054	2,737	2,737	0	0.0%
Other Services & Charges	2,211,857	3,068,892	3,068,803	3,088,372	3,088,372	19,480	0.6%
Total Expense	2,381,729	3,268,997	3,269,225	3,291,641	3,291,641	22,644	0.7%
REVENUE							
Charges for Services	2,288,555	2,360,436	2,360,436	2,360,436	2,360,436	0	0.0%
Miscellaneous Revenues	0	40,000	40,000	40,000	40,000	0	0.0%
Total Revenue	2,288,555	2,400,436	2,400,436	2,400,436	2,400,436	0	0.0%
Operating Gain/(Loss)	(93,174)	(868,561)	(868,789)	(891,205)	(891,205)	(22,644)	2.6%
Interest Income	39,655	65,000	65,000	65,000	65,000	0	0.0%
Change	(53,519)	(803,561)	(803,789)	(826,205)	(826,205)	(22,644)	2.8%
Beginning Net Position	17,062,025	17,008,506	17,008,506	16,204,717	16,204,717	(803,789)	(4.7%)
Ending Net Position	17,008,506	16,204,945	16,204,717	15,378,512	15,378,512	(826,433)	(5.1%)
Positions	2.50	2.50	2.50	2.50	2.50	0.00	0.0%

DEPARTMENTAL PURPOSE

Risk Management identifies, quantifies, and manages the risks that ensures safety of all Guilford County assets, including personnel, buildings, automobiles and equipment. This is done through effective loss prevention, loss control and claims management. Risk Management staff works proactively to keep county facilities as safe as possible for the public, promoting a safe workplace for county employees minimizing the total cost of risk to Guilford County. Risk Management is also responsible for workers' compensation, property and liability Insurance.

FY 2019 GOALS & OBJECTIVES

- **Safety Manual:** Develop Guilford County Safety Manual: The purpose of manual is to provide employees direction of safety procedures and to develop a high standard of safety throughout all operations of Guilford County. Manual is 75% completed, estimated approval and roll out in early 2019.
- It is Risk Managements belief that each employee has the right to derive personal satisfaction from his/her job and the prevention of occupational injury or illness is of such consequence to this belief that it will be given top priority always.
- **Emergency Action Plans / Evacuation Charts:** Update county wide evacuation charts. OSHA requires an emergency evacuation chart be posted in areas of exit and are clearly visible to employees and visiting citizens to county owned buildings. The evacuation charts are a form of communication to assist employees and citizens with a primary and secondary route depending on the location of a specific emergency.

FY 2019 ADOPTED BUDGET HIGHLIGHTS

- The Risk Management budget increased by \$22,644 or 0.7% due primarily to increases in personnel related to county-wide merit raises and similar routine adjustments as well as of \$2,480 additional in for telephone costs to cover NC Transit MVR monitoring expenses estimated at \$3,430. Although there was a slight increase to cover this in the FY 2018 Adopted budget, the budget has significantly increased with this being fully transitioned to Risk Management in FY 2019.
- Workers' Compensation Claims amount of \$1,700,000 remained constant despite estimated reduction in exposure. This will allow for the coverage of any unexpected claims and the possibility to recover some fund balance that was appropriated in prior years.

FY 2018 SIGNIFICANT ACCOMPLISHMENTS

- Continued reduction in outstanding Workers Compensation exposure from \$1,730,010 at fiscal year-end 2017 to \$839,216.65 at year to date 2018. This is primarily attributable to continued strong claims management, implementing safety training educational programs, and safety audits on a quarterly basis to reduce liability expositors to county employees and visiting citizens.
- Collection of \$158,000 in subrogation money from no-fault auto accidents.
- **Safety Training Matrix (Departmental Specialized Safety Training & Emergency Preparedness Drills):** Employee training is a key component of any safety program. The matrix provides guidance for Risk Management to identify employee training requirements.
- **County Wide Workplace Safety Audit Program:** Regular and documented inspections are an important component of a departments overall occupational safety and health program; they are used to help identify and abate existing or potential hazards and compliance concerns.

KEY PERFORMANCE MEASURES

	FY17 Actual	FY18 Estimated	FY19 Projected	FY20 Projected	Target
Risk Management					
Cost of Risk as a percentage of General Fund expenditures	0.39%	0.45%	0.54%	0.64%	<2%
Total Workers' Compensation Lost Time Claims	24	13	13	11	N/A
Total Workers' Compensation Medical Only Claims	164	100	100	90	N/A
Workers' Compensation Total Paid	\$ 1,723,937	100,000,00	N/A	N/A	N/A

FUTURE OPPORTUNITIES & CHALLENGES

- Continue with strategic claims management procedures to reduce current and future claims.
- Participate in continued education opportunities to enable the Risk Management Department to stay abreast of new regulations, trends, and resources that will aide in the reduction of county liabilities.
- Implementation of countywide safety manual to provide written procedures and OSHA required guidelines to compliment the overall Risk Management program.