

FY2010-11 Compensation & Benefits Budget Overview



Compensation Budget Review

- Return all salaries to pay rate of September 30, 2009 (increase of 1.15%)
- All but one Metroplex Municipality are recommending
 - No pay increases
 - No market adjustments
- Fort Worth, Irving, and Frisco awarding Civil Service structure/merit pay increases in addition to continuation of step pay programs
- Major cities (Dallas & Fort Worth) still considering furloughs and pay cuts



Employee & Retiree Benefit Plans

- **DENTAL** – No Changes (2nd year of new 3 year contract: Ameritas)
- **VISION** – No Changes (2nd year of new 3 year contract: Superior)
- **GROUP LIFE** – No Changes (New 3 year contract: Standard Life)
- **RETIREE HEALTH:**
 - **No Change in Claims Administrator**
–Medicare-eligible: CIGNA
 - **Change in Claims Administrator**
–Pre-65 Retirees to Blue Cross Blue Shield (BCBS)
- **EMPLOYEE HEALTH:**
 - **Change in Claims Administrator**
–Employees to BCBS



Group Health RFP Results

	Blue Cross	Aetna	United	CIGNA
Administrative Fees (per employee per month)	\$34.99	\$35.52	\$36.85	\$35.43
Average Medical Discounts	54%	52%	52%	50%
Projected Medical Claims Cost per employee per month	\$718.44	\$720.55	\$722.00	\$745.00
Members per Company in North Texas	1,600,000	1,050,000	1,100,000	192,000
Customer Service/Scope of Services Scorecard (based on 6 factors ranked 1 to 4 with 1 being the best)	1.8	2.0	3.0	3.2

Benefits Changes

National Health Care Reform:

- Remove Pre-Existing Condition Exclusions
- Remove Annual/Lifetime Maximum Benefit Limits
- Continue Benefits to Age 26 for Eligible Dependent Children
- Remove Co-Pay on Most Preventive Care Procedures

City Plan Adjustments:

- Discontinue Premium PPO Option otherwise City/employee costs would be 7% instead of 4-5%
 - Discontinued this option for retirees 12/31/2008
- Return Emergency Room benefits from Co-Pay to Co-Insurance
- Limit Chiropractic Benefits to in-network providers only and 24 visits/year
- Reduce CORE PPO Primary Physician Co-Pay from \$35 to \$30 for Office Visits
- Increase PLUS PPO Deductible by \$250 from \$1250 to \$1500
 - Deductible increased on PLUS PPO for retirees 12/31/2008

*** Health Administrators reserve the right to modify prescription drug formularies annually.*



Rate Changes

- **EMPLOYEES**

- Average monthly payroll deduction increase of 4.75%
(increases range from \$1 to \$8 per paycheck depending on the level of coverage elected)

- **MEDICARE-ELIGIBLE RETIREES**

- Average monthly premium increase of 7%
(increases range from \$12 to \$16 depending on the level of coverage elected)

- **PRE-65 RETIREE**

- Average monthly premium increase of 15%
(increases range from \$19 to \$126 depending on the level of coverage elected)

