

FISCAL IMPACT STATEMENT

Indicate the **Total Fiscal Impact** of the action requested, including personnel, operating, and capital costs. Indicate costs for the current fiscal year and continuing costs in future years. Include all related costs necessary to place the asset in service.

1. DESCRIPTION: One-year extension with United Healthcare Insurance Company for Administrative Services for the Self-Funded Health Benefit Plan for Plan Year (Calendar Year) 2016.

COSTS:

2. Does the acceptance of this action require the hiring of additional or new personnel or the use of overtime?
☐ Yes ☒ No (if Yes, include all personnel costs below).

3. Is the action funded in the current year budget and/or through reallocation of existing Department resources:
☒ Yes ☐ No If No, how will this item be funded? _____ PLEASE NOTE: If the action is funded by a grant received by the City please include the fiscal year of the funding award, grantor name, granting agency or office name (if any), grant name and when the grant agreement was approved by City Council.

Did this item require BRC action? ☐ Yes ☒ No If Yes, BRC Date: _____ BRC Item #: _____

4. This item will be charged to Fund/Dept/Program/Project: Fund 5010 F/EXO Dept/HRD0006 C.

5.	(a) Current Year Estimate	(b) Next Year Annualized	(c) Annual Continuing Costs Thereafter
Personnel	\$ _____	\$ _____	\$ _____
Operating	\$1,513,512 (9 months)	\$504,504 (3 months)	
Capital	_____	_____	_____
Total	<u>_____</u>	<u>\$1,513,512</u>	<u>\$504,504</u>

6. If costs do not continue indefinitely, explain nature and expiration date of costs: The costs above reflect the administrative service costs for plan year 2016. The City will solicit a Request for Proposals for Healthcare Administrative Services for the 2017 plan year. Future fees will be presented following the selection of the awarded Administrative Services provider.

7. OTHER COSTS

(a). Are there any future costs, one-time payments, lump sum payments, or other costs payable for this item at a later date that are **not** reflected above: ☒ Yes ☐ No

(b) If yes, by Fiscal Year, identify the dollar amount and year payment is due: \$ FY15/16 - \$161,746 (9 months), FY16/17 - \$53,915 (3 months) Payment due date Monthly

(c) What is the nature of these costs: A portion of the savings retained by United Healthcare for negotiating with Out-of-Network providers for services rendered.

REVENUE:

8. What is the estimated increase in "valuation" added to the tax rolls? \$ N/A. Tax roll increase is:
☐ real property, ☐ tangible personal property, ☐ other (identify _____).

9. What is source of the revenue and the estimated annual recurring revenue? Source: N/A \$ _____

10. If non-recurring, what is the estimated Fiscal Year and amount of non-recurring revenue that will be realized?
Source N/A Fiscal year _____ \$ _____ non-recurring revenue

11. What is the Payback period? N/A years

12. JUSTIFICATION: Document justification for request. Include anticipated economies or efficiencies to be realized by the City, including reductions in personnel or actual cost (cash flow) reductions to be realized in your budget. Anticipated savings in Calendar Year 2016 for extending the Administrative Services Agreement with United Healthcare is approximately \$113,000. The City will also receive an additional \$40,000 in wellness and health promotion funds from United Healthcare. (see separate chart on Agenda).

13. APPROVED: Ana Palenzuela (Submitting Director or authorized Division Mgr **Only**)

