

**SELF-INSURANCE
INTERNAL SERVICE FUND
FUND 75**

PROGRAM DESCRIPTION

2025 Self-Insurance Fund Summary:

The Self-Insurance Fund (Fund 75) supports the City of Franklin's medical, dental, and other employee insurance-related costs. For 2025, the total estimated revenues are projected at \$4,233,945, maintaining the level from 2024 and driven by group health charges, stop-loss premium rebates, and investment earnings.

Key Revenue Sources:

- **Medical High-Deductible Plans:** These are expected to generate \$2.95 million, including city and employee contributions charges.
- **Dental Insurance:** Estimated at \$218,000, reflecting dental charges from active employees and retirees.
- **Investment Earnings:** Consistently projected at \$148,000.

Appropriations:

Total appropriations for 2025 are budgeted at \$4,862,777, reflecting a significant portion allocated to medical insurance claims. The key areas of expenditure include:

- **Medical Insurance Claims:** Budgeted at \$3.63 million, most of which is for high-deductible medical plans. Prescription drug claims and stop-loss premiums account for substantial portions of this.
- **Dental Insurance Claims:** Total appropriations are budgeted at \$196,462, with ongoing claims from active employees and retirees.

Challenges:

The Self-Insurance Fund's ongoing challenge is the rising costs of medical claims and insurance premiums, especially prescription drug claims. The 2025 budget addresses these costs while maintaining sufficient reserves to manage future claim uncertainties. The net change in fund balance is projected to be a deficit of \$628,832, signaling the need for careful resource management to sustain long-term fund health.

BUDGET REPORT FOR CITY OF FRANKLIN
Fund: 75 SELF-INSURANCE FUND

GL NUMBER	DESCRIPTION	2025 MAYOR RECOMMEND BUDGET	2025 DEPT REQUEST BUDGET	2024 PROJECTED ACTIVITY	2024 ORIGINAL BUDGET	2023 ACTIVITY	2022 ACTIVITY
ESTIMATED REVENUES							
Dept 0000 - GENERAL							
INVESTMENT EARNINGS							
75-0000-4711	INTEREST ON INVESTMENTS	148,000	148,000	132,470	148,000	162,950	49,122
75-0000-4713	INVESTMENT GAINS/LOSSES						(11,235)
	INVESTMENT EARNINGS	148,000	148,000	132,470	148,000	162,950	37,887
MISCELLANEOUS REVENUE							
75-0000-4781	REFUNDS/REIMBURSEMENTS					471	2,807
	MISCELLANEOUS REVENUE					471	2,807
	Totals for dept 0000 - GENERAL	148,000	148,000	132,470	148,000	163,421	40,694
Dept 5010 - MEDICAL INSURANCE							
MISCELLANEOUS REVENUE							
75-5010-4701	GROUP HEALTH CHARGES-CITY	710,020	710,020	480,350	710,020	521,342	701,309
75-5010-4704	GROUP HEALTH CHG-MEDICAL-EMPLOYE	167,795	167,795	118,450	167,795	148,907	181,879
	MISCELLANEOUS REVENUE	877,815	877,815	598,800	877,815	670,249	883,188
CHARGES FOR SERVICES							
75-5010-4706	STOP LOSS PREMIUM REBATE					14,393	
75-5010-4707	PHARMACY RX REBATES	45,000	45,000	47,280	45,000	41,169	36,415
	CHARGES FOR SERVICES	45,000	45,000	47,280	45,000	55,562	36,415
	Totals for dept 5010 - MEDICAL INSURANCE	922,815	922,815	646,080	922,815	725,811	919,603
Dept 5011 - COBRA - TRADITIONAL PLAN							
MISCELLANEOUS REVENUE							
75-5011-4703	COBRA- GROUP HEALTH CHARGES			3,915		4,209	
	MISCELLANEOUS REVENUE			3,915		4,209	
	Totals for dept 5011 - COBRA - TRADITIONAL PLAN			3,915		4,209	
Dept 5012 - MEDICAL HIGH DEDUCTIBLE							
MISCELLANEOUS REVENUE							
75-5012-4701	GROUP HEALTH CHARGES-CITY	2,575,120	2,575,120	2,153,805	2,575,120	1,611,045	1,656,153
75-5012-4704	GROUPHEALTH CHARGES-EMPLOYEE	370,010	370,010	311,440	370,010	277,749	259,594
	MISCELLANEOUS REVENUE	2,945,130	2,945,130	2,465,245	2,945,130	1,888,794	1,915,747
CHARGES FOR SERVICES							
75-5012-4706	STOP LOSS PREMIUM REBATE					34,388	
75-5012-4707	RX CLAIM REBATES			126,440		99,878	40,303
	CHARGES FOR SERVICES			126,440		134,266	40,303
	Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE	2,945,130	2,945,130	2,591,685	2,945,130	2,023,060	1,956,050
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
MISCELLANEOUS REVENUE							
75-5016-4703	GRP HEALTH CHRGS -COBRA HIGH DEDU			1,370			2,488

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ESTIMATED REVENUES							
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
MISCELLANEOUS REVENUE							
	MISCELLANEOUS REVENUE			1,370			2,488
Totals for dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN				1,370			2,488
Dept 5020 - DENTAL INSURANCE							
MISCELLANEOUS REVENUE							
75-5020-4701	DENTAL CHARGES - CITY ACTIVE	145,000	145,000	213,525	145,000	100,975	98,798
75-5020-4703	GROUP HEALTH CHARGES-RETIREE	3,000	3,000	460	3,000	2,268	2,592
75-5020-4704	DENTAL - GRP HEALTH	70,000	70,000	56,365	70,000	54,349	51,252
	MISCELLANEOUS REVENUE	218,000	218,000	270,350	218,000	157,592	152,642
Totals for dept 5020 - DENTAL INSURANCE		218,000	218,000	270,350	218,000	157,592	152,642
Dept 5021 - COBRA - DENTAL ACTIVE							
MISCELLANEOUS REVENUE							
75-5021-4703	COBRA-GROUP DENTAL CHARGES-ACTIV			335		1,094	
	MISCELLANEOUS REVENUE			335		1,094	
Totals for dept 5021 - COBRA - DENTAL ACTIVE				335		1,094	
Dept 5025 - DENTAL - RETIREE							
MISCELLANEOUS REVENUE							
75-5025-4703	RETIREE DENTAL-RETIREE					764	1,266
	MISCELLANEOUS REVENUE					764	1,266
Totals for dept 5025 - DENTAL - RETIREE						764	1,266
TOTAL ESTIMATED REVENUES		4,233,945	4,233,945	3,646,205	4,233,945	3,075,951	3,072,743
APPROPRIATIONS							
Dept 0147 - ADMINISTRATION							
EMPLOYEE BENEFITS							
75-0147-5199	ALLOCATED PAYROLL COST	48,515	48,515	45,730	48,515	47,100	47,100
	EMPLOYEE BENEFITS	48,515	48,515	45,730	48,515	47,100	47,100
Totals for dept 0147 - ADMINISTRATION		48,515	48,515	45,730	48,515	47,100	47,100
Dept 0151 - FINANCE							
SERVICES & CHARGES							
75-0151-5491	BANK FEES	2,700	2,700	2,700	2,700	2,494	2,393
	SERVICES & CHARGES	2,700	2,700	2,700	2,700	2,494	2,393
Totals for dept 0151 - FINANCE		2,700	2,700	2,700	2,700	2,494	2,393
Dept 5010 - MEDICAL INSURANCE							
SERVICES & CHARGES							

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APPROPRIATIONS							
Dept 5010 - MEDICAL INSURANCE							
SERVICES & CHARGES							
75-5010-5501	IncurMedClaimCurrentYrActive	700,000	700,000	436,365	700,000	603,217	163,461
75-5010-5502	PRESCRIPTION DRUG CLAIMS - ACTIVE			115,045		119,247	149,889
75-5010-5503	CLAIM FEES - ACTIVE	45,000	45,000	74,680	45,000	67,535	75,609
75-5010-5504	MISC WELLNESS EXP - ACTIVE			20,820		44,083	35,566
75-5010-5505	STOP LOSS PREMIUMS - ACTIVE	140,000	140,000	127,730	140,000	123,974	146,195
75-5010-5506	REFUNDS-STOP LOSS COV - ACTIVE			(13,520)		(63,698)	
75-5010-5507	SECTION 125-FLEX & MISC EXP - ACT			(360)		780	1,746
75-5010-5509	INCURRED CLAIM-PR YR - ACTIVE	100,000	100,000	67,500	100,000	108,722	68,860
	SERVICES & CHARGES	985,000	985,000	828,260	985,000	1,003,860	641,326
CLAIMS, CONTRIB. AND AWARDS							
75-5010-5580	ACA TRANSITIONAL REINSURANCE FEES	1,100	1,100	1,400	1,100	906	865
	CLAIMS, CONTRIB AND AWARDS	1,100	1,100	1,400	1,100	906	865
	Totals for dept 5010 - MEDICAL INSURANCE	986,100	986,100	829,660	986,100	1,004,766	642,191
Dept 5011 - COBRA - TRADITIONAL PLAN							
SERVICES & CHARGES							
75-5011-5501	COBRA-Incur Claim-Current Year			1,200			458
75-5011-5509	COBRA-HEALTH-INCURRED CLAIM-PRIOR						2,159
	SERVICES & CHARGES			1,200			2,617
	Totals for dept 5011 - COBRA - TRADITIONAL PLAN			1,200			2,617
Dept 5012 - MEDICAL HIGH DEDUCTIBLE							
EMPLOYEE BENEFITS							
75-5012-5162	EMPLOYER HSA CONTRIBUTION	177,000	177,000	146,170	177,000	154,500	140,625
	EMPLOYEE BENEFITS	177,000	177,000	146,170	177,000	154,500	140,625
SERVICES & CHARGES							
75-5012-5501	INCURRED CLAIM-CURRENT YEAR	2,232,000	2,232,000	1,453,425	2,232,000	2,176,154	1,250,225
75-5012-5502	PRESCRIPTION DRUG CLAIMS	490,000	490,000	404,270	490,000	315,699	203,180
75-5012-5503	CLAIM FEES	102,000	102,000	119,190	102,000	100,241	95,146
75-5012-5505	STOP LOSS PREMIUMS	503,000	503,000	467,570	503,000	390,759	349,305
75-5012-5506	REFUNDS-STOP LOSS COVERAGE			(192,625)		(511,409)	(21,045)
75-5012-5509	INCURRED CLAIM-PRIOR YEAR	125,000	125,000	134,180	125,000	167,128	118,084
	SERVICES & CHARGES	3,452,000	3,452,000	2,386,010	3,452,000	2,638,572	1,994,895
	Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE	3,629,000	3,629,000	2,532,180	3,629,000	2,793,072	2,135,520
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
SERVICES & CHARGES							
75-5016-5509	INCURRED CLAIM-PRIOR YEAR						454
	SERVICES & CHARGES						454
	Totals for dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN						454

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APPROPRIATIONS							
Dept 5020 - DENTAL INSURANCE							
SERVICES & CHARGES							
75-5020-5501	Incur Dental Claim-Current Yr	175,000	175,000	131,100	175,000	151,529	140,495
75-5020-5503	DENTAL CLAIM FEES	11,462	11,462	5,330	11,462	1,408	5,378
75-5020-5509	DENTAL-INCURRED CLAIM-PRIOR YEAR	10,000	10,000	4,725	10,000	5,804	7,477
	SERVICES & CHARGES	<u>196,462</u>	<u>196,462</u>	<u>141,155</u>	<u>196,462</u>	<u>158,741</u>	<u>153,350</u>
	Totals for dept 5020 - DENTAL INSURANCE	196,462	196,462	141,155	196,462	158,741	153,350
Dept 5021 - COBRA - DENTAL ACTIVE							
SERVICES & CHARGES							
75-5021-5501	COBRA-DentalIncurClaimCurYr			17,850		3,180	3,803
75-5021-5503	COBRA-DENTAL-CLAIM FEES					19	43
75-5021-5509	COBRA-DENTAL-INCURRED CLAIM-PRIOR			1,075			286
	SERVICES & CHARGES			<u>18,925</u>		<u>3,199</u>	<u>4,132</u>
	Totals for dept 5021 - COBRA - DENTAL ACTIVE			18,925		3,199	4,132
Dept 5025 - DENTAL - RETIREE							
SERVICES & CHARGES							
75-5025-5501	Dental-Retiree-IncurClaim-CurrYr			370		1,335	4,636
75-5025-5503	DENTAL CLAIM FEES-RETIREE-CURRENT					5	72
	SERVICES & CHARGES			<u>370</u>		<u>1,340</u>	<u>4,708</u>
	Totals for dept 5025 - DENTAL - RETIREE			370		1,340	4,708
TOTAL APPROPRIATIONS		<u>4,862,777</u>	<u>4,862,777</u>	<u>3,571,920</u>	<u>4,862,777</u>	<u>4,010,712</u>	<u>2,992,465</u>
NET OF REVENUES/APPROPRIATIONS - FUND 75		(628,832)	(628,832)	74,285	(628,832)	(934,761)	80,278
	BEGINNING FUND BALANCE	2,417,436	2,417,436	2,343,151	2,343,151	3,277,911	3,197,633
	ENDING FUND BALANCE	1,788,604	1,788,604	2,417,436	1,714,319	2,343,150	3,277,911