

State Employee

Workforce, Compensation, Personnel
Management Information Systems and
Health Insurance

The logo for the Virginia Department of Human Resource Management (dhrm) features the lowercase letters "dhrm" in a blue sans-serif font. To the right of the text is a stylized graphic consisting of a blue square at the top, a red square at the bottom, and a yellow shape in the middle that resembles a person's arms raised in a V-shape.

Virginia Department of
HUMAN RESOURCE
MANAGEMENT

Virginia Department of Human Resource Management

House Appropriations Committee
Compensation & Retirement Subcommittee

General Assembly Building, Richmond, Virginia

January 23, 2014

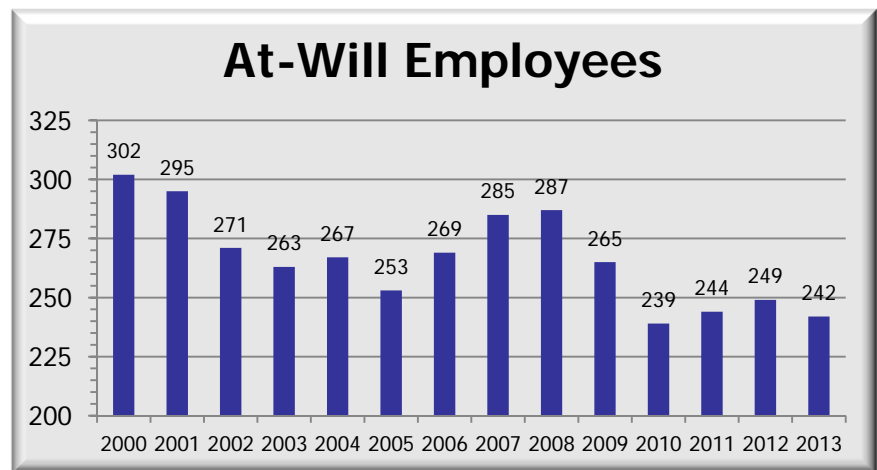
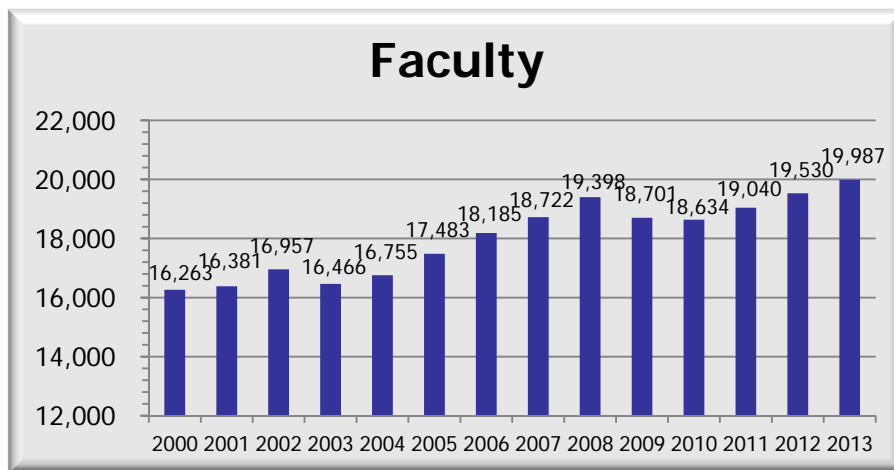
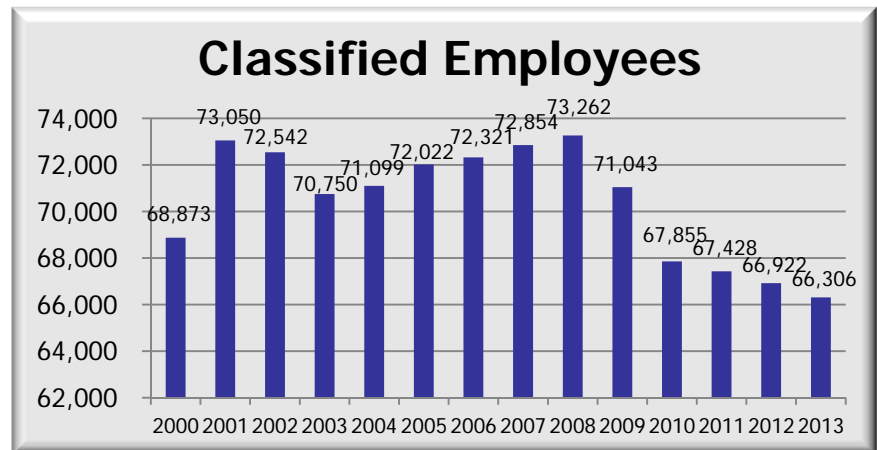


Workforce

Executive Branch Full-Time Equivalent Salaried Workforce

Change in salaried employees from FY 2000 to FY 2013:

- 22.9% increase in Faculty
- 3.7% decrease in Classified
- 19.9% decrease in At-Wills

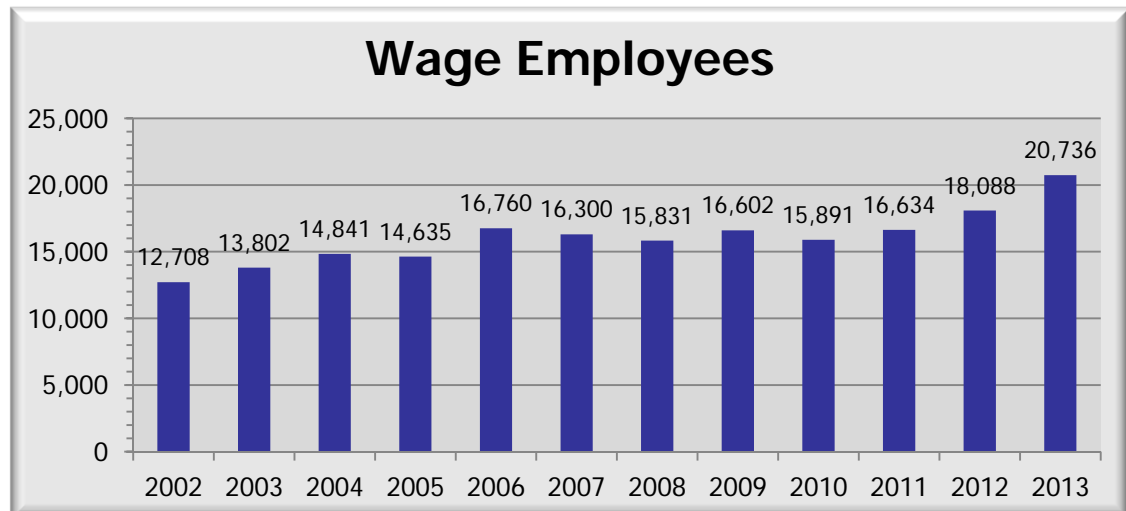


All Branches Full-Time Equivalent

Temporary Workers

Wage Employees

- 63.2% increase in wage employees from FY 2002 to FY 2013
- 30.5% increase in wage employees from FY 2010 to FY 2013



Contractors

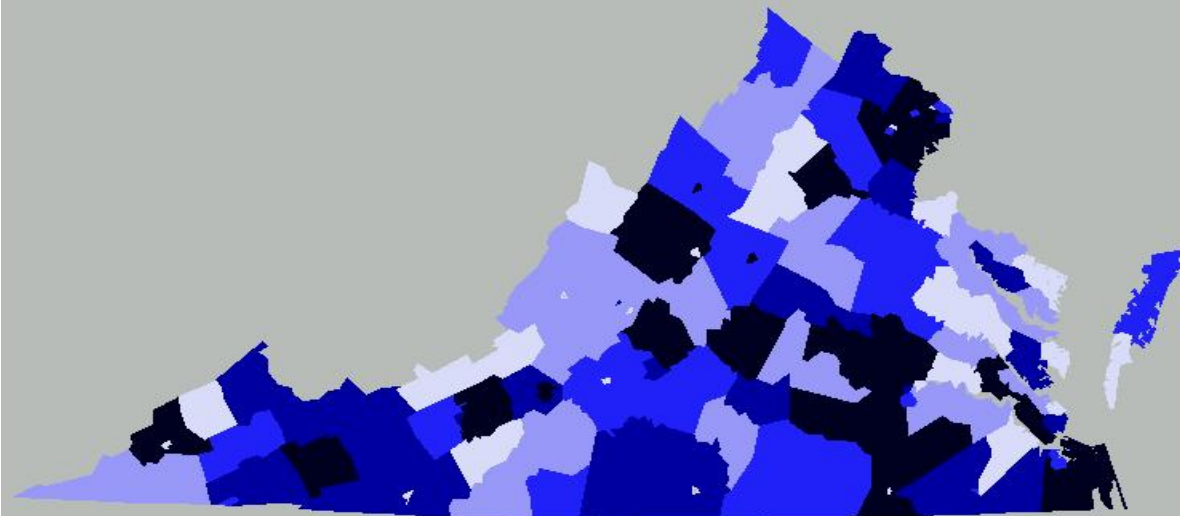
- 9.3% decrease in contractors from FY 2003 to FY 2013
- 36.1% increase in contractors from FY 2010 to FY 2013



Classified Employees as of Dec. 31, 2013

Employee Distribution by Region

Classified Employees by County as of 12/31/2013



Classified Employees	1 - 40	42 - 118
	119 - 313	315 - 595
	657 - 11516	

FY13 Classified Employees Recruitment

- Vacancy Rate 11.0%
- Average Vacancy 247
- Avg Time to Hire 96
- Hiring Offers Accepted 88.9%
- Total Recruitments 11,800

CLASSIFIED HIRING – Statewide – Starting Salary– FY 2013					
PAY BAND	MEAN	MEDIAN	1ST QUARTILE	3RD QUARTILE	COUNT
1	\$19,441	\$19,122	\$17,032	\$20,800	367
2	\$25,011	\$24,000	\$20,082	\$27,639	1120
3	\$30,818	\$28,854	\$27,485	\$32,891	3047
4	\$40,643	\$38,500	\$35,000	\$45,000	1594
5	\$58,706	\$57,049	\$50,000	\$66,739	735
6	\$85,475	\$86,720	\$75,000	\$95,000	147
7	\$110,497	\$112,500	\$100,000	\$118,450	18
8	\$169,281	\$171,500	\$162,500	\$180,000	24
9	\$162,500	\$162,500	\$135,000	\$190,000	2

FY13 Classified Employees

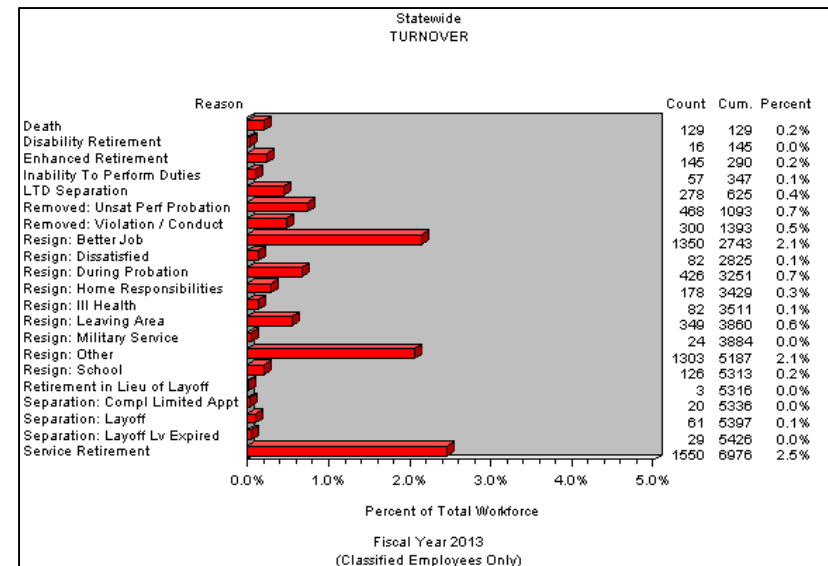
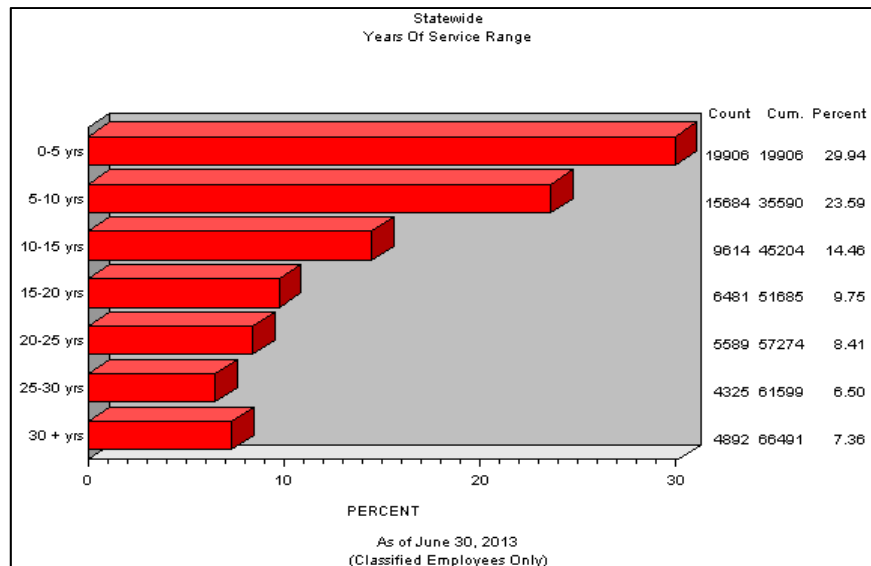
Retention

Years of Service

- Mean - 12.1 yrs
- Median – 9.0 yrs
- Highest – 56.9 yrs

Turnover

- Rate 10.9%
- Probationary Employees 24.8%
- Up to 5 yrs of Service 53.7%





Compensation



Compensation Goal

- Pay employees fairly and consistently for jobs they perform
- Sufficient to attract, retain, and motivate the Commonwealth workforce



Compensation Policy

- **Market Rate** – established in 2000 by General Assembly as compensation policy
- **Pay for Performance** – formula driven increase based on individual/team performance
- **Pay Practices** – practices available to address agency issues
 - **Base Pay** – continues over time
 - **Non-Base Pay** – lump sum payment, leave or non-monetary item
 - **Exceptional Recruitment & Retention Incentive Options** - used for significant recruitment and retention problems critical for agency mission
- **Pay Factors** – uses 13 pay factors when setting pay
 - Agency Business Need
 - Internal Salary Alignment
 - Duties & Responsibilities
 - Market Availability
 - Long Term Impact
 - Performance
 - Current Salary
 - Work Experience & Education
 - Total Compensation
 - Knowledge, Skills, Abilities & Competencies
 - Budget Implications
 - Training, Certification, & License
 - Salary Reference Data

Compensation

Pay Bands

- Pay band 3 has the highest number of employees

BANDS	RANGE			EMPLOYEES	
	Minimum	SW Maximum	NOVA Maximum	Number	Percent
1	\$ 15,678	\$ 35,706	\$ 46,418	2,559	3.75%
2	\$ 20,484	\$ 46,049	\$ 59,864	9,130	13.37%
3	\$ 24,479	\$ 54,653	\$ 71,049	22,687	33.22%
4	\$ 31,979	\$ 70,801	\$ 92,042	17,563	25.71%
5	\$ 41,778	\$ 91,896	\$ 119,465	12,039	17.63%
6	\$ 54,580	\$ 119,455	\$ 155,292	3,667	5.37%
7	\$ 71,305	\$ 155,463	\$ 186,555	442	0.65%
8	\$ 93,150	\$ 202,500	\$ 243,000	202	0.30%
9	\$ 121,694	MARKET	MARKET	14	0.02%

As of December 31, 2013

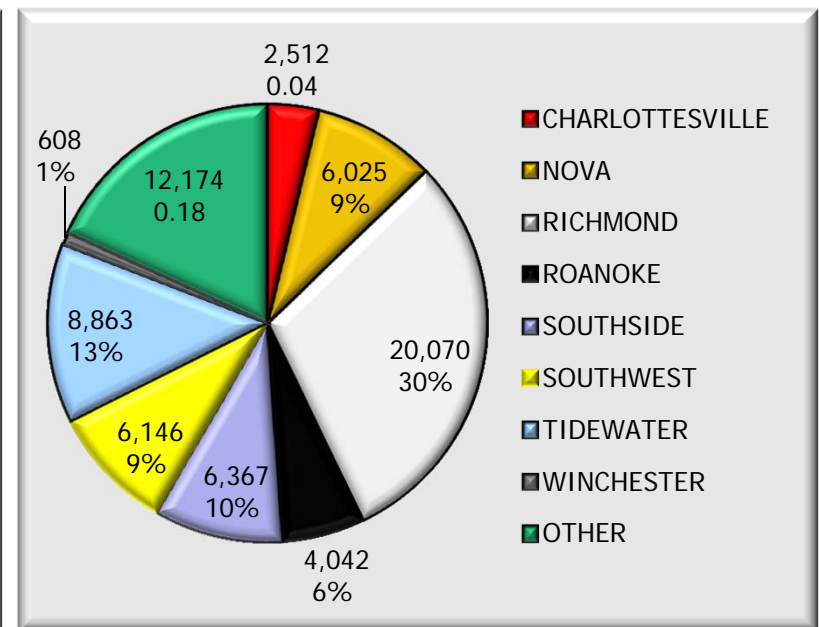
Statewide Actual Salary

- Classified employees salary

REGION	MEAN	MEDIAN	1ST QUARTILE	3RD QUARTILE	LOWEST	HIGHEST	COUNT
Statewide	\$45,927	\$40,873	\$32,706	\$54,070	\$10,242	\$253,498	66,807
NOVA	\$53,139	\$49,014	\$39,563	\$61,200	\$12,546	\$253,498	6,103
Statewide (excluding NOVA)	\$45,202	\$40,053	\$32,449	\$53,040	\$10,242	\$248,837	60,704

Employee Salary by Region

- Highest average salary is in Northern Virginia at \$53,528
 - 16.55% higher than the statewide average
- Lowest average salary is in Southside Virginia at \$39,587
 - 13.8% lower than the statewide average



Compensation Market

■ Average Performance Increase

- FY13 Market movement 2.70%
- FY14 Forecast 2.97%
- FY14 Projected State Deviation -21.45%

■ Average Structure Adjustments

- FY13 Actual 1.86%
- FY14 Forecast 2.15%

DHRM ANNUAL SALARY SURVEY			
Occupation	Private Industry Average Salary	State Govt Average Salary	Deviation
Physical Therapist	75,867	83,091	8.69%
Medical Lab Tech	43,595	46,011	5.25%
Laboratory Aide	29,416	29,634	0.74%
Cashier	33,018	31,517	-4.76%
Environmental Engineer	68,743	64,943	-5.85%
Data Base Administrator	96,565	89,499	-7.89%
Systems Analysis Supv	89,528	82,821	-8.10%
Generic Engineer Supv	112,478	98,272	-14.46%
HR Admin Supv	73,723	63,567	-15.98%
Security Guard, Unarmed	29,662	25,551	-16.09%
Accountant	54,884	47,167	-16.36%
Mail Clerk	33,884	28,223	-20.06%
Employee Training Specialist	57,836	47,683	-21.29%
Marketing Specialist	53,790	44,264	-21.52%
Cook	31,286	25,701	-21.73%
Chemist	71,124	58,336	-21.92%
Social Worker (MSW)	56,715	46,291	-22.52%
Maintenance Electrician	50,664	40,797	-24.19%
Secretary	40,488	32,135	-25.99%
Architect	86,064	66,563	-29.30%
Truck Driver, Light	29,770	22,726	-31.00%
Yard Laborer/Janitorial Supv	46,550	35,414	-31.45%
Staff RN	65,498	48,932	-33.85%
Internal Auditor	76,312	51,841	-47.21%
Attorney	119,498	61,287	-94.98%
Average			-20.87%

State Employee Salary Comparison

Selected Localities

Locality	BASE SALARY INCREASES									
	FY-04	FY-05	FY-06	FY-07	FY-08	FY-09	FY-10	FY-11	FY-12	FY-13
Richmond City	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%
Charlottesville	3.50%	3.00%	4.00%	4.00%	4.00%	4.00%	0.00%	2.00%	0.00%	2.00%
Montgomery County	2.50%	5.50%	4.80%	2.50%	6.77%	5.50%	N/A	0.00%	3.00%	2.00%
Fairfax County	4.00%	4.32%	4.37%	4.40%	4.98%	4.98%	N/A	0.00%	2.00%	4.70%
Chesterfield County	2.50%	4.00%	3.00%	4.00%	5.25%	4.00%	0.00%	0.00%	2.00%	1.00%
Norfolk	4.00%	4.00%	4.00%	4.50%	4.50%	3.50%	0.00%	0.00%	0.00%	2.00%
Chesapeake	3.00%	3.00%	4.00%	4.00%	4.50%	3.00%	0.00%	1.50%	1.50%	0.00%
Virginia Beach	6.00%	5.00%	6.50%	4.50%	3.50%	2.50%	0.00%	0.00%	2.50%	1.00%
Albemarle County	3.19%	4.40%	3.95%	4.00%	3.35%	0.00%	0.00%	0.00%	0.00%	1.00%
Augusta County	4.00%	4.00%	4.00%	3.83%	3.06%	3.06%	N/A	0.00%	0.00%	0.00%
Locality Average	3.31%	3.85%	3.90%	3.78%	4.40%	3.35%	0.00%	0.35%	1.10%	1.37%
State Employees	2.25%	3.00%	4.40%	4.50%	4.00%	0.00%	0.00%	5.00%	0.00%	0.00%

Source: DHRM survey



Pay Ranking of States

State	Federal Government		State Gov		Local Gov		Private Industry		State Avg as % of Private Avg	State Ranking
	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking		
Alabama	74,857	4	48,001	24	36,930	32	41,079	36	117%	15
Alaska	73,373	7	55,054	12	44,795	16	49,587	14	111%	22
Arizona	68,141	26	51,225	19	42,198	20	45,235	20	113%	20
Arkansas	62,323	42	41,962	43	34,362	43	37,881	46	111%	23
California	73,991	6	65,685	2	55,538	3	56,295	5	117%	16
Colorado	72,170	10	52,496	15	42,205	19	50,920	12	103%	34
Connecticut	70,569	17	60,881	5	51,886	7	63,146	2	96%	45
Delaware	67,068	27	51,773	17	48,859	11	51,697	9	100%	38
Florida	69,575	20	43,596	36	44,959	15	42,447	29	103%	35
Georgia	68,930	21	40,624	47	36,908	33	46,980	17	86%	50
Hawaii	70,660	16	43,874	34	55,873	2	40,871	37	107%	28
Idaho	62,722	39	40,716	46	31,919	49	35,882	49	113%	19
Illinois	71,520	11	63,710	3	46,165	12	52,322	6	122%	8
Indiana	65,861	31	43,028	38	36,129	38	41,357	34	104%	32
Iowa	60,189	45	60,053	7	36,729	36	39,761	40	151%	1
Kansas	62,174	43	47,889	25	32,168	48	41,817	32	115%	17
Kentucky	59,456	47	42,945	39	36,829	34	40,228	38	107%	29
Louisiana	65,604	32	46,902	29	36,792	35	43,518	26	108%	27
Maine	66,888	28	40,116	49	35,381	41	38,082	45	105%	31
Maryland	91,816	1	50,418	20	50,441	9	51,910	7	97%	42
Massachusetts	72,871	8	60,173	6	52,716	6	61,467	3	98%	41
Michigan	70,036	19	57,608	8	43,688	17	46,217	19	125%	5
Minnesota	66,537	30	55,299	11	42,086	21	49,750	13	111%	21
Mississippi	63,093	37	41,870	44	32,441	46	35,264	50	119%	11
Missouri	63,268	36	38,195	50	36,575	37	43,128	27	89%	49

Source: 2012 Bureau of Labor Statistics data based on payroll records of what is actually paid out to employees as reported quarterly to employment commissions

Pay Ranking of States

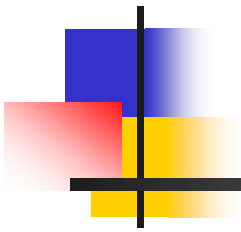
■ Virginia Pay Ranking

- 2nd in Federal Government
 - same as 2010 & 2011
- 11th in Private Industry
 - down from 9th in 2011 & 8th in 2010
- 25th in Local Government
 - same as 2011 & down from 23rd in 2010
- 32nd in State Government
 - up from 33rd in 2011 and same as 2010
- 47th in State average as a percent of Private average
 - up from 48th in 2010 & 2011

State	Federal Government		State Gov		Local Gov		Private Industry		State Avg as % of Private Avg	State Ranking
	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking	Agv Annual Pay	State Ranking		
Montana	61,862	44	42,478	42	35,503	40	35,987	48	118%	12
Nebraska	62,361	41	46,294	31	37,889	29	38,660	44	120%	10
Nevada	65,067	33	46,716	30	51,773	8	42,410	30	110%	26
NewHampshire	72,702	9	47,171	27	40,922	23	48,775	15	97%	43
NewJersey	74,271	5	66,232	1	58,585	1	58,089	4	114%	18
NewMexico	68,560	23	48,218	23	35,585	39	39,521	41	122%	7
NewYork	71,432	12	57,014	10	54,234	5	63,912	1	89%	48
NorthCarolina	63,010	38	45,404	33	39,462	26	43,040	28	105%	30
NorthDakota	58,346	49	46,954	28	34,239	44	46,823	18	100%	37
Ohio	70,715	15	57,477	9	42,305	18	43,601	25	132%	3
Oklahoma	63,976	34	41,726	45	34,724	42	41,863	31	100%	40
Oregon	68,921	22	43,810	35	45,020	14	43,678	24	100%	36
Pennsylvania	68,245	25	53,073	14	45,319	13	48,147	16	110%	25
Rhodelsland	77,569	3	62,198	4	54,553	4	44,633	21	139%	2
SouthCarolina	62,513	40	42,640	41	38,603	28	38,663	43	110%	24
SouthDakota	58,301	50	43,507	37	30,470	50	36,306	47	120%	9
Tennessee	70,740	14	42,723	40	37,073	31	44,261	23	97%	44
Texas	70,489	18	47,714	26	40,639	24	51,593	10	92%	46
Utah	63,542	35	48,480	22	32,209	47	41,163	35	118%	13
Vermont	66,800	29	49,587	21	37,088	30	40,206	39	123%	6
Virginia	84,636	2	45,955	32	40,499	25	51,381	11	89%	47
Washington	71,109	13	51,740	18	49,110	10	51,765	8	100%	39
WestVirginia	68,426	24	40,487	48	34,056	45	39,258	42	103%	33
Wisconsin	59,804	46	53,552	13	38,634	27	41,760	33	128%	4
Wyoming	59,122	48	51,972	16	41,270	22	44,310	22	117%	14

Source: 2012 Bureau of Labor Statistics data based on payroll records of what is actually paid out to employees as reported quarterly to employment commissions

Personnel Management Information Systems





Personnel Management Information System (PMIS)

- HR system of record for Executive Branch agencies
- Health benefits administration for all state agencies and TLC entities
- Source system that feeds other critical statewide systems
- Developed in the '70s
- **Critical** challenges
 - **Hardware-** Need to move from current mainframe platform to avoid \$15 million in annual mainframe charges beginning FY16
 - **Software-** Need to modernize PMIS software, moving from Cobol to language used today
 - **People-** Need additional staff
 - PMIS administered by 1 individual since deployed in 1978 who is eligible for retirement
 - PMIS automated legacy processes available to customer agencies are operated by 2 employees, one who is retirement eligible now and the other within 2 years
 - Limited cross-training and succession planning due to budget and staff reductions



Benefits Eligibility System (BES)

- Subsystem of PMIS
- Automates core health benefits eligibility and administrative functions for state employees, retirees, and their dependents
- Allows The Local Choice (TLC) participants to manage their associated health plans
- Provides interface between vendor and members
- Maintains data on a large customer base
 - State health plan 200,197 members
 - TLC 59,091 members



Time, Attendance & Leave (TAL)

- Delivered **on time** and **on budget**
 - Went live on April 25, 2013 as scheduled
 - Cost \$702,923 for in-house development, which was on budget
- Customers
 - Phased rollout
 - 24 agencies with 6,927 employees as of 1/25/14
 - Additional 4 agencies with 4,262 employees scheduled for 5/14
 - Other agencies are considering the system
- Added system enhancements at customers request
 - Permits time and effort tracking for grants and special fund programs



PMIS Budget Language

- **Budget item** for migration of PMIS from Unisys mainframe to Windows SQL servers platform
 - FY15 \$2,747,200
 - FY16 \$2,747,200
- **Risks** if not funded
 - Degraded HR services
 - Payroll errors
 - Retirement-related errors
 - TAL timesheet and leave accounting errors
 - Failure to meet state and federal mandates
 - Degraded Health Benefits services
 - Insurance coverage not being established
 - Insurance cards not being issued
 - Members having difficulty using their health benefits for medical, surgical, behavioral health, drug, dental and flexible spending accounts

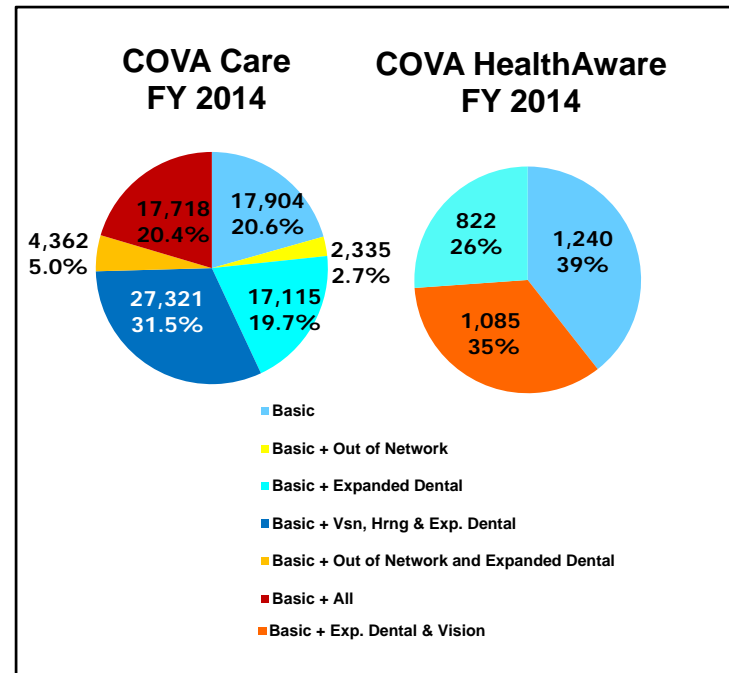
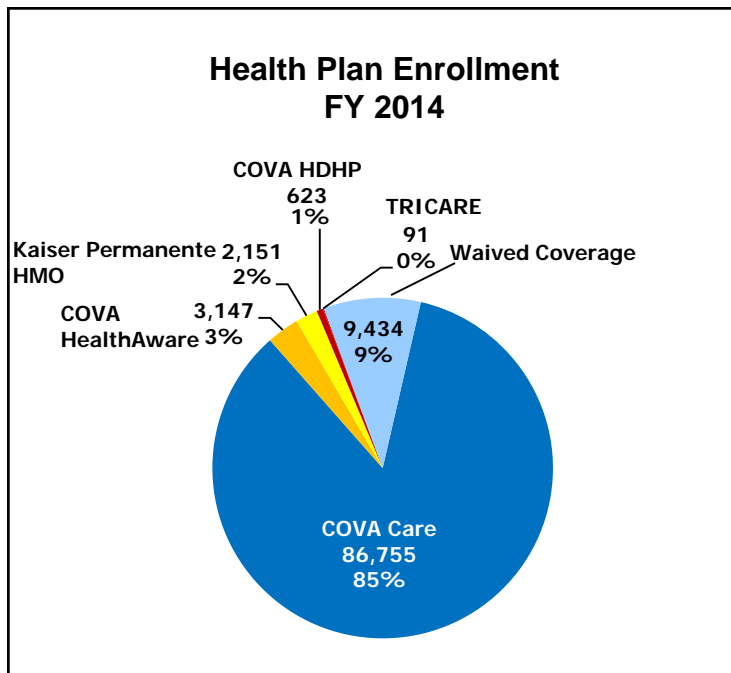


Health Benefits

FY 2014

Health Plan Enrollment

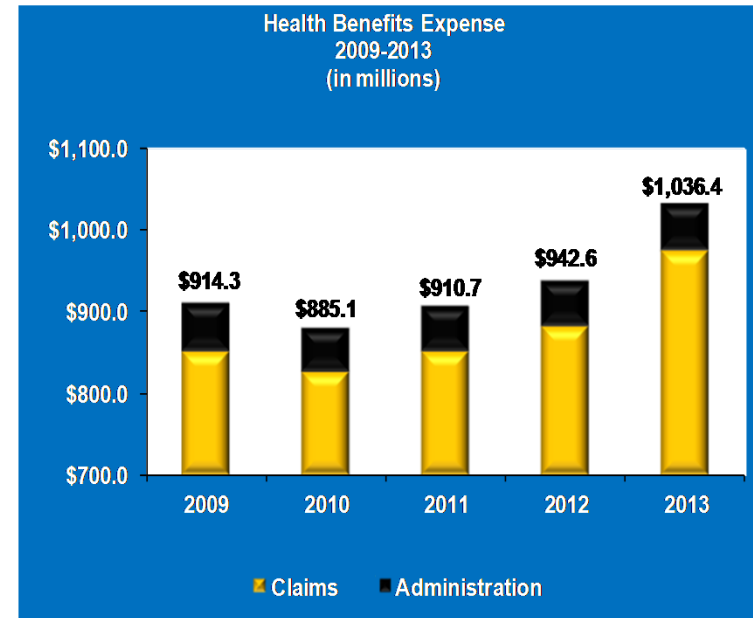
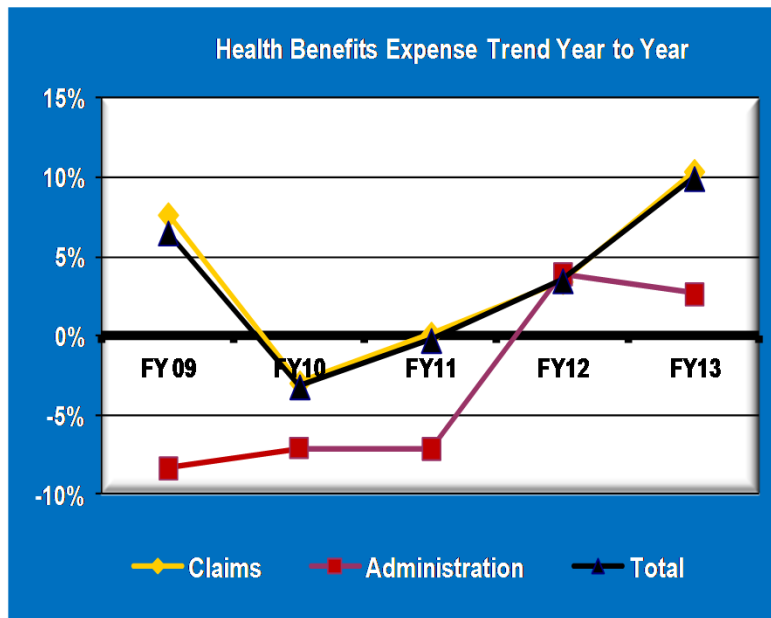
- 102,201 employees eligible for state health benefits
- 92,767 employees enrolled in all plans
- 200,197 members enrolled in all plans



FY 2013

Cost Trends

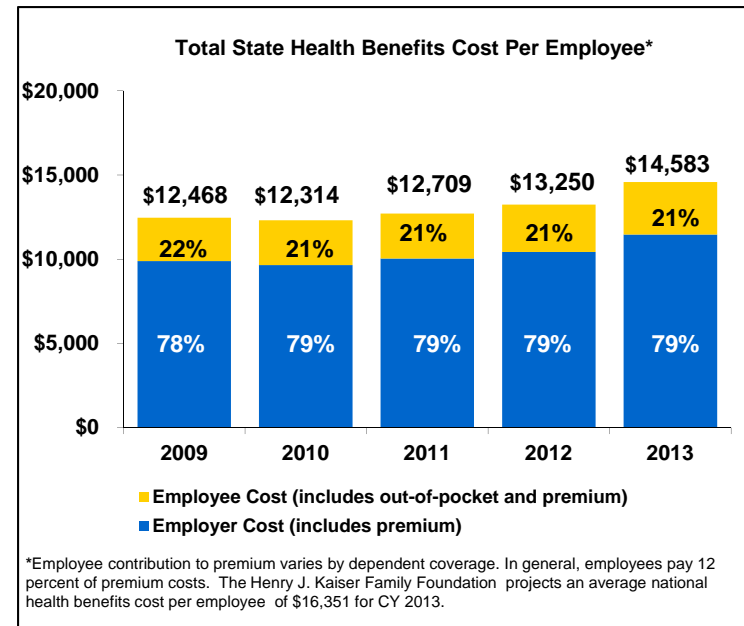
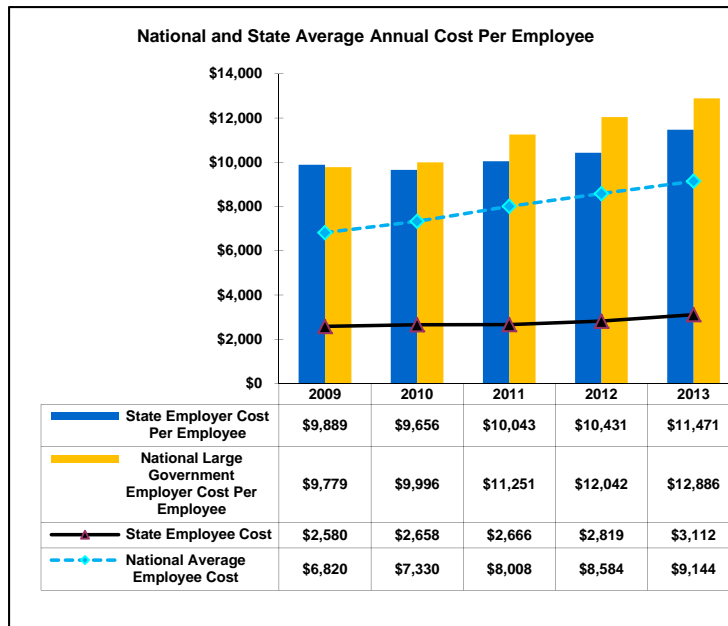
- Total program expense increased 9.9% in FY 13
- \$966.8 million total claims paid in FY 13
- 6.9 million total claims processed



FY 2013

Total Cost Per Employee

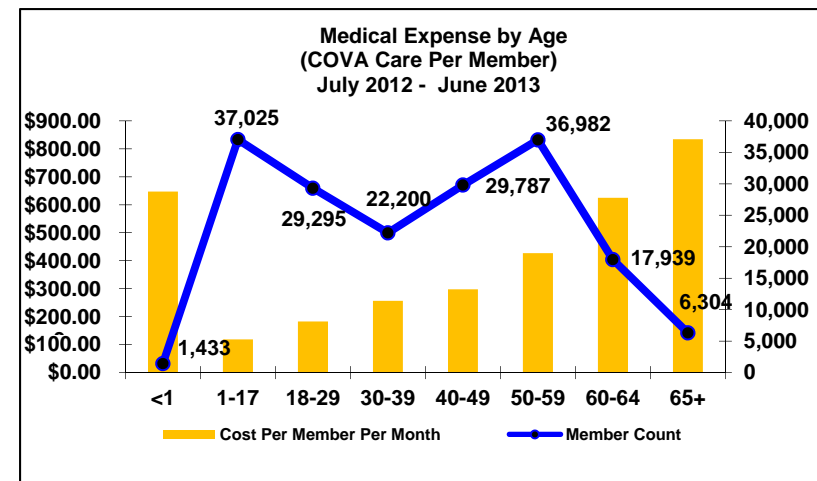
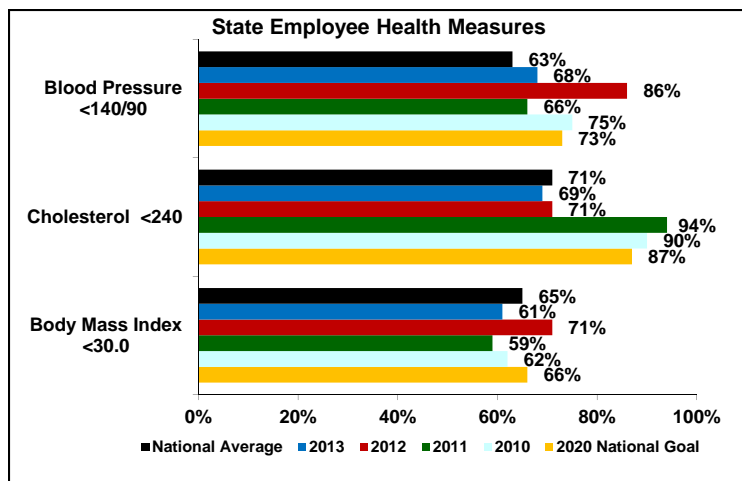
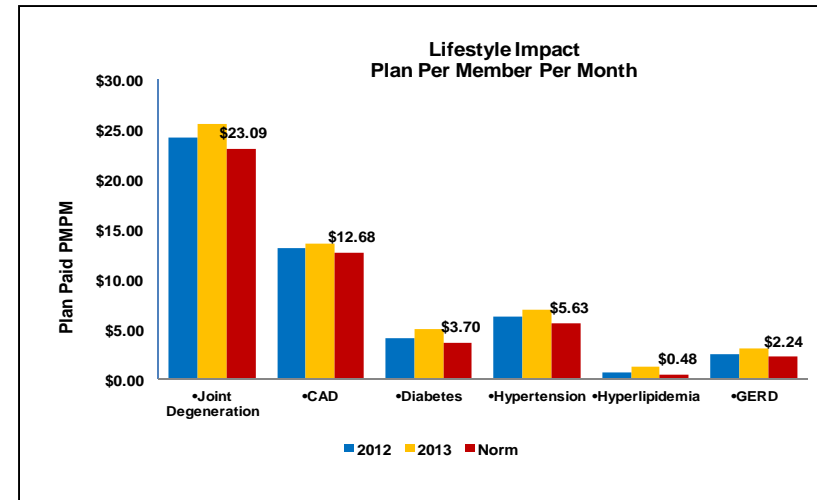
- \$14,583 total cost per employee in FY 13
- 10.1% increase in FY 13 from prior year



FY 2013

Cost Drivers

- Expensive procedures
- Treatment of chronic conditions
- Prescription drug therapy cost
- Employee lifestyle
- Average employee age



FY 2013

Top Ten Claims Expense

- \$619 million of total plan expense
- 64% of total plan expense
- Obesity related
 - Diabetes
 - Coronary artery disease
 - Hypertension
 - Musculoskeletal disorders
 - Digestive disorders
- High cost specialty drugs required
 - Rheumatoid arthritis
 - Multiple sclerosis

"Top Ten" Claims Expense		
Medical Procedures	Chronic Conditions	Prescription Drugs
<ol style="list-style-type: none"> 1. <i>Musculoskeletal</i> 2. <i>V-Codes—health services not classified as disease or injury</i> 3. <i>Neoplasms—tumors</i> 4. <i>Circulatory</i> 5. <i>Ill-defined symptoms-undetermined causes</i> 6. <i>Digestive</i> 7. <i>Genitourinary</i> 8. <i>Nervous system/sense organs</i> 9. <i>Accidental injury</i> 10. <i>Respiratory</i> 	<ol style="list-style-type: none"> 1. Coronary artery disease 2. Breast cancer 3. Cerebrovascular disease 4. Diabetes 5. Hypertension 6. Obesity 7. Lung cancer 8. Skin cancer 9. Oral cancer 10. Substance abuse 	<ol style="list-style-type: none"> 1. <i>Nexium-stomach acid</i> 2. <i>Humira-rheumatoid arthritis</i> 3. <i>Enbrel-rheumatoid arthritis</i> 4. <i>Crestor-high cholesterol</i> 5. <i>Cymbalta -depression</i> 6. <i>Montelukast Sodium -asthma/COPD</i> 7. <i>Ambilify-depression</i> 8. <i>Copaxone-multiple sclerosis</i> 9. <i>Advair Diskus-asthma/COPD</i> 10. <i>Escitalopram Oxalate-depression</i>
53.5% of All Claims Expense	5.3% of All Claims Expense	5.0% of All Claims Expense
<i>Note: These areas may not be mutually exclusive</i>		



Pilot Launched 10/1/13

Medication Therapy Management

- Applies to COVA Care, COVA HealthAware, and COVA HDHP
- MTM network – Mirixa
- 100% of cost paid by health plan
- 1 comprehensive annual visit with up to 3 follow-up visits
- Eligibility
 - 3 or more of 8 disease states
 - Asthma
 - COPD
 - Depression
 - Diabetes
 - Heart Failure
 - High Blood Pressure
 - High Cholesterol
 - Osteoporosis
 - 7 or more chronic medications

Plan Design Changes FY 2015

Pilot Onsite Health Center

- Planned pilot for Capitol Square area
- Provide employees convenient access to primary and preventive care
- Impact productivity with less work time lost
- Improve employee morale
- Offer health coaching support on site
 - Managing chronic medical conditions
 - Improving health behaviors
- Generate cost savings over time
- \$754,100 for start-up and implementation from the HIF



Plan Design Changes FY 2015

Value Based Insurance Design (VBID)

- Applies to COVA Care and COVA HealthAware
- Reduces barriers to high value treatment for certain conditions
- Asthma/COPD and Hypertension VBIDs
 - Waive co-pay or coinsurance for prescription drugs on tiers 1 and 2
 - Requirements
 - Minimum 90-day compliance period
 - On-going medication compliance
 - Appropriate quarterly engagement in disease management program
 - Annual wellness exam
 - Flu shot for Asthma/COPD

Changes FY 2015

Plan Design Changes

Item	Plan	Plan Design	Change	Cost
1	COVA Care COVA HealthAware COVA HDHP	New onsite health center in Capitol Square	Offer primary and preventive care, and health coaching support	<ul style="list-style-type: none"> • 1st year- \$55,000 • 5 years – (\$3.6 million)
2	COVA Care COVA HealthAware	Prescription drug VBID-Asthma/COPD	Drug co-pays and coinsurance waived for Tiers 1 and 2 if compliant	\$495,000
3	COVA Care COVA HealthAware	Prescription drug VBID-Hypertension	Drug co-pays and coinsurance waived for Tiers 1 and 2 if compliant	\$4,290,000
4	COVA Care	Prescription drug-co-pay changes for tiers 2-4	Increase co-pay \$5 for retail and \$10 for mail	(\$9,120,000)



Changes FY 2015

Premium Rewards

- Applies to COVA Care and COVA HealthAware
 - Eligible employees/retirees and/or spouses
- Continue reduction of \$17/\$34 per month if they do not opt out of MyActiveHealth portal
- Other employees have chance to earn Premium Rewards for FY 2015 plan year

Changes FY 2015

COVA HealthAware “Do Rights”

- Earned by employees/retirees and spouses for completing healthy activities
- Receive \$50 each for up to 3 “do rights”
 - Maximum \$150 per person
 - Added to Health Reimbursement Arrangement (HRA)
 - In addition to HRA funds of \$600/\$1,200 annually
- Expanded “do rights” list options
 - Annual wellness exam
 - Annual dental exam
 - Annual flu shot
 - Use MyActiveHealth tracker 3 times per month in a quarter
 - Annual vision exam
 - Complete one MyActiveHealth online coaching module

FY 2015 Rates

- Assumes ~1 week IBNR paid by both employer and employee
- Includes health care reform costs
- Includes savings from plan design changes

PLAN	Current Monthly Cost			Proposed Monthly Change			Proposed Monthly Cost		
	Employee Only	Employee Plus One	Employee Plus 2 or More	Employee Only	Employee Plus One	Employee Plus 2 or More	Employee Only	Employee Plus One	Employee Plus 2 or More
COVA Care Basic									
Employee	\$55	\$130	\$186	\$3	\$7	\$10	\$58	\$137	\$196
Employer	\$502	\$901	\$1,321	\$27	\$47	\$69	\$529	\$948	\$1,390
TOTAL PREMIUM	\$557	\$1,031	\$1,507	\$30	\$54	\$79	\$587	\$1,085	\$1,586
COVA HealthAware Basic									
Employee	\$9	\$44	\$59	\$0	\$3	\$3	\$9	\$47	\$62
Employer	\$502	\$901	\$1,321	\$27	\$47	\$69	\$529	\$948	\$1,390
TOTAL PREMIUM	\$511	\$945	\$1,380	\$27	\$50	\$72	\$538	\$995	\$1,452

FY 2015

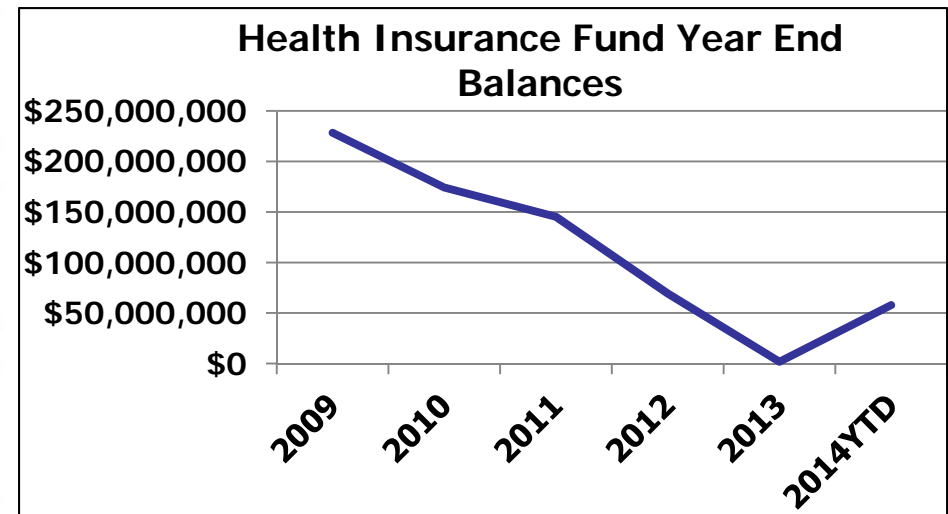
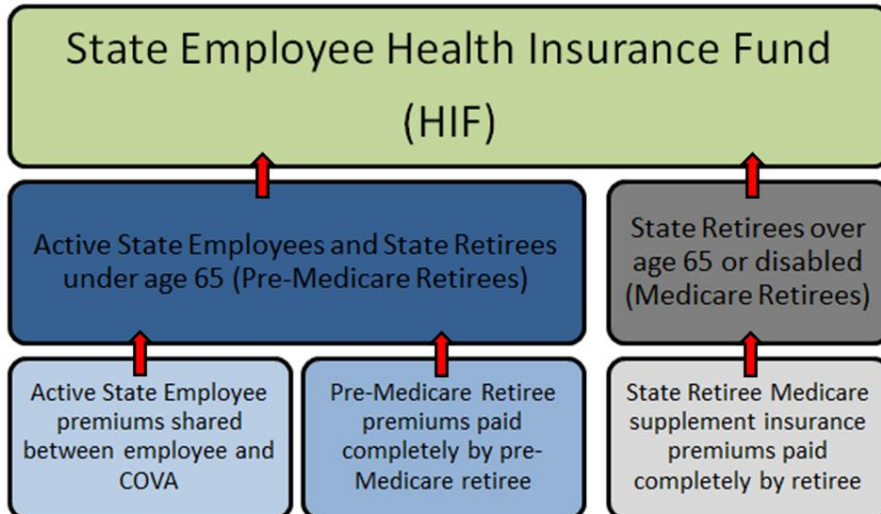
Premium Rewards

MONTHLY PREMIUMS		Employee Only	Employee Plus One		Employee Plus Two Or More	
Health Care Plan	Reward Earner	Employee	Employee or Spouse	Employee and Spouse	Employee or Spouse	Employee and Spouse
COVA Care	Employee Premium	\$75	\$171	\$171	\$230	\$230
	<i>Rewards</i>	<u>-\$17</u>	<u>-\$17</u>	<u>-\$34</u>	<u>-\$17</u>	<u>-\$34</u>
	Employee Premium with Rewards	\$58	\$154	\$137	\$213	\$196
COVA HealthAware	Employee Premium	\$26	\$81	\$81	\$96	\$96
	<i>Rewards</i>	<u>-\$17</u>	<u>-\$17</u>	<u>-\$34</u>	<u>-\$17</u>	<u>-\$34</u>
	Employee Premium with Rewards	\$9	\$64	\$47	\$79	\$62

FY End Balances

Health Insurance Fund

- FY 2009 – \$228.4 million
- FY 2012 – \$69.4 million
- FY 2013 – \$1.8 million
- FY 2014 – \$57.8 million at 12/31/13





Health Insurance Funding

- **Contingency Reserve** – covered under line of credit
 - \$81.1 million for Active Employees included in line of credit
- **Incurred But Not Reported (IBNR)** – rebuild over 5 years with unfunded balance included in line of credit
 - \$105 million IBNR for Active Employees
 - \$17.5 million – 1st installment funded in FY 2014
 - \$24.5 million – 2nd installment to be funded in FY 2015
 - \$63 million – IBNR gap, which varies each year, included in line of credit
- **Line of Credit**
 - \$150 million



Resources

- Department of Human Resource Management
<http://www.dhrm.virginia.gov>
- Annual Salary Survey Report to the General Assembly
<http://www.dhrm.virginia.gov/reports/AnnualSalaryReport2013.pdf>
- Annual Health Benefits Report
<http://www.dhrm.virginia.gov/hbenefits/ohbcommunications/reports/annualreport2013.pdf>
- Review of State Employee Health Insurance Fund
<http://www.apa.virginia.gov/reports/HealthInsuranceFundSR2011.pdf>