

# Fund S62000: Health and Flexible Benefits

**Focus** Fund S62000, Health and Flexible Benefits, provides for the administration of health and dental care benefit plans for employees and retirees. In addition, the Health and Flexible Benefits Fund administers two Flexible Spending Accounts, which enable employees to realize savings by setting aside pre-tax dollars, through Fairfax County Public Schools (FCPS) payroll deductions, for eligible health care and dependent care costs. FY 2023 expenditures are estimated at \$505.5 million.

# Fund S62000: Health and Flexible Benefits

## FUND STATEMENT

Category	FY 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan <sup>1</sup>	FY 2023 Superintendent's Proposed
<b>Beginning Balance</b>	<b>\$101,685,897</b>	<b>\$103,050,776</b>	<b>\$124,021,193</b>	<b>\$121,681,881</b>
<b>Revenue:</b>				
Employer/Employee Premiums	\$350,938,251	\$356,148,153	\$347,917,913	\$361,479,502
Retiree/Other Health Premiums	60,238,413	62,409,181	62,409,181	65,744,403
Interest Income and Rebates	47,402,124	39,104,281	48,601,981	49,299,642
Flexible Spending Account Withholdings	10,249,623	10,166,923	10,166,924	11,000,000
<b>Total Revenue<sup>2</sup></b>	<b>\$468,828,411</b>	<b>\$467,828,538</b>	<b>\$469,095,999</b>	<b>\$487,523,547</b>
<b>Total Available</b>	<b>\$570,514,308</b>	<b>\$570,879,314</b>	<b>\$593,117,192</b>	<b>\$609,205,428</b>
<b>Expenditures:</b>				
Health Benefits Paid	\$338,322,083	\$365,132,988	\$367,636,102	\$396,318,585
Premiums Paid	75,897,894	77,966,982	77,966,982	82,645,001
Health Administrative Expenses	15,703,031	15,025,982	15,111,448	15,743,179
Flexible Spending Accounts Reimbursements	10,764,727	9,985,349	9,985,349	10,000,000
FSA Administrative Expenses	200,380	172,443	172,443	182,790
Claims Incurred but not Reported (IBNR)	21,880,000	17,369,107	22,442,987	22,442,987
IBNR Prior Year Credit	(16,275,000)	(16,806,120)	(21,880,000)	(21,880,000)
<b>Total Expenditures<sup>2</sup></b>	<b>\$446,493,115</b>	<b>\$468,846,731</b>	<b>\$471,435,311</b>	<b>\$505,452,542</b>
Premium Stabilization Reserve <sup>3</sup>	\$0	\$99,091,378	\$121,681,881	\$103,752,886
<b>Total Disbursements</b>	<b>\$446,493,115</b>	<b>\$567,938,109</b>	<b>\$593,117,192</b>	<b>\$609,205,428</b>
<b>Ending Balance</b>	<b>\$124,021,193</b>	<b>\$2,941,205</b>	<b>\$0</b>	<b>\$0</b>
Outstanding Encumbered Obligations	\$85,466	\$0	\$0	\$0
Premium Stabilization Reserve <sup>3</sup>	123,935,727	0	0	0
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$2,941,205</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> The *FY 2022 Revised Budget Plan* reflects adjustments adopted by the Fairfax County School Board on December 16, 2021 during the *FY 2022 Mid-Year Review*. These midyear adjustments will be reflected in the County schedules and appropriations as part of the *FY 2022 Third Quarter Review*, which will be acted on by the Board of Supervisors on April 26, 2022.

<sup>2</sup> In order to account for FY 2021 revenues and expenditures in the appropriate fiscal year, audit adjustments of \$962,529 have been reflected as an increase to FY 2021 revenue and audit adjustments of \$1,015,256 have been reflected as an increase to FY 2021 expenditures. Details of the audit adjustments will be included in the FY 2022 Third Quarter package.

<sup>3</sup> The Premium Stabilization Reserve is appropriated for budgeting purposes to offset fluctuations in health insurance costs during the fiscal year. This reserve is to be carried forward as beginning balance for FY 2023.