

Health Benefits Fund
For the period ended May 31, 2010
(amounts expressed in thousands)

	FY2009 Actual	FY2010				Controller's Projection	Finance Projection
		Adopted Budget	Current Budget	YTD			
Operating Revenues							
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 270,251	\$ 295,403	\$ 295,403	
City Dental Plans	8,169	8,758	8,758	8,168	8,943	8,943	
City Life Insurance Plans	5,475	5,094	5,094	5,037	5,514	5,514	
Health Flexible Spending Account	823	1,000	1,000	877	1,000	1,000	
Dependent Care Reimbursement	174	175	175	198	215	215	
Operating Revenues	<u>288,873</u>	<u>314,795</u>	<u>314,795</u>	<u>284,531</u>	<u>311,075</u>	<u>311,075</u>	
Operating Expenses							
City Medical Plan Claims	273,909	295,526	293,204	265,171	289,403	289,403	
City Dental Plan Claims	8,169	8,758	8,758	8,169	8,943	8,943	
City Life Insurance Plans	5,449	5,094	5,094	5,037	5,514	5,514	
Administrative Costs	3,465	4,241	4,241	3,233	3,852	3,852	
Health Flexible Spending Account	790	1,000	1,000	752	1,000	1,000	
Dependent Care	174	175	175	196	215	215	
Operating Expenses	<u>291,956</u>	<u>314,794</u>	<u>312,472</u>	<u>282,558</u>	<u>308,927</u>	<u>308,927</u>	
Operating Income (Loss)	(3,083)	1	2,323	1,973	2,148	2,148	
Nonoperating Revenues (Expenses)							
Interest Income	344	300	300	235	275	275	
Prior Year Expense Recovery	0	0	0	0	0	0	
Miscellaneous Revenues	0	0	0	1,101	1,101	1,101	
Medicare Part D - Subsidy	2,289	1,186	1,186	0	1,186	1,186	
Medicare Part D - Distribution	(2,289)	(1,186)	(1,186)	0	(1,186)	(1,186)	
Nonoperating Revenues (Expenses)	<u>344</u>	<u>300</u>	<u>300</u>	<u>1,336</u>	<u>1,376</u>	<u>1,376</u>	
Pension Bond Proceeds	0	0	0	0	0	0	
Net Income (Loss)	(2,739)	301	2,623	3,309	3,524	3,524	
Net Assets, Beginning of Year	<u>3,591</u>	<u>852</u>	<u>852</u>	<u>852</u>	<u>852</u>	<u>852</u>	
Net Assets, End of Year	<u>\$ 852</u>	<u>\$ 1,153</u>	<u>\$ 3,475</u>	<u>\$ 4,161</u>	<u>\$ 4,376</u>	<u>\$ 4,376</u>	

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Preferred Provider (PPO) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.