

Health Benefits Fund
For the period ended January 31, 2011
(amounts expressed in thousands)

	FY2010 Actual	FY2011				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 294,918	\$ 316,656	\$ 316,656	\$ 173,200	\$ 300,658	\$ 300,658
City Dental Plans	8,945	9,568	9,568	5,396	9,369	9,369
City Life Insurance Plans	5,499	5,623	5,623	3,351	5,795	5,795
Health Flexible Spending Account	968	1,100	1,100	628	1,100	1,100
Dependent Care Reimbursement	216	240	240	128	240	240
Operating Revenues	<u>310,546</u>	<u>333,187</u>	<u>333,187</u>	<u>182,703</u>	<u>317,162</u>	<u>317,162</u>
Operating Expenses						
City Medical Plan Claims	289,907	312,518	312,518	171,171	296,041	296,041
City Dental Plan Claims	8,945	9,568	9,568	5,396	9,369	9,369
City Life Insurance Plans	5,499	5,623	5,623	3,351	5,795	5,795
Administrative Costs	3,677	4,885	4,885	2,062	4,831	4,831
Health Flexible Spending Account	918	1,100	1,100	540	1,100	1,100
Dependent Care	216	240	240	128	240	240
Operating Expenses	<u>309,162</u>	<u>333,934</u>	<u>333,934</u>	<u>182,648</u>	<u>317,376</u>	<u>317,376</u>
Operating Income (Loss)	1,384	(747)	(747)	55	(214)	(214)
Nonoperating Revenues (Expenses)						
Interest Income	252	300	300	136	235	235
Prior Year Expense Recovery	0	0	0	0	0	0
Miscellaneous Revenues	1,164	0	0	284	284	284
Medicare Part D - Subsidy	0	1,229	1,229	0	1,229	1,229
Medicare Part D - Distribution	0	(1,229)	(1,229)	0	(1,229)	(1,229)
Nonoperating Revenues (Expenses)	<u>1,416</u>	<u>300</u>	<u>300</u>	<u>420</u>	<u>519</u>	<u>519</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,800	(447)	(447)	475	305	305
Net Assets, Beginning of Year	<u>852</u>	<u>3,652</u>	<u>3,652</u>	<u>3,652</u>	<u>3,652</u>	<u>3,652</u>
Net Assets, End of Year	<u>\$ 3,652</u>	<u>\$ 3,205</u>	<u>\$ 3,205</u>	<u>\$ 4,127</u>	<u>\$ 3,957</u>	<u>\$ 3,957</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.