

Health Benefits Fund
For the period ended June 30, 2004
(amounts expressed in thousands)

	FY2003 CAFR	FY2004				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues						
City Medical Plans	\$ 145,046	\$ 174,384	\$ 174,384	\$ 171,052	\$ 171,052	\$ 171,052
City Dental Plans	7,350	8,119	8,119	7,707	7,707	7,707
City Life Insurance Plans	5,789	6,091	6,091	5,486	5,486	5,486
Dependent Care Reimbursement	144	160	160	143	143	143
Operating Revenues	<u>158,329</u>	<u>188,754</u>	<u>188,754</u>	<u>184,388</u>	<u>184,388</u>	<u>184,388</u>
Operating Expenses						
City Medical Plan Claims	143,314	171,575	169,375	169,205	169,205	169,205
City Dental Plan Claims	7,346	8,119	7,669	7,707	7,707	7,707
City Life Insurance Plans	5,788	6,091	5,741	5,383	5,383	5,383
Administrative Costs	2,604	3,206	3,206	2,620	2,620	2,620
Dependent Care	144	160	160	143	143	143
Operating Expenses	<u>159,196</u>	<u>189,151</u>	<u>186,151</u>	<u>185,058</u>	<u>185,058</u>	<u>185,058</u>
Operating Income (Loss)	(867)	(397)	2,603	(670)	(670)	(670)
Nonoperating Revenues (Expenses)						
Interest Income	515	350	350	305	305	305
Prior Year Expense Recovery	268	47	47	222	222	222
Nonoperating Revenues (Expenses)	<u>783</u>	<u>397</u>	<u>397</u>	<u>527</u>	<u>527</u>	<u>527</u>
Net Income (Loss)	(84)	0	3,000	(143)	(143)	(143)
Net Assets, Beginning of Year	1,120	1,036	1,036	1,036	1,036	1,036
Net Assets, End of Year	\$ <u>1,036</u>	\$ <u>1,036</u>	\$ <u>4,036</u>	\$ <u>893</u>	\$ <u>893</u>	\$ <u>893</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 Point of Service (POS) 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.