

Health Benefits Fund  
For the period ended June 30, 2007  
(amounts expressed in thousands)

	FY2006 Actual	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 215,966	\$ 237,027	\$ 237,027	\$ 232,984	\$ 232,984	\$ 232,984
City Dental Plans	7,973	7,663	7,663	7,641	7,641	7,641
City Life Insurance Plans	5,414	5,760	5,760	5,778	5,778	5,778
Health Flexible Spending Account	72	1,000	1,000	453	453	453
Dependent Care Reimbursement	154	160	160	162	162	162
<b>Operating Revenues</b>	<u>229,579</u>	<u>251,610</u>	<u>251,610</u>	<u>247,018</u>	<u>247,018</u>	<u>247,018</u>
<b>Operating Expenses</b>						
City Medical Plan Claims	211,614	231,164	231,164	227,852	227,852	227,852
City Dental Plan Claims	7,973	7,663	7,663	7,641	7,641	7,641
City Life Insurance Plans	5,409	5,760	5,760	5,774	5,774	5,774
Administrative Costs	3,134	3,583	3,583	2,971	2,971	2,971
Health Flexible Spending Account	39	1,000	1,000	404	404	404
Dependent Care	154	160	160	162	162	162
<b>Operating Expenses</b>	<u>228,323</u>	<u>249,330</u>	<u>249,330</u>	<u>244,804</u>	<u>244,804</u>	<u>244,804</u>
Operating Income (Loss)	1,256	2,280	2,280	2,214	2,214	2,214
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	457	400	400	567	625	625
Prior Year Expense Recovery	0	50	50	0	0	0
Medicare Part D - Subsidy	0	0	0	523	2,023	2,023
Medicare Part D - Distribution	0	0	0	(523)	(2,023)	(2,023)
<b>Nonoperating Revenues (Expenses)</b>	<u>457</u>	<u>450</u>	<u>450</u>	<u>567</u>	<u>625</u>	<u>625</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	1,713	2,730	2,730	2,781	2,839	2,839
Net Assets, Beginning of Year	<u>1,277</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>
Net Assets, End of Year	<u>\$ 2,990</u>	<u>\$ 5,720</u>	<u>\$ 5,720</u>	<u>\$ 5,771</u>	<u>\$ 5,829</u>	<u>\$ 5,829</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.