

Health Benefits Fund
For the period ended March 31, 2007
(amounts expressed in thousands)

	Unaudited Preliminary FY2006	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues						
City Medical Plans	\$ 215,966	\$ 237,027	\$ 237,027	\$ 173,078	\$ 233,747	\$ 233,747
City Dental Plans	7,973	7,663	7,663	5,707	7,625	7,625
City Life Insurance Plans	5,414	5,760	5,760	4,315	5,785	5,785
Health Flexible Spending Account	72	1,000	1,000	335	448	448
Dependent Care Reimbursement	154	160	160	122	165	165
Operating Revenues	<u>229,579</u>	<u>251,610</u>	<u>251,610</u>	<u>183,557</u>	<u>247,770</u>	<u>247,770</u>
Operating Expenses						
City Medical Plan Claims	212,621	231,164	231,164	168,593	227,763	227,763
City Dental Plan Claims	7,973	7,663	7,663	5,707	7,625	7,625
City Life Insurance Plans	5,409	5,760	5,760	4,312	5,785	5,785
Administrative Costs	3,134	3,583	3,583	2,062	3,336	3,336
Health Flexible Spending Account	39	1,000	1,000	272	448	448
Dependent Care	154	160	160	122	165	165
Operating Expenses	<u>229,330</u>	<u>249,330</u>	<u>249,330</u>	<u>181,068</u>	<u>245,122</u>	<u>245,122</u>
Operating Income (Loss)	249	2,280	2,280	2,489	2,648	2,648
Nonoperating Revenues (Expenses)						
Interest Income	457	400	400	448	500	500
Prior Year Expense Recovery	1,007	50	50	0	50	50
Medicare Part D - Subsidy	0	0	0	523	523	523
Medicare Part D - Distribution	0	0	0	(523)	(523)	(523)
Nonoperating Revenues (Expenses)	<u>1,464</u>	<u>450</u>	<u>450</u>	<u>448</u>	<u>550</u>	<u>550</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	1,713	2,730	2,730	2,937	3,198	3,198
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>\$ 5,927</u>	<u>\$ 6,188</u>	<u>\$ 6,188</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.