

Health Benefits Fund
For the period ended June 30, 2008
(amounts expressed in thousands)

	FY2007 Actual	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 232,986	\$ 252,280	\$ 252,280	\$ 249,716	\$ 249,716	\$ 249,716
City Dental Plans	7,641	7,806	7,806	7,793	7,793	7,793
City Life Insurance Plans	5,778	6,219	6,219	6,206	6,206	6,206
Health Flexible Spending Account	453	1,000	1,000	532	532	532
Dependent Care Reimbursement	162	175	175	160	160	160
Operating Revenues	<u>247,020</u>	<u>267,480</u>	<u>267,480</u>	<u>264,407</u>	<u>264,407</u>	<u>264,407</u>
Operating Expenses						
City Medical Plan Claims	227,852	251,369	251,269	249,214	249,214	249,214
City Dental Plan Claims	7,641	7,806	7,806	7,792	7,792	7,792
City Life Insurance Plans	5,774	6,219	6,219	6,201	6,201	6,201
Administrative Costs	3,059	3,585	3,696	3,218	3,257	3,257
Health Flexible Spending Account	420	1,000	1,000	460	460	460
Dependent Care	162	175	175	160	160	160
Operating Expenses	<u>244,908</u>	<u>270,154</u>	<u>270,165</u>	<u>267,045</u>	<u>267,084</u>	<u>267,084</u>
Operating Income (Loss)	2,112	(2,674)	(2,685)	(2,638)	(2,677)	(2,677)
Nonoperating Revenues (Expenses)						
Interest Income	626	500	500	600	600	600
Prior Year Expense Recovery	0	50	50	0	0	0
Medicare Part D - Subsidy	2,125	1,611	1,611	0	1,611	1,611
Medicare Part D - Distribution	(2,125)	(1,611)	(1,611)	0	(1,611)	(1,611)
Nonoperating Revenues (Expenses)	<u>626</u>	<u>550</u>	<u>550</u>	<u>600</u>	<u>600</u>	<u>600</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,738	(2,124)	(2,135)	(2,038)	(2,077)	(2,077)
Net Assets, Beginning of Year	<u>2,990</u>	<u>5,728</u>	<u>5,728</u>	<u>5,728</u>	<u>5,728</u>	<u>5,728</u>
Net Assets, End of Year	\$ <u>5,728</u>	\$ <u>3,604</u>	\$ <u>3,593</u>	\$ <u>3,690</u>	\$ <u>3,651</u>	\$ <u>3,651</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.