

Health Benefits Fund
For the period ended March 31, 2008
(amounts expressed in thousands)

	Unaudited Preliminary FY2007	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 232,986	252,280	\$ 252,280	\$ 181,241	\$ 249,988	\$ 249,988
City Dental Plans	7,641	7,806	7,806	5,793	7,775	7,775
City Life Insurance Plans	5,778	6,219	6,219	4,606	6,171	6,171
Health Flexible Spending Account	453	1,000	1,000	364	500	500
Dependent Care Reimbursement	162	175	175	116	165	165
Operating Revenues	<u>247,020</u>	<u>267,480</u>	<u>267,480</u>	<u>192,120</u>	<u>264,599</u>	<u>264,599</u>
Operating Expenses						
City Medical Plan Claims	227,852	251,369	251,369	183,849	249,860	249,860
City Dental Plan Claims	7,641	7,806	7,806	5,421	7,775	7,775
City Life Insurance Plans	5,774	6,219	6,219	4,603	6,166	6,166
Administrative Costs	3,059	3,585	3,585	2,062	3,247	3,247
Health Flexible Spending Account	420	1,000	1,000	303	500	500
Dependent Care	162	175	175	77	165	165
Operating Expenses	<u>244,908</u>	<u>270,154</u>	<u>270,154</u>	<u>196,315</u>	<u>267,713</u>	<u>267,713</u>
Operating Income (Loss)	2,112	(2,674)	(2,674)	(4,195)	(3,114)	(3,114)
Nonoperating Revenues (Expenses)						
Interest Income	626	500	500	481	625	625
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>481</u>	<u>625</u>	<u>625</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,738	(2,124)	(2,124)	(3,714)	(2,489)	(2,489)
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>3,604</u>	\$ <u>2,014</u>	\$ <u>3,239</u>	\$ <u>3,239</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.