

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

	Unaudited Preliminary FY2007	FY2008				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues						
City Medical Plans	\$ 232,986	252,280	\$ 252,280	\$ 62,141	\$ 252,280	\$ 252,280
City Dental Plans	7,641	7,806	7,806	1,938	7,806	7,806
City Life Insurance Plans	5,778	6,219	6,219	1,502	6,219	6,219
Health Flexible Spending Account	453	1,000	1,000	122	1,000	1,000
Dependent Care Reimbursement	162	175	175	41	175	175
Operating Revenues	<u>247,020</u>	<u>267,480</u>	<u>267,480</u>	<u>65,744</u>	<u>267,480</u>	<u>267,480</u>
Operating Expenses						
City Medical Plan Claims	227,852	251,369	251,369	61,843	251,369	251,369
City Dental Plan Claims	7,641	7,806	7,806	1,938	7,806	7,806
City Life Insurance Plans	5,774	6,219	6,219	1,501	6,219	6,219
Administrative Costs	3,072	3,585	3,585	649	3,585	3,585
Health Flexible Spending Account	420	1,000	1,000	122	1,000	1,000
Dependent Care	162	175	175	41	175	175
Operating Expenses	<u>244,921</u>	<u>270,154</u>	<u>270,154</u>	<u>66,094</u>	<u>270,154</u>	<u>270,154</u>
Operating Income (Loss)	2,099	(2,674)	(2,674)	(350)	(2,674)	(2,674)
Nonoperating Revenues (Expenses)						
Interest Income	617	500	500	205	800	800
Prior Year Expense Recovery	0	50	50	0	50	50
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>617</u>	<u>550</u>	<u>550</u>	<u>205</u>	<u>850</u>	<u>850</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,716	(2,124)	(2,124)	(145)	(1,824)	(1,824)
Net Assets, Beginning of Year	<u>2,990</u>	<u>5,706</u>	<u>5,706</u>	<u>5,706</u>	<u>5,706</u>	<u>5,706</u>
Net Assets, End of Year	<u>\$ 5,706</u>	<u>\$ 3,582</u>	<u>\$ 3,582</u>	<u>\$ 5,561</u>	<u>\$ 3,882</u>	<u>\$ 3,882</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.