

Health Benefits Fund
For the period ended March 31, 2009
(amounts expressed in thousands)

	FY2008 Actual	FY2009				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 249,716	\$ 283,229	\$ 283,229	\$ 203,415	\$ 273,034	\$ 273,034
City Dental Plans	7,793	7,973	7,973	6,023	8,055	8,055
City Life Insurance Plans	6,206	6,454	6,454	4,185	5,524	5,524
Health Flexible Spending Account	532	1,000	1,000	601	825	825
Dependent Care Reimbursement	160	175	175	125	165	165
Operating Revenues	<u>264,407</u>	<u>298,831</u>	<u>298,831</u>	<u>214,349</u>	<u>287,603</u>	<u>287,603</u>
Operating Expenses						
City Medical Plan Claims	249,213	281,911	273,257	203,133	273,052	273,052
City Dental Plan Claims	7,792	7,973	7,973	6,023	8,055	8,055
City Life Insurance Plans	6,200	6,454	5,856	4,159	5,498	5,498
Administrative Costs	3,015	4,083	4,242	2,252	3,566	3,566
Health Flexible Spending Account	487	1,000	825	506	825	825
Dependent Care	160	175	175	127	165	165
Operating Expenses	<u>266,867</u>	<u>301,596</u>	<u>292,328</u>	<u>216,200</u>	<u>291,161</u>	<u>291,161</u>
Operating Income (Loss)	(2,460)	(2,765)	6,503	(1,851)	(3,558)	(3,558)
Nonoperating Revenues (Expenses)						
Interest Income	695	550	550	280	430	430
Prior Year Expense Recovery	0	0	0	0	0	0
Medicare Part D - Subsidy	0	1,608	1,608	1,167	1,167	1,167
Medicare Part D - Distribution	0	(1,608)	(1,608)	(1,167)	(1,167)	(1,167)
Nonoperating Revenues (Expenses)	<u>695</u>	<u>550</u>	<u>550</u>	<u>280</u>	<u>430</u>	<u>430</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(1,765)	(2,215)	7,053	(1,571)	(3,128)	(3,128)
Net Assets, Beginning of Year	<u>5,728</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>
Net Assets, End of Year	<u>\$ 3,963</u>	<u>\$ 1,748</u>	<u>\$ 11,016</u>	<u>\$ 2,392</u>	<u>\$ 835</u>	<u>\$ 835</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.