

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

	Unaudited Preliminary FY2008	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 249,716	\$ 283,229	\$ 283,229	\$ 67,516	\$ 283,229	\$ 283,229
City Dental Plans	7,793	7,973	7,973	1,997	7,973	7,973
City Life Insurance Plans	6,206	6,454	6,454	1,666	6,454	6,454
Health Flexible Spending Account	532	1,000	1,000	199	1,000	1,000
Dependent Care Reimbursement	160	175	175	43	175	175
Operating Revenues	<u>264,407</u>	<u>298,831</u>	<u>298,831</u>	<u>71,421</u>	<u>298,831</u>	<u>298,831</u>
Operating Expenses						
City Medical Plan Claims	249,214	281,911	281,785	67,462	281,785	281,785
City Dental Plan Claims	7,792	7,973	7,973	2,000	7,973	7,973
City Life Insurance Plans	6,201	6,454	6,454	1,641	6,454	6,454
Administrative Costs	3,257	4,083	4,209	681	4,209	4,209
Health Flexible Spending Account	460	1,000	1,000	168	1,000	1,000
Dependent Care	160	175	175	43	175	175
Operating Expenses	<u>267,084</u>	<u>301,596</u>	<u>301,596</u>	<u>71,995</u>	<u>301,596</u>	<u>301,596</u>
Operating Income (Loss)	(2,677)	(2,765)	(2,765)	(574)	(2,765)	(2,765)
Nonoperating Revenues (Expenses)						
Interest Income	600	550	550	114	550	550
Prior Year Expense Recovery	0	0	0	0	0	0
Medicare Part D - Subsidy	1,611	1,608	1,608	(87)	1,608	1,608
Medicare Part D - Distribution	(1,611)	(1,608)	(1,608)	0	(1,608)	(1,608)
Nonoperating Revenues (Expenses)	<u>600</u>	<u>550</u>	<u>550</u>	<u>27</u>	<u>550</u>	<u>550</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(2,077)	(2,215)	(2,215)	(547)	(2,215)	(2,215)
Net Assets, Beginning of Year	5,728	3,651	3,651	3,651	3,651	3,651
Net Assets, End of Year	\$ <u>3,651</u>	\$ <u>1,436</u>	\$ <u>1,436</u>	\$ <u>3,104</u>	\$ <u>1,436</u>	\$ <u>1,436</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.