

Health Benefits Fund
For the period ended September 30, 2009
(amounts expressed in thousands)

	Unaudited Preliminary FY2009	FY2010				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 75,919	\$ 299,768	\$ 299,768
City Dental Plans	8,169	8,758	8,758	2,218	8,758	8,758
City Life Insurance Plans	5,475	5,094	5,094	1,338	5,094	5,094
Health Flexible Spending Account	824	1,000	1,000	238	1,000	1,000
Dependent Care Reimbursement	174	175	175	54	175	175
Operating Revenues	<u>288,874</u>	<u>314,795</u>	<u>314,795</u>	<u>79,767</u>	<u>314,795</u>	<u>314,795</u>
Operating Expenses						
City Medical Plan Claims	273,909	295,526	295,526	72,378	295,526	295,526
City Dental Plan Claims	8,169	8,758	8,758	2,218	8,758	8,758
City Life Insurance Plans	5,449	5,094	5,094	1,338	5,094	5,094
Administrative Costs	3,445	4,241	4,241	778	4,241	4,241
Health Flexible Spending Account	790	1,000	1,000	220	1,000	1,000
Dependent Care	174	175	175	54	175	175
Operating Expenses	<u>291,936</u>	<u>314,794</u>	<u>314,794</u>	<u>76,986</u>	<u>314,794</u>	<u>314,794</u>
Operating Income (Loss)	(3,062)	1	1	2,781	1	1
Nonoperating Revenues (Expenses)						
Interest Income	391	300	300	76	300	300
Prior Year Expense Recovery	0	0	0	0	0	0
Medicare Part D - Subsidy	2,289	1,186	1,186	0	1,186	1,186
Medicare Part D - Distribution	(2,289)	(1,186)	(1,186)	0	(1,186)	(1,186)
Nonoperating Revenues (Expenses)	<u>391</u>	<u>300</u>	<u>300</u>	<u>76</u>	<u>300</u>	<u>300</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(2,671)	301	301	2,857	301	301
Net Assets, Beginning of Year	<u>3,963</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>	<u>1,292</u>
Net Assets, End of Year	<u>\$ 1,292</u>	<u>\$ 1,593</u>	<u>\$ 1,593</u>	<u>\$ 4,149</u>	<u>\$ 1,593</u>	<u>\$ 1,593</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.