

Health Benefits Fund  
For the period ended September 30, 2010  
(amounts expressed in thousands)

	Unaudited Preliminary FY2010	FY2011				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
<b>Operating Revenues</b>						
City Medical Plans	\$ 294,918	\$ 316,656	316,656	\$ 75,110	\$ 307,583	\$ 307,583
City Dental Plans	8,945	9,568	9,568	2,321	9,568	9,568
City Life Insurance Plans	5,499	5,623	5,623	1,418	5,623	5,623
Health Flexible Spending Account	968	1,100	1,100	270	1,100	1,100
Dependent Care Reimbursement	216	240	240	54	240	240
<b>Operating Revenues</b>	<u>310,546</u>	<u>333,187</u>	<u>333,187</u>	<u>79,173</u>	<u>324,114</u>	<u>324,114</u>
<b>Operating Expenses</b>						
City Medical Plan Claims	289,907	312,518	312,518	73,583	304,095	304,095
City Dental Plan Claims	8,945	9,568	9,568	2,321	9,568	9,568
City Life Insurance Plans	5,499	5,623	5,623	1,418	5,623	5,623
Administrative Costs	3,677	4,885	4,885	816	4,885	4,885
Health Flexible Spending Account	918	1,100	1,100	244	1,100	1,100
Dependent Care	216	240	240	54	240	240
<b>Operating Expenses</b>	<u>309,162</u>	<u>333,934</u>	<u>333,934</u>	<u>78,436</u>	<u>325,511</u>	<u>325,511</u>
Operating Income (Loss)	1,384	(747)	(747)	737	(1,397)	(1,397)
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	252	300	300	63	300	300
Miscellaneous Revenues	1,164	0	0	3	3	3
Medicare Part D - Subsidy	0	1,229	1,229	0	1,229	1,229
Medicare Part D - Distribution	0	(1,229)	(1,229)	0	(1,229)	(1,229)
<b>Nonoperating Revenues (Expenses)</b>	<u>1,416</u>	<u>300</u>	<u>300</u>	<u>66</u>	<u>303</u>	<u>303</u>
Net Income (Loss)	2,800	(447)	(447)	803	(1,094)	(1,094)
Net Assets, Beginning of Year	852	3,652	3,652	3,652	3,652	3,652
Net Assets, End of Year	<u>\$ 3,652</u>	<u>\$ 3,205</u>	<u>\$ 3,205</u>	<u>\$ 4,455</u>	<u>\$ 2,558</u>	<u>\$ 2,558</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.