

Health Benefits Fund  
For the period ended March 31, 2014  
(amounts expressed in thousands)

	FY2013 Actual	FY2014				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
<b>Operating Revenues</b>						
City Medical Plans	\$ 313,256	\$ 334,668	\$ 334,668	\$ 249,543	\$ 333,058	\$ 333,058
City Dental Plans	9,726	10,037	10,037	7,361	9,822	9,822
City Life Insurance Plans	5,810	6,430	6,430	4,115	5,596	5,596
Vision	369	3,275	3,275	1,718	2,302	2,302
Health Flexible Spending Account	1,938	2,200	2,200	2,144	2,842	2,842
Dependent Care Reimbursement	235	260	260	218	250	250
<b>Operating Revenues</b>	<u>331,334</u>	<u>356,870</u>	<u>356,870</u>	<u>265,099</u>	<u>353,871</u>	<u>353,871</u>
<b>Operating Expenses</b>						
Medicare Advantage	18,256	19,114	19,114	15,125	20,838	20,838
City Medical Plan Claims - Cigna	271,499	309,429	309,429	200,310	275,746	275,746
City Dental Plan Claims	9,726	10,037	10,037	7,361	9,822	9,822
Vision	369	3,275	3,275	1,718	2,302	2,302
City Life Insurance Plans	5,810	6,430	6,430	4,115	5,596	5,596
Administrative Costs	5,104	6,363	6,363	4,656	6,315	6,315
Health Flexible Spending Account	1,940	2,200	2,200	2,131	2,842	2,842
Dependent Care	235	260	260	218	250	250
<b>Operating Expenses</b>	<u>312,939</u>	<u>357,108</u>	<u>357,108</u>	<u>235,634</u>	<u>323,712</u>	<u>323,712</u>
Operating Income (Loss)	18,395	(238)	(238)	29,465	30,159	30,159
<b>Non-Operating Revenues (Expenses)</b>						
Interest Income	213	200	200	263	300	300
Prior Year Expense Recovery	262	0	0	0	147	147
Miscellaneous Revenue	4,491	0	0	0	3,200	3,200
<b>Non-Operating Revenues (Expenses)</b>	<u>4,966</u>	<u>200</u>	<u>200</u>	<u>263</u>	<u>3,647</u>	<u>3,647</u>
Net Income (Loss)	23,361	(38)	(38)	29,728	33,806	33,806
Net Assets, Beginning of Year	(14,128)	9,233	9,233	9,233	9,233	9,233
Net Assets, End of Year	<u>\$ 9,233</u>	<u>\$ 9,195</u>	<u>\$ 9,195</u>	<u>\$ 38,961</u>	<u>\$ 43,039</u>	<u>\$ 43,039</u>

**About the Fund:**

The Health Benefits Fund, an Internal Service Fund administered by the Human Resources Department, was established in 1984 to centralize the financial transactions for the City's benefit plans.

Effective May 1, 2011, the City elected to be substantially self-insured and awarded CIGNA a three year contract with two (2) one-year renewal options for 4 new health plans. The new health benefits model is composed of four (4) plans, all of which have heavy emphasis on a wellness component, and includes; 1) a limited network HMO-type plan, 2) an open access PPO-type plan with no out-of-network coverage, 3) a consumer driven high deductible Health Plan (CDHP), partnered with a health reimbursement account, and 4) a specific plan for retirees, mostly those under age 65, who live outside the limited network service area but who live in Texas. Effective 08/01/11 all 65+ Medicare eligible retirees must enroll in the 6 MA plans or opt out. These plans are supported by contributions from the city and participants.

The Fund also includes a vision plan, two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. All three plans are supported exclusively by participants.