

Health Benefits Fund  
For the period ended September 30, 2016  
(amounts expressed in thousands)

	Unaudited Preliminary FY2016	FY2017				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 314,853	\$ 331,438	\$ 331,438	\$ 83,397	\$ 331,438	\$ 331,438
City Dental Plans	10,936	10,981	10,981	2,794	10,981	10,981
City Life Insurance Plans	6,113	6,484	6,484	1,585	6,484	6,484
Vision	2,827	3,008	3,008	731	3,008	3,008
Health Flexible Spending Account	4,005	4,500	4,500	1,091	4,500	4,500
Dependent Care Reimbursement	355	375	375	96	375	375
<b>Operating Revenues</b>	<b>339,089</b>	<b>356,786</b>	<b>356,786</b>	<b>89,694</b>	<b>356,786</b>	<b>356,786</b>
<b>Operating Expenses</b>						
Medicare Advantage	24,843	27,223	27,223	6,488	27,223	27,223
City Medical Plan Claims - Cigna	292,023	302,411	302,411	78,223	302,411	302,411
City Dental Plan Claims	10,936	10,981	10,981	2,794	10,981	10,981
Vision	2,827	3,008	3,008	731	3,008	3,008
City Life Insurance Plans	6,112	6,484	6,484	1,585	6,484	6,484
Administrative Costs	7,328	9,300	9,300	1,570	9,300	9,300
Health Flexible Spending Account	4,028	4,630	4,630	1,091	4,630	4,630
Dependent Care	355	375	375	96	375	375
<b>Operating Expenses</b>	<b>348,452</b>	<b>364,412</b>	<b>364,412</b>	<b>92,578</b>	<b>364,412</b>	<b>364,412</b>
Operating Income (Loss)	(9,363)	(7,626)	(7,626)	(2,884)	(7,626)	(7,626)
<b>Non-Operating Revenues (Expenses)</b>						
Interest Income	477	486	486	128	486	486
Prior Year Expense Recovery	15	0	0	0	0	0
Miscellaneous Revenue	1,047	0	0	0	0	0
Medicare Part D - Distribution	0	0	0	0	0	0
<b>Non-Operating Revenues (Expenses)</b>	<b>1,539</b>	<b>486</b>	<b>486</b>	<b>128</b>	<b>486</b>	<b>486</b>
Net Income (Loss)	(7,824)	(7,140)	(7,140)	(2,756)	(7,140)	(7,140)
Net Assets, Beginning of Year	31,791	23,967	23,967	23,967	23,967	23,967
Net Assets, End of Year	\$ 23,967	\$ 16,827	\$ 16,827	\$ 21,211	\$ 16,827	\$ 16,827

**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.