

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

	FY2008 Actual	FY2009				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 249,716	\$ 283,229	\$ 283,229	\$ 274,214	\$ 274,232	\$ 274,232
City Dental Plans	7,793	7,973	7,973	8,169	8,169	8,169
City Life Insurance Plans	6,206	6,454	6,454	5,475	5,475	5,475
Health Flexible Spending Account	532	1,000	1,000	824	824	824
Dependent Care Reimbursement	160	175	175	174	174	174
<b>Operating Revenues</b>	<u>264,407</u>	<u>298,831</u>	<u>298,831</u>	<u>288,856</u>	<u>288,874</u>	<u>288,874</u>
<b>Operating Expenses</b>						
City Medical Plan Claims	249,213	281,911	273,257	274,074	273,910	273,910
City Dental Plan Claims	7,792	7,973	7,973	8,169	8,169	8,169
City Life Insurance Plans	6,200	6,454	5,856	5,449	5,449	5,449
Administrative Costs	3,015	4,083	4,242	3,132	3,356	3,356
Health Flexible Spending Account	487	1,000	825	640	767	767
Dependent Care	160	175	175	152	174	174
<b>Operating Expenses</b>	<u>266,867</u>	<u>301,596</u>	<u>292,328</u>	<u>291,616</u>	<u>291,825</u>	<u>291,825</u>
Operating Income (Loss)	(2,460)	(2,765)	6,503	(2,760)	(2,951)	(2,951)
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	695	550	550	326	344	344
Prior Year Expense Recovery	0	0	0	3	0	0
Medicare Part D - Subsidy	0	1,608	1,608	1,167	1,167	1,167
Medicare Part D - Distribution	0	(1,608)	(1,608)	(1,167)	(1,167)	(1,167)
<b>Nonoperating Revenues (Expenses)</b>	<u>695</u>	<u>550</u>	<u>550</u>	<u>329</u>	<u>344</u>	<u>344</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(1,765)	(2,215)	7,053	(2,431)	(2,607)	(2,607)
Net Assets, Beginning of Year	<u>5,728</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>	<u>3,963</u>
Net Assets, End of Year	<u>\$ 3,963</u>	<u>\$ 1,748</u>	<u>\$ 11,016</u>	<u>\$ 1,532</u>	<u>\$ 1,356</u>	<u>\$ 1,356</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.