

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

	FY2009 Actual	FY2010				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 245,184	\$ 295,403	\$ 295,403
City Dental Plans	8,169	8,758	8,758	7,388	8,943	8,943
City Life Insurance Plans	5,475	5,094	5,094	4,575	5,514	5,514
Health Flexible Spending Account	823	1,000	1,000	789	1,000	1,000
Dependent Care Reimbursement	174	175	175	180	215	215
Operating Revenues	<u>288,873</u>	<u>314,795</u>	<u>314,795</u>	<u>258,116</u>	<u>311,075</u>	<u>311,075</u>
Operating Expenses						
City Medical Plan Claims	273,909	295,526	293,204	240,835	289,403	289,403
City Dental Plan Claims	8,169	8,758	8,758	7,388	8,943	8,943
City Life Insurance Plans	5,449	5,094	5,094	4,575	5,514	5,514
Administrative Costs	3,465	4,241	4,241	2,976	3,852	3,852
Health Flexible Spending Account	790	1,000	1,000	682	1,000	1,000
Dependent Care	174	175	175	180	215	215
Operating Expenses	<u>291,956</u>	<u>314,794</u>	<u>312,472</u>	<u>256,636</u>	<u>308,927</u>	<u>308,927</u>
Operating Income (Loss)	(3,083)	1	2,323	1,480	2,148	2,148
Nonoperating Revenues (Expenses)						
Interest Income	344	300	300	202	275	275
Prior Year Expense Recovery	0	0	0	0	0	0
Miscellaneous Revenues	0	0	0	933	933	933
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>344</u>	<u>300</u>	<u>300</u>	<u>1,135</u>	<u>1,208</u>	<u>1,208</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(2,739)	301	2,623	2,615	3,356	3,356
Net Assets, Beginning of Year	<u>3,591</u>	<u>852</u>	<u>852</u>	<u>852</u>	<u>852</u>	<u>852</u>
Net Assets, End of Year	<u>\$ 852</u>	<u>\$ 1,153</u>	<u>\$ 3,475</u>	<u>\$ 3,467</u>	<u>\$ 4,208</u>	<u>\$ 4,208</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.