

Health Benefits Fund
For the period ended February 28, 2010
(amounts expressed in thousands)

	FY2009 Actual	FY2010				Controller's Projection	Finance Projection
		Adopted Budget	Current Budget	YTD			
Operating Revenues							
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 196,268	\$ 293,961	\$ 293,961	
City Dental Plans	8,169	8,758	8,758	5,916	9,022	9,022	
City Life Insurance Plans	5,475	5,094	5,094	3,647	5,500	5,500	
Health Flexible Spending Account	824	1,000	1,000	637	960	960	
Dependent Care Reimbursement	174	175	175	143	215	215	
Operating Revenues	<u>288,874</u>	<u>314,795</u>	<u>314,795</u>	<u>206,611</u>	<u>309,658</u>	<u>309,658</u>	
Operating Expenses							
City Medical Plan Claims	273,909	295,526	295,526	193,295	288,548	288,548	
City Dental Plan Claims	8,169	8,758	8,758	5,916	9,022	9,022	
City Life Insurance Plans	5,449	5,094	5,094	3,647	5,500	5,500	
Administrative Costs	3,445	4,241	4,241	2,277	4,241	4,241	
Health Flexible Spending Account	790	1,000	1,000	523	960	960	
Dependent Care	174	175	175	143	215	215	
Operating Expenses	<u>291,936</u>	<u>314,794</u>	<u>314,794</u>	<u>205,801</u>	<u>308,486</u>	<u>308,486</u>	
Operating Income (Loss)	(3,062)	1	1	810	1,172	1,172	
Nonoperating Revenues (Expenses)							
Interest Income	344	300	300	165	275	275	
Prior Year Expense Recovery	0	0	0	0	0	0	
Miscellaneous Revenues	0	0	0	500	500	500	
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>665</u>	<u>775</u>	<u>775</u>	
Pension Bond Proceeds	0	0	0	0	0	0	
Net Income (Loss)	(2,718)	301	301	1,475	1,947	1,947	
Net Assets, Beginning of Year	<u>3,963</u>	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	
Net Assets, End of Year	<u>\$ 1,245</u>	<u>\$ 1,546</u>	<u>\$ 1,546</u>	<u>\$ 2,720</u>	<u>\$ 3,192</u>	<u>\$ 3,192</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.