

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

	FY2009 Actual	FY2010				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 274,232	\$ 299,768	\$ 299,768	\$ 294,917	\$ 294,917	\$ 294,917
City Dental Plans	8,169	8,758	8,758	8,945	8,945	8,945
City Life Insurance Plans	5,475	5,094	5,094	5,499	5,499	5,499
Health Flexible Spending Account	823	1,000	1,000	968	968	968
Dependent Care Reimbursement	174	175	175	216	216	216
Operating Revenues	<u>288,873</u>	<u>314,795</u>	<u>314,795</u>	<u>310,545</u>	<u>310,545</u>	<u>310,545</u>
Operating Expenses						
City Medical Plan Claims	273,909	295,526	293,204	289,696	289,935	289,935
City Dental Plan Claims	8,169	8,758	8,758	8,945	8,945	8,945
City Life Insurance Plans	5,449	5,094	5,094	5,499	5,499	5,499
Administrative Costs	3,465	4,241	4,241	3,656	3,656	3,656
Health Flexible Spending Account	790	1,000	1,000	870	881	881
Dependent Care	174	175	175	214	216	216
Operating Expenses	<u>291,956</u>	<u>314,794</u>	<u>312,472</u>	<u>308,880</u>	<u>309,132</u>	<u>309,132</u>
Operating Income (Loss)	(3,083)	1	2,323	1,665	1,413	1,413
Nonoperating Revenues (Expenses)						
Interest Income	344	300	300	252	252	252
Prior Year Expense Recovery	0	0	0	0	0	0
Miscellaneous Revenues	0	0	0	1,164	1,164	1,164
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>1,416</u>	<u>1,416</u>	<u>1,416</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(2,739)	301	2,623	3,081	2,829	2,829
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>3,933</u>	\$ <u>3,681</u>	\$ <u>3,681</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.