

Health Benefits Fund
For the period ended June 30, 2011
(amounts expressed in thousands)

	FY2010 Actual	FY2011				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans - BCBS	\$ 294,918	\$ 316,656	250,336	\$ 256,434	\$ 253,434	\$ 253,434
City Medical Plans - Cigna	0	0	45,820	38,724	38,724	38,724
City Dental Plans	8,945	9,568	9,568	9,318	9,318	9,318
City Life Insurance Plans	5,499	5,623	5,623	5,779	5,779	5,779
Health Flexible Spending Account	968	1,100	1,100	1,229	1,229	1,229
Dependent Care Reimbursement	216	240	240	227	227	227
Operating Revenues	<u>310,546</u>	<u>333,187</u>	<u>312,687</u>	<u>311,711</u>	<u>308,711</u>	<u>308,711</u>
Operating Expenses						
City Medical Plan Claims - BCBS	289,907	312,518	246,936	245,599	245,980	245,980
City Medical Plan Claims - Cigna	0	0	44,591	43,637	43,637	43,637
City Dental Plan Claims	8,945	9,568	9,298	9,322	9,325	9,325
City Life Insurance Plans	5,499	5,623	5,623	5,779	5,779	5,779
Administrative Costs	3,677	4,885	4,820	3,992	4,117	4,117
Health Flexible Spending Account	918	1,100	1,100	1,012	1,030	1,030
Dependent Care	216	240	240	227	227	227
Operating Expenses	<u>309,162</u>	<u>333,934</u>	<u>312,608</u>	<u>309,568</u>	<u>310,095</u>	<u>310,095</u>
Operating Income (Loss)	1,384	(747)	79	2,143	(1,384)	(1,384)
Non-Operating Revenues (Expenses)						
Interest Income	252	300	300	254	254	254
Prior Year Expense Recovery	0	0	0	0	0	0
Miscellaneous Revenues	1,164	0	0	568	568	568
Medicare Part D - Subsidy	0	1,229	1,229	0	1,229	1,229
Medicare Part D - Distribution	0	(1,229)	(1,229)	0	(1,229)	(1,229)
Non-Operating Revenues (Expenses)	<u>1,416</u>	<u>300</u>	<u>300</u>	<u>822</u>	<u>822</u>	<u>822</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	2,800	(447)	379	2,965	(562)	(562)
Net Assets, Beginning of Year	852	3,652	3,652	3,652	3,652	3,652
Net Assets, End of Year	<u>\$ 3,652</u>	<u>\$ 3,205</u>	<u>\$ 4,031</u>	<u>\$ 6,617</u>	<u>\$ 3,090</u>	<u>\$ 3,090</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.