

Health Benefits Fund
For the period ended October 31, 2010
(amounts expressed in thousands)

	Unaudited Preliminary FY2010	FY2011				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 294,918	\$ 316,656	316,656	\$ 99,973	\$ 307,583	\$ 307,583
City Dental Plans	8,945	9,568	9,568	3,093	9,568	9,568
City Life Insurance Plans	5,499	5,623	5,623	1,900	5,623	5,623
Health Flexible Spending Account	968	1,100	1,100	360	1,100	1,100
Dependent Care Reimbursement	216	240	240	72	240	240
Operating Revenues	<u>310,546</u>	<u>333,187</u>	<u>333,187</u>	<u>105,398</u>	<u>324,114</u>	<u>324,114</u>
Operating Expenses						
City Medical Plan Claims	289,907	312,518	312,518	97,994	304,095	304,095
City Dental Plan Claims	8,945	9,568	9,568	3,092	9,568	9,568
City Life Insurance Plans	5,499	5,623	5,623	1,900	5,623	5,623
Administrative Costs	3,677	4,885	4,885	1,122	4,885	4,885
Health Flexible Spending Account	918	1,100	1,100	324	1,100	1,100
Dependent Care	216	240	240	72	240	240
Operating Expenses	<u>309,162</u>	<u>333,934</u>	<u>333,934</u>	<u>104,504</u>	<u>325,511</u>	<u>325,511</u>
Operating Income (Loss)	1,384	(747)	(747)	894	(1,397)	(1,397)
Nonoperating Revenues (Expenses)						
Interest Income	252	300	300	78	300	300
Prior Year Expense Recovery	0	0	0	0	0	0
Miscellaneous Revenues	1,164	0	0	58	58	58
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)
Nonoperating Revenues (Expenses)	<u>1,416</u>	<u>300</u>	<u>300</u>	<u>136</u>	<u>358</u>	<u>358</u>
Net Income (Loss)	2,800	(447)	(447)	1,030	(1,039)	(1,039)
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>\$ 3,205</u>	<u>\$ 4,682</u>	<u>\$ 2,613</u>	<u>\$ 2,613</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.