

Health Benefits Fund
For the period ended December 31, 2013
(amounts expressed in thousands)

	FY2013 Actual	FY2014				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 313,256	\$ 334,668	\$ 334,668	\$ 165,793	\$ 333,390	\$ 333,390
City Dental Plans	9,726	10,037	10,037	4,908	10,037	10,037
City Life Insurance Plans	5,810	6,430	6,430	2,750	5,569	5,569
Vision	369	3,275	3,275	1,143	3,275	3,275
Health Flexible Spending Account	1,938	2,200	2,200	1,422	2,200	2,200
Dependent Care Reimbursement	235	260	260	151	260	260
Operating Revenues	<u>331,334</u>	<u>356,870</u>	<u>356,870</u>	<u>176,167</u>	<u>354,731</u>	<u>354,731</u>
Operating Expenses						
Medicare Advantage	18,256	19,114	19,114	9,557	20,689	20,689
City Medical Plan Claims - Cigna	271,499	309,429	309,429	135,922	286,572	286,572
City Dental Plan Claims	9,726	10,037	10,037	4,908	10,037	10,037
Vision	369	3,275	3,275	1,143	3,275	3,275
City Life Insurance Plans	5,810	6,430	6,430	2,750	5,569	5,569
Administrative Costs	5,104	6,363	6,363	3,135	6,463	6,463
Health Flexible Spending Account	1,940	2,200	2,200	1,422	2,200	2,200
Dependent Care	235	260	260	151	260	260
Operating Expenses	<u>312,939</u>	<u>357,108</u>	<u>357,108</u>	<u>158,988</u>	<u>335,065</u>	<u>335,065</u>
Operating Income (Loss)	18,395	(238)	(238)	17,179	19,666	19,666
Non-Operating Revenues (Expenses)						
Interest Income	213	200	200	170	200	200
Prior Year Expense Recovery	262	0	0	0	135	135
Miscellaneous Revenue	4,491	0	0	0	0	0
Performance Guarantees	0	0	0	0	0	0
Medicare Part D - Subsidy	0	0	0	0	0	0
Medicare Part D - Distribution	0	0	0	0	0	0
Non-Operating Revenues (Expenses)	<u>4,966</u>	<u>200</u>	<u>200</u>	<u>170</u>	<u>335</u>	<u>335</u>
Net Income (Loss)	23,361	(38)	(38)	17,349	20,001	20,001
Net Assets, Beginning of Year	(14,128)	9,233	9,233	9,233	9,233	9,233
Net Assets, End of Year	<u>\$ 9,233</u>	<u>\$ 9,195</u>	<u>\$ 9,195</u>	<u>\$ 26,582</u>	<u>\$ 29,234</u>	<u>\$ 29,234</u>

About the Fund:

The Health Benefits Fund, an Internal Service Fund administered by the Human Resources Department, was established in 1984 to centralize the financial transactions for the City's benefit plans.

Effective May 1, 2011, the City elected to be substantially self-insured and awarded CIGNA a three year contract with two (2) one-year renewal options for 4 new health plans. The new health benefits model is composed of four (4) plans, all of which have heavy emphasis on a wellness component, and includes; 1) a limited network HMO-type plan, 2) an open access PPO-type plan with no out-of-network coverage, 3) a consumer driven high deductible Health Plan (CDHP), partnered with a health reimbursement account, and 4) a specific plan for retirees, mostly those under age 65, who live outside the limited network service area but who live in Texas. Effective 08/01/11 all 65+ Medicare eligible retirees must enroll in the 6 MA plans or opt out. These plans are supported by contributions from the city and participants.

The Fund also includes a vision plan, two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. All three plans are supported exclusively by participants.