

Health Benefits Fund  
For the period ended December 31, 2015  
(amounts expressed in thousands)

	FY2015 Actual	FY2016				Finance Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
<b>Operating Revenues</b>						
City Medical Plans	\$ 304,678	\$ 313,727	\$ 313,727	\$ 156,778	\$ 313,727	\$ 313,727
City Dental Plans	10,276	10,833	10,833	5,444	10,833	10,833
City Life Insurance Plans	5,705	6,034	6,034	3,023	6,034	6,034
Vision	2,652	2,668	2,668	1,401	2,668	2,668
Health Flexible Spending Account	3,341	3,500	3,500	1,961	3,500	3,500
Dependent Care Reimbursement	316	325	325	154	325	325
<b>Operating Revenues</b>	<u>326,968</u>	<u>337,087</u>	<u>337,087</u>	<u>168,761</u>	<u>337,087</u>	<u>337,087</u>
<b>Operating Expenses</b>						
Medicare Advantage	23,321	25,408	25,408	12,158	25,408	25,408
City Medical Plan Claims - Cigna	273,793	288,559	288,559	142,775	288,559	288,559
City Dental Plan Claims	10,276	10,833	10,833	5,444	10,833	10,833
Vision	2,652	2,668	2,668	1,401	2,668	2,668
City Life Insurance Plans	5,704	6,034	6,034	3,022	6,034	6,034
Administrative Costs	6,539	9,282	9,282	3,424	9,282	9,282
Health Flexible Spending Account	3,341	3,500	3,500	1,961	3,500	3,500
Dependent Care	289	325	325	154	325	325
<b>Operating Expenses</b>	<u>325,915</u>	<u>346,609</u>	<u>346,609</u>	<u>170,339</u>	<u>346,609</u>	<u>346,609</u>
Operating Income (Loss)	1,053	(9,522)	(9,522)	(1,578)	(9,522)	(9,522)
<b>Non-Operating Revenues (Expenses)</b>						
Interest Income	510	425	425	241	425	425
Prior Year Expense Recovery	22	0	0	0	0	0
Miscellaneous Revenue	396	0	0	952	952	952
Medicare Part D - Distribution	(30)	0	0	0	0	0
<b>Non-Operating Revenues (Expenses)</b>	<u>898</u>	<u>425</u>	<u>425</u>	<u>1,193</u>	<u>1,377</u>	<u>1,377</u>
Net Income (Loss)	1,951	(9,097)	(9,097)	(385)	(8,145)	(8,145)
Net Assets, Beginning of Year	30,089	32,040	32,040	32,040	32,040	32,040
Net Assets, End of Year	<u>\$ 32,040</u>	<u>\$ 22,943</u>	<u>\$ 22,943</u>	<u>\$ 31,655</u>	<u>\$ 23,895</u>	<u>\$ 23,895</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.