

Health Benefits Fund
For the period ended September 30, 2015
(amounts expressed in thousands)

	FY2015		FY2016			
	Preliminary Unaudited	Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
Operating Revenues						
City Medical Plans	\$ 304,678	\$ 313,727	\$ 313,727	\$ 78,520	\$ 313,727	\$ 313,727
City Dental Plans	10,276	10,833	10,833	2,722	10,833	10,833
City Life Insurance Plans	5,705	6,034	6,034	1,499	6,034	6,034
Vision	2,652	2,668	2,668	699	2,668	2,668
Health Flexible Spending Account	3,341	3,500	3,500	980	3,500	3,500
Dependent Care Reimbursement	316	325	325	77	325	325
Operating Revenues	<u>326,968</u>	<u>337,087</u>	<u>337,087</u>	<u>84,497</u>	<u>337,087</u>	<u>337,087</u>
Operating Expenses						
Medicare Advantage	23,320	25,408	25,408	6,039	25,408	25,408
City Medical Plan Claims - Cigna	273,793	288,559	288,559	72,460	288,559	288,559
City Dental Plan Claims	10,276	10,833	10,833	2,722	10,833	10,833
Vision	2,652	2,668	2,668	699	2,668	2,668
City Life Insurance Plans	5,704	6,034	6,034	1,499	6,034	6,034
Administrative Costs	6,500	9,282	9,282	1,467	9,282	9,282
Health Flexible Spending Account	3,341	3,500	3,500	980	3,500	3,500
Dependent Care	289	325	325	77	325	325
Operating Expenses	<u>325,875</u>	<u>346,609</u>	<u>346,609</u>	<u>85,943</u>	<u>346,609</u>	<u>346,609</u>
Operating Income (Loss)	1,093	(9,522)	(9,522)	(1,446)	(9,522)	(9,522)
Non-Operating Revenues (Expenses)						
Interest Income	510	425	425	119	425	425
Prior Year Expense Recovery	22	0	0	0	0	0
Miscellaneous Revenue	396	0	0	0	0	0
Medicare Part D - Distribution	(30)	0	0	0	0	0
Non-Operating Revenues (Expenses)	<u>898</u>	<u>425</u>	<u>425</u>	<u>119</u>	<u>425</u>	<u>425</u>
Net Income (Loss)	1,991	(9,097)	(9,097)	(1,327)	(9,097)	(9,097)
Net Assets, Beginning of Year	30,089	32,080	32,080	32,080	32,080	32,080
Net Assets, End of Year	<u>\$ 32,080</u>	<u>\$ 22,983</u>	<u>\$ 22,983</u>	<u>\$ 30,753</u>	<u>\$ 22,983</u>	<u>\$ 22,983</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.