

Health Benefits Fund  
For the period ended December 31, 2016  
(amounts expressed in thousands)

	FY2016 Actual	FY2017				Controller's Projection	Finance Projection
		Adopted Budget	Current Budget	YTD			
<b>Operating Revenues</b>							
City Medical Plans	\$ 314,853	\$ 331,438	\$ 331,438	\$ 166,685	\$ 331,438	\$ 331,438	
City Dental Plans	10,936	10,981	10,981	5,572	10,981	10,981	
City Life Insurance Plans	6,113	6,484	6,484	3,131	6,484	6,484	
Vision	2,827	3,008	3,008	1,462	3,008	3,008	
Health Flexible Spending Account	4,005	4,500	4,500	2,181	4,500	4,500	
Dependent Care Reimbursement	355	375	375	189	375	375	
<b>Operating Revenues</b>	<u>339,089</u>	<u>356,786</u>	<u>356,786</u>	<u>179,220</u>	<u>356,786</u>	<u>356,786</u>	
<b>Operating Expenses</b>							
Medicare Advantage	24,843	27,223	27,223	13,080	27,223	27,223	
City Medical Plan Claims - Cigna	292,023	302,411	302,411	152,903	302,411	302,411	
City Dental Plan Claims	10,936	10,981	10,981	5,572	10,981	10,981	
Vision	2,827	3,008	3,008	1,462	3,008	3,008	
City Life Insurance Plans	6,112	6,484	6,484	3,131	6,484	6,484	
Administrative Costs	7,343	9,300	9,300	3,408	9,300	9,300	
Health Flexible Spending Account	4,005	4,630	4,630	2,241	4,630	4,630	
Dependent Care	355	375	375	189	375	375	
<b>Operating Expenses</b>	<u>348,444</u>	<u>364,412</u>	<u>364,412</u>	<u>181,986</u>	<u>364,412</u>	<u>364,412</u>	
Operating Income (Loss)	(9,355)	(7,626)	(7,626)	(2,766)	(7,626)	(7,626)	
<b>Non-Operating Revenues (Expenses)</b>							
Interest Income	477	486	486	255	486	486	
Prior Year Expense Recovery	15	0	0	66	66	66	
Miscellaneous Revenue	1,047	0	0	734	734	734	
Medicare Part D - Distribution	0	0	0	0	0	0	
<b>Non-Operating Revenues (Expenses)</b>	<u>1,539</u>	<u>486</u>	<u>486</u>	<u>1,055</u>	<u>1,286</u>	<u>1,286</u>	
Net Income (Loss)	(7,816)	(7,140)	(7,140)	(1,711)	(6,340)	(6,340)	
Net Assets, Beginning of Year	31,791	23,975	23,975	23,975	23,975	23,975	
Net Assets, End of Year	<u>\$ 23,975</u>	<u>\$ 16,835</u>	<u>\$ 16,835</u>	<u>\$ 22,264</u>	<u>\$ 17,635</u>	<u>\$ 17,635</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.