

Health Benefits Fund  
For the period ended August 31, 2011  
(amounts expressed in thousands)

	Unaudited Preliminary FY2011	FY2012				
		Adopted Budget	Current Budget	YTD	Controller's Projection	Finance Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 292,023	\$ 286,945	286,945	\$ 45,069	\$ 286,945	\$ 286,945
City Dental Plans	9,318	9,457	9,457	1,616	9,457	9,457
City Life Insurance Plans	5,779	5,681	5,681	950	5,681	5,681
Health Flexible Spending Account	1,229	1,200	1,200	331	1,200	1,200
Dependent Care Reimbursement	227	240	240	40	240	240
<b>Operating Revenues</b>	<u>308,576</u>	<u>303,523</u>	<u>303,523</u>	<u>48,006</u>	<u>303,523</u>	<u>303,523</u>
<b>Operating Expenses</b>						
City Medical Plan Claims - BCBS	245,830	15,326	15,326	2,639	15,326	15,326
City Medical Plan Claims - Cigna	43,640	267,113	267,113	43,956	267,113	267,113
City Dental Plan Claims	9,325	9,457	9,457	1,616	9,457	9,457
City Life Insurance Plans	5,779	5,681	5,681	950	5,681	5,681
Administrative Costs	4,346	4,996	4,996	543	4,996	4,996
Health Flexible Spending Account	1,048	1,200	1,200	296	1,200	1,200
Dependent Care	227	240	240	40	240	240
<b>Operating Expenses</b>	<u>310,195</u>	<u>304,013</u>	<u>304,013</u>	<u>50,040</u>	<u>304,013</u>	<u>304,013</u>
Operating Income (Loss)	(1,619)	(490)	(490)	(2,034)	(490)	(490)
<b>Non-Operating Revenues (Expenses)</b>						
Interest Income	255	180	180	75	180	180
Prior Year Expense Recovery	1	0	0	0	0	0
Miscellaneous Revenues	568	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
<b>Non-Operating Revenues (Expenses)</b>	<u>824</u>	<u>180</u>	<u>180</u>	<u>75</u>	<u>180</u>	<u>180</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	(795)	(310)	(310)	(1,959)	(310)	(310)
Net Assets, Beginning of Year	3,652	2,857	2,857	2,857	2,857	2,857
Net Assets, End of Year	<u>\$ 2,857</u>	<u>\$ 2,547</u>	<u>\$ 2,547</u>	<u>\$ 898</u>	<u>\$ 2,547</u>	<u>\$ 2,547</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.