





CY 2016 3rd Quarter Actuarial Forecast Update

Board of Trustees Meeting

December 1, 2016

Forecast prepared by The Segal Company Initial version dated 11-3-16

A Division of the Department of State Treasurer

Presentation Overview

- Forecast Update Schedule
- Updated Assumptions: CY 2016 3rd Quarter Forecast Update vs. Authorized FY 2016-17 Budget
- CY 2016 Forecast: CY 2016 3rd Quarter Forecast Update vs. Authorized FY 2016-17 Budget
 - Premium increases for CY 2018 and CY 2019
- Forecast Progression
- Summary Graphs
- Future Outlook



Actuarial Forecast Update Schedule

- The Plan's actuarial consultant updates the forecast quarterly and at the end of each calendar year and fiscal year
- Updates take into account more recent information:
 - Actual financial results and cash balance
 - Membership data, including the impact of enrollment changes
 - Claims experience
 - Changes in anticipated costs or revenues

Forecast Assumptions Maintained in the Update CY 2016 3rd Quarter Update vs. Authorized Budget

- Membership trends
 - 1% annual decrease in actives
 - 1% annual increase in retirees
- Trend assumptions
 - 7% medical trend
 - 8.5% pharmacy trend
 - 3% administrative trend from FY 2016-17 budgeted amount
- Board-approved benefit design for CY 2017
 - Tobacco attestation wellness premium credit on the Traditional 70/30 Plan for active employees
 - Increased cost-sharing in Traditional 70/30 Plan
 - Changes to Enhanced 80/20 Plan (higher deductible, value-based copay design)
 - Status Quo in CDHP
 - Single Medicare Advantage carrier
 - Custom closed formulary for prescription drug benefits
- Board-approved premium increases for 2017
- Cash reserves are balanced to the Target Stabilization Reserve (TSR) as of December 31, 2019



Forecast Assumptions Changed/Revised in the Update CY 2016 3rd Quarter Update vs. Authorized Budget

- Membership data based on actual September 2016 enrollment data (rather than March 2016)
- Anticipated claims expenses based on actual experience through September 2016 (rather than March 2016)
- Cash balance begins from actual total as of September 30, 2016 (instead of March 31, 2016)
- Forecasted membership numbers for active employees use seasonality factors to more closely represent monthly shifts in membership (for example, lower membership during summer months)
- 2016 quarterly rebate estimates adjusted to reflect recent experience
- Pharmacy costs under the new PBM contract (starting January 1, 2017)
 include the most recent rebate guarantee offers from CVS/Caremark
- Interest earnings updated to reflect actual experience over the most recent
 12 months



Calendar Year 2016 Comparison of Models CY 2016 3rd Quarter Update vs. Authorized Budget

Calendar Year 2016	CY 2016 3 rd Quarter Update (per Segal 11-3-16)	Authorized Budget (per Segal 7-5-16)	Difference: Increase/ (Decrease) From Budget
Beginning Cash Balance	\$1.015 b	\$1.015 b	\$0.0 m
Plan Revenue	\$3.171 b	\$3.167 b	\$4.4 m
Net Claims Payments	\$2.896 b	\$2.919 b	(\$22.6 m)
Medicare Advantage Premiums	\$194.9 m	\$193.8 m	\$1.1 m
Net Admin. Expenses	\$191.8 m	\$210.1 m	(\$18.3 m)
Total Plan Expenses	\$3.283 b	\$3.323 b	(\$39.8 m)
Net Income/(Loss)	(\$111.6 m)	(\$155.8 m)	\$44.2 m
Ending Cash Balance	\$903.6 m	\$859.4 m	\$44.2 m
2018 & 2019 Premium Increases	3.14%	3.74%	(0.60%)

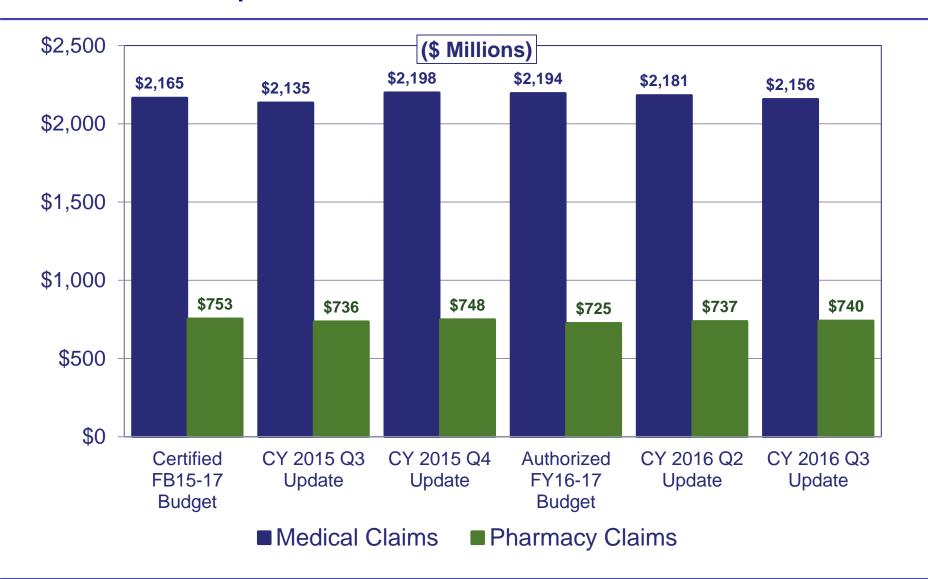


Current Forecast: Progression

Forecast Progression	Change in 2018 & 2019 Premium Increases	Projected 2018 & 2019 Premium Increases
CY 2016 1st Quarter Update		3.74% (August BOT)
Plan Experience in 2016 Q2 (mostly a membership impact)	+0.16	
CVS 8/24/2016 Rebate Guarantees	-0.25	
Plan Experience in 2016 Q3	-0.41	
Interest Earnings Updated for Most Recent 12 Months	<u>-0.10</u>	
Total Change in 2018-2019 Premium Increases	-0.60	3.14% (December BOT)

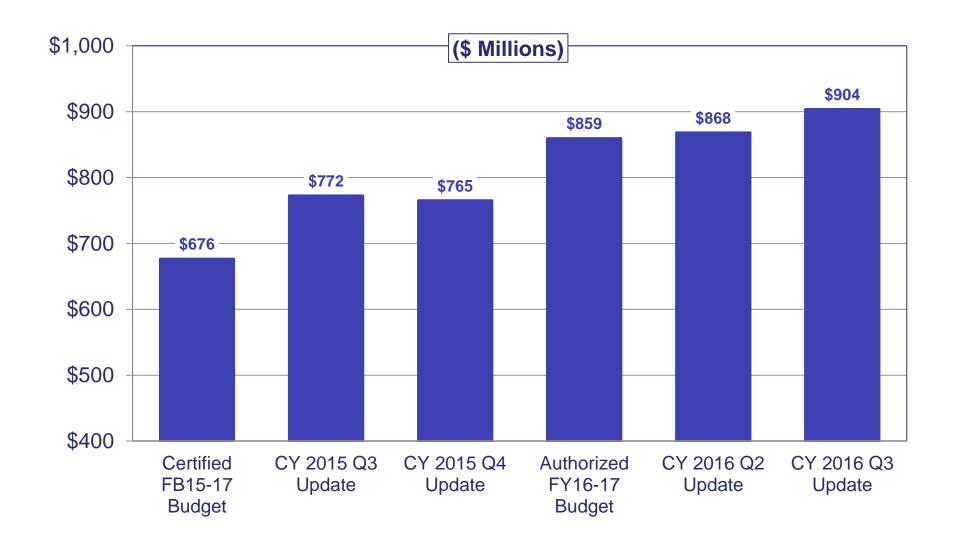


Forecast Comparisons: Calendar Year 2016 Claims



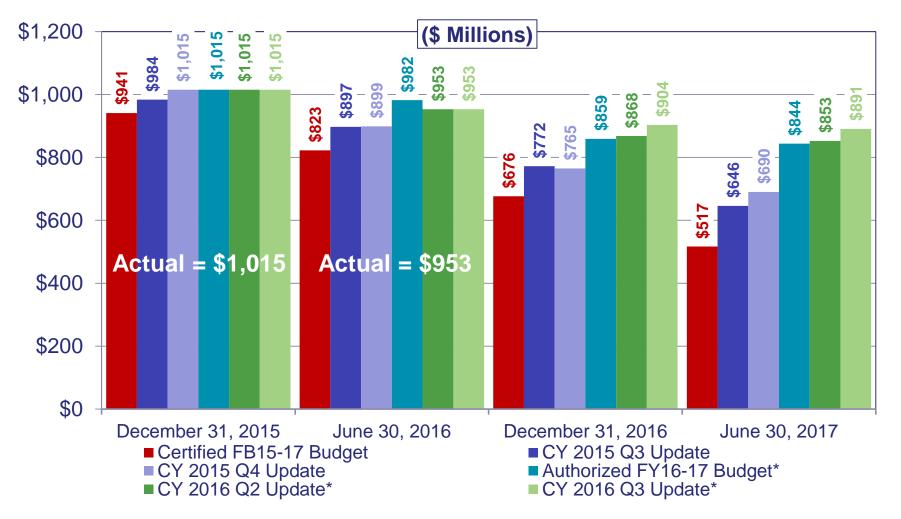


Forecast Comparisons: Ending Cash Balance December 31, 2016





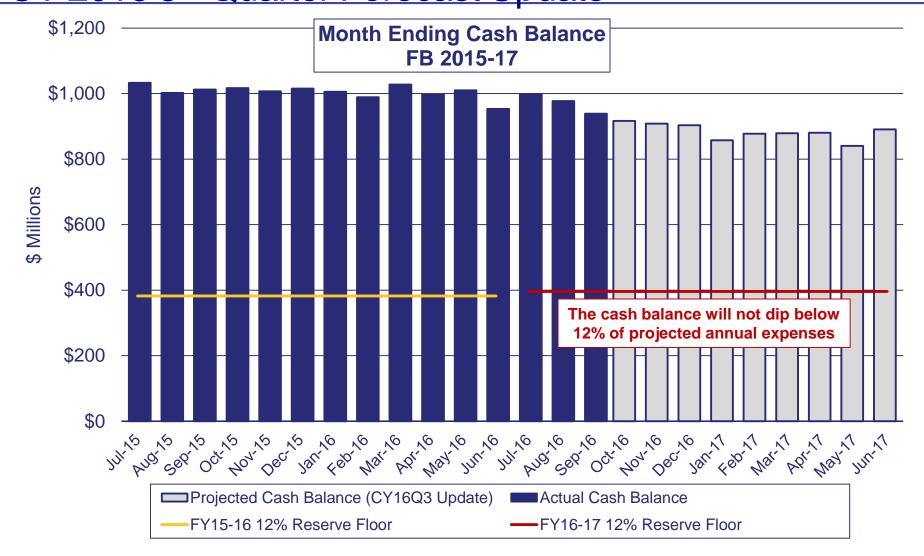
Forecast Comparisons: Ending Cash Balances in FB15-17



*Forecasts include the Board's approved benefit design for 2017



Projected Cash Balance/12% Legislative Reserve Floor CY 2016 3rd Quarter Forecast Update





Summary/Future Outlook <u>Based on CY 2016 3rd Quarter Update</u>

Relative to the Authorized Budget (FY 2016-2017), the CY 2016 3rd Quarter Update projects:

- a higher cash balance at the end of 2016 and the end of FY 2016-17,
- lower medical claims costs, and
- higher pharmacy claims costs in the longer term
- The \$890.9 million cash balance projected for June 30, 2017:
 - Is \$46.8 million higher than the Authorized FY 2016-17 Budget projection
 - Exceeds the 9.0% target stabilization reserve amount by \$631.0 million
 - Equates to 13.3 weeks of projected FY 2017-18 operating expenses
- The CY 2016 3rd Quarter Update projects the need for 3.14% premium increases for January 2018 and 2019. This is lower than the Authorized FY 2016-17 Budget (3.74%) and remains below the 4% target set in the State Budget



Certified FB 2015-17 Budget Page 1 (CY)

North Carolina State Health Plan Financial Projections - Jun 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan With March 2015 Enrollment

(Segal 10-13-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

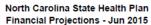
3.47% Increase for Actives and NMRs and 3.45% Increase for MRs in ER Contribution and 2.83% Increase for EE Contribution in 2016, 3.43% Increase for ER and EE in 2017

3.47% Increase f			% Increase for	MRs in ER Conti	ribution and 2.83	3% Increase for	EE Contribtuon	in 2016, 3.43% I	ncrease for ER	and EE in 2017	
	2012 - 2013										
	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit) Medicare Advantae Subsidy	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141 - 721,773	2,969,222,633 (5,579,400) 946,437	3,101,082,665 (12,235,376) 866,821	3,196,980,423 (244,681) 883,058	3,670,811,220 14,428,650 918,683	4,194,038,986 14,997,168 935,591	4,387,013,794 16,015,020 972,280	4,591,067,046 16,574,924 989,879
Health care Reform ERRP Retro Disenrollments	42,163,391 (451,496)	(558,219) (487,819)	(277,538)	(1,949) (28,401)	(753,239)	(1,550,541)	(1,598,490)	(1,835,406)	(2,097,019)	(2,193,507)	(2,295,534)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	- (1,323,888)	21,584,404	1,290,050 18,259,815	(11,584,401) 14,177,803	(8,449,897) 14,476,584	3,216,901 13,968,257	6,609,643 14,199,870	10,731,179 13,526,773	12,578,500 13,672,026
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy	-	24,435,483	25,202,822 11,879,765	216,170 28,162,232	441 - 48,602,965			- -	- -	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	4,699,673	3,269,599	2,005,537	1,069,547	1,152,773	1,529,812	1,573,273
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,036,689,374	3,094,026,568	3,204,052,534	3,702,577,852	4,229,837,012	4,427,595,351	4,634,160,114
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,033,157,400 (10,834,378)	1,949,838,964 (22,731,740) -	2,091,695,828 (26,552,076) 1,687,469	2,248,177,501 (26,876,079) (63,902,366)	2,391,472,401 (28,428,782) (83,097,380)	2,601,158,619 (30,324,486) (80,281,035)	2,718,666,411 (32,480,285) (68,989,932)	2,899,821,730 (34,421,873) (83,381,471)	3,082,959,373 (36,866,910) (77,619,822)
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,066,831,221	7,482,840 2,164,881,896	7,976,416 2,287,922,654	8,503,282 2,499,056,381	8,482,861 2,625,679,055	8,442,872 2,790,461,258	8,424,051 2,976,896,692
Medicare Advantage Premiums				155,497,950	171,292,151	190,926,383	207,663,919	231,607,844	251,851,659	280,568,061	305,023,745
Pharmacy Claims Payment Rebates Claims Adjustment for Changes	721,163,013 (93,130,160)	752,419,650 (69,641,941)	425,257,939 (32,188,641) -	697,815,422 (98,763,203)	747,682,663 (89,462,256)	802,051,996 (50,098,631) -	864,669,485 (51,122,325) -	932,231,424 (51,830,700) -	1,005,133,318 (52,881,526) -	1,084,389,407 (53,579,327) -	1,169,389,293 (54,647,657) -
Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	345,776 658,566,182	1,276,000 753,229,366	1,366,000 814,913,160	1,462,000 881,862,724	1,522,931 953,774,723	1,637,763 1,032,447,843	1,749,194 1,116,490,830
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561 -	2,517,406,200 161,401,639	1,415,392,320 69,548,737 -	2,681,657,393 149,605,909 - -	2,896,689,554 207,934,251 5,642,732	3,109,037,645 226,154,235 23,664,475	3,310,499,733 234,469,159 14,405,357	3,612,526,948 240,612,354 - -	3,831,305,437 246,937,966 - -	4,103,477,163 253,452,064 - -	4,398,411,268 260,160,933 - -
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,110,266,537	3,358,856,354	3,559,374,250	3,853,139,302	4,078,243,404	4,356,929,227	4,658,572,201
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(73,577,163)	(264,829,786)	(355,321,715)	(150,561,450)	151,593,608	70,666,124	(24,412,087)
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 838,447,136	838,447,136 1,014,847,346	1,014,847,346 941,270,183	941,270,183 676,440,397	676,440,397 321,118,681	321,118,681 170,557,232	170,557,232 322,150,840	322,150,840 392,816,964	392,816,964 368,404,877
Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (20%)	184,110,626	201,392,496	113,231,386	214,723,553	245,285,766 622,053,307	262,630,014 671,771,271	279,255,223	304,282,719	322,150,840	344,061,819	368,404,877
Cash Balance Over CY TSR Cash Balance Over CY LTR	318,136,845	582,095,450	725,215,751	800,123,793	695,984,417 319,216,876	413,810,383 4,669,126	41,863,458	(133,725,488)	0	48,755,145	0
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve	7/4 (m m	7/4 (4/4 (4/4 (0.000.00	20.1%	9.0%	4.4%	7.9%	9.0%	7.9%
ER Premium Increase:	7/1 Increase 5.3%	7/1 Increase 5.3%		1/1 Increase 0.00%	1/1 Increase 0.00%	1/1 Increase 3.47%	1/1 Increase 3.43%	1/1 Increase 14.88%	1/1 Increase 14.88%	1/1 Increase 5.03%	1/1 Increase 5.03%
EE Premium Increase:	5.3%	5.3%		0.00%	0.00%	2.83%	3.43%	14.88%	14.88%	5.03%	5.03%

* Segal Consulting

Certified FB 2015-17 Budget

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Trends - 7.0% Medical & 8.5% Pharmacy



No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan (Segal 10-13-15)

With March 2015 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	2012 - 2013 Biennium		2014 - 2015 Biennium		2016 - 2017 Biennium		2018 - 2019 Biennium		2020 - 2021 Biennium	
	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	FY 2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
PLAN INCOME: Net Contribution Income	2.750.368.851	2.895.366.140	2.941.097.678	2.987.502.673	3.047.816.558	3.149.043.042	3.434.089.830	3.932.617.147	4.290.561.921	4.489.077.217
Wellness Surcharge/(Credit)	2,750,368,851	2,895,300,140	2,941,097,078	2,987,502,673	(11,707,747)	(6,225,252)	7.106.868	14.713.117	4,290,561,921	16.295.135
Medicare Advantae Subsidy		-	417,565	833,262	848,545	875,853	899,869	928,068	952,914	982,029
Health care Reform ERRP	42,163,391	(558,219)		(1,949)	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(299,923)	(11,359)	(1,523,908)	(1,574,522)	(1,717,045)	(1,966,309)	(2,145,281)	(2,244,539)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	- 11,583,652	19,590,771	(4,477,966) 14,457,206	(10,011,806) 14,230,850	(2,601,073) 14,333,822	4,918,367 13,977,434	8,676,356 13,988,152	11,658,104 13,481,389
EGWP+Wrap										
Direct Subsidy	-	24,435,483	25,216,663	202,770	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	38,563,909	1,478,088	-	-	-	-	-	-
Catastrophic Subsidy	-	24 425 402	- CO 700 F74	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	63,780,571	50,283,823	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	3,916,235	5,065,735	3,760,447	2,689,246	1,414,677	989,855	1,367,484	1,628,574
Total Plan Income	2,852,680,163	2,960,048,314	3,020,495,778	3,063,262,956	3,049,173,135	3,149,027,412	3,453,526,948	3,966,177,680	4,328,908,163	4,530,877,910
PLAN EXPENSE:	4 040 440 405	4 050 000 405	4 000 574 000	0.004.000.470	0.470.440.440	0.040.070.404	0.474.000.770	0.004.445.005	0.000.700.400	0.000 707 000
Medical Claims Payment	1,849,410,105	1,858,096,405	1,989,574,333	2,021,369,178	2,178,449,449	2,319,076,194 (27,538,585)	2,471,229,778	2,631,415,335	2,862,799,493	2,989,707,862
Claim Refunds Adjustment for Changes	(22,634,615)	(23,467,914)	(22,450,766)	(24,839,428)	(25,761,279) (29,808,787)	(73,348,668)	(29,524,691) (81,108,183)	(31,258,850) (74,743,236)	(33,527,532) (76,313,860)	(35,492,222) (80,445,833)
Adjustment for Changes			_	-	(29,000,707)	(73,340,000)	(01,100,103)	(14,143,230)	(70,313,000)	(00,445,055)
Cost of Add Locals				_	3.681,718	7.725.604	8,235,548	8,779,912	8,176,325	8.718.301
Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	2,126,561,101	2,225,914,544	2,368,832,452	2,534,193,161	2,761,134,427	2,882,488,107
Medicare Advantage Premiums			78,538,847	162,400,394	181,076,579	199,274,333	219,606,100	241,704,572	266,174,143	292,765,485
Wedicare / dvartage Territariis			10,550,041	102,400,554	101,010,013	155,214,555	213,000,100	241,704,572	200,114,143	232,703,403
Pharmacy Claims Payment	721,163,013	752,419,650	743,281,462	721,469,293	801,972,479	832,959,448	898,016,897	968,213,916	1,044,840,766	1,126,360,411
Rebates	(93,130,160)	(69,641,941)	(91,653,105)	(51,114,709)	(104,118,977)	(50,534,232)	(51,558,326)	(52,269,924)	(53,319,911)	(54,019,906)
Claims Adjustment for Changes			-	-	-	-	-	-	-	-
Additional ACA Preventive Medicine				-	984,386	1,321,028	1,414,029	1,476,948	1,580,652	1,693,972
Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	670,354,584	698,837,888	783,746,244	847,872,600	917,420,940	993,101,508	1,074,034,477
Total Claims	2,454,808,343	2,517,406,200	2,697,290,771	2,829,284,728	3,006,475,568	3,208,935,121	3,436,311,152	3,693,318,674	4,020,410,077	4,249,288,070
Administrative Costs	165,480,561	161,401,639	148,134,913	168,416,645	220,861,106	231,442,088	237,495,630	243,728,615	250,147,001	256,756,966
ACA Reinsurance Fee	,,	,,	-	-	23,391,088	14,452,627	5,868,849	-	-	-
Extra EGWP+Wrap Administration	-	-	-	-		· · ·	· · ·	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,250,727,762	3,454,829,836	3,679,675,631	3,937,047,289	4,270,557,079	4,506,045,035
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(201,554,627)	(305,802,424)	(226,148,683)	29,130,391	58,351,084	24,832,874
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	958,558,040	1.024.119.623	822,564,996	516,762,572	290.613.889	319,744,280	378.095.364
Ending Cash Balance (Deficit)	502,247,471	783,487,946	958,558,040	1,024,119,623	822,564,996	516,762,572	290,613,889	319,744,280	378,095,364	402,928,238
Target Stabilization Reserve - FY (9%)	184,110,626	201,392,496	222,593,914	240,019,590	254,285,909	270,869,471	289,503,455	310,645,269	337,881,234	356,087,033
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR				599,540,275	650,145,552	690,965,967	1 110 121	0.000.044	40 244 420	46 044 205
Cash Balance Over FY TSR Cash Balance Over FY LTR				784,100,033 424,579,348	568,279,087 172,419,443	245,893,101 (174,203,395)	1,110,434	9,099,011	40,214,130	46,841,205
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve		5.370	2.270	34.2%	25.3%	15.0%	7.9%	8.1%	8.9%	8.9%
	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
ER Premium Increase:	5.3%	5.3%	0.00%	0.00%	3.47%	3.43%	14.88%	14.88%	5.03%	5.03%
EE Premium Increase:	5.3%	5.3%	0.00%	0.00%	2.83%	3.43%	14.88%	14.88%	5.03%	5.03%

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North Carolina State Health Plan Financial Projections - Sep 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan With March 2015 Enrollment (Segal 11-6-15)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

3.47% Increase for Actives and NMRs and 3.45% Increase for MRs in ER Contribution and 2.83% Increase for EE Contribution in 2016, 3.43% Increase for ER and EE in 2017, Adjust Rebates

3.47% Increase for Active			ase for MRS in t	ER Contribution	and 2.83% Incre	ase for EE Cont	ribtuon in 2016,	3.43% Increase	tor ER and EE II	n ZV17 , Adjust i	Repates
	2012 - 2013		Antoni	Astrod	Desiration	Decisedies	Declaration	Designation	Decise tier	Beele dies	Desireties.
	Actual	Actual	Actual Short Plan Year	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit)	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,969,434,829 (2,793,778)	3,105,054,097 (12,263,431)	3,200,983,050 (233,288)	3,589,776,085 14,480,802	4,005,529,283 15,049,768	4,280,379,874 16,069,016	4,576,444,686 16,629,275
Medicare Advantae Subsidy Health care Reform ERRP	42,163,391	(558,219)		721,773 (1,949)	929,560	863,951	880,134	915,641	932,493	969,061	986,601
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(379,595)	(1,552,527)	(1,600,492)	(1,794,888)	(2,002,765)	(2,140,190)	(2,288,222)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	646,082 18,952,795	(11,519,972) 14,774,755	(8,371,203) 15,094,295	2,848,087 14,555,087	5,561,674 14,805,491	10,110,963 14,093,417	12,592,164 14,254,775
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy	-	24,435,483	25,202,822 11,879,765	216,170 28,162,232	441 - 48,602,965	-	-	-	-	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	1,841,087 1,539,900,247	4,417,142 3,007,663,512	5,357,305 3,040,750,604	3,550,234 3,098,907,106	2,503,805 3,209,256,302	1,627,638 3,622,408,453	1,394,313 4,041,270,257	1,411,535 4,320,893,677	1,454,367 4,620,073,646
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,033,157,400 (10,834,378)	1,949,838,964 (22,731,740) -	2,074,977,584 (24,435,428) 834,617	2,217,519,782 (26,551,684) (63,887,812)	2,358,765,720 (28,040,151) (83,101,633)	2,564,269,898 (29,896,725) (80,074,499)	2,679,997,515 (32,018,530) (68,734,818)	2,858,455,874 (33,931,080) (83,040,724)	3,038,929,464 (36,340,488) (77,253,339)
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	- 1,927,107,224	- 2,051,376,773	7,482,839 2,134,563,125	7,976,186 2,255,600,123	8,502,793 2,462,801,467	8,482,130 2,587,726,298	8,441,894 2,749,925,964	8,422,830 2,933,758,468
Medicare Advantage Premiums				155,497,950	171,639,724	190,294,172	206,976,285	230,840,925	251,017,707	279,639,021	304,013,725
Pharmacy Claims Payment Rebates Claims Adjustment for Changes	721,163,013 (93,130,160)	752,419,650 (69,641,941)	425,257,939 (32,188,641)	697,815,422 (98,763,203)	750,616,119 (96,193,453)	805,146,066 (70,921,564)	867,987,940 (72,136,106)	935,790,419 (72,978,258)	1,008,950,160 (74,225,117)	1,088,485,072 (75,055,004)	1,173,781,666 (76,322,760)
Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	172,925 654,595,591	1,276,000 735,500,501	1,366,000 797,217,834	1,462,000 864,274,160	1,522,886 936,247,929	1,637,595 1,015,067,663	1,748,784 1,099,207,689
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639	1,415,392,320 69,548,737 -	2,681,657,393 149,605,909 - -	2,877,612,088 188,653,615 5,642,732	3,060,357,798 226,154,671 23,681,377	3,259,794,242 234,465,773 14,442,352	3,557,916,552 240,601,941 - -	3,774,991,934 246,920,108 - -	4,044,632,648 253,426,322 - -	4,336,979,883 260,126,849 - -
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,071,908,435	3,310,193,846	3,508,702,366	3,798,518,492	4,021,912,042	4,298,058,969	4,597,106,731
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(31,157,831)	(211,286,740)	(299,446,064)	(176,110,040)	19,358,215	22,834,708	22,966,915
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 838,447,136	838,447,136 1,014,847,346	1,014,847,346 983,689,515	983,689,515 772,402,775	772,402,775 472,956,711	472,956,711 296,846,672	296,846,672 316,204,887	316,204,887 339,039,594	339,039,594 362,006,509
Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (20%)	184,110,626	201,392,496	113,231,386	214,723,553	243,537,513 614,381,687	258,305,726 662,038,769	274,753,616	299,436,806	317,157,680	338,849,426	362,966,954
Cash Balance Over CY TSR Cash Balance Over CY LTR	318,136,845	582,095,450	725,215,751	800,123,793	740,152,002 369,307,828	514,097,049 110,364,006	198,203,095	(2,590,135)	(952,794)	190,168	(960,445)
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	214,723,553	243,537,513	258,305,726	274,753,616	299,436,806	317,157,680	338,849,426	362,966,954
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve	7/4	7				23.3%	13.5%	7.8%	7.9%	7.9%	7.9%
ER Dramium Ingrance:	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
ER Premium Increase: EE Premium Increase:	5.3% 5.3%	5.3% 5.3%		0.00%	0.00%	3.47% 2.83%	3.43% 3.43%	12.16% 12.16%	12.16% 12.16%	7.35% 7.35%	7.35% 7.35%
LE FIGHIUM INCIGASE.	5.3%	5.5%		0.00%	0.00%	2.03%	3,43%	12.10%	12.10%	1.35%	1.35%

CY 2015 Q3 Update



North Carolina State Health Plan Financial Projections - Sep 2015

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active (Starting 2018) on 70/30 Plan (Segal 11-6-15)

With March 2015 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

ı	2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021	Biennium
	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	Projection FY2020	Projection FY2021
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit)	2,750,368,851	2,895,366,140	2,941,097,678	2,987,502,673	3,050,027,435 (8,936,204)	3,153,030,472 (6,233,533)	3,395,536,181 7,138,703	3,797,799,321 14,765,496	4,143,028,885 15,559,919	4,428,490,439 16,349,311
Medicare Advantae Subsidy Health care Reform ERRP	42.163.391	(558,219)	417,565	833,262 (1,949)	830,241	872,953	896,890	924,995	949,758	978,777
Retro Disenrollments	(451,496)	(487,819)	(299,923)	(11,359)	(1,151,263)	(1,576,515)	(1,697,768)	(1,898,900)	(2,071,514)	(2,214,245)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	11,583,652	- 19,590,771	(5,089,766) 15,145,310	(9,940,232) 14,827,634	(2,746,640) 14,951,785	4,209,277 14,564,110	7,842,710 14,594,090	11,355,528 14,047,902
EGWP+Wrap Direct Subsidy	-	24,435,483	25,216,663	202,770	-	-	-	-	-	-
Coverage Gap Subsidy Catastrophic Subsidy	-	-	38,563,909	1,478,088 48.602.965	-	-	-	-	-	-
Total	-	24,435,483	63,780,571	50,283,823	-	-	-	-	-	-
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	3,916,235 3,020,495,778	5,065,735 3,063,262,956	4,525,824 3,055,351,577	3,077,455 3,154,058,232	1,983,952 3,416,063,103	1,442,568 3,831,806,868	1,387,023 4,181,290,872	1,462,081 4,470,469,793
	2,002,000,100	2,000,010,011	0,020,100,770	0,000,202,000	0,000,001,017	0,101,000,202	0,110,000,100	0,001,000,000	1,101,200,012	1,170,100,700
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,989,574,333 (22,450,766)	2,021,369,178 (24,839,428)	2,146,535,686 (23,510,393) (30,647,624)	2,287,405,014 (27,162,683) (73,343,374)	2,436,793,675 (29,115,766) (81,010,253)	2,594,043,546 (30,815,122) (74,516,786)	2,822,021,392 (33,050,199) (76,009,315)	2,947,034,629 (34,985,734) (80,099,221)
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	3,681,744 2,096,059,412	7,725,493 2,194,624,449	8,235,192 2,334,902,848	8,779,279 2,497,490,917	8,175,497 2,721,137,376	8,717,162 2,840,666,835
Medicare Advantage Premiums			78,538,847	162,400,394	181,108,833	198,614,479	218,878,922	240,904,220	265,292,765	291,796,056
Pharmacy Claims Payment Rebates	721,163,013 (93,130,160)	752,419,650 (69,641,941)	743,281,462 (91,653,105)	721,469,293 (51,114,709)	806,435,407 (127,247,043)	836,164,450 (71,438,765)	901,454,272 (72,653,831)	971,900,389 (73,499,843)	1,048,797,720 (74,745,767)	1,130,602,793 (75,578,303)
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	- 651,628,357	670,354,584	811,540 679,999,903	1,321,029 766,046,713	1,414,029 830,214,471	1,476,927 899,877,472	1,580,559 975,632,512	1,693,699 1,056,718,189
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639 -	2,697,290,771 148,134,913 -	2,829,284,728 168,416,645 - -	2,957,168,149 201,580,078 23,403,765	3,159,285,642 231,442,088 14,478,775	3,383,996,240 237,488,807 5,883,921	3,638,272,610 243,714,560 -	3,962,062,653 250,125,286 - -	4,189,181,080 256,727,142 - -
Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,182,151,991	3,405,206,505	3,627,368,969	3,881,987,169	4,212,187,939	4,445,908,222
Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(126,800,414)	(251,148,272)	(211,305,866)	(50,180,301)	(30,897,068)	24,561,571
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 958,558,040	958,558,040 1,024,119,623	1,024,119,623 897,319,209	897,319,209 646,170,936	646,170,936 434,865,071	434,865,071 384,684,769	384,684,769 353,787,702	353,787,702 378,349,273
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR	184,110,626	201,392,496	222,593,914	240,019,590 599,540,275 784,100,033	249,845,338 636,430,398 647,473,870	266,460,405 681,041,301 379,710,532	284,860,559 150,004,512	305,763,155 78.921.614	332,709,290 21.078.412	350,764,652 27,584,621
Cash Balance Over FY LTR				424,579,348	260,888,810	(34,870,365)		, , , , ,	,,	
Target Stabilization Reserve %	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve	7/1 Increase	7/1 Increase	1/1 Increase	34.2% 1/1 Increase	28.2% 1/1 Increase	19.0% 1/1 Increase	12.0% 1/1 Increase	9.9%	8.4% 1/1 Increase	8.5% 1/1 Increase
ER Premium Increase:	5.3%	5.3%	0.00%	0.00%	3.47%	3.43%	1/1 increase 12.16%	1/1 Increase 12.16%	7.35%	7.35%
EE Premium Increase:	5.3%	5.3%	0.00%	0.00%	2.83%	3.43%	12.16%	12.16%	7.35%	7.35%
LL i remium murease.	5.5%	3.3%	0.00%	0.00%	2.03%	J.4J%	12.1070	12.1070	1.55%	1.33%

* Segal Consulting

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North Carolina State Health Plan Financial Projections - Dec 2015

Trends - 7.0% Medical & 8.5% Pharmacy

With Board's 2017 Benefit

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With January 2016 Enrollment

Design

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

3.43% Increase for ER amd EE in 2017, Proposed 70/30 and VBID 80/20 Plan Change (Deductible = \$ 1.250 and OOP = 4350/2500) in 2017 with PBM BAFO (Open) and MA at 5% in 2017 (Segal 5-12-16) 2012 - 2013 Biennium Actual Actual Actual Projection Projection Projection Projection Projection Short Plan Year FY 2012 FY 2013 Calendar 2014 Calendar 2015 Calendar 2016 Calendar 2017 Calendar 2018 Calendar 2019 Calendar 2020 Calendar 2021 Jul-Dec 2013 PLAN INCOME: Net Contribution Income 2,750,368,851 2,895,366,140 1,502,578,000 2,952,592,141 2,993,891,773 3.114.905.943 3.241.544.109 3.439.499.261 3.649.868.274 3.996.236.806 4.375.863.214 Wellness Surcharge/(Credit) 4.619.717 17,527,696 37.659.176 37.934.769 38.206.927 35,793,793 Medicare Advantae Subsidy 721,773 959,319 1,179,076 1,217,248 1,246,454 1,275,438 1,304,877 1,334,778 Health care Reform ERRP (558,219 42,163,391 (1,949)Retro Disenrollments (451,496)(487,819) (277,538) (28,401 (5.343)(1,557,453) (1.620,772) (1,719,750)(1,824,934) (1,998,118) (2,187,932)Premium Change due to Movement (1,617,419) (880,639) (60.793) 825,302 1,846,972 Medicare Part D 57,583,602 38,056,016 (1.323.888 21,584,404 19,484,823 17,219,883 15,958,984 16,109,304 16,283,503 16,427,489 16,537,376 EGWP+Wrap 24,435,483 25.202.822 216,170 441 Direct Subsidy Coverage Gap Subsidy 11,879,765 28.162.232 Catastrophic Subsidy 48,602,965 24,435,483 37,082,587 28,378,402 48,603,406 Total vestment Earnings 3.015.815 3.238.713 1.841.087 4.417.142 6.037.729 3.553.483 2.681.850 2.109.633 1.594.749 1.196.032 1.251.759 3,007,663,512 3,494,023,440 4,430,439,959 Total Plan Income 2,852,680,163 2,960,048,314 1,539,900,247 3,068,971,707 3,139,920,651 3,275,691,696 3,705,071,006 4.052,199,315 PLAN EXPENSE: 1,949,838,964 2.571.516.515 Medical Claims Payment 1,849,410,105 1,858,096,405 1,033,157,400 2,087,095,284 2,222,292,105 2,372,345,243 2,688,148,338 2.858.542.068 3,039,676,413 (22,634,615) (22,731,740 (26,539,01) (28,200,231 (29,994,128 (34,176,485 (36,117,559 Claim Refunds (23,467,914 (10.834,378) (23,709,307 (32,114,735) Adjustment for Changes (4,814,232 (112,592,658 (159,982,906 (185,425,253) (202,805,700 (221,533,821 7.482.838 7,976,153 8.502.722 8,482,023 8.441.750 8,422,650 Cost of Add Locals 1.826,775,490 1,834,628,49 1.022.323.022 1,927,107,224 2.043.385.977 2,198,421,695 2.239.528.507 2,390,042,202 2,479,090,373 2.630,001,633 2,790,447,683 Net Medical Claims Medicare Advantage Premiums 155,497,950 172.517.202 193,197,295 209.032.244 228,645,021 250,061,981 273,446,590 298,976,949 721.163.013 752,419,650 425.257.939 697.815.422 761.471.324 817.607.251 956,612,181 1.035.015.618 1.211.225.300 Pharmacy Claims Payment 884.566.010 1.119.659.417 Rebates (93,130,160) (69,641,941) (32,188,641) (98,763,203 (96,193,453) (70,753,056 (72,053,761) (73,237,143) (74,472,763) (75,743,037 (77,040,167 Baseline Rx Saving from PBM BAFO (35,070,832) (44,004,160) (50,094,756) (54,191,516 (58.623.305 Rebates Saving from PBM BAFO (24,582,359 (38, 264, 487 (51,750,781) (55,982,971 (60,561,265 Claims Adjustment for Changes (3,333,986) (5,860,470 (8.022.210 (9,652,887 (1,109,261 Additional ACA Preventive Medicine 1,276,000 1,386,000 1,462,000 1,522,880 1,637,570 1,748,722 628,032,853 393,069,298 599,052,219 665,277,871 927,357,253 Net Pharmacy Claims 682,777,709 748,130,195 753,115,798 799,234,404 854,359,728 1,007,096,399 2.454.808.343 2.517.408.200 1.415.392.320 2.681.657.393 3.139.749.185 3.201.676.549 3.417.921.628 3.583.512.082 3.830.805.476 4.096.521.03 Total Claims 2.881.181.050 Administrative Costs 165,480,561 161,401,639 69,548,737 149,605,909 187,419,975 226,750,429 234,465,284 240,600,426 246,917,492 253,422,524 260,121,785 ACA Reinsurance Fee 23,642,615 14,678,623 Extra EGWP+Wrap Administration Total Plan Expense 2.831.263.302 3.658.522.054 2.620.288.904 2.678.807.839 1.484.941.057 3.068.601.025 3.390.142.229 3.450.820.455 3.830.429.574 4.084.228.000 4.356.642.816 281,240,475 54,959,190 176,400,210 (250,221,579 (32,028,685 Plan Income (Loss) 232,391,259 370,682 (175,128,759) (164,498,614) (125,358,568) 73,797,144 Beginning Cash Balance (Deficit) 269.856.212 502.247.471 783,487,946 838.447.136 1.014.847.346 1.015.218.028 764,996,449 589,867,691 425,369,077 300.010.509 267.981.824 Ending Cash Balance (Deficit) 502,247,471 783,487,946 838,447,136 1,014,847,346 1,015,218,028 764,996,449 425,369,077 267,981,824 Target Stabilization Reserve - CY (9%) 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 269,337,987 287,034,895 300,010,509 320,162,300 341,778,967 Legislative Target Reserve - CY (20%) 613,720,205 678,028,446 771,438,282 Cash Balance Over CY TSR 582,095,450 725,215,751 800,123,793 499,806,779 320,529,703 138,334,182 (52,180,476 318,136,845 Cash Balance Over CY LTR 401.497.823 86.968.004 Target Stabilization Reserve 184,110,626 201,392,496 113,231,386 214,723,553 243,779,746 265,189,670 287,034,895 320,162,300 Target Stabilization Reserve % 7.5% 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% % of Expenses in Cash Reserve 22.6% 17.1% 11.6% 7.8% 6.6% 7.8% 7/1 Increase 1/1 Increase 7/1 Increase ER Premium Increase 5.3% 5.3% 3.57% 0.00% 3.47% 3.43% 6.48% 6.48% 9.90% 9.90% EE Premium Increase: 6.48% 6.48%

Segal Consulting



CY 2015 Q4 Update

North Carolina State Health Plan Financial Projections - Dec 2015

Trends - 7.0% Medical & 8.5% Pharmacy

Page 2 (FY)
With Board's 2017 Benefit

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With January 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Design

(Segal 5-12-16)

PAIN INCOME: Nat Contribution Income 2,750,386,851 2,895,396,140 2,941,087,678 2,987,502,673 3,044,384,546 3,193,233,816 3,340,574,215 3,544,737,093 3,823,160,575 4,186,164,000 4,1		2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	7 Biennium	2018 - 2019	Biennium	2020 - 2021	Biennium
PLAN MICCOME	12-16)										
Net Contribution Income 2 2703.98.891 2.895.90.402 241.096.778 2.897.002.073 3.094.304.790 3.192.333.810 3.349.74215 3.544.773.053 3.823.100.075 4.190.141 37.706.200 3.007.203	DI AN INCOME:	FT 2012	FT 2013	F1 2014	F12013	F12010	F12017	F12010	FIZUIS	F12020	F1ZVZ1
Welness Durcharge(Inced) Medicare Advantage Sourcharge(Inced) Medicare Advantage Sourcharge(Inced) Medicare Advantage Durch Source Medicare Advantage Durch Medicare Advantage Premiums Personal Claims Payment Incel Advantage Durch Medicare Advantage Premiums Personal Claims Payment Incel Advantage Premiums Personal Claims Payment Incel Advantage Premiums Personal Claims Personal Claims Incel Advantage Premiums Personal Claims Personal Claims Personal Claims Personal Claims Incel Advantage Premiums Personal Claims Personal Claims Personal Claims Personal Claims Personal Claims Incel Advantage Premiums Personal Claims P		2 750 260 051	2 005 288 140	2 041 007 870	2 007 502 872	2 084 204 548	2 102 222 018	2 240 574 215	2 544 727 052	2 022 180 575	4 108 184 000
Medicare Advantate Subsoly Health can Refine BRP Health can Refine		2,750,300,031	2,085,300,140	2,841,087,070	2,801,302,013						
Heath care Reform ERRPP 42(63.391 (65.210) (1477.280) (1577.280) (1577.280) (1577.280) (1577.280) (1577.280) (1597.287) (1577.280) (1597.287) (1597.				417 ERE	022.282						
Rero Denominents (451,492) (457,819) (299,23) (11,369) (771,911) (1,596,617) (1,570,287) (1,772,369) (1,971,369) (2,093,922,772,773,973) (1,971,973) (469,383) (335,576) (335,576) (1,972,369) (1,971,369) (469,383) (335,576) (1,972,369)		42 182 201	(EE0 210)			1,010,288	1,188,141	1,232,140	1,200,803	1,280,114	1,318,703
Permium Change due to Movement Medicare Part D						(771.081)	(4.508.817)	(4.870.207)	(4.772.280)	/1 011 E0D)	(2.002.002)
Medicare Part D 57,83,802 38,050,016 11,888,052 11,888,052 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,054,053 11,888	Retro Disenioliments	(401,104)	(407,018)	(288,823)	(11,359)	(771,801)	(1,380,017)	(1,070,207)	(1,772,308)	(1,811,300)	(2,083,002)
Medicare Part D 57,83,802 38,050,016 11,888,052 11,888,052 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,053 11,888,054,053 11,888	Bramium Change due to Mayament						(010 110)	(4 247 928)	(480 200)	202 078	1 220 081
END-PWYSIPS		57 502 802	20 058 018	11 502 852	10 500 771	17 280 220					
Direct Discheigh	Medicare Part D	37,363,002	30,030,010	11,363,032	18,380,771	17,200,238	10,000,023	10,004,320	10,183,103	10,333,301	10,401,833
Direct Discheigh	EGWP+Wrap										
Doverage Cap Subsidy		_	24 435 493	25 218 883	202 770	_		_		_	_
Castarphic Subsision			24,400,400								
Total Flan Income 24,435,433 3,016,315 3,				30,303,808							
Medicare Advantage Premiums 1,820,775,490 1,834,028,401 1,807,123,567 1,240,038,47 1,240,038,47 1,240,038,48 1	,		24 435 483	63 780 571							
Total Plan Income 2,852,680,163 2,960,048,314 3,020,498,778 3,053,262,056 3,088,421,599 3,222,205,502 3,384,853,447 3,599,601,384 3,878,706,692 4,241,378,747 4,410,105 1,886,096,405 (22,450,766) (22,45	Total		24,400,400	03,760,371	30,203,023	· ·	-	-	•		
Total Plan Income 2,852,680,163 2,960,048,314 3,020,498,778 3,053,262,056 3,088,421,599 3,222,205,502 3,384,853,447 3,599,601,384 3,878,706,692 4,241,378,747 4,410,105 1,886,096,405 (22,450,766) (22,45	Investment Farnings	3 015 815	3 238 713	3 916 235	5 065 735	5 218 300	3 087 324	2 377 558	1 855 041	1 359 316	1 170 135
## PLAN EXPENSE: Medical Claims Payment	· ·	-11	-11		-11	-11	-11		.,,,	1,000,010	1,110,01100
Medical Claims Payment				- Clearly sales	5,000,000,000				- Classics (Iss.)	oje. oj. oojete	ija i ija i aji i i
Medical Claims Payment	PLAN EXPENSE:										Į.
Casin Refunds (22.694,615) (23.467,914) (22.480,766) (24.839,429) (22.696,239) (27.313,455) (29.253,849) (30.904,355) (33.110,209) (35.237,462,440,440,440,440,440) (10.667,47,52) (21.196,167,524) (21.961,642,642,533) (77.096,162,647) (77.096,162,647) (72.614,640,648) (77.696,162,647) (77.696,16		1.849.410.105	1.858.096.405	1.989.574.333	2.021.369.178	2.137.229.809	2.300.220.746	2.447.152.474	2.601.645.158	2.825.377.903	2.947.714.169
Adjustment for Changes Cost of Add Locals 1,826,775,490 1,834,628,491 1,967,123,867 1,969,529,750 2,115,847,028 2,230,476,533 2,233,511,334 2,233,5		.,,	.,,,,,,		-1	-, , ,	-111			-,,	-1
Cost of Add Locals Net Medical Claims 1,826,775,490 1,834,628,491 1,967,123,667 1,966,529,750 2,115,847,028 2,230,476,533 2,283,511,234 2,408,420,879 2,603,768,229 2,709,020,082 Redicare Advantage Premiums 721,163,013 752,419,650 743,281,462 721,469,038 822,927,171 820,838,169 820,006,643 996,477,804 1,077,158,702 1,164,839,027 1,1569,010 1,175,010,0		(22,001,010)	(20,107,011)	(22,100,700)	(21,000,120)					(
Net Medicar Claims 1,826,775,490 1,834,628,491 1,967,123,567 1,996,529,750 2,116,847,028 2,230,476,533 2,283,511,234 2,408,420,879 2,603,768,229 2,709,202,082 Redicare Advantage Premiums 78,538,847 162,400,394 183,434,262 201,095,074 218,814,238 239,326,863 261,725,200 286,180,015 Pharmacy Claims Payment (93,130,160) (94,641,941) (94,653,105) (94,653,1	rigidalite in changes					(2,000,200)	(00,100,201)	(1.12,022,000)	(171,000,110)	(100,071,702)	(211,001,010)
Net Medicar Claims 1,826,775,490 1,834,628,491 1,967,123,567 1,996,529,750 2,116,847,028 2,230,476,533 2,283,511,234 2,408,420,879 2,603,768,229 2,709,202,082 Redicare Advantage Premiums 78,538,847 162,400,394 183,434,262 201,095,074 218,814,238 239,326,863 261,725,200 286,180,015 Pharmacy Claims Payment (93,130,160) (94,641,941) (94,653,105) (94,653,1	Cost of Add Locals				_	3 681 748	7 725 477	8 235 141	8 779 187	8 175 376	8 716 994
Medicare Advantage Premiums 78,538,847 182,400,394 183,434,262 201,095,074 218,814,238 239,326,863 261,725,200 286,180,015 Pharmacy Claims Payment (93,130,160) (69,641,941) (91,653,105) Rebates (93,130,160) (69,641,941) (91,653,105) (51,114,709) (126,987,489) (71,560,310) (72,614,630) (73,856,510) (72,614,630) (73,856,510) (75,101,484) (76,389,201) (15,897,783) (163,877,834) (11,185,033) (14,185		1 826 775 490	1 834 628 491	1 987 123 567	1 996 529 750						
Pharmacy Claims Payment 721,163,013 752,419,650 743,281,462 721,469,293 82,927,171 850,838,169 (93,00,064,43 995,477,804 1,077,158,702 1,164,839,937 (73,065,510) (73,065,510) (73,065,510) (74,064,530) (74,064,530) (74,064,530) (74,064,530) (74,064,530) (75,101,464) (76,389,207 (76,101,464) (73,365,510) (75,101,464) (76,389,207 (76,389,207 (76,101,464) (76,389,207 (76,101,464) (76,389,207		1,020,110,100	1,001,020,101	1,007,120,007	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2,110,011,020	2,200,110,000	2,200,011,201	2,100,120,070	2,000,00,220	2,,00,202,002
Rebates (93,130,160) (69,641,941) (91,653,105) (51,114,709) (126,967,489) (71,600,310) (72,614,630) (73,866,510) (75,101,484) (73,882,011 (136,873,733) (40,800,191) (47,017,804) (52,134,481) (56,378,235) (58,241,997 (136,882,014 (136,873,733) (40,800,191) (47,017,804) (52,134,481) (56,378,235) (58,241,997 (136,882,014 (136,882,0	Medicare Advantage Premiums			78,538,847	162,400,394	183,434,262	201,095,074	218,814,238	239,326,863	261,725,200	286,180,015
Rebates (93,130,160) (69,641,941) (91,653,105) (51,114,709) (126,967,489) (71,600,310) (72,614,630) (73,866,510) (75,101,484) (73,882,011 (136,873,733) (40,800,191) (47,017,804) (52,134,481) (56,378,235) (58,241,997 (136,882,014 (136,873,733) (40,800,191) (47,017,804) (52,134,481) (56,378,235) (58,241,997 (136,882,014 (136,882,0											
Baseline RX Saving from PBM BAFO (15,887,793) (40,890,191) (47,017,894) (52,134,481) (56,372,235) (58,871,935)							,,	,,			
Rebates Saving from PBM BAFO Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,364,584 609,698,297 783,090,098 773,537,146 820,683,181 800,704,488 800,704,689 800,704,789 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,703 800,780,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,770,770,770 800,780,780,770,770 800,780,780,780,780,780 800,780,780,780,780,780 800,780,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780 800,780,780,780,780 800,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780,780 800,780,780,780 800,780,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,780,780 800,780,		(93,130,160)	(69,641,941)	(91,653,105)	(51,114,709)	(126,967,489)					
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims											
Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 696,598,297 753,090,988 773,537,146 826,833,181 890,704,488 966,685,296 Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 2,995,879,587 3,184,662,575 3,275,862,618 3,474,330,924 3,756,197,917 3,962,067,393 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 200,942,077 231,442,088 237,487,818 243,712,508 243,712,508 250,122,094 256,722,726 Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,256,884 2,997,701,373 3,214,553,626 3,430,713,760 3,519,330,616 3,718,043,432 4,006,320,011 4,218,790,119 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 85,558,040 1,024,119,623 898,987,596 890,482,339 556,035,170 437,593,122 309,979,802 332,688,430 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) 263 Balance Over FY TSR Cash Balance Over											
Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,364,584 696,598,297 753,090,968 773,537,146 826,583,181 890,704,488 966,685,206 Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 200,942,077 231,442,088 13,474,330,924 3,766,197,917 3,962,067,393 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 200,942,077 231,442,088 237,487,818 243,712,508 250,122,094 250,722,726 ACAC Reinstrance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,214,553,626 3,430,713,760 3,519,330,610 3,718,043,432 4,006,320,011 4,218,790,119 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (125,132,027) (208,505,258) (134,447,169) (118,442,048) (127,613,320) 22,588,628 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 889,987,596 690,482,339 556,035,170 437,593,122 309,979,802 233,568,430 Target Stabilization Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR 424,579,349 256,040,275 424,579,349 256,076,871 421,961,263 260,078,871 423,98,987 578 11,88 7,7% 7,9% 7,9% 67,98 57,98 53% 5.3% 5.3% 5.35%				-	-						
Total Claims					-						
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	670,354,584	696,598,297	753,090,968	773,537,146	826,583,181	890,704,488	966,685,296
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	Total Claims	2,454,808,343	2 517 406 200	2 697 290 771	2 829 284 728	2 995 879 587	3 184 662 575	3 275 862 618	3 474 330 924	3.756.197.917	3 982 087 393
ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,004 2,678,807,839 2,845,425,684 2,997,701,373 3,214,553,626 3,430,713,760 3,519,330,616 3,718,043,432 4,006,320,011 4,218,790,119 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (125,132,027) (208,505,258) (134,447,169) (118,442,048) (127,613,320) 22,588,628 Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 309,979,802 332,568,430 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY LTR 783,487,946 424,579,349 256,076,871 421,961,263 424,579,349 256,076,871 423,398,587 Target Stabilization Reserve % 7,5% 8,0% 8,0% 8,5% 9,0% 1/1 Increase 1/	Administrative Costs										
Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,004 2,678,807,839 2,845,425,684 2,997,701,373 3,214,553,626 3,430,713,760 3,519,330,616 3,718,043,432 4,006,320,011 4,218,790,119 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (125,132,027) (208,505,258) (134,447,169) (118,442,048) (127,613,320) 22,588,628 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,568,430 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY 1SR Cash Balance Over FY 1SR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0%	ACA Reinsurance Fee	100,100,001	,,	,,							
Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,214,553,626 3,430,713,760 3,519,330,616 3,718,043,432 4,006,320,011 4,218,790,119 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (125,132,027) (208,505,258) (134,447,169) (118,442,048) (127,613,320) 22,588,628 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,598,430 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY LTR 222,593,914 240,019,590 599,540,275 642,910,725 688,142,752 Cash Balance Over FY LTR 424,579,349 256,076,871 421,981,263 280,900,816 146,442,757 (4,522,742) 1,738,586 280,990,996 9,096			_			-	-	-	_		_
Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (125,132,027) (208,505,258) (134,447,169) (118,442,048) (127,613,320) 22,588,628 Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,568,430 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.0% 8.5% 9.0%		2.620.288.904	2.678.807.839	2.845.425.684	2.997.701.373	3.214.553.626	3.430.713.760	3,519,330,616	3.718.043.432	4.006.320.011	4,218,790,119
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,568,430						,					
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,568,430 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 599,540,275 642,910,725 688,142,752 Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR 424,579,349 256,076,871 421,961,263 280,900,816 146,442,757 (4,522,742) 1,738,566 73,749,100,033 645,867,517 421,961,263 280,900,816 146,442,757 (4,522,742) 1,738,566 80,142,752 1,738,566 1,738,138,138,138,138,138,138,138,138,138,1	Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(125,132,027)	(208,505,258)	(134,447,169)	(118,442,048)	(127,613,320)	22,588,628
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 898,987,596 690,482,339 556,035,170 437,593,122 309,979,802 332,568,430 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 599,540,275 642,910,725 688,142,752 Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR 424,579,349 256,076,871 421,961,263 280,900,816 146,442,757 (4,522,742) 1,738,566 73,749,100,033 645,867,517 421,961,263 280,900,816 146,442,757 (4,522,742) 1,738,566 80,142,752 1,738,566 1,738,138,138,138,138,138,138,138,138,138,1											
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	958,558,040	1,024,119,623	898,987,596	690,482,339	556,035,170	437,593,122	309,979,802
Legislative Target Reserve - FY (20%) 599,540,275 642,910,725 688,142,752 Cash Balance Over FY TSR 784,100,033 645,887,517 421,981,263 280,900,816 148,442,757 (4,522,742) 1,738,568 Cash Balance Over FY LTR 424,579,349 256,076,871 4,339,587 4,339,587 4,339,587 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% % of Expenses in Cash Reserve 34.2% 28.0% 20.1% 15.8% 11.8% 7.7% 7.9% 7/1 Increase 7/1 Increase 1/1 Increase ER Premium Increase: 5.3% 5.3% 3.57% 0.00% 3.47% 3.43% 6.48% 6.48% 9.90%	Ending Cash Balance (Deficit)	502,247,471	783,487,946	958,558,040	1,024,119,623	898,987,596	690,482,339	556,035,170	437,593,122	309,979,802	332,568,430
Legislative Target Reserve - FY (20%) 599,540,275 642,910,725 688,142,752 Cash Balance Over FY TSR 784,100,033 645,887,517 421,981,263 280,900,816 148,442,757 (4,522,742) 1,738,568 Cash Balance Over FY LTR 424,579,349 256,076,871 4,339,587 4,339,587 4,339,587 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% % of Expenses in Cash Reserve 34.2% 28.0% 20.1% 15.8% 11.8% 7.7% 7.9% 7/1 Increase 7/1 Increase 1/1 Increase ER Premium Increase: 5.3% 5.3% 3.57% 0.00% 3.47% 3.43% 6.48% 6.48% 9.90%		l				I					
Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR 256,076,871 421,961,263 280,900,816 146,442,757 (4,522,742) 1,738,566 256,076,871 4,339,587 256,076,076,076,076,076,076,076,076,076,07		184,110,626	201,392,496	222,593,914				275,134,354	291,150,365	314,502,545	330,829,864
Cash Balance Over FY LTR 424,579,349 256,076,871 4,339,587 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0		1									
Target Stabilization Reserve 7.5% 8.0% 8.5% 9.0% <		I						280,900,816	146,442,757	(4,522,742)	1,738,566
% of Expenses in Cash Reserve 34.2% 28.0% 20.1% 15.8% 11.8% 7.7% 7.9% 7/1 Increase 7/1 Increase 1/1 Incr											
7/1 Increase 1/1		7.5%	8.0%	8.5%							
ER Premium Increase: 5.3% 5.3% 3.57% 0.00% 3.47% 3.43% 6.48% 6.48% 9.90% 9.90%	% of Expenses in Cash Reserve							10.000		11111	
EE Premium Increase: 5.3% 5.3% 3.57% 0.00% 2.83% 3.43% 6.48% 6.48% 9.90% 9.90%											
	EE Premium Increase:	5.3%	5.3%	3.57%	0.00%	2.83%	3.43%	6.48%	6.48%	9.90%	9.90%

Authorized FY16-17 Budget

North Carolina State Health Plan Financial Projections - Mar 2016 Trends - 7.0% Medical & 8.5% Pharmacy

Page 1 (CY)

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With April 2016 Enrollment

With Board's 2017

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

onefit Decien	Board An						For 2018+ MA Ra		017 Admin		
enefit Design	2012 - 2013		oj - MPC INGIIG	1.0.00 111 201	., more moredate	MO NON I GO	2010: MA R	nooj moduood 20	rumin		
egal 7-5-16)	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
agair o roj	FY 2012	FY 2013	Short Plan Year	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:			Jul-Dec 2013	Calcillati 2014	outendar 2010	Culcildai 2010	outched 2011	Calcillati 2010	Carefidat 2010	Culcindar 2020	Guicinda 2021
Net Contribution Income	2.750.368.851	2,895,366,140	1,502,578,000	2,952,592,141	2,993,891,773	3,142,116,569	3,256,676,807	3,367,027,518	3,481,479,963	3,916,869,487	4,407,158,960
Wellness Surcharge/(Credit)	2,700,000,001	-	- 1,002,070,000	-	-	3,505,085	17,751,492	38,035,138	38,311,229	38,583,816	36,141,093
Medicare Advantae Subsidy			-	721,773	959,319	1,099,416	1,224,311	1,253,115	1,281,580	1,310,489	1,339,847
Health care Reform ERRP	42,163,391	(558,219)	(077 500)	(1,949)	(5.040)	(4.477.504)	(4.000.000)	(4.000.544)	(4.740.740)	(4.050.405)	(0.000.570)
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(5,343)	(1,177,581)	(1,628,338)	(1,683,514)	(1,740,740)	(1,958,435)	(2,203,579)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	19,484,823	16,632,084	(1,563,335) 14,477,598	(674,966) 14,604,207	268,894 14,765,989	1,309,866 14,900,809	2,581,185 15,005,180
EGWP+Wrap				242.472							
Direct Subsidy Coverage Gap Subsidy	-	24,435,483	25,202,822 11,879,765	216,170 28,162,232	441	453	-	•	•	•	•
Catastrophic Subsidy		-	11,079,700	20,102,232	48,602,965						
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	453	-	-	-	-	-
lauraturat Famina	3,015,815	2 228 742	1 041 007	4 417 440	8 027 700	4,754,086	2 251 270	2 704 405	4 072 204	1.001.050	1 120 500
Investment Earnings Total Plan Income	2.852.680.163	3,236,713 2,960,048,314	1,841,087 1,539,900,247	4,417,142 3,007,663,512	6,037,729 3,068,971,707	4,754,086 3,166,930,132	3,251,070 3,290,189,605	2,784,165 3,421,345,664	1,872,391 3,536,239,306	1,081,859 3,972,097,891	1,138,599 4,461,161,285
wit into me	2,002,000,100	2,000,010,014	1,000,000,247	0,007,000,012	5,555,571,767	5,100,000,102	0,200,100,000	5,121,010,004	0,000,200,000	0,072,007,001	1,101,101,200
PLAN EXPENSE:			4 000								
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,949,838,964	2,087,095,284	2,217,906,598	2,378,615,403	2,577,853,466	2,694,646,774	2,865,318,877	3,046,738,439
Claim Refunds Adjustment for Changes	(22,634,615)	(23,467,914)	(10,834,378)	(22,731,740)	(23,709,307)	(25,893,708) (3,573,376)	(28,278,362) (116,668,727)	(30,068,267) (165,027,559)	(32,192,624) (190,198,728)	(34,257,767) (207,251,857)	(36,201,745) (225,589,474)
riojustificito oridinges				•	•	(3,573,370)	(110,000,727)	(100,021,008)	(160,160,720)	(201,251,051)	(220,000,7/4)
Cost of Add Locals				-	-	5,660,893	7,966,328	8,492,217	8,471,514	8,431,259	8,412,152
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,043,385,977	2,194,100,408	2,241,634,643	2,391,249,857	2,480,726,935	2,632,240,511	2,793,359,373
Medicare Advantage Premiums				155,497,950	172,517,202	193,782,605	189,266,485	250,816,836	274,221,923	299,771,150	327,658,154
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	697,815,422	761,471,324	834,423,968	906,005,333	980,089,445	1,060,380,190	1,147,058,347	1,240,821,325
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(96,193,453)	(110,594,630)	(151,148,961)	(116,407,182)	(118,897,595)	(121,459,466)	(124,077,316)
Baseline Savings from PBM Formularies Rebates Savings from PBM Formularies							(35,932,744) (13,402,057)	(45,084,114) (34,747,231)	(51,322,401) (60,837,016)	(55,517,624) (67,697,526)	(60,055,752) (73,230,773)
Claims Adjustment for Changes							(2,526,959)	(4,716,843)	(7,022,024)	(8,872,975)	(10,097,210)
Additional ACA Preventive Medicine			-	-	-	957,257	1,366,000	1,462,000	1,522,874	1,637,549	1,748,671
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	665,277,871	724,786,595	704,360,612	780,596,075	823,824,028	895,148,308	975,108,945
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,681,657,393	2,881,181,050	3,112,669,608	3,135,261,740	3,422,662,768	3,578,772,887	3,827,159,967	4,096,126,472
Administrative Costs	165,480,561	161,401,639	69,548,737	149,605,909	187,419,975	204,162,790	213,774,702	219,367,646	225,126,415	231,056,517	237,163,659
ACA Reinsurance Fee				-	-	5,918,242	14,796,351	-	-	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,068,601,025	3,322,750,640	3,363,832,793	3,642,030,414	3,803,899,301	4,058,216,483	4,333,290,131
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	370,682	(155,820,508)	(73,643,189)	(220,684,749)	(267,659,996)	(86,118,592)	127,871,154
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	1,015,218,028	859,397,521	785,754,332	565,069,582	297,409,587	211,290,994
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	1,015,218,028	859,397,521	785,754,332	565,069,582	297,409,587	211,290,994	339,162,149
Target Stabilization Reserve - CY (9%)	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746	262,699,830	265,139,573	285,466,134	297,409,587	317,464,994	339,162,149
Legislative Target Reserve - CY (9%)	104,110,020	201,382,480	113,231,380	217,723,003	368,232,123	398,730,077	200, 138,073	200,400,134	287,408,087	317,404,894	336,102,148
Cash Balance Over CY TSR	318,136,845	582,095,450	725,215,751	800,123,793	771,438,282	596,697,690	520,614,759	279,603,448	0	(106,173,999)	0
Cash Balance Over CY LTR					646,985,905	460,667,444					
Target Stabilization Reserve	184,110,626	201,392,498	113,231,386	214,723,553	243,779,746	262,699,830	265,139,573	285,466,134	297,409,587	317,464,994	339,162,149
Target Stabilization Reserve % % of Expenses in Cash Reserve	7.5%	8.0%	8.0%	8.5%	9.0%	9.0% 25.9%	9.0% 23.4%	9.0% 15.5%	9.0% 7.8%	9.0% 5.2%	9.0% 7.8%
70 OF EXPENSES IN CASH RESERVE	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase	23.4% 1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
ER Premium Increase:	5.3%	5.3%	1	0.00%	0.00%	3.47%	3.43%	3.74%	3.74%	12.96%	12.96%
EE Premium Increase:	5.3%	5.3%	i l	0.00%	0.00%	2.83%	3.43%	3.74%	3.74%	12.96%	12.96%



Authorized FY16-17 Budget

North Carolina State Health Plan Financial Projections - Mar 2016

Trends - 7.0% Medical & 8.5% Pharmacy

Page 2 (FY)
With Board's 2017

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With April 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 7-5-16)

Benefit Design

PY 2012 PY 2015 PY 2016 PY 2016 PY 2016 PY 2016 PY 2017 PY 2017 PY 2017 PY 2018 PY 2018 PY 2018 PY 2018 PY 2018 PY 2018 PY 2019 PY 2018 PY 2019 PY 2	- to	2012 - 2013 Biennium		2014 - 2015 Biennium		2016 - 2017 Biennium		2018 - 2019	Biennium	2020 - 2021 Biennium	
Net Contribution Incorner A	5-16)										
Welferes Durbrayme(Fred) Medicare Advantage Charley Medicare Part Durbrayment Medicare Pa	PLAN INCOME:										
Medicare Advantaré Subsidy Medicare Advantaré Subsidy Medicare Advantaré Subsidy Medicare Permittin Charge Medicare Permittin ERRP 4, 103,301 (568,210) (568,210) (568,210) (508,000) (1,005,000) (1,	Net Contribution Income	2.750.368.851	2.895.366.140	2.941.097.678	2.987.502.673	3.081.237.060	3.211.179.998	3.311.864.763	3.424.265.285	3.699.325.619	4.162.178.724
Medicare Advantaré Subsidy Medicare Advantaré Subsidy Medicare Advantaré Subsidy Medicare Permittin Charge Medicare Permittin ERRP 4, 103,301 (568,210) (568,210) (568,210) (508,000) (1,005,000) (1,	Wellness Surchame/(Credit)			-	-	1 170 559	11 230 470	27 913 248	38 173 173	38 447 508	37 359 882
Neath June Reform ERRP 42,13,361 (562,159) (457,810) (269,623) (11,369) (369,600) (1,005,600) (1,005,602) (1,712,13) (1,940,605) (2,001,600) (2,001,600) (1,005,600) (1,005,602) (1,163,805) (1,				417 585	933 282						
Retro Disreviniments (49.1.469) (497.819) (200.023) (11.369 (388.860) (1.005.800 (1.005.802) (1.712.133) (1.948.063) (2.081.080) (1.005.802) (1.712.133) (1.948.063) (2.081.080) (1.958.302) (1.712.133) (1.948.063) (2.081.080) (1.958.302) (1.712.133) (1.948.063) (2.081.080) (1.948.063) (2.948.06		42 182 201	/EE0 240\	417,000		000,707	1,200,017	1,200,001	1,207,500	1,200,002	1,020,120
Permium Change due to Movement Medicare Part D				(000.000)		(000.000)	(4.005.500)	(4.055.000)	(4.740.400)	(4.040.000)	(0.004.000)
Medicare Part D 57,883,802 38,066,016 11,888,602 19,560,771 10,867,300 14,502,122 14,501,502 14,677,012 14,827,342 14,949,217	Retro Disenrollments	(401,490)	(487,819)	(299,923)	(11,359)	(380,890)	(1,000,090)	(1,000,932)	(1,/12,133)	(1,849,003)	(2,081,089)
EGWP-Wirap Direct Subsidy Calastrophic Subsidiary Calastrophic Subsidia				-	-	-					1,945,892
Direct Subsidity - 24,436,483 22,216,083 202,770 453	Medicare Part D	57,583,602	38,056,016	11,583,652	19,590,771	16,967,300	14,562,212	14,501,552	14,677,012	14,827,342	14,949,217
Coverage Casp Subsidy - 24,435,483 - 36,578.00 - 1,178,088 - 24,435,483 - 36,578.00 - 1,178,088 - 36,578.00 - 1,178,088 - 36,578.00 - 1,087,078 - 3,015,815 - 32,827,13 - 3,162,315 - 3,262,713 - 3,162,325 - 3,162,315 - 3,16											
Associated Color	Direct Subsidy	-	24,435,483	25,216,663	202,770	453	-	-	-	-	-
Total Flan Income	Coverage Gap Subsidy	-	-	38,563,909	1,478,088	-	-	-	-	-	-
Total Flan Income	Catastrophic Subsidy	_	-	_	48,602,965	_	_	_	_	-	_
Total Plan Income 2,852,680,163 2,900,048,314 3,020,465,778 3,053,262,956 3,108,162,184 3,239,256,566 3,356,545,565 3,478,840,827 3,754,233,461 4,210,679,456 4,108,141 4,210,679,456 4,240,141 4,210,679,456 4,240,141 4,240,14		-	24,435,483	63,780,571		453	-	-	-	-	-
Total Plan Income 2,852,680,163 2,900,048,314 3,020,465,778 3,053,262,956 3,108,162,184 3,239,256,566 3,356,545,565 3,478,840,827 3,754,233,461 4,210,679,456 4,108,141 4,210,679,456 4,240,141 4,210,679,456 4,240,141 4,240,14	Investment Earnings	2.015.015	2 228 712	2 018 225	5.085.725	6 240 244	2 470 270	2 101 200	2 272 412	1 207 108	1 001 708
PAM EXPENSE: Medical Claims Payment 1,849,410,105 1,898,004,045 (22,460,789) (22,460											4.216.679.456
Medical Claims Payment (1.940,410,105 (23,467,914) (22,450,769) (22,450,769) (22,450,769) (22,450,769) (22,450,769) (22,450,769) (22,450,769) (22,450,769) (24,839,429) (22,450,769) (1.194,800) (51,680,002) (147,560,569) (175,086,328) (20,1372,073) (216,247,810) (216,247,810) (22,450,769) (1.194,800) (51,680,002) (147,560,569) (175,086,328) (20,1372,073) (216,247,810) (22,47,410) (22,47,4				.,,	.,,,	.,,,	3,223,233,000		.,,,	.,,,,	.,,,
Claim Refunds (22,634,615) (23,467,914) (22,460,766) (24,839,428) (22,200,564) (27,402,044) (29,226,844) (39,880,41) (33,189,842) (35,320,456) (176,988,328) (20,137,273) (21,624,740) (19,890) (175,988,328) (20,137,273) (21,624,740) (20,226,448) (20,226											
Adjustment for Changes Cost of Add Locals Net Medical Colaims 1,826,775,490 1,834,828,491 1,827,754,90 1,834,828,491 1,967,123,567 1,966,529,750 2,107,749,440 2,235,692,330 2,244,9262 2,409,780,324 2,246,922 2,409,780,324 2,246,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922 2,409,780,740,240 2,224,922,240,280 2,224,922,240,280 2,224,922,240,280 2,224,922,240,280 2,224,922,240,280 2,224,924,280 2,224,922,240,280 2,224,922,240,280 2,224,922,240,280 2,224,924 2,224,924 2,224,											
Cost of Add Locals Net Medical Claims 1,826,775,490 1,834,628,491 1,967,123,567 1,966,529,750 2,107,746,440 2,235,892,330 2,284,547,204 2,400,796,778 2,005,746,217 2,711,770,005 Medicare Advantage Premiums 721,163,013 752,419,650 743,281,462 721,469,038 831,454,915 889,554,887 942,683,829 1,1018,891,142 1,103,538,723 1,118,323,318 1,1	Claim Refunds	(22,634,615)	(23,467,914)	(22,450,766)	(24,839,428)	(22,003,564)	(27,402,044)	(29,326,844)	(30,980,041)	(33,189,842)	(35,320,450)
Net Medicare Advantage Premiums 1,828,775,490 1,834,028,491 1,907,122,567 1,909,529,750 1,909,529,7	Adjustment for Changes			-	-	(1,194,890)	(51,686,092)	(147,590,856)	(175,988,328)	(201,372,073)	(216,247,910)
Net Medicare Advantage Premiums 1,828,775,490 1,834,028,491 1,907,122,567 1,909,529,750 1,909,529,7	Contact Add Locale				-	4.050.054	7 700 404	0.004.000	0.780.004	0.485.004	0.700 145
Medicare Advantage Premiums Pharmacy Claims Payment Rebates R					-						
Pharmacy Claims Payment Rebates (93.130,160) (90,041,941) (91,653,105) (51,114,709) (163,192,997) (125,655,694) (115,153,223) (117,655,276) (1	Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	2,107,746,446	2,235,892,330	2,284,547,264	2,409,796,778	2,605,746,217	2,711,770,005
Rebates Savings from PBM Formularies Raseline Savings from PBM Formularies Rebates Savings from PBM Formularies Rebates Savings from PBM Formularies (41,894,492) (41,874,492) (48,173,495) (53,411,177) (57,788,396) (122,788,209	Medicare Advantage Premiums			78,538,847	162,400,394	183,503,375	191,752,976	219,965,105	262,490,268	286,964,759	313,679,968
Baseline Savings from PBM Formularies (3,411,177) (57,758,848 (41,894,432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,480) (41,98,482) (4	Phamacy Claims Payment	721,163,013	752,419,650	743,281,462	721,469,293	831,454,915	869,554,587	942,693,829	1,019,891,142	1,103,536,723	1,193,323,313
Baseline Savings from PBM Formularies (3,411,177) (57,758,848 (41,894,432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (41,98,4432) (48,170,890) (53,411,177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,4432) (48,170,890) (53,418,1177) (57,758,848 (41,98,480) (41,98,482) (4	Rebates	(93,130,160)	(69.641.941)	(91.653.105)	(51,114,709)	(163, 192, 697)	(125.655.564)	(115.153.223)	(117.655.276)	(120,165,408)	(122.763.299)
Rebates Savings from PBM Formularies (Jaims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims (Jaims Adjustment for Changes) Net Pharmacy Claims (28,032,853 682,777.709 651,628,357 670,354,584 608,871,612 723,600,862 757,707,624 802,341,417 858,4561,144 934,577,316 Total Claims (2,454,808,343 2,517,406,200 2,697,200,771 2,829,284,728 2,656,831,434 3,151,266,289 3,262,219,692 3,474,628,464 3,751,170,120 3,860,027,316 ACA Reinsurance Fee Extra EGWP+Wrap Administration 1,488,450 6,028,143 1,488,4	Reseline Savines from PRM Formularies	(/	(,,,	(==,===,==)	((,					
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims											
Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 688,581,812 723,820,982 757,707,824 802,341,417 858,459,144 934,577,316 723,820,982 757,707,824 802,341,417 858,459,144 934,577,316 808,624 723,820,982 757,707,824 802,341,417 858,459,144 934,577,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,457,316 808,458,1812 808,284,182 808,341,417 808,450,141 808,450,862 802,341,417 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,141 808,450,862 802,341,417 808,450,162 808,81,812 808,813 808,813 808,813											
Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 688,581,612 723,620,982 767,707,624 802,341,417 858,459,144 934,577,316 Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 188,366,585 211,227,878 165,480,591 161,401,639 148,134,913 168,416,645 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,346,645 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,346,645 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,346,645 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 234,065,031 188,366,585 211,227,878 216,530,120 222,204,687 234,065,031 188,366,585 211,227,2788 216,530,120 222,204,687 234,065,031 188,366,585 211,227,2788 216,530,120 222,204,687 234,065,031 188,366,585 211,227,2788 216,530,120 222,204,687 234,065,031 188,366,585 211,227,2788 216,230,130,130,130,130,130,130,130,130,130,1				-	-	-					
Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 2,959,831,434 3,151,266,289 3,262,219,992 3,474,628,464 3,751,170,120 3,960,027,288 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 188,396,565 211,227,878 216,530,120 222,204,687 228,047,789 234,065,031 148,041,041,041,041,041,041,041,041,041,041					-						
Administrative Costs ACA Reinsurance Fee Extra EGWP-Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,148,198,019 3,377,180,617 3,484,778,256 3,698,833,151 3,979,217,909 4,104,092,319 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 62,035,836) (42,035,836) (137,921,021) (128,932,680) (217,992,325) (224,984,448) 225,687,137 Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 982,083,787 844,162,786 715,230,105 497,237,781 272,253,333 274,840,470 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR 784,100,033 732,214,262 757,806,588 758 758 759 759 759 759 759	Net Pharmacy Claims	628,032,853	682,777,709	651,628,357	670,354,584	668,581,612	723,620,982	757,707,624	802,341,417	858,459,144	934,577,316
Administrative Costs ACA Reinsurance Fee Extra EGWPH/Wap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,148,198,019 3,377,180,617 3,484,778,266 3,698,333,151 3,979,217,909 4,194,092,319 Plan Income (Loss) 232,391,259 281,240,475 783,487,946 298,858,040 1,024,119,623 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470	Total Claims	2,454,808,343	2,517,406,200	2,697,290,771	2,829,284,728	2,959,831,434	3,151,266,289	3,262,219,992	3,474,628,464	3,751,170,120	3,960,027,288
ACA Reinsurance Fee Extra EGWP+Wrap Administration	Administrative Costs	165,480,561	161,401,639								
Extra EGWP+Wrap Administration		,	,			,,					
Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (42,035,836) (137,921,021) (128,932,680) (217,992,325) (224,984,448) 22,587,137 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (9%) Cash Balance Over FY TSR Cash Balance Over FY TSR 644,395,486 964,395,486 964,300,025 438,801,092 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		_	-	_	_	_	-	-	_		-
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 982,083,787 982,083	Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,148,198,019	3,377,180,617	3,484,778,256	3,696,833,151	3,979,217,909	4,194,092,319
Ending Cash Balance (Deficit) 502,247,471 783,487,948 958,558,040 1,024,119,623 982,083,787 844,162,766 715,230,105 497,237,781 272,253,333 294,840,470 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR 84,100,033 732,214,262 577,807,568 441,427,165 208,145,343 (39,525,150) (33,330,789) Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(42,035,836)	(137,921,021)	(128,932,660)	(217,992,325)	(224,984,448)	22,587,137
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	958,558,040	1,024,119,623	982,083,787	844,162,766	715,230,105	497,237,781	272,253,333
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR 784, 100,033 732,214,262 577,806,568 441,427,165 208,145,343 (39,525,150) (33,330,788 643,380,1092 732,214,262 577,806,568 441,427,165 208,145,343 (39,525,150) (33,330,788 643,801,092 743,801,092 743,801,092 743,801,092 743,801,092 743,801,092 744,165 744,1427,165 745,244,245 745,244,245 746,244,247,165 747,166,248 747,166,248 748,801,092 748,801,	Ending Cash Balance (Deficit)	502,247,471	783,487,946	958,558,040	1,024,119,623	982,083,787	844,162,766	715,230,105	497,237,781	272,253,333	294,840,470
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR 784, 100,033 732,214,262 577,806,568 441,427,165 208,145,343 (39,525,150) (33,330,788 643,380,1092 732,214,262 577,806,568 441,427,165 208,145,343 (39,525,150) (33,330,788 643,801,092 743,801,092 743,801,092 743,801,092 743,801,092 743,801,092 744,165 744,1427,165 745,244,245 745,244,245 746,244,247,165 747,166,248 747,166,248 748,801,092 748,801,	Tarnet Stabilization Reserve - EV (0%)	184 110 828	201 392 498	222 503 014	240 019 500	249 889 525	266 356 109	273 802 040	289 092 438	311 778 492	328 171 250
Cash Balance Over FY TSR Cash Balance Over FY LTR 784,100,033 684,395,458 732,214,262 694,300,025 577,808,568 438,801,092 441,427,165 348,801,092 208,145,343 9.0% (39,525,150) 9.0% 9.0% <td></td> <td>101,110,020</td> <td>201,002,400</td> <td>222,000,014</td> <td></td> <td></td> <td></td> <td>210,002,010</td> <td>200,002,400</td> <td>011,110,102</td> <td>020,111,200</td>		101,110,020	201,002,400	222,000,014				210,002,010	200,002,400	011,110,102	020,111,200
Cash Balance Over FY LTR 684,395,458 604,300,025 438,901,092								444 407 405	200 445 242	/20 E2E 4501	(22.220.700)
Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0%								441,427,105	208,140,343	(39,525,150)	(33,330,789)
% of Expenses in Cash Reserve 34.2% 31.2% 25.0% 20.5% 13.5% 6.8% 7.0% 7.0% 7/1 Increase 7/1 Increase 1/1 Incr		7.5%	8.0%	8.5%				9.0%	9.0%	9.0%	9.0%
ER Premium Increase: 5.3% 5.3% 0.00% 0.00% 3.47% 3.43% 3.74% 3.74% 12.96% 12.96%											
EE Premium Increase: 5.3% 5.3% 0.00% 0.00% 2.83% 3.43% 3.74% 3.74% 12.96% 12.96%	ER Premium Increase:										
	EE Premium Increase:	5.3%	5.3%	0.00%	0.00%	2.83%	3.43%	3.74%	3.74%	12.96%	12.96%

CY 2016 Q2 Update

North Carolina State Health Plan Financial Projections - Jun 2016

Page 1 (CY) Trends - 7.0% Medical & 8.5% Pharmacy With Board's 2017 No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan

With July 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Benefit Design (Segal 8-26-16) Baseline - MA Renewal Rates in 2017, 7.0% Increase Plus ACA Fee For 2018+ MA Rates, Reduced 2017 Admin and CVS Guarentee

8-26-16)		Biennium	1								
´ F	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
			Short Plan Year		1	-	-	-	-	,	-
	FY 2012	FY 2013	Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,993,891,773	3,141,371,557	3,238,478,121	3,345,474,735	3,456,369,701	3,890,050,791	4,378,597,207
Wellness Surcharge/(Credit)		-	-	-	-	2,321,160	16,434,558	35,978,884	36,238,178	36,494,122	34,036,680
Medicare Advantae Subsidy				721,773	959,319	1,011,441	1,235,549	1,265,517	1,294,922	1,324,789	1,355,124
Health care Reform ERRP	42,163,391	(558,219)	(077 500)	(1,949)	(5.040)	(700 707)	(4.040.000)	(4.070.707)	(4.700.405)	(4.045.005)	(0.400.000)
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(5,343)	(786,767)	(1,619,239)	(1,672,737)	(1,728,185)	(1,945,025)	(2,189,299)
Premium Change due to Movement			_	_	_	_	2,862,122	3,705,708	4,598,608	5,894,259	7,396,130
Medicare Part D	57,583,602	38.056.016	(1.323.888)	21,584,404	19,484,823	17,192,199	15,453,416	15,578,816	15.751.328	15.895.071	16.006.324
		,,	(1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,	-1,1,	13,121,122	,	,			,,	, ,
EGWP+Wrap											
Direct Subsidy	-	24,435,483	25,202,822	216,170	441	453	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	28,162,232	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	453	-	-	-	-	-
Investment Earnings	3,015,815	3.236.713	1.841.087	4,417,142	6.037.729	5.920.236	3.274.870	2.793.318	1.868.381	1.070.789	1,126,796
Total Plan Income	2.852.680.163	2.960.048.314	1,539,900,247	3.007.663.512	3.068.971.707	3,167,030,280	3,276,119,397	3,403,124,241	3.514.392.932	3.948.784.796	4.436.328.963
	2,002,000,000	2,000,010,010	1,000,000,211	0,007,000,072	5,555,511,155	0,101,000,000	0,2.0,1.0,00.	0,100,121,211	0,011,002,002		1,100,000
PLAN EXPENSE:											
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,949,838,964	2,087,095,284	2,206,591,065	2,365,257,959	2,563,330,636	2,679,308,797	2,848,842,494	3,029,038,294
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(22,731,740)	(23,709,307)	(25,774,721)	(28,118,789)	(29,899,151)	(32,009,700)	(34,061,100)	(35,991,774)
Adjustment for Changes				-	-	(2,440,627)	(112,893,454)	(165,611,960)	(191,998,542)	(210,371,619)	(230,228,225)
Cost of Add Locals						2.485.053	5.114.371	5.452.012	5.438.741	5.412.918	5.400.672
Net Medical Claims	1.826,775,490	1.834.628.491	1.022.323.022	1,927,107,224	2.043.385.977	2,180,860,770	2,229,360,087	2,373,271,537	2,460,739,296	2,609,822,694	2,768,218,968
Net Medical Claims	1,820,770,490	1,834,028,491	1,022,323,022	1,927,107,224	2,043,380,977	2,180,860,770	2,229,300,087	2,3/3,2/1,03/	2,400,739,290	2,009,822,094	2,708,218,908
Medicare Advantage Premiums				155,497,950	172,517,202	194,715,180	191,020,969	253,271,015	277,036,291	302,987,857	331,323,811
Pharmacy Claims Payment	721,163,013	752.419.650	425,257,939	697,815,422	761,471,324	843,205,453	915,349,180	990,158,137	1,071,340,745	1.158.987.513	1,253,804,925
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(96,193,453)	(106,784,371)	(155,073,317)	(116,642,887)	(119,102,355)	(121,630,190)	(124,210,627)
Baseline Savings from PBM Formularies	(,,	(22,211,211)	(((==	(100)101/01/01/07	(36,299,709)	(45,547,274)	(51,852,892)	(56,094,996)	(60,684,158)
Rebates Savings from PBM Formularies							(17,400,458)	(42,316,594)	(71,873,077)	(79,872,591)	(86,406,428)
Claims Adjustment for Changes			-	-	-	-	(2,896,473)	(5,607,786)	(8,537,327)	(11,124,520)	(13,217,830)
Additional ACA Preventive Medicine			-	-	-	636,671	1,366,000	1,462,000	1,522,880	1,637,571	1,748,725
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	665,277,871	737,057,753	705,045,224	781,505,595	821,497,974	891,902,789	971,034,607
T. 1.01:	0.454.000.040	0.547.400.000	4 445 000 000	0.004.057.000	0.004.404.050	0.440.000.700	0.405.400.000	0.400.040.440	0.550.070.504	0.004.740.040	4 070 577 005
Total Claims Administrative Costs	2,454,808,343 165,480,561	2,517,406,200 161,401,639	1,415,392,320 69,548,737	2,681,657,393 149,605,909	2,881,181,050 187,419,975	3,112,633,703 195,518,053	3,125,426,280 213,987,044	3,408,048,146 219,586,380	3,559,273,561 225,351,754	3,804,713,340 231,288,684	4,070,577,385 237,402,883
ACA Reinsurance Fee	100,480,001	101,401,039	09,346,737	148,000,808	187,418,875	5,918,242	14,740,359	219,360,360	220,301,704	231,200,004	237,402,003
Extra EGWP+Wrap Administration	_	_	_			5,816,242	14,740,338				-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,068,601,025	3,314,069,999	3,354,153,683	3,627,634,526	3,784,625,315	4,036,002,023	4,307,980,268
Plan Income (Loss)	232.391.259	281.240.475	54,959,190	176,400,210	370.682	(147,039,719)	(78,034,286)	(224,510,288)	(270,232,383)	(87,217,228)	128.348.695
,				,		, , , ,	(,	(2.2,212,000)	,	
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	1,015,218,028	868,178,309	790,144,023	565,633,738	295,401,354	208,184,127
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	1,015,218,028	868,178,309	790,144,023	565,633,738	295,401,354	208,184,127	336,532,822
Target Stabilization Process CV (02)	104 110 200	204 202 402	112 224 222	214 702 502	242 770 740	202 042 007	284 008 470	202 020 040	205 404 254	215 455 200	228 522 222
Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (20%)	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746 368,232,123	262,612,667 397,688,400	264,096,478	283,929,942	295,401,354	315,155,293	336,532,822
Cash Balance Over CY TSR	318,136,845	582,095,450	725,215,751	800,123,793	771,438,282	605,565,642	526.047.545	281,703,796	0	(106,971,167)	(0)
Cash Balance Over CY LTR	310,130,043	302,000,400	120,210,701	000,123,783	646,985,905	470,489,909	320,047,040	201,700,780		(100,671,107)	(0)
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746	262,612,667	264,096,478	283,929,942	295,401,354	315,155,293	336,532,822
Target Stabilization Reserve %	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
% of Expenses in Cash Reserve						26.2%	23.6%	15.6%	7.8%	5.2%	7.8%
	7/1 Increase	7/1 Increase		1/1 Increase							
ER Premium Increase:	5.3%	5.3%		0.00%	0.00%	3.47%	3.41%	3.65%	3.65%	13.00%	13.00%
EE Premium Increase:	5.3%	5.3%	l I	0.00%	0.00%	2.83%	3.43%	3.65%	3.65%	13.00%	13.00%

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Page 2 (FY)

With Board's 2017 Benefit Design (Segal 8-26-16)

North Carolina State Health Plan Financial Projections - Jun 2016 Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With July 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Projection Pro	2020 - 2021 Biennium		liennium	2018 - 2019 [2016 - 2017 Biennium		2014 - 2015 Biennium		2012 - 2013 Biennium		26-16)
FLAN INCOME	Projection FY2021										
Net Controlation Income (Micross Dirichago (Credit) (Micro	F12021	F12020	F12013	F12010	F1201/	F12016	F12013	FT 2014	FT 2013	FY 2012	DI AN INCOME:
Wellness Surchangel (Chedi) Medicare Advantage Clusted) Health care Reform ERRPP 42.163.391 (558.219) (17.50) (17.40) (17.00)	4,134,486,847	3 873 350 801	3 400 032 075	3 201 087 371	3 104 258 405	3 088 300 080	2 087 502 873	2 041 007 678	2 905 388 140	2 750 269 951	
Medicare Anantas Subsisty 42,183,381 (582,19) (280,623) (11,369) (1,369) (1,369) (1,465,044) (1,700,466) (1,450,044) (1,700,466) (1,450,044) (1,700,466) (1,450,044) (1,						3,000,300,008	2,801,302,013	2,841,087,070	2,080,300,140	2,730,300,031	
Health case Reform ERRP (418.391 (658.219) (290.022) (11.390 (1.590 (1.590 128) (1.645.044) (1.700.468) (1.836.89) (1.836.89) (1.836.89) (1.836.89) (1.846.894) (1.700.468) (1.836.89) (1.8						0.41 0.50	อวว วลว	417 585	-		
Retro Disnortement Medicare Part D Fremium Change due to Movement Fremium Change Fremium Change Fremium Change due to Movement Fremium Change Fre	1,009,812	1,308,012	1,200,170	1,200,888	1,214,082	041,000		417,000	(EE0 210)	42 182 201	
Premium Change due to Movement Medicare Part D 57,583,002 38,054,010 11,583,652 10,560,771 17,377,783 15,374,725 15,472,246 15,680,957 15,810,801 20,804,971 20,804,986 24,435,483 22,415,683 23,004,972 24,435,483 22,445,483 23,004,985 24,435,483 23,004,985 24,435,483 23,004,835 24,435,483 24,435,4	(2,067,243)	/4 028 80N\	(4.700.488)	(4.845.004)	(4 507 420)			(200.022)			
Medicare Part D 57,583,602 38,056,016 11,583,652 10,500,771 17,379,783 15,374,755 15,472,246 15,686,957 15,818,801	(2,007,243)	(1,030,000)	(1,700,400)	(1,040,884)	(1,387,120)		(11,338)	(288,823)	(407,018)	(401,180)	Retro Disenioliments
Medicare Part D 57,583,602 38,056,016 11,583,652 10,500,771 17,379,783 15,374,755 15,472,246 15,686,957 15,818,801	6.646.570	E 247 452	4 152 200	2 204 008	1 422 004						Promium Change due to Mayement
EGWP+Wrap Direct Subsidy - 24,436,483 25,216,883 202,770 453 - -						17 270 702	10 500 771	11 502 852	20.058.018	67 602 8D2	
Creat Subsishing	10,840,220	10,010,001	15,050,857	13,472,240	10,374,700	11,318,103	18,580,771	11,000,002	30,030,010	37,363,002	Wedicare Part D
Creat Subsishing											EGWP+Wran
Coverage Cap Subsidy Catastrophic Subside Subsidiary Catastrophic Subsid			_		_	453	202 770	25 218 883	24 435 483	_	
Catastropine Subsission					1	400			24,400,400		
Total Famings 3,015,815 3,236,713 3,916,235 5,065,735 7,390,185 3,504,847 3,118,775 2,373,979 1,388,772 Total Flan Income 2,552,080,103 2,900,048,14 2,020,048,14					1			30,303,606			
Investment Earnings					1	453		63 780 571	24 435 483		
Total Plan Income	_	_	_	_	- I	400	00,200,020	00,700,071	24,400,400	_	Total
Total Plan Income	989,321	1.388.772	2.373.979	3.118.775	3.504.847	7.393.185	5.065.735	3.916.235	3.236.713	3.015.815	Investment Earnings
Medical Claims Payment (1,444,410,105 1,886,064,405 (22,450,766) (23,467,914) (22,2450,766) (24,839,428) (22,075,624) (22,	4,192,606,455	3,731,653,895	3,458,806,524	3,339,694,392	3,224,735,113		3,063,262,956		2,960,048,314	2,852,680,163	
Medical Claims Payment (1,844,410,105 1,856,006,405 (23,467,914) (22,450,766) (24,839,428) (22,075,624) (22,0											
Claim Refunds (22,634,615) (23,467,914) (22,450,766) (24,839,428) (22,075,924) (27,133,450) (29,162,755) (30,804,921) (30,300,302) (30,804,921) (30,300,302) (30,804,921) (30,300,302) (30,804,921) (30,300,302) (30,804,921) (30,300,302) (30,804,90			l		I						
Cost of Add Locals 1,826,775,490 1,834,628,491 1,967,123,667 1,969,529,750 2,069,295,495 2,224,243,860 2,270,450,808 2,390,892,281 2,584,375,755	2,937,554,448	2,815,940,842	2,593,229,905	2,439,490,275	2,297,004,579	2,121,371,419	2,021,369,178	1,989,574,333	1,858,096,405	1,849,410,105	Medical Claims Payment
Cost of Add Locals Net Medicar Localis Net Med	(35,116,658)	(33,000,302)	(30,804,921)	(29,162,755)	(27,133,450)	(22,075,924)	(24,839,428)	(22,450,766)	(23,467,914)	(22,634,615)	Claim Refunds
Net Medicar Advantage Premiums 1,826,776,490 1,834,628,491 1,967,123,567 1,906,529,750 1,824,908,094 1,826,775,490 1,824,908,094 1,826,775,490 1,824,908,094 1,826,775,490 1,824,908,094 1,824,908,094 1,826,908,09	(220, 108, 097)	(203,806,902)	(177,161,987)	(145,157,149)	(50,628,663)	-		-			Adjustment for Changes
Net Medicar Advantage Premiums 1,826,776,490 1,834,628,491 1,967,123,567 1,906,529,750 1,824,908,094 1,826,775,490 1,824,908,094 1,826,775,490 1,824,908,094 1,826,775,490 1,824,908,094 1,824,908,094 1,826,908,09		-	- '	-	-	-	-				_
Medicare Advantage Premiums Pharmacy Claims Payment Rebates R	5,589,408	5,242,117	5,629,284	5,280,437	5,001,400	-	-				Cost of Add Locals
Pharmacy Claims Payment 721,163,013 752,419,650 (93,130,100) (69,641,941) (91,653,105) (51,114,709) (113,894,278) (174,99,968) (115,403,190) (117,875,922) (120,353,535) Baseline Savings from PBM Formularies Rebates Savings from PBM Formularies Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 3,004,730,384 3,099,615,232 3,252,169,415 3,457,712,776 3,729,927,603 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 179,826,450 211,227,878 216,745,009 222,426,673 228,276,489 ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,687,919,100	2,584,375,755	2,390,892,281	2,270,450,808	2,224,243,866	2,099,295,495	1,996,529,750	1,967,123,567	1,834,628,491	1,826,775,490	Net Medical Claims
Pharmacy Claims Payment 721,163,013 752,419,850 (93,130,100) (69,641,941) (91,653,105) (51,114,709) (113,894,278) (174,99,968) (115,403,190) (117,875,922) (120,353,535) (16,444,386) (16,444,386) (174,99,968) (115,403,190) (117,875,922) (120,353,535) (16,444,386) (174,99,968) (1											
Rebates Savings from PBM Formularies (6,461,170) (32,147,604) (56,586,294) (53,964,980) (6,461,170) (32,147,904) (56,586,294) (56,586,294) (76,643,335) (11,287,7802) (12,287,780) (317,120,590	289,979,796	265,124,094	222,068,566	193,207,099	183,856,887	162,400,394	78,538,847			Medicare Advantage Premiums
Rebates Savings from PBM Formularies (6,461,170) (32,147,604) (56,586,294) (53,964,980) (6,461,170) (32,147,904) (56,586,294) (56,586,294) (76,643,335) (11,287,7802) (12,287,780) (
Baseline Savings from PBM Formularies Rebates Savings from PBM Formularies (Laims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 1											
Rebates Savings from PBM Formularies Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,684 721,578,002 682,164,268 759,650,041 801,696,401 865,572,112 70tal Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 3,004,730,384 3,099,615,232 3,252,169,415 3,457,712,776 3,729,927,663 Administrative Costs 165,480,561 161,401,839 148,134,913 168,416,645 179,826,450 211,227,878 216,745,609 222,426,873 228,276,489 ACA Reinsurance Fee Extra EGWP+Wrap Administration 7 total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,184,556,834 3,325,496,379 3,474,920,355 3,680,139,449 3,958,204,152 7 total Claims Academy Claims 16,480,480 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 7 target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance (Deficit) 7,5% 8,0% 8,5% 9,0% 9,0% 9,0% 9,0% 9,0% 9,0% 9,0% 9,0						(113,894,278)	(51,114,709)	(91,653,105)	(69,641,941)	(93,130,160)	
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 721,578,002 682,104,268 721,578,002 721,5											
Additional ACA Preventive Medicine Net Pharmacy Claims											
Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 721,578,002 682,164,268 759,650,041 801,696,401 855,572,112 Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 3,004,730,384 3,099,615,232 3,252,169,415 3,457,712,776 3,729,927,663 165,480,561 161,401,639 148,134,913 168,416,645 179,826,450 211,227,878 216,745,609 222,426,673 228,276,489 ACA Reinsurance Fee Extra EGWP+Wrap Administration						-	-	-			
Total Claims						-	-				
Administrative Costs	930,925,578	855,572,112	801,696,401	759,650,041	682,164,268	721,578,002	670,354,584	651,628,357	682,777,709	628,032,853	Net Pharmacy Claims
Administrative Costs	3.935.965.269	2 720 027 882	2 457 742 778	2.252.460.445	2 000 845 222	2 004 720 204	2 020 204 720	2 807 200 774	2 547 408 200	2.454.000.242	Total Claims
ACA Reinsurance Fee Extra EGWP+Wrap Administration											
Extra EGWP+Wrap Administration	234,300,071	220,270,409				178,820,430		140,134,813	101,401,039	100,480,301	
Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,184,556,834 3,325,496,379 3,474,920,355 3,680,139,449 3,958,204,152 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (100,761,266) (135,225,963) (221,332,925) (226,550,256) Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 253,878,615 261,576,732 272,709,076 287,332,981 309,595,308 163,100,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Cash Balance Over FY LTR 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	•	•	- 1	0,000,331	14,003,209	-	-	•			
Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (100,761,266) (135,225,963) (221,332,925) (226,550,256) Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (9%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	4.170.265.940	2.050.204.152	2 800 120 440	2 474 020 255	2 225 408 270	2 104 558 024	2 007 701 272	2 045 425 804	2 870 007 020	2 820 200 004	
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 253,878,615 261,576,732 272,709,076 287,332,981 309,595,308 269,607,746 Cash Balance Over FY TSR 794,100,033 699,599,586 794,100,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Cash Balance Over FY LTR 684,395,458 571,331,337 453,657,325 71,331,337 71,331,331 71,331,331 71,331,331 71,331,331 71,	4,170,200,940	3,938,204,132	3,080,139,449	3,474,820,300	3,323,490,379	3,184,000,834	2,887,701,373	2,840,420,084	2,078,807,839	2,020,288,904	Total Plan Expense
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY LSR Cash Balance) 22,340,515	(228.550.258)	(221.332.925)	(135.225.963)	(100.761.266)	(70.641.468)	65.561.583	175.070.094	281.240.475	232.391.259	Plan Income (Loss)
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 359,724,165 362,146,820 399,059,566 Cash Balance Over FY TSR 784,100,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Target Stabilization Reserve - FY (20%) 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	22,010,010	(220,000,200)	(221,002,020)	(100,220,000)	(100,701,200)	(70,041,400)	00,001,000	170,070,004	201,240,470	202,001,200	r air moome (2033)
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 852,716,891 717,490,928 496,158,003 269,607,746 Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 359,724,165 382,146,820 399,059,566 Cash Balance Over FY TSR 263,978,478 278,4700,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Target Stabilization Reserve - FY (20%) 684,395,458 571,331,337 453,657,325 784,100,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	269.607.746	496.158.003	717.490.928	852.716.891	953.478.157	1.024.119.623	958.558.040	783.487.946	502.247.471	269.856.212	Beginning Cash Balance (Deficit)
Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR Target Stabilization Reserve - FY (20%) Cash Balance Over FY LTR Target Stabilization Reserve - FY (20%) Cash Balance Over FY LTR Cash Balance O											
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR Cash Bal			,,			,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,		,,	,
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR Cash Bal	325,696,021	309,595,308	287,332,981	272,709,076	261,576,732	253,878,615	240.019.590	222,593,914	201,392,496	184,110,626	Target Stabilization Reserve - FY (9%)
Cash Balance Over FY TSR 784,100,033 699,599,542 591,140,159 444,781,851 208,825,021 (39,987,562) Cash Balance Over FY LTR 8.0% 8.5% 9.0% 571,331,337 453,657,325 9.0%		,,						,,,		,,	
Cash Balance Over FY LTR 684,395,458 571,331,337 453,657,325 Target Stabilization Reserve % 7.5% 8.0% 9	(33,747,760)	(39.987.562)	208.825.021	444,781,851							
Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0%	(22)(100)	(,,)		,,							
% of Expenses in Cash Reserve 34.2% 29.9% 25.6% 20.9% 13.5% 6.8% 7/1 Increase 7/1 Increase 1/1 Increase	9.0%	9.0%	9.0%	9.0%				8.5%	8.0%	7.5%	
7/1 Increase 7/1 Increase 1/1 I	7.0%										
FR Premium Increase: 5.3% 5.3% 0.00% 0.00% 3.47% 3.41% 2.65% 3.65% 43.00%	1/1 Increase							1/1 Increase	7/1 Increase	7/1 Increase	,
E13 1 Ferminin Investigate. 0.00 0.00 0.00 0 0.00 0.00 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.00 0 0.0	13.00%	13.00%	3.65%	3.65%	3.41%	3.47%	0.00%	0.00%	5.3%	5.3%	ER Premium Increase:
EE Premium Increase: 5.3% 5.3% 0.00% 0.00% 2.83% 3.43% 3.65% 3.65% 13.00%	13.00%	13.00%	3.65%	3.65%	3.43%	2.83%	0.00%	0.00%	5.3%	5.3%	EE Premium Increase:



North Carolina State Health Plan Financial Projections - Sep 2016 Trends - 7.0% Medical & 8.5% Pharmacy

Page 1 (CY) With Board's 2017 **Benefit Design**

(Segal 1

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With July 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

11-3-16)	Baseline - 2012 - 2013		Rates in 2017, 7.	.0% Increase Plu	s ACA Fee For 2	2018+ MA Rates,	Reduced 2017 A	Admin and CVS	Guarentee		
	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME: Net Contribution Income Wellness Surcharge/(Credit) Medicare Advantae Subsidy	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141 - 721,773	2,993,891,773 - 959,319	3,141,235,282 1,165,580 888,872	3,245,694,831 15,888,883 1,246,086	3,336,990,670 35,193,829 1,276,407	3,431,233,435 35,464,324 1,306,090	3,884,028,753 35,726,916 1,336,239	4,397,053,429 33,308,239 1,366,861
Health care Reform ERRP Retro Disenrollments	42,163,391 (451,496)	(558,219) (487,819)	(277,538)	(1,949) (28,401)	(5,343)	(393,773)	(1,622,847)	(1,668,495)	(1,715,617)	(1,942,014)	(2,198,527)
Premium Change due to Movement Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	19,484,823	19,898,916	4,871,048 15,245,923	5,901,267 15,368,966	6,985,315 15,544,450	8,778,994 15,692,141	10,876,853 15,808,415
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy	:	24,435,483 - -	25,202,822 11,879,765	216,170 28,162,232 -	441 - 48,602,965	453 - -	:	-	:	:	:
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	453	-	-	-	-	-
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	1,841,087 1,539,900,247	4,417,142 3,007,663,512	6,037,729 3,068,971,707	8,535,319 3,171,330,649	7,207,644 3,288,531,568	6,168,685 3,399,231,330	4,051,988 3,492,869,986	2,203,553 3,945,824,582	2,321,292 4,458,536,562
PLAN EXPENSE: Medical Claims Payment Claim Refunds Adjustment for Changes	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,033,157,400 (10,834,378)	1,949,838,964 (22,731,740)	2,067,095,284 (23,709,307)	2,177,131,274 (20,894,959) (1,119,291)	2,343,092,679 (13,926,461) (105,773,748)	2,539,950,591 (14,811,995) (156,661,810)	2,655,035,956 (15,858,765) (182,901,574)	2,824,457,889 (16,883,342) (200,956,361)	3,003,502,716 (17,843,373) (220,504,096)
Cost of Add Locals Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,043,385,977	1,239,344 2,156,356,368	5,141,308 2,228,533,778	5,481,144 2,373,957,929	5,468,313 2,461,743,929	5,442,680 2,612,060,866	5,430,877 2,770,586,124
Medicare Advantage Premiums				155,497,950	172,517,202	194,939,839	192,595,946	255,379,887	279,348,894	305,523,340	334,103,085
Pharmacy Claims Payment Rebates Baseline Savings from PBM Formularies Rebates Savings from PBM Formularies Claims Adjustment for Changes	721,163,013 (93,130,160)	752,419,650 (69,641,941)	425,257,939 (32,188,641)	697,815,422 (98,763,203)	761,471,324 (96,193,453)	846,550,062 (106,972,555)	918,195,976 (154,919,036) (36,405,101) (17,452,671) (390,124)	993,106,611 (117,082,135) (45,682,904) (42,441,887) (2,688,785)	1,074,636,037 (120,643,159) (52,012,384) (72,092,991) (5,388,435)	1,162,305,215 (123,590,790) (56,255,572) (80,100,310) (7,735,096)	1,257,416,280 (126,232,961) (60,858,948) (86,654,258) (9,565,971)
Additional ACA Preventive Medicine Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	665,277,871	318,588 739,896,095	1,366,000 710,395,043	1,462,000 786,672,900	1,522,973 826,022,041	1,638,013 896,261,461	1,749,883 975,854,026
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,454,808,343 165,480,561	2,517,406,200 161,401,639	1,415,392,320 69,548,737	2,681,657,393 149,605,909 -	2,881,181,050 187,419,975 -	3,091,192,302 185,853,772 5,918,242	3,131,524,767 213,987,044 14,742,780	3,416,010,716 219,586,380 -	3,567,114,865 225,351,754 -	3,813,845,667 231,288,684 -	4,080,543,235 237,402,883 -
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,068,601,025	3,282,964,316	3,360,254,592	3,635,597,096	3,792,466,619	4,045,134,350	4,317,946,118
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	370,682	(111,633,667)	(71,723,023)	(236,365,767)	(299,596,633)	(99,309,768)	140,590,445
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 838,447,136	838,447,136 1,014,847,346	1,014,847,346 1,015,218,028	1,015,218,028 903,584,361	903,584,361 831,861,337	831,861,337 595,495,570	595,495,570 295,898,937	295,898,937 196,589,169	196,589,169 337,179,614
Target Stabilization Reserve - CY (9%) Legislative Target Reserve - CY (20%)	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746 368,232,123	260,662,722 393,955,718	264,503,594	284,456,775	295,898,937	315,749,009	337,179,614
Cash Balance Over CY TSR Cash Balance Over CY LTR	318,136,845	582,095,450	725,215,751	800,123,793	771,438,282 646,985,905	642,921,639 509,628,643	567,357,743	311,038,796	0	(119,159,840)	-
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	214,723,553	243,779,746	260,662,722	264,503,594	284,456,775	295,898,937	315,749,009	337,179,614
Target Stabilization Reserve % % of Expenses in Cash Reserve	7.5%	8.0%	8.0%	8.5%	9.0%	9.0% 27.5%	9.0% 24.8%	9.0% 16.4%	9.0% 7.8%	9.0% 4.9%	9.0% 7.8%
ER Premium Increase:	7/1 Increase	7/1 Increase 5.3%		1/1 Increase 0.00%	1/1 Increase 0.00%	1/1 Increase 3.47%	1/1 Increase 3.41%	1/1 Increase 3.14%	1/1 Increase 3.14%	1/1 Increase 13.64%	1/1 Increase 13.64%
EE Premium Increase:	5.3%	5.3%		0.00%	0.00%	2.83%	3.43%	3.14%	3.14%	13.64%	13.64%

★ Segal Consulting



With Board's 2017 Benefit Design

(Segal 11-3-16)

North Carolina State Health Plan Financial Projections - Sep 2016

Trends - 7.0% Medical & 8.5% Pharmacy

No Wellness, No 100% Preventive, Smoker Surchager (\$40 for 2017 and \$60 for 2018 and 2019) on Traditional Plan With July 2016 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Actual Actual Actual Actual Actual Actual Projection Pr	1-3-16)	2012 - 2013 Blennlum		2014 - 2015 Blennium		2016 - 2017 Blennium		2018 - 2019 Blennium		2020 - 2021 Blennium	
FLAN INCOME											
Net Committation Income Net Committation		FY 2012	FY 2013	FY 2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Welness Burcharge (Credit) Medicare Advanted Dusley) Medicare Advanted Dusley) Medicare Advanted Dusley) Medicare Advanted Dusley) Medicare Advanted PMP Medicare Advantage Pmeniums Medicare Ad		2.750.350.054	0.005.355.440	0.044.007.679	0.007.500.573	2 000 200 000	2 400 457 045	2 004 254 550	3 304 400 033	3 557 843 507	4 440 775 900
Medicare Askanstee Dussign 42,163,391 417,656 833,262 641,859 1097,332 1,061,753 1,291,005 1,321,105 1,331,505 1,361		2,750,366,651	2,090,300,140	2,941,097,678	2,907,502,673	3,000,300,009					
Health Care Reform ERRP (451,391 (65,819) (13,99				447.555		044.050	-,,		,,		- 4 4
### Persistant Change due to Movement Medicare Part of 1,585,002 38,056,016 11,583,652 19,990,771 17,379,783 11,524,125 1		40.453.304	(550.040)	417,565		041,000	1,097,532	1,261,753	1,291,205	1,321,120	1,351,505
Permium Change due to Movement Medicare Part O						-					-
Medicare Part D \$7,593,502 38,056,016 11,581,552 19,590,771 17,379,783 16,212,753 15,264,120 15,452,563 15,615,796 15,749,135	Retro Disenfoliments	(451,496)	(487,819)	(299,923)	(11,359)	-	(1,206,153)	(1,645,677)	(1,692,061)	(1,828,922)	(2,070,388)
EVMP-Wrap Creating Edg Dublidy 24,435,483 25,216,663 202,770 453	Premium Change due to Movement			-	-	-	2,442,649	5,387,917	6,445,106	7,885,523	9,832,010
Direct Subsidity - 24,435,483 25,116,653 202,770 453	Medicare Part D	57,583,602	38,056,016	11,583,652	19,590,771	17,379,783	18,212,753	15,264,120	15,452,953	15,615,795	15,749,183
Direct Subsidity - 24,435,483 25,116,653 202,770 453	EGWP+Wran										
Coverage Gas Duskeldy Calastrophic Buskeldy Calastrophic Buskeldy Total Coverage Gas Duskeldy Calastrophic Buskeldy Calastrophic Bus		_	24.435.483	25 216 663	202 770	453	_	_	_	_	
Catastróphic Subsisty Total	,		24,400,400			400					
Total Plan Rome 2,852,860,163 2,960,048,314 3,002,495,773 3,063,283,982 PLAN EXPENSE: Nectoral Claims Payment Claim Refunds 1,849,410,105 1,858,096,405 (22,435,784) 1,849,410,105 1,858,096,405 (22,435,784) (22,435,			- 1	30,303,505							
Total Plan Income			24 435 483	63 780 571		453					
Total Plan Income 2,852,860,163 2,960,048,314 3,020,495,776 3,063,262,956 3,113,915,868 3,225,947,126 3,344,070,641 3,446,167,521 3,719,373,284 4,202,160,385 PLAN EXPENSE: Medical Claims Payment 1,849,410,105 1,859,006,405 1,899,574,333 2,021,369,178 2,121,371,419 2,258,266,327 2,417,091,624 2,569,824,331 2,791,360,291 2,912,732,002											
PLAN EXPENSE: Medical Claims Payment 1,849,410,105 1,858,096,405 1,989,674,333 2,021,369,178 2,121,371,419 2,258,266,327 2,417,091,624 2,559,824,331 2,791,360,291 2,912,732,002 2,9											
Medical Claims Payment 1,849,410,105 1,858,096,405 1,999,374,333 2,021,399,179 2,121,371,419 2,258,266,337 2,417,091,624 2,599,324,331 2,791,380,291 2,912,732,002 (17,405,666) (14,447,189) (16,325,015) (16,325,015) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015)	Total Plan Income	2,852,680,163	2,960,048,314	3,020,495,778	3,063,262,956	3,113,915,368	3,235,947,126	3,344,070,641	3,446,167,521	3,/19,3/3,284	4,202,160,358
Medical Claims Payment 1,849,410,105 1,858,096,405 1,999,374,333 2,021,399,179 2,121,371,419 2,258,266,337 2,417,091,624 2,599,324,331 2,791,380,291 2,912,732,002 (17,405,666) (14,447,189) (16,325,015) (16,325,015) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015) (17,405,666) (16,325,015)	PLAN EXPENSE:										J
Case		1.849.410.105	1.858.096.405	1.989.574.333	2.021.369.178	2.121.371.419	2.258.266.327	2.417.091.624	2.569.824.331	2.791.360.291	2 912 732 002
Aglustment for Changes Cost of Add Locals Nedicare Advantage Premiums Medicare Advantage Premiums Pharmacy Claims Payment Rebates Reba		.,,,	.,,,		-111		-,,,		-,,		
Net Medicare Advantage Premiums 1,826,775,490 1,834,628,491 1,957,123,557 1,996,529,750 2,099,295,495 2,200,119,880 2,271,381,861 2,391,976,733 2,585,914,604 2,690,406,518 Medicare Advantage Premiums 76,538,847 162,400,394 183,856,887 194,217,288 223,909,827 267,334,578 292,403,562 319,777,665 Pharmacy Cialims Payment Rebates Rebates Savings from PBM Formularies (69,641,941) (91,653,105) (69,641,941) (91,653,105) (113,894,278) (115,804,928) (115,804,938) (1		(22,004,010)	(20,407,514)	(22,400,700)	(24,000,420)	(22,010,324)		(
Net Medical Cialms	riajacenentioi onangeo				_		(40,400,570)	- (100,011,000)	(100,244,004)	(154,000,050)	(210,000,210)
Medicare Advantage Premiums 78,538,847 162,400,394 183,856,867 194,217,288 223,909,827 267,334,578 292,403,562 319,777,655 Pharmacy Claims Payment 721,163,013 752,419,550 (93,130,160) (96,641,941) (91,653,105) (51,114,709) (113,894,278) (175,034,999) (115,834,353) (118,690,825) (122,289,647) (124,912,854) (15,044,524) (16,044,	Cost of Add Locals				-	-	3,769,584	5,308,491	5,659,624	5,270,775	5,620,400
Pharmacy Claims Payment (21,163,013 752,419,650 743,281,462 721,469,293 635,472,280 884,100,915 (115,834,363) (116,690,825) (122,295,647) (129,12,654) (13,894,278) (175,003,989) (115,834,363) (146,690,825) (122,295,647) (129,12,654) (129,12,654) (13,894,278) (175,003,989) (115,834,363) (146,690,825) (122,295,647) (129,12,654) (1	Net Medical Claims	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	2,099,295,495	2,200,119,880	2,271,381,861	2,391,976,733	2,585,914,604	2,690,406,518
Pharmacy Claims Payment (21,163,013 752,419,650 743,281,462 721,469,293 635,472,280 884,100,915 (115,834,363) (116,690,825) (122,295,647) (129,12,654) (13,894,278) (175,003,989) (115,834,363) (146,690,825) (122,295,647) (129,12,654) (129,12,654) (13,894,278) (175,003,989) (115,834,363) (146,690,825) (122,295,647) (129,12,654) (1	1										
Rebates Savings from PBM Formularies Easeline Javings from PBM Formularies Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims (5.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1	Medicare Advantage Premiums			78,538,847	162,400,394	183,856,887	194,217,288	223,909,827	267,334,578	292,403,562	319,777,665
Rebates Savings from PBM Formularies Easeline Javings from PBM Formularies Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims (5.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1.8, 1	Pharmacy Claims Payment	721,163,013	752,419,650	743,281,462	721,469,293	835,472,280	884,100,915	955,156,554	1,033,539,226	1,118,496,165	1,209,329,500
Baseline Savings from PBM Formularies (5,40,524) (42,449,305) (48,16,289) (58,135,214) (58,531,548) (58,531,5		(93.130.160)	(69.641.941)	(91.653.105)	(51.114.709)	(113.894.278)	(175.034.989)	(115.834.363)	(118.690.825)	(122.289.647)	(124.912.854)
Rebates Gaving's from PBM Formularies (claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 721,578,002 687,930,857 764,614,886 806,721,771 860,017,745 935,597,880 704,101,804,804,804,804,804,804,804,804,804,804		(,,,	(((-1,-1,-2)	(****)					
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 721,578,002 667,930,857 764,614,86 806,721,771 8600,017,745 935,597,800 704a1 1,414,041 1,476,953 1,580,781 1,694,418 600,017,745 935,597,800 704a1 1,414,041 1,476,953 1,580,781 1,694,418 600,017,745 935,597,800 704a1 1,414,041 1,476,953 1,580,781 1,694,418 600,017,745 935,597,800 704a1,418 7	,										
Additional ACA Preventive Medicine Net Pharmacy Claims 628,032,853 682,777,709 651,628,0357 670,354,584 721,578,002 687,930,857 764,614,885 806,721,771 860,017,745 935,557,880 Total Claims 2,454,808,343 2,517,405,200 2,697,290,771 2,829,284,728 3,004,730,384 3,082,269,025 764,614,885 806,721,771 860,017,745 935,557,880 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 179,826,450 201,563,597 216,745,509 222,426,673 228,276,489 234,300,671 ACA Reinsurance Fee Extra EGWP+Wrap Administration - 14,654,704 6,006,318 - 14,654,7											
Net Pharmacy Claims 628,032,853 682,777,709 651,628,357 670,354,584 721,578,002 687,930,857 764,614,686 806,721,771 860,017,745 935,597,880 Total Claims 2,454,808,343 2,517,406,200 2,697,290,771 2,829,284,728 3,004,730,384 3,082,268,024 3,259,906,574 3,466,033,082 3,738,335,910 3,945,782,064 Administrative Costs 165,480,561 161,401,639 148,134,913 168,416,645 179,826,450 201,563,997 216,745,609 222,426,673 228,276,489 234,300,671 Extra EGWP+Wrap Administration								4 4 4 7			
Total Claims		628.032.853	682,777,709	651,628,357	670.354.584	721,578,002					
Administrative Costs Administrative Costs ACR Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 281,240,475 175,070,094 65,561,583 (70,641,466) (62,539,199) (138,587,859) (242,292,234) (247,239,115) 22,077,623 Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY UTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	,	,,		,		,					
ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,184,556,834 3,298,486,325 3,482,658,500 3,688,459,755 3,966,612,399 4,180,082,735 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (62,539,199) (138,587,859) (242,292,234) (247,239,115) 22,077,623 Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Target Stabilization Reserve 7,5% 8,0% 8,5% 9,0% 10,644,640 10,624,704 10,624,734,161) 10,624,734,161) 10,626 10,634,632 10,641,654,620 10,641,661 10											
Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,184,556,834 3,298,486,325 3,482,658,500 3,688,459,755 3,966,612,399 4,180,082,735 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (62,539,199) (138,587,859) (242,292,234) (247,239,115) 22,077,623 Beginning Cash Balance (Deflott) Ending Cash Balance (Deflott) Ending Cash Balance (Deflott) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY 1SR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 11 Increase 17 I		165,480,561	161,401,639	148,134,913	168,416,645	179,826,450			222,426,673	228,276,489	234,300,671
Total Plan Expense 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,184,556,834 3,298,486,325 3,482,658,500 3,688,459,755 3,966,612,399 4,180,082,735 Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (62,539,199) (138,587,859) (242,292,234) (247,239,115) 22,077,623 Beginning Cash Balance (Deflott) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 Ending Cash Balance (Deflott) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR 64,100,033 699,599,542 631,014,392 479,111,392 222,176,000 (47,314,161) (41,443,023) 664,395,455 571,331,337 495,120,599 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0				-	-	-	14,654,704	6,006,318	-	-	-
Plan Income (Loss) 232,391,259 281,240,475 175,070,094 65,561,583 (70,641,466) (62,539,199) (138,587,859) (242,292,234) (247,239,115) 22,077,623 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR 564,395,458 571,331,337 495,120,599 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		-		-	-	-	-	-	-	-	-
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY 1SR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Total Plan Expense	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,184,556,834	3,298,486,325	3,482,658,500	3,688,459,755	3,966,612,399	4,180,082,735
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR 564,395,458 571,331,337 495,120,599 Target Stabilization Reserve - FY (20%) 664,395,458 571,331,337 495,120,599 Target Stabilization Reserve - FY (20%) 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Plan Income (Loss)	232,391,259	281,240,475	175,070,094	65,561,583	(70,641,466)	(62,539,199)	(138,587,859)	(242,292,234)	(247,239,115)	22,077,623
Ending Cash Balance (Deficit) 502,247,471 783,487,946 958,558,040 1,024,119,623 953,478,157 890,938,958 752,351,100 510,058,865 262,819,750 284,897,373 Target Stabilization Reserve - FY (9%) Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY LTR 564,395,458 571,331,337 495,120,599 Target Stabilization Reserve - FY (20%) 664,395,458 571,331,337 495,120,599 Target Stabilization Reserve - FY (20%) 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	' '										
Target Stabilization Reserve - FY (9%) 184,110,626 201,392,496 222,593,914 240,019,590 253,878,615 259,924,566 273,239,707 287,882,865 310,133,911 326,340,396 Legislative Target Reserve - FY (20%) 359,724,165 382,146,820 395,818,359 784,100,033 699,599,542 631,014,392 479,111,392 222,176,000 (47,314,161) (41,443,023) 479,111,392											
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Ending Cash Balance (Deficit)	502,247,471	783,487,946	958,558,040	1,024,119,623	953,478,157	890,938,958	752,351,100	510,058,865	262,819,750	284,897,373
Legislative Target Reserve - FY (20%) Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Target Stabilization Reserve - FY (9%)	184.110.626	201.392.496	222.593.914	240.019.590	253.878.615	259,924,566	273,239,707	287.882.865	310.133.911	326.340.396
Cash Balance Over FY TSR Cash Balance Over FY TSR Cash Balance Over FY LTR Cash Balance Over FY LTR Target Stabilization Reserve 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		,,	20.,002,400	222,000,014				2.0,200,101	25.,552,550	5.5,.55,511	525,545,656
Cash Balance Over FY LTR 664,395,458 571,331,337 495,120,599 Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0								479 111 392	222 176 000	(47 314 161)	(41,443,023)
Target Stabilization Reserve % 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0								415,111,032	222,170,000	(41,514,101)	(41,440,020)
7/I Increase 7/I Increase 1/I I		7.5%	8.0%	8.5%				9.0%	9.0%	9.0%	9.0%
ER Premium Increase: 5.3% 5.3% 0.00% 0.00% 3.47% 3.41% 3.14% 13.64% 13.64%	% of Expenses in Cash Reserve				34.2%	29.9%	27.0%	21.6%	13.8%	6.6%	6.8%
214 1 214 1		7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase						
EE Premium increase: 5.3% 5.3% 0.00% 0.00% 2.83% 3.43% 3.14% 3.14% 13.64% 13.64%		0.070	0.074	0.0010	0.0076	41-71 74	917176	0.1777	4.1-7.4	10.0770	10.0476
	EE Premium Increase:	5.3%	5.3%	0.00%	0.00%	2.83%	3.43%	3.14%	3.14%	13.64%	13.64%

★ Segal Consulting