



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES

# November 2015 Financial Report

*Board of Trustees Meeting*

**Informational Report**

January 26, 2016

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*A Division of the Department of State Treasurer*

# Financial Results: Actual vs. Budgeted

## Calendar Year to Date November 2015

Calendar Year 2015	Actual thru Nov 2015	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
<b>Beginning Cash Balance</b>	<b>\$1.015 b</b>	<b>\$1.015 b</b>	<b>\$0.0 m</b>
Plan Revenue	\$2.788 b	\$2.781 b	\$6.9 m
Net Claims Payments	\$2.483 b	\$2.521 b	(\$37.6 m)
Medicare Advantage Premiums	\$157.7 m	\$159.5 m	(\$1.8 m)
Net Administrative Expenses	\$153.9 m	\$221.4 m	(\$67.5 m)
<b>Total Plan Expenses</b>	<b>\$2.795 b</b>	<b>\$2.902 b</b>	<b>(\$106.9 m)</b>
<b>Net Income/(Loss)</b>	<b>(\$7.7 m)</b>	<b>(\$121.5 m)</b>	<b>\$113.8 m</b>
<b>Ending Cash Balance</b>	<b>\$1.007 b</b>	<b>\$893.3 m</b>	<b>\$113.8 m</b>

# Adjusted Variance Report

## Calendar Year to Date November 2015

Calendar Year 2015	Actual thru Nov 2015, As Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$2.788 b</b>	<b>\$2.781 b</b>	<b>\$7.0 m</b>
Net Claims Payments ^	\$2.487 b	\$2.521 b	(\$34.1 m)
Medicare Advantage Premiums	\$157.7 m	\$159.5 m	(\$1.8 m)
Net Administrative Expenses *	\$162.8 m	\$221.4 m	(\$58.6 m)
<b>Total Plan Expenses</b>	<b>\$2.808 b</b>	<b>\$2.902 b</b>	<b>(\$94.5 m)</b>
<b>Net Income/(Loss)</b>	<b>(\$20.0 m)</b>	<b>(\$121.5 m)</b>	<b>\$101.5 m</b>

\* Adjusted for timing issues.

^ Adjusted for timing issues on pharmacy rebates and to exclude unbudgeted credits against pharmacy claims.

# Financial Results Actual vs. Budgeted

## Calendar Year to Date November 2015

### *Per Member Per Month (PMPM) Analysis*

<b>Calendar Year 2015</b>	<b>Actual thru Nov 2015</b>	<b>Authorized Budget (per Segal 4-28-15)</b>	<b>Variance Over/(Under) Budget</b>
<b>Plan Revenue</b>	<b>\$369.40</b>	<b>\$369.35</b>	<b>\$0.05</b>
Net Claims Payments	\$329.84	\$335.13	(\$5.29)
Medicare Advantage Premiums	\$20.94	\$21.20	(\$0.26)
Net Administrative Expenses	\$20.44	\$29.44	(\$9.00)
<b>Total Plan Expenses</b>	<b>\$371.22</b>	<b>\$385.77</b>	<b>(\$14.55)</b>
<b>Net Income/(Loss)</b>	<b>(\$1.82)</b>	<b>(\$16.42)</b>	<b>\$14.60</b>

Comparing actual results to the budget projection on a PMPM basis helps correct for changes in membership that occurred during the year.

# Adjusted Variance Report

## Calendar Year to Date November 2015

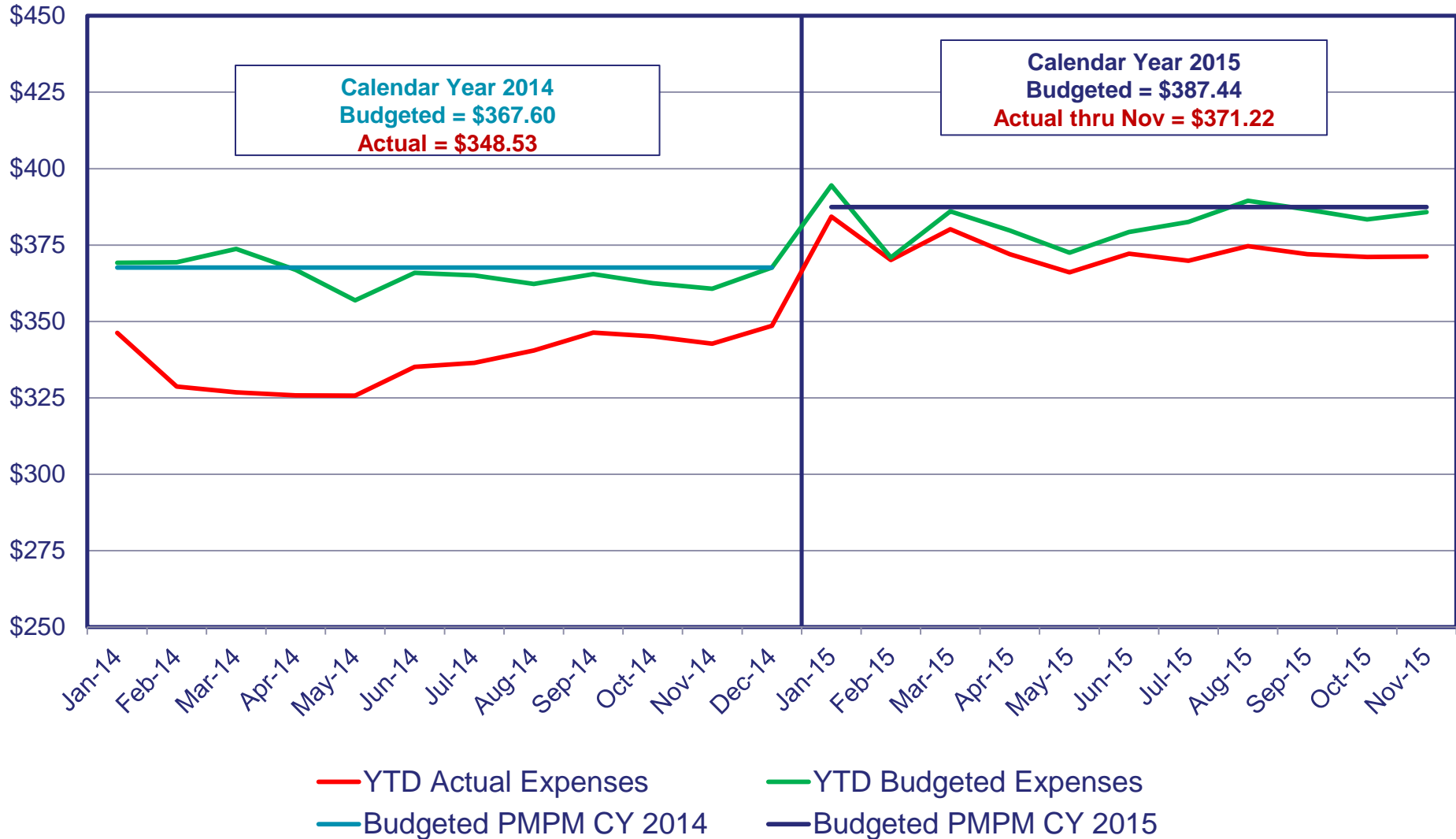
### *Per Member Per Month (PMPM) Analysis*

Calendar Year 2015	Actual thru Nov 2015, as Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$369.42</b>	<b>\$369.35</b>	<b>\$0.07</b>
Net Claims Payments ^	\$330.30	\$335.13	(\$4.83)
Medicare Advantage Premiums	\$20.94	\$21.20	(\$0.26)
Net Administrative Expenses *	\$21.62	\$29.44	(\$7.82)
<b>Total Plan Expenses</b>	<b>\$372.86</b>	<b>\$385.77</b>	<b>(\$12.91)</b>
<b>Net Income/(Loss)</b>	<b>(\$3.44)</b>	<b>(\$16.42)</b>	<b>\$12.98</b>

\* Adjusted for timing issues.

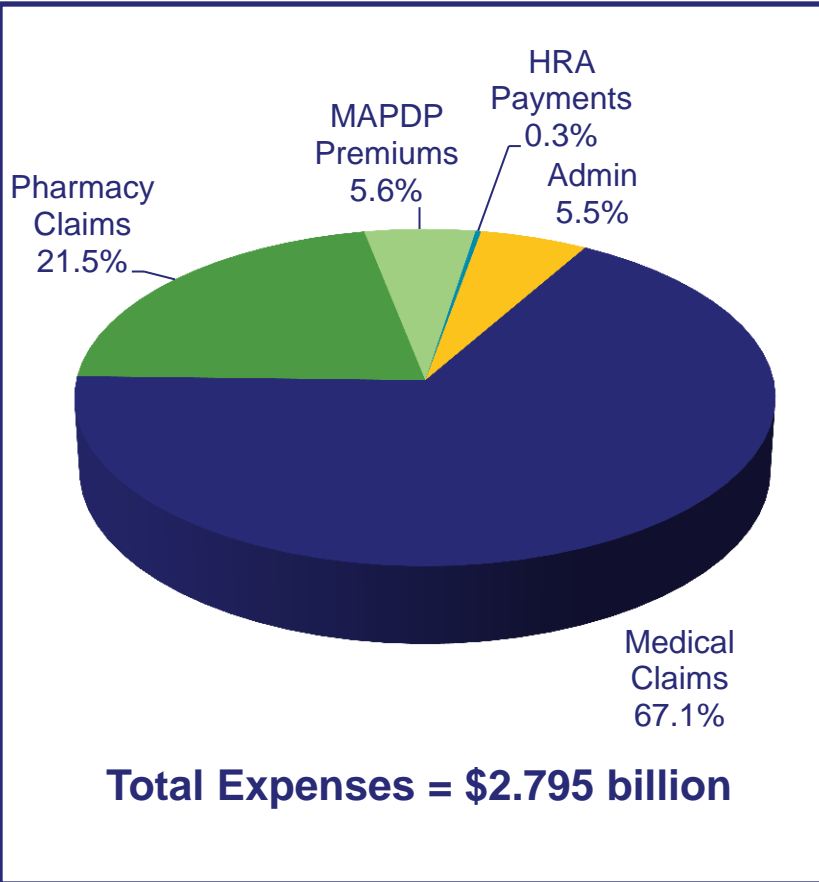
^ Adjusted for timing issues on pharmacy rebates and to exclude unbudgeted credits against pharmacy claims.

# Plan Year to Date (YTD) Expenditure Trend Per Member Per Month

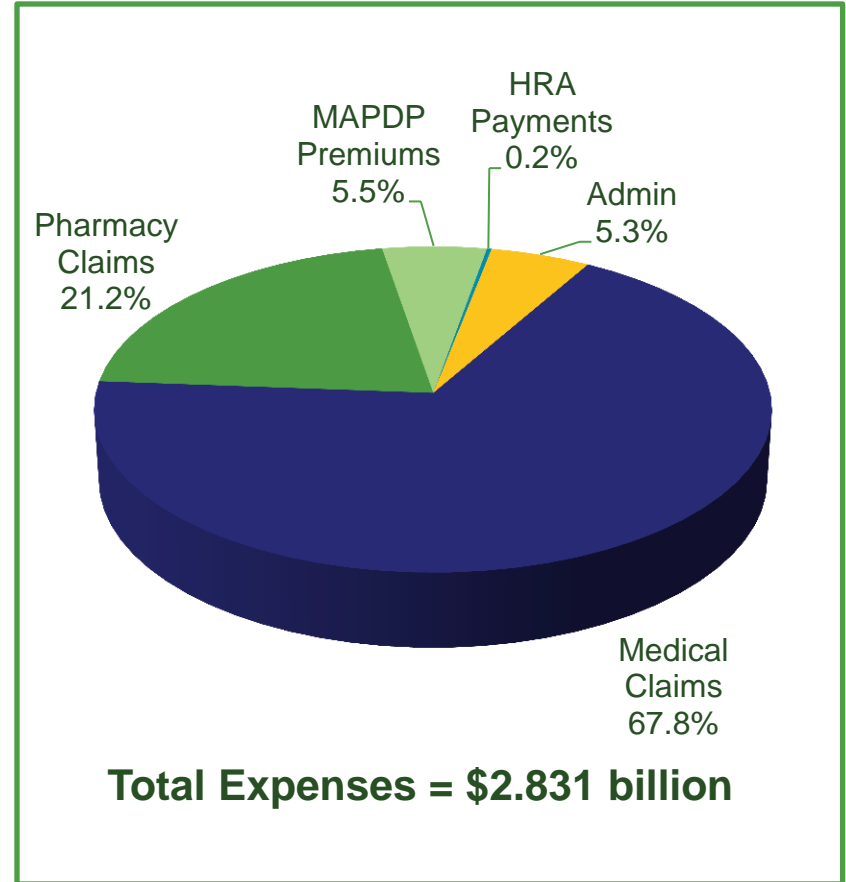


# Allocation of Total Expenditures

Calendar Year To Date: Nov 2015



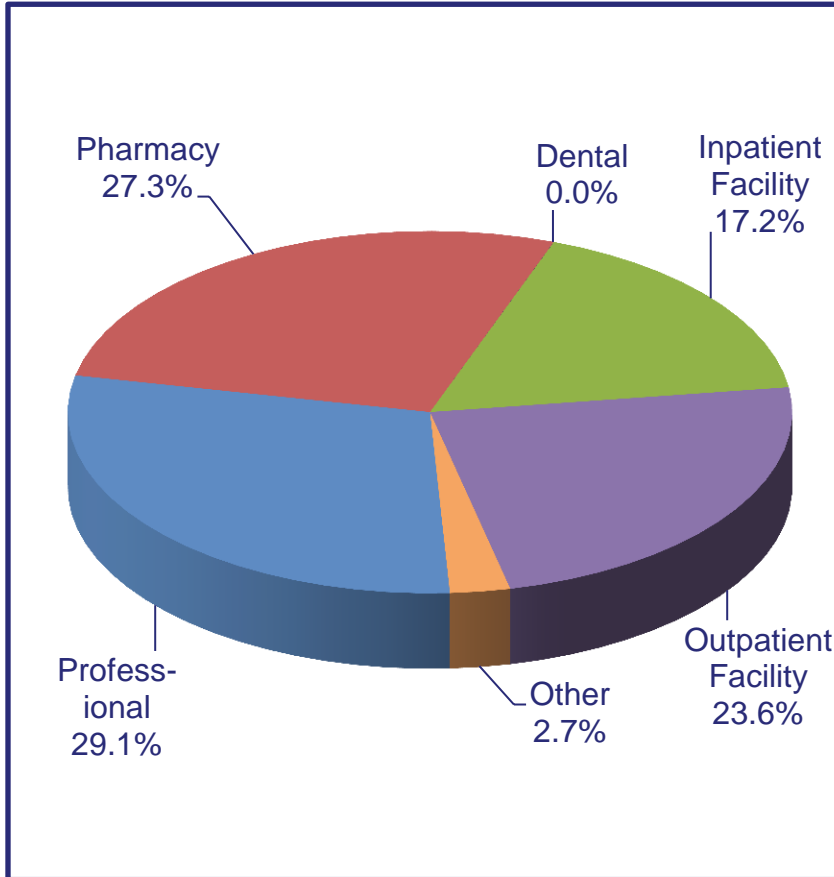
Calendar Year 2014



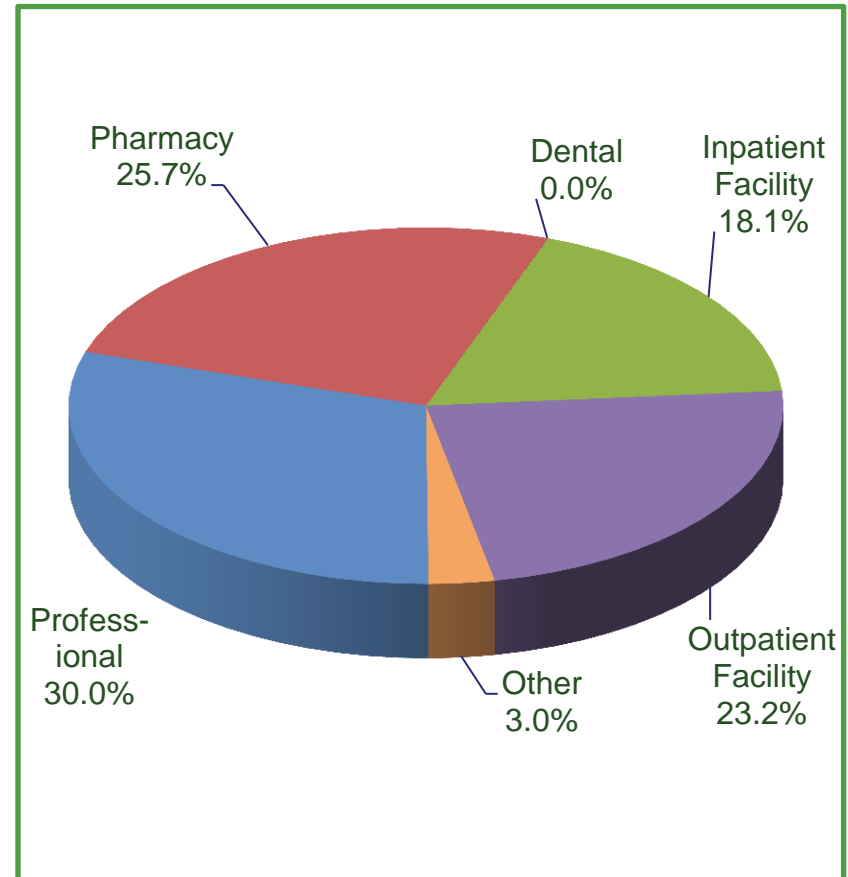
Sources: BCBSNC Net Disbursements reports; Financial Status Reports

# Allocation of Claims Expenditures Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Nov 2015



Calendar Year 2014



Source: BCBSNC Summary of Billed Charges



North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)

Consolidated Report, Actual vs. Authorized Budget

For the Month Ended November 2015

Calendar Year 2015

	A	B	C	D	E	F	G	H
	Actual November 2015	Authorized Budget November 2015	Monthly Variance Over/(Under) Authorized Budget	Actual 2015 Calendar Year To Date	4/28/2015 Authorized Budget 2015 Calendar Year to Date	Calendar Year to Date Variance Over/(Under) Auth. Budget	4/28/2015 Calendar Year Authorized Budget (Jan-Dec 2015)	Calendar Year to Date Variance Over/(Under) Annual Auth. Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 244,172,640	\$ 248,321,115	\$ (4,148,475)	\$ 2,714,755,865	\$ 2,715,697,149	\$ (941,284)	\$ 2,963,937,832	\$ (249,181,967)
4 Premium Refunds/Retroactive Disenrollments	-	(124,550)	124,550	(5,343)	(1,362,148)	1,356,805	(1,486,657)	1,481,314
5 Medicare Part D (RDS) Subsidy	1,399,605	1,257,105	142,500	17,951,576	13,375,133	4,576,443	14,587,080	3,364,496
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	48,603,406	48,602,498	908	48,602,498	908
7 Medicare Advantage (MA) Subsidy	39,524	69,403	(29,879)	794,027	759,522	34,505	828,983	(34,956)
8 Net Premium & Other Contributions	245,611,769	249,523,073	(3,911,304)	2,782,099,531	2,777,072,154	5,027,377	3,026,469,736	(244,370,205)
9								
10 Investment Earnings	533,137	302,699	230,438	5,458,483	3,578,740	1,879,743	3,871,779	1,586,704
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	533,137	302,699	230,438	5,458,483	3,578,740	1,879,743	3,871,779	1,586,704
13								
14 Total Plan Revenue (excludes internal transfers)	246,144,906	249,825,772	(3,680,866)	2,787,558,014	2,780,650,894	6,907,120	3,030,341,515	(242,783,501)
15								
16 <b>Plan Expenses:</b>								
17								
18 Medical Claim Payments	183,912,430	199,569,916	(15,657,486)	1,903,685,405	1,966,896,938	(63,211,533)	2,128,799,496	(225,114,091)
19 Medical Claim Refunds/Recoveries	(2,078,717)	(2,114,615)	35,898	(21,689,979)	(23,013,958)	1,323,979	(25,072,202)	3,382,223
20 Net Medical Claims	181,833,713	197,455,301	(15,621,588)	1,881,995,426	1,943,882,980	(61,887,554)	2,103,727,294	(221,731,868)
21								
22 Pharmacy Claim Payments	92,268,089	55,818,357	36,449,732	703,129,774	634,365,467	68,764,307	718,955,282	(15,825,508)
23 Pharmacy Claim Rebates	(41,631,055)	(11,772,659)	(29,858,396)	(96,193,453)	(57,020,841)	(39,172,612)	(57,020,841)	(39,172,612)
24 Pharmacy Claim Refunds/Recoveries	(4,301)	-	(4,301)	(5,313,234)	-	(5,313,234)	-	(5,313,234)
25 Net Pharmacy Claims	50,632,733	44,045,698	6,587,035	601,623,087	577,344,626	24,278,461	661,934,441	(60,311,354)
26								
27 Net Claim Payments	232,466,446	241,500,999	(9,034,553)	2,483,618,513	2,521,227,606	(37,609,093)	2,765,661,735	(282,043,222)
28								
29 Medicare Advantage Premium Payments	14,339,521	14,560,176	(220,655)	157,675,745	159,499,835	(1,824,090)	174,072,089	(16,396,344)
30								
31 Net Administrative Expenses	8,683,735	24,056,722	(15,372,987)	153,936,735	221,456,696	(67,519,961)	239,864,700	(85,927,965)
32								
33 Total Plan Expenses (excludes internal transfers)	255,489,702	280,117,897	(24,628,195)	2,795,230,993	2,902,184,137	(106,953,144)	3,179,598,524	(384,367,531)
34								
35 <b>Plan Income/(Loss)</b>	(9,344,796)	(30,292,125)	20,947,329	(7,672,979)	(121,533,243)	113,860,264	(149,257,009)	141,584,030
36								
37 <b>Cash Availability:</b>								
38								
39 Beginning Cash Balance/(Deficit)	1,016,519,163	923,606,228	92,912,935	1,014,847,346	1,014,847,346	-	1,014,847,346	-
40 Ending Cash Balance/(Deficit)	1,007,174,367	893,314,103	113,860,264	1,007,174,367	893,314,103	113,860,264	865,590,337	141,584,030
41								
42 Target Stabilization Reserve @ 12/31/15	248,909,557	248,909,557	-	248,909,557	248,909,557	-	248,909,557	-
43								
44 Cash Balance Over/(Under) Reserve Target	\$ 758,264,810	\$ 644,404,546	\$ 113,860,264	\$ 758,264,810	\$ 644,404,546	\$ 113,860,264	\$ 616,680,780	\$ 141,584,030

Comments:

- a. Premium receivables totaled \$1,277,639.56 as of November 30, 2015.
- b. The average weekly medical claims cost net of claims refunds was \$36,366,742.60 for the five scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$30,756,029.67 per cycle.
- d. The target stabilization reserve is 9% of the projected net claims for Calendar Year 2015.
- e. Minor differences compared to other reports are due to rounding.

North Carolina State Health Plan for Teachers and State Employees  
 Summary of Operations (Cash Basis)  
 Consolidated Report, Actual vs. Certified Budget  
 For the Month Ended November 2016  
 Fiscal Year 2015-2016

	A	B	C	D	E	F	G	H
	Actual November 2016	Certified Budget November 2016	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date FY 2015-16	10/13/2016 Certified Budget Year to Date FY 2015-16	Year to Date Variance Over/(Under) Certified Budget	10/13/2016 Annual Certified Budget FY 2015-16	Year to Date Variance Over/(Under) Annual Certified Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 244,172,640	\$ 248,463,191	\$ (4,290,551)	\$ 1,241,325,655	\$ 1,243,119,935	\$ (1,794,280)	\$ 3,031,630,846	\$ (1,790,305,191)
4 Premium Refunds/Retroactive Disenrollments	-	(124,589)	124,589	-	(623,348)	623,348	(1,523,909)	1,523,909
5 Medicare Part D (RDO) Subsidy	1,399,605	1,262,902	136,703	7,037,669	6,127,471	910,198	14,457,206	(7,419,537)
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	-	-
7 Medicare Advantage (MA) Subsidy	39,524	69,650	(30,126)	264,973	347,675	(82,702)	848,545	(583,572)
8 Net Premium & Other Contributions	245,611,788	248,671,164	(4,068,386)	1,248,628,297	1,248,871,738	(343,438)	3,046,412,688	(1,798,784,381)
9								
10 Investment Earnings	533,137	329,175	203,962	2,734,742	1,657,192	1,077,550	3,760,445	(1,025,703)
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	633,137	329,176	203,962	2,734,742	1,667,182	1,077,560	3,780,446	(1,026,703)
13								
14 Total Plan Revenue (excludes internal transfers)	248,144,808	250,000,328	(3,855,423)	1,261,363,038	1,260,828,826	734,114	3,048,173,133	(1,787,810,084)
15								
16 <b>Plan Expenses:</b>								
17								
18 Medical Claim Payments	183,912,430	199,139,377	(15,226,947)	875,738,258	903,950,364	(28,212,106)	2,152,322,381	(1,276,584,123)
19 Medical Claim Refunds/Recoveries	(2,078,717)	(2,123,592)	44,875	(7,965,903)	(10,761,014)	2,795,111	(25,761,279)	17,795,376
20 Net Medical Claims	181,833,713	197,016,785	(16,182,072)	887,772,366	893,189,360	(26,416,996)	2,126,561,102	(1,268,788,747)
21								
22 Pharmacy Claim Payments	92,268,089	58,304,774	33,963,315	357,784,223	317,991,707	39,792,516	802,956,864	(445,172,641)
23 Pharmacy Claim Rebates	(41,631,055)	(11,688,039)	(29,943,016)	(84,377,483)	(77,646,286)	(6,731,197)	(104,118,976)	19,741,493
24 Pharmacy Claim Refunds/Recoveries	(4,301)	-	(4,301)	(1,645,077)	-	(1,645,077)	-	(1,645,077)
25 Net Pharmacy Claims	50,632,733	46,616,735	4,016,998	271,761,663	240,345,421	31,416,242	698,837,888	(427,078,226)
26								
27 Net Claim Payments	232,466,446	243,632,620	(11,166,074)	1,138,634,018	1,133,634,771	5,009,247	2,826,388,990	(1,688,684,972)
28								
29 Medicare Advantage Premium Payments	14,338,621	14,328,270	10,351	72,234,464	71,612,708	721,748	181,078,680	(108,842,128)
30								
31 Net Administrative Expenses	8,683,736	24,068,881	(16,372,828)	68,638,823	87,772,087	(41,232,264)	244,262,193	(187,712,370)
32								
33 Total Plan Expenses (excludes internal transfers)	266,488,702	282,016,461	(26,626,748)	1,288,308,286	1,302,818,684	(34,611,288)	3,260,727,783	(1,862,418,488)
34								
35 Plan Income/(Loss)	(8,344,788)	(32,016,122)	22,870,328	(18,845,268)	(62,180,838)	36,245,383	(201,664,830)	184,808,374
36								
37 <b>Cash Availability:</b>								
38								
39 Beginning Cash Balance/(Deficit)	1,016,519,163	1,003,944,106	12,575,057	1,024,119,623	1,024,119,623	-	1,024,119,623	-
40 Ending Cash Balance/(Deficit)	1,007,174,367	971,828,984	36,246,383	1,007,174,367	971,828,984	36,246,383	822,684,993	184,808,374
41								
42 Target Stabilization Reserve @ 6/30/16	254,285,909	254,285,909	-	254,285,909	254,285,909	-	254,285,909	-
43								
44 Cash Balance Over/(Under) Reserve Target	\$ 752,888,458	\$ 717,843,076	\$ 36,246,383	\$ 752,888,458	\$ 717,843,076	\$ 36,246,383	\$ 688,278,084	\$ 184,808,374

Comments:

- Premium receivables totaled \$1,277,639.56 as of November 30, 2015.
- The average weekly medical claims cost net of claims refunds was \$36,366,742.60 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$30,756,029.67 per cycle.
- The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2015-16.
- Minor differences compared to other reports are due to rounding.

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)

Current Year Actual vs. Prior Year Actual

For the Month Ended November 2015

Calendar Year 2015

	A	B	C	D	E	F	G
	Current Year Actual November 2015	Prior Year Actual November 2014	Current Year to Date Actual CY 2015 thru November	Prior Year to Date Actual CY 2014 thru November	Current Year Authorized Annual Budget CY 2015	Prior Year Annual Budget CY 2014	Prior Year Actual Results CY 2014
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 244,172,640	\$ 244,430,403	\$ 2,714,755,865	\$ 2,681,711,150	\$ 2,963,937,832	\$ 2,921,878,532	\$ 2,952,592,141
4 Premium Refunds/Retroactive Disenrollments	-	-	(5,343)	(28,401)	(1,486,657)	(1,489,408)	(28,401)
5 Medicare Part D (RDS) Subsidy	1,399,605	2,321,961	17,951,576	20,326,396	14,587,080	6,344,076	21,584,404
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	48,603,406	28,378,401	48,602,498	31,047,005	28,378,401
7 Medicare Advantage (MA) Subsidy	39,524	76,717	794,027	649,586	828,983	-	721,773
8 Federal Early Retiree Reinsurance Program (ERRP)	-	(1,949)	-	(1,949)	-	-	(1,949)
9 <b>Net Premium &amp; Other Contributions</b>	<b>245,611,769</b>	<b>246,827,132</b>	<b>2,782,099,531</b>	<b>2,731,035,183</b>	<b>3,026,469,736</b>	<b>2,957,780,205</b>	<b>3,003,246,369</b>
10							
11 Investment Earnings	533,137	413,715	5,458,483	3,974,718	3,871,779	2,892,005	4,417,142
12 Miscellaneous Revenue	-	-	-	-	-	-	-
13 Other Revenue	533,137	413,715	5,458,483	3,974,718	3,871,779	2,892,005	4,417,142
14							
15 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>246,144,906</b>	<b>247,240,847</b>	<b>2,787,558,014</b>	<b>2,735,009,901</b>	<b>3,030,341,515</b>	<b>2,960,672,210</b>	<b>3,007,663,511</b>
16							
17 <b>Plan Expenses:</b>							
18							
19 Medical Claim Payments	183,912,430	150,895,281	1,903,685,405	1,777,879,533	2,128,799,496	2,062,826,346	1,949,838,964
20 Medical Claim Refunds/Recoveries	(2,078,717)	(2,037,534)	(21,689,979)	(21,123,612)	(25,072,202)	(25,469,051)	(22,731,740)
21 <b>Net Medical Claims</b>	<b>181,833,713</b>	<b>148,857,747</b>	<b>1,881,995,426</b>	<b>1,756,755,921</b>	<b>2,103,727,294</b>	<b>2,037,357,295</b>	<b>1,927,107,224</b>
22							
23 Pharmacy Claim Payments	92,268,089	54,036,740	703,129,774	613,312,862	718,955,282	599,541,594	698,129,098
24 Pharmacy Claim Rebates	(41,631,055)	(10,405,210)	(96,193,453)	(98,763,203)	(57,020,841)	(54,794,623)	(98,763,203)
25 Pharmacy Claim Refunds/Recoveries	(4,301)	(8,327)	(5,313,234)	91,788	-	-	(313,676)
26 <b>Net Pharmacy Claims</b>	<b>50,632,733</b>	<b>43,623,203</b>	<b>601,623,087</b>	<b>514,641,447</b>	<b>661,934,441</b>	<b>544,746,971</b>	<b>599,052,219</b>
27							
28 <b>Net Claim Payments</b>	<b>232,466,446</b>	<b>192,480,950</b>	<b>2,483,618,513</b>	<b>2,271,397,368</b>	<b>2,765,661,735</b>	<b>2,582,104,266</b>	<b>2,526,159,443</b>
29							
30 Medicare Advantage Premium Payments	14,339,521	12,919,472	157,675,745	143,622,842	174,072,089	174,162,733	155,497,950
31							
32 <b>Net Administrative Expenses</b>	<b>8,683,735</b>	<b>10,718,302</b>	<b>153,936,735</b>	<b>136,317,059</b>	<b>239,864,700</b>	<b>179,815,010</b>	<b>149,605,909</b>
33							
34 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>255,489,702</b>	<b>216,118,724</b>	<b>2,795,230,993</b>	<b>2,551,337,269</b>	<b>3,179,598,524</b>	<b>2,936,082,009</b>	<b>2,831,263,302</b>
35							
36 <b>Plan Income/(Loss)</b>	<b>(9,344,796)</b>	<b>31,122,123</b>	<b>(7,672,979)</b>	<b>183,672,632</b>	<b>(149,257,009)</b>	<b>24,590,201</b>	<b>176,400,209</b>
37							
38 <b>Cash Availability:</b>							
39							
40 Beginning Cash Balance/(Deficit)	1,016,519,163	990,997,646	1,014,847,346	838,447,137	1,014,847,346	694,975,133	838,447,137
41 Ending Cash Balance/(Deficit)	1,007,174,367	1,022,119,769	1,007,174,367	1,022,119,769	865,590,337	719,565,334	1,014,847,346
42							
43 Target Stabilization Reserve @ 12/31	248,909,557	234,282,695	248,909,557	234,282,695	248,909,557	234,282,695	227,940,878
44							
45 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 758,264,810</b>	<b>\$ 787,837,074</b>	<b>\$ 758,264,810</b>	<b>\$ 787,837,074</b>	<b>\$ 616,680,780</b>	<b>\$ 485,282,639</b>	<b>\$ 786,906,468</b>

Comments:

a. Minor differences compared to other reports are due to rounding

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)

Current Year Actual vs. Prior Year Actual

For the Month Ended November 2015

Fiscal Year 2015-2016

	A	B	C	D	E	F	G
	Current Year Actual November 2015	Prior Year Actual November 2014	Current Year to Date Actual FY 2015-16 thru November	Prior Year to Date Actual FY 2014-15 thru November	Current Year Certified Annual Budget FY 2015-16	Prior Year Annual Budget FY 2014-15	Prior Year Actual Results FY 2014-15
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 244,172,640	\$ 244,430,403	\$ 1,241,325,655	\$ 1,243,191,472	\$ 3,031,630,846	\$ 2,937,906,736	\$ 2,987,502,673
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(6,016)	(1,523,909)	(1,478,664)	(11,359)
5 Medicare Part D (RDS) Subsidy	1,399,605	2,321,961	7,037,669	7,418,856	14,457,206	6,276,386	19,590,771
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	1,680,417	-	33,414,689	50,283,823
7 Medicare Advantage (MA) Subsidy	39,524	76,717	264,973	232,021	848,545	-	833,262
8 Federal Early Retiree Reinsurance Program (ERRP)	-	(1,949)	-	(1,949)	-	-	(1,949)
9 Net Premium & Other Contributions	245,611,769	246,827,132	1,248,628,297	1,252,514,801	3,045,412,688	2,976,119,147	3,058,197,221
10							
11 Investment Earnings	533,137	413,715	2,734,742	1,899,570	3,760,445	3,933,340	5,065,735
12 Miscellaneous Revenue	-	-	-	-	-	-	-
13 Other Revenue	533,137	413,715	2,734,742	1,899,570	3,760,445	3,933,340	5,065,735
14							
15 Total Plan Revenue (excludes internal transfers)	246,144,906	247,240,847	1,251,363,039	1,254,414,371	3,049,173,133	2,980,052,487	3,063,262,956
16							
17 <b>Plan Expenses:</b>							
18							
19 Medical Claim Payments	183,912,430	150,895,281	875,738,258	821,462,600	2,152,322,381	1,995,716,227	2,021,369,178
20 Medical Claim Refunds/Recoveries	(2,078,717)	(2,037,534)	(7,965,903)	(9,507,224)	(25,761,279)	(23,520,519)	(24,839,428)
21 Net Medical Claims	181,833,713	148,857,747	867,772,355	811,955,376	2,126,561,102	1,972,195,708	1,996,529,750
22							
23 Pharmacy Claim Payments	92,268,089	54,036,740	357,784,223	295,448,217	802,956,864	686,943,428	725,610,004
24 Pharmacy Claim Rebates	(41,631,055)	(10,405,210)	(84,377,483)	(39,298,739)	(104,118,976)	(74,166,940)	(51,114,709)
25 Pharmacy Claim Refunds/Recoveries	(4,301)	(8,327)	(1,645,077)	(67,090)	-	-	(4,140,711)
26 Net Pharmacy Claims	50,632,733	43,623,203	271,761,663	256,082,388	698,837,888	612,776,488	670,354,584
27							
28 Net Claim Payments	232,466,446	192,480,950	1,139,534,018	1,068,037,764	2,825,398,990	2,584,972,196	2,666,884,334
29							
30 Medicare Advantage Premium Payments	14,339,521	12,919,472	72,234,454	65,083,995	181,076,580	163,281,044	162,400,394
31							
32 Net Administrative Expenses	8,683,735	10,718,302	56,539,823	57,730,883	244,252,193	223,971,245	168,416,645
33							
34 Total Plan Expenses (excludes internal transfers)	255,489,702	216,118,724	1,268,308,295	1,190,852,642	3,250,727,763	2,972,224,485	2,997,701,373
35							
36 <b>Plan Income/(Loss)</b>	(9,344,796)	31,122,123	(16,945,256)	63,561,729	(201,554,630)	7,828,002	65,561,583
37							
38 <b>Cash Availability:</b>							
39							
40 Beginning Cash Balance/(Deficit)	1,016,519,163	990,997,646	1,024,119,623	958,558,040	1,024,119,623	958,558,040	958,558,040
41 Ending Cash Balance/(Deficit)	1,007,174,367	1,022,119,769	1,007,174,367	1,022,119,769	822,564,993	966,386,042	1,024,119,623
42							
43 Target Stabilization Reserve @ 6/30	254,285,909	232,647,498	254,285,909	232,647,498	254,285,909	232,647,498	240,019,590
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 752,888,458	\$ 789,472,271	\$ 752,888,458	\$ 789,472,271	\$ 568,279,084	\$ 733,738,544	\$ 784,100,033

Comments:

a. Minor differences compared to other reports are due to rounding

North Carolina State Health Plan for Teachers and State Employees  
 Summary of Operations (Cash Basis, as adjusted)  
 Consolidated Report, Actual vs. Budgeted  
 For the Month Ended November 2015  
 Calendar Year 2015

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru November	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Calendar Year to Date thru November	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 2,714,755,865	\$ 117,841	\$ 2,714,873,706	\$ 2,715,697,149	\$ (823,443)	-0.03%
4 Premium Refunds/Retroactive Disenrollments	(5,343)		(5,343)	(1,362,148)	1,356,805	-99.61%
5 Medicare Part D (RDS) Subsidy	17,951,576		17,951,576	13,375,133	4,576,443	34.22%
6 Medicare PDP (EGWP + Wrap) Subsidy	48,603,406		48,603,406	48,602,498	908	0.00%
7 Medicare Advantage (MA) Subsidy	794,027		794,027	759,522	34,505	4.54%
8 Net Premium & Other Contributions	2,782,099,531	117,841	2,782,217,372	2,777,072,154	5,145,218	0.19%
9						
10 Other Revenue	5,458,483		5,458,483	3,578,740	1,879,743	52.53%
11						
12 Total Plan Revenue (excludes internal transfers)	2,787,558,014	117,841	2,787,675,855	2,780,650,894	7,024,961	0.25%
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	1,881,995,426		1,881,995,426	1,943,882,980	(61,887,554)	-3.18%
17 Net Pharmacy Claims (Notes 3 thru 5)	601,623,087	3,519,051	605,142,138	577,344,626	27,797,512	4.81%
18 Net Claim Payments	2,483,618,513	3,519,051	2,487,137,564	2,521,227,606	(34,090,042)	-1.35%
19						
20 Medicare Advantage Premiums	157,675,745		157,675,745	159,499,835	(1,824,090)	-1.14%
21						
22 Net Administrative Expenses (Note 6)	153,936,735	8,882,861	162,819,596	221,456,696	(58,637,100)	-26.48%
23						
24 Total Plan Expenses (excludes internal transfers)	2,795,230,993	12,401,912	2,807,632,905	2,902,184,137	(94,551,232)	-3.26%
25						
26 <b>Plan Income/(Loss)</b>	(7,672,979)	(12,284,071)	(19,957,050)	(121,533,243)	101,576,193	-83.58%
27						
28 <b>Cash Availability:</b>						
29						
30 Beginning Cash Balance/(Deficit)	1,014,847,346		1,014,847,346	1,014,847,346	-	0.00%
31 Ending Cash Balance/(Deficit)	1,007,174,367	(12,284,071)	994,890,296	893,314,103	101,576,193	11.37%
32						
33 Target Stabilization Reserve @ 12/31/2015	248,909,557		248,909,557	248,909,557	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 758,264,810	\$ (12,284,071)	\$ 745,980,739	\$ 644,404,546	\$ 101,576,193	15.76%

**Adjustment Notes:**

1. Member premiums adjusted by \$25.8 million to include prepaid January premiums received in December 2014 (\$46.9 million) less a downward adjustment in the budget to account for the prepaid premiums (\$21.1 million).
2. Member premiums adjusted to exclude \$25.7 million in prepaid December premiums received in November.
3. Net pharmacy claims adjusted to exclude an unbudgeted \$1.6 million recovery from a class action law suit.
4. Net pharmacy claims reduced by \$30.8 million to exclude a third November pharmacy invoice that was budgeted for payment in December.
5. Net pharmacy claims increased by \$32.7 million to account for a rebate true-up payment received in excess of the budgeted true-up payment.
6. Administrative expenses adjusted to reflect normal invoice cycle.

North Carolina State Health Plan for Teachers and State Employees  
 Summary of Operations (Cash Basis, as adjusted)  
 Consolidated Report, Actual vs. Budgeted  
 For the Month Ended November 2015  
**Fiscal Year 2015-2016**

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru November	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru November	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 1,241,325,655	\$ (4,248,079)	\$ 1,237,077,576	\$ 1,243,119,935	\$ (6,042,359)	-0.49%
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(623,348)	623,348	-100.00%
5 Medicare Part D (RDS) Subsidy	7,037,669	-	7,037,669	6,127,471	910,198	14.85%
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	
7 Medicare Advantage (MA) Subsidy	264,973	-	264,973	347,675	(82,702)	-23.79%
8 Net Premium & Other Contributions	1,248,628,297	(4,248,079)	1,244,380,218	1,248,971,733	(4,591,515)	-0.37%
9						
10 Other Revenue	2,734,742	-	2,734,742	1,657,192	1,077,550	65.02%
11						
12 Total Plan Revenue (excludes internal transfers)	1,251,363,039	(4,248,079)	1,247,114,960	1,250,628,925	(3,513,965)	-0.28%
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	867,772,355	-	867,772,355	893,189,350	(25,416,995)	-2.85%
17 Net Pharmacy Claims (Notes 3 and 4)	271,761,663	(29,227,377)	242,534,286	240,345,421	2,188,865	0.91%
18 Net Claim Payments	1,139,534,018	(29,227,377)	1,110,306,641	1,133,534,771	(23,228,130)	-2.05%
19						
20 Medicare Advantage Premiums	72,234,454	-	72,234,454	71,512,706	721,748	1.01%
21						
22 Net Administrative Expenses (Note 5)	56,539,823	8,882,861	65,422,684	97,772,087	(32,349,403)	-33.09%
23						
24 Total Plan Expenses (excludes internal transfers)	1,268,308,295	(20,344,516)	1,247,963,779	1,302,819,564	(54,855,785)	-4.21%
25						
26 <b>Plan Income/(Loss)</b>	(16,945,256)	16,096,436	(848,820)	(52,190,639)	51,341,819	-98.37%
27						
28 <b>Cash Availability:</b>						
29						
30 Beginning Cash Balance/(Deficit)	1,024,119,623	-	1,024,119,623	1,024,119,623	-	0.00%
31 Ending Cash Balance/(Deficit)	1,007,174,367	16,096,436	1,023,270,803	971,928,984	51,341,819	5.28%
32						
33 Target Stabilization Reserve @ 6/30/16	254,285,909	-	254,285,909	254,285,909	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 752,888,458	\$ 16,096,436	\$ 768,984,894	\$ 717,643,075	\$ 51,341,819	7.15%

**Adjustment Notes:**

1. Member premiums adjusted to include \$21.4 million in prepaid July 2015 premiums received in June 2015.
2. Member premiums adjusted to exclude \$25.7 million in prepaid December premiums received in November.
3. Net pharmacy claims exclude an unbudgeted \$1.6 million recovery from a class action law suit.
4. Net pharmacy claims reduced by \$30.8 million to exclude a third November pharmacy invoice that was budgeted for payment in December.
5. Administrative expenses adjusted to reflect normal invoice cycle.

Adjusted Variance Report Based on Certified Budget  
 Fiscal Year to Date Through November 2015