



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

October 2016 Financial Report

Board of Trustees Meeting

December 1, 2016

A Division of the Department of State Treasurer

Financial Results: Actual vs. Budgeted

Calendar Year to Date October 2016

Calendar Year 2016	Actual thru Oct 2016	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Beginning Cash Balance	\$1.015 b	\$941.3 m	\$73.9 m
Plan Revenue	\$2.646 b	\$2.579 b	\$66.5 m
Net Claims Payments	\$2.438 b	\$2.463 b	(\$25.1 m)
Medicare Advantage Premiums	\$162.6 m	\$159.0 m	\$3.6 m
Net Administrative Expenses	\$145.2 m	\$205.3 m	(\$60.1 m)
Total Plan Expenses	\$2.746 b	\$2.827 b	(\$81.6 m)
Net Income/(Loss)	(\$100.3 m)	(\$248.4 m)	\$148.1 m
Ending Cash Balance	\$914.9 m	\$692.9 m	\$222.0 m

Adjusted Variance Report

Calendar Year to Date October 2016

Calendar Year 2016	Actual thru Oct 2016, As Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Plan Revenue *	\$2.663 b	\$2.579 b	\$84.1 m
Net Claims Payments ^	\$2.484 b	\$2.463 b	\$21.4 m
Medicare Advantage Premiums	\$162.6 m	\$159.0 m	\$3.6 m
Net Administrative Expenses †	\$154.3 m	\$205.3 m	(\$51.0 m)
Total Plan Expenses	\$2.801 b	\$2.827 b	(\$26.1 m)
Net Income/(Loss)	(\$138.2 m)	(\$248.4 m)	\$110.2 m

* Adjusted for timing issues and to exclude non-budgeted revenues.

^ Adjusted to exclude unbudgeted over-attainment in the pharmacy rebate true-up payment.

† Adjusted for timing issues.

Financial Results Actual vs. Budgeted

Calendar Year to Date October 2016

Per Member Per Month (PMPM) Analysis

Calendar Year 2016	Actual thru Oct 2016	Certified Budget <small>(per Segal 10-13-15)</small>	Variance Over/(Under) Budget
Plan Revenue	\$376.39	\$377.92	(\$1.53)
Net Claims Payments	\$348.49	\$360.71	(\$12.22)
Medicare Advantage Premiums	\$23.24	\$23.28	(\$0.04)
Net Administrative Expenses	\$20.76	\$30.06	(\$9.30)
Total Plan Expenses	\$392.49	\$414.05	(\$21.56)
Net Income/(Loss)	(\$16.10)	(\$36.13)	\$20.03

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 October 2016

Per Member Per Month (PMPM) Analysis

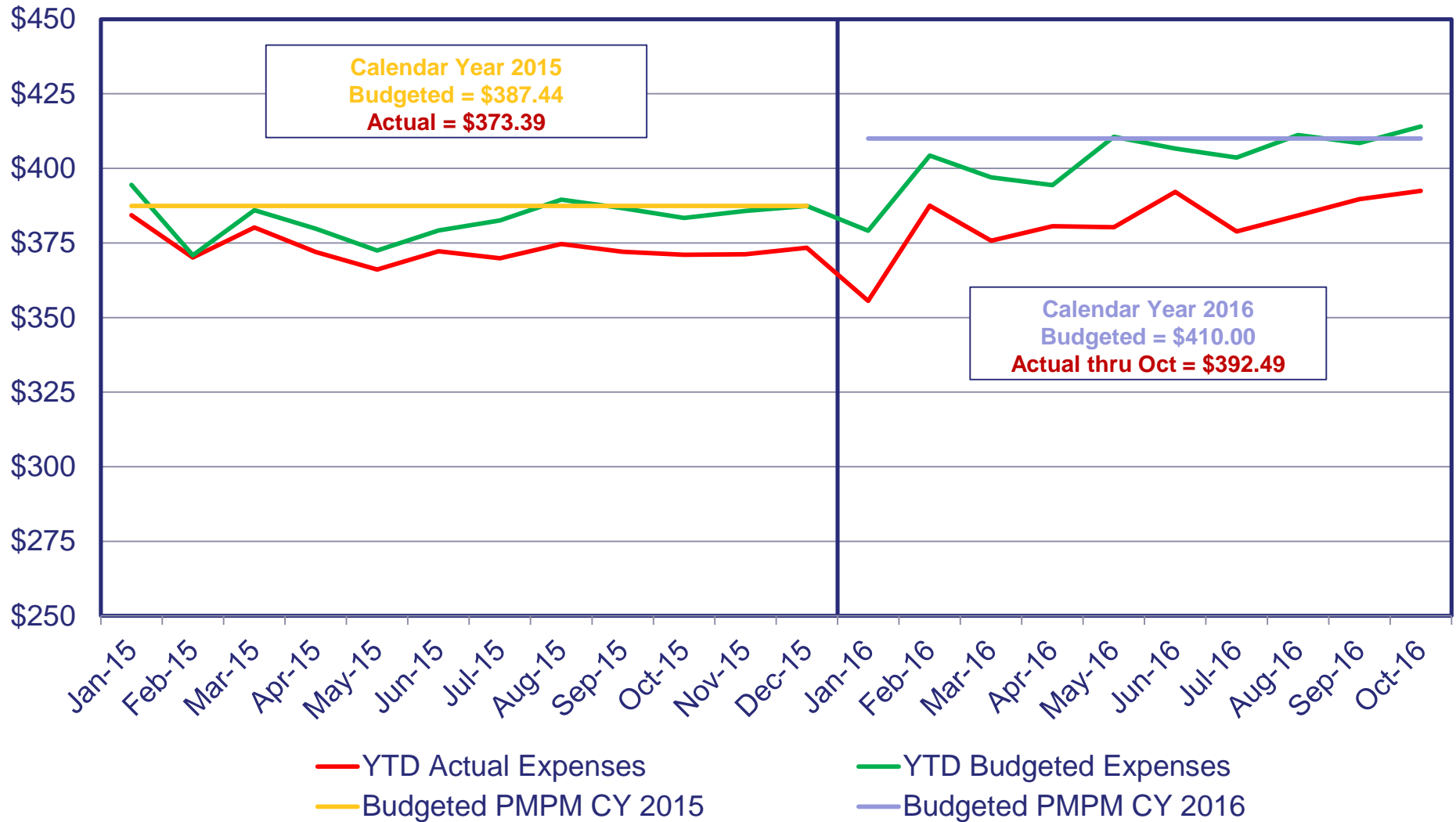
Calendar Year 2016	Actual thru Oct 2016, as Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Plan Revenue *	\$378.90	\$377.92	\$0.98
Net Claims Payments ^	\$355.14	\$360.71	(\$5.57)
Medicare Advantage Premiums	\$23.24	\$23.28	(\$0.04)
Net Administrative Expenses †	\$22.05	\$30.06	(\$8.01)
Total Plan Expenses	\$400.43	\$414.05	(\$13.62)
Net Income/(Loss)	(\$21.53)	(\$36.13)	\$14.60

* Adjusted for timing issues and to exclude non-budgeted revenues.

^ Adjusted to exclude unbudgeted over-attainment in the pharmacy rebate true-up payment.

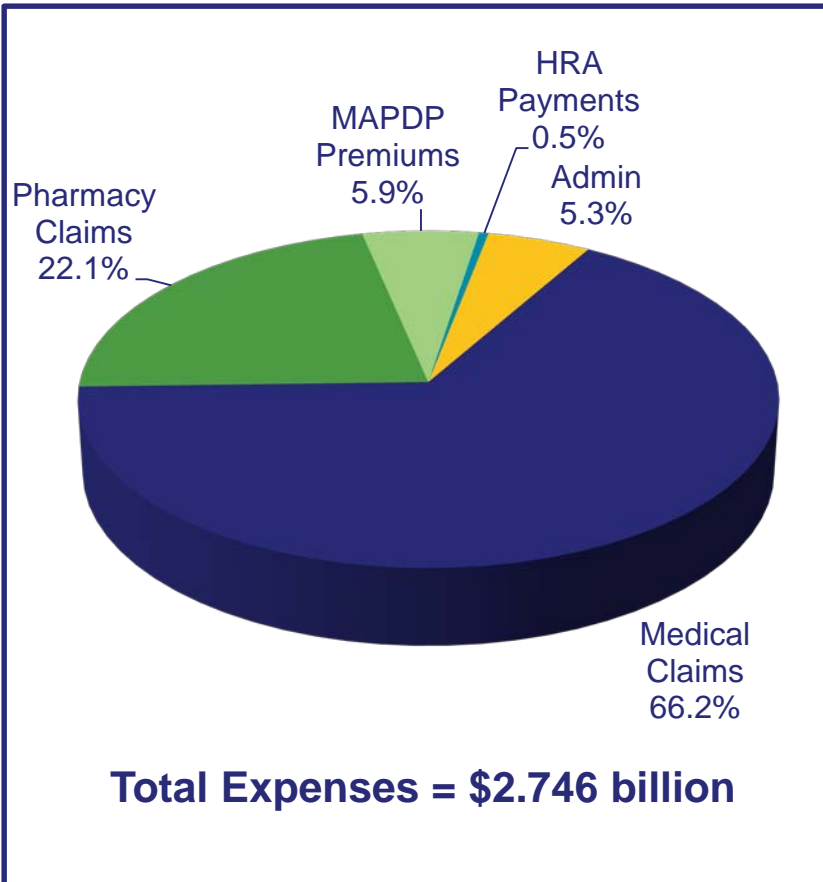
† Adjusted for timing issues.

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

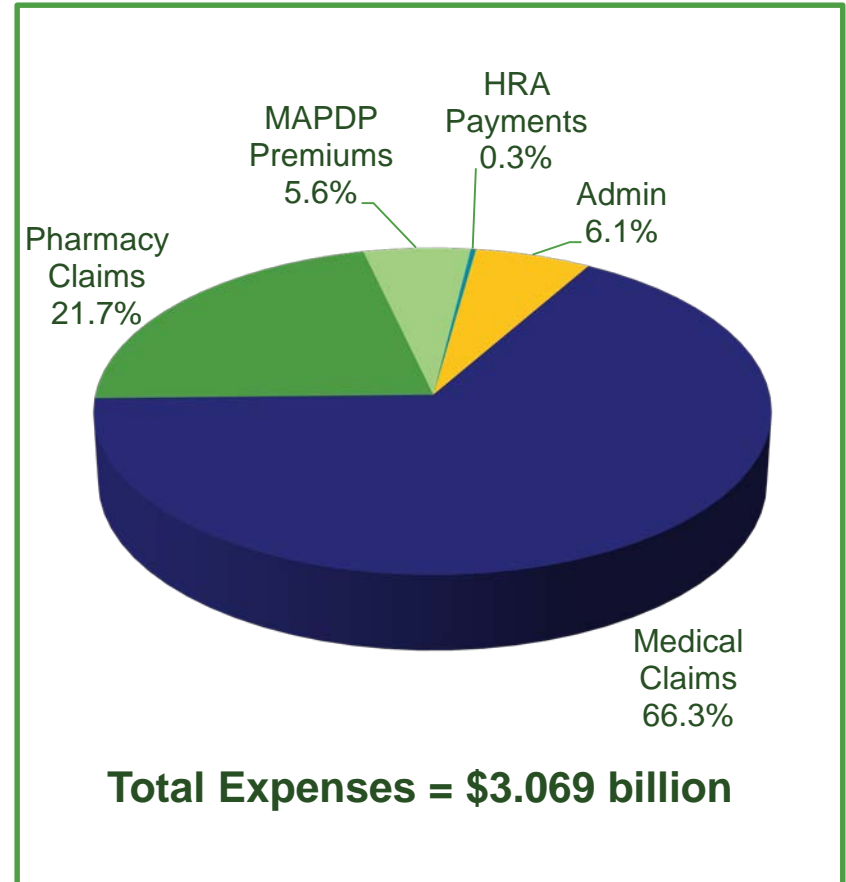


Allocation of Total Expenditures

Calendar Year To Date: Oct 2016



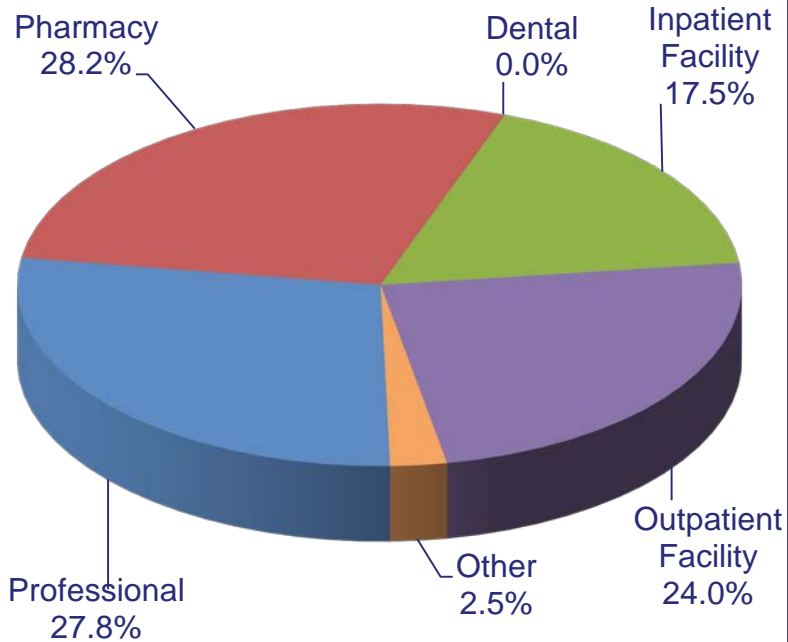
Calendar Year 2015



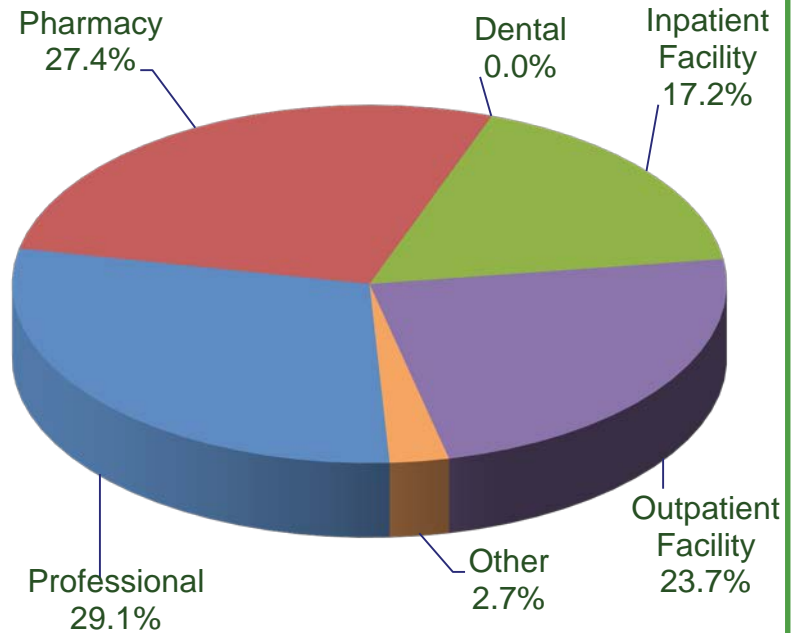
Sources: BCBSNC Net Disbursements reports; Financial Status Reports

Allocation of Claims Expenditures Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Oct 2016



Calendar Year 2015



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. Certified Budget
 For the Month Ended October 2016
 Calendar Year 2016

	A	B	C	D	E	F	G	H
	Actual October 2016	Certified Budget October 2016	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date CY 2016	10/13/2015 Certified Budget Year to Date CY 2016	Year to Date Variance Over/(Under) Certified Budget	10/13/2015 Annual Certified Budget CY 2016 (Jan-Dec 2016)	Year to Date Variance Over/(Under) Annual Certified Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 268,089,743	\$ 256,147,652	\$ 11,942,091	\$ 2,621,778,588	\$ 2,566,214,654	\$ 56,563,934	\$ 3,077,262,889	\$ (455,484,301)
4 Premium Refunds/Retroactive Disenrollments	-	(129,068)	129,068	-	(1,292,530)	1,292,530	(1,550,543)	1,550,543
5 Medicare Part D (RDS) Subsidy	-	1,212,551	(1,212,551)	16,030,146	11,792,506	4,237,640	14,177,803	1,852,343
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	453	-	453	-	453
7 Medicare Advantage (MA) Subsidy	107,936	72,640	35,296	694,014	721,360	(27,346)	866,820	(172,806)
8 Net Premium & Other Contributions	268,197,679	257,303,775	10,893,904	2,638,503,201	2,576,435,990	62,067,211	3,090,756,969	(452,253,768)
9								
10 Investment Earnings	584,389	240,891	343,498	7,199,933	2,813,392	4,386,541	3,269,599	3,930,334
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	584,389	240,891	343,498	7,199,933	2,813,392	4,386,541	3,269,599	3,930,334
13								
14 Total Plan Revenue (excludes internal transfers)	268,782,068	257,544,666	11,237,402	2,645,703,134	2,579,249,382	66,453,752	3,094,026,568	(448,323,434)
15								
16 Plan Expenses:								
17								
18 Medical Claim Payments	211,898,948	201,708,687	10,190,259	1,850,748,644	1,858,814,135	(8,065,491)	2,191,757,978	(341,009,332)
19 Medical Claim Refunds/Recoveries	(1,474,779)	(2,339,726)	864,947	(18,996,830)	(22,245,330)	3,248,500	(26,878,078)	7,879,249
20 Net Medical Claims	210,424,167	199,368,961	11,055,206	1,831,751,814	1,836,568,805	(4,816,991)	2,164,881,897	(333,130,083)
21								
22 Pharmacy Claim Payments	66,328,658	93,733,253	(27,404,595)	714,816,532	676,861,745	37,954,787	803,327,996	(88,511,464)
23 Pharmacy Claim Rebates	(13,756,708)	(11,855,277)	(1,901,431)	(106,013,894)	(50,098,630)	(55,915,264)	(50,098,630)	(55,915,264)
24 Pharmacy Claim Refunds/Recoveries	(16,141)	-	(16,141)	(2,369,174)	-	(2,369,174)	-	(2,369,174)
25 Net Pharmacy Claims	52,555,809	81,877,976	(29,322,167)	606,433,464	626,763,115	(20,329,651)	753,229,366	(146,795,902)
26								
27 Net Claim Payments	262,979,976	281,246,937	(18,266,961)	2,438,185,278	2,463,331,920	(25,146,642)	2,918,111,263	(479,925,985)
28								
29 Medicare Advantage Premium Payments	17,022,806	15,956,709	1,066,097	162,567,710	158,973,245	3,594,465	190,926,384	(28,358,674)
30								
31 Net Administrative Expenses	12,208,177	19,302,000	(7,093,823)	145,229,963	205,316,894	(60,086,931)	249,818,709	(104,588,746)
32								
33 Total Plan Expenses (excludes internal transfers)	292,210,959	316,505,646	(24,294,687)	2,745,982,951	2,827,622,059	(81,639,108)	3,358,856,356	(612,873,405)
34								
35 Plan Income/(Loss)	(23,428,891)	(58,960,980)	35,532,089	(100,279,817)	(248,372,677)	148,092,860	(264,829,788)	164,549,971
36								
37 Cash Availability:								
38								
39 Beginning Cash Balance/(Deficit)	938,367,102	751,858,483	186,508,619	1,015,218,028	941,270,180	73,947,848	941,270,180	73,947,848
40 Ending Cash Balance/(Deficit)	914,938,211	692,897,503	222,040,708	914,938,211	692,897,503	222,040,708	676,440,392	238,497,819
41								
42 Target Stabilization Reserve @ 12/31/16	262,630,014	262,630,014	-	262,630,014	262,630,014	-	262,630,014	-
43								
44 Cash Balance Over/(Under) Reserve Target	\$ 652,308,197	\$ 430,267,489	\$ 222,040,708	\$ 652,308,197	\$ 430,267,489	\$ 222,040,708	\$ 413,810,378	\$ 238,497,819

Comments:

- a. Premium receivables totaled \$908,160.19 as of October 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$42,084,833.40 for the five scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$33,164,329 per cycle.
- d. The target stabilization reserve is 9% of the projected net claims for Calendar Year 2016.
- e. Minor differences compared to other reports are due to rounding.

Actual vs Certified Budget (Segal 10-13-15 Projections)
 October - 2016 Calendar Year

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 October 2016
Fiscal Year 2016- 2017

	A	B	C	D	E	F	G	H
	Actual October 2016	Authorized Budget October 2016	Monthly Variance Over/(Under) Authorized Budget	Actual Year to Date FY 2016-17	7/15/2016 Authorized Budget Year to Date FY 2016-17	Year to Date Variance Over/(Under) Authorized Budget	7/15/2016 Annual Authorized Budget FY 2016-17	Year to Date Variance Over/(Under) Annual Authorized Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 268,089,743	\$ 263,904,625	\$ 4,185,118	\$ 1,053,940,062	\$ 1,056,111,995	\$ (2,171,933)	\$ 3,221,617,779	\$ (2,167,677,717)
4 Premium Refunds/Retroactive Disenrollments	-	(131,758)	131,758	-	(527,278)	527,278	(1,605,591)	1,605,591
5 Medicare Part D (RDS) Subsidy	-	1,393,689	(1,393,689)	7,221,279	5,801,465	1,419,814	14,582,214	(7,340,935)
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	-	-
7 Medicare Advantage (MA) Subsidy	107,936	99,412	8,524	282,421	397,153	(114,732)	1,205,817	(923,396)
8 Net Premium & Other Contributions	268,197,679	265,265,968	2,931,711	1,061,443,762	1,061,783,335	(339,573)	3,235,780,219	(2,174,336,457)
9								
10 Investment Earnings	584,389	298,686	285,703	3,120,736	1,252,318	1,868,418	3,479,377	(358,641)
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	584,389	298,686	285,703	3,120,736	1,252,318	1,868,418	3,479,377	(358,641)
13								
14 Total Plan Revenue (excludes internal transfers)	268,782,068	265,564,654	3,217,414	1,064,564,498	1,063,035,653	1,528,845	3,239,259,596	(2,174,695,098)
15								
16 Plan Expenses:								
17								
18 Medical Claim Payments	211,898,946	206,035,347	5,863,599	768,525,362	788,804,153	(20,278,791)	2,263,294,376	(1,494,769,014)
19 Medical Claim Refunds/Recoveries	(1,474,779)	(2,328,280)	853,481	(6,906,137)	(9,287,132)	2,380,995	(27,402,046)	20,495,909
20 Net Medical Claims	210,424,167	203,707,067	6,717,080	761,619,225	779,517,021	(17,917,796)	2,235,892,330	(1,474,273,105)
21								
22 Pharmacy Claim Payments	66,328,658	97,589,366	(31,260,708)	296,875,698	291,686,281	5,189,417	853,475,193	(556,599,495)
23 Pharmacy Claim Rebates	(13,756,708)	(15,946,265)	2,189,557	(76,497,099)	(31,779,416)	(44,717,683)	(129,854,210)	53,357,111
24 Pharmacy Claim Refunds/Recoveries	(16,141)	-	(16,141)	(106,690)	-	(106,690)	-	(106,690)
25 Net Pharmacy Claims	52,555,809	81,643,101	(29,087,292)	220,271,909	259,906,865	(39,634,956)	723,620,983	(503,349,074)
26								
27 Net Claim Payments	262,979,976	285,350,188	(22,370,212)	981,891,134	1,039,443,886	(57,552,752)	2,959,513,313	(1,977,622,179)
28								
29 Medicare Advantage Premium Payments	17,022,806	16,232,569	790,237	65,786,734	64,849,595	937,139	191,752,975	(125,966,241)
30								
31 Net Administrative Expenses	12,208,177	17,633,694	(5,425,517)	55,426,576	70,568,833	(15,142,257)	225,914,327	(170,487,751)
32								
33 Total Plan Expenses (excludes internal transfers)	292,210,959	319,216,451	(27,005,492)	1,103,104,444	1,174,862,314	(71,757,870)	3,377,180,615	(2,274,076,171)
34								
35 Plan Income/(Loss)	(23,428,891)	(53,651,797)	30,222,906	(38,539,946)	(111,826,661)	73,286,715	(137,921,019)	99,381,073
36								
37 Cash Availability:								
38								
39 Beginning Cash Balance/(Deficit)	938,367,102	923,908,923	14,458,179	953,478,157	982,083,787	(28,605,630)	982,083,787	(28,605,630)
40 Ending Cash Balance/(Deficit)	914,938,211	870,257,126	44,681,085	914,938,211	870,257,126	44,681,085	844,162,768	70,775,443
41								
42 Target Stabilization Reserve @ 6/30/17	266,356,198	266,356,198	-	266,356,198	266,356,198	-	266,356,198	-
43								
44 Cash Balance Over/(Under) Reserve Target	\$ 648,582,013	\$ 603,900,928	\$ 44,681,085	\$ 648,582,013	\$ 603,900,928	\$ 44,681,085	\$ 577,806,570	\$ 70,775,443

Comments:

- a. Premium receivables totaled \$908,160.19 as of October 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$42,084,833.40 for the five scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$33,164,329 per cycle.
- d. The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2016-17.
- 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)

Current Year Actual vs. Prior Year Actual

For the Month Ended October 2016

Calendar Year 2016

	A	B	C	D	E	F	G
	Current Year Actual October 2016	Prior Year Actual October 2015	Current Year to Date Actual CY 2016 thru October	Prior Year to Date Actual CY 2015 thru October	Current Year Certified Annual Budget CY 2016	Prior Year Annual Budget CY 2015	Prior Year Actual Results CY 2015
1 Plan Revenue:							
2							
3 Member Premiums	\$ 268,089,743	\$ 249,651,650	\$ 2,621,778,588	\$ 2,470,583,225	\$ 3,077,262,889	\$ 2,963,937,832	\$ 2,993,891,773
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(5,343)	(1,550,543)	(1,486,657)	(5,343)
5 Medicare Part D (RDS) Subsidy	-	2,293,598	16,030,146	16,551,971	14,177,803	14,587,080	19,484,823
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	453	48,603,406	-	48,602,498	48,603,406
7 Medicare Advantage (MA) Subsidy	107,936	33,202	694,014	754,503	866,820	828,983	959,319
8 Net Premium & Other Contributions	268,197,679	251,978,450	2,638,503,201	2,536,487,762	3,090,756,969	3,026,469,736	3,062,933,978
9							
10 Investment Earnings	584,389	575,432	7,199,933	4,925,346	3,269,599	3,871,779	6,037,729
11 Miscellaneous Revenue	-	(638)	-	-	-	-	-
12 Other Revenue	584,389	574,794	7,199,933	4,925,346	3,269,599	3,871,779	6,037,729
13							
14 Total Plan Revenue (excludes internal transfers)	268,782,068	252,553,244	2,645,703,134	2,541,413,108	3,094,026,568	3,030,341,515	3,068,971,707
15							
16 Plan Expenses:							
17							
18 Medical Claim Payments	211,898,946	163,304,331	1,850,748,644	1,719,772,975	2,191,757,976	2,128,799,496	2,067,095,284
19 Medical Claim Refunds/Recoveries	(1,474,779)	(1,419,068)	(18,996,830)	(19,611,262)	(26,876,079)	(25,072,202)	(23,709,307)
20 Net Medical Claims	210,424,167	161,885,263	1,831,751,814	1,700,161,713	2,164,881,897	2,103,727,294	2,043,385,977
21							
22 Pharmacy Claim Payments	66,328,658	60,180,997	714,816,532	610,861,685	803,327,996	718,955,282	766,818,503
23 Pharmacy Claim Rebates	(13,756,708)	-	(106,013,894)	(54,562,398)	(50,098,630)	(57,020,841)	(96,193,453)
24 Pharmacy Claim Refunds/Recoveries	(16,141)	(3,914)	(2,369,174)	(5,308,933)	-	-	(5,347,179)
25 Net Pharmacy Claims	52,555,809	60,177,083	606,433,464	550,990,354	753,229,366	661,934,441	665,277,871
26							
27 Net Claim Payments	262,979,976	222,062,346	2,438,185,278	2,251,152,067	2,918,111,263	2,765,661,735	2,708,663,848
28							
29 Medicare Advantage Premium Payments	17,022,806	14,533,005	162,567,710	143,336,224	190,926,384	174,072,089	172,517,202
30							
31 Net Administrative Expenses	12,208,177	11,841,577	145,229,963	145,253,000	249,818,709	239,864,700	187,419,975
32							
33 Total Plan Expenses (excludes internal transfers)	292,210,959	248,436,928	2,745,982,951	2,539,741,291	3,358,856,356	3,179,598,524	3,068,601,025
34							
35 Plan Income/(Loss)	(23,428,891)	4,116,316	(100,279,817)	1,671,817	(264,829,788)	(149,257,009)	370,682
36							
37 Cash Availability:							
38							
39 Beginning Cash Balance/(Deficit)	938,367,102	1,012,402,847	1,015,218,028	1,014,847,346	941,270,180	1,014,847,346	1,014,847,346
40 Ending Cash Balance/(Deficit)	914,938,211	1,016,519,163	914,938,211	1,016,519,163	676,440,392	865,590,337	1,015,218,028
41							
42 Target Stabilization Reserve @ 12/31	262,630,014	248,909,557	262,630,014	248,909,557	262,630,014	248,909,557	243,779,746
43							
44 Cash Balance Over/(Under) Reserve Target	\$ 652,308,197	\$ 767,609,606	\$ 652,308,197	\$ 767,609,606	\$ 413,810,378	\$ 616,680,780	\$ 771,438,282

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 October 2016

Fiscal Year 2016-2017

	A	B	C	D	E	F	G
	Current Year Actual October 2016	Prior Year Actual October 2015	Current Year to Date Actual FY 2016-17 thru October	Prior Year to Date Actual FY 2015-16 thru October	Current Year Authorized Annual Budget FY 2016-17	Prior Year Annual Budget FY 2015-16	Prior Year Actual Results FY 2015-16
1 Plan Revenue:							
2							
3 Member Premiums	\$ 268,089,743	\$ 249,651,850	\$ 1,053,940,062	\$ 997,153,015	\$ 3,221,617,779	\$ 3,031,630,846	\$ 3,088,300,089
4 Premium Refunds/Retroactive Disenrollments	-	-	-	-	(1,605,591)	(1,523,909)	-
5 Medicare Part D (RDS) Subsidy	-	2,293,598	7,221,279	5,638,064	14,562,214	14,457,206	17,379,783
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	453
7 Medicare Advantage (MA) Subsidy	107,936	33,202	282,421	225,449	1,205,817	848,545	841,858
8 Net Premium & Other Contributions	268,197,679	251,978,450	1,061,443,762	1,003,016,528	3,235,780,219	3,045,412,688	3,106,522,183
9							
10 Investment Earnings	584,389	575,432	3,120,736	2,201,605	3,479,377	3,760,445	7,393,185
11 Miscellaneous Revenue	-	(638)	-	-	-	-	-
12 Other Revenue	584,389	574,794	3,120,736	2,201,605	3,479,377	3,760,445	7,393,185
13							
14 Total Plan Revenue (excludes internal transfers)	268,782,068	252,553,244	1,064,564,498	1,005,218,133	3,239,259,596	3,049,173,133	3,113,915,368
15							
16 Plan Expenses:							
17							
18 Medical Claim Payments	211,898,946	163,304,331	768,525,362	691,825,828	2,263,294,376	2,152,322,381	2,121,371,419
19 Medical Claim Refunds/Recoveries	(1,474,779)	(1,419,068)	(6,906,137)	(5,887,186)	(27,402,046)	(25,761,279)	(22,075,924)
20 Net Medical Claims	210,424,167	161,885,263	761,619,225	685,938,642	2,235,892,330	2,126,561,102	2,099,295,495
21							
22 Pharmacy Claim Payments	66,328,658	60,180,997	296,875,698	265,516,134	853,475,193	802,956,864	839,413,786
23 Pharmacy Claim Rebates	(13,756,708)	-	(76,497,099)	(42,746,428)	(129,854,210)	(104,118,976)	(113,894,278)
24 Pharmacy Claim Refunds/Recoveries	(16,141)	(3,914)	(106,690)	(1,640,776)	-	-	(3,941,506)
25 Net Pharmacy Claims	52,555,809	60,177,083	220,271,909	221,128,930	723,620,983	698,837,888	721,578,002
26							
27 Net Claim Payments	262,979,976	222,062,346	981,891,134	907,067,572	2,959,513,313	2,825,398,990	2,820,873,497
28							
29 Medicare Advantage Premium Payments	17,022,806	14,533,005	65,786,734	57,894,933	191,752,975	181,076,580	183,856,887
30							
31 Net Administrative Expenses	12,208,177	11,841,577	55,426,576	47,856,088	225,914,327	244,252,193	179,826,450
32							
33 Total Plan Expenses (excludes internal transfers)	292,210,959	248,436,928	1,103,104,444	1,012,818,593	3,377,180,615	3,250,727,763	3,184,556,834
34							
35 Plan Income/(Loss)	(23,428,891)	4,116,316	(38,539,946)	(7,600,460)	(137,921,019)	(201,554,630)	(70,641,466)
36							
37 Cash Availability:							
38							
39 Beginning Cash Balance/(Deficit)	938,367,102	1,012,402,847	953,478,157	1,024,119,623	982,083,787	1,024,119,623	1,024,119,623
40 Ending Cash Balance/(Deficit)	914,938,211	1,016,519,163	914,938,211	1,016,519,163	844,162,768	822,564,993	953,478,157
41							
42 Target Stabilization Reserve @ 6/30	266,356,198	254,285,909	266,356,198	254,285,909	266,356,198	254,285,909	253,878,615
43							
44 Cash Balance Over/(Under) Reserve Target	\$ 648,582,013	\$ 762,233,254	\$ 648,582,013	\$ 762,233,254	\$ 577,806,570	\$ 568,279,084	\$ 699,599,542

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 October 2016
 Calendar Year 2016

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru October	Adjustments for Timing, Unusual & Overtime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru October	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 Plan Revenue:						
2						
3 Member Premiums (Notes 1 and 2)	\$ 2,621,778,588	\$ 18,654,512	\$ 2,640,433,100	\$ 2,565,214,654	\$ 75,218,446	2.93%
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(1,292,530)	1,292,530	-100.00%
5 Medicare Part D (RDS) Subsidy (Note 3)	18,030,148	(1,040,895)	14,989,451	11,792,506	3,196,945	27.11%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	453	(453)	-	-	-	
7 Medicare Advantage (MA) Subsidy	694,014	-	694,014	721,360	(27,346)	-3.79%
8 Net Premium & Other Contributions	2,638,503,201	17,613,364	2,656,116,565	2,576,435,990	79,680,575	3.09%
9						
10 Other Revenue	7,199,933		7,199,933	2,813,392	4,386,541	155.92%
11						
12 Total Plan Revenue (excludes internal transfers)	2,645,703,134	17,613,364	2,663,316,498	2,579,249,382	84,067,116	3.26%
13						
14 Plan Expenses:						
15						
16 Net Medical Claims	1,831,751,814		1,831,751,814	1,836,568,805	(4,816,991)	-0.26%
17 Net Pharmacy Claims (Note 5)	606,433,464	46,502,820	652,936,284	626,763,115	26,173,169	4.18%
18 Net Claim Payments	2,438,185,278	46,502,820	2,484,688,098	2,463,331,920	21,356,178	0.87%
19						
20 Medicare Advantage Premiums	162,567,710		162,567,710	158,973,245	3,594,465	2.26%
21						
22 Net Administrative Expenses (Notes 6 and 7)	145,229,963	9,060,820	154,290,783	205,316,894	(51,026,111)	-24.85%
23						
24 Total Plan Expenses (excludes internal transfers)	2,745,982,951	55,563,640	2,801,546,591	2,827,622,059	(26,075,468)	-0.92%
25						
26 Plan Income/(Loss)	(100,279,817)	(37,950,276)	(138,230,093)	(248,372,677)	110,142,584	-44.35%
27						
28 Cash Availability:						
29						
30 Beginning Cash Balance/(Deficit)	1,015,218,028		1,015,218,028	941,270,180	73,947,848	7.86%
31 Ending Cash Balance/(Deficit)	914,938,211	(37,950,276)	876,987,935	692,897,503	184,090,432	26.57%
32						
33 Target Stabilization Reserve @ 12/31/2016	262,630,014		262,630,014	262,630,014	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 652,308,197	\$ (37,950,276)	\$ 614,357,921	\$ 430,267,489	\$ 184,090,432	42.79%

Adjustment Notes:

1. Member premiums adjusted to include \$53.5 million in prepaid January premiums received in December 2015.
2. Member premiums adjusted to exclude \$34.8 million in prepaid November premiums received in October.
3. Retiree Drug Subsidy adjusted to exclude an unbudgeted reconciliation payment from the CY 2014 plan year.
4. EGWP subsidies were not budgeted and are therefore excluded.
5. Net pharmacy claims adjusted to exclude a \$46.5 million overage in the rebate true-up payment.
6. Administrative expenses adjusted to exclude \$8.7 million in 2016 invoice payments that normally would have been made in December 2015.
7. Administrative expenses adjusted to include a \$17.8 million federal fee payment that was made in December 2015 despite being budgeted for January 2016.

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 October 2016
Fiscal Year 2016-2017

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru October	Adjustments for Timing, Unusual & Overtime Events	Adjusted Actual Year to Date	Authorized Budget Fiscal Year to Date thru October	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 Plan Revenue:						
2						
3 Member Premiums (Notes 1 and 2)	\$ 1,053,940,062	\$ 517,767	\$ 1,054,457,829	\$ 1,056,111,995	\$ (1,654,166)	-0.16%
4 Premium Refunds/Retroactive Disenrollments	-		-	(527,278)	527,278	-100.00%
5 Medicare Part D (RDS) Subsidy	7,221,279		7,221,279	5,801,465	1,419,814	24.47%
6 Medicare PDP (EGWP + Wrap) Subsidy	-		-	-	-	
7 Medicare Advantage (MA) Subsidy	282,421		282,421	397,153	(114,732)	-28.89%
8 Net Premium & Other Contributions	1,061,443,762	517,767	1,061,961,529	1,061,783,335	178,194	0.02%
9						
10 Other Revenue	3,120,736		3,120,736	1,252,318	1,868,418	149.20%
11						
12 Total Plan Revenue (excludes internal transfers)	1,064,564,498	517,767	1,065,082,265	1,063,035,653	2,046,612	0.19%
13						
14 Plan Expenses:						
15						
16 Net Medical Claims	761,619,225		761,619,225	779,537,021	(17,917,796)	-2.30%
17 Net Pharmacy Claims (Note 3)	220,271,909	49,502,820	269,774,729	259,906,865	9,867,864	3.80%
18 Net Claim Payments	981,891,134	49,502,820	1,031,393,954	1,039,443,886	(8,049,933)	-0.77%
19						
20 Medicare Advantage Premiums	65,786,734		65,786,734	64,849,595	937,139	1.45%
21						
22 Net Administrative Expenses	55,426,576		55,426,576	70,568,833	(15,142,257)	-21.46%
23						
24 Total Plan Expenses (excludes internal transfers)	1,103,104,444	49,502,820	1,152,607,264	1,174,862,314	(22,255,051)	-1.89%
25						
26 Plan Income/(Loss)	(38,539,946)	(48,985,053)	(87,524,999)	(111,826,661)	24,301,662	-21.73%
27						
28 Cash Availability:						
29						
30 Beginning Cash Balance/(Deficit)	953,478,157		953,478,157	982,083,787	(28,605,630)	-2.91%
31 Ending Cash Balance/(Deficit)	914,938,211	(48,985,053)	865,953,158	870,257,126	(4,303,968)	-0.49%
32						
33 Target Stabilization Reserve @ 6/30/17	266,356,198		266,356,198	266,356,198	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 648,582,013	\$ (48,985,053)	\$ 599,596,960	\$ 603,900,928	\$ (4,303,968)	-0.71%

Adjustment Notes:

1. Member premiums adjusted to include \$35.3 million in prepaid July premiums received in June.
2. Member premiums adjusted to exclude \$34.8 million in prepaid November premiums received in October.
3. Net pharmacy claims adjusted to exclude the impact of a \$49.5 million rebate true-up payment that was budgeted for the prior fiscal year.

Adjusted Variance Report Based on Authorized FY 2016-17 Budget
 Fiscal Year to Date Through October 2016