



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

March 2014 Financial Report

Board of Trustees Meeting

May 30, 2014

A Division of the Department of State Treasurer

Financial Results: Actual v. Budgeted

Calendar Year to Date March 2014

Calendar Year 2014	Actual thru Mar 2014	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Beginning Cash Balance	\$838.5 m	\$695.0 m	\$143.5 m
Plan Revenue	\$744.6 m	\$742.3 m	\$2.3 m
Net Claims Payments	\$583.3 m	\$658.4 m	(\$75.1 m)
Medicare Advantage Premiums	\$40.3 m	\$43.4 m	(\$3.1 m)
Net Administrative Expenses	\$37.4 m	\$45.6 m	(\$8.2 m)
Total Plan Expenses	\$661.0 m	\$747.4 m	(\$86.4 m)
Net Income/(Loss)	\$83.6 m	(\$5.1 m)	\$88.7 m
Ending Cash Balance	\$922.1 m	\$689.9 m	\$232.2 m

Adjusted Variance Report

Calendar Year to Date March 2014

Calendar Year 2014	Actual thru Mar 2014, As Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue *	\$755.6 m	\$742.3 m	\$13.3 m
Net Claims Payments ^	\$576.0 m	\$658.4 m	(\$82.4 m)
Medicare Advantage Premiums	\$40.3 m	\$43.4 m	(\$3.1 m)
Net Administrative Expenses †	\$37.2 m	\$45.6 m	(\$8.4 m)
Total Plan Expenses	\$653.5 m	\$747.4 m	(\$93.9 m)
Net Income/(Loss)	\$102.1 m	(\$5.1 m)	\$107.2 m

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

^ Adjusted for timing issues and to remove the impact of a larger-than-expected pharmacy rebate true-up payment.

† Adjusted for timing issues.

Financial Results Actual v. Budgeted

Calendar Year to Date March 2014

Per Member Per Month (PMPM) Analysis

Calendar Year 2014	Actual thru Mar 2014	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue	\$365.86	\$371.42	(\$5.56)
Net Claims Payments	\$288.41	\$329.23	(\$40.82)
Medicare Advantage Premiums	\$19.90	\$21.69	(\$1.79)
Net Administrative Expenses	\$18.48	\$22.80	(\$4.32)
Total Plan Expenses	\$326.79	\$373.72	(\$46.93)
Net Income/(Loss)	\$39.07	(\$2.30)	\$41.37

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 March 2014

Per Member Per Month (PMPM) Analysis

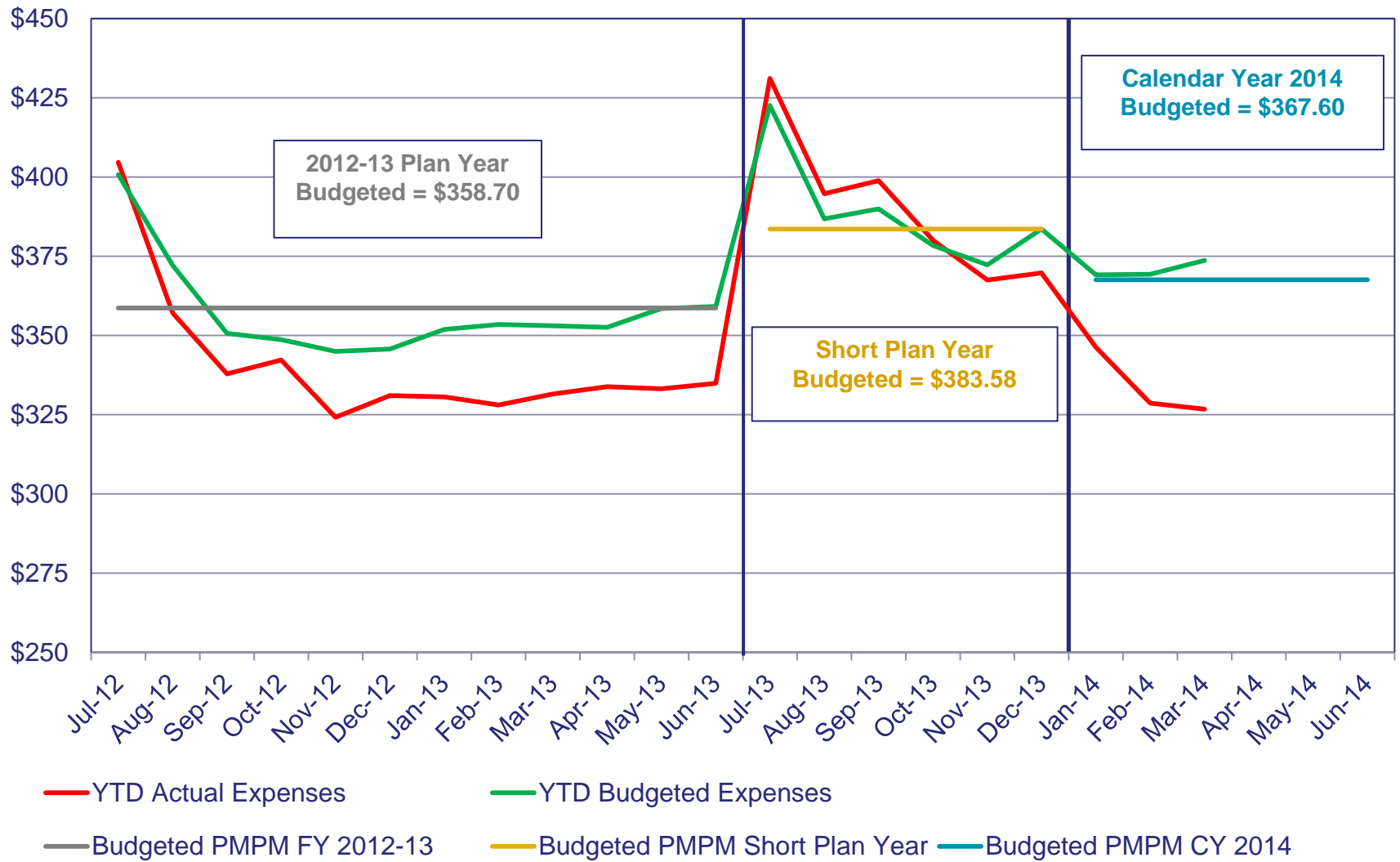
Calendar Year 2014	Actual thru Mar 2014, as Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue *	\$371.26	\$371.42	(\$0.16)
Net Claims Payments ^	\$284.81	\$329.23	(\$44.42)
Medicare Advantage Premiums	\$19.90	\$21.69	(\$1.79)
Net Administrative Expenses †	\$18.42	\$22.80	(\$4.38)
Total Plan Expenses	\$323.13	\$373.72	(\$50.59)
Net Income/(Loss)	\$48.13	(\$2.30)	\$50.43

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

^ Adjusted for timing issues and to remove the impact of a larger-than-expected pharmacy rebate true-up payment.

† Adjusted for timing issues.

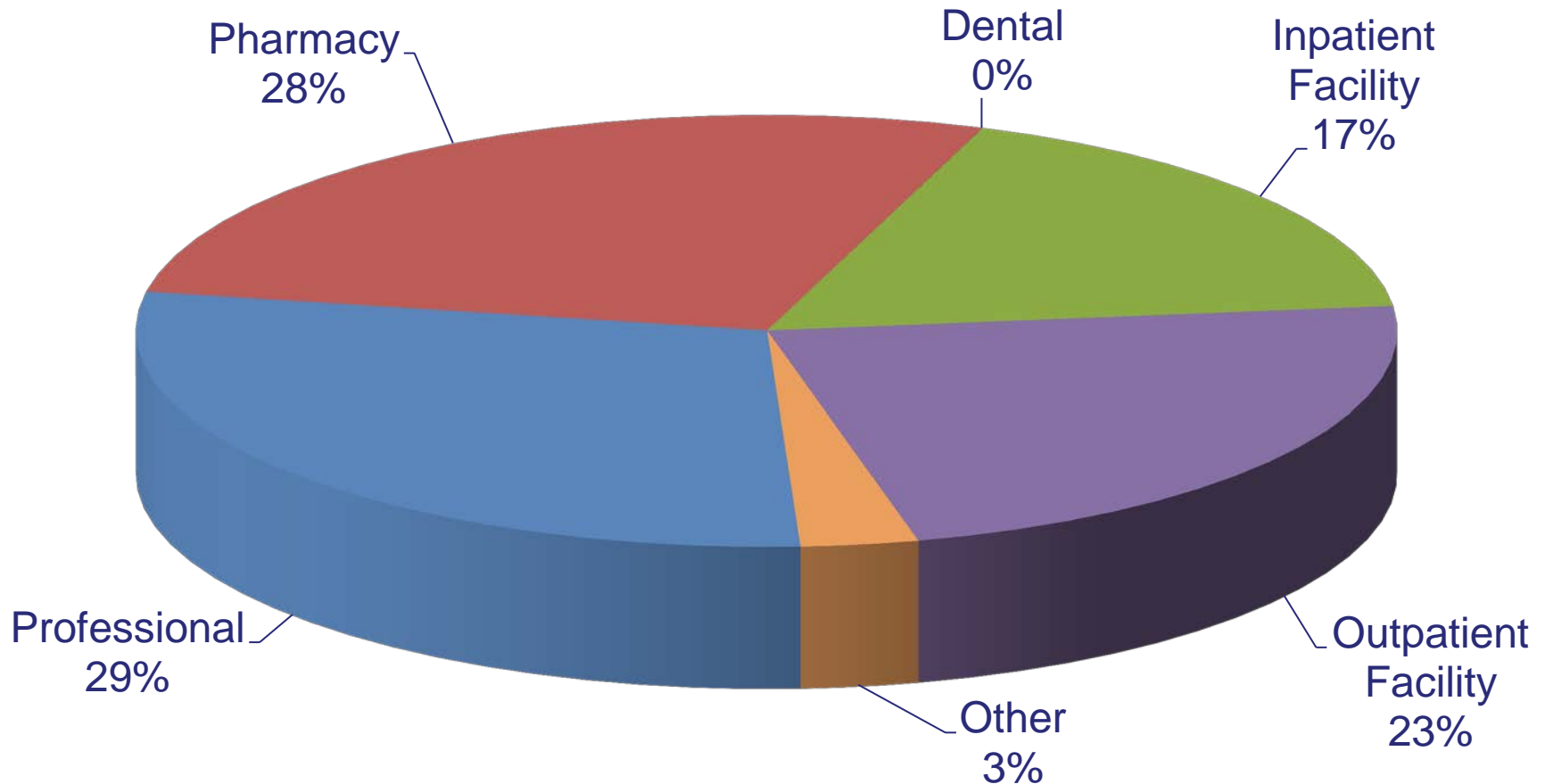
Plan Year to Date Expenditure Trend Per Member Per Month



Allocation of Claims Expenditures

Fiscal Year to Date

Includes Medical, Blue Card & Pharmacy Payments



Source: BCBSNC Summary of Billed Charges, fiscal year to date through March 2014

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 March 2014
Calendar Year 2014

	A	B	C	D	E	F	G	H
	Actual March 2014	Certified Budget March 2014	Monthly Variance Over/(Under) Certified Budget	Actual 2014 Calendar Year To Date	Certified Budget 2014 Calendar Year to Date	Calendar Year to Date Variance Over/(Under) Certified Budget	Calendar Year Certified Budget (Jan- Dec 2014)	Calendar Year to Date Variance Over/(Under) Certified Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 261,081,536	\$ 243,790,979	\$ 17,290,557	\$ 722,074,811	\$ 731,633,202	\$ (9,558,391)	\$ 2,921,878,532	\$ (2,199,803,721)
4 Premium Refunds/Retroactive Disenrollments	947	(124,268)	125,215	5,798	(372,933)	378,731	(1,489,408)	1,495,206
5 Medicare Part D (RDS) Subsidy	7,711,178	598,158	7,113,020	9,258,550	1,797,558	7,460,992	6,344,076	2,914,474
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	12,080,189	8,534,636	3,545,553	31,047,005	(18,966,816)
7 Medicare Advantage (MA) Subsidy	115,656	-	115,656	152,149	-	152,149	-	152,149
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	268,909,317	244,264,869	24,644,448	743,571,497	741,592,463	1,979,034	2,957,780,205	(2,214,208,708)
10 Investment Earnings	315,044	232,354	82,690	1,038,278	698,812	339,466	2,892,005	(1,853,727)
12 Miscellaneous Revenue	-	-	-	-	-	-	-	-
13 Other Revenue	315,044	232,354	82,690	1,038,278	698,812	339,466	2,892,005	(1,853,727)
14								
15 Total Plan Revenue (excludes internal transfers)	269,224,361	244,497,223	24,727,138	744,609,775	742,291,275	2,318,500	2,960,672,210	(2,216,062,435)
16								
17 Plan Expenses:								
18								
19 Medical Claim Payments	184,877,202	195,828,352	(10,951,150)	464,709,526	545,892,357	(81,182,831)	2,062,826,346	(1,598,116,820)
20 Medical Claim Refunds/Recoveries	(1,748,825)	(2,057,679)	308,854	(5,339,692)	(5,920,987)	581,295	(25,469,051)	20,129,359
21 Net Medical Claims	183,128,377	193,770,673	(10,642,296)	459,369,834	539,971,370	(80,601,536)	2,037,357,295	(1,577,987,461)
22								
23 Pharmacy Claim Payments	46,912,582	40,602,073	6,310,509	173,037,518	138,892,269	34,145,249	599,541,594	(426,504,076)
24 Pharmacy Claim Rebates	(36,441,085)	(9,172,982)	(27,268,103)	(48,528,784)	(20,428,361)	(28,100,423)	(54,794,623)	6,265,839
25 Pharmacy Claim Refunds/Recoveries	(25,997)	-	(25,997)	(548,335)	-	(548,335)	-	(548,335)
26 Net Pharmacy Claims	10,445,500	31,429,091	(20,983,591)	123,960,399	118,463,908	5,496,491	544,746,971	(420,786,572)
27								
28 Net Claim Payments	193,573,877	225,199,764	(31,625,887)	583,330,233	658,435,278	(75,105,045)	2,582,104,266	(1,998,774,033)
29								
30 Medicare Advantage Premium Payments	13,802,453	14,471,442	(668,989)	40,244,787	43,378,351	(3,133,564)	174,162,733	(133,917,946)
31								
32 Net Administrative Expenses	11,295,074	15,193,441	(3,898,367)	37,387,246	45,592,768	(8,205,522)	179,815,010	(142,427,764)
33								
34 Total Plan Expenses (excludes internal transfers)	218,671,404	254,864,647	(36,193,243)	660,962,266	747,406,397	(86,444,131)	2,936,082,009	(2,275,119,743)
35								
36 Plan Income/(Loss)	50,552,957	(10,367,424)	60,920,381	83,647,509	(5,115,122)	88,762,631	24,590,201	59,057,308
37								
38 Cash Availability:								
39								
40 Beginning Cash Balance/(Deficit)	871,541,689	700,227,435	171,314,254	838,447,137	694,975,133	143,472,004	694,975,133	143,472,004
41 Ending Cash Balance/(Deficit)	922,094,646	689,860,011	232,234,635	922,094,646	689,860,011	232,234,635	719,565,334	202,529,312
42								
43 Target Stabilization Reserve @ 12/31/14	234,282,695	234,282,695	-	234,282,695	234,282,695	-	234,282,695	-
44								
45 Cash Balance Over/(Under) Reserve Target	\$ 687,811,951	\$ 455,577,316	\$ 232,234,635	\$ 687,811,951	\$ 455,577,316	\$ 232,234,635	\$ 485,282,639	\$ 202,529,312

Comments:

- a. Premium receivables totaled \$568,863.04 as of March 31, 2014.
- b. The average weekly medical claims cost net of claims refunds was \$36,625,675.40 for the five scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$23,456,291.00 per cycle.
- d. The target stabilization reserve is 8.5% of the projected net claims and Medicare Advantage premiums for Calendar Year 2014.
- 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 March 2014
Fiscal Year 2013- 2014

	A	B	C	D	E	F	G	H
	Actual March 2014	Certified Budget March 2014	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date FY 2013-14	Certified Budget Year to Date FY 2013-14	Year to Date Variance Over/(Under) Certified Budget	Annual Certified Budget FY 2013-14	Year to Date Variance Over/(Under) Annual Certified Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 261,081,536	\$ 243,790,979	\$ 17,290,557	\$ 2,224,652,811	\$ 2,171,712,574	\$ 52,940,237	\$ 2,902,567,015	\$ (677,914,204)
4 Premium Refunds/Retroactive Disenrollments	947	(124,268)	125,215	(271,740)	(1,094,223)	822,483	(1,466,766)	1,195,026
5 Medicare Part D (RDS) Subsidy	7,711,178	598,158	7,113,020	7,934,662	4,582,302	3,352,360	6,218,762	1,715,900
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	49,162,774	40,881,937	8,280,837	50,346,402	(1,183,628)
7 Medicare Advantage (MA) Subsidy	115,656	-	115,656	152,149	-	152,149	-	152,149
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	268,909,317	244,264,869	24,644,448	2,281,630,656	2,216,082,590	65,548,066	2,957,665,413	(676,034,757)
10								
11 Investment Earnings	315,044	232,354	82,690	2,824,393	2,146,814	677,579	2,868,131	(43,738)
12 Miscellaneous Revenue	-	-	-	54,972	-	54,972	-	54,972
13 Other Revenue	315,044	232,354	82,690	2,879,365	2,146,814	732,551	2,868,131	11,234
14								
15 Total Plan Revenue (excludes internal transfers)	269,224,361	244,497,223	24,727,138	2,284,510,021	2,218,229,404	66,280,617	2,960,533,544	(676,023,523)
16								
17 Plan Expenses:								
18								
19 Medical Claim Payments	184,877,202	195,828,352	(10,951,150)	1,497,866,926	1,589,891,654	(92,024,728)	2,107,493,114	(609,626,188)
20 Medical Claim Refunds/Recoveries	(1,748,825)	(2,057,679)	308,854	(16,174,070)	(17,981,671)	1,807,601	(24,643,884)	8,469,814
21 Net Medical Claims	183,128,377	193,770,673	(10,642,296)	1,481,692,856	1,571,909,983	(90,217,127)	2,082,849,230	(601,156,374)
22								
23 Pharmacy Claim Payments	46,912,582	40,602,073	6,310,509	598,852,987	572,940,709	25,912,278	699,653,578	(100,800,591)
24 Pharmacy Claim Rebates	(36,441,085)	(9,172,982)	(27,268,103)	(80,717,425)	(41,001,222)	(39,716,203)	(52,353,361)	(28,364,064)
25 Pharmacy Claim Refunds/Recoveries	(25,997)	-	(25,997)	(1,105,865)	-	(1,105,865)	-	(1,105,865)
26 Net Pharmacy Claims	10,445,500	31,429,091	(20,983,591)	517,029,697	531,939,487	(14,909,790)	647,300,217	(130,270,520)
27								
28 Net Claim Payments	193,573,877	225,199,764	(31,625,887)	1,998,722,553	2,103,849,470	(105,126,917)	2,730,149,447	(731,426,894)
29								
30 Medicare Advantage Premium Payments	13,802,453	14,471,442	(668,989)	40,244,787	43,378,351	(3,133,564)	86,864,744	(46,619,957)
31								
32 Net Administrative Expenses	11,295,074	15,193,441	(3,898,367)	106,935,983	136,891,066	(29,955,083)	182,446,628	(75,510,645)
33								
34 Total Plan Expenses (excludes internal transfers)	218,671,404	254,864,647	(36,193,243)	2,145,903,323	2,284,118,887	(138,215,564)	2,999,460,819	(853,557,496)
35								
36 Plan Income/(Loss)	50,552,957	(10,367,424)	60,920,381	138,606,698	(65,889,483)	204,496,181	(38,927,275)	177,533,973
37								
38 Cash Availability:								
39								
40 Beginning Cash Balance/(Deficit)	871,541,689	700,227,435	171,314,254	783,487,948	755,749,494	27,738,454	755,749,494	27,738,454
41 Ending Cash Balance/(Deficit)	922,094,646	689,860,011	232,234,635	922,094,646	689,860,011	232,234,635	716,822,219	205,272,427
42								
43 Target Stabilization Reserve @ 6/30/14	239,446,206	239,446,206	-	239,446,206	239,446,206	-	239,446,206	-
44								
45 Cash Balance Over/(Under) Reserve Target	\$ 682,648,440	\$ 450,413,805	\$ 232,234,635	\$ 682,648,440	\$ 450,413,805	\$ 232,234,635	\$ 477,376,013	\$ 205,272,427

Comments:

- Premium receivables totaled \$568,863.04 as of March 31, 2014.
- The average weekly medical claims cost net of claims refunds was \$36,625,675.40 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$23,456,291.00 per cycle.
- The target stabilization reserve is 8.5% of the projected net claims and Medicare Advantage premiums for Fiscal Year 2013-14.
- Minor differences compared to other reports are due to rounding.

Actual vs Certified Budget (i.e. **Original Budget** per SL 2013-360 and Board Approved Design)
 March 2014 - Fiscal Year

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 March 2014
 Fiscal Year 2013-2014

	A	B	C	D	E	F	G
	Current Year Actual March 2014	Prior Year Actual March 2013	Current Year to Date Actual FY 2013-14 thru March	Prior Year to Date Actual FY 2012-13 thru March	Current Year Certified Annual Budget FY 2013-14	Prior Year Annual Budget FY 2012-13	Prior Year Actual Results FY 2012-13
1 Plan Revenue:							
2							
3 Member Premiums	\$ 261,081,536	\$ 244,770,880	\$ 2,224,652,811	\$ 2,173,329,667	\$ 2,902,567,015	\$ 2,872,808,844	\$ 2,895,366,140
4 Premium Refunds/Retroactive Disenrollments	947	(54,563)	(271,740)	(353,511)	(1,466,766)	(1,437,243)	(487,819)
5 Medicare Part D (RDS) Subsidy	7,711,178	4,789,476	7,934,662	33,730,286	6,218,762	39,519,892	38,056,016
6 Medicare PDP (EGWP + Wrap) Subsidy	-	3,952,331	49,162,774	12,479,240	50,346,402	19,759,856	24,435,483
7 Medicare Advantage (MA) Subsidy	115,656	-	152,149	-	-	-	-
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	(558,219)	-	-	(558,219)
9 Net Premium & Other Contributions	268,909,317	253,458,124	2,281,630,656	2,218,627,463	2,957,665,413	2,930,651,349	2,956,811,601
10							
11 Investment Earnings	315,044	254,811	2,824,393	2,209,143	2,868,131	5,658,262	3,117,666
12 Miscellaneous Revenue	-	110,888	54,972	119,047	-	-	119,047
13 Other Revenue	315,044	365,699	2,879,365	2,328,190	2,868,131	5,658,262	3,236,713
14							
15 Total Plan Revenue (excludes internal transfers)	269,224,361	253,823,823	2,284,510,021	2,220,955,653	2,960,533,544	2,936,309,611	2,960,048,314
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	184,877,202	173,909,720	1,497,866,926	1,363,295,214	2,107,493,114	2,003,583,417	1,858,096,405
20 Medical Claim Refunds/Recoveries	(1,748,825)	(1,582,718)	(16,174,070)	(17,902,078)	(24,643,884)	(31,216,928)	(23,467,914)
21 Net Medical Claims	183,128,377	172,327,002	1,481,692,856	1,345,393,136	2,082,849,230	1,972,366,489	1,834,628,491
22							
23 Pharmacy Claim Payments	46,912,582	63,103,130	598,852,987	566,053,110	699,653,578	743,853,418	755,896,440
24 Pharmacy Claim Rebates	(36,441,085)	-	(80,717,425)	(37,046,327)	(52,353,361)	(53,173,873)	(69,641,941)
25 Pharmacy Claim Refunds/Recoveries	(25,997)	(14,189)	(1,105,865)	(484,867)	-	-	(3,476,790)
26 Net Pharmacy Claims	10,445,500	63,088,941	517,029,697	528,521,916	647,300,217	690,679,545	682,777,709
27							
28 Net Claim Payments	193,573,877	235,415,943	1,998,722,553	1,873,915,052	2,730,149,447	2,663,046,034	2,517,406,200
29							
30 Medicare Advantage Premium Payments	13,802,453	-	40,244,787	-	86,864,744	-	-
31							
32 Net Administrative Expenses	11,295,074	4,831,784	106,935,983	112,382,785	182,446,628	189,387,392	161,401,639
33							
34 Total Plan Expenses (excludes internal transfers)	218,671,404	240,247,727	2,145,903,323	1,986,297,837	2,999,460,819	2,852,433,426	2,678,807,839
35							
36 Plan Income/(Loss)	50,552,957	13,576,096	138,606,698	234,657,816	(38,927,275)	83,876,185	281,240,475
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	871,541,689	723,329,191	783,487,948	502,247,471	755,749,494	502,247,475	502,247,471
41 Ending Cash Balance/(Deficit)	922,094,646	736,905,287	922,094,646	736,905,287	716,822,219	586,123,660	783,487,946
42							
43 Target Stabilization Reserve @ 6/30/14	239,446,206	199,728,453	239,446,206	199,728,453	239,446,206	199,728,453	188,805,465
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 682,648,440	\$ 537,176,834	\$ 682,648,440	\$ 537,176,834	\$ 477,376,013	\$ 386,395,207	\$ 594,682,481

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 March 2014
 Calendar Year 2014

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru March	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru March	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)	\$ 722,074,811	\$ 18,571,987	\$ 740,646,798	\$ 731,633,202	\$ 9,013,596	1.23%
4 Premium Refunds/Retroactive Disenrollments	5,798		5,798	(372,933)	378,731	-101.55%
5 Medicare Part D (RDS) Subsidy (Note 3)	9,258,550	(6,855,182)	2,403,368	1,797,558	605,810	33.70%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	12,080,189	(572,152)	11,508,037	8,534,636	2,973,401	34.84%
7 Medicare Advantage (MA) Subsidy (Note 5)	152,149	(152,149)	-	-	-	
8 Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
9 Net Premium & Other Contributions	743,571,497	10,992,504	754,564,001	741,592,463	12,971,538	1.75%
10						
11 Other Revenue	1,038,278		1,038,278	698,812	339,466	48.58%
12						
13 Total Plan Revenue (excludes internal transfers)	744,609,775	10,992,504	755,602,279	742,291,275	13,311,004	1.79%
14						
15 Plan Expenses:						
16						
17 Net Medical Claims	459,369,834		459,369,834	539,971,370	(80,601,536)	-14.93%
18 Net Pharmacy Claims (Notes 6 and 7)	123,960,399	(7,277,575)	116,682,824	118,463,908	(1,781,084)	-1.50%
19 Net Claim Payments	583,330,233	(7,277,575)	576,052,658	658,435,278	(82,382,620)	-12.51%
20						
21 Medicare Advantage Premiums	40,244,787		40,244,787	43,378,351	(3,133,564)	-7.22%
22						
23 Net Administrative Expenses (Note 8)	37,387,246	(140,286)	37,246,960	45,592,768	(8,345,808)	-18.31%
24						
25 Total Plan Expenses (excludes internal transfers)	660,962,266	(7,417,861)	653,544,405	747,406,397	(93,861,992)	-12.56%
26						
27 Plan Income/(Loss)	83,647,509	18,410,364	102,057,873	(5,115,122)	107,172,995	-2095.22%
28						
29 Cash Availability:						
30						
31 Beginning Cash Balance/(Deficit)	838,447,137		838,447,137	694,975,133	143,472,004	20.64%
32 Ending Cash Balance/(Deficit)	922,094,646	18,410,364	940,505,010	689,860,011	250,644,999	36.33%
33						
34 Target Stabilization Reserve @ 12/31/2014	234,282,695		234,282,695	234,282,695	-	
35						
36 Cash Balance Over/(Under) Reserve Target	\$ 687,811,951	\$ 18,410,364	\$ 706,222,315	\$ 455,577,316	\$ 250,644,999	55.02%

Adjustment Notes:

- Member premiums adjusted to include \$60.8 million in prepaid January premiums received in December 2013.
- Member premiums adjusted to exclude \$42.2 million in prepaid April premiums received in March.
- Medicare Part D subsidy adjusted to exclude an unbudgeted subsidy refund related to prior plan years.
- EGWP subsidy adjusted to exclude an unbudgeted Direct Subsidy.
- Medicare Advantage low income premium subsidies were not budgeted and therefore are excluded.
- Pharmacy claims adjusted to exclude a \$33.1 million claims payment that was budgeted for payment in December 2013 but was not paid until January.
- Pharmacy claims adjusted to remove the unbudgeted portion of a rebate true-up payment that was \$25.8 million more than anticipated.
- Administrative expenses adjusted to reflect normal vendor payment schedules.

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 March 2014
Fiscal Year 2013-2014

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru March	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru March	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)	\$ 2,224,652,811	\$ (31,907,277)	\$ 2,192,745,534	\$ 2,171,712,574	\$ 21,032,960	0.97%
4 Premium Refunds/Retroactive Disenrollments	(271,740)		(271,740)	(1,094,223)	822,483	-75.17%
5 Medicare Part D (RDS) Subsidy	7,934,662		7,934,662	4,582,302	3,352,360	73.16%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3)	49,162,774	(572,152)	48,590,622	40,881,937	7,708,685	18.86%
7 Medicare Advantage (MA) Subsidy (Note 4)	152,149	(152,149)	-	-	-	
8 Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
9 Net Premium & Other Contributions	2,281,630,656	(32,631,578)	2,248,999,078	2,216,082,590	32,916,488	1.49%
10						
11 Other Revenue (Note 5)	2,879,365	(54,973)	2,824,392	2,146,814	677,578	31.56%
12						
13 Total Plan Revenue (excludes internal transfers)	2,284,510,021	(32,686,551)	2,251,823,470	2,218,229,404	33,594,066	1.51%
14						
15 Plan Expenses:						
16						
17 Net Medical Claims	1,481,692,856		1,481,692,856	1,571,909,983	(90,217,127)	-5.74%
18 Net Pharmacy Claims (Notes 6 and 7)	517,029,697	31,605,817	548,635,514	531,939,487	16,696,027	3.14%
19 Net Claim Payments	1,998,722,553	31,605,817	2,030,328,370	2,103,849,470	(73,521,100)	-3.49%
20						
21 Medicare Advantage Premiums	40,244,787		40,244,787	43,378,351	(3,133,564)	-7.22%
22						
23 Net Administrative Expenses (Note 8)	106,935,983	8,350,922	115,286,905	136,891,066	(21,604,161)	-15.78%
24						
25 Total Plan Expenses (excludes internal transfers)	2,145,903,323	39,956,739	2,185,860,062	2,284,118,887	(98,258,825)	-4.30%
26						
27 Plan Income/(Loss)	138,606,698	(72,643,289)	65,963,409	(65,889,483)	131,852,892	-200.11%
28						
29 Cash Availability:						
30						
31 Beginning Cash Balance/(Deficit)	783,487,948		783,487,948	755,749,494	27,738,454	3.67%
32 Ending Cash Balance/(Deficit)	922,094,646	(72,643,289)	849,451,357	689,860,011	159,591,346	23.13%
33						
34 Target Stabilization Reserve @ 6/30/14	239,446,206		239,446,206	239,446,206	-	
35						
36 Cash Balance Over/(Under) Reserve Target	\$ 682,648,440	\$ (72,643,289)	\$ 610,005,151	\$ 450,413,805	\$ 159,591,346	35.43%

Adjustment Notes:

1. Member premiums adjusted to include \$10.3 million in prepaid July premiums received in June 2013.
2. Member premiums adjusted to exclude \$42.2 million in prepaid April premiums received in March.
3. EGWP subsidy adjusted to exclude an unbudgeted Direct Subsidy received in January.
4. Medicare Advantage low income premium subsidies were not budgeted and therefore are excluded.
5. Other revenue adjusted to exclude unbudgeted reimbursement of prior year expenditures.
6. Pharmacy claims adjusted to exclude \$5.8 million in unbudgeted EGWP rebates earned last fiscal year but not received until October 2013.
7. Pharmacy claims adjusted to remove the unbudgeted portion of a rebate true-up payment that was \$25.8 million more than anticipated.
8. Administrative expenses adjusted to reflect normal vendor payment schedules.

Adjusted Variance Report Based on Certified (Original) Budget
 Fiscal Year to Date Through March 2014