



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

July 2014 Financial Report

Board of Trustees Meeting

September 19, 2014

A Division of the Department of State Treasurer

Financial Results: Actual v. Budgeted

Calendar Year to Date July 2014

Calendar Year 2014	Actual thru July 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	\$1.742 b	\$1.729 b	\$13.0 m
Net Claims Payments	\$1.412 b	\$1.495 b	(\$83.4 m)
Medicare Advantage Premiums	\$91.5 m	\$101.4 m	(\$9.9 m)
Net Administrative Expenses	\$91.6 m	\$106.0 m	(\$14.4 m)
Total Plan Expenses	\$1.595 b	\$1.702 b	(\$107.7 m)
Net Income/(Loss)	\$147.0 m	\$26.3 m	\$120.7 m
Ending Cash Balance	\$985.5 m	\$721.3 m	\$264.2 m

Note: Numbers might not sum to totals due to rounding

Adjusted Variance Report

Calendar Year to Date July 2014

Calendar Year 2014	Actual thru July 2014, As Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue *	\$1.768 b	\$1.729 b	\$38.8 m
Net Claims Payments ^	\$1.421 b	\$1.495 b	(\$73.9 m)
Medicare Advantage Premiums	\$91.5 m	\$101.4 m	(\$9.9 m)
Net Administrative Expenses †	\$83.1 m	\$106.0 m	(\$22.9 m)
Total Plan Expenses	\$1.596 b	\$1.702 b	(\$106.6 m)
Net Income/(Loss)	\$171.7 m	\$26.3 m	\$145.4 m

Note: Numbers might not sum to totals due to rounding

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

^ Adjusted for timing issues and to remove the impact of a unanticipated pharmacy rebate true-up payments.

† Adjusted for timing issues.

Financial Results Actual v. Budgeted

Calendar Year to Date July 2014

Per Member Per Month (PMPM) Analysis

Calendar Year 2014	Actual thru July 2014	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue	\$366.89	\$370.95	(\$4.06)
Net Claims Payments	\$297.83	\$320.58	(\$22.75)
Medicare Advantage Premiums	\$19.30	\$21.74	(\$2.44)
Net Administrative Expenses	\$19.32	\$22.72	(\$3.40)
Total Plan Expenses	\$336.45	\$365.04	(\$28.59)
Net Income/(Loss)	\$30.44	\$5.91	\$24.53

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 July 2014

Per Member Per Month (PMPM) Analysis

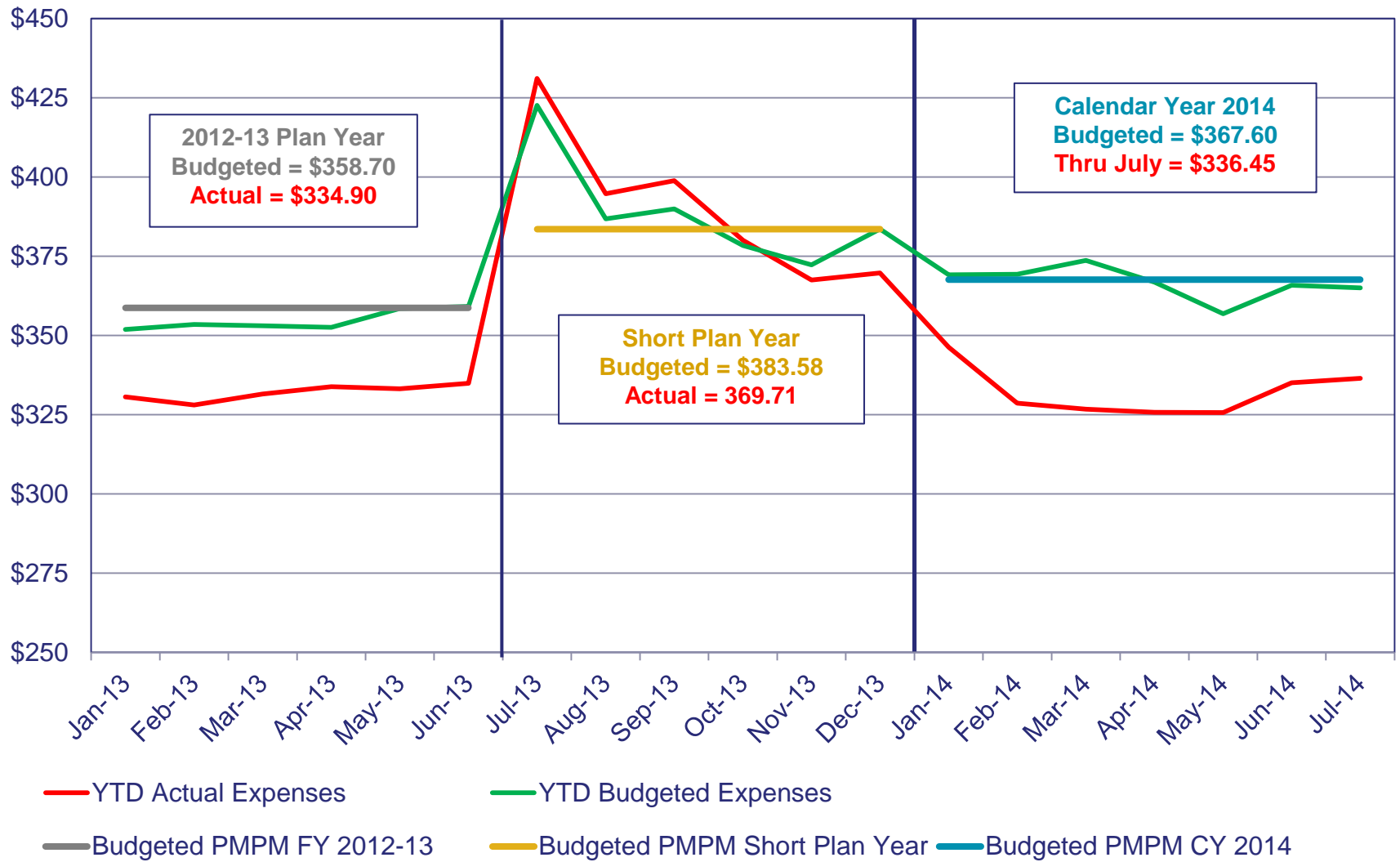
Calendar Year 2014	Actual thru July 2014, as Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue *	\$372.33	\$370.95	\$1.38
Net Claims Payments ^	\$299.85	\$320.58	(\$20.73)
Medicare Advantage Premiums	\$19.30	\$21.74	(\$2.44)
Net Administrative Expenses †	\$17.53	\$22.72	(\$5.19)
Total Plan Expenses	\$336.68	\$365.04	(\$28.36)
Net Income/(Loss)	\$35.65	\$5.91	\$29.74

* 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.

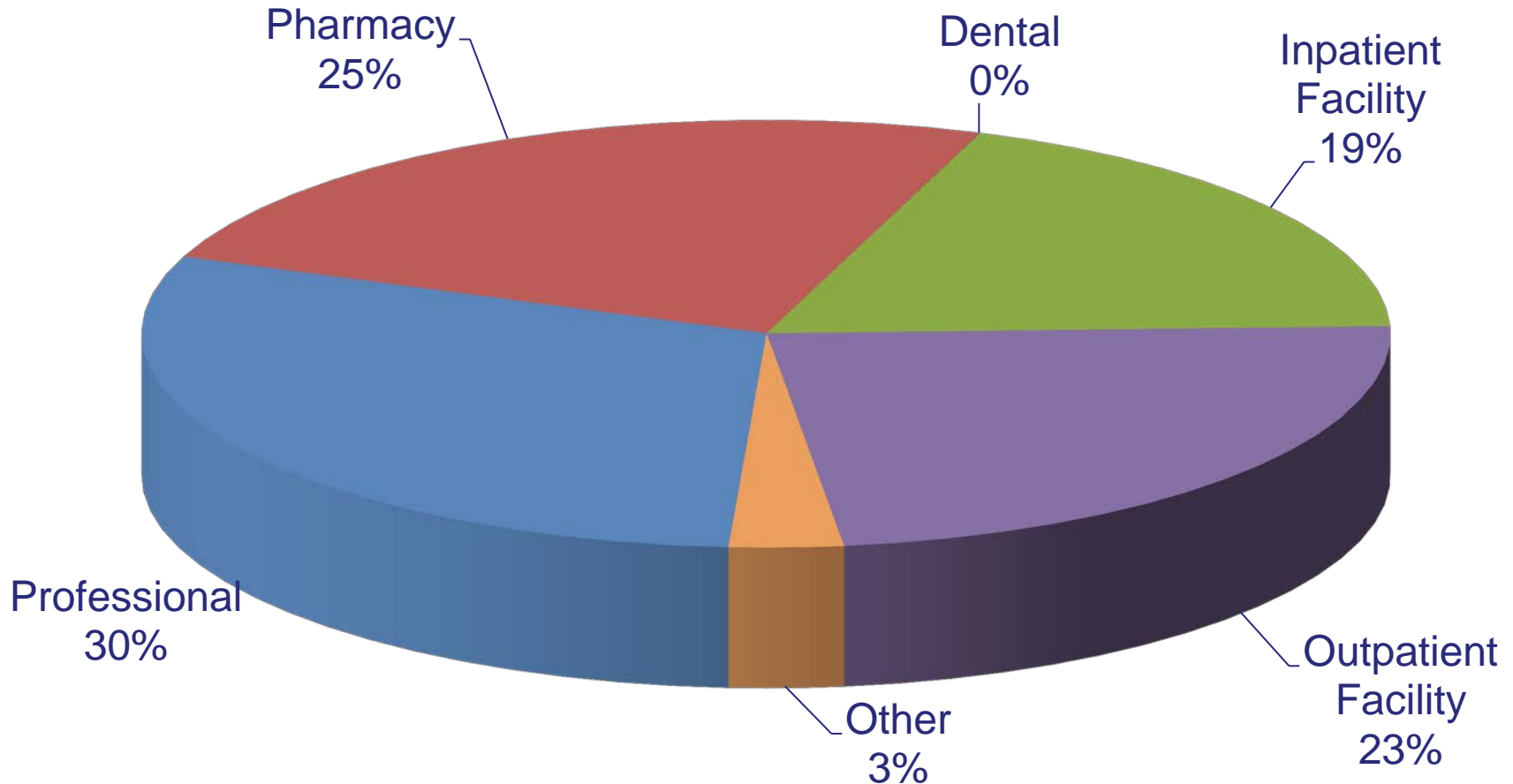
Plan Year to Date Expenditure Trend Per Member Per Month



Allocation of Claims Expenditures

Calendar Year to Date July 2014

Includes Medical, Blue Card & Pharmacy Payments



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 July 2014
Calendar Year 2014

	A	B	C	D	E	F	G	H
	Actual July 2014	Certified Budget July 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	\$ 257,559,061	\$ 243,445,880	\$ 14,113,181	\$ 1,696,078,739	\$ 1,705,933,523	\$ (9,854,784)	\$ 2,921,878,532	\$ (1,225,799,793)
4 Premium Refunds/Retroactive Disenrollments	-	(124,095)	124,095	(22,385)	(869,571)	847,186	(1,489,408)	1,467,023
5 Medicare Part D (RDS) Subsidy	1,386,256	490,272	895,984	14,293,796	3,924,290	10,369,506	6,344,076	7,949,720
6 Medicare PDP (EGWP + Wrap) Subsidy	1,680,417	-	1,680,417	28,378,401	17,999,101	10,379,300	31,047,005	(2,668,604)
7 Medicare Advantage (MA) Subsidy	42,065	-	42,065	459,630	-	459,630	-	459,630
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	260,667,799	243,812,057	16,855,742	1,739,188,181	1,726,987,343	12,200,838	2,957,780,205	(1,218,592,024)
10								
11 Investment Earnings	382,669	240,383	142,286	2,457,817	1,660,512	797,305	2,892,005	(434,188)
12 Miscellaneous Revenue	-	-	-	-	-	-	-	-
13 Other Revenue	382,669	240,383	142,286	2,457,817	1,660,512	797,305	2,892,005	(434,188)
14								
15 Total Plan Revenue (excludes internal transfers)	261,050,468	244,052,440	16,998,028	1,741,645,998	1,728,647,855	12,998,143	2,960,672,210	(1,219,026,212)
16								
17 Plan Expenses:								
18								
19 Medical Claim Payments	158,370,679	148,435,621	9,935,058	1,114,787,612	1,211,929,438	(97,141,826)	2,062,826,346	(948,038,734)
20 Medical Claim Refunds/Recoveries	(1,756,552)	(2,243,604)	487,052	(13,372,940)	(14,826,804)	1,453,864	(25,469,051)	12,096,111
21 Net Medical Claims	156,614,127	146,192,017	10,422,110	1,101,414,672	1,197,102,634	(95,687,962)	2,037,357,295	(935,942,623)
22								
23 Pharmacy Claim Payments	80,098,264	75,493,869	4,604,395	397,962,909	341,099,007	56,863,902	599,541,594	(201,578,685)
24 Pharmacy Claim Rebates	(28,537,461)	(11,457,732)	(17,079,729)	(88,001,925)	(43,238,232)	(44,763,693)	(54,794,623)	(33,207,302)
25 Pharmacy Claim Refunds/Recoveries	(6,990)	-	(6,990)	151,888	-	151,888	-	151,888
26 Net Pharmacy Claims	51,553,813	64,036,137	(12,482,324)	310,112,872	297,860,775	12,252,097	544,746,971	(234,634,099)
27								
28 Net Claim Payments	208,167,940	210,228,154	(2,060,214)	1,411,527,544	1,494,963,409	(83,435,865)	2,582,104,266	(1,170,576,722)
29								
30 Medicare Advantage Premium Payments	12,950,142	14,519,520	(1,569,378)	91,488,989	101,384,264	(9,895,275)	174,162,733	(82,673,744)
31								
32 Net Administrative Expenses	12,999,565	14,790,500	(1,790,935)	91,585,741	105,938,830	(14,353,089)	179,815,010	(88,229,269)
33								
34 Total Plan Expenses (excludes internal transfers)	234,117,647	239,538,174	(5,420,527)	1,594,602,274	1,702,286,503	(107,684,229)	2,936,082,009	(1,341,479,735)
35								
36 Plan Income/(Loss)	26,932,821	4,514,266	22,418,555	147,043,724	26,361,352	120,682,372	24,590,201	122,453,523
37								
38 Cash Availability:								
39								
40 Beginning Cash Balance/(Deficit)	958,558,040	716,822,219	241,735,821	838,447,137	694,975,133	143,472,004	694,975,133	143,472,004
41 Ending Cash Balance/(Deficit)	985,490,861	721,336,485	264,154,376	985,490,861	721,336,485	264,154,376	719,565,334	265,925,527
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	\$ 751,208,166	\$ 487,053,790	\$ 264,154,376	\$ 751,208,166	\$ 487,053,790	\$ 264,154,376	\$ 485,282,639	\$ 265,925,527

Comments:

- a. Premium receivables totaled \$145,937.31 as of July 31, 2014.
- b. The average weekly medical claims cost net of claims refunds was \$39,153,531.75 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$26,699,421.33 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 July 2014
Fiscal Year 2014- 2015

	A	B	C	D	E	F	G	H
	Actual July 2014	Certified Budget July 2014	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date FY 2014-15	Certified Budget Year to Date FY 2014-15	Year to Date Variance Over/(Under) Certified Budget	Annual Certified Budget FY 2014-15	Year to Date Variance Over/(Under) Annual Certified Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 257,559,061	\$ 243,445,880	\$ 14,113,181	\$ 257,559,061	\$ 243,445,880	\$ 14,113,181	\$ 2,951,350,285	\$ (2,693,791,224)
4 Premium Refunds/Retroactive Disenrollments	-	(124,095)	124,095	-	(124,095)	124,095	(1,502,227)	1,502,227
5 Medicare Part D (RDS) Subsidy	1,386,256	490,272	895,984	1,386,256	490,272	895,984	6,498,606	(5,112,350)
6 Medicare PDP (EGWP + Wrap) Subsidy	1,680,417	-	1,680,417	1,680,417	-	1,680,417	13,047,904	(11,367,487)
7 Medicare Advantage (MA) Subsidy	42,065	-	42,065	42,065	-	42,065	-	42,065
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	260,667,799	243,812,057	16,855,742	260,667,799	243,812,057	16,855,742	2,969,394,568	(2,708,726,769)
10								
11 Investment Earnings	382,669	240,383	142,286	382,669	240,383	142,286	2,836,015	(2,453,346)
12 Miscellaneous Revenue	-	-	-	-	-	-	-	-
13 Other Revenue	382,669	240,383	142,286	382,669	240,383	142,286	2,836,015	(2,453,346)
14								
15 Total Plan Revenue (excludes internal transfers)	261,050,468	244,052,440	16,998,028	261,050,468	244,052,440	16,998,028	2,972,230,583	(2,711,180,115)
16								
17 Plan Expenses:								
18								
19 Medical Claim Payments	158,370,679	148,435,621	9,935,058	158,370,679	148,435,621	9,935,058	2,123,045,570	(1,964,674,891)
20 Medical Claim Refunds/Recoveries	(1,756,552)	(2,243,604)	487,052	(1,756,552)	(2,243,604)	487,052	(26,482,043)	24,725,491
21 Net Medical Claims	156,614,127	146,192,017	10,422,110	156,614,127	146,192,017	10,422,110	2,096,563,527	(1,939,949,400)
22								
23 Pharmacy Claim Payments	80,098,264	75,493,869	4,604,395	80,098,264	75,493,869	4,604,395	592,629,603	(512,531,339)
24 Pharmacy Claim Rebates	(28,537,461)	(11,457,732)	(17,079,729)	(28,537,461)	(11,457,732)	(17,079,729)	(49,442,651)	20,905,190
25 Pharmacy Claim Refunds/Recoveries	(6,990)	-	(6,990)	(6,990)	-	(6,990)	-	(6,990)
26 Net Pharmacy Claims	51,553,813	64,036,137	(12,482,324)	51,553,813	64,036,137	(12,482,324)	543,186,952	(491,633,139)
27								
28 Net Claim Payments	208,167,940	210,228,154	(2,060,214)	208,167,940	210,228,154	(2,060,214)	2,639,750,479	(2,431,582,539)
29								
30 Medicare Advantage Premium Payments	12,950,142	14,519,520	(1,569,378)	12,950,142	14,519,520	(1,569,378)	196,159,077	(183,208,935)
31								
32 Net Administrative Expenses	12,999,565	14,790,500	(1,790,935)	12,999,565	14,790,500	(1,790,935)	211,784,393	(198,784,828)
33								
34 Total Plan Expenses (excludes internal transfers)	234,117,647	239,538,174	(5,420,527)	234,117,647	239,538,174	(5,420,527)	3,047,693,949	(2,813,576,302)
35								
36 Plan Income/(Loss)	26,932,821	4,514,266	22,418,555	26,932,821	4,514,266	22,418,555	(75,463,366)	102,396,187
37								
38 Cash Availability:								
39								
40 Beginning Cash Balance/(Deficit)	958,558,040	716,822,219	241,735,821	958,558,040	716,822,219	241,735,821	716,822,219	241,735,821
41 Ending Cash Balance/(Deficit)	985,490,861	721,336,485	264,154,376	985,490,861	721,336,485	264,154,376	641,358,853	344,132,008
42								
43 Target Stabilization Reserve @ 6/30/15	255,231,860	255,231,860	-	255,231,860	255,231,860	-	255,231,860	-
44								
45 Cash Balance Over/(Under) Reserve Target	\$ 730,259,001	\$ 466,104,625	\$ 264,154,376	\$ 730,259,001	\$ 466,104,625	\$ 264,154,376	\$ 386,126,993	\$ 344,132,008

Comments:

- Premium receivables totaled \$145,937.31 as of July 31, 2014.
- The average weekly medical claims cost net of claims refunds was \$39,153,531.75 for the four scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$26,699,421.33 per cycle.
- The target stabilization reserve is 9% of the projected net claims and Medicare Advantage premiums for Fiscal Year 2014-15.
- 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)
 July 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 July 2014
 Fiscal Year 2014-2015

	A	B	C	D	E	F	G
	Current Year Actual July 2014	Prior Year Actual July 2013	Current Year to Date Actual FY 2014-15 thru July	Prior Year to Date Actual FY 2013-14 thru July	Current Year Certified Annual Budget FY 2014-15	Prior Year Annual Budget FY 2013-14	Prior Year Actual Results FY 2013-14
1 Plan Revenue:							
2							
3 Member Premiums	\$ 257,559,061	\$ 247,712,470	\$ 257,559,061	\$ 247,712,470	\$ 2,951,350,285	\$ 2,902,567,015	\$ 2,941,097,678
4 Premium Refunds/Retroactive Disenrollments	-	(3,887)	-	(3,887)	(1,502,227)	(1,466,766)	(299,923)
5 Medicare Part D (RDS) Subsidy	1,386,256	549,436	1,386,256	549,436	6,498,606	6,218,762	11,583,652
6 Medicare PDP (EGWP + Wrap) Subsidy	1,680,417	7,917,151	1,680,417	7,917,151	13,047,904	50,346,402	63,780,569
7 Medicare Advantage (MA) Subsidy	42,065	-	42,065	-	-	-	417,565
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	260,667,799	256,175,170	260,667,799	256,175,170	2,969,394,568	2,957,665,413	3,016,579,541
10							
11 Investment Earnings	382,669	268,810	382,669	268,810	2,836,015	2,868,131	3,861,263
12 Miscellaneous Revenue	-	-	-	-	-	-	54,972
13 Other Revenue	382,669	268,810	382,669	268,810	2,836,015	2,868,131	3,916,235
14							
15 Total Plan Revenue (excludes internal transfers)	261,050,468	256,443,980	261,050,468	256,443,980	2,972,230,583	2,960,533,544	3,020,495,776
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	158,370,679	187,337,017	158,370,679	187,337,017	2,123,045,570	2,107,493,114	1,989,574,333
20 Medical Claim Refunds/Recoveries	(1,756,552)	(2,199,898)	(1,756,552)	(2,199,898)	(26,482,043)	(24,643,884)	(22,450,766)
21 Net Medical Claims	156,614,127	185,137,119	156,614,127	185,137,119	2,096,563,527	2,082,849,230	1,967,123,567
22							
23 Pharmacy Claim Payments	80,098,264	95,318,946	80,098,264	95,318,946	592,629,603	699,653,578	743,680,114
24 Pharmacy Claim Rebates	(28,537,461)	(6,882,250)	(28,537,461)	(6,882,250)	(49,442,651)	(52,353,361)	(91,653,105)
25 Pharmacy Claim Refunds/Recoveries	(6,990)	(112,292)	(6,990)	(112,292)	-	-	(398,652)
26 Net Pharmacy Claims	51,553,813	88,324,404	51,553,813	88,324,404	543,186,952	647,300,217	651,628,357
27							
28 Net Claim Payments	208,167,940	273,461,523	208,167,940	273,461,523	2,639,750,479	2,730,149,447	2,618,751,924
29							
30 Medicare Advantage Premium Payments	12,950,142	-	12,950,142	-	196,159,077	86,864,744	78,538,847
31							
32 Net Administrative Expenses	12,999,565	15,047,688	12,999,565	15,047,688	211,784,393	182,446,628	148,134,913
33							
34 Total Plan Expenses (excludes internal transfers)	234,117,647	288,509,211	234,117,647	288,509,211	3,047,693,949	2,999,460,819	2,845,425,684
35							
36 Plan Income/(Loss)	26,932,821	(32,065,231)	26,932,821	(32,065,231)	(75,463,366)	(38,927,275)	175,070,092
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	958,558,040	783,487,948	958,558,040	783,487,948	716,822,219	755,749,494	783,487,948
41 Ending Cash Balance/(Deficit)	985,490,861	751,422,717	985,490,861	751,422,717	641,358,853	716,822,219	958,558,040
42							
43 Target Stabilization Reserve @ 6/30/15	255,231,860	239,446,206	255,231,860	239,446,206	255,231,860	239,446,206	229,269,716
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 730,259,001	\$ 511,976,511	\$ 730,259,001	\$ 511,976,511	\$ 386,126,993	\$ 477,376,013	\$ 729,288,324

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 July 2014
 Calendar Year 2014

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru July	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru July	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)	\$ 1,696,078,739	\$ 34,794,945	\$ 1,730,873,684	\$ 1,705,933,523	\$ 24,940,161	1.46%
4 Premium Refunds/Retroactive Disenrollments	(22,385)		(22,385)	(869,571)	847,186	-97.43%
5 Medicare Part D (RDS) Subsidy (Note 3)	14,293,796	(6,855,182)	7,438,614	3,924,290	3,514,324	89.55%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	28,378,401	(1,680,417)	26,697,984	17,999,101	8,698,883	48.33%
7 Medicare Advantage (MA) Subsidy (Note 5)	459,630	(459,630)	-	-	-	
8 Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
9 Net Premium & Other Contributions	1,739,188,181	25,799,717	1,764,987,898	1,726,987,343	38,000,555	2.20%
10						
11 Other Revenue	2,457,817		2,457,817	1,660,512	797,305	48.02%
12						
13 Total Plan Revenue (excludes internal transfers)	1,741,645,998	25,799,717	1,767,445,715	1,728,647,855	38,797,860	2.24%
14						
15 Plan Expenses:						
16						
17 Net Medical Claims	1,101,414,672		1,101,414,672	1,197,102,634	(95,687,962)	-7.99%
18 Net Pharmacy Claims (Notes 6 and 7)	310,112,872	9,575,016	319,687,888	297,860,775	21,827,113	7.33%
19 Net Claim Payments	1,411,527,544	9,575,016	1,421,102,560	1,494,963,409	(73,860,849)	-4.94%
20						
21 Medicare Advantage Premiums	91,488,989		91,488,989	101,384,264	(9,895,275)	-9.76%
22						
23 Net Administrative Expenses (Note 8)	91,585,741	(8,491,208)	83,094,533	105,938,830	(22,844,297)	-21.56%
24						
25 Total Plan Expenses (excludes internal transfers)	1,594,602,274	1,083,809	1,595,686,083	1,702,286,503	(106,600,421)	-6.26%
26						
27 Plan Income/(Loss)	147,043,724	24,715,908	171,759,632	26,361,352	145,398,280	551.56%
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)	985,490,861	24,715,908	1,010,206,769	721,336,485	288,870,284	40.05%
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	\$ 751,208,166	\$ 24,715,908	\$ 775,924,074	\$ 487,053,790	\$ 288,870,284	59.31%

Adjustment Notes:

- Member premiums adjusted to include \$60.8 million in prepaid January premiums received in December 2013.
- Member premiums adjusted to exclude \$26.0 million in prepaid August premiums received in July.
- Medicare Part D subsidy adjusted to exclude an unbudgeted subsidy refund related to prior plan years.
- EGWP subsidy adjusted to exclude unbudgeted subsidy payments received in July.
- 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 2014.
- Pharmacy claims adjusted to remove unbudgeted rebate true-ups totaling \$42.7 million.
- 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 July 2014
Fiscal Year 2014-2015

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru July	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru July	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)	\$ 257,559,061	\$ (10,018,869)	\$ 247,540,192	\$ 243,445,880	\$ 4,094,312	1.68%
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(124,095)	124,095	-100.00%
5 Medicare Part D (RDS) Subsidy	1,386,256	-	1,386,256	490,272	895,984	182.75%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3)	1,680,417	(1,680,417)	-	-	-	
7 Medicare Advantage (MA) Subsidy (Note 4)	42,065	(42,065)	-	-	-	
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	
9 Net Premium & Other Contributions	260,667,799	(11,741,351)	248,926,448	243,812,057	5,114,391	2.10%
10						
11 Other Revenue	382,669	-	382,669	240,383	142,286	59.19%
12						
13 Total Plan Revenue (excludes internal transfers)	261,050,468	(11,741,351)	249,309,117	244,052,440	5,256,677	2.15%
14						
15 Plan Expenses:						
16						
17 Net Medical Claims	156,614,127	-	156,614,127	146,192,017	10,422,110	7.13%
18 Net Pharmacy Claims (Note 5)	51,553,813	16,852,591	68,406,404	64,036,137	4,370,267	6.82%
19 Net Claim Payments	208,167,940	16,852,591	225,020,531	210,228,154	14,792,377	7.04%
20						
21 Medicare Advantage Premiums	12,950,142	-	12,950,142	14,519,520	(1,569,378)	-10.81%
22						
23 Net Administrative Expenses	12,999,565	-	12,999,565	14,790,500	(1,790,935)	-12.11%
24						
25 Total Plan Expenses (excludes internal transfers)	234,117,647	16,852,591	250,970,238	239,538,174	11,432,064	4.77%
26						
27 Plan Income/(Loss)	26,932,821	(28,593,942)	(1,661,121)	4,514,266	(6,175,387)	-136.80%
28						
29 Cash Availability:						
30						
31 Beginning Cash Balance/(Deficit)	958,558,040	-	958,558,040	716,822,219	241,735,821	33.72%
32 Ending Cash Balance/(Deficit)	985,490,861	(28,593,942)	956,896,919	721,336,485	235,560,434	32.66%
33						
34 Target Stabilization Reserve @ 6/30/15	255,231,860	-	255,231,860	255,231,860	-	
35						
36 Cash Balance Over/(Under) Reserve Target	\$ 730,259,001	\$ (28,593,942)	\$ 701,665,059	\$ 466,104,625	\$ 235,560,434	50.54%

Adjustment Notes:

1. Member premiums adjusted to include \$16.0 million in prepaid July premiums received in June.
2. Member premiums adjusted to exclude \$26.0 million in prepaid August premiums received in July.
3. EGWP subsidies were not budgeted and therefore are excluded.
4. Medicare Advantage low income premium subsidies were not budgeted and therefore are excluded.
5. Pharmacy claims adjusted to exclude a \$16.9 million unbudgeted EGWP rebate true-up payment.