



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



3rd Quarter Actuarial Forecast Update

Board of Trustees Meeting

Forecasts prepared by The Segal Company
Final versions dated 5-30-13

July 26, 2013

A Division of the Department of State Treasurer

Presentation Overview

- Forecast update schedule
- Review of assumptions and revisions
- Updated forecast for FY 2012-13
- Comparison of approved benefit design projections
 - Initial projection: February 1st (*Shared with Board on February 4th*)
 - New projection based on 3rd Quarter Update: May 30th
- Comparison of Board approved design to baseline forecast
- Summary

Actuarial Forecast Update Schedule

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

Forecast Assumptions

- Overall trend assumption of 8.5%
- Membership trends
 - 1% annual decrease in actives
 - 1% annual increase in retirees
- Board approved scenarios assume the features of the Board's plan design effective January 1, 2014
- The authorized budget and the baseline forecast scenarios basically assume a status quo plan design (no additional plan options beyond 70/30 and 80/20 plans, no premium surcharges/credits, continuation of EGWP + wrap, etc.)
- A more detailed list of adjustments to the forecasts is shown on the following page

Forecast Assumptions **Changed/Revised** in the Updates Authorized Budget vs. 3rd Quarter Update

Assumptions Changed/Revised	Initial Board Design (Segal 2-1-13)	Baseline Update (Segal 5-30-13)	Board Design Update (Segal 5-30-13)
Financials and membership updated thru March 2013		X	X
Reduced investment earnings assumption		X	X
7/1/13 enhancements: behavioral and dental health	X	X	X
7/1/13 enhancement: blood glucose test strips		X	X
Updated administrative cost estimates		X	X
Updated timing and amounts of pharmacy claims/rebates		X	X
Updated medical claims refunds		X	X
Federal ACA reinsurance fee	X	X	X
Board approved plan design* to be implemented 1/1/14	X		X
Final 2014 pricing on MA-PDP products			X
EGWP + wrap eliminated 1/1/14	X		X

*See following page for details.

Board Approved Plan Design

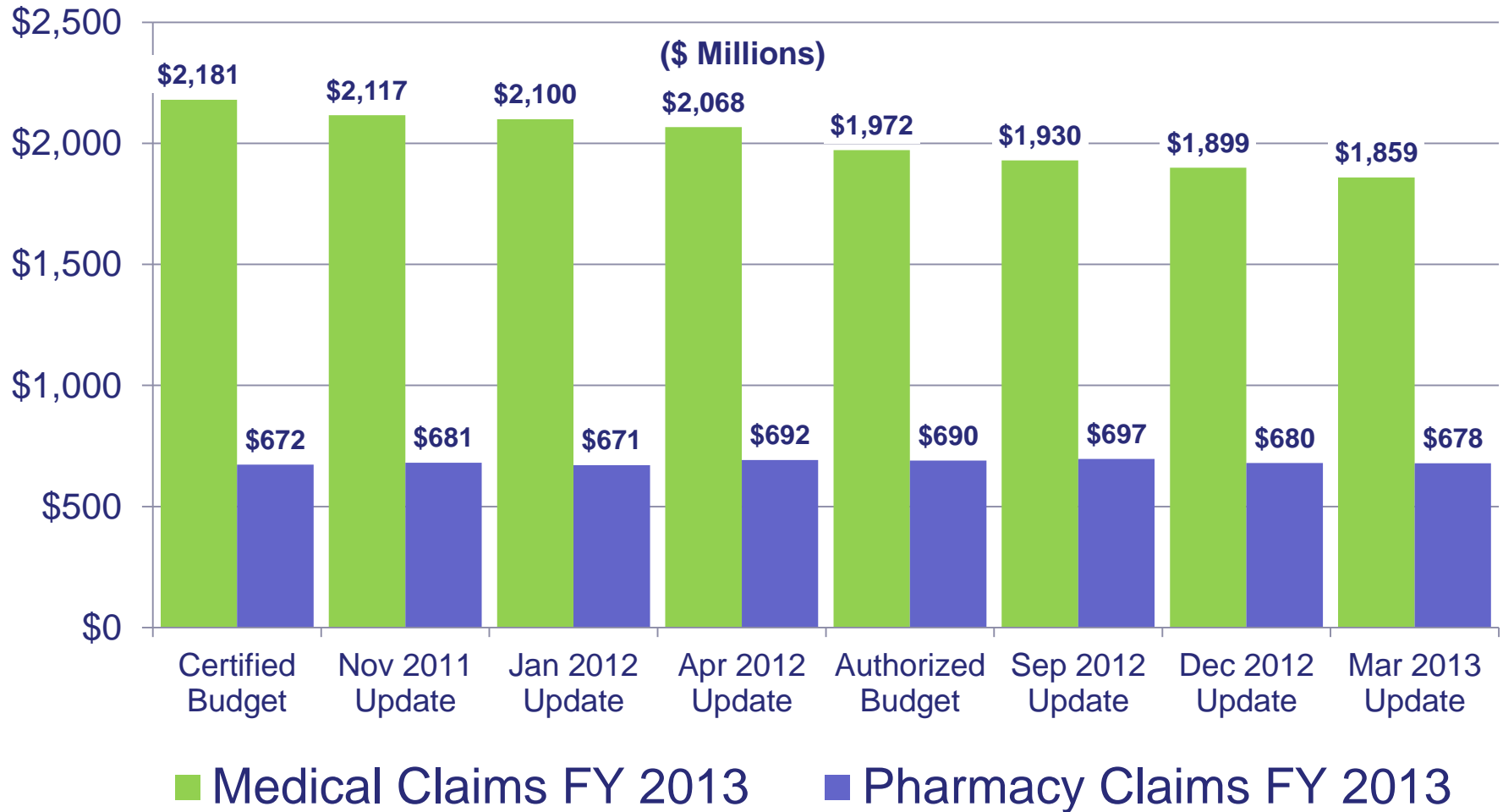
- Effective January 2014:
 - Convert to calendar year
 - Short plan year (July-December 2013)
 - Premium increases will move to January 1
 - Offer Medicare Advantage with an integrated prescription drug program (MA-PDP) to Medicare retirees
 - Offer a Consumer-Directed Health Plan (CDHP) to active employees and non-Medicare retirees
 - Implement Board's Wellness Design for the Enhanced 80/20 Plan and CDHP (free preventive care, wellness surcharges and credits, incentives, etc.)
 - Maintain premium free Traditional 70/30 Plan option for active employees and retirees
- Increase target stabilization reserve (TSR) from 7.5% to 9.0% of claims by December 2015
- Since the initial forecast of the Board approved benefit design in February, the Plan's actuary has continued to refine the assumptions surrounding the design with input from Plan staff

Comparison of Models for FY 2012-13

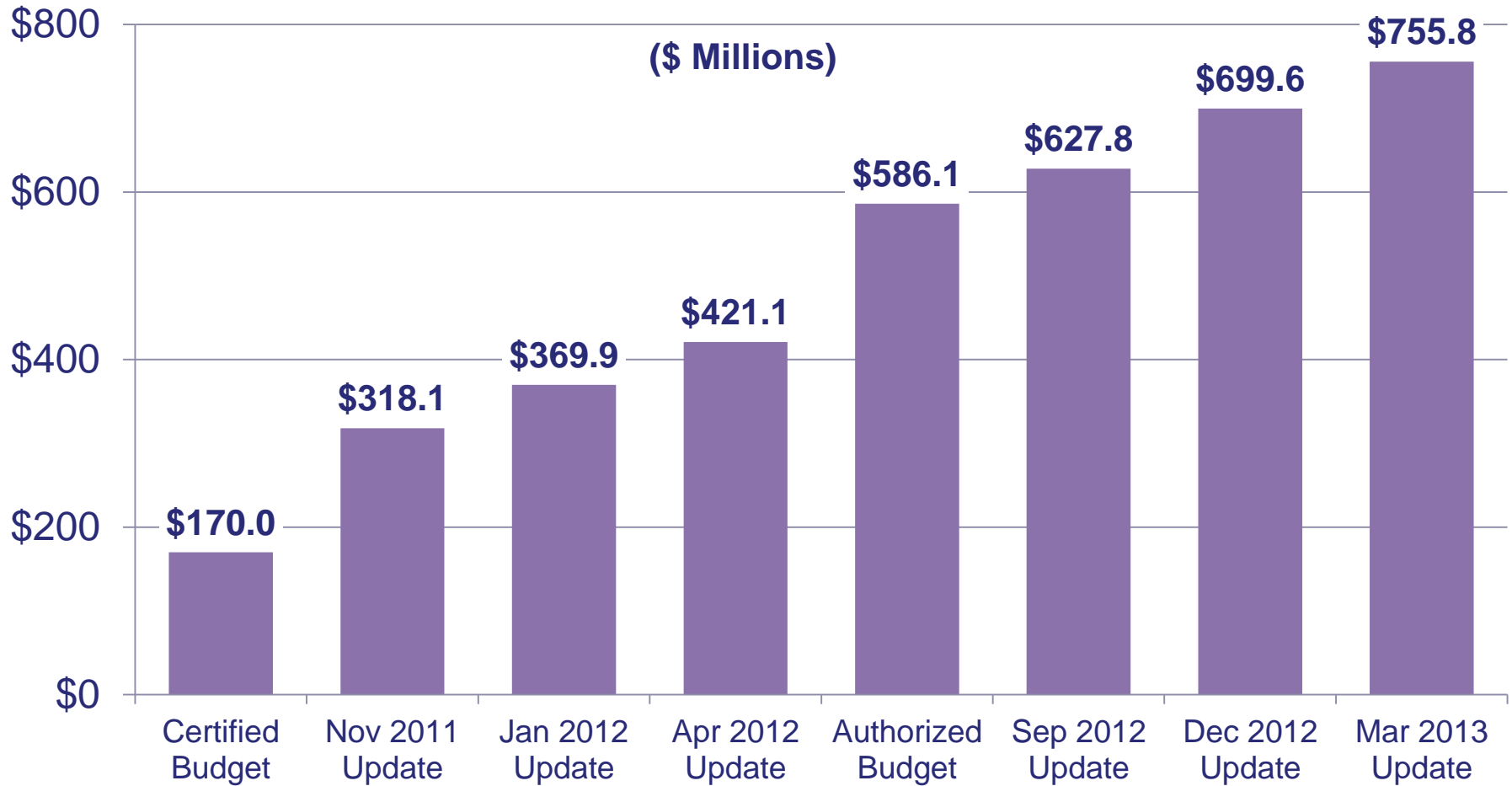
Authorized Budget and 3rd Quarter Update

FY 2012-13	Authorized Budget (per Segal 9-18-12)	3rd Quarter Update (per Segal 5-30-13)	Difference Increase/ (Decrease)
Beginning Cash Balance	\$502.2 m	\$502.2 m	\$0.0 m
Plan Revenue	\$2.936 b	\$2.958 b	\$21.9 m
Net Claims Payments	\$2.663 b	\$2.537 b	(\$125.9 m)
Net Administrative Expenses	\$189.4 m	\$167.5 m	(\$21.9 m)
Total Plan Expenses	\$2.852 b	\$2.704 b	(\$147.8 m)
Net Income/(Loss)	\$83.9 m	\$253.6 m	\$169.7 m
Ending Cash Balance	\$586.1 m	\$755.8 m	\$169.7 m

Forecast Comparisons: FY 2012-13 Claims



Forecast Comparisons: FY 2012-13 Ending Cash



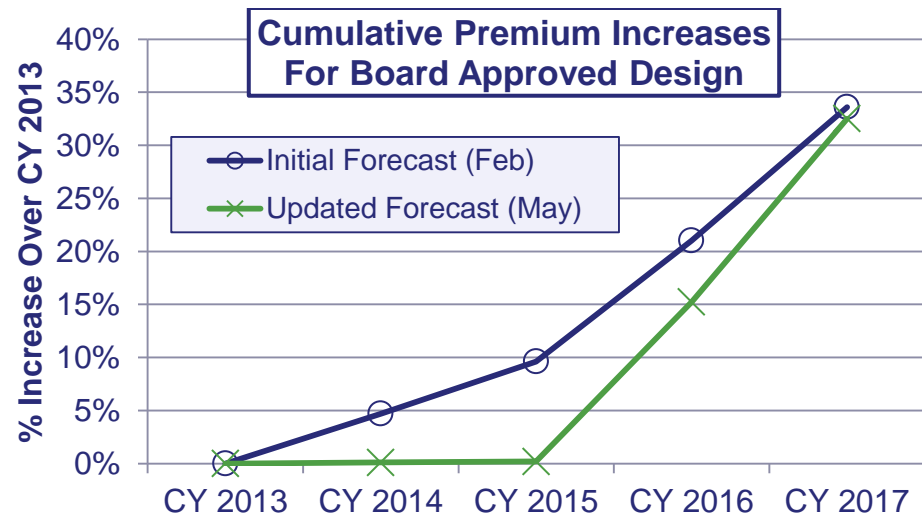
Comparison of Board Approved Plan Design Projections Initial Projection vs. 3rd Quarter Updated Projection

	Initial Projection (Segal 2-1-13)	3 rd Quarter Update (Segal 5-30-13)	Difference
Premium Increases			
FB 2013-15	4.7%	0.1%	(4.6%)
FB 2015-17	10.4%	15.0%	4.6%
Employer Contribution Increases			
FY 2013-14	\$56.1 m	\$0.8 m	(\$55.3 m)
FY 2014-15	\$170.2 m	\$2.2 m	(\$168.0 m)
Total	\$226.3 m	\$3.0 m	(\$223.3 m)
General Fund Increases			
FY 2013-14	\$44.8 m	\$0.6 m	(\$44.2 m)
FY 2014-15	\$136.2 m	\$1.8 m	(\$134.4 m)
Total	\$181.0 m	\$2.4 m	(\$178.6 m)

Premium Increases for the 2015-17 Fiscal Biennium

Why Do They Keep Growing?

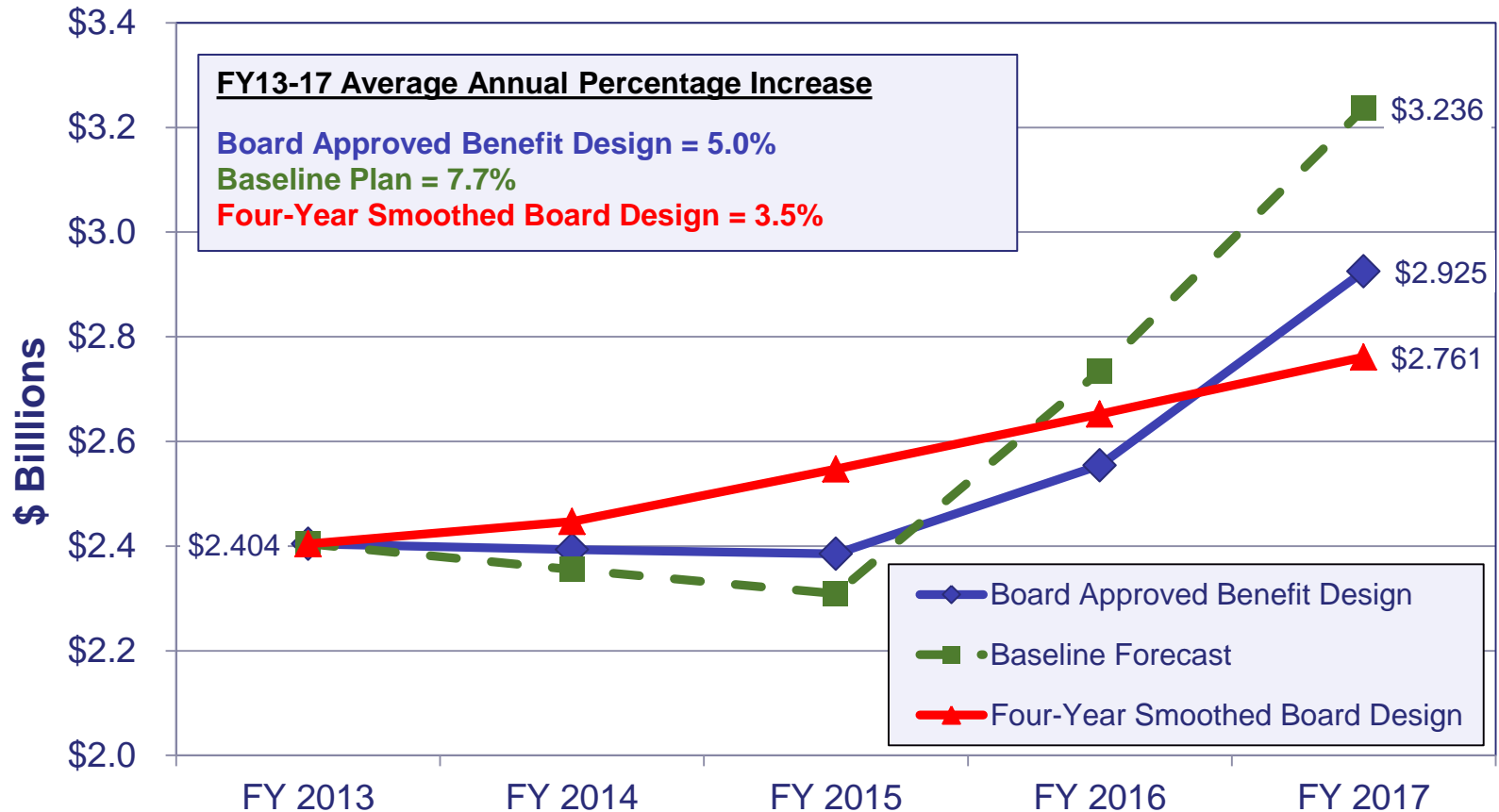
- The growing premium increase for the 2015-17 Fiscal Biennium is attributable to the availability of a large cash balance and the Plan's traditional forecasting methodology
- Because the forecast balances cash to the TSR for a given point in time (December 2015), all cash above the TSR (almost \$500 million) is budgeted for use over the next 2½ years
- Since cash will be used extensively during FB 2013-15, there is a reduced need to increase premium revenue in 2014 and 2015
- Lower premium increases for 2014 and 2015 require greater premium increases for 2016 and 2017 to recover lost ground
- Claims experience below the projected trend lowers the starting point for projections of future claims costs, **but it does not** necessarily alter the projected future rate of growth
- As shown in the chart, the premium increases in the updated forecast result in lower premiums than the initial forecast in all four years



Comparison of 3rd Quarter Updates: Baseline Forecast vs. Board Approved Plan Design

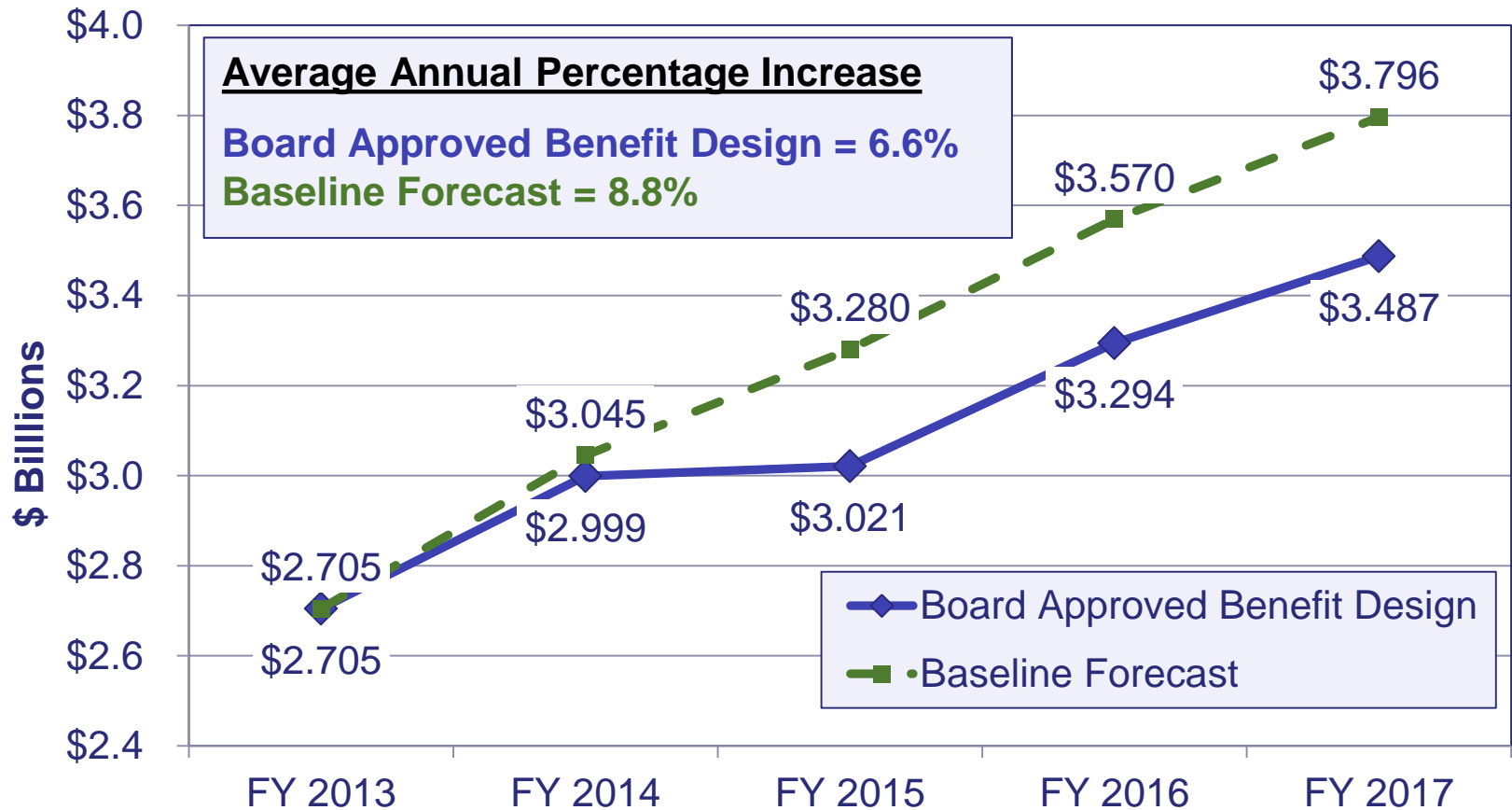
	Baseline Projection (Segal 5-30-13)	Board Design Projection (Segal 5-30-13)	Difference
Premium Increases			
FB 2013-15	(1.5%) July 1	0.1% January 1	1.6%
FB 2015-17	18.9% July 1	15.0% January 1	(3.9%)
Employer Contribution Increases			
FY 2013-14	(\$37.0 m)	\$0.8 m	\$37.8 m
FY 2014-15	(\$73.2 m)	\$2.2 m	\$75.4 m
Total	(\$110.2 m)	\$3.0 m	\$113.2 m
General Fund Increases			
FY 2013-14	(\$29.6 m)	\$0.6 m	\$30.2 m
FY 2014-15	(\$58.5 m)	\$1.8 m	\$60.3 m
Total	(\$88.1 m)	\$2.4 m	\$90.5 m

Projected Total State Contributions for Health Benefits



- Although slightly more expensive in the next two years, the Board approved benefit design (**blue line**) could save the state \$377 million over the next four years relative to the baseline forecast (**green line**), including \$300 million in General Fund spending. Employees and retirees could save \$241 million in premium contributions, including the dependent premium savings available through the MA-PDP and CDHP options.
- The actuaries also produced a model that holds the premium increases steady for the next four calendar years (**red line**). The annual premium increase necessary to achieve the 9% TSR by December 31, 2017 is 4.5%.

Projected State Health Plan Expenses



- Relative to the baseline benefit design, the Board approved design is expected to reduce expenses by \$889 million over the next four fiscal years. The expenditure reduction will be partially offset by a decrease of \$322 million in EGWP revenues, resulting in a net savings to the Plan of \$567 million

Summary

- Factoring in recent experience reduced the January 1, 2014 premium increase initially projected for the Board approved benefit design
- Required premium increases for the 2013-15 Fiscal Biennium under the approved design are **lower** than previously forecasted
- Required premium increases for the 2015-17 Fiscal Biennium under the approved design are **higher** than previously forecasted
- Relative to the baseline forecast, the Board's approved benefit design:
 - Requires a higher premium increase for 2013-15 Fiscal Biennium
 - Requires a lower premium increase for 2015-17 Fiscal Biennium
 - Could save the state \$377 million in employer contributions over the next four years
 - Reduces Plan expenses by \$889 million over the next four years

Authorized Budget

(Segal 9-18-12)

**North Carolina State Health Plan
Financial Projections - June 2012
Trends: Medical 8.5% Drugs 8.5%
With EGWP+Wrap and Spouse Rate Reduction**

	2009 - 2011 Biennium		2011 - 2013 Biennium		2013 - 2015 Biennium		2015 - 2017 Biennium	
	Actual FY 2010	Actual FY 2011	Actual FY 2012	Projection FY 2013	Projection FY 2014	Projection FY 2015	Projection FY 2016	Projection FY 2017
PLAN INCOME:								
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,874,486,516	2,916,676,038	2,959,728,308	3,393,464,293	3,891,087,902
EGWP Spouse Premium Reduction				(1,677,672)	(3,380,488)	(3,414,293)	(3,448,436)	(3,482,920)
Health care Reform ERRP Retro Disenrollments	- (1,310,146)	45,298,812 (1,281,584)	42,163,391 (451,496)	- (1,437,243)	- (1,458,338)	- (1,479,864)	- (1,696,732)	- (1,945,544)
Medicare Part D	74,357,704	66,276,535	57,583,602	39,519,892	6,118,945	6,394,298	6,682,041	6,982,733
EGWP+Wrap								
Direct Subsidy	-	-	-	19,759,856	49,128,383	53,467,015	57,652,316	60,557,992
Coverage Gap Subsidy	-	-	-	-	23,881,638	25,579,742	26,752,699	27,822,807
Catastrophic Subsidy	-	-	-	-	-	12,367,808	13,247,221	13,914,881
Total	-	-	-	19,759,856	73,010,020	91,414,565	97,652,235	102,295,680
Appropriations from State Reserve Investment Earnings	3,532,448	2,861,085	3,015,819	5,658,262	5,634,496	3,897,996	2,188,479	2,330,393
Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,167	2,936,309,611	2,996,600,673	3,056,541,009	3,494,841,881	3,997,268,243
PLAN EXPENSE:								
Medical Claims Payment	1,829,432,245	1,852,549,690	1,849,410,105	2,003,583,417	2,164,584,776	2,338,776,406	2,533,991,483	2,731,021,739
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(31,216,928)	(34,171,210)	(36,920,558)	(40,003,154)	(43,111,401)
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,972,366,489	2,130,413,566	2,301,855,848	2,493,988,330	2,687,910,338
Pharmacy Claims Payment Rebates	N/A N/A	N/A N/A	721,163,013 (93,130,160)	743,436,376 (53,940,467)	803,206,762 (55,826,830)	867,853,936 (57,785,556)	937,782,114 (59,831,034)	1,013,429,567 (61,915,172)
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	689,495,909	747,379,932	810,068,380	877,951,079	951,514,395
EGWP+Wrap Reduction in Rebates EGWP+Wrap Claim Increase				766,594 417,042	3,124,038 899,806	3,218,384 995,141	3,315,579 1,100,576	3,415,709 1,217,182
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	690,679,545	751,403,776	814,281,904	882,367,234	956,147,286
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,663,046,034	2,881,817,342	3,116,137,752	3,376,355,564	3,644,057,624
Administrative Costs	164,649,780	165,902,094	165,480,561	183,604,143	189,112,267	194,785,635	200,629,204	205,822,850
Extra EGWP+Wrap Administration	-	-	0	5,783,249	11,616,926	12,085,088	12,572,117	13,078,773
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,852,433,426	3,082,546,535	3,323,008,476	3,589,556,885	3,862,959,248
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,263	83,876,185	(85,945,862)	(266,467,466)	(94,715,005)	134,308,995
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,475	586,123,660	500,177,798	233,710,331	138,995,327
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,475	586,123,660	500,177,798	233,710,331	138,995,327	273,304,322
Target Stabilization Reserve at 7.5%	179,566,889	186,277,106	184,110,626	199,728,453	216,136,301	233,710,331	253,226,667	273,304,322
	//1 Increase	//1 Increase	//1 Increase	//1 Increase	//1 Increase	//1 Increase	//1 Increase	//1 Increase
Premium Increase:	8.9%	8.9%	5.3%	5.3%	1.9%	1.9%	15.1%	15.1%

Board Design Initial Projection (Segal 2-1-13)

North Carolina State Health Plan
Financial Projections - Sept 2012
Trends - 8.5% Medical & Pharmacy
Scenario 12d - Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged
With MA & PDP
Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit

	2011 - 2013 Biennium		2013 - 2015 Biennium				2015 - 2017 Biennium				Projection Calendar 2017 Jul-Dec	
	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection		
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014 Jan-June	Calendar 2014 July-Dec	Calendar 2015 Jan-Jun	Calendar 2015 Jul-Dec	Calendar 2016 Jan-June	Calendar 2016 July-Dec	Calendar 2017 Jan-Jun		
PLAN INCOME:												
Net Contribution Income	2,750,368,851	2,881,178,128	1,439,044,869	1,503,876,570	1,500,809,234	1,568,488,919	1,565,355,311	1,724,925,245	1,721,551,721	1,897,124,418	1,893,404,607	
EGWP/PDP Spouse Premium Reduction		(2,380,577)	(2,392,451)	(11,215,485)	(11,271,422)	(11,327,639)	(11,384,137)	(11,440,916)	(11,497,978)	(11,555,325)	(11,612,958)	
MA Spouse Premium Reduction				(5,943,883)	(5,973,528)	(6,003,322)	(6,033,264)	(6,063,355)	(6,093,596)	(6,123,988)	(6,154,532)	
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-	
Retro Disenrollments	(451,496)	(1,229,459)	(719,522)	(751,938)	(750,405)	(784,244)	(782,078)	(862,463)	(860,776)	(948,562)	(946,747)	
Premium Incentive				(16,726,281)	(16,892,166)	(15,675,872)	(15,662,759)	16,764,974	16,732,186	16,577,654	16,545,936	
CDHP Premium Reduction				(3,522,150)	(3,514,966)	(4,743,951)	(4,739,983)	(5,949,097)	(5,937,462)	(7,129,889)	(7,116,047)	
Medicare Part D	57,583,602	39,484,930	2,699,126	3,323,066	2,820,587	3,472,604	2,947,514	3,628,871	3,080,152	3,792,170	3,218,758	
EGWP+Wrap												
Direct Subsidy	-	19,759,856	23,820,221	3,981,571	-	-	-	-	-	-	-	
Coverage Gap Subsidy	-	-	6,820,704	17,060,934	-	-	-	-	-	-	-	
Catastrophic Subsidy	-	-	-	-	12,367,808	-	-	-	-	-	-	
Total	-	19,759,856	30,640,925	21,042,505	12,367,808	-	-	-	-	-	-	
Appropriations from State Reserve												
Investment Earnings	3,015,819	5,276,364	2,923,805	2,605,407	2,404,814	2,095,447	1,580,386	1,238,789	1,138,795	1,145,461	1,342,917	
Total Plan Income	2,852,680,167	2,941,531,021	1,472,196,752	1,492,667,811	1,480,199,955	1,535,521,941	1,531,280,391	1,722,242,049	1,718,113,041	1,892,882,139	1,898,771,934	
PLAN EXPENSE:												
Medical Claims Payment	1,849,410,105	1,959,418,996	1,027,931,900	1,145,513,781	1,068,651,244	1,237,827,014	1,165,319,959	1,338,058,438	1,254,974,328	1,443,285,304	1,353,181,708	
Claim Refunds	(22,634,615)	(29,465,322)	(16,572,229)	(17,289,685)	(17,706,079)	(18,682,748)	(19,735,516)	(20,323,418)	(20,967,575)	(21,626,013)	(22,610,340)	
Dental & MHSA Enhancement			1,965,711	3,370,391	3,144,242	3,642,000	3,428,666	3,936,906	3,692,452	4,246,510	3,981,403	
Medicare Advantage Savings				(19,616,010)	(28,577,928)	(28,720,462)	(28,883,707)	(29,007,667)	(29,152,344)	(29,297,744)	(29,443,868)	
Calendar Year Adjustments			44,753,680	(4,250,991)	14,111,474	(14,493,669)	18,718,118	(17,883,558)	20,309,158	(19,403,660)	22,035,437	
Preventative at 100% in Standard Plan				10,381,820	14,553,264	16,512,356	15,942,549	17,845,143	17,202,261	19,278,931	18,578,160	
Premium Incentive				(8,966,079)	(13,426,205)	(12,707,256)	(12,888,813)	(14,087,645)	(14,059,994)	(20,792,888)	(20,752,957)	
CDHP Claims Reduction				(4,552,265)	(6,816,764)	(9,604,139)	(9,590,199)	(14,939,638)	(14,910,314)	(21,828,106)	(21,786,187)	
Limited Network Savings				(883,234)	(1,322,594)	(1,301,129)	(1,299,241)	(1,561,697)	(1,558,631)	(1,745,074)	(1,741,723)	
PCP Copay Waiver				4,862,155	7,280,807	(600,318)	(599,447)	(7,319,495)	(7,305,129)	(15,408,135)	(15,378,545)	
Net Medical Claims	1,826,775,490	1,929,953,674	1,058,079,063	1,108,569,883	1,039,891,461	1,171,871,648	1,130,632,369	1,254,717,369	1,208,224,213	1,336,709,125	1,286,063,088	
Pharmacy Claims Payment												
Rebates	721,163,013	749,381,163	393,842,333	417,891,887	425,568,201	451,573,973	459,888,151	488,011,760	497,017,676	527,434,313	537,190,469	
Calendar Year Adjustments	(93,130,160)	(53,940,471)	(26,119,159)	(29,707,675)	(27,075,362)	(30,710,198)	(28,256,258)	(31,945,049)	(29,287,852)	(33,015,849)	(30,359,683)	
Net Pharmacy Claims	628,032,853	695,440,692	373,333,509	379,292,610	408,195,281	410,967,001	442,116,891	445,371,327	479,061,452	482,859,049	519,078,447	
MA-PDP Savings				(33,304,170)	(57,242,451)	(57,527,951)	(57,814,876)	(58,103,231)	(58,393,024)	(58,684,263)	(58,976,955)	
EGWP+Wrap Reduction in Rebates		766,594	1,550,400	783,892	-	-	-	-	-	-	-	
EGWP+Wrap Claim Increase		417,042	438,579	-	-	-	-	-	-	-	-	
Total Pharmacy Claims	628,032,853	696,624,327	375,322,488	346,772,332	350,952,830	353,439,050	384,302,015	397,268,096	420,668,428	424,174,786	460,101,492	
Total Claims	2,454,808,343	2,626,578,001	1,433,401,551	1,455,342,215	1,390,844,291	1,525,310,698	1,514,934,384	1,641,985,465	1,628,892,640	1,760,883,911	1,746,164,580	
Administrative Costs	165,480,561	183,804,143	94,653,645	94,458,622	97,491,224	97,294,411	97,213,026	97,213,026	97,213,026	97,213,026	97,213,026	
ACA Reinsurance Fee				16,802,320	16,739,438	10,006,185	9,968,959	6,621,322	6,596,836	-	-	
Extra EGWP+Wrap Administration		5,783,249	5,794,014	5,822,912	-	-	-	-	-	-	-	
Total Plan Expense	2,620,288,904	2,815,965,393	1,533,849,210	1,572,426,070	1,505,074,953	1,632,611,294	1,622,116,369	1,745,819,813	1,732,702,502	1,858,098,936	1,843,377,608	
Plan Income (Loss)	232,391,263	125,565,628	(61,652,458)	(79,738,259)	(24,874,998)	(97,089,353)	(90,835,978)	(23,577,764)	(14,589,461)	34,785,203	45,394,329	
Beginning Cash Balance (Deficit)	269,856,212	502,247,475	627,813,103	566,180,645	496,422,386	461,547,388	364,458,035	273,622,057	250,044,293	235,454,833	270,240,035	
Ending Cash Balance (Deficit)	502,247,475	627,813,103	566,180,645	496,422,386	461,547,388	364,458,035	273,622,057	250,044,293	235,454,833	270,240,035	315,634,364	
Target Stabilization Reserve	184,110,626	210,126,240	221,519,699	245,543,220	241,925,853	262,453,949	273,622,057	284,122,786	294,379,029	305,079,890	315,634,364	
	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
Premium Increase:	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		
	5.3%	5.3%		4.7%		4.7%		10.4%		10.4%		

Q2 Board Design Update (Segal 3-14-13)

**North Carolina State Health Plan
Financial Projections - Dec 2012
Trends - 8.5% Medical & Pharmacy
Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged
With MA & PDP
Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit**

	2011 - 2013 Biennium		2013 - 2015 Biennium				2015 - 2017 Biennium				Projection Calendar 2017 Jul-Dec	
	Actual	Projection	Projection Short Plan Year Jul-Dec 2013	Projection Calendar 2014 Jan-June	Projection Calendar 2014 July-Dec	Projection Calendar 2015 Jan-Jun	Projection Calendar 2015 Jul-Dec	Projection Calendar 2016 Jan-June	Projection Calendar 2016 July-Dec	Projection Calendar 2017 Jan-Jun		
	FY 2012	FY 2013										
PLAN INCOME:												
Net Contribution Income	2,750,368,851	2,888,055,367	1,443,553,347	1,479,677,932	1,476,635,707	1,513,651,108	1,510,802,099	1,698,683,098	1,695,332,715	1,906,494,568	1,902,815,009	
EGWP/PDP Spouse Premium Reduction		(2,474,820)	(2,487,164)	(11,717,125)	(11,775,565)	(11,834,296)	(11,893,320)	(11,952,639)	(12,012,254)	(12,072,165)	(12,132,376)	
MA Spouse Premium Reduction												
Health care Reform ERRP	42,163,391	(558,219)	-	(6,185,425)	(6,216,275)	(6,247,280)	(6,278,438)	(6,309,752)	(6,341,223)	(6,372,850)	(6,404,635)	
Retro Disenrollments	(451,496)	(953,256)	(721,777)	(739,839)	(738,318)	(756,826)	(755,301)	(849,342)	(847,666)	(953,247)	(951,408)	
Premium Incentive				(15,464,291)	(15,432,497)	(14,398,019)	(14,385,876)	18,173,427	18,137,583	17,992,146	17,957,421	
CDHP Premium Reduction				(3,534,625)	(3,527,358)	(4,759,937)	(4,755,923)	(5,968,448)	(5,956,676)	(7,152,162)	(7,138,359)	
Medicare Part D	57,583,602	39,186,799	2,784,744	3,434,018	2,910,058	3,588,549	3,041,010	3,750,033	3,177,856	3,918,785	3,320,859	
EGWP+Wrap												
Direct Subsidy	-	20,745,749	25,008,700	4,180,227	-	-	-	-	-	-	-	
Coverage Gap Subsidy	-	-	7,161,014	17,912,167	-	-	-	-	-	-	-	
Catastrophic Subsidy	-	-	-	-	12,984,884	-	-	-	-	-	-	
Total	-	20,745,749	32,169,714	22,092,394	12,984,884	-	-	-	-	-	-	
Appropriations from State Reserve												
Investment Earnings	3,015,815	2,763,944	1,329,814	1,249,579	1,196,189	990,056	722,699	492,305	427,906	426,363	547,610	
Total Plan Income	2,852,680,163	2,846,765,563	1,476,628,679	1,468,812,618	1,456,036,824	1,480,233,356	1,476,296,950	1,696,018,863	1,691,918,241	1,902,281,438	1,898,014,122	
PLAN EXPENSE:												
Medical Claims Payment	1,849,410,105	1,927,218,996	1,015,169,814	1,131,272,914	1,055,348,776	1,222,398,357	1,150,776,472	1,321,337,075	1,239,270,979	1,425,201,676	1,336,205,056	
Claim Refunds	(22,634,615)	(27,984,755)	(16,366,569)	(17,074,834)	(17,485,776)	(18,449,981)	(19,489,508)	(20,069,547)	(20,705,322)	(21,355,161)	(22,326,798)	
Dental & MHSA Enhancement			1,965,754	3,370,417	3,144,216	3,641,909	3,428,525	3,936,678	3,692,178	4,246,124	3,980,975	
Medicare Advantage Savings				(19,524,830)	(28,579,624)	(28,722,167)	(28,865,420)	(29,009,388)	(29,154,074)	(29,299,482)	(29,445,615)	
Calendar Year Adjustments			44,524,878	(4,229,258)	14,039,329	(14,419,571)	18,622,423	(17,792,129)	20,205,328	(19,304,460)	21,922,781	
Preventative at 100% in Standard Plan				10,247,668	14,369,098	16,300,647	15,741,038	17,615,873	16,984,626	19,030,936	18,342,873	
Premium Incentive				(8,183,249)	(12,253,793)	(11,704,835)	(11,687,707)	(12,753,417)	(12,728,173)	(20,258,236)	(20,218,993)	
CDHP Claims Reduction				(3,513,582)	(5,261,322)	(7,151,167)	(7,140,703)	(10,762,846)	(10,741,543)	(15,273,727)	(15,244,140)	
Limited Network Savings				265,475	397,529	324,800	324,324	482,294	481,339	441,970	441,114	
PCP Copay Waiver				4,440,211	6,648,878	(352,563)	(352,047)	(4,133,249)	(4,125,066)	(17,107,065)	(17,073,927)	
Net Medical Claims	1,826,775,490	1,899,234,241	1,045,293,877	1,097,070,933	1,030,367,310	1,161,865,430	1,121,357,397	1,248,851,344	1,203,180,271	1,326,322,575	1,276,583,324	
Pharmacy Claims Payment	721,163,013	747,552,157	427,143,493	389,430,657	461,537,416	420,805,476	498,742,324	493,343,070	500,327,069	533,179,679	540,750,179	
Rebates	(93,130,160)	(69,039,330)	(28,211,239)	(38,718,472)	(29,235,432)	(32,762,317)	(30,299,331)	(33,846,682)	(31,409,736)	(34,968,080)	(32,552,926)	
Calendar Year Adjustments			6,216,800	(9,519,242)	11,416,587	(10,479,654)	12,337,009	(12,212,551)	12,639,535	(13,198,703)	13,660,832	
Net Pharmacy Claims	628,032,853	678,512,828	405,149,054	341,192,943	443,718,572	377,563,505	480,780,001	447,283,837	481,556,868	485,012,896	521,858,086	
MA-PDP Savings				(32,826,648)	(57,016,358)	(57,300,730)	(57,586,521)	(57,873,738)	(58,162,386)	(58,452,475)	(58,744,010)	
EGWP+Wrap Reduction in Rebates		804,842	1,627,756	823,004	-	-	-	-	-	-	-	
EGWP+Wrap Claim Increase		437,850	460,461	-	-	-	-	-	-	-	-	
Total Pharmacy Claims	628,032,853	679,755,520	407,237,271	309,189,299	386,702,215	320,262,775	423,193,480	389,410,100	423,394,482	426,560,421	463,114,075	
Total Claims	2,454,808,343	2,578,989,761	1,452,531,148	1,406,280,232	1,417,089,525	1,482,128,205	1,544,550,877	1,638,261,444	1,626,574,752	1,752,882,996	1,739,697,399	
Administrative Costs	165,480,561	164,665,404	85,503,634	91,148,980	88,666,001	88,485,547	88,410,922	88,410,922	88,410,922	88,410,922	88,410,922	
ACA Reinsurance Fee						34,632,846		21,039,454		14,201,632		
Extra EGWP+Wrap Administration		5,783,249	5,794,014	-	-	-	-	-	-	-	-	
Total Plan Expense	2,620,288,904	2,749,438,414	1,543,828,796	1,497,409,212	1,505,735,526	1,605,246,598	1,632,961,798	1,747,711,820	1,714,985,674	1,855,495,550	1,828,108,321	
Plan Income (Loss)	232,391,259	197,327,150	(67,200,117)	(28,596,594)	(49,698,702)	(125,013,243)	(156,664,848)	(51,693,136)	(23,067,433)	46,785,887	69,905,801	
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	699,574,621	632,374,504	603,777,910	554,079,208	429,065,966	272,401,117	220,707,981	197,640,548	244,426,435	
Ending Cash Balance (Deficit)	502,247,471	699,574,621	632,374,504	603,777,910	554,079,208	429,065,966	272,401,117	220,707,981	197,640,548	244,426,435	314,332,236	
Target Stabilization Reserve	184,110,626	206,319,181	223,399,068	242,997,267	239,983,029	260,927,796	272,401,117	286,453,109	293,835,258	304,151,197	314,332,236	
	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		
Premium Increase:	5.3%	5.3%		2.7%		2.7%		12.7%		12.7%		

**North Carolina State Health Plan
Financial Projections - Mar 2013
Trends - 8.5% Medical & Pharmacy**

**Q3 Board
Design Update
(Segal 5-30-13)**

**Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged
With MA & PDP
Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit**

	2011 - 2013 Biennium		2013 - 2015 Biennium				2015 - 2017 Biennium				Projection Calendar 2017 Jul-Dec	
	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection			
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014 Jan-June	Calendar 2014 July-Dec	Calendar 2015 Jan-Jun	Calendar 2015 Jul-Dec	Calendar 2016 Jan-June	Calendar 2016 July-Dec	Calendar 2017 Jan-Jun		
PLAN INCOME:												
Net Contribution Income	2,750,368,851	2,895,761,603	1,442,578,008	1,440,460,256	1,437,476,692	1,435,425,946	1,432,512,448	1,643,850,040	1,640,582,351	1,882,895,678	1,879,032,683	1,879,032,683
EGWP/PDP Spouse Premium Reduction		(1,244,865)	(2,498,637)	(14,615,034)	(14,687,927)	(14,761,184)	(14,834,807)	(14,908,798)	(14,983,155)	(15,057,884)	(15,132,986)	(15,132,986)
MA Spouse Premium Reduction			(5,898,039)	(5,927,456)	(5,957,019)		(5,986,730)	(6,016,589)	(6,046,598)	(6,076,755)	(6,107,063)	(6,107,063)
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(714,727)	(721,289)	(720,230)	(718,738)	(717,713)	(716,256)	(821,925)	(820,291)	(941,348)	(939,516)	(939,516)
Premium Incentive			-	(15,363,911)	(15,332,089)	(14,299,813)	(14,287,662)	18,347,595	18,311,123	18,164,492	18,129,151	18,129,151
CDHP Premium Reduction			-	(3,528,927)	(3,521,618)	(4,751,766)	(4,747,728)	(5,957,822)	(5,945,979)	(7,139,050)	(7,125,160)	(7,125,160)
Medicare Part D	57,583,602	36,936,224	2,784,744	3,434,018	2,910,058	3,588,549	3,041,010	3,750,033	3,177,856	3,918,785	3,320,859	3,320,859
EGWP+Wrap												
Direct Subsidy	-	25,008,159	25,151,533	-	-	-	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	7,195,769	17,999,102	-	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	13,047,904	-	-	-	-	-	-	-
Total	-	25,008,159	32,347,302	17,999,102	13,047,904	-	-	-	-	-	-	-
Appropriations from State Reserve												
Investment Earnings	3,015,815	3,063,553	1,448,002	1,371,580	1,322,810	1,084,306	744,589	462,446	367,589	368,087	517,995	517,995
Total Plan Income	2,852,680,163	2,958,251,928	1,475,938,129	1,423,138,814	1,414,569,636	1,399,611,306	1,395,724,865	1,638,704,982	1,634,642,897	1,875,932,005	1,871,695,962	1,871,695,962
PLAN EXPENSE:												
Medical Claims Payment	1,849,410,105	1,882,949,142	997,508,625	1,111,574,513	1,036,956,734	1,201,076,486	1,130,686,863	1,298,249,706	1,217,598,950	1,400,256,154	1,312,797,082	1,312,797,082
Claim Refunds	(22,634,615)	(23,855,443)	(12,080,684)	(12,583,200)	(12,885,851)	(13,596,192)	(14,362,157)	(14,789,230)	(15,257,502)	(15,736,111)	(16,451,838)	(16,451,838)
Dental & MHSA Enhancement			1,965,794	3,370,442	3,144,191	3,641,824	3,426,393	3,936,466	3,691,922	4,245,763	3,980,576	3,980,576
Medicare Advantage Savings			(34,918,460)	(43,530,120)	(43,530,120)	(43,747,226)	(43,965,421)	(44,184,701)	(44,405,075)	(44,849,126)	(44,849,126)	(44,849,126)
Calendar Year Adjustments		-	44,524,878	(4,229,258)	14,039,329	(14,419,571)	18,622,423	(17,792,129)	20,205,328	(19,304,480)	21,922,781	21,922,781
Preventative at 100% in Standard Plan			9,959,957	13,966,741	15,859,786	15,320,207	15,320,207	17,154,164	16,544,014	18,545,830	17,881,802	17,881,802
Premium Incentive			(7,995,527)	(11,972,541)	(11,462,987)	(11,446,086)	(11,446,086)	(12,527,363)	(12,502,373)	(19,984,282)	(19,945,259)	(19,945,259)
CDHP Claims Reduction			(2,705,932)	(4,051,876)	(5,771,199)	(5,762,690)	(5,762,690)	(8,941,127)	(8,923,291)	(12,953,021)	(12,927,728)	(12,927,728)
Limited Network Savings			310,434	464,845	390,200	389,624	389,624	802,750	801,547	576,589	575,463	575,463
PCP Copay Waiver			4,407,787	6,600,242	(387,417)	(387,417)	(386,875)	(4,086,355)	(4,078,203)	(17,078,970)	(17,045,620)	(17,045,620)
Net Medical Claims	1,826,775,490	1,859,093,698	1,031,938,612	1,067,190,757	1,002,731,695	1,131,603,701	1,092,544,281	1,217,622,180	1,173,475,317	1,293,940,945	1,245,938,133	1,245,938,133
Pharmacy Claims Payment	721,163,013	749,090,373	426,782,431	389,095,527	461,133,212	420,430,469	498,290,216	492,888,065	499,857,994	532,671,371	540,226,350	540,226,350
Rebates	(93,130,160)	(72,024,902)	(22,208,556)	(32,607,518)	(23,014,123)	(26,428,528)	(23,850,891)	(27,281,378)	(24,724,242)	(28,163,286)	(25,623,274)	(25,623,274)
Calendar Year Adjustments			6,211,534	(9,511,046)	11,406,548	(10,470,311)	12,325,781	(12,201,284)	12,627,650	(13,186,116)	13,647,500	13,647,500
Net Pharmacy Claims	628,032,853	677,065,471	410,785,408	346,978,963	449,525,637	383,531,630	486,765,106	463,405,403	487,761,402	491,321,968	528,250,635	528,250,635
MA-PDP Savings			-	(55,230,721)	(79,613,191)	(80,010,267)	(80,409,323)	(80,810,370)	(81,213,417)	(81,618,474)	(82,025,551)	(82,025,551)
EGWP+Wrap Reduction in Rebates		808,699	1,635,695	827,018	-	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase		222,762	462,707	-	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips			591,768	686,454	813,546	741,737	879,099	869,568	881,865	939,755	953,084	953,084
Total Pharmacy Claims	628,032,853	678,096,922	413,475,579	293,259,715	370,725,991	304,263,099	407,234,881	373,464,602	407,429,850	410,643,250	447,178,169	447,178,169
Total Claims	2,454,808,343	2,537,190,620	1,445,414,191	1,360,450,472	1,373,457,686	1,435,866,800	1,499,779,162	1,591,086,782	1,580,905,167	1,704,584,195	1,693,116,301	1,693,116,301
Administrative Costs	165,480,561	164,665,404	85,504,284	91,148,330	88,686,681	88,484,867	91,324,774	91,141,320	93,688,951	93,504,688	96,122,447	96,122,447
ACA Reinsurance Fee			-	-	-	34,632,846	-	21,039,454	-	14,201,632	-	-
Extra EGWP+Wrap Administration		2,893,881	5,794,014	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,704,749,905	1,536,712,490	1,451,598,801	1,462,124,366	1,558,984,514	1,591,103,936	1,703,267,556	1,674,594,119	1,812,290,514	1,789,238,748	1,789,238,748
Plan Income (Loss)	232,391,259	253,502,023	(60,774,360)	(28,459,987)	(47,554,730)	(159,373,208)	(195,379,072)	(64,562,575)	(39,951,222)	63,641,490	82,457,214	82,457,214
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	755,749,494	694,975,134	668,515,147	618,960,417	459,587,208	264,208,137	199,645,562	159,694,340	223,335,831	223,335,831
Ending Cash Balance (Deficit)	502,247,471	755,749,494	694,975,134	668,515,147	618,960,417	459,587,208	264,208,137	199,645,562	159,694,340	223,335,831	305,793,045	305,793,045
Target Stabilization Reserve	184,110,626	202,975,250	219,485,780	238,498,496	232,382,193	252,839,204	264,208,137	278,177,935	285,479,275	295,694,043	305,793,045	305,793,045
	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium Increase:	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase
	5.3%	5.3%		0.1%		0.1%		15.0%		15.0%		15.0%

Q3 Baseline Update

(Segal 5-30-13)

North Carolina State Health Plan Financial Projections - Mar 2013 Trends - 8.5% Medical & Pharmacy With Dental, MHSA and ACA Reinsurance Fee

	2009 - 2011 Biennium		2011 - 2013 Biennium		2013 - 2015 Biennium		2015 - 2017 Biennium	
	Actual FY 2010	Actual FY 2011	Actual FY 2012	Projection FY 2013	Projection FY 2014	Projection FY2015	Projection FY2016	Projection FY2017
PLAN INCOME:								
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,761,603	2,837,538,826	2,782,068,914	3,293,145,136	3,898,435,129
EGWP Spouse Premium Reduction				(1,244,665)	(5,009,736)	(5,059,834)	(5,110,432)	(5,161,537)
Health care Reform ERRP	-	45,298,812	42,163,391	(558,219)	-	-	-	-
Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(714,727)	(1,418,769)	(1,391,034)	(1,646,573)	(1,949,218)
Medicare Part D	74,357,704	66,276,535	57,583,602	36,936,224	6,218,762	6,498,606	6,791,044	7,096,641
EGWP+Wrap								
Direct Subsidy	-	-	-	25,008,159	52,162,580	56,859,950	61,074,163	64,152,301
Coverage Gap Subsidy	-	-	-	-	25,194,870	26,987,007	28,224,493	29,353,473
Catastrophic Subsidy	-	-	-	-	-	13,047,904	13,976,014	14,680,406
Total	-	-	-	25,008,159	77,357,450	96,894,861	103,274,671	108,186,180
Appropriations from State Reserve								
Investment Earnings	3,532,448	2,861,085	3,015,815	3,063,553	2,854,661	1,890,879	745,918	850,850
Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,163	2,958,251,928	2,917,541,193	2,880,902,392	3,397,199,765	4,007,458,045
PLAN EXPENSE:								
Medical Claims Payment	1,829,432,245	1,852,549,690	1,849,410,105	1,882,949,142	2,109,083,138	2,238,033,220	2,428,936,569	2,617,855,104
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(23,855,443)	(24,643,884)	(26,482,043)	(29,151,387)	(30,993,613)
Dental & MHSA Enhancement					5,336,236	6,786,015	7,364,859	7,937,685
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,859,093,698	2,089,775,489	2,218,337,192	2,407,150,041	2,594,799,177
Pharmacy Claims Payment	N/A	N/A	721,163,013	749,090,373	815,877,958	881,563,680	991,178,281	1,032,529,365
Rebates	N/A	N/A	(93,130,160)	(72,024,902)	(54,816,074)	(49,442,651)	(51,132,269)	(52,887,528)
Calendar Year Adjustments					-	-	-	-
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	677,065,471	761,061,883	832,121,030	940,046,012	979,641,837
EGWP+Wrap Reduction in Rebates				808,689	3,295,906	3,395,442	3,497,985	3,603,624
EGWP+Wrap Claim Increase				222,762	949,309	1,049,888	1,161,124	1,284,145
Expand Coverage of Diabetic Test Strips				-	1,278,223	1,555,282	1,748,668	1,821,620
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	678,096,922	766,585,321	838,121,642	946,453,788	986,351,226
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,537,190,620	2,856,360,810	3,056,458,834	3,353,603,829	3,581,150,403
Administrative Costs	164,649,780	165,902,094	165,480,561	164,665,404	176,652,614	177,151,548	182,466,094	187,193,639
ACA Reinsurance Fee					-	34,632,846	21,039,454	14,201,632
Extra EGWP+Wrap Administration	-	-	-	2,893,881	11,616,926	12,085,088	12,572,117	13,078,773
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,704,749,905	3,044,630,350	3,280,328,317	3,569,681,495	3,795,624,447
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	253,502,023	(127,089,157)	(399,425,925)	(172,481,730)	211,833,598
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	755,749,494	628,660,337	229,234,413	56,752,682
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,471	755,749,494	628,660,337	229,234,413	56,752,682	268,586,280
Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	190,289,297	214,227,061	229,234,413	251,520,287.19	268,586,280
			7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Premium Increase:	7/1 Increase 8.9%	7/1 Increase 8.9%	7/1 Increase 5.3%	7/1 Increase 5.3%	7/1 Increase -1.5%	7/1 Increase -1.5%	7/1 Increase 18.9%	7/1 Increase 18.9%

Q3 Board Design Update 4-Year Smoothed (Segal 5-30-13)

North Carolina State Health Plan
Financial Projections - Mar 2013
Trends - 8.5% Medical & Pharmacy
Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged
With MA & PDP
Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit

	2011 - 2013 Biennium		2013 - 2015 Biennium				2015 - 2017 Biennium				
	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014 Jan-June	Calendar 2014 July-Dec	Calendar 2015 Jan-Jun	Calendar 2015 Jul-Dec	Calendar 2016 Jan-June	Calendar 2016 July-Dec	Calendar 2017 Jan-Jun	Calendar 2017 Jul-Dec
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,895,761,603	1,442,578,008	1,504,832,624	1,501,715,729	1,566,587,396	1,563,407,678	1,631,012,512	1,627,770,342	1,698,229,895	1,694,925,799
EGWP/PDP Spouse Premium Reduction		(1,244,665)	(2,498,637)	(14,615,034)	(14,687,927)	(14,761,184)	(14,834,807)	(14,908,796)	(14,983,155)	(15,057,884)	(15,132,986)
MA Spouse Premium Reduction			(5,898,039)	(5,927,466)	(5,957,019)		(5,986,730)	(6,016,589)	(6,046,598)	(6,076,755)	(6,107,063)
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(714,727)	(721,289)	(752,416)	(750,858)	(783,294)	(781,704)	(815,506)	(813,885)	(849,115)	(847,463)
Premium Incentive			-	(15,383,911)	(15,332,089)	(14,299,813)	(14,287,662)	18,347,595	18,311,123	18,164,492	18,129,151
CDHP Premium Reduction			-	(3,528,927)	(3,521,618)	(4,751,766)	(4,747,728)	(5,957,822)	(5,945,979)	(7,139,050)	(7,125,160)
Medicare Part D	57,583,602	36,936,224	2,784,744	3,434,018	2,910,058	3,588,549	3,041,010	3,750,033	3,177,856	3,918,785	3,320,859
EGWP+Wrap											
Direct Subsidy	-	25,008,159	25,151,533	-	-	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	7,195,769	17,999,102	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	13,047,904	-	-	-	-	-	-
Total	-	25,008,159	32,347,302	17,999,102	13,047,904	-	-	-	-	-	-
Appropriations from State Reserve											
Investment Earnings	3,015,815	3,063,553	1,448,002	1,435,980	1,515,993	1,473,347	1,399,552	1,233,799	1,114,828	919,466	701,782
Total Plan Income	2,852,680,163	2,958,251,928	1,475,938,129	1,487,543,396	1,478,969,736	1,531,096,215	1,527,206,610	1,626,645,225	1,622,584,533	1,692,109,833	1,687,864,918
PLAN EXPENSE:											
Medical Claims Payment	1,849,410,105	1,882,949,142	997,508,625	1,111,574,513	1,036,956,734	1,201,076,486	1,130,886,863	1,298,249,706	1,217,598,950	1,400,256,154	1,312,797,082
Claim Refunds	(22,634,815)	(23,855,443)	(12,060,884)	(12,583,200)	(12,885,851)	(13,596,192)	(14,362,157)	(14,789,230)	(15,257,502)	(15,736,111)	(16,451,838)
Dental & MHSA Enhancement			1,965,794	3,370,442	3,144,191	3,641,824	3,428,393	3,936,466	3,691,922	4,245,763	3,980,576
Medicare Advantage Savings			(34,918,460)	(43,530,120)	(43,530,120)	(43,747,229)	(43,965,421)	(44,184,701)	(44,405,075)	(44,626,548)	(44,849,126)
Calendar Year Adjustments			44,524,878	(4,229,258)	14,039,329	(14,419,571)	18,622,423	(17,792,129)	20,205,328	(19,304,460)	21,922,781
Preventative at 100% in Standard Plan			9,959,957	13,968,741	15,859,786	15,200,207	15,320,207	17,154,164	16,544,014	18,545,830	17,881,802
Premium Incentive			(7,995,527)	(11,972,541)	(11,462,987)	(11,446,086)	(11,446,086)	(12,527,363)	(12,502,373)	(19,984,282)	(19,945,259)
CDHP Claims Reduction			(2,705,932)	(4,051,876)	(5,771,199)	(5,771,199)	(5,762,690)	(8,941,127)	(8,923,291)	(12,953,021)	(12,927,728)
Limited Network Savings			310,434	464,845	390,200	390,200	389,624	802,750	801,547	578,589	575,463
PCP Copay Waiver			4,407,787	6,800,242	(367,417)	(367,417)	(368,875)	(4,086,355)	(4,078,203)	(17,078,970)	(17,045,620)
Net Medical Claims	1,826,775,490	1,859,093,698	1,031,938,612	1,067,190,757	1,002,731,695	1,131,603,701	1,092,544,281	1,217,622,160	1,173,475,317	1,293,940,945	1,245,938,133
Pharmacy Claims Payment	721,163,013	749,090,373	426,782,431	389,095,527	461,133,212	420,430,469	498,290,216	492,898,065	499,857,994	532,671,371	540,226,350
Rebates	(93,130,160)	(72,024,902)	(22,208,556)	(32,607,518)	(23,014,123)	(26,428,528)	(23,850,891)	(27,281,378)	(24,724,242)	(28,163,286)	(25,623,274)
Calendar Year Adjustments			6,211,534	(9,511,046)	11,406,548	(10,470,311)	12,325,781	(12,201,284)	12,627,650	(13,186,116)	13,647,560
Net Pharmacy Claims	628,032,853	677,065,471	410,785,408	346,976,963	449,525,637	383,531,630	486,765,106	453,405,403	487,761,402	491,321,968	528,250,635
MA-PDP Savings			(55,230,721)	(79,613,191)	(80,010,267)	(80,010,267)	(80,409,323)	(80,810,370)	(81,213,417)	(81,618,474)	(82,025,551)
EGWP+Wrap Reduction in Rebates		808,699	1,635,695	827,018	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase		222,762	462,707	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips			591,768	686,454	813,546	741,737	879,099	869,568	881,865	939,755	953,084
Total Pharmacy Claims	628,032,853	678,096,922	413,475,579	293,259,715	370,725,991	304,263,099	407,234,881	373,464,802	407,429,850	410,643,250	447,178,169
Total Claims	2,454,808,343	2,537,190,620	1,445,414,191	1,360,450,472	1,373,457,686	1,435,866,800	1,499,779,162	1,591,086,782	1,580,905,167	1,704,584,195	1,693,116,301
Administrative Costs	165,480,561	164,665,404	85,504,284	91,149,330	88,666,681	88,484,867	91,324,774	91,141,320	93,688,951	93,504,688	96,122,447
ACA Reinsurance Fee			-	-	-	34,632,846	-	21,039,454	-	14,201,632	-
Extra EGWP+Wrap Administration		2,893,881	5,794,014	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,704,749,905	1,536,712,490	1,451,598,801	1,462,124,366	1,558,984,514	1,591,103,936	1,703,267,556	1,674,594,119	1,812,290,514	1,789,238,748
Plan Income (Loss)	232,391,259	253,502,023	(60,774,360)	35,944,595	16,845,370	(27,888,299)	(63,897,326)	(76,622,331)	(52,009,586)	(120,180,681)	(101,373,830)
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	755,749,494	694,975,134	730,919,729	747,765,099	719,876,800	655,979,474	579,357,142	527,347,556	407,166,875
Ending Cash Balance (Deficit)	502,247,471	755,749,494	694,975,134	730,919,729	747,765,099	719,876,800	655,979,474	579,357,142	527,347,556	407,166,875	305,793,045
Target Stabilization Reserve	184,110,826	202,975,250	219,485,780	239,498,496	232,382,193	252,839,204	264,208,137	278,177,935	285,479,275	295,694,043	305,793,045
	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase	
Premium Increase:	5.3%	5.3%		4.5%		4.5%		4.5%		4.5%	