



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

June 2016 Financial Report

Board of Trustees Meeting

August 4, 2016

A Division of the Department of State Treasurer

Financial Results: Actual vs. Budgeted

Calendar Year to Date June 2016

Calendar Year 2016	Actual thru Jun 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	\$1.581 b	\$1.549 b	\$32.5 m
Net Claims Payments	\$1.456 b	\$1.444 m	\$12.2 m
Medicare Advantage Premiums	\$96.8 m	\$95.2 m	\$1.6 m
Net Administrative Expenses	\$89.8 m	\$128.1 m	(\$38.3 m)
Total Plan Expenses	\$1.643 b	\$1.667 b	(\$24.5 m)
Net Income/(Loss)	(\$61.7 m)	(\$118.7 m)	\$57.0 m
Ending Cash Balance	\$953.5 m	\$822.6 m	\$130.9 m

Adjusted Variance Report

Calendar Year to Date June 2016

Calendar Year 2016	Actual thru Jun 2016, As Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Plan Revenue *	\$1.598 b	\$1.549 b	\$49.6 m
Net Claims Payments ^	\$1.453 m	\$1.444 b	\$9.2 m
Medicare Advantage Premiums	\$96.8 m	\$95.2 m	\$1.6 m
Net Administrative Expenses ^	\$98.9 m	\$128.1 m	(\$29.2 m)
Total Plan Expenses	\$1.649 b	\$1.667 b	(\$18.4 m)
Net Income/(Loss)	(\$50.7 m)	(\$118.7 m)	\$68.0 m

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

^ Adjusted for timing issues.

Financial Results Actual vs. Budgeted

Calendar Year to Date June 2016

Per Member Per Month (PMPM) Analysis

Calendar Year 2016	Actual thru Jun 2016	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Plan Revenue	\$374.93	\$377.96	(\$3.03)
Net Claims Payments	\$347.55	\$352.20	(\$4.65)
Medicare Advantage Premiums	\$23.10	\$23.22	(\$0.12)
Net Administrative Expenses	\$21.43	\$31.24	(\$9.81)
Total Plan Expenses	\$392.08	\$406.66	(\$14.58)
Net Income/(Loss)	(\$17.15)	(\$28.70)	\$11.55

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 June 2016

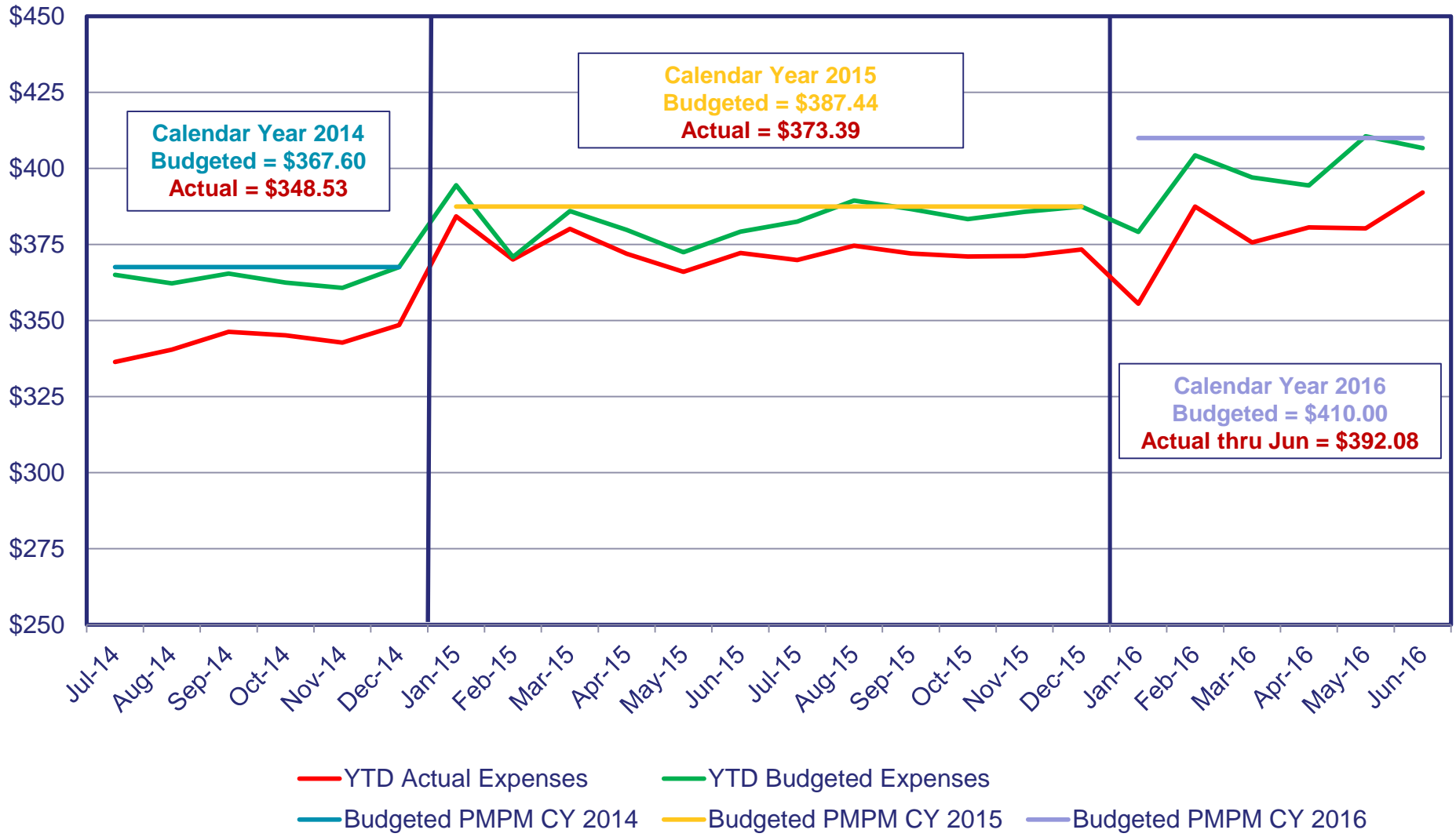
Per Member Per Month (PMPM) Analysis

Calendar Year 2016	Actual thru Mar 2016, as Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
Plan Revenue *	\$378.99	\$377.96	\$1.03
Net Claims Payments ^	\$346.83	\$352.20	(\$5.37)
Medicare Advantage Premiums	\$23.10	\$23.22	(\$0.12)
Net Administrative Expenses ^	\$23.59	\$31.24	(\$7.65)
Total Plan Expenses	\$393.52	\$406.66	(\$13.14)
Net Income/(Loss)	(\$14.53)	(\$28.70)	\$14.17

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

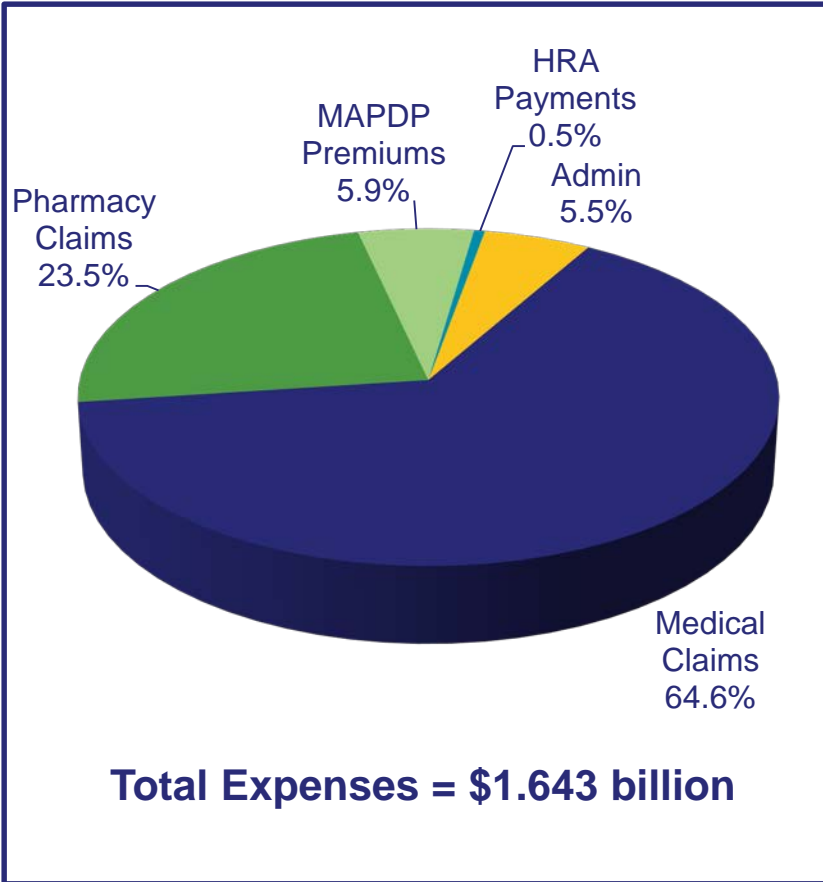
^ Adjusted for timing issues.

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

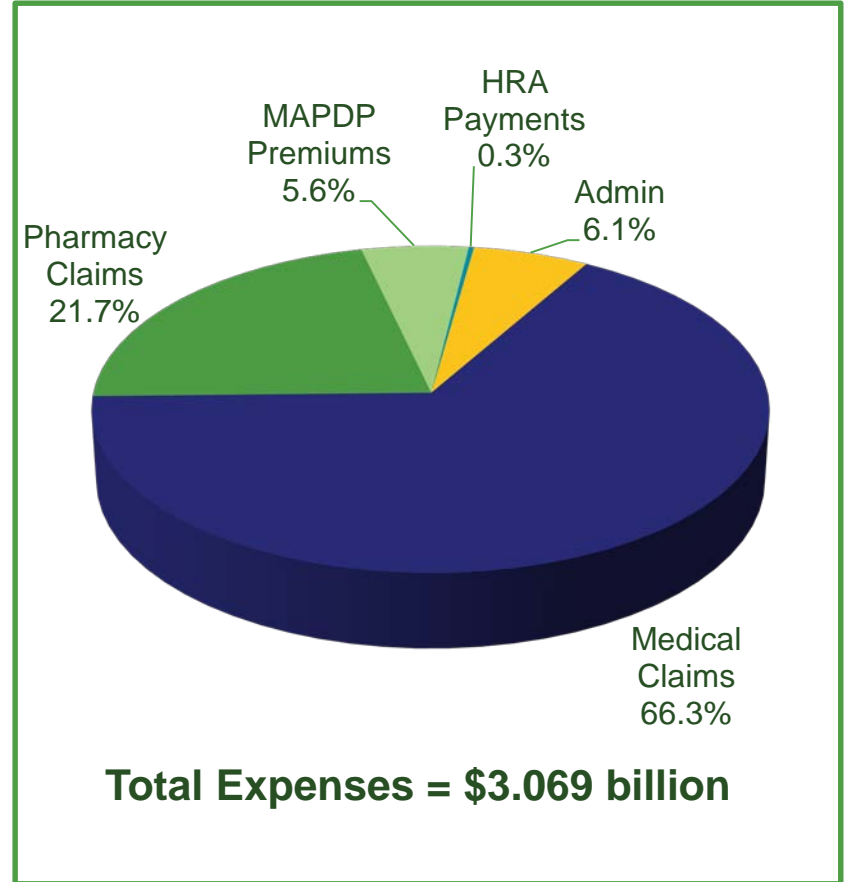


Allocation of Total Expenditures

Calendar Year To Date: Jun 2016



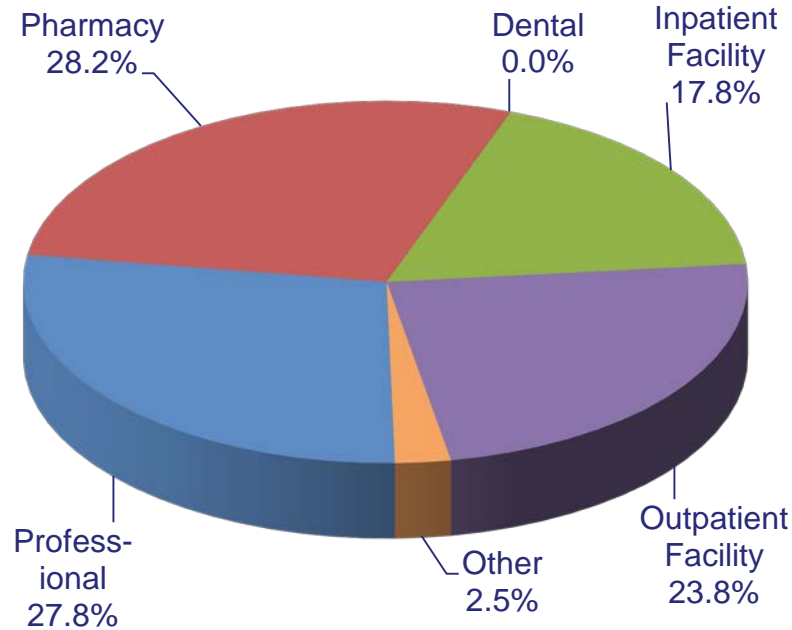
Calendar Year 2015



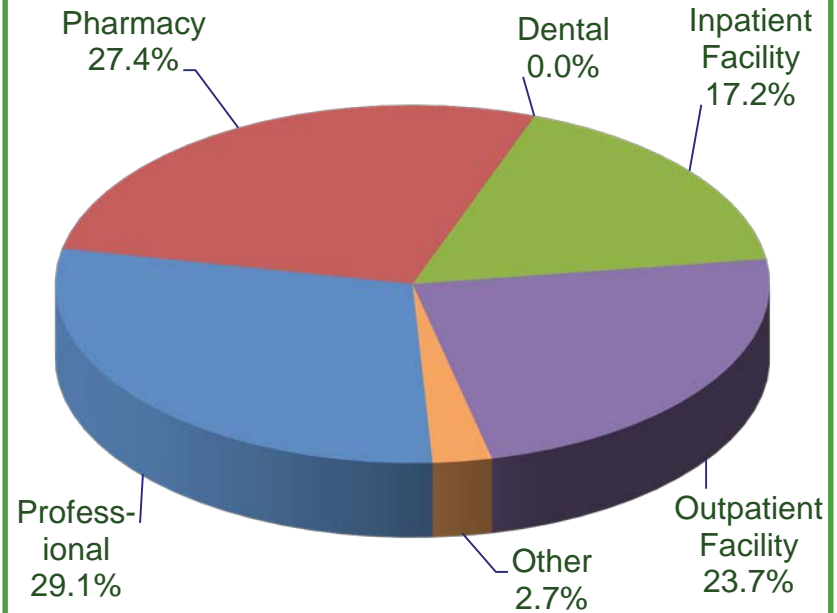
Sources: BCBSNC Net Disbursements reports; Financial Status Reports

Allocation of Claims Expenditures Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Jun 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 June 2016
 Calendar Year 2016

	A	B	C	D	E	F	G	H
	Actual June 2016	Certified Budget June 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 (Jan-Dec 2016)	Year to Date Variance Over/(Under) Annual Certified Budget
1 Plan Revenue:								
2								
3 Member Premiums	\$ 259,736,553	\$ 256,479,096	\$ 3,257,457	\$ 1,567,838,526	\$ 1,540,127,772	\$ 27,710,754	\$ 3,077,262,889	\$ (1,509,424,363)
4 Premium Refunds/Retroactive Disenrollments	-	(129,232)	129,232	-	(776,012)	776,012	(1,550,543)	1,550,543
5 Medicare Part D (RDS) Subsidy	-	1,494,435	(1,494,435)	8,808,867	7,111,299	1,697,568	14,177,803	(5,368,936)
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	453	-	453	-	453
7 Medicare Advantage (MA) Subsidy	68,256	72,399	(4,143)	411,593	431,162	(19,569)	866,820	(455,227)
8 Net Premium & Other Contributions	259,804,809	257,916,698	1,888,111	1,577,059,439	1,546,894,221	30,165,218	3,090,756,969	(1,513,697,530)
9								
10 Investment Earnings	634,406	275,263	359,143	4,079,197	1,784,515	2,294,682	3,269,599	809,598
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	634,406	275,263	359,143	4,079,197	1,784,515	2,294,682	3,269,599	809,598
13								
14 Total Plan Revenue (excludes internal transfers)	260,439,215	258,191,961	2,247,254	1,581,138,636	1,548,678,736	32,459,900	3,094,026,568	(1,512,887,932)
15								
16 Plan Expenses:								
17								
18 Medical Claim Payments	160,969,569	174,138,519	(13,168,950)	1,062,223,282	1,086,886,231	(4,662,949)	2,191,757,976	(1,109,534,694)
19 Medical Claim Refunds/Recoveries	(4,042,545)	(2,257,685)	(1,784,860)	(12,090,693)	(12,933,279)	842,586	(26,878,078)	14,785,388
20 Net Medical Claims	156,927,024	171,880,834	(14,953,810)	1,070,132,589	1,073,952,952	(3,820,363)	2,164,881,897	(1,094,749,308)
21								
22 Pharmacy Claim Payments	99,115,360	61,209,020	37,906,340	417,940,834	396,605,819	21,335,015	803,327,996	(385,387,162)
23 Pharmacy Claim Rebates	-	(3,000,000)	3,000,000	(29,516,795)	(26,472,690)	(3,044,105)	(50,098,630)	20,581,835
24 Pharmacy Claim Refunds/Recoveries	(28,329)	-	(28,329)	(2,262,484)	-	(2,262,484)	-	(2,262,484)
25 Net Pharmacy Claims	99,087,031	58,209,020	40,878,011	386,161,555	370,133,129	16,028,426	753,229,366	(367,067,811)
26								
27 Net Claim Payments	256,014,055	230,089,854	25,924,201	1,456,294,144	1,444,086,081	12,208,063	2,918,111,263	(1,461,817,119)
28								
29 Medicare Advantage Premium Payments	32,482,994	15,903,872	16,579,122	96,780,976	95,225,720	1,555,256	190,926,384	(94,145,408)
30								
31 Net Administrative Expenses	28,620,934	18,372,581	10,248,353	89,803,387	128,072,122	(38,268,735)	249,818,709	(160,015,322)
32								
33 Total Plan Expenses (excludes internal transfers)	317,117,983	264,366,307	52,751,676	1,642,878,507	1,667,383,923	(24,505,416)	3,358,856,356	(1,715,977,849)
34								
35 Plan Income/(Loss)	(56,678,768)	(6,174,346)	(50,504,422)	(61,739,871)	(118,705,187)	56,965,316	(264,829,788)	203,089,917
36								
37 Cash Availability:								
38								
39 Beginning Cash Balance/(Deficit)	1,010,156,925	828,739,339	181,417,586	1,015,218,028	941,270,180	73,947,848	941,270,180	73,947,848
40 Ending Cash Balance/(Deficit)	953,478,157	822,564,993	130,913,164	953,478,157	822,564,993	130,913,164	676,440,392	277,037,765
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	\$ 690,848,143	\$ 559,934,979	\$ 130,913,164	\$ 690,848,143	\$ 559,934,979	\$ 130,913,164	\$ 413,810,378	\$ 277,037,765

Comments:

- a. Premium receivables totaled \$1,433,063.04 as of June 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$39,231,756.00 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$33,038,453.33 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)
 June - 2016 Calendar Year

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 June 2016
 Fiscal Year 2015- 2016

	A	B	C	D	E	F	G	H
	Actual June 2016	Certified Budget June 2016	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date FY 2015-16	10/13/2015 Certified Budget Year to Date FY 2015-16	Year to Date Variance Over/(Under) Certified Budget	10/13/2015 Annual Certified Budget FY 2015-16	Year to Date Variance Over/(Under) Annual Certified Budget
Plan Revenue:								
Member Premiums	\$ 259,736,553	\$ 256,479,096	\$ 3,257,457	\$ 3,088,300,089	\$ 3,031,630,846	\$ 56,669,243	\$ 3,031,630,846	\$ 56,669,243
Premium Refunds/Retroactive Disenrollments	-	(129,232)	129,232	-	(1,523,909)	1,523,909	(1,523,909)	1,523,909
Medicare Part D (RDS) Subsidy	-	1,494,435	(1,494,435)	17,379,783	14,457,206	2,922,577	14,457,206	2,922,577
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	453	-	453	-	453
Medicare Advantage (MA) Subsidy	68,256	72,399	(4,143)	841,858	848,545	(6,687)	848,545	(6,687)
Net Premium & Other Contributions	259,804,809	257,916,698	1,888,111	3,106,522,183	3,045,412,688	61,109,495	3,045,412,688	61,109,495
Investment Earnings	634,406	275,263	359,143	7,393,185	3,760,445	3,632,740	3,760,445	3,632,740
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Other Revenue	634,406	275,263	359,143	7,393,185	3,760,445	3,632,740	3,760,445	3,632,740
Total Plan Revenue (excludes internal transfers)	260,439,215	258,191,961	2,247,254	3,113,915,368	3,049,173,133	64,742,235	3,049,173,133	64,742,235
Plan Expenses:								
Medical Claim Payments	180,969,569	174,138,519	(13,168,950)	2,121,371,419	2,152,322,381	(30,950,962)	2,152,322,381	(30,950,962)
Medical Claim Refunds/Recoveries	(4,042,545)	(2,257,685)	(1,784,860)	(22,075,924)	(25,781,279)	3,685,355	(25,781,279)	3,685,355
Net Medical Claims	156,927,024	171,880,834	(14,953,810)	2,099,295,495	2,126,561,102	(27,265,607)	2,126,561,102	(27,265,607)
Pharmacy Claim Payments	99,115,360	61,209,020	37,906,340	839,413,786	802,956,864	36,456,922	802,956,864	36,456,922
Pharmacy Claim Rebates	-	(3,000,000)	3,000,000	(113,894,278)	(104,118,976)	(9,775,302)	(104,118,976)	(9,775,302)
Pharmacy Claim Refunds/Recoveries	(28,329)	-	(28,329)	(3,941,506)	-	(3,941,506)	-	(3,941,506)
Net Pharmacy Claims	99,087,031	58,209,020	40,878,011	721,578,002	698,837,888	22,740,114	698,837,888	22,740,114
Net Claim Payments	256,014,055	230,089,854	25,924,201	2,820,873,497	2,825,398,990	(4,525,493)	2,825,398,990	(4,525,493)
Medicare Advantage Premium Payments	32,482,994	15,903,872	16,579,122	183,856,887	181,076,580	2,780,307	181,076,580	2,780,307
Net Administrative Expenses	28,620,934	18,372,581	10,248,353	179,826,450	244,252,193	(64,425,743)	244,252,193	(64,425,743)
Total Plan Expenses (excludes internal transfers)	317,117,983	264,366,307	52,751,676	3,184,556,834	3,250,727,763	(66,170,929)	3,250,727,763	(66,170,929)
Plan Income/(Loss)	(56,678,768)	(6,174,346)	(50,504,422)	(70,641,466)	(201,554,630)	130,913,164	(201,554,630)	130,913,164
Cash Availability:								
Beginning Cash Balance/(Deficit)	1,010,156,925	829,739,339	181,417,586	1,024,119,623	1,024,119,623	-	1,024,119,623	-
Ending Cash Balance/(Deficit)	953,478,157	822,564,993	130,913,164	953,478,157	822,564,993	130,913,164	822,564,993	130,913,164
Target Stabilization Reserve @ 6/30/16	254,285,909	254,285,909	-	254,285,909	254,285,909	-	254,285,909	-
Cash Balance Over/(Under) Reserve Target	\$ 699,192,248	\$ 568,279,084	\$ 130,913,164	\$ 699,192,248	\$ 568,279,084	\$ 130,913,164	\$ 568,279,084	\$ 130,913,164

Comments:

- a. Premium receivables totaled \$1,433,063.04 as of June 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$39,231,756.00 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$33,038,453.33 per cycle.
- d. The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2015-16.
- 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 June 2016

Calendar Year 2016

	A	B	C	D	E	F	G
	Current Year Actual June 2016	Prior Year Actual June 2015	Current Year to Date Actual CY 2016 thru June	Prior Year to Date Actual CY 2015 thru June	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	\$ 259,736,553	\$ 240,663,920	\$ 1,567,838,526	\$ 1,473,430,210	\$ 3,077,262,889	\$ 2,963,937,832	\$ 2,993,891,773
4 Premium Refunds/Retroactive Disenrollments	-	(5,343)	-	(5,343)	(1,550,543)	(1,486,657)	(5,343)
5 Medicare Part D (RDS) Subsidy	-	2,027,732	8,808,867	10,913,907	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	68,256	63,929	411,593	529,054	866,820	828,983	959,319
8 Net Premium & Other Contributions	259,804,809	242,750,238	1,577,059,439	1,533,471,234	3,090,756,969	3,026,469,736	3,062,933,978
9							
10 Investment Earnings	634,406	511,343	4,079,197	2,723,741	3,269,599	3,871,779	6,037,729
11 Miscellaneous Revenue	-	-	-	-	-	-	-
12 Other Revenue	634,406	511,343	4,079,197	2,723,741	3,269,599	3,871,779	6,037,729
13							
14 Total Plan Revenue (excludes internal transfers)	260,439,215	243,261,581	1,581,138,636	1,536,194,975	3,094,026,568	3,030,341,515	3,068,971,707
15							
16 Plan Expenses:							
17							
18 Medical Claim Payments	160,969,569	192,496,785	1,082,223,282	1,027,947,147	2,191,757,976	2,128,799,496	2,067,095,284
19 Medical Claim Refunds/Recoveries	(4,042,545)	(2,026,657)	(12,090,693)	(13,724,076)	(26,876,079)	(25,072,202)	(23,709,307)
20 Net Medical Claims	156,927,024	190,470,128	1,070,132,589	1,014,223,071	2,164,881,897	2,103,727,294	2,043,385,977
21							
22 Pharmacy Claim Payments	99,115,360	56,876,966	417,940,834	345,345,551	803,327,996	718,955,282	766,818,503
23 Pharmacy Claim Rebates	-	-	(29,516,795)	(11,815,970)	(50,098,630)	(57,020,841)	(96,193,453)
24 Pharmacy Claim Refunds/Recoveries	(28,329)	(56,426)	(2,262,484)	(3,668,157)	-	-	(5,347,179)
25 Net Pharmacy Claims	99,087,031	56,820,540	386,161,555	329,861,424	753,229,366	661,934,441	665,277,871
26							
27 Net Claim Payments	256,014,055	247,290,668	1,456,294,144	1,344,084,495	2,918,111,263	2,765,661,735	2,708,663,848
28							
29 Medicare Advantage Premium Payments	32,482,994	14,151,943	96,780,976	85,441,291	190,926,384	174,072,089	172,517,202
30							
31 Net Administrative Expenses	28,620,934	14,796,209	89,803,387	97,396,912	249,818,709	239,864,700	187,419,975
32							
33 Total Plan Expenses (excludes internal transfers)	317,117,983	276,238,820	1,642,878,507	1,526,922,698	3,358,856,356	3,179,598,524	3,068,601,025
34							
35 Plan Income/(Loss)	(56,678,768)	(32,977,239)	(61,739,871)	9,272,277	(264,829,788)	(149,257,009)	370,682
36							
37 Cash Availability:							
38							
39 Beginning Cash Balance/(Deficit)	1,010,156,925	1,057,096,862	1,015,218,028	1,014,847,346	941,270,180	1,014,847,346	1,014,847,346
40 Ending Cash Balance/(Deficit)	953,478,157	1,024,119,623	953,478,157	1,024,119,623	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	\$ 690,848,143	\$ 775,210,066	\$ 690,848,143	\$ 775,210,066	\$ 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 June 2016
Fiscal Year 2015-2016

	A	B	C	D	E	F	G
	Current Year Actual June 2016	Prior Year Actual June 2015	Current Year to Date Actual FY 2015-16 thru June	Prior Year to Date Actual FY 2014-15 thru June	Current Year Certified Annual Budget FY 2015-16	Prior Year Annual Budget FY 2014-15	Prior Year Actual Results FY 2014-15
1 Plan Revenue:							
2							
3 Member Premiums	\$ 259,736,553	\$ 240,663,920	\$ 3,088,300,089	\$ 2,987,502,673	\$ 3,031,630,846	\$ 2,937,906,736	\$ 2,987,502,673
4 Premium Refunds/Retroactive Disenrollments	-	(5,343)	-	(11,359)	(1,523,909)	(1,478,664)	(11,359)
5 Medicare Part D (RDS) Subsidy	-	2,027,732	17,379,783	19,590,771	14,457,206	6,276,386	19,590,771
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	453	50,283,823	-	33,414,689	50,283,823
7 Medicare Advantage (MA) Subsidy	68,256	63,929	841,858	833,262	848,545	-	833,262
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	(1,949)	-	-	(1,949)
9 Net Premium & Other Contributions	259,804,809	242,750,238	3,106,522,183	3,058,197,221	3,045,412,688	2,976,119,147	3,058,197,221
10							
11 Investment Earnings	634,406	511,343	7,393,185	5,065,735	3,760,445	3,933,340	5,065,735
12 Miscellaneous Revenue	-	-	-	-	-	-	-
13 Other Revenue	634,406	511,343	7,393,185	5,065,735	3,760,445	3,933,340	5,065,735
14							
15 Total Plan Revenue (excludes internal transfers)	260,439,215	243,261,581	3,113,915,368	3,063,262,956	3,049,173,133	2,980,052,487	3,063,262,956
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	160,969,569	192,496,785	2,121,371,419	2,021,369,178	2,152,322,381	1,995,716,227	2,021,369,178
20 Medical Claim Refunds/Recoveries	(4,042,545)	(2,026,657)	(22,075,924)	(24,839,428)	(25,761,279)	(23,520,519)	(24,839,428)
21 Net Medical Claims	156,927,024	190,470,128	2,099,295,495	1,996,529,750	2,126,561,102	1,972,195,708	1,996,529,750
22							
23 Pharmacy Claim Payments	99,115,360	56,876,966	839,413,786	725,610,004	802,956,864	686,943,428	725,610,004
24 Pharmacy Claim Rebates	-	-	(113,894,278)	(51,114,709)	(104,118,976)	(74,166,940)	(51,114,709)
25 Pharmacy Claim Refunds/Recoveries	(28,329)	(56,426)	(3,941,506)	(4,140,711)	-	-	(4,140,711)
26 Net Pharmacy Claims	99,087,031	56,820,540	721,578,002	670,354,584	698,837,888	612,776,488	670,354,584
27							
28 Net Claim Payments	256,014,055	247,290,668	2,820,873,497	2,666,884,334	2,825,398,990	2,584,972,196	2,666,884,334
29							
30 Medicare Advantage Premium Payments	32,482,994	14,151,943	183,856,887	162,400,394	181,076,580	163,281,044	162,400,394
31							
32 Net Administrative Expenses	28,620,934	14,796,209	179,826,450	168,416,645	244,252,193	223,971,245	168,416,645
33							
34 Total Plan Expenses (excludes internal transfers)	317,117,983	276,238,820	3,184,556,834	2,997,701,373	3,250,727,763	2,972,224,485	2,997,701,373
35							
36 Plan Income/(Loss)	(56,678,768)	(32,977,239)	(70,641,466)	65,561,583	(201,554,630)	7,828,002	65,561,583
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	1,010,156,925	1,057,096,862	1,024,119,623	958,558,040	1,024,119,623	958,558,040	958,558,040
41 Ending Cash Balance/(Deficit)	953,478,157	1,024,119,623	953,478,157	1,024,119,623	822,564,993	966,386,042	1,024,119,623
42							
43 Target Stabilization Reserve @ 6/30	254,285,909	232,647,498	254,285,909	232,647,498	254,285,909	232,647,498	240,019,590
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 699,192,248	\$ 791,472,125	\$ 699,192,248	\$ 791,472,125	\$ 568,279,084	\$ 733,738,544	\$ 784,100,033

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

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

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru June	Adjustments for Timing, Unusual & Overtime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru June	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)	\$ 1,567,838,526	\$ 18,136,746	\$ 1,585,975,272	\$ 1,540,127,772	\$ 45,847,500	2.98%
4 Premium Refunds/Retroactive Disenrollments	-	-	-	(776,012)	776,012	-100.00%
5 Medicare Part D (RDS) Subsidy (Note 3)	8,808,867	(1,040,695)	7,768,172	7,111,299	656,873	9.24%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	453	(453)	-	-	-	
7 Medicare Advantage (MA) Subsidy	411,593	-	411,593	431,162	(19,569)	-4.54%
8 Net Premium & Other Contributions	1,577,059,439	17,095,597	1,594,155,036	1,546,894,221	47,260,815	3.06%
9						
10 Other Revenue	4,079,197		4,079,197	1,784,515	2,294,682	128.59%
11						
12 Total Plan Revenue (excludes internal transfers)	1,581,138,636	17,095,597	1,598,234,233	1,548,678,736	49,555,497	3.20%
13						
14 Plan Expenses:						
15						
16 Net Medical Claims	1,070,132,589		1,070,132,589	1,073,952,952	(3,820,363)	-0.36%
17 Net Pharmacy Claims (Note 5)	386,161,555	(3,000,000)	383,161,555	370,133,129	13,028,426	3.52%
18 Net Claim Payments	1,456,294,144	(3,000,000)	1,453,294,144	1,444,086,081	9,208,063	0.64%
19						
20 Medicare Advantage Premiums	96,780,976		96,780,976	95,225,720	1,555,256	1.63%
21						
22 Net Administrative Expenses (Notes 6 and 7)	89,803,387	9,060,820	98,864,207	128,072,122	(29,207,915)	-22.81%
23						
24 Total Plan Expenses (excludes internal transfers)	1,642,878,507	6,060,820	1,648,939,327	1,667,383,923	(18,444,596)	-1.11%
25						
26 Plan Income/(Loss)	(61,739,871)	11,034,777	(50,705,094)	(118,705,187)	68,000,093	-57.28%
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)	953,478,157	11,034,777	964,512,934	822,564,993	141,947,941	17.26%
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	\$ 690,848,143	\$ 11,034,777	\$ 701,882,920	\$ 559,934,979	\$ 141,947,941	25.35%

Adjustment Notes:

1. Member premiums adjusted to include \$53.4 million in prepaid January premiums received in December 2015.
2. Member premiums adjusted to exclude \$35.3 million in prepaid July premiums received in June.
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 assume receipt of a rebate true-up payment that was budgeted for June but was not received until July.
6. Administrative expenses adjusted to exclude \$8.7 million in 2016 invoice payments that would normally 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 June 2016
Fiscal Year 2015-2016

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru June	Adjustments for Timing, Unusual & Overtime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru June	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)	\$ 3,088,300,089	\$ (13,887,812)	\$ 3,074,412,277	\$ 3,031,630,846	\$ 42,781,431	1.41%
4 Premium Refunds/Retroactive Disenrollments	-		-	(1,523,909)	1,523,909	-100.00%
5 Medicare Part D (RDS) Subsidy (Note 3)	17,379,783	(1,040,695)	16,339,088	14,457,206	1,881,882	13.02%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	453	(453)	-	-	-	
7 Medicare Advantage (MA) Subsidy	841,858		841,858	848,545	(6,687)	-0.79%
8 Net Premium & Other Contributions	3,106,522,183	(14,928,961)	3,091,593,222	3,045,412,688	46,180,534	1.52%
9						
10 Other Revenue	7,393,185		7,393,185	3,760,445	3,632,740	96.60%
11						
12 Total Plan Revenue (excludes internal transfers)	3,113,915,368	(14,928,961)	3,098,986,407	3,049,173,133	49,813,274	1.63%
13						
14 Plan Expenses:						
15						
16 Net Medical Claims	2,099,295,495		2,099,295,495	2,126,561,102	(27,265,607)	-1.28%
17 Net Pharmacy Claims (Notes 5 and 6)	721,578,002	(1,387,994)	720,190,008	698,837,888	21,352,120	3.06%
18 Net Claim Payments	2,820,873,497	(1,387,994)	2,819,485,503	2,825,398,990	(5,913,487)	-0.21%
19						
20 Medicare Advantage Premiums	183,856,887		183,856,887	181,076,580	2,780,307	1.54%
21						
22 Net Administrative Expenses	179,826,450		179,826,450	244,252,193	(64,425,743)	-26.38%
23						
24 Total Plan Expenses (excludes internal transfers)	3,184,556,834	(1,387,994)	3,183,168,840	3,250,727,763	(67,558,923)	-2.08%
25						
26 Plan Income/(Loss)	(70,641,466)	(13,540,966)	(84,182,432)	(201,554,630)	117,372,198	-58.23%
27						
28 Cash Availability:						
29						
30 Beginning Cash Balance/(Deficit)	1,024,119,623		1,024,119,623	1,024,119,623	-	0.00%
31 Ending Cash Balance/(Deficit)	953,478,157	(13,540,966)	939,937,191	822,564,993	117,372,198	14.27%
32						
33 Target Stabilization Reserve @ 6/30/16	254,285,909		254,285,909	254,285,909	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 699,192,248	\$ (13,540,966)	\$ 685,651,282	\$ 568,279,084	\$ 117,372,198	20.65%

Adjustment Notes:

1. Member premiums adjusted to include \$21.4 million in prepaid July 2015 premiums received in June 2015.
2. Member premiums adjusted to exclude \$35.3 million in prepaid July 2016 premiums received in June.
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 an unbudgeted \$1.6 million recovery from a class action law suit.
6. Net pharmacy claims adjusted to assume receipt of a projected \$3 million rebate true-up payment that was not received until July.