



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

March 2016 Financial Report

Board of Trustees Meeting

May 13, 2016

A Division of the Department of State Treasurer

Financial Results: Actual vs. Budgeted

Calendar Year to Date March 2016

| Calendar Year 2016 | Actual thru Mar 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 | \$793.9 m | \$774.2 m | \$19.7 m |
| Net Claims Payments | \$690.8 m | \$693.8 m | (\$3.0 m) |
| Medicare Advantage Premiums | \$47.9 m | \$47.6 m | \$0.3 m |
| Net Administrative Expenses | \$42.7 m | \$72.9 m | (\$30.2 m) |
| Total Plan Expenses | \$781.4 m | \$814.3 m | (\$32.9 m) |
| Net Income/(Loss) | \$12.5 m | (\$40.1 m) | \$52.6 m |
| Ending Cash Balance | \$1.028 b | \$901.2 m | \$126.5 m |

Adjusted Variance Report

Calendar Year to Date March 2016

| Calendar Year 2016 | Actual thru Mar 2016, As Adjusted | Authorized Budget (per Segal 10-13-15) | Variance Over/(Under) Budget |
|-------------------------------|---|--|------------------------------------|
| Plan Revenue * | \$798.7 m | \$774.2 m | \$24.5 m |
| Net Claims Payments | \$690.8 m | \$693.8 m | (\$3.0 m) |
| Medicare Advantage Premiums | \$47.9 m | \$47.6 m | \$0.3 m |
| Net Administrative Expenses ^ | \$57.1 m | \$72.9 m | (\$15.8 m) |
| Total Plan Expenses | \$795.8 m | \$814.3 m | (\$18.5 m) |
| Net Income/(Loss) | \$2.9 m | (\$40.1 m) | \$43.0 m |

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

^ Adjusted for timing issues.

Financial Results Actual vs. Budgeted

Calendar Year to Date March 2016

Per Member Per Month (PMPM) Analysis

| Calendar Year 2016 | Actual thru Mar 2016 | Authorized Budget (per Segal 10-13-15) | Variance Over/(Under) Budget |
|-----------------------------|-------------------------------------|---|---|
| Plan Revenue | \$376.89 | \$377.70 | (\$0.81) |
| Net Claims Payments | \$332.12 | \$338.27 | (\$6.15) |
| Medicare Advantage Premiums | \$23.04 | \$23.18 | (\$0.14) |
| Net Administrative Expenses | \$20.55 | \$35.56 | (\$15.01) |
| Total Plan Expenses | \$375.71 | \$397.01 | (\$21.30) |
| Net Income/(Loss) | \$1.18 | (\$19.31) | \$20.49 |

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 2016

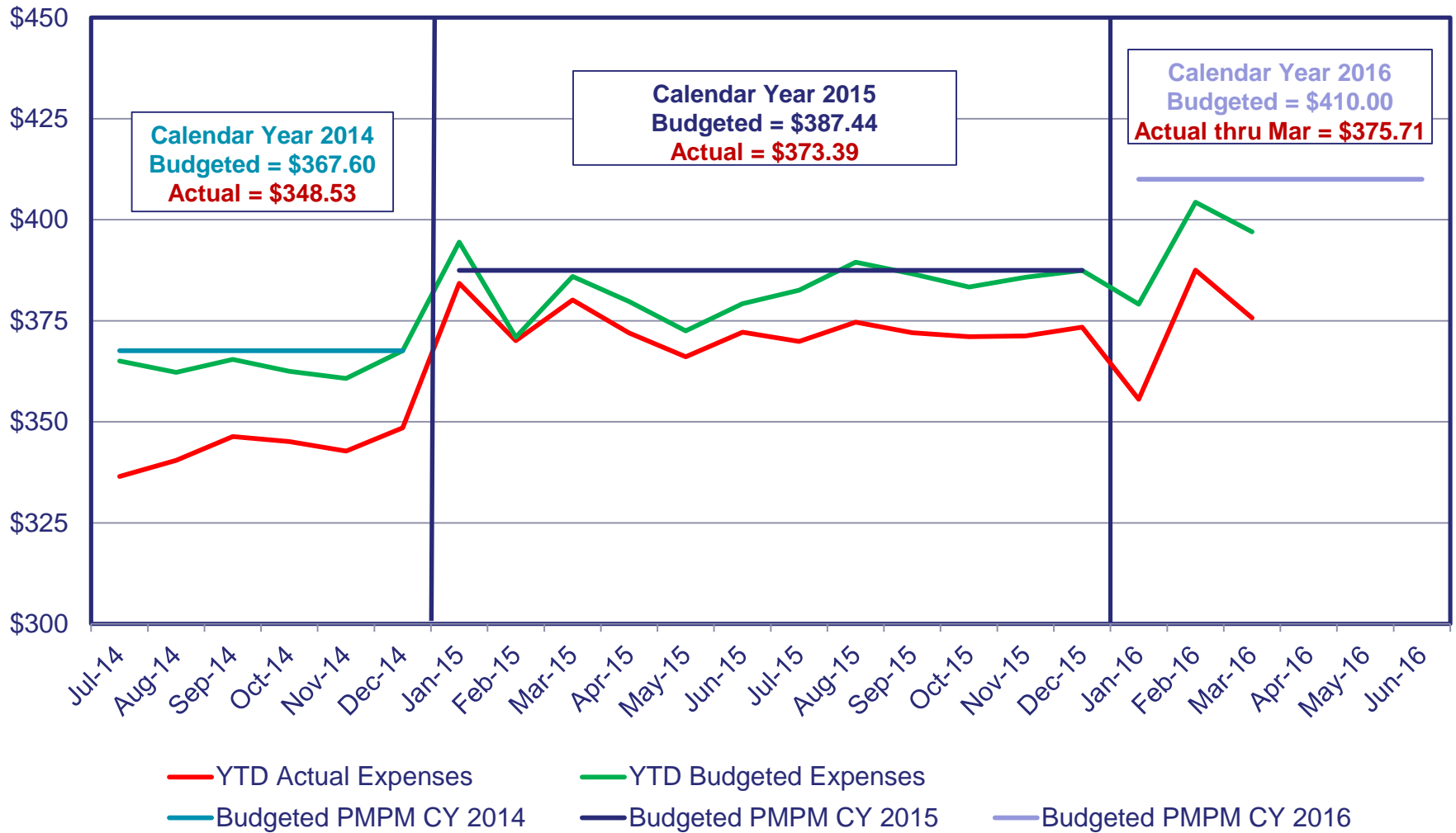
Per Member Per Month (PMPM) Analysis

| Calendar Year 2016 | Actual thru Mar 2016, as Adjusted | Authorized Budget (per Segal 10-13-15) | Variance Over/(Under) Budget |
|-------------------------------|-----------------------------------|--|------------------------------|
| Plan Revenue * | \$379.17 | \$377.70 | \$1.47 |
| Net Claims Payments | \$332.12 | \$338.27 | (\$6.15) |
| Medicare Advantage Premiums | \$23.04 | \$23.18 | (\$0.14) |
| Net Administrative Expenses ^ | \$27.46 | \$35.56 | (\$8.10) |
| Total Plan Expenses | \$382.62 | \$397.01 | (\$14.39) |
| Net Income/(Loss) | (\$3.45) | (\$19.31) | \$15.86 |

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

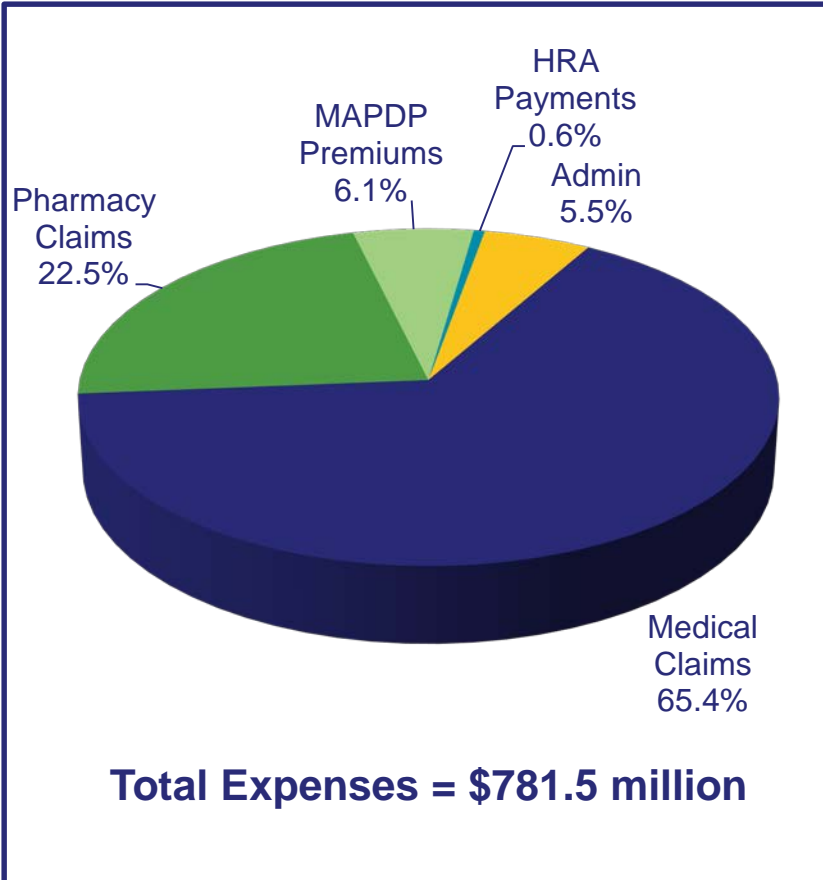
^ Adjusted for timing issues.

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

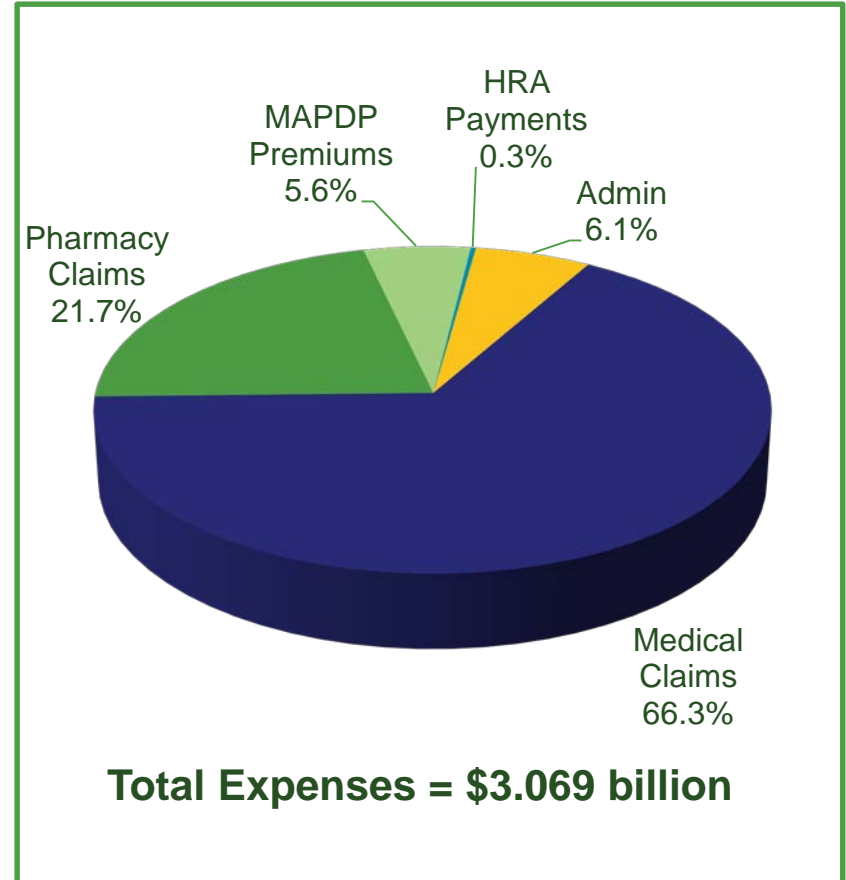


Allocation of Total Expenditures

Calendar Year To Date: Mar 2016



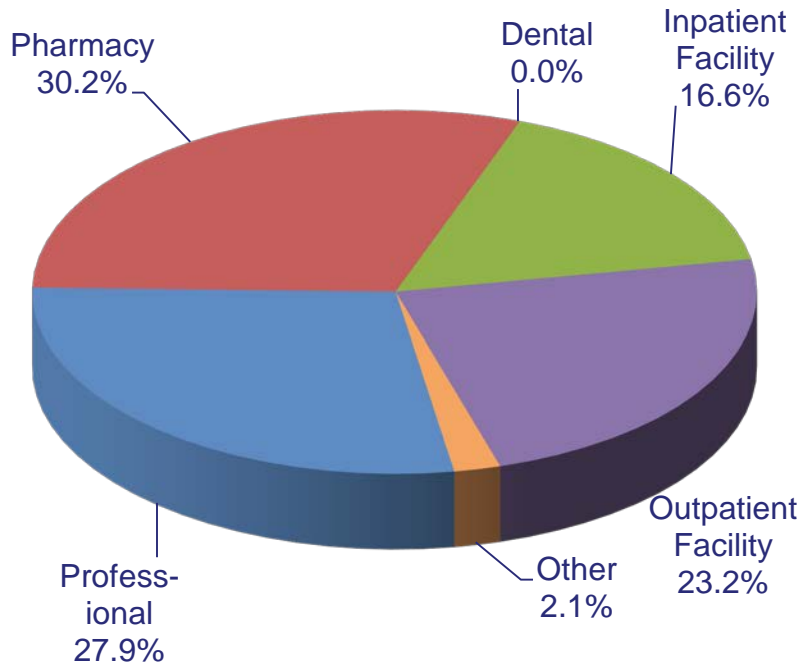
Calendar Year 2015



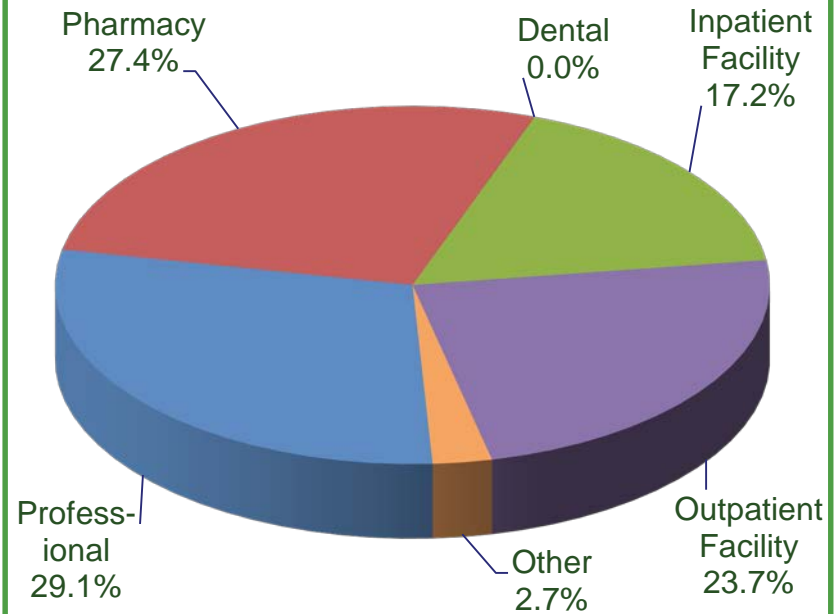
Sources: BCBSNC Net Disbursements reports; Financial Status Reports

Allocation of Claims Expenditures Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Mar 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 March 2016
 Calendar Year 2016

| | A | B | C | D | E | F | G | H |
|---|-------------------------|--------------------------------------|--|-----------------------------------|--|---|--|---|
| | Actual March 2016 | Certified Budget March 2016 | Monthly Variance Over/(Under) Certified Budget | Actual Year to Date CY 2016 | 10/13/2015 Certified Budget Year to Date CY 2016 | Year to Date Variance Over/(Under) Certified Budget | 10/13/2015 Annual Certified Budget CY 2016 (Jan-Dec 2016) | Year to Date Variance Over/(Under) Annual Certified Budget |
| 1 Plan Revenue: | | | | | | | | |
| 2 | | | | | | | | |
| 3 Member Premiums | \$ 282,238,487 | \$ 266,729,557 | \$ 25,508,930 | \$ 786,994,578 | \$ 770,440,381 | \$ 16,554,197 | \$ 3,077,262,889 | \$ (2,290,268,311) |
| 4 Premium Refunds/Retroactive Disenrollments | - | (129,356) | 129,356 | - | (388,193) | 388,193 | (1,550,543) | 1,550,543 |
| 5 Medicare Part D (RDS) Subsidy | 2,517,513 | 942,938 | 1,574,577 | 4,809,051 | 2,991,747 | 1,817,304 | 14,177,803 | (9,368,752) |
| 6 Medicare PDP (EGWP + Wrap) Subsidy | - | - | - | 453 | - | 453 | - | 453 |
| 7 Medicare Advantage (MA) Subsidy | 100,788 | 72,219 | 28,569 | 206,405 | 214,145 | (7,740) | 866,820 | (660,415) |
| 8 Net Premium & Other Contributions | 284,856,788 | 257,615,356 | 27,241,432 | 792,010,487 | 773,258,080 | 18,752,407 | 3,090,756,969 | (2,298,746,482) |
| 9 | | | | | | | | |
| 10 Investment Earnings | 666,168 | 301,094 | 365,074 | 1,933,112 | 922,397 | 1,010,715 | 3,269,599 | (1,336,487) |
| 11 Miscellaneous Revenue | - | - | - | - | - | - | - | - |
| 12 Other Revenue | 666,168 | 301,094 | 365,074 | 1,933,112 | 922,397 | 1,010,715 | 3,269,599 | (1,336,487) |
| 13 | | | | | | | | |
| 14 Total Plan Revenue (excludes internal transfers) | 285,522,956 | 257,916,450 | 27,606,506 | 793,943,599 | 774,180,477 | 19,763,122 | 3,094,026,568 | (2,300,082,969) |
| 15 | | | | | | | | |
| 16 Plan Expenses: | | | | | | | | |
| 17 | | | | | | | | |
| 18 Medical Claim Payments | 154,265,563 | 167,014,240 | (12,748,677) | 520,913,321 | 529,436,591 | (8,523,270) | 2,191,757,976 | (1,670,844,655) |
| 19 Medical Claim Refunds/Recoveries | (1,331,950) | (2,131,505) | 799,555 | (6,625,004) | (6,297,028) | 672,024 | (26,876,079) | 21,251,075 |
| 20 Net Medical Claims | 152,933,613 | 164,882,735 | (11,949,122) | 515,288,317 | 523,139,563 | (7,851,246) | 2,164,881,897 | (1,649,593,580) |
| 21 | | | | | | | | |
| 22 Pharmacy Claim Payments | 65,135,165 | 62,246,182 | 2,888,983 | 189,207,211 | 182,461,477 | 6,745,734 | 803,327,996 | (614,120,785) |
| 23 Pharmacy Claim Rebates | - | - | - | (13,666,155) | (11,792,209) | (1,873,946) | (50,098,630) | 36,432,475 |
| 24 Pharmacy Claim Refunds/Recoveries | (9,151) | - | (9,151) | (37,652) | - | (37,652) | - | (37,652) |
| 25 Net Pharmacy Claims | 65,126,014 | 62,246,182 | 2,879,832 | 175,503,404 | 170,669,268 | 4,834,136 | 753,229,366 | (577,725,962) |
| 26 | | | | | | | | |
| 27 Net Claim Payments | 218,059,627 | 227,128,917 | (9,069,290) | 690,791,721 | 693,808,831 | (3,017,110) | 2,918,111,263 | (2,227,319,542) |
| 28 | | | | | | | | |
| 29 Medicare Advantage Premium Payments | 16,114,225 | 15,864,359 | 249,866 | 47,931,227 | 47,553,639 | 377,588 | 190,926,384 | (142,995,157) |
| 30 | | | | | | | | |
| 31 Net Administrative Expenses | 12,628,491 | 18,390,224 | (5,761,733) | 42,741,374 | 72,936,762 | (30,195,388) | 249,818,709 | (207,077,335) |
| 32 | | | | | | | | |
| 33 Total Plan Expenses (excludes internal transfers) | 246,802,343 | 261,383,500 | (14,581,157) | 781,464,322 | 814,299,232 | (32,834,910) | 3,358,856,356 | (2,577,392,034) |
| 34 | | | | | | | | |
| 35 Plan Income/(Loss) | 38,720,613 | (3,467,050) | 42,187,663 | 12,479,277 | (40,118,755) | 52,598,032 | (264,829,788) | 277,309,065 |
| 36 | | | | | | | | |
| 37 Cash Availability: | | | | | | | | |
| 38 | | | | | | | | |
| 39 Beginning Cash Balance/(Deficit) | 988,976,892 | 904,618,475 | 84,358,217 | 1,015,218,028 | 941,270,180 | 73,947,848 | 941,270,180 | 73,947,848 |
| 40 Ending Cash Balance/(Deficit) | 1,027,697,305 | 901,151,425 | 126,545,880 | 1,027,697,305 | 901,151,425 | 126,545,880 | 676,440,392 | 351,256,913 |
| 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 | \$ 765,067,291 | \$ 638,521,411 | \$ 126,545,880 | \$ 765,067,291 | \$ 638,521,411 | \$ 126,545,880 | \$ 413,810,378 | \$ 351,256,913 |

Comments:

- a. Premium receivables totaled \$727,591.94 as of March 31, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$38,233,403.25 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$32,567,582.50 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.

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 2016
 Fiscal Year 2015- 2016

| | A | B | C | D | E | F | G | H |
|---|-------------------------|--------------------------------------|--|--------------------------------------|---|---|---|---|
| | Actual March 2016 | Certified Budget March 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 |
| 1 Plan Revenue: | | | | | | | | |
| 2 | | | | | | | | |
| 3 Member Premiums | \$ 282,238,487 | \$ 256,729,557 | \$ 25,508,930 | \$ 2,307,456,141 | \$ 2,261,943,455 | \$ 45,512,686 | \$ 3,031,630,848 | \$ (724,174,705) |
| 4 Premium Refunds/Retroactive Disenrollments | - | (129,356) | 129,356 | - | (1,136,090) | 1,136,090 | (1,523,909) | 1,523,909 |
| 5 Medicare Part D (RDS) Subsidy | 2,517,513 | 942,938 | 1,574,577 | 13,379,967 | 10,337,654 | 3,042,313 | 14,457,208 | (1,077,239) |
| 6 Medicare PDP (EGWP + Wrap) Subsidy | - | - | - | 453 | - | 453 | - | 453 |
| 7 Medicare Advantage (MA) Subsidy | 100,788 | 72,219 | 28,569 | 636,670 | 631,528 | 5,142 | 848,545 | (211,875) |
| 8 Net Premium & Other Contributions | 284,856,788 | 257,615,356 | 27,241,432 | 2,321,473,231 | 2,271,776,547 | 49,696,684 | 3,045,412,688 | (723,939,457) |
| 9 | | | | | | | | |
| 10 Investment Earnings | 666,168 | 301,094 | 365,074 | 5,247,100 | 2,898,327 | 2,348,773 | 3,760,445 | 1,486,655 |
| 11 Miscellaneous Revenue | - | - | - | - | - | - | - | - |
| 12 Other Revenue | 666,168 | 301,094 | 365,074 | 5,247,100 | 2,898,327 | 2,348,773 | 3,760,445 | 1,486,655 |
| 13 | | | | | | | | |
| 14 Total Plan Revenue (excludes internal transfers) | 285,522,956 | 257,916,450 | 27,606,506 | 2,326,720,331 | 2,274,674,874 | 52,045,457 | 3,049,173,133 | (722,452,802) |
| 15 | | | | | | | | |
| 16 Plan Expenses: | | | | | | | | |
| 17 | | | | | | | | |
| 18 Medical Claim Payments | 154,265,563 | 167,014,240 | (12,748,677) | 1,560,061,458 | 1,594,872,741 | (34,811,283) | 2,152,322,381 | (592,260,923) |
| 19 Medical Claim Refunds/Recoveries | (1,331,950) | (2,131,505) | 799,555 | (15,810,235) | (19,125,028) | 3,514,793 | (25,761,279) | 10,151,044 |
| 20 Net Medical Claims | 152,933,613 | 164,882,735 | (11,949,122) | 1,544,451,223 | 1,575,747,713 | (31,296,490) | 2,126,561,102 | (582,109,879) |
| 21 | | | | | | | | |
| 22 Pharmacy Claim Payments | 65,135,165 | 62,246,182 | 2,888,983 | 610,680,163 | 588,812,522 | 21,867,641 | 802,956,864 | (192,276,701) |
| 23 Pharmacy Claim Rebates | - | - | - | (98,043,638) | (89,438,495) | (8,605,143) | (104,118,976) | 6,075,338 |
| 24 Pharmacy Claim Refunds/Recoveries | (9,151) | - | (9,151) | (1,716,674) | - | (1,716,674) | - | (1,716,674) |
| 25 Net Pharmacy Claims | 65,126,014 | 62,246,182 | 2,879,832 | 510,919,851 | 499,374,027 | 11,545,824 | 698,837,888 | (187,918,037) |
| 26 | | | | | | | | |
| 27 Net Claim Payments | 218,059,627 | 227,128,917 | (9,069,290) | 2,055,371,074 | 2,075,121,740 | (19,750,666) | 2,825,398,990 | (770,027,916) |
| 28 | | | | | | | | |
| 29 Medicare Advantage Premium Payments | 16,114,225 | 15,864,359 | 249,866 | 135,007,138 | 133,404,499 | 1,602,639 | 181,076,580 | (46,069,442) |
| 30 | | | | | | | | |
| 31 Net Administrative Expenses | 12,628,491 | 18,390,224 | (5,761,733) | 132,764,437 | 189,116,833 | (56,352,396) | 244,252,193 | (111,487,756) |
| 32 | | | | | | | | |
| 33 Total Plan Expenses (excludes internal transfers) | 246,802,343 | 261,383,500 | (14,581,157) | 2,323,142,649 | 2,397,643,072 | (74,500,423) | 3,250,727,763 | (927,585,114) |
| 34 | | | | | | | | |
| 35 Plan Income/(Loss) | 38,720,613 | (3,467,050) | 42,187,663 | 3,577,682 | (122,968,198) | 126,545,880 | (201,554,630) | 205,132,312 |
| 36 | | | | | | | | |
| 37 Cash Availability: | | | | | | | | |
| 38 | | | | | | | | |
| 39 Beginning Cash Balance/(Deficit) | 988,976,692 | 904,618,475 | 84,358,217 | 1,024,119,623 | 1,024,119,623 | - | 1,024,119,623 | - |
| 40 Ending Cash Balance/(Deficit) | 1,027,697,305 | 901,151,425 | 126,545,880 | 1,027,697,305 | 901,151,425 | 126,545,880 | 822,564,993 | 205,132,312 |
| 41 | | | | | | | | |
| 42 Target Stabilization Reserve @ 6/30/16 | 254,285,909 | 254,285,909 | - | 254,285,909 | 254,285,909 | - | 254,285,909 | - |
| 43 | | | | | | | | |
| 44 Cash Balance Over/(Under) Reserve Target | \$ 773,411,396 | \$ 646,865,516 | \$ 126,545,880 | \$ 773,411,396 | \$ 646,865,516 | \$ 126,545,880 | \$ 568,279,084 | \$ 205,132,312 |

Comments:

- a. Premium receivables totaled \$727,591.94 as of March 31, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$38,233,403.25 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$32,567,582.50 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 March 2016
Fiscal Year 2015-2016

| | A | B | C | D | E | F | G |
|--|---|---------------------------------------|--|--|---|--|---|
| | Current Year Actual March 2016 | Prior Year Actual March 2015 | Current Year to Date Actual FY 2015-16 thru March | Prior Year to Date Actual FY 2014-15 thru March | 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 | \$ 282,238,487 | \$ 258,490,811 | \$ 2,307,456,141 | \$ 2,253,426,582 | \$ 3,031,630,846 | \$ 2,937,906,736 | \$ 2,987,502,673 |
| 4 Premium Refunds/Retroactive Disenrollments | - | - | - | (6,016) | (1,523,909) | (1,478,664) | (11,359) |
| 5 Medicare Part D (RDS) Subsidy | 2,517,513 | 1,693,507 | 13,379,967 | 12,869,912 | 14,457,206 | 6,276,386 | 19,590,771 |
| 6 Medicare PDP (EGWP + Wrap) Subsidy | - | 56 | 453 | 50,283,438 | - | 33,414,689 | 50,283,823 |
| 7 Medicare Advantage (MA) Subsidy | 100,788 | 153,140 | 636,670 | 638,003 | 848,545 | - | 833,262 |
| 8 Federal Early Retiree Reinsurance Program (ERRP) | - | - | - | (1,949) | - | - | (1,949) |
| 9 Net Premium & Other Contributions | 284,856,788 | 260,337,514 | 2,321,473,231 | 2,317,209,970 | 3,045,412,688 | 2,976,119,147 | 3,058,197,221 |
| 10 | | | | | | | |
| 11 Investment Earnings | 666,168 | 383,814 | 5,247,100 | 3,629,496 | 3,760,445 | 3,933,340 | 5,065,735 |
| 12 Miscellaneous Revenue | - | - | - | - | - | - | - |
| 13 Other Revenue | 666,168 | 383,814 | 5,247,100 | 3,629,496 | 3,760,445 | 3,933,340 | 5,065,735 |
| 14 | | | | | | | |
| 15 Total Plan Revenue (excludes internal transfers) | 285,522,956 | 260,721,328 | 2,326,720,331 | 2,320,839,466 | 3,049,173,133 | 2,980,052,487 | 3,063,262,956 |
| 16 | | | | | | | |
| 17 Plan Expenses: | | | | | | | |
| 18 | | | | | | | |
| 19 Medical Claim Payments | 154,265,563 | 193,947,253 | 1,560,061,458 | 1,511,329,475 | 2,152,322,381 | 1,995,716,227 | 2,021,369,178 |
| 20 Medical Claim Refunds/Recoveries | (1,331,950) | (2,628,303) | (15,610,235) | (17,330,007) | (25,761,279) | (23,520,519) | (24,839,428) |
| 21 Net Medical Claims | 152,933,613 | 191,318,950 | 1,544,451,223 | 1,493,999,468 | 2,126,561,102 | 1,972,195,708 | 1,996,529,750 |
| 22 | | | | | | | |
| 23 Pharmacy Claim Payments | 65,135,165 | 57,462,178 | 610,680,163 | 553,703,153 | 802,956,864 | 686,943,428 | 725,610,004 |
| 24 Pharmacy Claim Rebates | - | - | (98,043,638) | (51,114,709) | (104,118,976) | (74,166,940) | (51,114,709) |
| 25 Pharmacy Claim Refunds/Recoveries | (9,151) | (150,603) | (1,716,674) | (644,870) | - | - | (4,140,711) |
| 26 Net Pharmacy Claims | 65,126,014 | 57,311,575 | 510,919,851 | 501,943,574 | 698,837,888 | 612,776,488 | 670,354,584 |
| 27 | | | | | | | |
| 28 Net Claim Payments | 218,059,627 | 248,630,525 | 2,055,371,074 | 1,995,943,042 | 2,825,398,990 | 2,584,972,196 | 2,666,884,334 |
| 29 | | | | | | | |
| 30 Medicare Advantage Premium Payments | 16,114,225 | 14,212,589 | 135,007,138 | 119,518,953 | 181,076,580 | 163,281,044 | 162,400,394 |
| 31 | | | | | | | |
| 32 Net Administrative Expenses | 12,628,491 | 11,529,425 | 132,764,437 | 133,530,223 | 244,252,193 | 223,971,245 | 168,416,645 |
| 33 | | | | | | | |
| 34 Total Plan Expenses (excludes internal transfers) | 246,802,343 | 274,372,539 | 2,323,142,649 | 2,248,992,218 | 3,250,727,763 | 2,972,224,485 | 2,997,701,373 |
| 35 | | | | | | | |
| 36 Plan Income/(Loss) | 38,720,613 | (13,651,211) | 3,577,682 | 71,847,248 | (201,554,630) | 7,828,002 | 65,561,583 |
| 37 | | | | | | | |
| 38 Cash Availability: | | | | | | | |
| 39 | | | | | | | |
| 40 Beginning Cash Balance/(Deficit) | 988,976,692 | 1,044,056,499 | 1,024,119,623 | 958,558,040 | 1,024,119,623 | 958,558,040 | 958,558,040 |
| 41 Ending Cash Balance/(Deficit) | 1,027,697,305 | 1,030,405,288 | 1,027,697,305 | 1,030,405,288 | 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 | \$ 773,411,396 | \$ 797,757,790 | \$ 773,411,396 | \$ 797,757,790 | \$ 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)

Current Year Actual vs. Prior Year Actual

For the Month Ended March 2016

Calendar Year 2016

| | A | B | C | D | E | F | G |
|---|---|---------------------------------------|---|---|--|---|--|
| | Current Year Actual March 2016 | Prior Year Actual March 2015 | Current Year to Date Actual CY 2016 thru March | Prior Year to Date Actual CY 2015 thru March | 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 | \$ 282,238,487 | \$ 258,490,811 | \$ 786,994,578 | \$ 739,354,119 | \$ 3,077,262,889 | \$ 2,963,937,832 | \$ 2,993,891,773 |
| 4 Premium Refunds/Retroactive Disenrollments | - | - | - | - | (1,550,543) | (1,486,657) | (5,343) |
| 5 Medicare Part D (RDS) Subsidy | 2,517,513 | 1,693,507 | 4,809,051 | 4,193,048 | 14,177,803 | 14,587,080 | 19,484,823 |
| 6 Medicare PDP (EGWP + Wrap) Subsidy | - | 56 | 453 | 48,603,021 | - | 48,602,498 | 48,603,406 |
| 7 Medicare Advantage (MA) Subsidy | 100,788 | 153,140 | 206,405 | 333,795 | 866,820 | 828,983 | 959,319 |
| 8 Net Premium & Other Contributions | 284,856,788 | 260,337,514 | 792,010,487 | 792,483,983 | 3,090,756,969 | 3,026,469,736 | 3,062,933,978 |
| 9 | | | | | | | |
| 10 Investment Earnings | 666,168 | 383,814 | 1,933,112 | 1,287,502 | 3,269,599 | 3,871,779 | 6,037,729 |
| 11 Miscellaneous Revenue | - | - | - | - | - | - | - |
| 12 Other Revenue | 666,168 | 383,814 | 1,933,112 | 1,287,502 | 3,269,599 | 3,871,779 | 6,037,729 |
| 13 | | | | | | | |
| 14 Total Plan Revenue (excludes internal transfers) | 285,522,956 | 260,721,328 | 793,943,599 | 793,771,485 | 3,094,026,568 | 3,030,341,515 | 3,068,971,707 |
| 15 | | | | | | | |
| 16 Plan Expenses: | | | | | | | |
| 17 | | | | | | | |
| 18 Medical Claim Payments | 154,265,563 | 193,947,253 | 520,913,321 | 517,907,444 | 2,191,757,976 | 2,128,799,496 | 2,067,095,284 |
| 19 Medical Claim Refunds/Recoveries | (1,331,950) | (2,628,303) | (5,625,004) | (6,214,655) | (26,876,079) | (25,072,202) | (23,709,307) |
| 20 Net Medical Claims | 152,933,613 | 191,318,950 | 515,288,317 | 511,692,789 | 2,164,881,897 | 2,103,727,294 | 2,043,385,977 |
| 21 | | | | | | | |
| 22 Pharmacy Claim Payments | 65,135,165 | 57,462,178 | 189,207,211 | 173,438,700 | 803,327,996 | 718,955,282 | 766,818,503 |
| 23 Pharmacy Claim Rebates | - | - | (13,666,155) | (11,815,970) | (50,098,630) | (57,020,841) | (96,193,453) |
| 24 Pharmacy Claim Refunds/Recoveries | (9,151) | (150,603) | (37,852) | (172,316) | - | - | (5,347,179) |
| 25 Net Pharmacy Claims | 65,126,014 | 57,311,575 | 175,503,404 | 161,450,414 | 753,229,366 | 661,934,441 | 665,277,871 |
| 26 | | | | | | | |
| 27 Net Claim Payments | 218,059,627 | 248,630,525 | 690,791,721 | 673,143,203 | 2,918,111,263 | 2,765,661,735 | 2,708,663,848 |
| 28 | | | | | | | |
| 29 Medicare Advantage Premium Payments | 16,114,225 | 14,212,589 | 47,931,227 | 42,559,850 | 190,926,384 | 174,072,089 | 172,517,202 |
| 30 | | | | | | | |
| 31 Net Administrative Expenses | 12,628,491 | 11,529,425 | 42,741,374 | 62,510,490 | 249,818,709 | 239,864,700 | 187,419,975 |
| 32 | | | | | | | |
| 33 Total Plan Expenses (excludes internal transfers) | 246,802,343 | 274,372,539 | 781,464,322 | 778,213,543 | 3,358,856,356 | 3,179,598,524 | 3,068,601,025 |
| 34 | | | | | | | |
| 35 Plan Income/(Loss) | 38,720,613 | (13,651,211) | 12,479,277 | 15,557,942 | (264,829,788) | (149,257,009) | 370,682 |
| 36 | | | | | | | |
| 37 Cash Availability: | | | | | | | |
| 38 | | | | | | | |
| 39 Beginning Cash Balance/(Deficit) | 988,976,692 | 1,044,056,499 | 1,015,218,028 | 1,014,847,346 | 941,270,180 | 1,014,847,346 | 1,014,847,346 |
| 40 Ending Cash Balance/(Deficit) | 1,027,697,305 | 1,030,405,288 | 1,027,697,305 | 1,030,405,288 | 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 | \$ 765,067,291 | \$ 781,495,731 | \$ 765,067,291 | \$ 781,495,731 | \$ 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, as adjusted)
 Consolidated Report, Actual vs. Budgeted
 For the Month Ended March 2016
 Calendar Year 2016

| | 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) | \$ 786,994,578 | \$ 4,813,485 | \$ 791,808,063 | \$ 770,440,381 | \$ 21,367,682 | 2.77% |
| 4 Premium Refunds/Retroactive Disenrollments | - | | - | (388,193) | 388,193 | -100.00% |
| 5 Medicare Part D (RDS) Subsidy | 4,809,051 | | 4,809,051 | 2,991,747 | 1,817,304 | 60.74% |
| 6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3) | 453 | (453) | - | - | - | |
| 7 Medicare Advantage (MA) Subsidy | 206,405 | | 206,405 | 214,145 | (7,740) | -3.61% |
| 8 Net Premium & Other Contributions | 792,010,487 | 4,813,032 | 796,823,519 | 773,258,080 | 23,565,439 | 3.05% |
| 9 | | | | | | |
| 10 Other Revenue | 1,933,112 | | 1,933,112 | 922,397 | 1,010,715 | 109.57% |
| 11 | | | | | | |
| 12 Total Plan Revenue (excludes internal transfers) | 793,943,599 | 4,813,032 | 798,756,631 | 774,180,477 | 24,576,154 | 3.17% |
| 13 | | | | | | |
| 14 Plan Expenses: | | | | | | |
| 15 | | | | | | |
| 16 Net Medical Claims | 515,288,317 | | 515,288,317 | 523,139,563 | (7,851,246) | -1.50% |
| 17 Net Pharmacy Claims | 175,503,404 | | 175,503,404 | 170,669,268 | 4,834,136 | 2.83% |
| 18 Net Claim Payments | 690,791,721 | - | 690,791,721 | 693,808,831 | (3,017,110) | -0.43% |
| 19 | | | | | | |
| 20 Medicare Advantage Premiums | 47,931,227 | | 47,931,227 | 47,553,639 | 377,588 | 0.79% |
| 21 | | | | | | |
| 22 Net Administrative Expenses (Notes 4 and 5) | 42,741,374 | 14,370,347 | 57,111,721 | 72,936,762 | (15,825,041) | -21.70% |
| 23 | | | | | | |
| 24 Total Plan Expenses (excludes internal transfers) | 781,464,322 | 14,370,347 | 795,834,669 | 814,299,232 | (18,464,563) | -2.27% |
| 25 | | | | | | |
| 26 Plan Income/(Loss) | 12,479,277 | (9,557,315) | 2,921,962 | (40,118,755) | 43,040,717 | -107.28% |
| 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) | 1,027,697,305 | (9,557,315) | 1,018,139,990 | 901,151,425 | 116,988,565 | 12.98% |
| 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 | \$ 765,067,291 | \$ (9,557,315) | \$ 755,509,976 | \$ 638,521,411 | \$ 116,988,565 | 18.32% |

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 \$48.6 million in prepaid April premiums received in March.
3. EGWP subsidies were not budgeted and are therefore excluded.
4. Net administrative expenses adjusted to reflect the normal monthly invoice cycle (net of -\$3.4 million).
5. Administrative expenses adjusted to include a \$17.8 million federal fee payment that was budgeted for January 2016 but was actually made in December 2015.

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 2016
 Fiscal Year 2015-2016

| | 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) | \$ 2,307,456,141 | \$ (27,211,073) | \$ 2,280,245,068 | \$ 2,261,943,455 | \$ 18,301,613 | 0.81% |
| 4 Premium Refunds/Retroactive Disenrollments | - | | - | (1,136,090) | 1,136,090 | -100.00% |
| 5 Medicare Part D (RDS) Subsidy | 13,379,967 | | 13,379,967 | 10,337,654 | 3,042,313 | 29.43% |
| 6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3) | 453 | (453) | - | - | - | |
| 7 Medicare Advantage (MA) Subsidy | 636,670 | | 636,670 | 631,528 | 5,142 | 0.81% |
| 8 Net Premium & Other Contributions | 2,321,473,231 | (27,211,526) | 2,294,261,705 | 2,271,776,547 | 22,485,158 | 0.99% |
| 9 | | | | | | |
| 10 Other Revenue | 5,247,100 | | 5,247,100 | 2,898,327 | 2,348,773 | 81.04% |
| 11 | | | | | | |
| 12 Total Plan Revenue (excludes internal transfers) | 2,326,720,331 | (27,211,526) | 2,299,508,805 | 2,274,674,874 | 24,833,931 | 1.09% |
| 13 | | | | | | |
| 14 Plan Expenses: | | | | | | |
| 15 | | | | | | |
| 16 Net Medical Claims | 1,544,451,223 | | 1,544,451,223 | 1,675,747,713 | (31,296,490) | -1.99% |
| 17 Net Pharmacy Claims (Note 4) | 510,919,851 | 1,612,006 | 512,531,857 | 499,374,027 | 13,157,830 | 2.63% |
| 18 Net Claim Payments | 2,055,371,074 | 1,612,006 | 2,056,983,080 | 2,075,121,740 | (18,138,660) | -0.87% |
| 19 | | | | | | |
| 20 Medicare Advantage Premiums | 135,007,138 | | 135,007,138 | 133,404,499 | 1,602,639 | 1.20% |
| 21 | | | | | | |
| 22 Net Administrative Expenses (Note 5) | 132,764,437 | 4,133,000 | 136,897,437 | 189,116,833 | (52,219,396) | -27.61% |
| 23 | | | | | | |
| 24 Total Plan Expenses (excludes internal transfers) | 2,323,142,649 | 5,745,006 | 2,328,887,655 | 2,397,643,072 | (68,755,417) | -2.87% |
| 25 | | | | | | |
| 26 Plan Income/(Loss) | 3,577,682 | (32,956,532) | (29,378,850) | (122,968,198) | 93,589,348 | -76.11% |
| 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) | 1,027,697,305 | (32,956,532) | 994,740,773 | 901,151,425 | 93,589,348 | 10.39% |
| 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 | \$ 773,411,396 | \$ (32,956,532) | \$ 740,454,864 | \$ 646,865,516 | \$ 93,589,348 | 14.47% |

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 \$48.6 million in prepaid April premiums received in March.
3. EGWP subsidies were not budgeted and are therefore excluded.
4. Net pharmacy claims adjusted to exclude an unbudgeted \$1.6 million recovery from a class action law suit.
5. Net Administrative Expenses adjusted to reflect normal monthly invoice cycle.