

2023 Medicare Advantage Enrollment Update

Board of Trustees Meeting
Feb. 22, 2023

The State Health Plan **SAVES**
\$4,700

Per Member Per Year for **EACH**
Medicare Advantage Member
(vs \$23.7 Billion Unfunded Liability)

Reasons Why A Member Might Choose the Base PPO Plan (70/30) Over the Medicare Advantage Plans

No Medicare Part B

Enrolled in TRICARE
for Life
(Military Insurance)

Enrolled in Retiree
Group Health Plan

Enrolled in Individual
Plan

Enrolled in Medicare
Supplement/Medigap

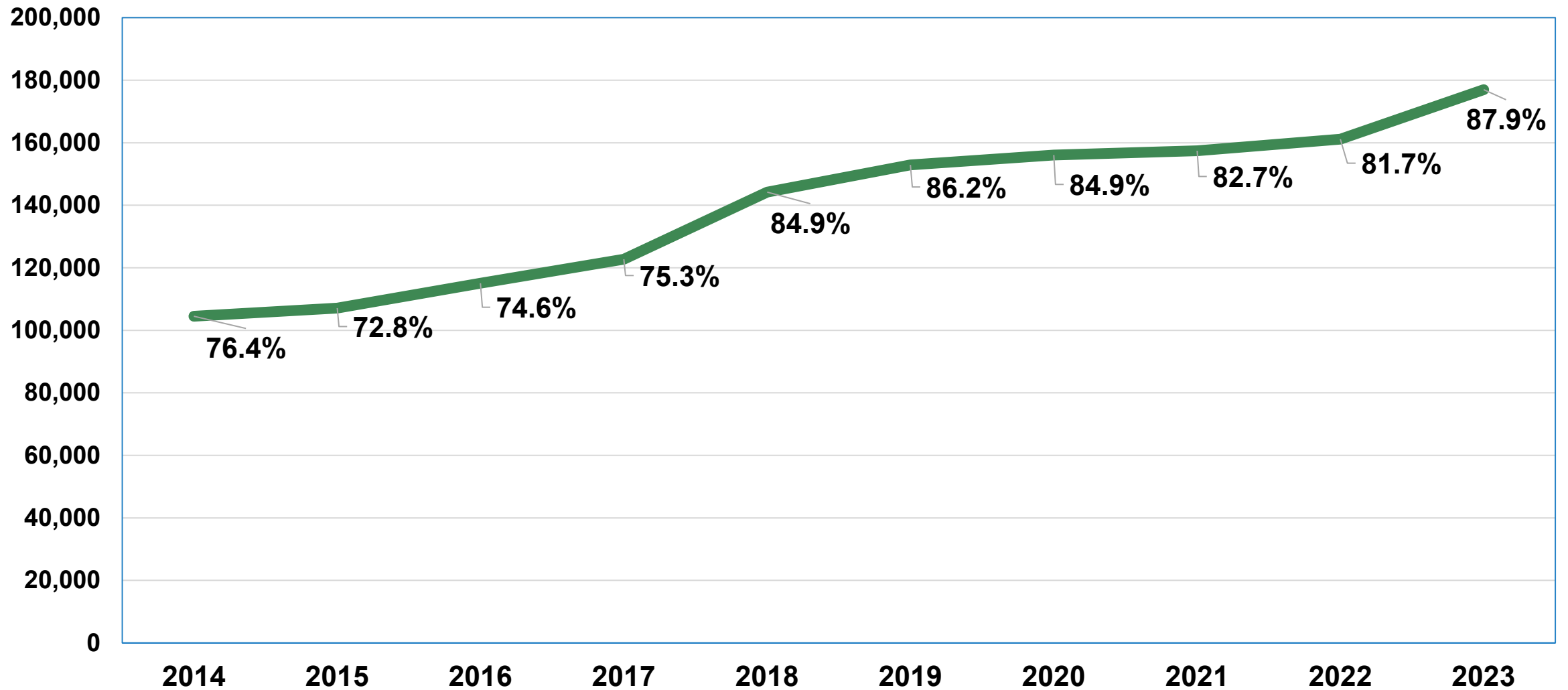
Income Related
Monthly Adjustment
Amounts
(IRMAA)

Medicaid/Medicare
Eligible

Going Through
Treatment

Diabetic on Insulin

Medicare Advantage Enrollment History



Medicare Advantage Enrollment Update

- Between January 1, 2023, and March 31, 2023, members enrolled in a Medicare Advantage Plan may make one plan change effective first of the following month; therefore, these numbers will continue to change through Q1 2023.
- 2022 Open Enrollment numbers are included for comparison.

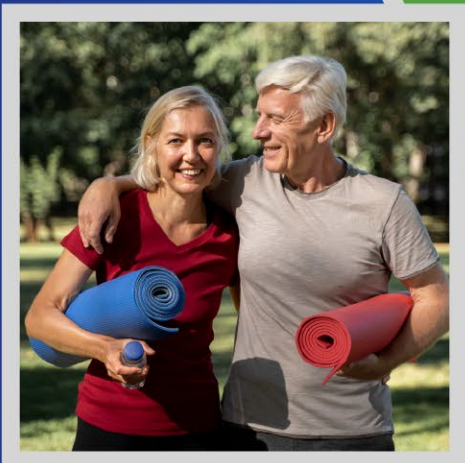
2022 Enrollment*	Start of OE	%	End of OE	%	As of 2/1/2022	%	As of 4/1/22	%
Medicare Advantage	160,451	82%	164,635	83.1%	163,231	82.1%	161,174	81.7%
Base PPO Plan (70/30)	35,109	18%	33,472	16.9%	35,508	17.9%	35,987	18.3%

2023 Enrollment	Start of OE	%	End of OE	%	As of 2/1/2023	%
Medicare Advantage	162,406	81.3%	187,288	92.1%	179,717	87.5%
Base PPO Plan (70/30)	37,462	18.7%	16,113	7.1%	25,652	12.5%

*No auto-enrollment in MA occurred for the 2022 benefit year.

Enrollment Strategy

- Historically, the Plan has used auto-enrollment during Open Enrollment to encourage participation into one of the Medicare Advantage Plans.
- The Plan is researching ways to be less disruptive to Medicare members that fall into certain eligibility criteria for Medicare Advantage enrollment.



Financial Update

Board of Trustees Meeting

February 22, 2023



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Financial Results: Actual vs. Budgeted Fiscal Year to Date December 2022

Fiscal Year 2022	Actual thru DECEMBER 2022	Projection (per Segal 08-2021)	Variance Fav/(Unfav) to Projection
Beginning Cash Balance	\$850.1m	\$791.1m	\$59.0m
Plan Revenue	\$2.077b	\$2.037b	\$41.1m
Net Claims Payments	\$2.007b	\$2.050b	\$43.2m
Medicare Advantage Premiums	\$8.8m	\$7.5m	(\$1.2m)
Net Administrative Expenses	\$61.8m	\$65.8m	\$4.0m
Total Plan Expenses	\$2.078b	\$2.124b	\$46.0m
Net Income/(Loss)	(\$1.0m)	(\$88.2m)	\$87.1m
Ending Cash Balance	\$849.1m	\$702.9m	\$146.2m
Target Stabilization Reserve (TSR)	\$356.0m	\$356.0m	\$0

Financial Results: Fiscal Year to Date December 2022 [FY21/FY22]

Fiscal Year 2022	Actual thru DECEMBER 2022	Actual Thru DECEMBER 2021	Variance Fav/(Unfav)
Beginning Cash Balance	\$850.1m	\$766.0m	\$84.2m
Plan Revenue	\$2.077b	\$1.999b	\$77.4m
Net Claims Payments	\$2.007b	\$1.983b	(\$24.7m)
Medicare Advantage Premiums	\$8.8m	\$7.3m	(\$1.5m)
Net Administrative Expenses	\$61.8m	\$81.6m	\$19.8m
Total Plan Expenses	\$2.078b	\$2.072b	(\$6.3m)
Net Income/(Loss)	(\$1.0m)	(\$72.2m)	\$71.1m
Ending Cash Balance	\$849.1m	\$693.7m	\$155.3m
Non-Operating Cash Transfer	\$0	\$103.0m	\$103.0m
Target Stabilization Reserve (TSR)	\$356.0m	\$349.6m	\$6.5m

Financial Results: Actual vs. Budgeted Calendar Year to Date December 2022

Calendar Year 2022	Actual thru DECEMBER 2022	Projection (per Segal 05-2022)	Variance Fav/(Unfav) to Projection
Beginning Cash Balance	\$590.7m	\$596.5m	(\$5.8m)
Plan Revenue	\$4.052b	\$4.047b	\$4.8m
Net Claims Payments	\$3.798b	\$3.999b	\$200.5m
Medicare Advantage Premiums	\$15.0m	\$14.7m	(\$355.4k)
Net Administrative Expenses	\$126.2m	\$129.6m	\$3.4m
Total Plan Expenses	\$3.939b	\$4.143b	\$203.6m
Net Income/(Loss)	\$112.3m	(\$96.1m)	\$208.4m
Non-Operating Cash Transfer	\$69.0m	\$0	(\$69.0m)
COVID-19 Reimbursement	\$215.0m	\$215.0m	\$0
Ending Cash Balance	\$849.0m	\$715.5m	\$133.6m
Target Stabilization Reserve (TSR)	\$359.9m	\$359.9m	\$0

Financial Results: Calendar Year to Date December 2022 [CY21/CY22]

Calendar Year 2022	Actual thru DECEMBER 2022	Actual thru DECEMBER 2021	Variance Fav/(Unfav)
Beginning Cash Balance	\$590.7m	\$1.064b	(\$473.2m)
Plan Revenue	\$4.052b	\$3.827b	\$225.0m
Net Claims Payments	\$3.798b	\$3.826b	\$28.1m
Medicare Advantage Premiums	\$15.0m	\$12.9m	(\$2.1m)
Net Administrative Expenses	\$126.2m	\$170.7m	\$44.5m
Total Plan Expenses	\$3.939b	\$4.010b	\$70.5m
Net Income/(Loss)	\$112.3m	(\$183.2m)	\$295.5m
Non-Operating Cash Transfer	\$69.0m	\$290.0m	(\$221.0m)
COVID-19 Reimbursement	\$215.0m	\$0	\$215.0m
Ending Cash Balance	\$849.0m	\$590.7m	\$258.4m
Target Stabilization Reserve (TSR)	\$359.9m	\$336.9m	\$22.9m

COVID-19 Costs Update

COVID-19 Costs by Period (Testing, Treatment and Vaccinations)

	CY 2020	CY 2021	CY 2022	Total COVID-19 Related Claims Paid Through 12/31/22
PCR Test	\$37,680,551	\$82,255,144	\$43,093,526	\$163,029,221
Antibody Test	\$690,925	\$735,442	\$230,635	\$1,657,002
Screening	\$13,059,862	\$20,601,761	\$12,354,408	\$46,016,031
Vaccines	\$10,965	\$8,632,220	\$935,323	\$9,578,508
Treatment	\$51,437,685	\$114,517,801	\$40,168,005	\$206,123,491
PBM	N/A	\$13,344,888	\$5,730,588	\$19,075,476
Total	\$102,879,988	\$240,087,256	\$102,512,485	\$445,479,729