



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES

# November 2016 Financial Report

*Board of Trustees Meeting*

January 27, 2017

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*A Division of the Department of State Treasurer*

# Executive Summary

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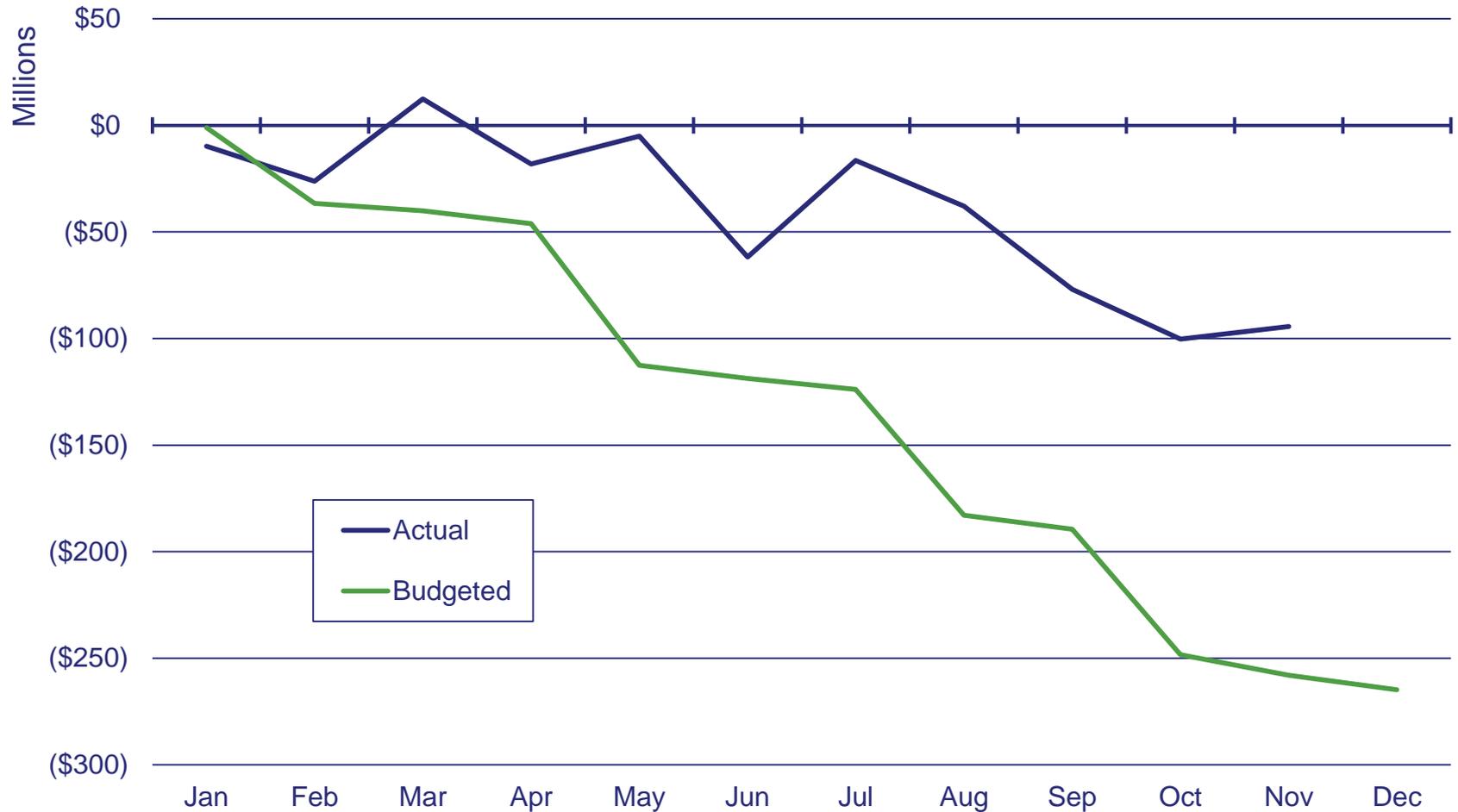
- For CY 2016, Plan spending is below budget and Plan revenues exceed budgeted expectations
  - As a result, the Plan's cash balance is higher than projected in the budget for CY 2016
- As intended, the Plan is spending down some of the excess cash balance in CY 2016
  - Plan expenses for CY 2016 exceed revenues by \$94.4 million through November
  - The net loss is less than anticipated in the budget (chart next page)

## **Financial Focus** (what I will be monitoring over the next several weeks):

- Weekly medical disbursements have been high over the last 6-8 weeks
- Impact of new PBM contract on pharmacy expenses
- CY 2016 year-end actuals and Q4 forecast update
- January membership reports with open enrollment results
- Beginning of legislative session



# CY 2016 Year-to-Date Net Income/(Loss)



# Financial Results: Actual vs. Budgeted

## Calendar Year to Date November 2016

Calendar Year 2016	Actual thru Nov 2016	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
<b>Beginning Cash Balance</b>	<b>\$1.015 b</b>	<b>\$941.3 m</b>	<b>\$73.9 m</b>
<b>Plan Revenue</b>	<b>\$2.916 b</b>	<b>\$2.837 b</b>	<b>\$79.5 m</b>
Net Claims Payments	\$2.669 b	\$2.689 b	(\$19.9 m)
Medicare Advantage Premiums	\$178.5 m	\$174.9 m	\$3.6 m
Net Administrative Expenses	\$162.7 m	\$230.5 m	(\$67.8 m)
<b>Total Plan Expenses</b>	<b>\$3.011 b</b>	<b>\$3.095 b</b>	<b>(\$84.1 m)</b>
<b>Net Income/(Loss)</b>	<b>(\$94.4 m)</b>	<b>(\$258.0 m)</b>	<b>\$163.6 m</b>
<b>Ending Cash Balance</b>	<b>\$920.8 m</b>	<b>\$683.3 m</b>	<b>\$237.5 m</b>

# Adjusted Variance Report

## Calendar Year to Date November 2016

Calendar Year 2016	Actual thru Nov 2016, As Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$2.932 b</b>	<b>\$2.837 b</b>	<b>\$95.4 m</b>
Net Claims Payments ^	\$2.716 b	\$2.689 b	\$26.5 m
Medicare Advantage Premiums	\$178.5 m	\$174.9 m	\$3.6 m
Net Administrative Expenses †	\$174.1 m	\$230.5 m	(\$56.4 m)
<b>Total Plan Expenses</b>	<b>\$3.068 b</b>	<b>\$3.095 b</b>	<b>(\$26.3 m)</b>
<b>Net Income/(Loss)</b>	<b>(\$136.3 m)</b>	<b>(\$258.0 m)</b>	<b>\$121.7 m</b>

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

^ Adjusted to exclude unbudgeted over-attainment in the pharmacy rebate true-up payment.

† Adjusted for timing issues.

# Financial Results Actual vs. Budgeted

## Calendar Year to Date November 2016

### *Per Member Per Month (PMPM) Analysis*

<b>Calendar Year 2016</b>	<b>Actual thru Nov 2016</b>	<b>Certified Budget (per Segal 10-13-15)</b>	<b>Variance Over/(Under) Budget</b>
<b>Plan Revenue</b>	<b>\$376.90</b>	<b>\$377.92</b>	<b>(\$1.02)</b>
Net Claims Payments	\$346.60	\$358.03	(\$11.43)
Medicare Advantage Premiums	\$23.19	\$23.29	(\$0.10)
Net Administrative Expenses	\$21.13	\$30.69	(\$9.56)
<b>Total Plan Expenses</b>	<b>\$390.92</b>	<b>\$412.01</b>	<b>(\$21.09)</b>
<b>Net Income/(Loss)</b>	<b>(\$14.02)</b>	<b>(\$34.09)</b>	<b>\$20.07</b>

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 November 2016

### *Per Member Per Month (PMPM) Analysis*

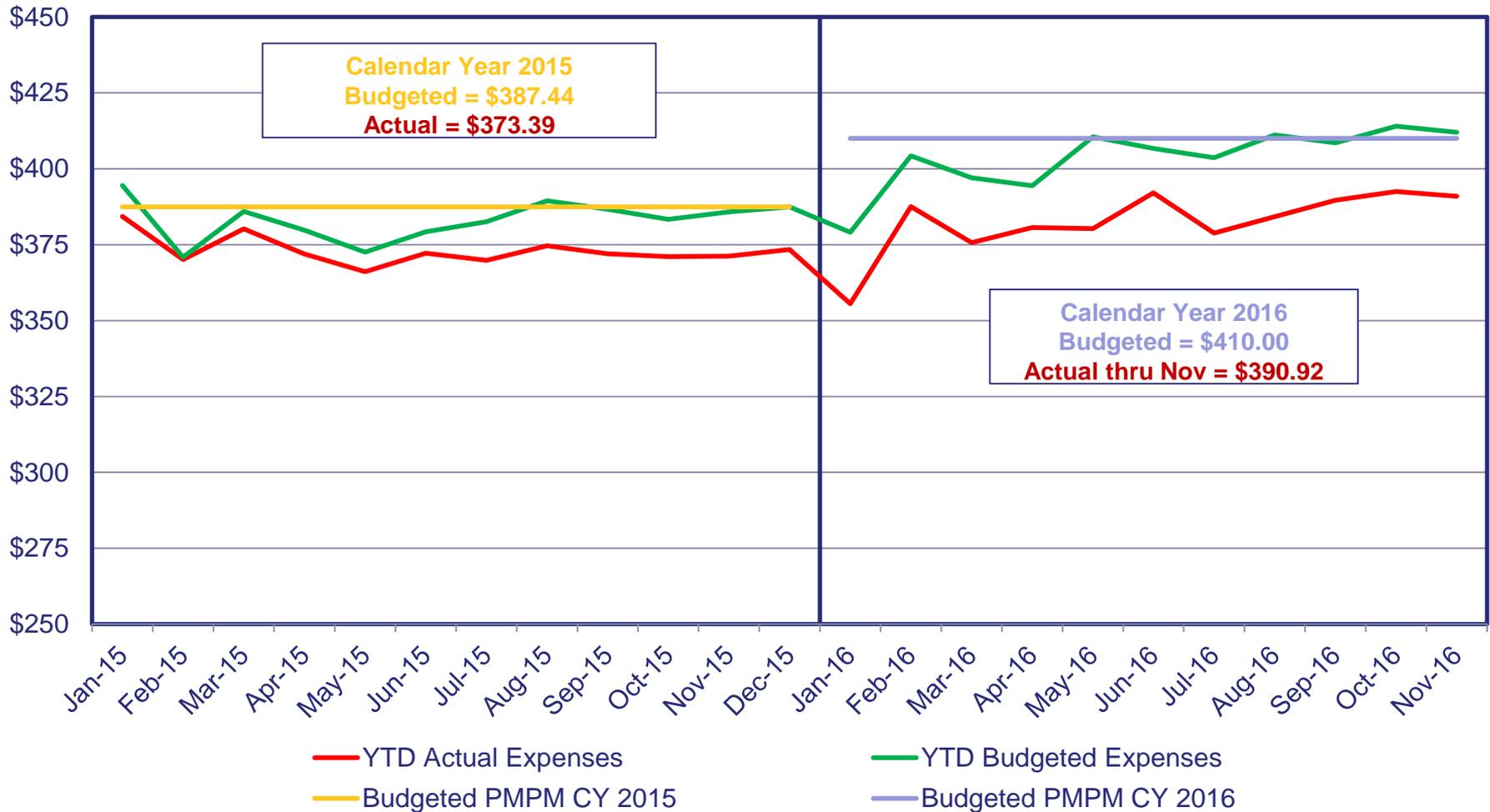
Calendar Year 2016	Actual thru Nov 2016, as Adjusted	Certified Budget (per Segal 10-13-15)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$378.96</b>	<b>\$377.92</b>	<b>\$1.04</b>
Net Claims Payments ^	\$352.63	\$358.03	(\$5.40)
Medicare Advantage Premiums	\$23.19	\$23.29	(\$0.10)
Net Administrative Expenses †	\$22.61	\$30.69	(\$8.08)
<b>Total Plan Expenses</b>	<b>\$398.43</b>	<b>\$412.01</b>	<b>(\$13.58)</b>
<b>Net Income/(Loss)</b>	<b>(\$19.47)</b>	<b>(\$34.09)</b>	<b>\$14.62</b>

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

^ Adjusted to exclude unbudgeted over-attainment in the pharmacy rebate true-up payment.

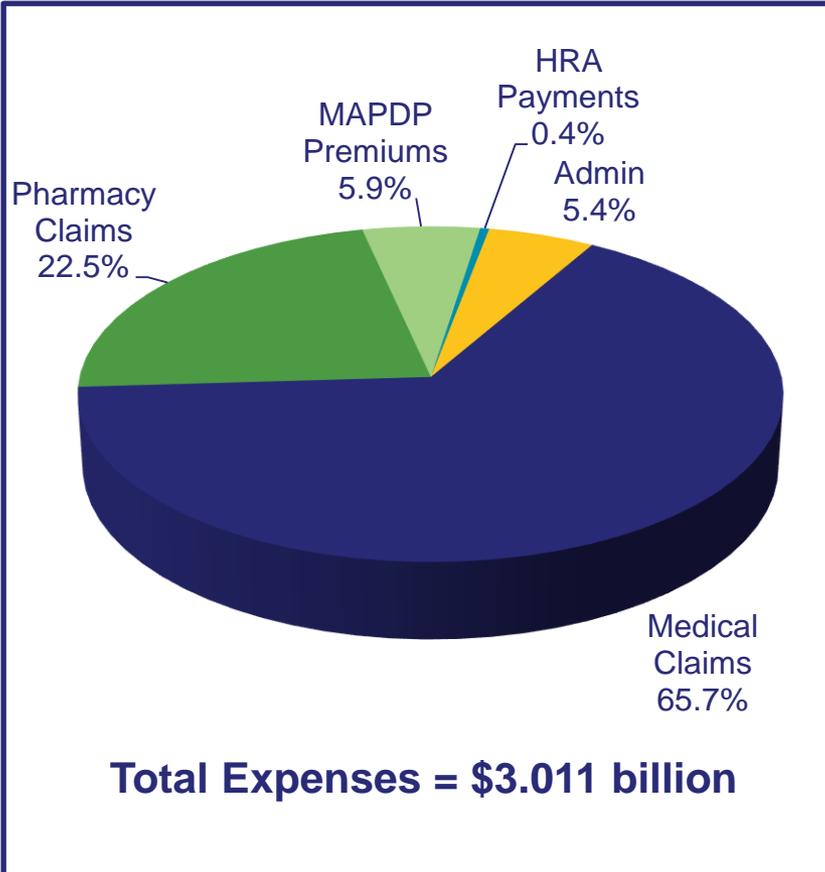
† Adjusted for timing issues.

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

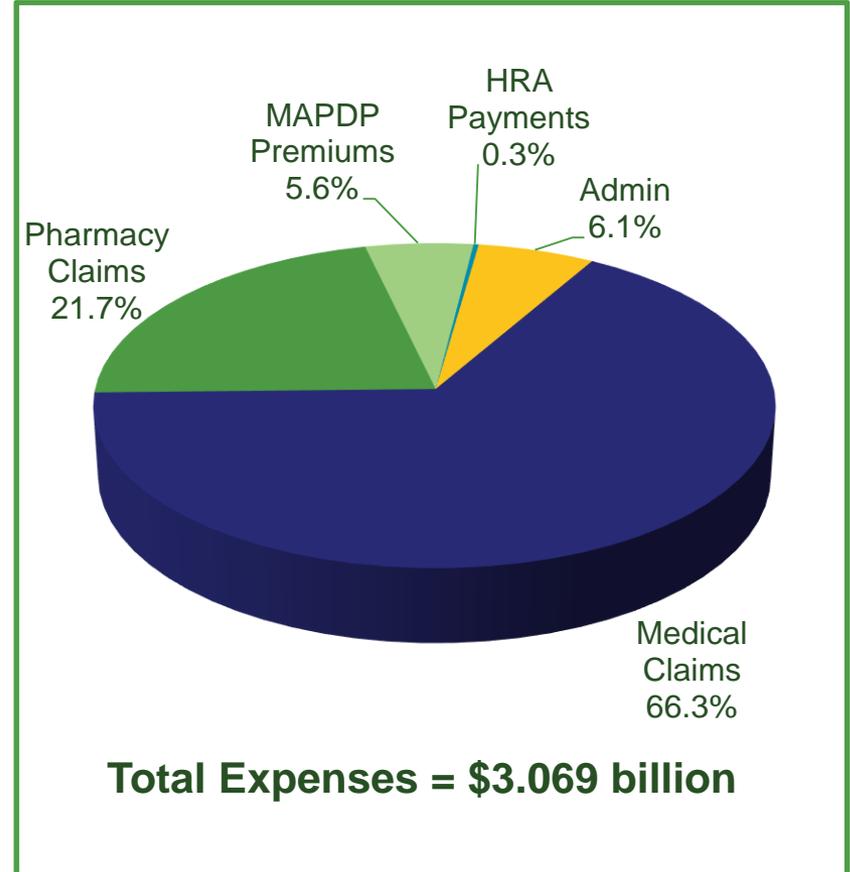


# Allocation of Total Expenditures

Calendar Year To Date: Nov 2016



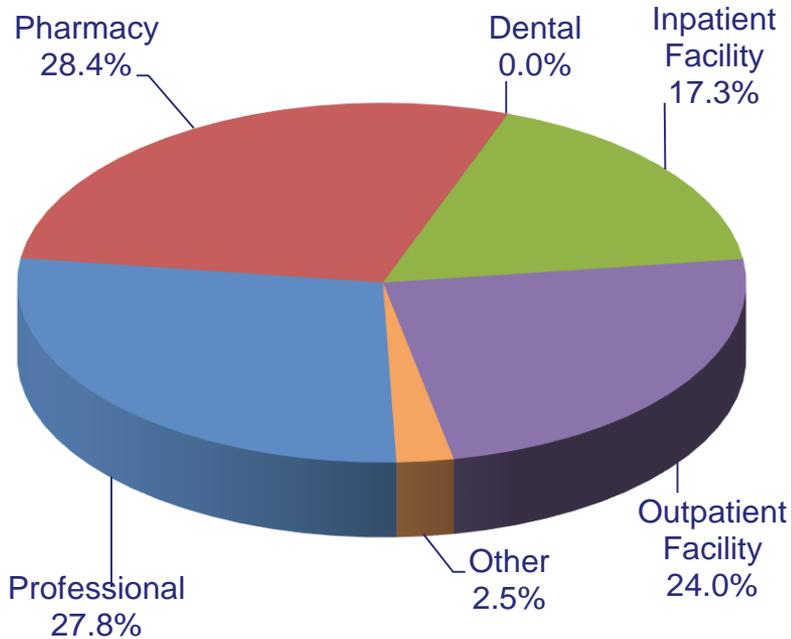
Calendar Year 2015



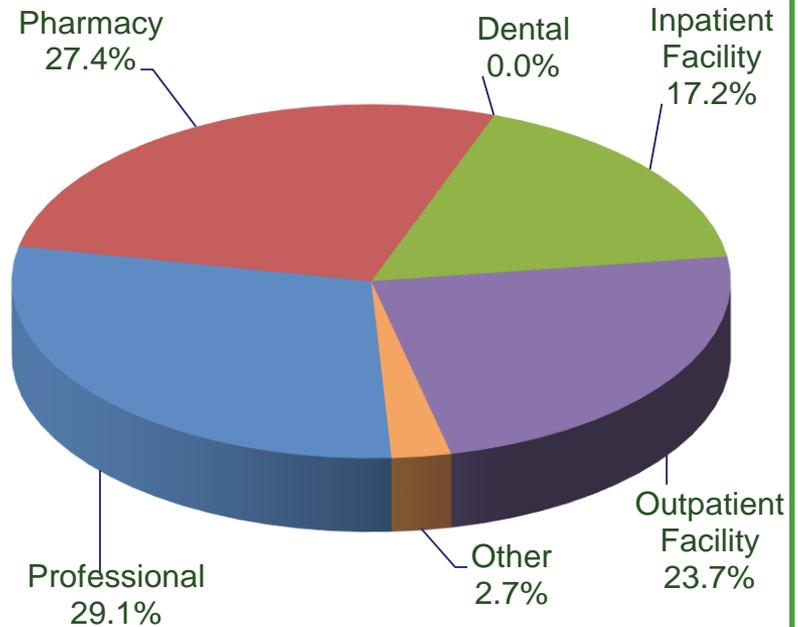
Sources: BCBSNC Net Disbursements reports; Financial Status Reports

# Allocation of Claims Expenditures Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Nov 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 November 2016  
 Calendar Year 2016

	A	B	C	D	E	F	G	H
	Actual November 2016	Certified Budget November 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 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 268,347,351	\$ 256,065,236	\$ 12,282,115	\$ 2,890,126,674	\$ 2,821,279,890	\$ 68,846,784	\$ 3,077,262,889	\$ (187,136,215)
4 Premium Refunds/Retroactive Disenrollments	(2,561)	(129,027)	126,466	(3,296)	(1,421,557)	1,418,261	(1,550,543)	1,547,247
5 Medicare Part D (RDS) Subsidy	1,348,035	1,214,021	134,014	17,378,181	13,006,527	4,371,654	14,177,803	3,200,378
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	453	-	453	-	453
7 Medicare Advantage (MA) Subsidy	33,349	72,700	(39,351)	727,363	794,060	(66,697)	866,820	(139,457)
8 <b>Net Premium &amp; Other Contributions</b>	<b>269,726,174</b>	<b>257,222,930</b>	<b>12,503,244</b>	<b>2,908,229,375</b>	<b>2,833,658,920</b>	<b>74,570,455</b>	<b>3,090,756,969</b>	<b>(182,527,594)</b>
9								
10 Investment Earnings	763,623	229,471	534,152	7,963,556	3,042,863	4,920,693	3,269,599	4,693,957
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 <b>Other Revenue</b>	<b>763,623</b>	<b>229,471</b>	<b>534,152</b>	<b>7,963,556</b>	<b>3,042,863</b>	<b>4,920,693</b>	<b>3,269,599</b>	<b>4,693,957</b>
13								
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>270,489,797</b>	<b>257,452,401</b>	<b>13,037,396</b>	<b>2,916,192,931</b>	<b>2,836,701,783</b>	<b>79,491,148</b>	<b>3,094,026,568</b>	<b>(177,833,637)</b>
15								
16 <b>Plan Expenses:</b>								
17								
18 Medical Claim Payments	161,894,836	165,371,342	(3,476,506)	2,012,643,480	2,024,185,477	(11,541,997)	2,191,757,976	(179,114,496)
19 Medical Claim Refunds/Recoveries	(1,547,240)	(2,430,391)	883,151	(20,544,070)	(24,675,721)	4,131,651	(26,878,079)	6,332,009
20 <b>Net Medical Claims</b>	<b>160,347,596</b>	<b>162,940,951</b>	<b>(2,593,355)</b>	<b>1,992,099,410</b>	<b>1,999,509,756</b>	<b>(7,410,346)</b>	<b>2,164,881,897</b>	<b>(172,782,487)</b>
21								
22 Pharmacy Claim Payments	70,758,925	62,898,439	7,860,486	785,575,457	739,760,184	45,815,273	803,327,996	(17,752,539)
23 Pharmacy Claim Rebates	-	-	-	(106,013,894)	(50,098,630)	(55,915,264)	(50,098,630)	(55,915,264)
24 Pharmacy Claim Refunds/Recoveries	(56,688)	-	(56,688)	(2,425,862)	-	(2,425,862)	-	(2,425,862)
25 <b>Net Pharmacy Claims</b>	<b>70,702,237</b>	<b>62,898,439</b>	<b>7,803,798</b>	<b>677,135,701</b>	<b>689,661,554</b>	<b>(12,525,853)</b>	<b>753,229,366</b>	<b>(76,093,665)</b>
26								
27 <b>Net Claim Payments</b>	<b>231,049,833</b>	<b>225,839,390</b>	<b>5,210,443</b>	<b>2,669,235,111</b>	<b>2,689,171,310</b>	<b>(19,936,199)</b>	<b>2,918,111,263</b>	<b>(248,876,152)</b>
28								
29 Medicare Advantage Premium Payments	16,024,029	15,969,946	54,083	178,591,739	174,943,191	3,648,548	190,926,384	(12,334,645)
30								
31 <b>Net Administrative Expenses</b>	<b>17,493,443</b>	<b>25,212,013</b>	<b>(7,718,570)</b>	<b>162,723,406</b>	<b>230,528,907</b>	<b>(67,805,501)</b>	<b>249,818,709</b>	<b>(87,095,303)</b>
32								
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>264,567,305</b>	<b>267,021,349</b>	<b>(2,454,044)</b>	<b>3,010,550,256</b>	<b>3,094,643,408</b>	<b>(84,093,152)</b>	<b>3,358,856,356</b>	<b>(348,306,100)</b>
34								
35 <b>Plan Income/(Loss)</b>	<b>5,922,492</b>	<b>(9,568,948)</b>	<b>15,491,440</b>	<b>(94,357,325)</b>	<b>(257,941,625)</b>	<b>163,584,300</b>	<b>(264,829,788)</b>	<b>170,472,463</b>
36								
37 <b>Cash Availability:</b>								
38								
39 Beginning Cash Balance/(Deficit)	914,938,211	692,897,503	222,040,708	1,015,218,028	941,270,180	73,947,848	941,270,180	73,947,848
40 <b>Ending Cash Balance/(Deficit)</b>	<b>920,860,703</b>	<b>683,328,555</b>	<b>237,532,148</b>	<b>920,860,703</b>	<b>683,328,555</b>	<b>237,532,148</b>	<b>676,440,392</b>	<b>244,420,311</b>
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 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 658,230,689</b>	<b>\$ 420,698,541</b>	<b>\$ 237,532,148</b>	<b>\$ 658,230,689</b>	<b>\$ 420,698,541</b>	<b>\$ 237,532,148</b>	<b>\$ 413,810,378</b>	<b>\$ 244,420,311</b>

Comments:

- a. Premium receivables totaled \$740,776.29 as of November 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$40,086,899.00 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$35,379,462.50 per cycle.
- d. The target stabilization reserve is 0% 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)  
 November - 2016 Calendar Year

North Carolina State Health Plan for Teachers and State Employees  
 Summary of Operations (Cash Basis)  
 Consolidated Report, Actual vs. Authorized Budget  
 For the Month Ended November 2016  
 Fiscal Year 2016- 2017

	A	B	C	D	E	F	G	H
	Actual November 2016	Authorized Budget November 2016	Monthly Variance Over/(Under) Authorized Budget	Actual Year to Date FY 2016-17	7/5/2016 Authorized Budget Year to Date FY 2016-17	Year to Date Variance Over/(Under) Authorized Budget	7/5/2016 Annual Authorized Budget FY 2016-17	Year to Date Variance Over/(Under) Annual Authorized Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 288,347,351	\$ 283,822,681	\$ 4,524,670	\$ 1,322,288,148	\$ 1,319,934,676	\$ 2,353,472	\$ 3,221,617,779	\$ (1,899,329,631)
4 Premium Refunds/Retroactive Disenrollments	(2,581)	(131,717)	129,156	(3,296)	(658,995)	655,699	(1,605,591)	1,602,295
5 Medicare Part D (RDS) Subsidy	1,348,035	1,274,353	73,682	8,569,314	7,075,818	1,493,496	14,562,214	(5,992,900)
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	-	-
7 Medicare Advantage (MA) Subsidy	33,349	99,494	(66,145)	315,770	496,647	(180,877)	1,205,817	(890,047)
8 <b>Net Premium &amp; Other Contributions</b>	<b>269,726,174</b>	<b>265,064,811</b>	<b>4,661,363</b>	<b>1,331,169,936</b>	<b>1,326,848,146</b>	<b>4,321,790</b>	<b>3,235,780,219</b>	<b>(1,904,610,283)</b>
9								
10 Investment Earnings	763,623	288,651	474,972	3,884,359	1,540,969	2,343,390	3,479,377	404,982
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 <b>Other Revenue</b>	<b>763,623</b>	<b>288,651</b>	<b>474,972</b>	<b>3,884,359</b>	<b>1,540,969</b>	<b>2,343,390</b>	<b>3,479,377</b>	<b>404,982</b>
13								
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>270,489,797</b>	<b>265,353,462</b>	<b>5,136,335</b>	<b>1,335,054,295</b>	<b>1,328,389,115</b>	<b>6,665,180</b>	<b>3,239,259,596</b>	<b>(1,904,205,301)</b>
15								
16 <b>Plan Expenses:</b>								
17								
18 Medical Claim Payments	161,894,836	169,169,841	(7,275,005)	930,420,198	957,973,994	(27,553,796)	2,263,294,376	(1,332,874,178)
19 Medical Claim Refunds/Recoveries	(1,547,240)	(2,418,547)	871,307	(8,453,377)	(11,685,679)	3,232,302	(27,402,046)	18,948,669
20 <b>Net Medical Claims</b>	<b>160,347,596</b>	<b>166,751,294</b>	<b>(6,403,698)</b>	<b>921,966,821</b>	<b>946,288,315</b>	<b>(24,321,494)</b>	<b>2,235,892,330</b>	<b>(1,313,925,509)</b>
21								
22 Pharmacy Claim Payments	70,758,925	65,500,628	5,258,297	367,634,623	357,186,909	10,447,714	853,475,193	(485,840,570)
23 Pharmacy Claim Rebates	-	-	-	(76,497,099)	(31,779,416)	(44,717,683)	(129,854,210)	53,357,111
24 Pharmacy Claim Refunds/Recoveries	(56,688)	-	(56,688)	(163,378)	-	(163,378)	-	(163,378)
25 <b>Net Pharmacy Claims</b>	<b>70,702,237</b>	<b>65,500,628</b>	<b>5,201,609</b>	<b>290,974,146</b>	<b>325,407,493</b>	<b>(34,433,347)</b>	<b>723,620,983</b>	<b>(432,646,837)</b>
26								
27 <b>Net Claim Payments</b>	<b>231,049,833</b>	<b>232,251,922</b>	<b>(1,202,089)</b>	<b>1,212,940,967</b>	<b>1,271,695,808</b>	<b>(58,754,841)</b>	<b>2,959,513,313</b>	<b>(1,746,572,346)</b>
28								
29 <b>Medicare Advantage Premium Payments</b>	<b>16,024,029</b>	<b>16,246,035</b>	<b>(222,006)</b>	<b>81,810,763</b>	<b>81,095,630</b>	<b>715,133</b>	<b>191,752,975</b>	<b>(109,942,212)</b>
30								
31 <b>Net Administrative Expenses</b>	<b>17,493,443</b>	<b>23,546,280</b>	<b>(6,052,837)</b>	<b>72,920,019</b>	<b>94,115,113</b>	<b>(21,195,094)</b>	<b>225,914,327</b>	<b>(152,994,308)</b>
32								
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>264,567,305</b>	<b>272,044,237</b>	<b>(7,476,932)</b>	<b>1,367,671,749</b>	<b>1,446,906,551</b>	<b>(79,234,802)</b>	<b>3,377,180,615</b>	<b>(2,009,508,866)</b>
34								
35 <b>Plan Income/(Loss)</b>	<b>5,922,492</b>	<b>(6,690,775)</b>	<b>12,613,267</b>	<b>(32,617,454)</b>	<b>(118,517,436)</b>	<b>85,899,982</b>	<b>(137,921,019)</b>	<b>105,303,565</b>
36								
37 <b>Cash Availability:</b>								
38								
39 Beginning Cash Balance/(Deficit)	914,938,211	870,257,126	44,681,085	953,478,157	982,083,787	(28,605,630)	982,083,787	(28,605,630)
40 <b>Ending Cash Balance/(Deficit)</b>	<b>920,860,703</b>	<b>863,566,351</b>	<b>57,294,352</b>	<b>920,860,703</b>	<b>863,566,351</b>	<b>57,294,352</b>	<b>844,162,768</b>	<b>76,697,935</b>
41								
42 Target Stabilization Reserve @ 6/30/17	266,356,198	266,356,198	-	266,356,198	266,356,198	-	266,356,198	-
43								
44 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 654,504,505</b>	<b>\$ 597,210,153</b>	<b>\$ 57,294,352</b>	<b>\$ 654,504,505</b>	<b>\$ 597,210,153</b>	<b>\$ 57,294,352</b>	<b>\$ 577,806,570</b>	<b>\$ 76,697,935</b>

Comments:

- a. Premium receivables totaled \$740,776.29 as of November 30, 2016.
- b. The average weekly medical claims cost net of claims refunds was \$40,086,899.00 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$35,379,482.60 per cycle.
- d. The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2016-17.
- 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 November 2016  
 Calendar Year 2016

	A	B	C	D	E	F	G
	Current Year Actual November 2016	Prior Year Actual November 2015	Current Year to Date Actual CY 2016 thru November	Prior Year to Date Actual CY 2015 thru November	Current Year Certified Annual Budget CY 2016	Prior Year Annual Budget CY 2015	Prior Year Actual Results CY 2015
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 268,347,351	\$ 244,172,640	\$ 2,890,126,674	\$ 2,714,755,865	\$ 3,077,262,889	\$ 2,963,937,832	\$ 2,993,891,773
4 Premium Refunds/Retroactive Disenrollments	(2,561)	-	(3,296)	(5,343)	(1,550,543)	(1,486,657)	(5,343)
5 Medicare Part D (RDS) Subsidy	1,348,035	1,399,605	17,378,181	17,951,576	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	33,349	39,524	727,363	794,027	866,820	828,983	959,319
8 <b>Net Premium &amp; Other Contributions</b>	<b>269,726,174</b>	<b>245,611,769</b>	<b>2,908,229,375</b>	<b>2,782,099,531</b>	<b>3,090,756,969</b>	<b>3,026,469,736</b>	<b>3,062,933,978</b>
9							
10 Investment Earnings	763,623	533,137	7,963,556	5,458,483	3,269,599	3,871,779	6,037,729
11 Miscellaneous Revenue	-	-	-	-	-	-	-
12 Other Revenue	763,623	533,137	7,963,556	5,458,483	3,269,599	3,871,779	6,037,729
13							
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>270,489,797</b>	<b>246,144,906</b>	<b>2,916,192,931</b>	<b>2,787,558,014</b>	<b>3,094,026,568</b>	<b>3,030,341,515</b>	<b>3,068,971,707</b>
15							
16 <b>Plan Expenses:</b>							
17							
18 Medical Claim Payments	161,894,836	183,912,430	2,012,643,480	1,903,685,405	2,191,757,976	2,128,799,496	2,067,095,284
19 Medical Claim Refunds/Recoveries	(1,547,240)	(2,078,717)	(20,544,070)	(21,689,979)	(26,876,079)	(25,072,202)	(23,709,307)
20 <b>Net Medical Claims</b>	<b>160,347,596</b>	<b>181,833,713</b>	<b>1,992,099,410</b>	<b>1,881,995,426</b>	<b>2,164,881,897</b>	<b>2,103,727,294</b>	<b>2,043,385,977</b>
21							
22 Pharmacy Claim Payments	70,758,925	92,268,089	785,575,457	703,129,774	803,327,996	718,955,282	766,818,503
23 Pharmacy Claim Rebates	-	(41,631,055)	(106,013,894)	(96,193,453)	(50,098,630)	(57,020,841)	(96,193,453)
24 Pharmacy Claim Refunds/Recoveries	(56,688)	(4,301)	(2,425,862)	(5,313,234)	-	-	(5,347,179)
25 <b>Net Pharmacy Claims</b>	<b>70,702,237</b>	<b>50,632,733</b>	<b>677,135,701</b>	<b>601,623,087</b>	<b>753,229,366</b>	<b>661,934,441</b>	<b>665,277,871</b>
26							
27 <b>Net Claim Payments</b>	<b>231,049,833</b>	<b>232,466,446</b>	<b>2,669,235,111</b>	<b>2,483,618,513</b>	<b>2,918,111,263</b>	<b>2,765,661,735</b>	<b>2,708,663,848</b>
28							
29 Medicare Advantage Premium Payments	16,024,029	14,339,521	178,591,739	157,675,745	190,926,384	174,072,089	172,517,202
30							
31 <b>Net Administrative Expenses</b>	<b>17,493,443</b>	<b>8,683,735</b>	<b>162,723,406</b>	<b>153,936,735</b>	<b>249,818,709</b>	<b>239,864,700</b>	<b>187,419,975</b>
32							
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>264,567,305</b>	<b>255,489,702</b>	<b>3,010,550,256</b>	<b>2,795,230,993</b>	<b>3,358,856,356</b>	<b>3,179,598,524</b>	<b>3,068,601,025</b>
34							
35 <b>Plan Income/(Loss)</b>	<b>5,922,492</b>	<b>(9,344,796)</b>	<b>(94,357,325)</b>	<b>(7,672,979)</b>	<b>(264,829,788)</b>	<b>(149,257,009)</b>	<b>370,682</b>
36							
37 <b>Cash Availability:</b>							
38							
39 Beginning Cash Balance/(Deficit)	914,938,211	1,016,519,163	1,015,218,028	1,014,847,346	941,270,180	1,014,847,346	1,014,847,346
40 Ending Cash Balance/(Deficit)	920,860,703	1,007,174,367	920,860,703	1,007,174,367	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 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 658,230,689</b>	<b>\$ 758,264,810</b>	<b>\$ 658,230,689</b>	<b>\$ 758,264,810</b>	<b>\$ 413,810,378</b>	<b>\$ 616,680,780</b>	<b>\$ 771,438,282</b>

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 November 2016

**Fiscal Year 2016-2017**

	A	B	C	D	E	F	G
	Current Year Actual November 2016	Prior Year Actual November 2015	Current Year to Date Actual FY 2016-17 thru November	Prior Year to Date Actual FY 2015-16 thru November	Current Year Authorized Annual Budget FY 2016-17	Prior Year Annual Budget FY 2015-16	Prior Year Actual Results FY 2015-16
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 268,347,351	\$ 244,172,640	\$ 1,322,288,148	\$ 1,241,325,655	\$ 3,221,617,779	\$ 3,031,630,846	\$ 3,088,300,089
4 Premium Refunds/Retroactive Disenrollments	(2,561)	-	(3,296)	-	(1,605,591)	(1,523,909)	-
5 Medicare Part D (RDS) Subsidy	1,348,035	1,399,605	8,569,314	7,037,669	14,562,214	14,457,206	17,379,783
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	453
7 Medicare Advantage (MA) Subsidy	33,349	39,524	315,770	264,973	1,205,817	848,545	841,858
8 <b>Net Premium &amp; Other Contributions</b>	<b>269,726,174</b>	<b>245,611,769</b>	<b>1,331,169,936</b>	<b>1,248,628,297</b>	<b>3,235,780,219</b>	<b>3,045,412,688</b>	<b>3,106,522,183</b>
9							
10 Investment Earnings	763,623	533,137	3,884,359	2,734,742	3,479,377	3,760,445	7,393,185
11 Miscellaneous Revenue	-	-	-	-	-	-	-
12 <b>Other Revenue</b>	<b>763,623</b>	<b>533,137</b>	<b>3,884,359</b>	<b>2,734,742</b>	<b>3,479,377</b>	<b>3,760,445</b>	<b>7,393,185</b>
13							
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>270,489,797</b>	<b>246,144,906</b>	<b>1,335,054,295</b>	<b>1,251,363,039</b>	<b>3,239,259,596</b>	<b>3,049,173,133</b>	<b>3,113,915,368</b>
15							
16 <b>Plan Expenses:</b>							
17							
18 Medical Claim Payments	161,894,836	183,912,430	930,420,198	875,738,258	2,263,294,376	2,152,322,381	2,121,371,419
19 Medical Claim Refunds/Recoveries	(1,547,240)	(2,078,717)	(8,453,377)	(7,965,903)	(27,402,046)	(25,761,279)	(22,075,924)
20 <b>Net Medical Claims</b>	<b>160,347,596</b>	<b>181,833,713</b>	<b>921,966,821</b>	<b>867,772,355</b>	<b>2,235,892,330</b>	<b>2,126,561,102</b>	<b>2,099,295,495</b>
21							
22 Pharmacy Claim Payments	70,758,925	92,268,089	367,634,623	357,784,223	853,475,193	802,956,864	839,413,786
23 Pharmacy Claim Rebates	-	(41,631,055)	(76,497,099)	(84,377,483)	(129,854,210)	(104,118,976)	(113,894,278)
24 Pharmacy Claim Refunds/Recoveries	(56,688)	(4,301)	(163,378)	(1,645,077)	-	-	(3,941,506)
25 <b>Net Pharmacy Claims</b>	<b>70,702,237</b>	<b>50,632,733</b>	<b>290,974,146</b>	<b>271,761,663</b>	<b>723,620,983</b>	<b>698,837,888</b>	<b>721,578,002</b>
26							
27 <b>Net Claim Payments</b>	<b>231,049,833</b>	<b>232,466,446</b>	<b>1,212,940,967</b>	<b>1,139,534,018</b>	<b>2,959,513,313</b>	<b>2,825,398,990</b>	<b>2,820,873,497</b>
28							
29 Medicare Advantage Premium Payments	16,024,029	14,339,521	81,810,763	72,234,454	191,752,975	181,076,580	183,856,887
30							
31 <b>Net Administrative Expenses</b>	<b>17,493,443</b>	<b>8,683,735</b>	<b>72,920,019</b>	<b>56,539,823</b>	<b>225,914,327</b>	<b>244,252,193</b>	<b>179,826,450</b>
32							
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>264,567,305</b>	<b>255,489,702</b>	<b>1,367,671,749</b>	<b>1,268,308,295</b>	<b>3,377,180,615</b>	<b>3,250,727,763</b>	<b>3,184,556,834</b>
34							
35 <b>Plan Income/(Loss)</b>	<b>5,922,492</b>	<b>(9,344,796)</b>	<b>(32,617,454)</b>	<b>(16,945,256)</b>	<b>(137,921,019)</b>	<b>(201,554,630)</b>	<b>(70,641,466)</b>
36							
37 <b>Cash Availability:</b>							
38							
39 Beginning Cash Balance/(Deficit)	914,938,211	1,016,519,163	953,478,157	1,024,119,623	982,083,787	1,024,119,623	1,024,119,623
40 Ending Cash Balance/(Deficit)	920,860,703	1,007,174,367	920,860,703	1,007,174,367	844,162,768	822,564,993	953,478,157
41							
42 Target Stabilization Reserve @ 6/30	266,356,198	254,285,909	266,356,198	254,285,909	266,356,198	254,285,909	253,878,615
43							
44 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 654,504,505</b>	<b>\$ 752,888,458</b>	<b>\$ 654,504,505</b>	<b>\$ 752,888,458</b>	<b>\$ 577,806,570</b>	<b>\$ 568,279,084</b>	<b>\$ 699,599,542</b>

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 November 2016  
 Calendar Year 2016

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru November	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru November	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 2,890,126,674	\$ 16,981,853	\$ 2,907,108,527	\$ 2,821,279,890	\$ 85,828,637	3.04%
4 Premium Refunds/Retroactive Disenrollments	(3,296)		(3,296)	(1,421,557)	1,418,261	-99.77%
5 Medicare Part D (RDS) Subsidy (Note 3)	17,378,181	(1,040,695)	16,337,486	13,006,527	3,330,959	25.61%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	453	(453)	-	-	-	
7 Medicare Advantage (MA) Subsidy	727,363		727,363	794,060	(66,697)	-8.40%
8 <b>Net Premium &amp; Other Contributions</b>	<b>2,908,229,375</b>	<b>15,940,704</b>	<b>2,924,170,079</b>	<b>2,833,658,920</b>	<b>90,511,159</b>	<b>3.19%</b>
9						
10 <b>Other Revenue</b>	<b>7,963,556</b>		<b>7,963,556</b>	<b>3,042,863</b>	<b>4,920,693</b>	<b>161.71%</b>
11						
12 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>2,916,192,931</b>	<b>15,940,704</b>	<b>2,932,133,635</b>	<b>2,836,701,783</b>	<b>95,431,852</b>	<b>3.36%</b>
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	1,992,099,410		1,992,099,410	1,999,509,756	(7,410,346)	-0.37%
17 Net Pharmacy Claims (Note 5)	677,135,701	46,502,820	723,638,521	689,661,554	33,976,967	4.93%
18 <b>Net Claim Payments</b>	<b>2,669,235,111</b>	<b>46,502,820</b>	<b>2,715,737,931</b>	<b>2,689,171,310</b>	<b>26,566,621</b>	<b>0.99%</b>
19						
20 Medicare Advantage Premiums	178,591,739		178,591,739	174,943,191	3,648,548	2.09%
21						
22 <b>Net Administrative Expenses (Notes 6 and 7)</b>	<b>162,723,406</b>	<b>11,384,217</b>	<b>174,107,623</b>	<b>230,528,907</b>	<b>(56,421,284)</b>	<b>-24.47%</b>
23						
24 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>3,010,550,256</b>	<b>57,887,037</b>	<b>3,068,437,293</b>	<b>3,094,643,408</b>	<b>(26,206,115)</b>	<b>-0.85%</b>
25						
26 <b>Plan Income/(Loss)</b>	<b>(94,357,325)</b>	<b>(41,946,333)</b>	<b>(136,303,658)</b>	<b>(257,941,625)</b>	<b>121,637,967</b>	<b>-47.16%</b>
27						
28 <b>Cash Availability:</b>						
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)	920,860,703	(41,946,333)	878,914,370	683,328,555	195,585,815	28.62%
32						
33 Target Stabilization Reserve @ 12/31/2016	262,630,014		262,630,014	262,630,014	-	0.00%
34						
35 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 658,230,689</b>	<b>\$ (41,946,333)</b>	<b>\$ 616,284,356</b>	<b>\$ 420,698,541</b>	<b>\$ 195,585,815</b>	<b>46.49%</b>

**Adjustment Notes:**

1. Member premiums adjusted to include \$53.5 million in prepaid January premiums received in December 2015.
2. Member premiums adjusted to exclude \$36.5 million in prepaid December premiums received in November.
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 a \$46.5 million overage in the rebate true-up payment.
6. Administrative expenses decreased \$6.4 million to reflect the monthly invoicing schedule.
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 November 2016  
**Fiscal Year 2016-2017**

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru November	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Fiscal Year to Date thru November	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 1,322,288,148	\$ (1,154,893)	\$ 1,321,133,255	\$ 1,319,934,676	\$ 1,198,579	0.09%
4 Premium Refunds/Retroactive Disenrollments	(3,296)		(3,296)	(658,995)	655,699	-99.50%
5 Medicare Part D (RDS) Subsidy	8,569,314		8,569,314	7,075,818	1,493,496	21.11%
6 Medicare PDP (EGWP + Wrap) Subsidy	-		-	-	-	
7 Medicare Advantage (MA) Subsidy	315,770		315,770	496,647	(180,877)	-36.42%
8 Net Premium & Other Contributions	1,331,169,936	(1,154,893)	1,330,015,043	1,326,848,146	3,166,897	0.24%
9						
10 Other Revenue	3,884,359		3,884,359	1,540,969	2,343,390	152.07%
11						
12 Total Plan Revenue (excludes internal transfers)	1,335,054,295	(1,154,893)	1,333,899,402	1,328,389,115	5,510,287	0.41%
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	921,966,821		921,966,821	946,288,315	(24,321,494)	-2.57%
17 Net Pharmacy Claims (Note 3)	290,974,146	49,502,820	340,476,966	325,407,493	15,069,473	4.63%
18 Net Claim Payments	1,212,940,967	49,502,820	1,262,443,787	1,271,695,808	(9,252,022)	-0.73%
19						
20 Medicare Advantage Premiums	81,810,763		81,810,763	81,095,630	715,133	0.88%
21						
22 Net Administrative Expenses (Note 4)	72,920,019	2,323,397	75,243,416	94,115,113	(18,871,697)	-20.05%
23						
24 Total Plan Expenses (excludes internal transfers)	1,367,671,749	51,826,217	1,419,497,966	1,446,906,551	(27,408,585)	-1.89%
25						
26 <b>Plan Income/(Loss)</b>	(32,617,454)	(52,981,110)	(85,598,564)	(118,517,436)	32,918,872	-27.78%
27						
28 <b>Cash Availability:</b>						
29						
30 Beginning Cash Balance/(Deficit)	953,478,157		953,478,157	982,083,787	(28,605,630)	-2.91%
31 Ending Cash Balance/(Deficit)	920,860,703	(52,981,110)	867,879,593	863,566,351	4,313,242	0.50%
32						
33 Target Stabilization Reserve @ 6/30/17	266,356,198		266,356,198	266,356,198	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 654,504,505	\$ (52,981,110)	\$ 601,523,395	\$ 597,210,153	\$ 4,313,242	0.72%

**Adjustment Notes:**

1. Member premiums adjusted to include \$35.3 million in prepaid July premiums received in June.
2. Member premiums adjusted to exclude \$36.5 million in prepaid December premiums received in November.
3. Net pharmacy claims adjusted to exclude the impact of a \$49.5 million rebate true-up payment that was budgeted for the prior fiscal year.
4. Administrative expenses adjusted to include an invoice that normally would have been paid in November but was not paid until December.

Adjusted Variance Report Based on Authorized FY 2016-17 Budget  
 Fiscal Year to Date Through November 2016