



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

September 2015 Financial Report

Board of Trustees Meeting

November 20, 2015

A Division of the Department of State Treasurer

Financial Results: Actual vs. Budgeted

Calendar Year to Date September 2015

Calendar Year 2015	Actual thru Sept 2015	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Beginning Cash Balance	\$1.015 b	\$1.015 b	\$0.0 m
Plan Revenue	\$2.289 b	\$2.281 b	\$7.9 m
Net Claims Payments	\$2.029 b	\$2.071 b	(\$41.4 m)
Medicare Advantage Premiums	\$128.8 m	\$130.4 m	(\$1.6 m)
Net Administrative Expenses	\$133.4 m	\$179.0 m	(\$45.6 m)
Total Plan Expenses	\$2.291 b	\$2.380 b	(\$88.6 m)
Net Income/(Loss)	(\$2.5 m)	(\$99.0 m)	\$96.5 m
Ending Cash Balance	\$1.012 b	\$915.9 m	\$96.5 m

Adjusted Variance Report

Calendar Year to Date September 2015

Calendar Year 2015	Actual thru Sept 2015, As Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue *	\$2.281 b	\$2.281 b	\$0.3 m
Net Claims Payments ^	\$2.040 b	\$2.071 b	(\$30.3 m)
Medicare Advantage Premiums	\$128.8 m	\$130.4 m	(\$1.6 m)
Net Administrative Expenses	\$133.4 m	\$179.0 m	(\$45.6 m)
Total Plan Expenses	\$2.302 b	\$2.380 b	(\$77.5 m)
Net Income/(Loss)	(\$21.2 m)	(\$99.0 m)	\$77.8 m

* Adjusted for timing issues.

^ Adjusted for timing issues on pharmacy rebates and to exclude unbudgeted credits against pharmacy claims.

Financial Results Actual vs. Budgeted

Calendar Year to Date September 2015

Per Member Per Month (PMPM) Analysis

Calendar Year 2015	Actual thru Sept 2015	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue	\$371.06	\$370.17	\$0.89
Net Claims Payments	\$329.46	\$336.37	(\$6.91)
Medicare Advantage Premiums	\$20.91	\$21.18	(\$0.27)
Net Administrative Expenses	\$21.66	\$29.08	(\$7.42)
Total Plan Expenses	\$372.03	\$386.63	(\$14.60)
Net Income/(Loss)	(\$0.97)	(\$16.46)	\$15.49

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 September 2015

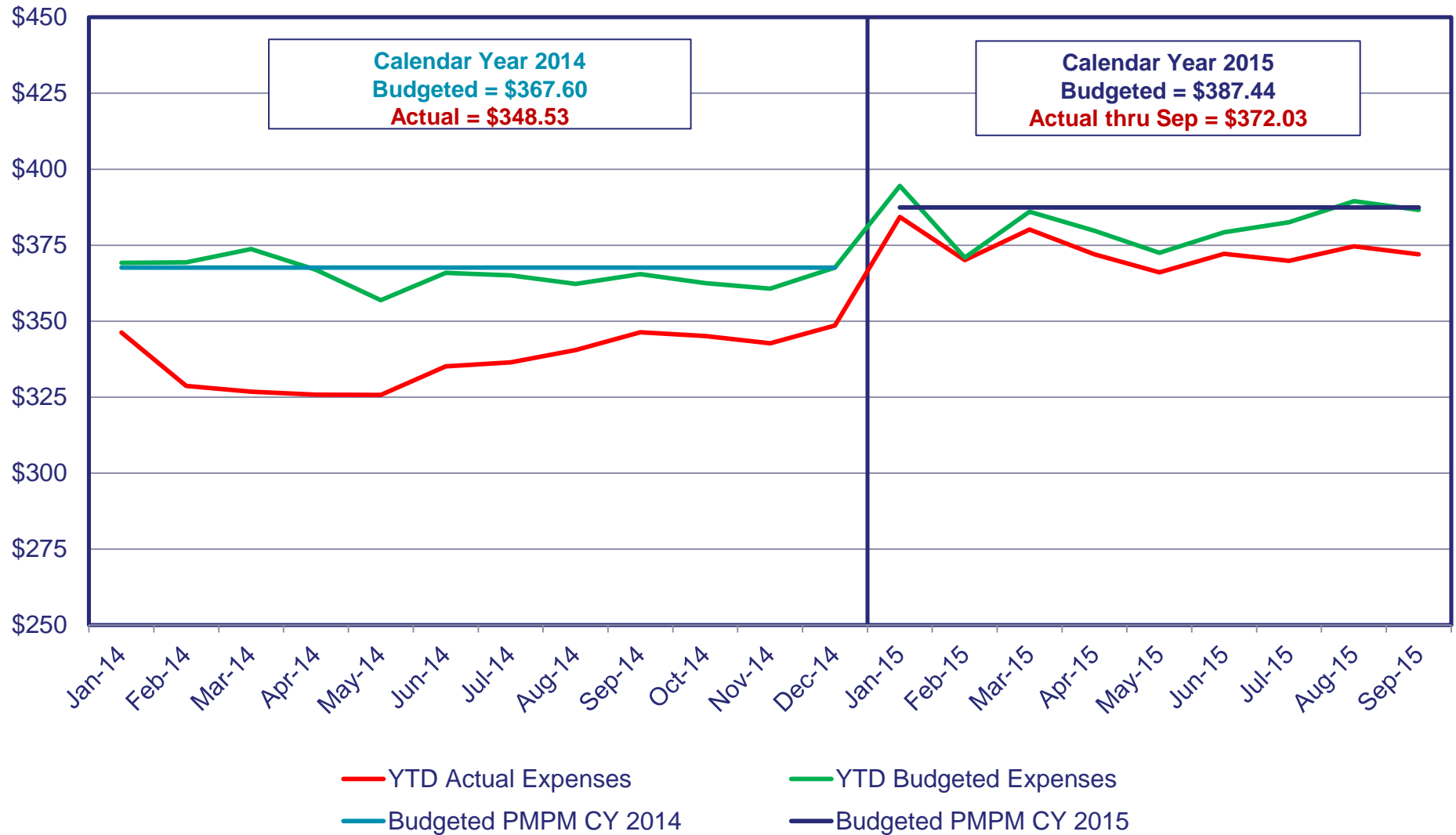
Per Member Per Month (PMPM) Analysis

Calendar Year 2015	Actual thru Sept 2015, as Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue *	\$369.82	\$370.17	(\$0.35)
Net Claims Payments ^	\$331.26	\$336.37	(\$5.11)
Medicare Advantage Premiums	\$20.91	\$21.18	(\$0.27)
Net Administrative Expenses	\$21.66	\$29.08	(\$7.42)
Total Plan Expenses	\$373.83	\$386.63	(\$12.80)
Net Income/(Loss)	(\$4.01)	(\$16.46)	\$12.45

* Adjusted for timing issues.

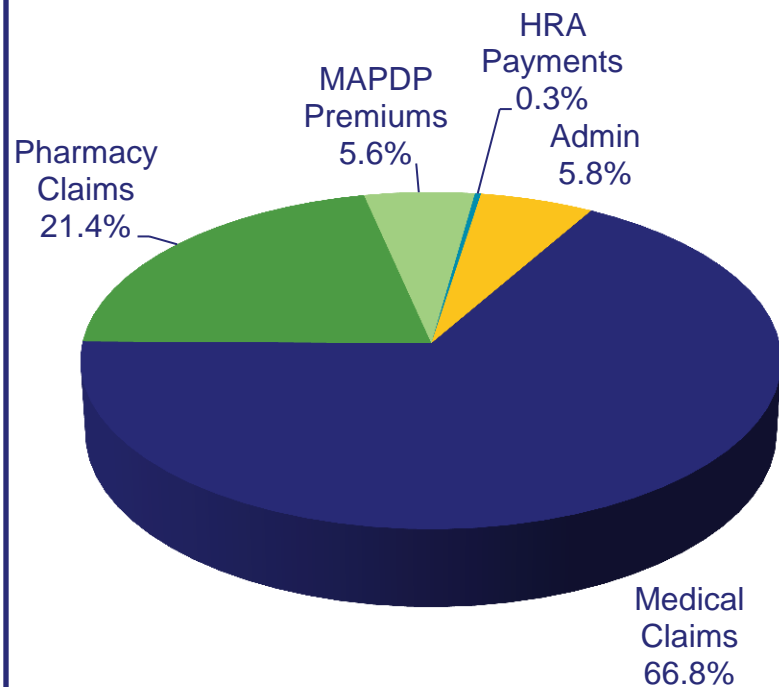
^ Adjusted for timing issues on pharmacy rebates and to exclude unbudgeted credits against pharmacy claims.

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



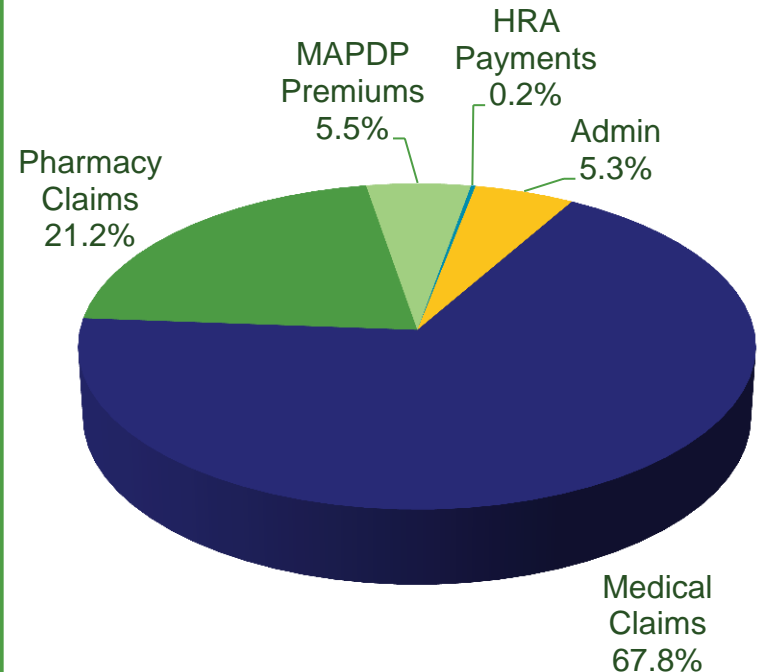
Allocation of Total Expenditures

Calendar Year To Date: Sep 2015



Total Expenses = \$2.291 billion

Calendar Year 2014



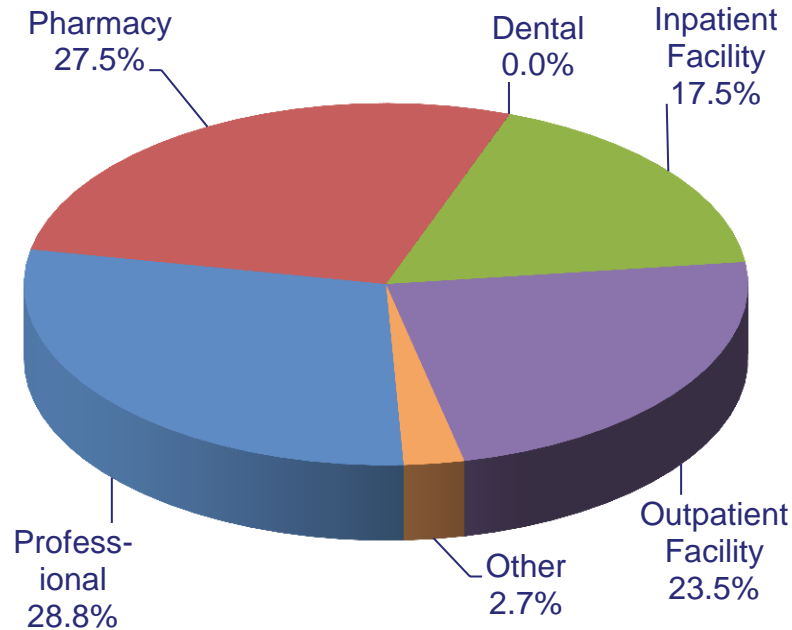
Total Expenses = \$2.831 billion

Sources: BCBSNC Net Disbursements reports; Financial Status Reports

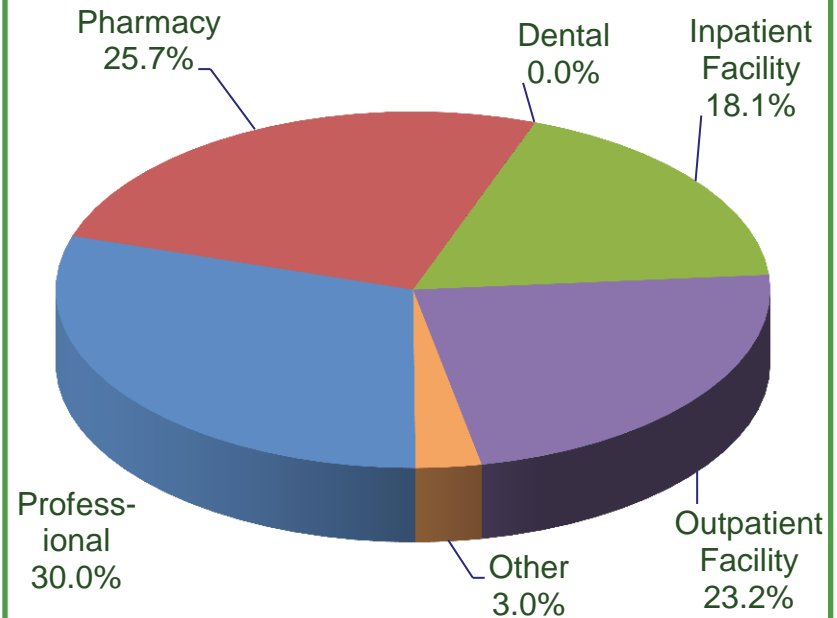
Allocation of Claims Expenditures

Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: Sep 2015



Calendar Year 2014



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. Authorized Budget
For the Month Ended September 2015
Calendar Year 2015

	A	B	C	D	E	F	G	H
	Actual September 2015	Authorized Budget September 2015	Monthly Variance Over/(Under) Authorized Budget	Actual 2015 Calendar Year To Date	4/28/2015 Authorized Budget 2015 Calendar Year to Date	Calendar Year to Date Variance Over/(Under) Auth. Budget	4/28/2015 Calendar Year Authorized Budget (Jan-Dec 2015)	Calendar Year to Date Variance Over/(Under) Annual Auth. Budget
Plan Revenue:								
Member Premiums	\$ 250,233,395	\$ 248,482,497	\$ 1,750,898	\$ 2,220,931,575	\$ 2,218,974,315	\$ 1,957,260	\$ 2,963,937,832	\$ (743,006,257)
Premium Refunds/Retroactive Disenrollments	-	(124,631)	124,631	(5,343)	(1,113,007)	1,107,664	(1,486,657)	1,481,314
Medicare Part D (RDS) Subsidy	-	1,146,052	(1,146,052)	14,258,373	10,864,732	3,393,641	14,587,080	(328,707)
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	48,603,406	48,602,498	908	48,602,498	908
Medicare Advantage (MA) Subsidy	125,631	69,288	56,343	721,301	620,773	100,528	828,983	(107,682)
Net Premium & Other Contributions	250,359,026	249,573,206	785,820	2,284,509,312	2,277,949,311	6,560,001	3,026,469,736	(741,960,424)
Investment Earnings	587,852	305,054	282,798	4,349,914	2,969,581	1,380,333	3,871,779	478,135
Miscellaneous Revenue	638	-	638	638	-	638	-	638
Other Revenue	588,490	305,054	283,436	4,350,552	2,969,581	1,380,971	3,871,779	478,773
Total Plan Revenue (excludes internal transfers)	250,947,516	249,878,260	1,069,256	2,288,859,864	2,280,918,892	7,940,972	3,030,341,515	(741,481,651)
Plan Expenses:								
Medical Claim Payments	150,682,321	163,364,382	(12,682,061)	1,556,468,644	1,611,418,555	(54,949,911)	2,128,799,496	(572,330,852)
Medical Claim Refunds/Recoveries	(1,370,107)	(2,370,497)	1,000,390	(18,192,194)	(18,714,803)	522,609	(25,072,202)	6,880,008
Net Medical Claims	149,312,214	160,993,885	(11,681,671)	1,538,276,450	1,592,703,752	(54,427,302)	2,103,727,294	(565,450,844)
Pharmacy Claim Payments	58,860,196	55,103,799	3,756,397	550,679,131	523,060,682	27,618,449	718,955,282	(168,276,151)
Pharmacy Claim Rebates	-	-	-	(54,562,398)	(45,248,182)	(9,314,216)	(57,020,841)	2,458,443
Pharmacy Claim Refunds/Recoveries	(9,002)	-	(9,002)	(5,303,462)	-	(5,303,462)	-	(5,303,462)
Net Pharmacy Claims	58,851,194	55,103,799	3,747,395	490,813,271	477,812,500	13,000,771	661,934,441	(171,121,170)
Net Claim Payments	208,163,408	216,097,684	(7,934,276)	2,029,089,721	2,070,516,252	(41,426,531)	2,765,661,735	(736,572,014)
Medicare Advantage Premium Payments	14,515,409	14,536,050	(20,641)	128,803,219	130,391,551	(1,588,332)	174,072,089	(45,268,870)
Net Administrative Expenses	18,133,397	18,426,000	(292,603)	133,411,423	178,979,985	(45,568,562)	239,864,700	(106,453,277)
Total Plan Expenses (excludes internal transfers)	240,812,214	249,059,734	(8,247,520)	2,291,304,363	2,379,887,788	(88,583,425)	3,179,598,524	(888,294,161)
Plan Income/(Loss)	10,135,302	818,526	9,316,776	(2,444,499)	(98,968,896)	96,524,397	(149,257,009)	146,812,510
Cash Availability:								
Beginning Cash Balance/(Deficit)	1,002,267,545	915,059,924	87,207,621	1,014,847,346	1,014,847,346	-	1,014,847,346	-
Ending Cash Balance/(Deficit)	1,012,402,847	915,878,450	96,524,397	1,012,402,847	915,878,450	96,524,397	865,590,337	146,812,510
Target Stabilization Reserve @ 12/31/15	248,909,557	248,909,557	-	248,909,557	248,909,557	-	248,909,557	-
Cash Balance Over/(Under) Reserve Target	\$ 763,493,290	\$ 666,968,893	\$ 96,524,397	\$ 763,493,290	\$ 666,968,893	\$ 96,524,397	\$ 616,680,780	\$ 146,812,510

Comments:

- Premium receivables totaled \$1,363,354.70 as of September 30, 2015.
- The average weekly medical claims cost net of claims refunds was \$37,328,053.50 for the four scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$29,430,098.00 per cycle.
- The target stabilization reserve is 9% of the projected net claims for Calendar Year 2015.
- 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 September 2015
Fiscal Year 2015- 2016

	A	B	C	D	E	F	G	H
	Actual September 2015	Certified Budget September 2015	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 Auth. Budget
Plan Revenue:								
Member Premiums	\$ 250,233,395	\$ 248,623,814	\$ 1,609,581	\$ 747,501,365	\$ 746,113,327	\$ 1,388,038	\$ 3,031,630,846	\$ (2,284,129,481)
Premium Refunds/Retroactive Disenrollments	-	(124,669)	124,669	-	(374,130)	374,130	(1,523,909)	1,523,909
Medicare Part D (RDS) Subsidy	-	1,155,147	(1,155,147)	3,344,466	3,603,195	(258,729)	14,457,206	(11,112,740)
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-	-	-
Medicare Advantage (MA) Subsidy	125,631	69,535	56,096	192,247	208,432	(16,185)	848,545	(656,298)
Net Premium & Other Contributions	250,359,026	249,723,827	635,199	751,038,078	749,550,824	1,487,254	3,045,412,688	(2,294,374,610)
Investment Earnings	587,852	324,949	262,903	1,626,173	998,369	627,804	3,760,445	(2,134,272)
Miscellaneous Revenue	638	-	638	638	-	638	-	638
Other Revenue	588,490	324,949	263,541	1,626,811	998,369	628,442	3,760,445	(2,133,634)
Total Plan Revenue (excludes internal transfers)	250,947,516	250,048,776	898,740	752,664,889	750,549,193	2,115,696	3,049,173,133	(2,296,508,244)
Plan Expenses:								
Medical Claim Payments	150,682,321	162,948,555	(12,266,234)	528,521,497	549,315,170	(20,793,673)	2,152,322,381	(1,623,800,884)
Medical Claim Refunds/Recoveries	(1,370,107)	(2,313,134)	943,027	(4,468,118)	(6,443,612)	1,975,494	(25,761,279)	21,293,161
Net Medical Claims	149,312,214	160,635,421	(11,323,207)	524,053,379	542,871,558	(18,818,179)	2,126,561,102	(1,602,507,723)
Pharmacy Claim Payments	58,860,196	57,558,132	1,302,064	205,333,580	201,729,000	3,604,580	802,956,864	(597,623,284)
Pharmacy Claim Rebates	-	-	-	(42,746,428)	(42,865,853)	119,425	(104,118,976)	61,372,548
Pharmacy Claim Refunds/Recoveries	(9,002)	-	(9,002)	(1,635,305)	-	(1,635,305)	-	(1,635,305)
Net Pharmacy Claims	58,851,194	57,558,132	1,293,062	160,951,847	158,863,147	2,088,700	698,837,888	(537,886,041)
Net Claim Payments	208,163,408	218,193,553	(10,030,145)	685,005,226	701,734,705	(16,729,479)	2,825,398,990	(2,140,393,764)
Medicare Advantage Premium Payments	14,515,409	14,302,531	212,878	43,361,928	42,872,040	489,888	181,076,580	(137,714,652)
Net Administrative Expenses	18,133,397	18,425,858	(292,461)	36,014,511	55,295,539	(19,281,028)	244,252,193	(208,237,682)
Total Plan Expenses (excludes internal transfers)	240,812,214	250,921,942	(10,109,728)	764,381,665	799,902,284	(35,520,619)	3,250,727,763	(2,486,346,098)
Plan Income/(Loss)	10,135,302	(873,166)	11,008,468	(11,716,776)	(49,353,091)	37,636,315	(201,554,630)	189,837,854
Cash Availability:								
Beginning Cash Balance/(Deficit)	1,002,267,545	975,639,698	26,627,847	1,024,119,623	1,024,119,623	-	1,024,119,623	-
Ending Cash Balance/(Deficit)	1,012,402,847	974,766,532	37,636,315	1,012,402,847	974,766,532	37,636,315	822,564,993	189,837,854
Target Stabilization Reserve @ 6/30/15	254,285,909	254,285,909	-	254,285,909	254,285,909	-	254,285,909	-
Cash Balance Over/(Under) Reserve Target	\$ 758,116,938	\$ 720,480,623	\$ 37,636,315	\$ 758,116,938	\$ 720,480,623	\$ 37,636,315	\$ 568,279,084	\$ 189,837,854

Comments:

- Premium receivables totaled \$1,363,354.70 as of September 30, 2015.
- The average weekly medical claims cost net of claims refunds was \$37,328,053.50 for the four scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$29,430,098.00 per cycle.
- The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2015-16.
- 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 September 2015
Calendar Year 2015

	A	B	C	D	E	F	G
	Current Year Actual September 2015	Prior Year Actual September 2014	Current Year to Date Actual CY 2015 thru September	Prior Year to Date Actual CY 2014 thru September	Current Year Authorized Annual Budget CY 2015	Prior Year Annual Budget CY 2014	Prior Year Actual Results CY 2014
1 Plan Revenue:							
2							
3 Member Premiums	\$ 250,233,395	\$ 257,532,521	\$ 2,220,931,575	\$ 2,191,544,860	\$ 2,963,937,832	\$ 2,921,878,532	\$ 2,952,592,141
4 Premium Refunds/Retroactive Disenrollments	-	-	(5,343)	(28,401)	(1,486,657)	(1,489,408)	(28,401)
5 Medicare Part D (RDS) Subsidy	-	2,369,310	14,258,373	18,004,435	14,587,080	6,344,076	21,584,404
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	48,603,406	28,378,401	48,602,498	31,047,005	28,378,401
7 Medicare Advantage (MA) Subsidy	125,631	38,742	721,301	536,077	828,983	-	721,773
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	(1,949)
9 Net Premium & Other Contributions	250,359,026	259,940,573	2,284,509,312	2,238,435,372	3,026,469,736	2,957,780,205	3,003,246,369
10							
11 Investment Earnings	587,852	353,651	4,349,914	3,232,497	3,871,779	2,892,005	4,417,142
12 Miscellaneous Revenue	638	-	638	-	-	-	-
13 Other Revenue	588,490	353,651	4,350,552	3,232,497	3,871,779	2,892,005	4,417,142
14							
15 Total Plan Revenue (excludes internal transfers)	250,947,516	260,294,224	2,288,859,864	2,241,667,869	3,030,341,515	2,960,672,210	3,007,663,511
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	150,682,321	189,082,882	1,556,468,644	1,478,419,240	2,128,799,496	2,062,826,346	1,949,838,964
20 Medical Claim Refunds/Recoveries	(1,370,107)	(1,861,670)	(18,192,194)	(17,050,328)	(25,072,202)	(25,469,051)	(22,731,740)
21 Net Medical Claims	149,312,214	187,221,212	1,538,276,450	1,461,368,912	2,103,727,294	2,037,357,295	1,927,107,224
22							
23 Pharmacy Claim Payments	58,860,196	53,062,418	550,679,131	504,763,477	718,955,282	599,541,594	698,126,200
24 Pharmacy Claim Rebates	-	-	(54,562,398)	(88,001,925)	(57,020,841)	(54,794,623)	(98,763,203)
25 Pharmacy Claim Refunds/Recoveries	(9,002)	(32,318)	(5,303,462)	110,669	-	-	(310,778)
26 Net Pharmacy Claims	58,851,194	53,030,100	490,813,271	416,872,221	661,934,441	544,746,971	599,052,219
27							
28 Net Claim Payments	208,163,408	240,251,312	2,029,089,721	1,878,241,133	2,765,661,735	2,582,104,266	2,526,159,443
29							
30 Medicare Advantage Premium Payments	14,515,409	13,163,912	128,803,219	117,713,027	174,072,089	174,162,733	155,497,950
31							
32 Net Administrative Expenses	18,133,397	12,345,540	133,411,423	114,223,530	239,864,700	179,815,010	149,605,909
33							
34 Total Plan Expenses (excludes internal transfers)	240,812,214	265,760,764	2,291,304,363	2,110,177,690	3,179,598,524	2,936,082,009	2,831,263,302
35							
36 Plan Income/(Loss)	10,135,302	(5,466,540)	(2,444,499)	131,490,179	(149,257,009)	24,590,201	176,400,209
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	1,002,267,545	975,403,856	1,014,847,346	838,447,137	1,014,847,346	694,975,133	838,447,137
41 Ending Cash Balance/(Deficit)	1,012,402,847	969,937,316	1,012,402,847	969,937,316	865,590,337	719,565,334	1,014,847,346
42							
43 Target Stabilization Reserve @ 12/31	248,909,557	234,282,695	248,909,557	234,282,695	248,909,557	234,282,695	227,940,878
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 763,493,290	\$ 735,654,621	\$ 763,493,290	\$ 735,654,621	\$ 616,680,780	\$ 485,282,639	\$ 786,906,468

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 September 2015
Fiscal Year 2015-2016

	A	B	C	D	E	F	G
	Current Year Actual September 2015	Prior Year Actual September 2013	Current Year to Date Actual FY 2015-16 thru September	Prior Year to Date Actual FY 2014-15 thru September	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	\$ 250,233,395	\$ 257,532,521	\$ 747,501,365	\$ 753,025,182	\$ 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	-	2,369,310	3,344,466	5,096,895	14,457,206	6,276,386	19,590,771
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	1,680,417	-	33,414,689	50,283,823
7 Medicare Advantage (MA) Subsidy	125,631	38,742	192,247	118,512	848,545	-	833,262
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	(1,949)
9 Net Premium & Other Contributions	250,359,026	259,940,573	751,038,078	759,914,990	3,045,412,688	2,976,119,147	3,058,197,221
10							
11 Investment Earnings	587,852	353,651	1,626,173	1,157,349	3,760,445	3,933,340	5,065,735
12 Miscellaneous Revenue	638	-	638	-	-	-	-
13 Other Revenue	588,490	353,651	1,626,811	1,157,349	3,760,445	3,933,340	5,065,735
14							
15 Total Plan Revenue (excludes internal transfers)	250,947,516	260,294,224	752,664,889	761,072,339	3,049,173,133	2,980,052,487	3,063,262,956
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	150,682,321	189,082,882	528,521,497	522,002,307	2,152,322,381	1,995,716,227	2,021,369,178
20 Medical Claim Refunds/Recoveries	(1,370,107)	(1,861,670)	(4,468,118)	(5,433,940)	(25,761,279)	(23,520,519)	(24,839,428)
21 Net Medical Claims	149,312,214	187,221,212	524,053,379	516,568,367	2,126,561,102	1,972,195,708	1,996,529,750
22							
23 Pharmacy Claim Payments	58,860,196	53,062,418	205,333,580	186,898,832	802,956,864	686,943,428	725,607,106
24 Pharmacy Claim Rebates	-	-	(42,746,428)	(28,537,461)	(104,118,976)	(74,166,940)	(51,114,709)
25 Pharmacy Claim Refunds/Recoveries	(9,002)	(32,318)	(1,635,305)	(48,209)	-	-	(4,137,813)
26 Net Pharmacy Claims	58,851,194	53,030,100	160,951,847	158,313,162	698,837,888	612,776,488	670,354,584
27							
28 Net Claim Payments	208,163,408	240,251,312	685,005,226	674,881,529	2,825,398,990	2,584,972,196	2,666,884,334
29							
30 Medicare Advantage Premium Payments	14,515,409	13,163,912	43,361,928	39,174,180	181,076,580	163,281,044	162,400,394
31							
32 Net Administrative Expenses	18,133,397	12,345,540	36,014,511	35,637,354	244,252,193	223,971,245	168,416,645
33							
34 Total Plan Expenses (excludes internal transfers)	240,812,214	265,760,764	764,381,665	749,693,063	3,250,727,763	2,972,224,485	2,997,701,373
35							
36 Plan Income/(Loss)	10,135,302	(5,466,540)	(11,716,776)	11,379,276	(201,554,630)	7,828,002	65,561,583
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	1,002,267,545	975,403,856	1,024,119,623	958,558,040	1,024,119,623	958,558,040	958,558,040
41 Ending Cash Balance/(Deficit)	1,012,402,847	969,937,316	1,012,402,847	969,937,316	822,564,993	966,386,042	1,024,119,623
42							
43 Target Stabilization Reserve @ 6/30/15	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	\$ 758,116,938	\$ 737,289,818	\$ 758,116,938	\$ 737,289,818	\$ 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 September 2015
Calendar Year 2015

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru September	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Calendar Year to Date thru September	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)	\$ 2,220,931,575	\$ (7,656,420)	\$ 2,213,275,155	\$ 2,218,974,315	\$ (5,699,160)	-0.26%
4 Premium Refunds/Retroactive Disenrollments	(5,343)		(5,343)	(1,113,007)	1,107,664	-99.52%
5 Medicare Part D (RDS) Subsidy	14,258,373		14,258,373	10,864,732	3,393,641	31.24%
6 Medicare PDP (EGWP + Wrap) Subsidy	48,603,406		48,603,406	48,602,498	908	0.00%
7 Medicare Advantage (MA) Subsidy	721,301		721,301	620,773	100,528	16.19%
8 Net Premium & Other Contributions	2,284,509,312	(7,656,420)	2,276,852,892	2,277,949,311	(1,096,419)	-0.05%
9						
10 Other Revenue	4,350,552		4,350,552	2,969,581	1,380,971	46.50%
11						
12 Total Plan Revenue (excludes internal transfers)	2,288,859,864	(7,656,420)	2,281,203,444	2,280,918,892	284,552	0.01%
13						
14 Plan Expenses:						
15						
16 Net Medical Claims	1,538,276,450		1,538,276,450	1,592,703,752	(54,427,302)	-3.42%
17 Net Pharmacy Claims (Notes 3 thru 5)	490,813,271	11,098,753	501,912,024	477,812,500	24,099,524	5.04%
18 Net Claim Payments	2,029,089,721	11,098,753	2,040,188,474	2,070,516,252	(30,327,778)	-1.46%
19						
20 Medicare Advantage Premiums	128,803,219		128,803,219	130,391,551	(1,588,332)	-1.22%
21						
22 Net Administrative Expenses	133,411,423		133,411,423	178,979,985	(45,568,562)	-25.46%
23						
24 Total Plan Expenses (excludes internal transfers)	2,291,304,363	11,098,753	2,302,403,116	2,379,887,788	(77,484,672)	-3.26%
25						
26 Plan Income/(Loss)	(2,444,499)	(18,755,173)	(21,199,672)	(98,968,896)	77,769,224	-78.58%
27						
28 Cash Availability:						
29						
30 Beginning Cash Balance/(Deficit)	1,014,847,346		1,014,847,346	1,014,847,346	-	0.00%
31 Ending Cash Balance/(Deficit)	1,012,402,847	(18,755,173)	993,647,674	915,878,450	77,769,224	8.49%
32						
33 Target Stabilization Reserve @ 12/31/2015	248,909,557		248,909,557	248,909,557	-	0.00%
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 763,493,290	\$ (18,755,173)	\$ 744,738,117	\$ 666,968,893	\$ 77,769,224	11.66%

Adjustment Notes:

1. Member premiums adjusted by \$25.8 million to include prepaid January premiums received in December 2014 (\$46.9 million) less a downward adjustment in the budget to account for the prepaid premiums (\$21.1 million).
2. Member premiums adjusted to exclude \$33.5 million in prepaid October premiums received in September.
3. Net pharmacy claims adjusted to exclude an unbudgeted \$1.6 million recovery from a class action law suit.
4. Net pharmacy claims reduced by \$23.3 million to assume receipt of rebates that were budgeted but were not received by the end of September.
5. Net pharmacy claims increased by \$32.7 million to account for a rebate true-up payment received in excess of the budgeted true-up payment.

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 September 2015
Fiscal Year 2015-2016

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru September	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru September	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
Plan Revenue:						
Member Premiums (Notes 1 and 2)	\$ 747,501,365	\$ (12,022,340)	\$ 735,479,025	\$ 746,113,327	\$ (10,634,302)	-1.43%
Premium Refunds/Retroactive Disenrollments	-	-	-	(374,130)	374,130	-100.00%
Medicare Part D (RDS) Subsidy	3,344,466	-	3,344,466	3,603,195	(258,729)	-7.18%
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	-	-	-
Medicare Advantage (MA) Subsidy	192,247	-	192,247	208,432	(16,185)	-7.77%
Net Premium & Other Contributions	751,038,078	(12,022,340)	739,015,738	749,550,824	(10,535,086)	-1.41%
Other Revenue	1,626,811	-	1,626,811	998,369	628,442	62.95%
Total Plan Revenue (excludes internal transfers)	752,664,889	(12,022,340)	740,642,549	750,549,193	(9,906,644)	-1.32%
Plan Expenses:						
Net Medical Claims	524,053,379	-	524,053,379	542,871,558	(18,818,179)	-3.47%
Net Pharmacy Claims (Note 3)	160,951,847	1,612,006	162,563,853	158,863,147	3,700,706	2.33%
Net Claim Payments	685,005,226	1,612,006	686,617,232	701,734,705	(15,117,473)	-2.15%
Medicare Advantage Premiums	43,361,928	-	43,361,928	42,872,040	489,888	1.14%
Net Administrative Expenses	36,014,511	-	36,014,511	55,295,539	(19,281,028)	-34.87%
Total Plan Expenses (excludes internal transfers)	764,381,665	1,612,006	765,993,671	799,902,284	(33,908,613)	-4.24%
Plan Income/(Loss)	(11,716,776)	(13,634,346)	(25,351,122)	(49,353,091)	24,001,970	-48.63%
Cash Availability:						
Beginning Cash Balance/(Deficit)	1,024,119,623	-	1,024,119,623	1,024,119,623	-	0.00%
Ending Cash Balance/(Deficit)	1,012,402,847	(13,634,346)	998,768,502	974,766,532	24,001,970	2.46%
Target Stabilization Reserve @ 6/30/15	254,285,909	-	254,285,909	254,285,909	-	0.00%
Cash Balance Over/(Under) Reserve Target	\$ 758,116,938	\$ (13,634,346)	\$ 744,482,593	\$ 720,480,623	\$ 24,001,970	3.33%

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 \$33.5 million in prepaid October premiums received in September.
3. Net pharmacy claims exclude an unbudgeted \$1.6 million recovery from a class action law suit.

Adjusted Variance Report Based on Certified Budget
Fiscal Year to Date Through September 2015