



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES

June 2015 Financial Report

Board of Trustees Meeting

August 28, 2015

A Division of the Department of State Treasurer

Financial Results: Actual vs. Budgeted

Calendar Year to Date June 2015

Calendar Year 2015	Actual thru June 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	\$1.536 b	\$1.531 b	\$5.0 m
Net Claims Payments	\$1.344 b	\$1.345 b	(\$1.1 m)
Medicare Advantage Premiums	\$85.4 m	\$86.8 m	(\$1.4 m)
Net Administrative Expenses	\$97.4 m	\$123.7 m	(\$26.3 m)
Total Plan Expenses	\$1.527 b	\$1.556 b	(\$28.8 m)
Net Income/(Loss)	\$9.3 m	(\$24.5 m)	\$33.8 m
Ending Cash Balance	\$1.024 b	\$990.3 m	\$33.8 m

Adjusted Variance Report

Calendar Year to Date June 2015

Calendar Year 2015	Actual thru June 2015, As Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue *	\$1.540 b	\$1.531 b	\$9.4 m
Net Claims Payments ^	\$1.322 b	\$1.345 b	(\$22.6 m)
Medicare Advantage Premiums	\$85.4 m	\$86.8 m	(\$1.4 m)
Net Administrative Expenses	\$97.4 m	\$123.7 m	(\$26.3 m)
Total Plan Expenses	\$1.505 b	\$1.556 b	(\$50.3 m)
Net Income/(Loss)	\$35.2 m	(\$24.5 m)	\$59.7 m

* Adjusted for timing issues.

^ Adjusted to include pharmacy rebates not received by the end of June.

Financial Results Actual vs. Budgeted

Calendar Year to Date June 2015

Per Member Per Month (PMPM) Analysis

Calendar Year 2015	Actual thru June 2015	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue	\$373.57	\$372.56	\$1.01
Net Claims Payments	\$327.62	\$327.91	(\$0.29)
Medicare Advantage Premiums	\$20.83	\$21.17	(\$0.34)
Net Administrative Expenses	\$23.74	\$30.15	(\$6.41)
Total Plan Expenses	\$372.19	\$379.23	(\$7.04)
Net Income/(Loss)	\$1.38	(\$6.67)	\$8.05

Comparing actual results to the budget projection on a PMPM basis helps correct for changes in membership that occurred during the year.

Adjusted Variance Report

Calendar Year to Date June 2015

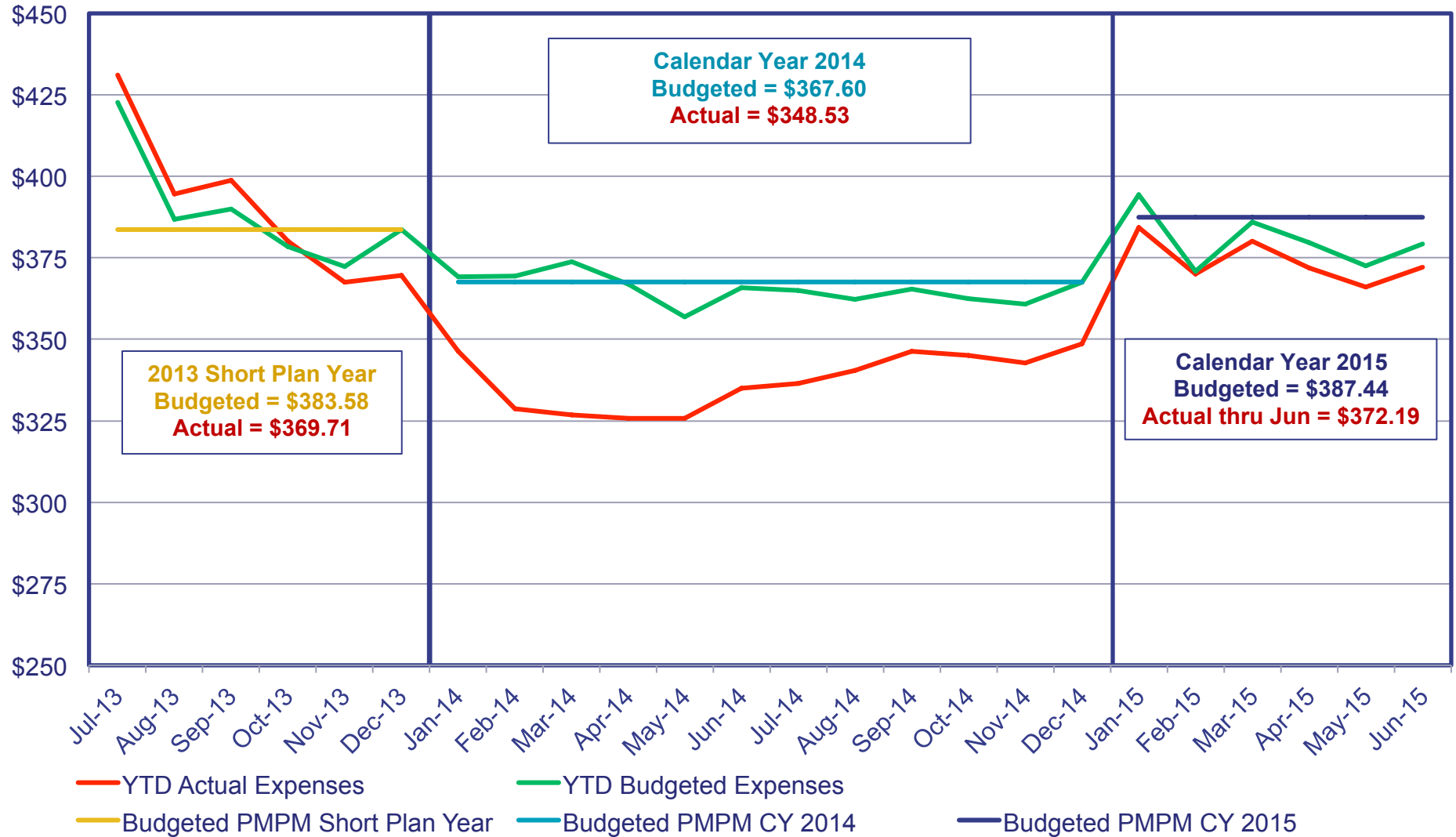
Per Member Per Month (PMPM) Analysis

Calendar Year 2015	Actual thru June 2015, as Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
Plan Revenue *	\$374.64	\$372.56	\$2.08
Net Claims Payments ^	\$322.36	\$327.91	(\$5.55)
Medicare Advantage Premiums	\$20.83	\$21.17	(\$0.34)
Net Administrative Expenses	\$23.74	\$30.15	(\$6.41)
Total Plan Expenses	\$366.93	\$379.23	(\$12.30)
Net Income/(Loss)	\$7.71	(\$6.67)	\$14.38

* Adjusted for timing issues.

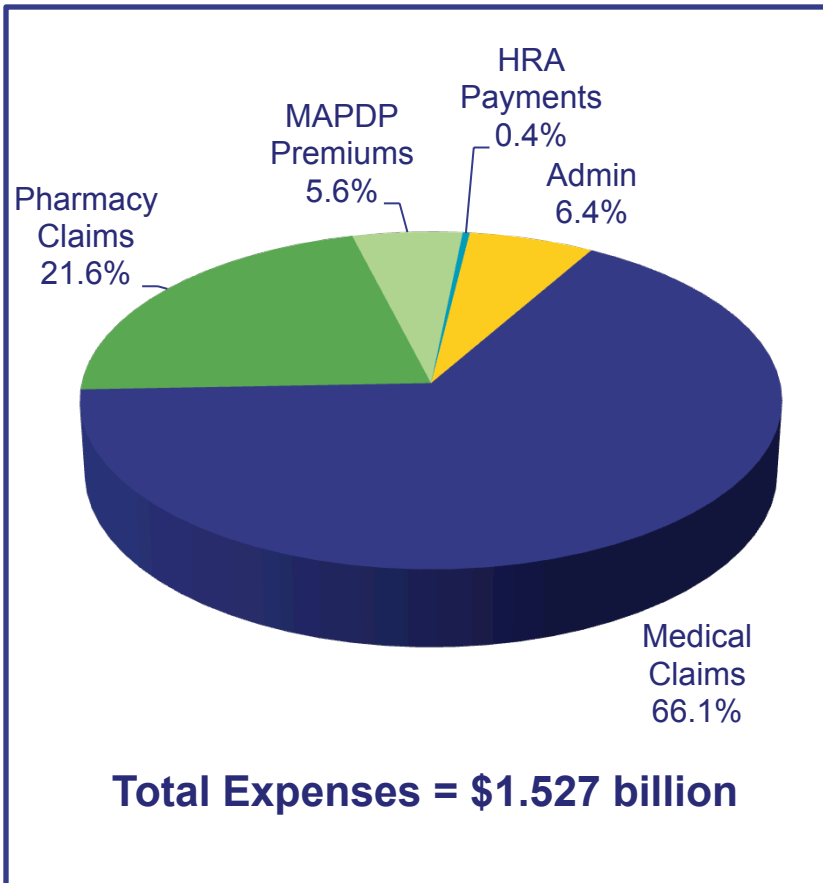
^ Adjusted to include pharmacy rebates not yet received by the end of June.

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

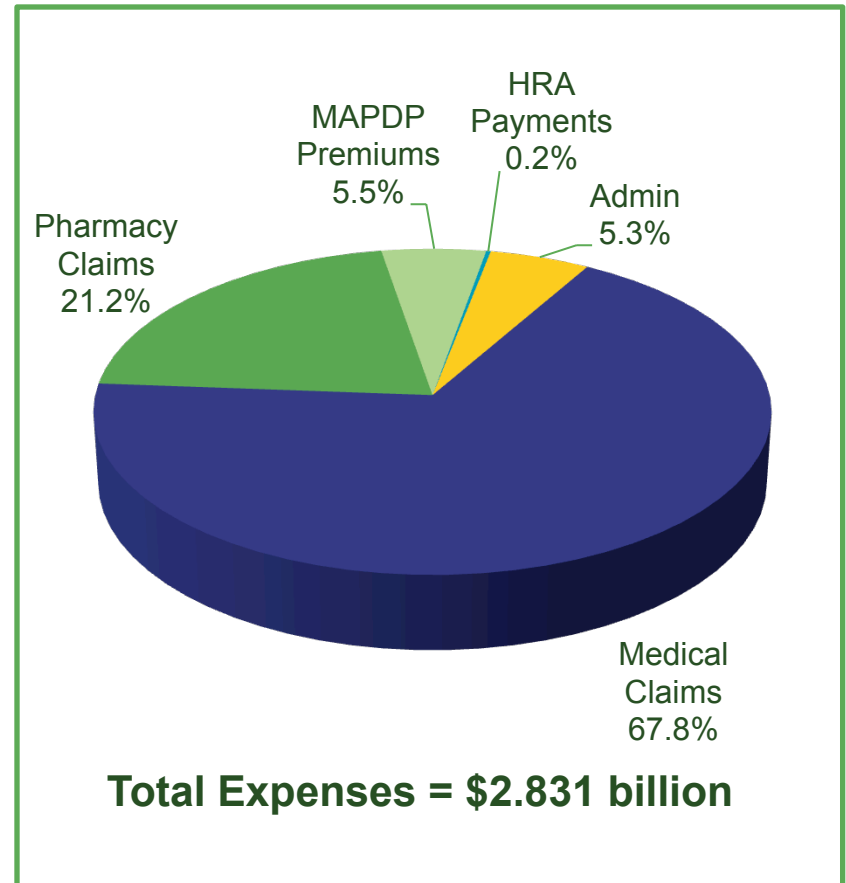


Allocation of Total Expenditures

Calendar Year To Date: June 2015



Calendar Year 2014

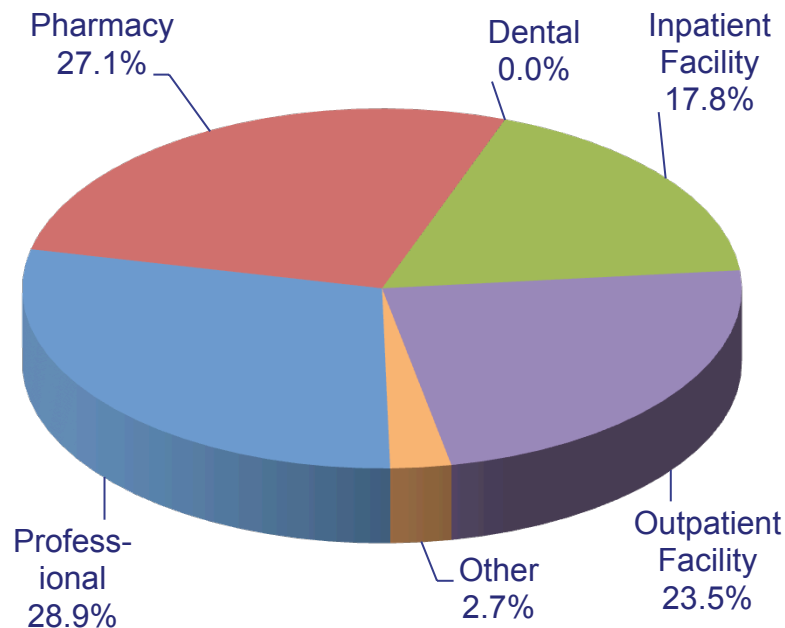


Sources: BCBSNC Net Disbursements reports; Financial Status Reports

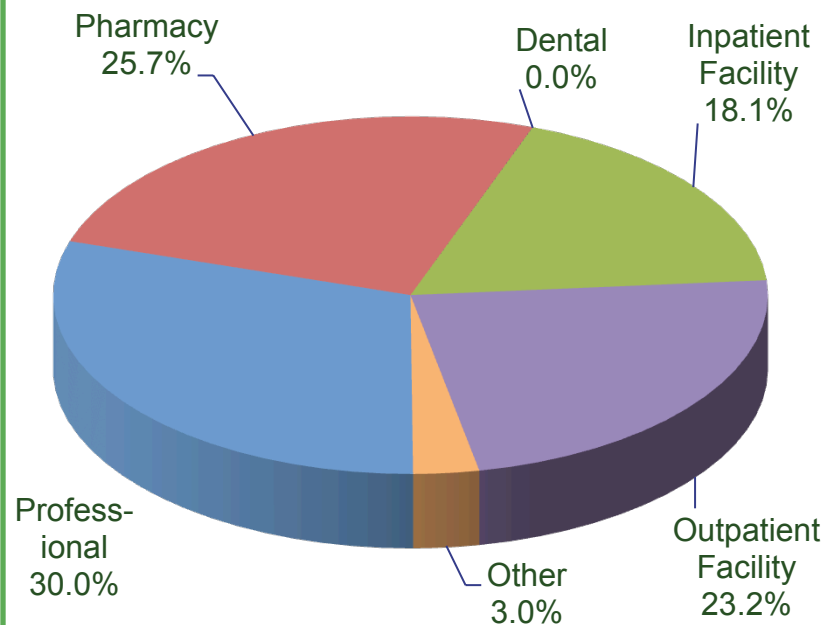
Allocation of Claims Expenditures

Medical, Blue Card and Pharmacy Payments

Calendar Year to Date: June 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 June 2015
 Calendar Year 2015

	A	B	C	D	E	F	G	H
	Actual June 2015	Authorized Budget June 2015	Monthly Variance Over/(Under) Authorized Budget	Actual 2015 Calendar Year To Date	Authorized Budget 2015 Calendar Year to Date	Calendar Year to Date Variance Over/(Under) Auth. Budget	Calendar Year Authorized Budget (Jan-Dec 2015)	Calendar Year to Date Variance Over/(Under) Annual Auth. Budget
Plan Revenue:								
Member Premiums	\$ 240,663,920	\$ 248,725,865	\$ (8,061,945)	\$ 1,473,430,210	\$ 1,473,283,803	\$ 146,407	\$ 2,963,937,832	\$ (1,490,507,622)
Premium Refunds/Retroactive Disenrollments	(5,343)	(124,754)	119,411	(5,343)	(738,991)	733,648	(1,486,657)	1,481,314
Medicare Part D (RDS) Subsidy	2,027,732	1,172,770	854,962	10,913,907	7,564,875	3,349,032	14,587,080	(3,673,173)
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	48,603,406	48,602,498	908	48,602,498	908
Medicare Advantage (MA) Subsidy	63,929	69,116	(5,187)	529,054	413,081	115,973	828,983	(299,929)
Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
Net Premium & Other Contributions	242,750,238	249,842,997	(7,092,759)	1,533,471,234	1,529,125,266	4,345,968	3,026,469,736	(1,492,998,502)
Investment Earnings	511,343	335,420	175,923	2,723,741	2,025,516	698,225	3,871,779	(1,148,038)
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Other Revenue	511,343	335,420	175,923	2,723,741	2,025,516	698,225	3,871,779	(1,148,038)
Total Plan Revenue (excludes internal transfers)	243,261,581	250,178,417	(6,916,836)	1,536,194,975	1,531,150,782	5,044,193	3,030,341,515	(1,494,146,540)
Plan Expenses:								
Medical Claim Payments	192,496,785	210,076,908	(17,580,123)	1,027,947,147	1,060,819,661	(32,872,514)	2,128,799,496	(1,100,852,349)
Medical Claim Refunds/Recoveries	(2,026,657)	(2,104,805)	78,148	(13,724,076)	(12,030,765)	(1,693,311)	(25,072,202)	11,348,126
Net Medical Claims	190,470,128	207,972,103	(17,501,975)	1,014,223,071	1,048,788,896	(34,565,825)	2,103,727,294	(1,089,504,223)
Pharmacy Claim Payments	56,876,966	54,319,916	2,557,050	345,345,551	329,934,398	15,411,153	718,955,282	(373,609,731)
Pharmacy Claim Rebates	-	(10,000,000)	10,000,000	(11,815,970)	(33,566,797)	21,750,827	(57,020,841)	45,204,871
Pharmacy Claim Refunds/Recoveries	(56,426)	-	(56,426)	(3,668,157)	-	(3,668,157)	-	(3,668,157)
Net Pharmacy Claims	56,820,540	44,319,916	12,500,624	329,861,424	296,367,601	33,493,823	661,934,441	(332,073,017)
Net Claim Payments	247,290,668	252,292,019	(5,001,351)	1,344,084,495	1,345,156,497	(1,072,002)	2,765,661,735	(1,421,577,240)
Medicare Advantage Premium Payments	14,151,943	14,499,935	(347,992)	85,441,291	86,819,536	(1,378,245)	174,072,089	(88,630,798)
Net Administrative Expenses	14,796,209	15,898,604	(1,102,395)	97,396,912	123,683,898	(26,286,986)	239,864,700	(142,467,788)
Total Plan Expenses (excludes internal transfers)	276,238,820	282,690,558	(6,451,738)	1,526,922,698	1,555,659,931	(28,737,233)	3,179,598,524	(1,652,675,826)
Plan Income/(Loss)	(32,977,239)	(32,512,141)	(465,098)	9,272,277	(24,509,149)	33,781,426	(149,257,009)	158,529,286
Cash Availability:								
Beginning Cash Balance/(Deficit)	1,057,096,862	1,022,850,338	34,246,524	1,014,847,346	1,014,847,346	-	1,014,847,346	-
Ending Cash Balance/(Deficit)	1,024,119,623	990,338,197	33,781,426	1,024,119,623	990,338,197	33,781,426	865,590,337	158,529,286
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	\$ 775,210,066	\$ 741,428,640	\$ 33,781,426	\$ 775,210,066	\$ 741,428,640	\$ 33,781,426	\$ 616,680,780	\$ 158,529,286

Comments:

- Premium receivables totaled \$54,302.64 as of June 30, 2015.
- The average weekly medical claims cost net of claims refunds was \$38,094,025.60 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$28,438,483.00 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.

Actual vs Authorized Budget (i.e. **Revised Budget** per Segal 4-28-15 Projections)
 June - 2015 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 June 2015
Fiscal Year 2014- 2015

	A	B	C	D	E	F	G	H
	Actual June 2015	Authorized Budget June 2015	Monthly Variance Over/(Under) Authorized Budget	Actual Year to Date FY 2014-15	Authorized Budget Year to Date FY 2014-15	Year to Date Variance Over/(Under) Authorized Budget	Annual Authorized Budget FY 2014-15	Year to Date Variance Over/(Under) Annual Auth. Budget
Plan Revenue:								
Member Premiums	\$ 240,663,920	\$ 244,301,148	\$ (3,637,228)	\$ 2,987,502,673	\$ 2,937,906,736	\$ 49,595,937	\$ 2,937,906,736	\$ 49,595,937
Premium Refunds/Retroactive Disenrollments	(5,343,00)	(122,995)	117,652	(11,359)	(1,478,664)	1,467,305	(1,478,664)	1,467,305
Medicare Part D (RDS) Subsidy	2,027,732	518,358	1,509,374	19,590,771	6,276,386	13,314,385	6,276,386	13,314,385
Medicare PDP (EGWP + Wrap) Subsidy	-	-	-	50,283,823	33,414,689	16,869,134	33,414,689	16,869,134
Medicare Advantage (MA) Subsidy	63,929	-	63,929	833,262	-	833,262	-	833,262
Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	(1,949)	-	(1,949)	-	(1,949)
Net Premium & Other Contributions	242,750,238	244,696,511	(1,946,273)	3,058,197,221	2,976,119,147	82,078,074	2,976,119,147	82,078,074
Investment Earnings	511,343	327,311	184,032	5,065,735	3,933,340	1,132,395	3,933,340	1,132,395
Miscellaneous Revenue	-	-	-	-	-	-	-	-
Other Revenue	511,343	327,311	184,032	5,065,735	3,933,340	1,132,395	3,933,340	1,132,395
Total Plan Revenue (excludes internal transfers)	243,261,581	245,023,822	(1,762,241)	3,063,262,956	2,980,052,487	83,210,469	2,980,052,487	83,210,469
Plan Expenses:								
Medical Claim Payments	192,496,785	202,900,858	(10,404,073)	2,021,369,178	1,995,716,227	25,652,951	1,995,716,227	25,652,951
Medical Claim Refunds/Recoveries	(2,026,657)	(2,045,266)	18,609	(24,839,428)	(23,520,519)	(1,318,909)	(23,520,519)	(1,318,909)
Net Medical Claims	190,470,128	200,855,592	(10,385,464)	1,996,529,750	1,972,195,708	24,334,042	1,972,195,708	24,334,042
Pharmacy Claim Payments	56,876,966	54,429,294	2,447,672	725,607,106	686,943,428	38,663,678	686,943,428	38,663,678
Pharmacy Claim Rebates	-	(10,000,000)	10,000,000	(51,114,709)	(74,166,940)	23,052,231	(74,166,940)	23,052,231
Pharmacy Claim Refunds/Recoveries	(56,426)	-	(56,426)	(4,137,813)	-	(4,137,813)	-	(4,137,813)
Net Pharmacy Claims	56,820,540	44,429,294	12,391,246	670,354,584	612,776,488	57,578,096	612,776,488	57,578,096
Net Claim Payments	247,290,668	245,284,886	2,005,782	2,666,884,334	2,584,972,196	81,912,138	2,584,972,196	81,912,138
Medicare Advantage Premium Payments	14,151,943	14,065,998	85,945	162,400,394	163,281,044	(880,650)	163,281,044	(880,650)
Net Administrative Expenses	14,796,209	15,800,168	(1,003,959)	168,416,645	223,971,245	(55,554,600)	223,971,245	(55,554,600)
Total Plan Expenses (excludes internal transfers)	276,238,820	275,151,052	1,087,768	2,997,701,373	2,972,224,485	25,476,888	2,972,224,485	25,476,888
Plan Income/(Loss)	(32,977,239)	(30,127,230)	(2,850,009)	65,561,583	7,828,002	57,733,581	7,828,002	57,733,581
Cash Availability:								
Beginning Cash Balance/(Deficit)	1,057,096,862	996,513,272	60,583,590	958,558,040	958,558,040	-	958,558,040	-
Ending Cash Balance/(Deficit)	1,024,119,623	966,386,042	57,733,581	1,024,119,623	966,386,042	57,733,581	966,386,042	57,733,581
Target Stabilization Reserve @ 6/30/15	232,647,498	232,647,498	-	232,647,498	232,647,498	-	232,647,498	-
Cash Balance Over/(Under) Reserve Target	\$ 791,472,125	\$ 733,738,544	\$ 57,733,581	\$ 791,472,125	\$ 733,738,544	\$ 57,733,581	\$ 733,738,544	\$ 57,733,581

Comments:

- Premium receivables totaled \$54,302.64 as of June 30, 2015.
- The average weekly medical claims cost net of claims refunds was \$38,094,025.60 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$28,438,483.00 per cycle.
- The target stabilization reserve is 9% of the projected net claims for Fiscal Year 2014-15.
- Minor differences compared to other reports are due to rounding.

Actual vs Authorized Budget (i.e. **Revised Budget** per Segal 9-9-14 Projections)
June 2015 - Fiscal Year

North Carolina State Health Plan for Teachers and State Employees
Summary of Operations (Cash Basis)
Current Year Actual vs. Prior Year Actual
For the Month Ended June 2015
Calendar Year 2015

	A	B	C	D	E	F	G
	Current Year Actual June 2015	Prior Year Actual June 2014	Current Year to Date Actual CY 2015 thru June	Prior Year to Date Actual CY 2014 thru June	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	\$ 240,663,920	\$ 239,533,989	\$ 1,473,430,210	\$ 1,438,519,678	\$ 2,963,937,832	\$ 2,921,878,532	\$ 2,952,592,141
4 Premium Refunds/Retroactive Disenrollments	(5,343)	(30)	(5,343)	(22,385)	(1,486,657)	(1,489,408)	(28,401)
5 Medicare Part D (RDS) Subsidy	2,027,732	1,282,754	10,913,907	12,907,540	14,587,080	6,344,076	21,584,404
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	48,603,406	26,697,984	48,602,498	31,047,005	28,378,401
7 Medicare Advantage (MA) Subsidy	63,929	111,598	529,054	417,565	828,983	-	721,773
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	(1,949)
9 Net Premium & Other Contributions	242,750,238	240,928,311	1,533,471,234	1,478,520,382	3,026,469,736	2,957,780,205	3,003,246,369
10							
11 Investment Earnings	511,343	369,223	2,723,741	2,075,148	3,871,779	2,892,005	4,417,142
12 Miscellaneous Revenue	-	-	-	-	-	-	-
13 Other Revenue	511,343	369,223	2,723,741	2,075,148	3,871,779	2,892,005	4,417,142
14							
15 Total Plan Revenue (excludes internal transfers)	243,261,581	241,297,534	1,536,194,975	1,480,595,530	3,030,341,515	2,960,672,210	3,007,663,511
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	192,496,785	185,033,694	1,027,947,147	956,416,933	2,128,799,496	2,062,826,346	1,949,838,964
20 Medical Claim Refunds/Recoveries	(2,026,657)	(1,276,891)	(13,724,076)	(11,616,388)	(25,072,202)	(25,469,051)	(22,731,740)
21 Net Medical Claims	190,470,128	183,756,803	1,014,223,071	944,800,545	2,103,727,294	2,037,357,295	1,927,107,224
22							
23 Pharmacy Claim Payments	56,876,966	50,170,813	345,345,551	317,864,645	718,955,282	599,541,594	698,126,200
24 Pharmacy Claim Rebates	-	-	(11,815,970)	(59,464,464)	(57,020,841)	(54,794,623)	(98,763,203)
25 Pharmacy Claim Refunds/Recoveries	(56,426)	93,603	(3,668,157)	158,878	-	-	(310,778)
26 Net Pharmacy Claims	56,820,540	50,264,416	329,861,424	258,559,059	661,934,441	544,746,971	599,052,219
27							
28 Net Claim Payments	247,290,668	234,021,219	1,344,084,495	1,203,359,604	2,765,661,735	2,582,104,266	2,526,159,443
29							
30 Medicare Advantage Premium Payments	14,151,943	12,382,444	85,441,291	78,538,847	174,072,089	174,162,733	155,497,950
31							
32 Net Administrative Expenses	14,796,209	13,001,226	97,396,912	78,586,176	239,864,700	179,815,010	149,605,909
33							
34 Total Plan Expenses (excludes internal transfers)	276,238,820	259,404,889	1,526,922,698	1,360,484,627	3,179,598,524	2,936,082,009	2,831,263,302
35							
36 Plan Income/(Loss)	(32,977,239)	(18,107,355)	9,272,277	120,110,903	(149,257,009)	24,590,201	176,400,209
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	1,057,096,862	976,665,395	1,014,847,346	838,447,137	1,014,847,346	694,975,133	838,447,137
41 Ending Cash Balance/(Deficit)	1,024,119,623	958,558,040	1,024,119,623	958,558,040	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	227,354,350
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 775,210,066	\$ 724,275,345	\$ 775,210,066	\$ 724,275,345	\$ 616,680,780	\$ 485,282,639	\$ 787,492,996

Comments:

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

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)

Current Year Actual vs. Prior Year Actual

For the Month Ended June 2015

Fiscal Year 2014-2015

	A	B	C	D	E	F	G
	Current Year Actual June 2015	Prior Year Actual June 2014	Current Year to Date Actual FY 2014-15 thru June	Prior Year to Date Actual FY 2013-14 thru June	Current Year Authorized Annual Budget FY 2014-15	Prior Year Annual Budget FY 2013-14	Prior Year Actual Results FY 2013-14
1 Plan Revenue:							
2							
3 Member Premiums	\$ 240,663,920	\$ 239,533,989	\$ 2,987,502,673	\$ 2,941,097,678	\$ 2,937,906,736	\$ 2,902,567,015	\$ 2,941,097,678
4 Premium Refunds/Retroactive Disenrollments	(5,343)	(30)	(11,359)	(299,923)	(1,478,664)	(1,466,766)	(299,923)
5 Medicare Part D (RDS) Subsidy	2,027,732	1,282,754	19,590,771	11,583,652	6,276,386	6,218,762	11,583,652
6 Medicare PDP (EGWP + Wrap) Subsidy	-	-	50,283,823	63,780,569	33,414,689	50,346,402	63,780,569
7 Medicare Advantage (MA) Subsidy	63,929	111,598	833,262	417,565	-	-	417,565
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	(1,949)	-	-	-	-
9 Net Premium & Other Contributions	242,750,238	240,928,311	3,058,197,221	3,016,579,541	2,976,119,147	2,957,665,413	3,016,579,541
10							
11 Investment Earnings	511,343	369,223	5,065,735	3,861,263	3,933,340	2,868,131	3,861,263
12 Miscellaneous Revenue	-	-	-	54,972	-	-	54,972
13 Other Revenue	511,343	369,223	5,065,735	3,916,235	3,933,340	2,868,131	3,916,235
14							
15 Total Plan Revenue (excludes internal transfers)	243,261,581	241,297,534	3,063,262,956	3,020,495,776	2,980,052,487	2,960,533,544	3,020,495,776
16							
17 Plan Expenses:							
18							
19 Medical Claim Payments	192,496,785	185,033,694	2,021,369,178	1,989,574,333	1,995,716,227	2,107,493,114	1,989,574,333
20 Medical Claim Refunds/Recoveries	(2,026,657)	(1,276,891)	(24,839,428)	(22,450,766)	(23,520,519)	(24,643,884)	(22,450,766)
21 Net Medical Claims	190,470,128	183,756,803	1,996,529,750	1,967,123,567	1,972,195,708	2,082,849,230	1,967,123,567
22							
23 Pharmacy Claim Payments	56,876,966	50,170,813	725,607,106	743,680,114	686,943,428	699,653,578	743,680,114
24 Pharmacy Claim Rebates	-	-	(51,114,709)	(91,653,105)	(74,166,940)	(52,353,361)	(91,653,105)
25 Pharmacy Claim Refunds/Recoveries	(56,426)	93,603	(4,137,813)	(398,652)	-	-	(398,652)
26 Net Pharmacy Claims	56,820,540	50,264,416	670,354,584	651,628,357	612,776,488	647,300,217	651,628,357
27							
28 Net Claim Payments	247,290,668	234,021,219	2,666,884,334	2,618,751,924	2,584,972,196	2,730,149,447	2,618,751,924
29							
30 Medicare Advantage Premium Payments	14,151,943	12,382,444	162,400,394	78,538,847	163,281,044	86,864,744	78,538,847
31							
32 Net Administrative Expenses	14,796,209	13,001,226	168,416,645	148,134,913	223,971,245	182,446,628	148,134,913
33							
34 Total Plan Expenses (excludes internal transfers)	276,238,820	259,404,889	2,997,701,373	2,845,425,684	2,972,224,485	2,999,460,819	2,845,425,684
35							
36 Plan Income/(Loss)	(32,977,239)	(18,107,355)	65,561,583	175,070,092	7,828,002	(38,927,275)	175,070,092
37							
38 Cash Availability:							
39							
40 Beginning Cash Balance/(Deficit)	1,057,096,862	976,665,395	958,558,040	783,487,948	958,558,040	755,749,494	783,487,948
41 Ending Cash Balance/(Deficit)	1,024,119,623	958,558,040	1,024,119,623	958,558,040	966,386,042	716,822,219	958,558,040
42							
43 Target Stabilization Reserve @ 6/30/15	232,647,498	239,446,206	232,647,498	239,446,206	232,647,498	239,446,206	229,269,716
44							
45 Cash Balance Over/(Under) Reserve Target	\$ 791,472,125	\$ 719,111,834	\$ 791,472,125	\$ 719,111,834	\$ 733,738,544	\$ 477,376,013	\$ 729,288,324

Comments:

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

Consolidated Current Year v Prior Year
June 2015 - Fiscal Year

North Carolina State Health Plan for Teachers and State Employees
Summary of Operations (Cash Basis, as adjusted)
Consolidated Report, Actual vs. Budgeted
For the Month Ended June 2015
Calendar Year 2015

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru June	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Calendar Year to Date thru June	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
Plan Revenue:						
Member Premiums (Notes 1 and 2)	\$ 1,473,430,210	\$ 4,365,920	\$ 1,477,796,130	\$ 1,473,283,803	\$ 4,512,327	0.31%
Premium Refunds/Retroactive Disenrollments	(5,343)		(5,343)	(738,991)	733,648	-99.28%
Medicare Part D (RDS) Subsidy	10,913,907		10,913,907	7,564,875	3,349,032	44.27%
Medicare PDP (EGWP + Wrap) Subsidy	48,603,406		48,603,406	48,602,498	908	0.00%
Medicare Advantage (MA) Subsidy	529,054		529,054	413,081	115,973	28.08%
Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
Net Premium & Other Contributions	1,533,471,234	4,365,920	1,537,837,154	1,529,125,266	8,711,888	0.57%
Other Revenue	2,723,741		2,723,741	2,025,516	698,225	34.47%
Total Plan Revenue (excludes internal transfers)	1,536,194,975	4,365,920	1,540,560,895	1,531,150,782	9,410,113	0.61%
Plan Expenses:						
Net Medical Claims	1,014,223,071		1,014,223,071	1,048,788,896	(34,565,825)	-3.30%
Net Pharmacy Claims (Note 3)	329,861,424	(21,578,295)	308,283,129	296,367,601	11,915,528	4.02%
Net Claim Payments	1,344,084,495	(21,578,295)	1,322,506,200	1,345,156,497	(22,650,297)	-1.68%
Medicare Advantage Premiums	85,441,291		85,441,291	86,819,536	(1,378,245)	-1.59%
Net Administrative Expenses	97,396,912		97,396,912	123,683,898	(26,286,986)	-21.25%
Total Plan Expenses (excludes internal transfers)	1,526,922,698	(21,578,295)	1,505,344,403	1,555,659,931	(50,315,528)	-3.23%
Plan Income/(Loss)	9,272,277	25,944,215	35,216,492	(24,509,149)	59,725,641	-243.69%
Cash Availability:						
Beginning Cash Balance/(Deficit)	1,014,847,346		1,014,847,346	1,014,847,346	-	0.00%
Ending Cash Balance/(Deficit)	1,024,119,623	25,944,215	1,050,063,838	990,338,197	59,725,641	6.03%
Target Stabilization Reserve @ 12/31/2015	248,909,557		248,909,557	248,909,557	-	0.00%
Cash Balance Over/(Under) Reserve Target	\$ 775,210,066	\$ 25,944,215	\$ 801,154,281	\$ 741,428,640	\$ 59,725,641	8.06%

Adjustment Notes:

- 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).
- Member premiums adjusted to exclude \$21.4 million in prepaid July premiums received in June.
- Net pharmacy claims adjusted to assume receipt of rebates that were budgeted but were not received before the end of the fiscal year.

North Carolina State Health Plan for Teachers and State Employees
Summary of Operations (Cash Basis, as adjusted)
Consolidated Report, Actual vs. Budgeted
For the Month Ended June 2015
Fiscal Year 2014-2015

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru June	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Fiscal Year to Date thru June	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
Plan Revenue:						
Member Premiums (Notes 1 and 2)	\$ 2,987,502,673	\$ (5,442,332)	\$ 2,982,060,341	\$ 2,937,906,736	\$ 44,153,605	1.50%
Premium Refunds/Retroactive Disenrollments	(11,359)		(11,359)	(1,478,664)	1,467,305	-99.23%
Medicare Part D (RDS) Subsidy	19,590,771		19,590,771	6,276,386	13,314,385	212.13%
Medicare PDP (EGWP + Wrap) Subsidy (Note 3)	50,283,823	(16,868,693)	33,415,130	33,414,689	441	0.00%
Medicare Advantage (MA) Subsidy (Note 4)	833,262	(833,262)	-	-	-	
Federal Early Retiree Reinsurance Program (ERRP) (Note 5)	(1,949)	1,949	-	-	-	
Net Premium & Other Contributions	3,058,197,221	(23,142,338)	3,035,054,883	2,976,119,147	58,935,736	1.98%
Other Revenue	5,065,735		5,065,735	3,933,340	1,132,395	28.79%
Total Plan Revenue (excludes internal transfers)	3,063,262,956	(23,142,338)	3,040,120,618	2,980,052,487	60,068,131	2.02%
Plan Expenses:						
Net Medical Claims	1,996,529,750		1,996,529,750	1,972,195,708	24,334,042	1.23%
Net Pharmacy Claims (Note 6)	670,354,584	(21,973,123)	648,381,461	612,776,488	35,604,973	5.81%
Net Claim Payments	2,666,884,334	(21,973,123)	2,644,911,211	2,584,972,196	59,939,015	2.32%
Medicare Advantage Premiums	162,400,394		162,400,394	163,281,044	(880,650)	-0.54%
Net Administrative Expenses (Note 7)	168,416,645	5,642,732	174,059,377	223,971,245	(49,911,869)	-22.28%
Total Plan Expenses (excludes internal transfers)	2,997,701,373	(16,330,392)	2,981,370,982	2,972,224,485	9,146,497	0.31%
Plan Income/(Loss)	65,561,583	(6,811,946)	58,749,637	7,828,002	50,921,635	650.51%
Cash Availability:						
Beginning Cash Balance/(Deficit)	958,558,040		958,558,040	958,558,040	-	0.00%
Ending Cash Balance/(Deficit)	1,024,119,623	(6,811,946)	1,017,307,677	966,386,042	50,921,635	5.27%
Target Stabilization Reserve @ 6/30/15	232,647,498		232,647,498	232,647,498	-	0.00%
Cash Balance Over/(Under) Reserve Target	\$ 791,472,125	\$ (6,811,946)	\$ 784,660,179	\$ 733,738,544	\$ 50,921,635	6.94%

Adjustment Notes:

1. Member premiums adjusted to include \$16.0 million in prepaid July 2014 premiums received in June 2014.
2. Member premiums adjusted to exclude \$21.4 million in prepaid July 2015 premiums received in June 2015.
3. EGWP subsidy adjusted to exclude the the unbudgeted portion of the Catastrophic Subsidy received in January 2015.
4. Medicare Advantage low income premium subsidies were not budgeted and therefore are excluded.
5. ERRP revenues adjusted to exclude an unbudgeted repayment of ERRP funds resulting from an audit finding.
6. Net pharmacy claims adjusted to assume receipt of rebates that were budgeted but were not received before the end of the fiscal year.
7. Administrative expenses adjusted to include a second payment for the ACA Transitional Reinsurance program of \$5.6 million that was budgeted for January but will not be paid until November 2015.