





CY 2015 2nd Quarter Actuarial Forecast Update

Board of Trustees Meeting

August 28, 2015

Forecast prepared by The Segal Company Final version dated 8-20-15

A Division of the Department of State Treasurer

Presentation Overview

- Forecast Update Schedule
- Updated Assumptions: Authorized CY 2015 Budget vs. CY 2015 2nd
 Quarter Projection
- Authorized Budget vs. Forecast for CY 2015
- Summary Graphs
- Future Outlook

Actuarial Forecast Update Schedule

- The Plan's actuarial consultant updates the forecast quarterly and at the end of each calendar year and fiscal year
- Updates take into account more recent information:
 - Actual financial results and cash balance
 - Membership data, including the impact of enrollment changes
 - Claims experience
 - Changes in anticipated costs or revenues

Forecast Assumptions Maintained in the Update Authorized CY15 Budget vs. CY15 2nd Quarter Update

- Membership trends
 - 1% annual decrease in actives
 - 1% annual increase in retirees
- Trend assumptions
 - 7% medical trend
 - 8.5% pharmacy trend
- New benefit design effective January 1, 2016
 - Increase in wellness premiums and credits
 - Increased cost-sharing in Traditional 70/30 Plan
 - Enhancements to Consumer-Directed Health Plan (CDHP)
 - Status Quo in Enhanced 80/20 Plan, except Tier 5 pharmacy copay
- Increased administrative budget for 2015-17 Fiscal Biennium
 - 3% annual increases in administrative costs after Fiscal Year 2016-17
- · Target Stabilization Reserve (TSR) equals 9% of projected claims costs in each year
- Cash balance set to equal TSR as of December 31, 2017, and every two years thereafter



Forecast Assumptions Changed/Revised in the Update Authorized CY15 Budget vs. CY15 2nd Quarter Update

- Membership based on actual March 2015 enrollment data, with adjustments for known changes through May 2015 (instead of December 2014 base)
- Anticipated claims expenditures based on actual experience through June 2015 (instead of through December 2014)
- Cash balance begins from actual total as of June 30, 2015 (rather than December 31, 2014)
- The impact of member migration in future years was adjusted to reflect more recent cost differentials among plan options
- Medicare Advantage (MA) premium costs reflect negotiations with carriers for 2016 rates; forecast assumes members pay full buy-up cost for Enhanced plans and full MA rates for dependents
- Includes projected impact of additional local governments joining the Plan, as authorized in HB 154 (S.L. 2015-112)
- Includes actual 2014 rebate true-up payments received in July and August 2015 (total of \$42.9 million)
- Assumes rebates for first and second quarters of CY 2015 will be received in October 2015; other rebates will be received as scheduled



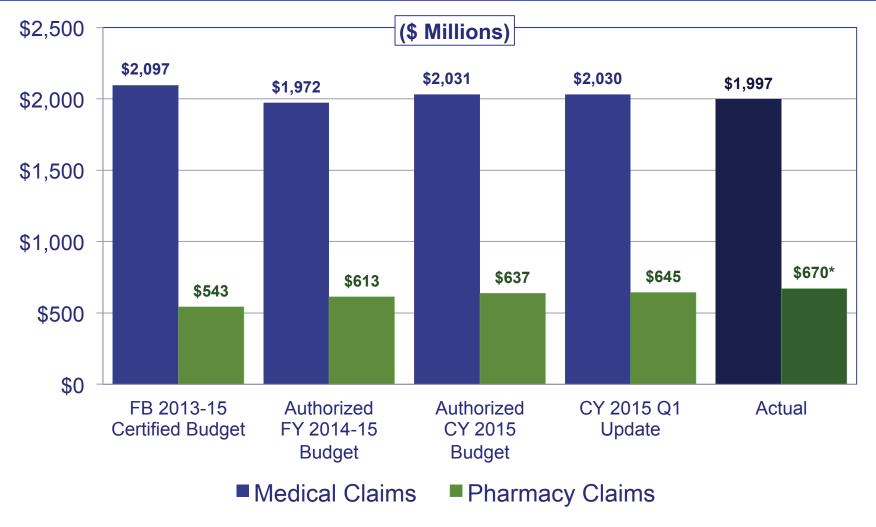
Comparison of Models

Authorized CY15 Budget vs. CY15 2nd Quarter Update

Calendar Year 2015	CY 2015 2 nd Quarter Update (per Segal 8-20-15)	Authorized CY 2015 Budget (per Segal 4-28-15)	Difference: Increase/ (Decrease) From Budget
Beginning Cash Balance	\$1.015 b	\$1.015 b	\$0.0 m
Plan Revenue	\$3.037 b	\$3.030 b	\$6.3 m
Net Claims Payments	\$2.725 b	\$2.766 b	(\$40.3 m)
Medicare Advantage Premiums	\$166.5 m	\$174.1 m	(\$7.6 m)
Net Admin. Expenses	\$213.6 m	\$239.9 m	(\$26.3 m)
Total Plan Expenses	\$3.105 b	\$3.179 b	(\$74.2 m)
Net Income/(Loss)	(\$68.7 m)	(\$149.2 m)	\$80.5 m
Ending Cash Balance	\$946.1 m	\$865.6 m	\$80.5 m
2016 & 2017 Premium Increases	2.83%	3.43%	(0.60%)
2018 & 2019 Premium Increases	16.12%	15.21%	0.91%
2020 & 2021 Premium Increases	4.31%	4.34%	(0.03%)



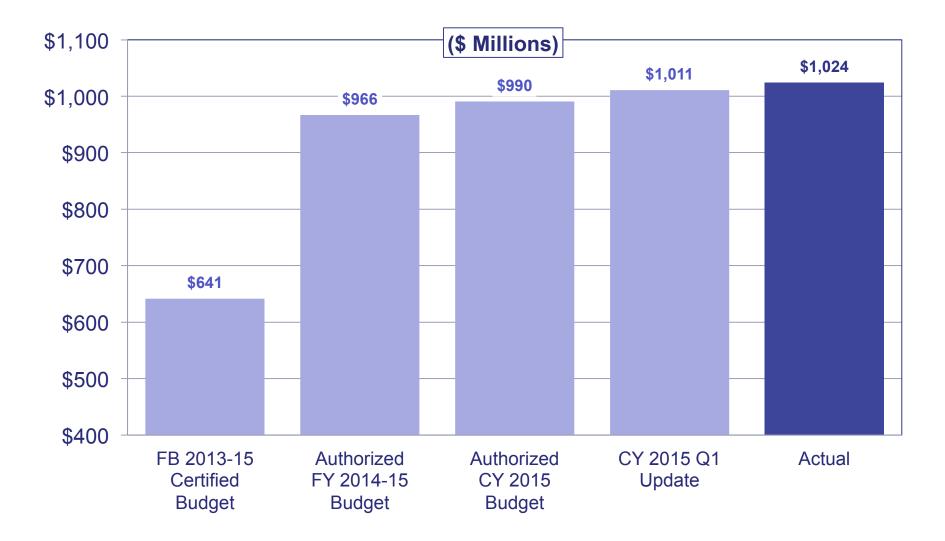
Forecast Comparisons: Fiscal Year 2014-15 Claims



^{*}Approximately \$22 million in anticipated pharmacy rebates was not received by the end of the FY.

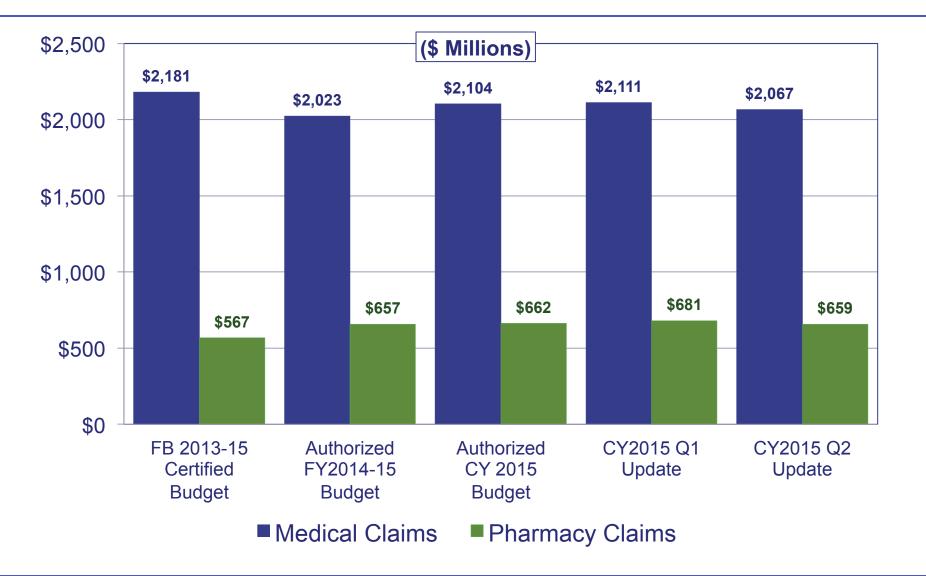


Forecast Comparisons: Ending Cash Balance June 30, 2015



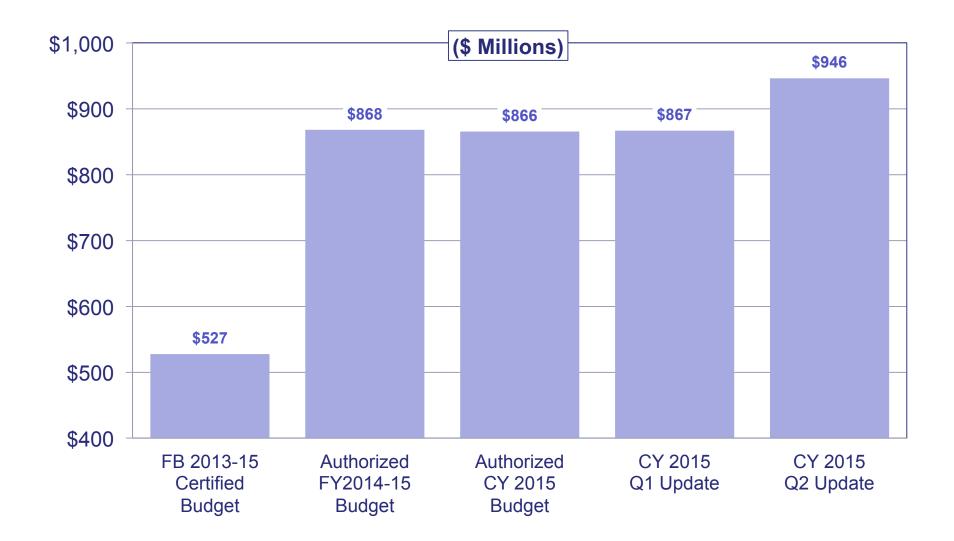


Forecast Comparisons: Calendar Year 2015 Claims





Forecast Comparisons: Ending Cash Balance December 31, 2015





Summary/Future Outlook

- Relative to the Authorized CY 2015 Budget, the CY 2015 2nd Quarter Update projects lower medical claims costs, higher pharmacy rebates in 2015, and higher long-term pharmacy claims costs
- The \$946.1 million cash balance projected for December 31, 2015:
 - Is \$80.5 million higher than the Authorized CY 2015 Budget projection
 - Exceeds the 9.0% target stabilization reserve amount by \$700.9 million
 - Equates to 14.6 weeks of projected CY 2016 operating expenses
- The CY 2015 2nd Quarter Update projects the need for **2.83%** premium increases for January 2016 and 2017. This is **lower** than the Authorized CY 2015 Budget (3.43%).





Certified Budget (Segal 8-19-13)

North Carolina State Health Plan Financial Projections - Mar 2013 Trends - 8.5% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP

Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit
Certified Budget

Projection Pro		2011 - 2013	Riennium	1	2013 - 2015	Riennium	get		2015 - 2017	Riennium		1
PAIN NOTINE Property Short Reverse Sho				Projection			Projection	Projection			Projection	Projection
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New Commission Incomes 2,750,386,851 2,286,781,003 1,442,576,000 1,442,576,000 1,442,576,000 1,443,500,410 1,543,500,400 1,543,600,450 1,5		FY 2012	FY 2013	Jul-Dec 2013	Jan-June	July-Dec	Jan-Jun	Jul-Dec	Jan-June	July-Dec	Jan-Jun	Jul-Dec
COMPRIENT Sequent Permitter Medical Processor Compression Compress	PLAN INCOME:											
MA Springer Permisson Reduction May Springer R	Net Contribution Income	2,750,368,851	2,895,761,603	1,442,578,008	1,490,952,575	1,487,864,429	1,516,588,534	1,513,510,299	1,634,606,643	1,631,357,328	1,761,956,879	1,758,528,795
M. Buyur Premium Assertion ERIPP Assert Agriculture Assertion ERIPP Assertion ERIPP Assertion ERIPP Assertion ERIPP Assertion Existence Assertion ERIPP Permium Reduction Assertion Assert	EGWP/PDP Spouse Premium Reduction		(1,244,665)	(2,498,637)	(14,615,034)	(14,687,927)	(14,761,184)	(14,834,807)	(14,908,796)	(14,983,155)	(15,057,884)	(15,132,986)
Near Discreptions 42,163.30 (568.216) 7,46.70 746.00 769.00 7	MA Spouse Premium Reduction			1	(5,898,039)	(5,927,456)	(5,957,019)	(5,986,730)	(6,016,589)	(6,046,598)	(6,076,755)	(6,107,063)
Reso Disknowlesserial (421,496) (714,727) (721,289) (764,796) (769,726) (769,726) (870,726) (880,6776) (880,67	MA Buy-up Premium			1	10,940,979	10,995,548	15,140,644	15,216,158	19,774,355	19,872,981	24,884,033	25,008,144
Persistent Reduction Control C				-	-	-	-	-	-	-	-	-
Column C		(451,496)	(714,727)	(721,289)								
Medicace Para D 57.583,002 59.689,214 2.744,744 3.494,018 2.210,008,199 2.51,15,033 2.77,108,760 2.51,15,033 2.77,108,760 2.51,15,033 2.77,108,760 2.51,15,033 2.77,108,760 2.51,15,033 2				-								
Content Cont												
Direct Disables 2,000,159 2,151,633 17,969,102 13,947,504	Medicare Part D	57,583,602	36,936,224	2,784,744	3,434,018	2,910,058	3,588,549	3,041,010	3,750,033	3,177,856	3,918,785	3,320,859
Direct Disables 2,000,159 2,151,633 17,969,102 13,947,504	FOUND ON THE			1								i I
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Appropriations from Date Reserve Investment Earnings			25 008 150	32 347 302	17 999 102							i
Trigot Plan Immorne	Total		20,000,100	02,017,002		100,110,001						i I
Trigot Plan Immorne	Appropriations from State Reserve	l		1								i I
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Medical Claims Payment 1,849.410.105 1,829.496.142 027.508.255 1,111.74.513 1,000.6784 1,201.078.496 1,201.078		2,852,680,163	2,958,251,928	1,475,938,129	1,484,595,416	1,476,076,792	1,496,153,788	1,492,341,023	1,649,755,238	1,645,792,386	1,780,504,456	1,776,386,545
Medical Claims Payment 1,849.410.105 1,829.496.142 027.508.255 1,111.74.513 1,000.6784 1,201.078.496 1,201.078												
Claim Refunds Claim Reduction Claim Reduct	PLAN EXPENSE:	l		1								i I
Dental & MHSA Enhancement Medicare Advantage Claims Reduction Calerdar Year Agustments Hospital Permium Incentive Uniform Fremium Incentive Permium Incentive Uniform Fremium		1,849,410,105				1,036,956,734		1,130,686,863	1,298,249,706		1,400,256,154	1,312,797,082
Medicare Advantage Claims Reduction Claims Reduction Claims (1,46,771) Medicare Advantage Claims (1,46,571) Medicare Advantage Premiums Medicare Advan	Claim Refunds	(22,634,615)	(23,855,443)	(12,060,684)	(12,583,200)	(12,885,851)	(13,596,192)	(14,362,157)	(14,789,230)	(15,257,502)	(15,738,111)	(16,451,838)
Calendar Year Adjustments	Dental & MHSA Enhancement			1,965,794	3,370,442	3,144,191	3,641,824	3,428,393	3,936,466	3,691,922	4,245,763	3,980,576
Pewentstive at 100% in Standard Plan Permittin Incentive Chi-Permittin Incentive Chi-Permitter Chi-Permitter Chi-Permitter Chi-Permitter Chi-Permitter Chi-Permitter Chi-Permi	Medicare Advantage Claims Reduction			1	(51,495,701)			(65,959,257)	(71,922,732)		(78,816,526)	
Pemium Incentive (7,995,527) (11,972,541) (11,442,987) (11,442,987) (11,442,987) (11,442,987) (12,527,383) (12,502,373) (19,984,282) (12,627,785) (12,502,373) (19,984,282) (12,627,785) (-	44,524,878								
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Limited Network Savings PCP Copay Waiver Mental Health Enhancements Net Medical Claims 1,820,775,400 1,850,093,098 1,031,938,012 1,050,101,019 1,050,012,019 1,050,012,01				1								
PCP Copay Walver Medical Flash and memts 18				1								
Mental Health Enhancements				1								
Net Medical Claims 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,490 1,859,093,098 1,826,775,893 1,826,775,893 1,826,775,893 1,826,775,893 1,826,775,893 1,826,895 1,826,895 1,826,893 1,				1								
Medicare Advantage Premiums Pharmacy Claims Payment Rebates (03.130.160) (72.024.902) (22.208.666) (32.007.518) (32.014.123) (26.486.588) (23.806.891) (27.281.78) (27.281.78) (24.724.242) (28.183.288) (25.803.274) (26.186.588) (28.208.686) (28.207.518) (28.101.288) (28.208.274) (29.186.588) (28.208.686) (29.208.686) (29.208.666) (32.007.518) (29.14.281.281.281.281.281.281.281.281.281.281		4 000 775 400	4 050 000 000	4 004 000 040								
Pharmacy Claims Payment 721,163,013 740,000,373 426,782,431 389,005,527 451,133,212 420,430,409 409,200,216 492,888,065 409,857,004 532,871,371 540,226,350 (23,014,123) (26,428,528) (23,850,801) (27,281,378) (24,724,242) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (28,032,853 677,065,471) (41,577,245) (19,256,710) (151,846,028) (152,603,370) (106,400,470) (167,230,403) (162,349,955) (183,299,437) (24,724,242) (28,103,286) (25,623,274) (12,201,284)	Net Medical Claims	1,820,775,490	1,809,093,098	1,031,938,012	1,050,910,019	980,440,078	1,110,110,847	1,070,905,478	1,190,201,283	1,140,920,087	1,200,102,988	1,211,870,383
Pharmacy Claims Payment 721,163,013 740,000,373 426,782,431 389,005,527 451,133,212 420,430,409 409,200,216 492,888,065 409,857,004 532,871,371 540,226,350 (23,014,123) (26,428,528) (23,850,801) (27,281,378) (24,724,242) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (25,623,274) (28,103,286) (28,032,853 677,065,471) (41,577,245) (19,256,710) (151,846,028) (152,603,370) (106,400,470) (167,230,403) (162,349,955) (183,299,437) (24,724,242) (28,103,286) (25,623,274) (12,201,284)	Medicare Advantage Premiums			l .	88 884 745	87 207 088	108 861 089	100 404 040	133 102 486	133 788 343	150 805 403	160 602 532
Rebates (93,190,160) (72,024,902) (22,206,566) (32,207,518) (23,207,51	medicare Advantage Fremions				00,001,740	07,207,000	100,001,000	100,101,010	100,102,100	100,700,010	100,000,100	100,002,002
Rebates (93,190,160) (72,024,902) (22,206,566) (32,207,518) (23,207,51	Pharmacy Claims Payment	721.163.013	749.090.373	426.782.431	389.095.527	461.133.212	420.430.469	498.290.216	492.888.065	499.857.994	532.671.371	540.226.350
Calendar Year Adjustments Net Pharmacy Claims Net Pharmacy Claims Reduction EGWP-Wrap Reduction in Rebates EGWP-Wrap Claims EGWP-Wrap Claims EGWP-Wrap Claims Sequence of Sequ												
Net Pharmacy Claims MA-PDP Claims Reduction EGWP+Wrap Reduction in Rebates Eggman Gash Balance (Deficit) Eggman Gash Ba		(,,	(
MA-PDP Claims Reduction Rebates		628,032,853	677,065,471									
EGWP+Wrap Claim Increase Expand Coverage of Diabetic Test Strips H8 675 - Pharmacy Audit Changes Specialty Pharmacy Claims 628,032,853 678,096,922 413,475,579 233,824,638 310,922,331 232,264,620 334,847,983 287,694,597 321,199,992 309,662,242 345,691,217 Total Claims 7 total Claims 2,454,808,343 2,537,190,620 1,445,414,191 1,371,600,002 1,384,686,997 1,451,442,555 1,515,157,501 1,511,028,367 1,600,892,993 1,719,670,723 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,692 1,719,693 1,7	MA-PDP Claims Reduction			-	(114,577,245)	(139,255,710)	(151,846,028)	(152,603,370)	(166,400,470)	(167,230,403)	(182,349,955)	(183,259,437)
Expand Coverage of Diabetic Test Strips HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier O28,032,853 678,096,922 413,475,679 233,824,638 310,922,331 232,264,620 334,847,983 287,664,597 321,199,992 309,662,242 345,891,217 Total Claims	EGWP+Wrap Reduction in Rebates		808,689	1,635,695	827,018	-	-	-	-	-	-	-
HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Plan Expense 2,454,808,343 2,537,190,802 1,445,414,191 1,371,800,002 1,485,618,0192,331 232,264,620 334,847,83 287,604,505 321,190,902 309,602,242 345,091,217 Total Claims ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,262,288,904 2,704,749,905 1,536,712,490 1,462,748,331 1,473,333,678 1,574,300,269 1,606,482,275 1,723,209,141 1,044,581,874 1,837,277,042 1,814,291,579 Plan Income (Loss) 232,391,259 253,502,023 (60,774,360) 21,847,084 2,743,114 (78,208,481) (114,141,252) (73,453,903) (48,789,488) (56,772,586) (37,905,587) Ending Cash Balance (Deficit) Display Balance (D	EGWP+Wrap Claim Increase		222,762	462,707	-	-	-	-	-	-	-	-
Specialty Pharmacy Tier Color Co			-	591,768								
Total Planmacy Claims 628,032,853 678,096,922 413,475,579 233,824,638 310,922,331 232,264,820 334,847,983 287,864,597 321,199,992 309,662,242 345,091,217 Total Claims 2,454,808,343 2,537,190,620 1,445,414,191 1,371,600,002 1,384,686,997 1,451,242,555 1,515,157,501 1,611,028,367 1,600,892,923 1,729,570,723 1,718,169,132 Administrative Costs 165,480,561 164,665,404 85,504,284 91,148,330 88,666,881 88,484,867 91,324,774 91,141,320 93,688,951 93,504,688 96,122,447 1,704,104				1								
Total Claims												
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration - 2.893,881 5.794,014	Total Pharmacy Claims	628,032,853	678,096,922	413,475,579	233,824,638	310,922,331	232,264,620	334,847,983	287,664,597	321,199,992	309,662,242	345,691,217
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration - 2.893,881 5.794,014	Total Oldina	0.454.000.000	0.507.400.000		4 074 000 000	4 004 000 007	4 454 040 555	4 545 457 551	4 044 000 007	4 000 000 000	4 700 570 700	4 740 400 400
ACA Reinsurance Fee Extra EGWP+Wrap Administration												
Extra EGWP+Wrap Administration		105,480,501	104,000,404	85,504,284	91,148,330			91,324,774				90,122,447
Total Plan Expense 2,620,288,904 2,704,749,905 1,536,712,490 1,462,748,331 1,473,333,678 1,574,360,269 1,606,482,275 1,723,209,141 1,694,581,874 1,837,277,042 1,814,291,579 Plan Income (Loss) 232,391,259 253,502,023 (60,774,360) 21,847,084 2,743,114 (78,206,481) (114,141,252) (73,453,903) (48,789,488) (56,772,586) (37,905,034) Beginning Cash Balance (Deficit) 269,866,212 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,966 404,974,207 348,201,621 Ending Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,966 404,974,207 348,201,621 Target Stabilization Reserve 184,110,628 202,975,250 219,485,780 239,482,685 254,231,880 269,976,005 281,356,782 289,072,916 299,741,728 310,296,587 7.5% 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		_	2 803 881	5 704 014			34,032,040		21,038,404		14,201,032	i []
Plan Income (Loss) 232,391,259 253,502,023 (60,774,360) 21,847,084 2,743,114 (78,208,481) (114,141,252) (73,453,903) (48,789,488) (56,772,586) (37,905,034) Beginning Cash Balance (Deficit) 269,866,212 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 Ending Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 Target Stabilization Reserve 184,110,628 202,975,250 219,485,780 239,446,206 234,282,695 255,231,860 266,976,005 281,356,728 289,072,916 299,741,728 310,296,587 7.5% 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		2 620 288 904			1 462 748 331	1 473 333 678	1 574 360 269	1 606 482 275	1 723 209 141	1 694 581 874	1 837 277 042	1.814.291.579
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Target Stabilization Reserve 184,1110,626 202,975,250 219,485,780 239,446,206 234,282,695 255,231,860 269,676,005 281,356,728 289,072,916 299,741,728 310,296,587 7.5% 8.0% 8.5% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0				1,000,110,100	.,,	.,,	1,011,1000,1000	1,000,100,00	1,120,200,111	.,,	.,,,,	.,,,
Beginning Cash Balance (Deficit) 269,856,212 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 527,217,599 453,763,696 404,974,207 348,201,621 527,217,599 453,763,696 404,974,207 348,201,621 527,217,599 47,297 527,217,599 47,297 527,217,599 47,297 527,217,599 47,297 527,217,599 47,2	Plan Income (Loss)	232,391,259	253,502,023	(60,774,360)	21,847,084	2,743,114	(78,206,481)	(114,141,252)	(73,453,903)	(48,789,488)	(56,772,586)	(37,905,034)
Ending Cash Balance (Deficit) 502,247,471 755,749,494 694,975,134 716,822,218 719,565,332 641,358,851 527,217,599 453,763,696 404,974,207 348,201,621 310,296,587 Target Stabilization Reserve 184,110,626 202,975,250 219,485,780 239,446,206 234,282,695 255,231,860 266,976,005 281,356,728 289,072,916 299,741,728 310,296,587 7.5% 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0												1
Target Stabilization Reserve 184,110,626 202,975,250 219,485,780 239,446,206 234,282,695 255,231,860 266,976,005 281,356,728 289,072,916 299,741,728 310,296,587 7.5% 8.0% 8.0% 8.5% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0												
7.5% 8.0% 8.0% 8.5% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Ending Cash Balance (Deficit)	502,247,471	755,749,494	694,975,134	716,822,218	719,565,332	641,358,851	527,217,599	453,763,696	404,974,207	348,201,621	310,296,587
7.5% 8.0% 8.0% 8.5% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0												
7/1 Increase	Target Stabilization Reserve											
				8.0%		8.5%		9.0%		9.0%		9.0%
Premium Increase: 5.3% 5.3% 3.57% 2.14% 8.22% 8.22%										ļ		l
	Premium Increase:	5.3%	5.3%	1	3.57%	ļ	2.14%		8.22%	Į	8.22%	ĺ

CY 2014 Q2 Update

Authorized FY14-15 Budget

North Carolina State Health Plan Financial Projections - Jun 2014

Trends - 7.0% Medical & 8.5% Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity

(Segal 9-9-14)

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 9-9-14)	2010-2011	Biennium	2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019 Biennium		
	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Projection FY 2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	
PLAN INCOME: Net Contribution Income Additional Contribution/(Credit) Medicare Advantae Subsidy	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,941,097,678 - 417,565	2,957,330,894 (18,389,215)	2,997,476,025 (5,299,800)	3,091,148,757 7,624,855	3,347,339,381 15,349,640	3,792,050,539 23,072,825	
Health care Reform ERRP Retro Disenrollments	- (1,310,146)	45,298,812 (1,281,584)	42,163,391 (451,496)	(558,219) (487,819)	(299,923)	(1,478,665)	(1,498,738)	(1,545,574)	(1,673,670)	(1,896,025)	
Premium Change due to Movement Medicare Part D	74,357,704	66,276,535	57,583,602	38,056,016	11,583,652	(1,034,938) 6,276,386	746,221 6,487,102	2,159,915 6,779,021	922,847 7,084,077	1,241,073 7,402,861	
EGWP+Wrap Direct Subsidy Coverage Gap Subsidy Catastrophic Subsidy Total	- - - -	- - -	- - -	24,435,483 - - 24,435,483	25,216,663 38,563,909 - 63,780,571	202,329 1,478,088 31,734,272 33,414,689	- - -	-	- - -	- - -	
Investment Earnings Total Plan Income	3,532,448 2,490,457,950	2,861,085 2,797,969,020	3,015,815 2,852,680,163	3,236,713 2,960,048,314	3,916,235 3,020,495,778	3,933,340 2,980,052,493	3,456,019 3,001,366,829	2,406,449 3,108,573,423	1,221,707 3,370,243,983	870,198 3,822,741,471	
		_,,		_,,,_	5,222,122,112	_,,,		2,122,212,122	2,212,2,222	-111	
PLAN EXPENSE: Medical Claims Payment Claim Refunds Claims Adjustment for Changes Cost of Autism	1,829,432,245 (31,916,831)	1,852,549,690 (24,723,681)	1,849,410,105 (22,634,615)	1,858,096,405 (23,467,914)	1,989,574,333 (22,450,766)	1,981,132,627 (23,520,519) 12,149,156 2,001,993	2,104,367,930 (25,159,105) 26,519,120 4,500,445	2,236,473,423 (26,558,401) 35,022,403 5,100,042	2,378,323,219 (28,433,075) 617,098 5,350,084	2,527,382,130 (30,024,340) (27,583,637) 5,639,177	
Cost of Add Towns Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,967,123,567	432,449 1,972,195,706	924,000 2,111,152,391	989,000 2,251,026,467	1,022,182 2,356,879,507	1,089,662 2,476,502,992	
Medicare Advantage Premiums					78,538,847	163,281,043	175,164,083	188,218,563	202,231,947	217,364,453	
Pharmacy Claims Payment Rebates Claims Adjustment for Changes	N/A N/A	N/A N/A	721,163,013 (93,130,160)	752,419,650 (69,641,941)	743,281,462 (91,653,105)	686,597,084 (74,166,940)	769,269,941 (51,914,121)	798,947,229 (53,570,874)	861,298,346 (55,279,945)	928,570,652 (57,057,201)	
Additional ACA Preventive Medicine Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	651,628,357	346,345 612,776,489	984,278 718,340,098	1,321,029 746,697,384	1,414,030 807,432,432	1,473,850 872,987,301	
Total Claims Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration	2,394,225,189 164,649,780	2,483,694,744 165,902,094	2,454,808,343 165,480,561	2,517,406,200 161,401,639 -	2,697,290,771 148,134,913 - -	2,748,253,238 189,951,548 34,019,697	3,004,656,572 195,650,094 20,569,718	3,185,942,415 200,734,833 13,884,560	3,366,543,886 205,969,298 - -	3,566,854,745 211,358,434 - -	
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,845,425,684	2,972,224,483	3,220,876,384	3,400,561,808	3,572,513,183	3,778,213,179	
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	175,070,094	7,828,010	(219,509,556)	(291,988,384)	(202,269,200)	44,528,292	
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit)	189,901,049 121,484,030	121,484,030 269,856,212	269,856,212 502,247,471	502,247,471 783,487,946	783,487,946 958,558,040	958,558,040 966,386,050	966,386,050 746,876,494	746,876,494 454,888,110	454,888,110 252,618,909	252,618,909 297,147,201	
Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201,392,496	222,593,914	232,647,498	254,654,324	269,795,147	284,788,074	301,454,126	
	7/4 Increases	7/4 Ingresses	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	
Premium Increase:	7/1 Increase 8,9%	7/1 Increase 8.9%	7/1 Increase 5.3%	7/1 Increase 5,3%	1/1 Increase 3.57%	1/1 Increase 0.00%	1/1 Increase 3.53%	1/1 Increase 3.53%	1/1 Increase 13.71%	1/1 Increase 13.71%	

★ Segal Consulting

CY 2014 Q4 Update



North Carolina State Health Plan Financial Projections - Dec 2014

Financial Projections - Dec 2014

Authorized No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2016 and 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active on 70/30 Plan Starting 2018

CY 2015 Budget Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 9-9-14) 2012 - 2013 Biennium Actual Actual Actual Projection Projection Projection Projection Projection Projection Projection Short Plan Year Jul FY 2012 FY 2013 Calendar 2014 Calendar 2015 Calendar 2016 Calendar 2017 Calendar 2018 Calendar 2019 Calendar 2020 Calendar 2021 Dec 2013 PLAN INCOME: Net Contribution Income 2,750,368,851 2,895,366,140 1,502,578,000 2,952,592,141 2,973,313,265 3,084,373,299 3,178,159,722 3,647,867,428 4,187,357,312 4,353,552,988 4,526,742,933 Additional Contribution/(Credit) (11,254,466) (1,037,235) (813,056) 29,068,878 28,051,841 26,091,252 25,140,208 721,773 Medicare Advantae Subsidy 828,983 863,581 879,710 915,037 931,831 968,212 985,692 Health care Reform ERRP 42,163,391 (558.219 (1.949)(277,538) (28,401 (1,486,657) (1,542,187) (1,589,080)(2,093,679) (2,176,776 (2,263,371 Retro Disenrollments (451,496)(487,819)(1,823,934)Premium Change due to Movement 1,879,031 4,736,903 6,772,839 14,036,650 14,790,952 16,833,606 17,727,090 57.583.602 38.056.016 (1.323.888) 21.584.404 14.587.080 14.298.634 14,514,516 14.063.476 14.200.558 13.588.971 13.626.486 Medicare Part D EGWP+Wrap Direct Subsidy 24,435,483 25,202,822 216,170 11,879,765 Coverage Gap Subsidy 28 162 232 Catastrophic Subsidy 48.602.498 24,435,483 37,082,587 28,378,402 Total 48 602 498 Investment Earnings 3 015 815 3 236 713 1 841 087 3 014 101 1.815.91 1.559.559 1 603 266 Total Plan Income 2,852,680,163 2,960,048,314 1,539,900,247 3,030,341,513 3,104,707,096 3,199,740,563 3,705,018,118 4,244,292,849 4,410,417,812 4,583,562,303 3,007,663,512 PLAN EXPENSE: 1,849,410,105 2,238,782,943 Medical Claims Payment 1 858 096 405 1 033 157 400 1 949 838 964 2,111,340,121 2 382 053 957 2,589,959,390 2,707,819,875 2 887 321 150 3,074,284,772 (32,350,749) Claim Refunds (22.634.615) (23,467,914) (10,834,378) (22,731,740) (25,072,201 (26,762,489 (28,316,855 (30,193,794 (34,273,593 (36,755,927 Claims Adjustment for Changes 12,563,278 (34,775,189 (48,204,121) (20,681,815 (41,590,816 (53,892,086 (44,591,961 Cost of Autism 4 000 000 5,000,000 5 200 000 5 500 000 5 800 000 5 500 000 5,800,000 1,052,889 Cost of Add Towns 896,100 956,521 996,977 1.055.452 1.047.896 1.045.532 1,834,628,491 1,022,323,022 Net Medical Claims 1.826.775.490 1,927,107,224 2,103,727,297 2,183,201,786 2,311,729,958 2,545,639,233 2,640,731,199 2,805,703,368 2,999,782,415 155,497,950 174,072,089 Medicare Advantage Premiums 193,223,905 208,833,714 231,478,810 250,300,181 277,319,722 299,996,296 Pharmacy Claims Payment 721.163.013 752,419,650 425,257,939 697.815.422 718.263.283 767.803.395 827,727,508 892.381.574 962.143.775 1.037.984.755 1.119.319.325 Rebates (93,130,160) (69,641,941) (32.188.641 (98,763,203) (50,441,480) (51,470,131) (52,183,288) (53,239,165) (53,941,763) (55,015,158) (57,020,841) Claims Adjustment for Changes Additional ACA Preventive Medicine 692,000 1.276.000 1.366.000 1.462.000 1.511.325 1.462.000 1.511.591 Net Pharmacy Claims 628,032,853 682,777,709 393,069,298 599.052.219 661,934,443 718,637,915 777,623,376 841,660,286 910,415,935 985,504,992 1,065,815,759 Total Claims 2.454.808.343 2 517 408 200 1.415.392.320 2.681.657.393 2 939 733 829 3,095,063,606 3,298,187,049 3 618 778 329 3,801,447,315 4.068.528.081 4.365.594.47 Administrative Costs 165,480,561 161,401,639 69,548,737 149,605,909 206.008.311 226,154,277 234,465,996 240,602,620 246,921,261 253,427,967 260,129,003 ACA Reinsurance Fee 33,856,390 23,696,015 14,429,245 Extra EGWP+Wrap Administration Total Plan Expense 2,620,288,904 2.678,807,839 1 484 941 057 2,831,263,302 3,179,598,530 3.344,913,898 3,547,082,290 3,859,380,949 4.048.368.576 4,321,956,048 4,625,723,474 Plan Income (Loss) 232.391.259 281,240,475 54,959,190 176,400,210 (149,257,017) (240,206,802) (347,341,727 (154,362,831) 195,924,273 88.461.764 (42,161,171 Beginning Cash Balance (Deficit) 269.856.212 502.247.471 783,487,946 838,447,136 1.014.847.346 865,590,329 625 383 527 278,041,800 123,678,969 319.603.242 408.065.006 Ending Cash Balance (Deficit) 502 247 471 783 487 946 838,447,136 1,014,847,346 865 590 329 625 383 527 123 678 969 408 065 006 Target Stabilization Reserve 184.110.626 201,392,496 113,231,386 214,723,553 248,909,557 261.165.57 304.856.957 341.208.752 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0%

Final Q4 Update

7/1 Increase

7/1 Increase

1/1 Increase 4.34%

Premium Increase

1/1 Increase



CY 2015

North Carolina State Health Plan Financial Projections - Mar 2015

Q1 Update No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2016 and 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active on 70/30 Plan Starting 2018 With March 2015 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Page	1 ((C)	()
(Segal	5-1	4-1	5)

age (CI)	2012 - 2013	Biennium											
gal 5-14-15)	Actual	Actual	Actual	Actual	Projection								
gai 3-14-13)	FY 2012	FY 2013	Short Plan Year Jul- Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021		
PLAN INCOME:													
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,983,580,339	3,099,319,091	3,208,868,439	3,666,157,555	4,188,978,109	4,371,109,270	4,561,561,364		
Additional Contribution/(Credit)		•	-	-	(8,406,617)	(1,009,207)	(786,530)	29,069,329	28,053,975	26,096,405	25,147,101		
Medicare Advantae Subsidy Health care Reform ERRP	42,163,391	(558,219)		721,773 (1,949)	958,017	865,285	881,481	916,996	933,860	970,437	987,990		
Retro Disenrollments	(451,498)	(487,819)	(277,538)	(28,401)	(1,122,113)	(1,549,680)	(1,604,434)	(1,833,079)	(2,094,489)	(2,185,555)	(2,280,781		
Premium Change due to Movement			_	_	1.351.700	6.078.505	8,881,746	22.062.895	27.043.263	32,739,747	36,367,818		
Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	14,329,561	12,825,874	13,075,320	12,630,645	12,816,638	12,224,303	12,329,139		
EGWP+Wrap													
Direct Subsidy	-	24,435,483	25,202,822	216,170	56	-	-	-	-	-	-		
Coverage Gap Subsidy	-	-	11,879,765	28,162,232	-	-	-	-	-	-	-		
Catastrophic Subsidy	-	-	-	-	48,602,965	-	-	-	-	-	-		
Total	-	24,435,483	37,082,587	28,378,402	48,603,021	-	-	-	-	-	-		
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	4,188,398	2,986,638	1,790,108	942,150	1,111,450	1,543,419	1,588,162		
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,043,482,305	3,119,516,527	3,231,106,129	3,729,946,491	4,256,842,807	4,442,498,026	4,635,700,791		
PLAN EXPENSE:													
Medical Claims Payment	1.849.410.105	1.858.096.405	1.033.157.400	1,949,838,964	2.130.042.184	2.265.239.688	2.409.660.789	2.620.955.586	2.739.402.020	2.921.951.842	3.106.548.653		
Claim Refunds	(22,634,615)	(23,487,914)	(10,834,378)	(22,731,740)	(25,643,812)	(27,079,502)	(28,644,927)	(30,555,252)	(32,727,927)	(34,684,538)	(37,148,87)		
Claims Adjustment for Changes	(22,034,013)	(23,107,814)	(10,034,370)	(22,731,740)	2,961,798	(53,706,028)	(82,533,403)	(78,179,662)	(63.581.090)	(75,701,260)	(87,874,14		
Cost of Autism				-	2,999,456	5,000,000	5.200.000	5,500,000	5.800.000	5.500.000	5,800,00		
Cost of Add Towns				-	679,300	956,521	996,993	1,055,503	1,052,974	1,048,016	1,045,68		
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,111,038,926	2,190,410,678	2,304,679,452	2,518,776,175	2,649,945,977	2,818,114,059	3,008,571,319		
Medicare Advantage Premiums				155.497.950	173.520.859	193.613.916	209.260.923	231,983,719	250.852.480	277.966.597	300.703.143		
medicale / lavariage / remains				100,101,000	,020,000	100,010,010	200,200,020	201,000,110	200,002,100	277,000,007	555,755,776		
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	697,815,422	740,074,079	789,065,505	850,678,570	917,157,600	988,891,892	1,066,879,388	1,150,519,966		
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(59,969,191)	(50,102,163)	(51,127,149)	(51,837,739)	(52,890,061)	(53,590,371)	(54,660,441		
Claims Adjustment for Changes			-	-	-	-	-	-	-	-	-		
Additional ACA Preventive Medicine			-	-	518,906	1,276,000	1,366,000	1,462,000	1,522,939	1,637,794	1,749,27		
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	680,623,794	740,239,341	800,917,422	866,781,861	937,524,770	1,014,926,811	1,097,608,79		
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,681,657,393	2,965,183,579	3,124,263,935	3,314,857,796	3,617,541,755	3,838,323,227	4,111,007,467	4,406,883,258		
Administrative Costs	165,480,561	161,401,639	69,548,737	149,605,909	220,789,282	226,154,228	234,469,803	240,614,327	246,941,340	253,456,913	260,167,338		
ACA Reinsurance Fee				-	5,642,732	23,672,083	14,415,152	-	-	-	-		
Extra EGWP+Wrap Administration	-	2.678.807.839	-	2.831.263.302	3.191.615.593	3.374.090.245	-	-	4.085.264.567	-	4.667.050.594		
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,191,615,593	3,374,090,245	3,563,742,751	3,858,156,082	4,085,264,567	4,364,464,380	4,667,050,594		
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(148,133,288)	(254,573,718)	(332,636,622)	(128,209,591)	171,578,240	78,033,645	(31,349,802		
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	866.714.059	612,140,340	279,503,719	151,294,128	322,872,367	400,906,013		
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	866,714,059	612,140,340	279,503,719	151,294,128	322,872,367	400,906,013	369,556,210		
Target Stabilization Reserve	184.110.626	201.392.496	113.231.386	214.723.553	251.249.645	263.758.502	279.503.719	304.700.223	322,872,387	344,973,678	369,556,210		
	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%		
	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase		
Premium Increase:	5.3%	5.3%	†	3.57%	0.00%	3.93%	3.93%	14.67%	14.67%	4.72%	4.72%		

North Carolina State Health Plan



North Carolina State Health Plan
Financial Projections - Mar 2015
Trends - 7.0% Medical & 8.5% Pharmacy
Page 2 (FY)
No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2016 and 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active on 70/30 Plan Starting 2018
With March 2015 Enrollment
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 5-14-15)

Additional Control London (Credit) Medician Assignment (Credit) Medician Payment (C	ga. c	2010-2011 Biennium		2012 - 2013	Biennium	2014 - 2015 Biennium		2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021 Biennium	
Net Controllation Recome Additional Controllation Recome Additional Controllation Recome Additional Controllation Recome Additional Controllation													
Additional Control London (Credit) Medician Assignment (Credit) Medician Payment (C	PLAN INCOME:												
Medicare Animates Disasing		2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,941,097,678	3,002,231,118	3,046,561,080	3,154,111,585	3,437,686,734	3,927,760,506	4,280,076,735	4,466,367,538
Health care Reform ERPP Recro Descontingner (1,310,149) (1,218,548) (691,399) (691,399) (200,022) (300,418) (1,522,28) (1,577,069) (1,718,443) (1,003,309) (2,140,038) (2,233,144) (2,233,	Additional Contribution/(Credit)				-	-	(2,807,109)	(6,100,497)	(897,833)	14,175,318	28,559,870	27,071,968	25,620,018
Reno Disvorvilments (1,310,149) (1,281,584) (491,489) (497,819) (290,223) (150,419) (1,232,281) (1,577,059) (1,778,053) (1,642,348) (2,433,889) (2,141,028) (2,233,184) (2,233	Medicare Advantae Subsidy					417,565	845,560	847,066	874,293	898,241	926,356	951,130	980,159
Permium Change due to Movement Medicare Part D	Health care Reform ERRP	-	45,298,812	42,163,391	(558,219)	-	(1,949)	-	-	-	-	-	-
Medicare Part	Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(487,819)	(299,923)	(380,418)	(1,523,281)	(1,577,056)	(1,718,843)	(1,963,880)	(2,140,038)	(2,233,184)
EMP-W/rap Direct Subsidity Coverage Gas Dubsidity Coverage Gas	Premium Change due to Movement					-	450,567	3,940,172	7,480,058	15,472,348	24,553,317	29,891,637	34,553,871
Creat Substitivity Coverage Gas Substitutivity C	Medicare Part D	74,357,704	66,276,535	57,583,602	38,056,016	11,583,652	16,194,879	13,092,622	12,848,448	12,973,055	12,611,677	12,656,157	12,154,031
Coverage Cap Subsisty	EGWP+Wrap												
Catastrópins Gubaledy Total	Direct Subsidy	-	-		24,435,483	25,216,663	202,385	-			-		_
Total Flan Income 2.40.455,683 3.052,448 2.806,085 3.052,648 2.406,085 2.707,090,000 2.805,2801,03 2.806,0415 3.208,0432 3.015,815 3.208,0713 3.016,205 2.408,0457,040 3.015,815 3.208,0713 3.016,205 2.408,0457,040 3.015,815 3.208,0713 3.016,205 2.408,0457,040 3.015,323,240 3.015,32	Coverage Gap Subsidy	-	-	-	-	38,563,909	1,478,088	-		-	-	-	
Investment Earnings 3,53,448 2,801,085 3,015,815 3,239,713 3,916,235 4,802,914 3,506,077 2,433,771 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,243,188 900,971 1,350,942 1,850,025,571 1,443,025,471 1,443,025	Catastrophic Subsidy	-	-		-		48,602,965	-			-		_
Total Plan Income		-	-	-	24,435,483	63,780,571		-	-	-	-	-	-
Total Plan Income	Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,916,235	4,662,914	3,506,077	2,433,771	1,243,188	906,971	1,359,942	1,650,124
PLAN EXPENSE: Medical Claims Payment (1,829,432,245 1,825,440,800 1,840,410,105 1,850,000,405 (22,467,914) (22,467,914) (22,467,914) (22,467,914) (22,467,914) (22,467,914) (22,467,914) (22,467,914) (22,467,914) (24,523,904) (77,411,103) (70,000,167) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (66,702,105) (71,147,803) (70,000,167) (71,147,803)	· ·												
Medical Claims Payment (18.29.432.245 1.882.449.080 1.849.410.105 1.885.009.405 (23.467.914) (23		2,100,101,000	21.0.1000,020	2,002,000,100	2,000,010,011	5,525,155,115	5,511,110,000	0,000,020,210	0,0,2.00,200	5,100,100,0	0,000,000,000	1,010,001,001	1,000,002,007
Medical Claims Payment (18.29.432.245 1.882.449.080 1.849.410.105 1.885.009.405 (23.467.914) (23	PLAN EXPENSE:												
Claim Refunds Claim Refunds Claim Refunds Claim Sequent for Changes Cost of Autism Cos		1 829 432 245	1 852 549 690	1 849 410 105	1 858 096 405	1 989 574 333	2 051 779 925	2 194 841 843	2 336 695 411	2 490 031 077	2 651 463 586	2 884 640 457	3 012 554 240
Claims Adjustment for Changes Cost of Audism Cost o													
Cost of Additions Net Medicare Advantage Premiums NA NIA 721,183,013 752,419,650 743,281,482 720,437,921 788,982,854 819,477,088 83,491,374 952,583,882 1,002,783,580 62,277,009 651,628,357 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,202,657 644,602,6		(0.1,0.0,00.1)	(21,120,001)	(22,001,010)	(20,101,011)	(22,100,100)	, ,			, , , , , , , , , , , , , , , , , , , ,			
Cast of Add Towns (Add													
Net Medicar Advantage Premiums 1,797,515,414 1,827,826,009 1,826,775,490 1,834,828,491 1,844,828,491 1,844,828,491 1,844,828,491 1,844,828,491 1,844,828,49													
Pharmacy Claims Payment N/A N/A 721,163,013 752,419,850 743,281,462 720,437,921 788,982,854 819,477,088 883,491,374 952,563,882 1,027,908,649 1,081,070,089 (69,641,641) (91,653,105) (75,981,693) (49,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,760,405) (50,538,588) (51,564,030) (52,277,088) (53,324,462) (54,032,033 (14,032,033) (1		1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,967,123,567			,				2,911,857,005
Rebates N/A N/A (93,130,180) (99,641,941) (91,653,105) (75,981,093) (49,760,405) (50,538,588) (51,564,036) (52,277,098) (53,329,462) (54,032,033 (1,694,023) (1,69	Medicare Advantage Premiums					78,538,847	163,064,076	183,982,030	201,417,957	220,594,059	241,394,631	264,375,814	289,308,591
Rebates N/A N/A (93,130,180) (99,641,941) (91,653,105) (75,981,093) (49,760,405) (50,538,588) (51,564,036) (52,277,098) (53,329,462) (54,032,033 (1,694,023) (1,69	Pharmacy Claims Payment	N/A	N/A	721.163.013	752.419.650	743.281.462	720.437.921	788.982.854	819.477.088	883.491.374	952.563.682	1.027.963.548	1.108.179.089
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims S 596,709,775 656,888,735 628,032,853 682,777,709 651,628,357 844,829,365 740,206,827 770,259,2528 833,341,367 901,762,726 976,214,755 1,055,841,079 1,055,													
Additional ACA Preventive Medicine Net Pharmacy Claims 598,709,775 655,888,735 628,032,853 682,777,709 651,688,357 644,629,365 740,208,827 770,259,528 833,341,367 901,762,726 978,214,755 1,055,841,079 770,259,528 833,341,367 901,762,726 978,214,755 1,055,841,079 770,259,528 833,341,367 901,762,726 978,214,755 1,055,841,079 844,078,172,072,078,078 104,049,780 105,902,094 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,194 105,902,902,902,902,902,902,902,902,902,902		1471	1424	(00,100,100)	(00,011,011)	(01,000,100)	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(10,700,100)	(00,000,000)	(01,001,000)	(02,277,000)	(00,020,102)	(01,002,000)
Net Pharmacy Claims 596,709,775 655,868,735 628,032,853 682,777,709 651,628,357 644,629,365 740,206,827 770,259,528 833,341,367 901,762,726 976,214,755 1,055,841,079 Total Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,697,290,771 2,838,145,069 3,073,708,766 3,218,773,009 3,440,689,392 3,698,716,136 4,028,410,358 4,257,004,675 Administrative Costs 164,649,780 165,902,094 165,480,561 161,401,639 148,134,913 181,271,826 220,861,106 231,442,088 237,496,925 243,731,274 250,151,098 256,762,576 ACA Reinsurance Fee Extra EGWPH-Wrap Administration Extra EGWPH-Wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,678,807,839 2,845,425,684 3,019,416,895 3,317,966,866 3,464,675,430 3,684,059,156 3,942,447,410 4,278,561,456 4,513,767,251 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261 4,613,767,261							173 137	984 378	1 321 028	1 414 029	1 476 952	1 580 669	1 694 023
Administrative Costs ACA Reinsurance Fee Extra EGWPH/wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,620,2		596,709,775	655,868,735	628,032,853	682,777,709	651,628,357			.,				1,055,841,079
Administrative Costs ACA Reinsurance Fee Extra EGWPH/wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,620,2	Total Claims	2.394.225.189	2.483.694.744	2.454.808.343	2.517.406.200	2.697.290.771	2.838.145.069	3.073.708.766	3.218.773.009	3.440.689.392	3.698.716.136	4.028.410.358	4.257.004.675
ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,989 2,649,596,838 2,020,288,904 2,678,807,839 2,845,425,884 3,019,416,895 3,317,966,666 3,464,675,430 3,884,059,156 3,942,447,410 4,278,561,456 4,513,767,251 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,094 52,062,104 (257,643,426) (289,402,165) (203,329,116) 50,907,407 71,306,075 25,325,306 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Target Stabilization Reserve 179,566,889 180,777,06 184,110,620 184,110,620 201,392,496 222,593,914 240,757,289 260,075,406 271,561,955 289,808,580 311,158,935 338,763,109 357,092,828 7/1 Increase 7/1 Increase 1/1 Incr													
Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,678,807,839 2,845,425,684 3,019,416,895 3,317,966,666 3,464,675,430 3,684,059,156 3,942,447,410 4,278,561,456 4,513,767,251 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,094 52,062,104 (257,643,426) (289,402,165) (203,329,116) 50,907,407 71,306,075 25,325,306 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752	ACA Reinsurance Fee	101,010,700	100,002,001	100,100,001	101,101,000	-	-					-	-
Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,094 52,082,104 (257,843,428) (289,402,165) (203,329,116) 50,907,407 71,306,075 25,325,306 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,820,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,820,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Target Stabilization Reserve 179,566,889 188,277,108 184,110,628 201,392,496 222,593,914 240,757,289 260,075,406 271,561,955 289,808,580 311,158,935 338,763,109 357,092,828 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0		-	-	-	-	-	-	-	-	-	-	-	-
Beginning Cash Balanoe (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,757,299 260,075,406 271,561,955 289,808,580 311,158,935 338,769,3109 357,002,828 260,245,437 311,52,844 382,458,918 407,784,224 260,757,299 260,075,406 271,561,955 289,808,580 311,158,935 338,769,2828 260,245,437 311,52,844 382,458,918 407,784,224 260,757,299 260,075,406 271,561,955 289,808,580 311,158,935 338,769,2828 260,245,437 311,52,844 382,458,918 407,784,224 260,757,289 260,075,406 271,561,955 289,808,580 311,158,935 338,769,2828 260,245,437 311,52,844 382,458,918 407,784,224 260,767,849 260,767,106 271,561,955 289,808,580 311,569,935 338,769,2828 260,245,437 311,562,844 382,458,918 407,784,224 260,767,849	Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,845,425,684	3,019,416,895	3,317,966,666	3,464,675,430	3,684,059,156	3,942,447,410	4,278,561,456	4,513,767,251
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,757,289 260,075,406 271,561,955 289,808,580 311,158,935 338,763,109 357,092,828 7.15 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	175,070,094	52,062,104	(257,643,426)	(289,402,165)	(203,329,116)	50,907,407	71,306,075	25,325,306
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,010,620,144 752,976,718 463,574,553 260,245,437 311,152,844 382,458,918 407,784,224 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,757,289 260,075,406 271,561,955 289,808,580 311,158,935 338,763,109 357,092,828 7.15 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Beginning Cash Balance (Deficit)	189.901.049	121.484.030	269.856.212	502.247.471	783.487.948	958.558.040	1.010.620.144	752,976,718	463.574.553	260.245.437	311.152.844	382,458,918
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0													407,784,224
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201,392,496	222,593,914	240.757.289	260.075,406	271.561.955	289,808,580	311,158,935	338,763,109	357,092,828
	•												
		7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
	Premium Increase:											4.72%	4.72%



North Carolina State Health Plan Financial Projections - Jun 2015 Trends - 7.0% Medical & 8.5% Pharmacy



Q2 Update Page 1 (CY) (Segal 8-20-15)

No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2016 and 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active on 70/30 Plan Starting 2018 With March 2015 Enrollment

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

jai 8-20-15)	2012 - 2013	Biennium	Ī								
	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul- Dec 2013	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019	Calendar 2020	Calendar 2021
PLAN INCOME:			Dec 2010								
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,952,592,141	2,969,222,633	3,085,160,545	3,162,449,442	3,669,650,968	4,237,098,746	4,402,348,538	4,576,209,187
Wellness Surcharge/(Credit)		-	-	-	(5,579,400)	(968,252)	(748,213)	13,667,705	14,240,499	15,262,563	15,827,065
Medicare Advantae Subsidy			-	721,773	946,437	866,821	883,058	918,683	935,591	972,280	989,879
Health care Reform ERRP	42,163,391	(558,219)	-	(1,949)	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(28,401)	(753,239)	(1,542,580)	(1,581,225)	(1,834,825)	(2,118,549)	(2,201,174)	(2,288,105)
Premium Change due to Movement				_	1,290,050	(9,825,119)	(8,498,627)	3,318,149	7,005,443	10,992,978	12.642.374
Medicare Part D	57,583,602	38,056,016	(1,323,888)	21,584,404	18,259,815	14,177,803	14,476,584	13,968,257	14,199,870	13,526,773	13,672,026
EGWP+Wrap											
Direct Subsidy	-	24,435,483	25,202,822	216,170	441	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	28,162,232	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	48,602,965	-	-	-	-	-	-
Total	-	24,435,483	37,082,587	28,378,402	48,603,406	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,417,142	4,704,531	3,262,132	1,906,708	899,235	1,066,139	1,560,055	1,603,606
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	3,007,663,512	3,036,694,232	3,091,131,350	3,168,887,727	3,700,588,172	4,272,427,739	4,442,462,012	4,618,656,033
PLAN EXPENSE:											
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,949,838,964	2,091,695,828	2,248,177,501	2,391,472,401	2,601,158,619	2,718,666,411	2,899,821,730	3,082,959,373
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(22,731,740)	(26,552,076)	(26,876,079)	(28,428,782)	(30,324,486)	(32,480,285)	(34,421,873)	(36,866,910)
Adjustment for Changes				-	1,687,469	(54,399,465)	(83,863,553)	(80,916,743)	(69,628,152)	(83,716,694)	(77,949,765)
Cost of Add Locals				-	-	7,482,840	7,976,416	8,503,282	8,482,861	8,442,872	8,424,051
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,927,107,224	2,066,831,221	2,174,384,797	2,287,156,482	2,498,420,673	2,625,040,835	2,790,126,036	2,976,566,750
Medicare Advantage Premiums				155,497,950	166,432,668	190,926,383	207,663,919	231,607,844	251,851,659	280,568,061	305,023,745
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	697,815,422	747.682.663	802.051.996	864.669.485	932,231,424	1.005.133.318	1.084.389.407	1.169.389.293
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(98,763,203)	(89,462,256)	(50,098,631)	(51,122,325)	(51,830,700)	(52,881,528)	(53,579,327)	(54,647,657)
Claims Adjustment for Changes	(65,165,165)	(00,011,011)	(02,100,011)	(00,100,200)	(50,102,200)	(00,000,001)	(0.1,122,020)	(0.,000,000)	(02,001,020)	(00,070,027)	(0.1,0.1,00.7
Additional ACA Preventive Medicine				_	345,776	1,276,000	1,366,000	1,462,000	1,522,931	1,637,763	1,749,194
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	599,052,219	658,566,182	753,229,366	814,913,160	881,862,724	953,774,723	1,032,447,843	1,116,490,830
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,681,657,393	2,891,830,071	3,118,540,546	3,309,733,561	3,611,891,241	3,830,667,218	4,103,141,940	4,398,081,325
Administrative Costs	165,480,561	161,401,639	69,548,737	149,605,909	207,934,251	226,154,235	234,469,159	240,612,354	246,937,966	253,452,064	260,160,933
ACA Reinsurance Fee				-	5,642,732	23,664,475	14,405,357	-	-	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,831,263,302	3,105,407,055	3,368,359,256	3,558,608,077	3,852,503,595	4,077,605,184	4,356,594,005	4,658,242,258
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	176,400,210	(68,712,822)	(277,227,908)	(389,720,350)	(151,915,423)	194,822,555	85,868,008	(39,586,226)
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,014,847,346	946,134,524	668,906,618	279,186,268	127,270,845	322,093,400	407.961.408
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,014,847,346	946,134,524	668,906,618	279,186,268	127,270,845	322,093,400	407,961,408	368,375,182
Towns Obstitution December	184,110,626	201,392,496	113,231,386	214,723,553	245,285,766	263,485,275	279.186.268	304,225,506	322.093.400	344.031.649	368.375.182
Target Stabilization Reserve	7.5%	201,392,496 8.0%	113,231,386	214,723,553 8.5%	9.0%	203,485,275 9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
L	7/1 Increase	7/1 Increase	0.070	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
Premium Increase:	5.3%	5.3%		0.00%	0.00%	2.83%	2.83%	16.12%	16.12%	4.31%	4.31%
Premium Increase:	5.3%	5.3%		0.00%	0.00%	2.83%	2.83%	16.12%	16.12%	4.31%	4.31%
	0.070	0.010		0.00.0	0.0070	2.00 / 0	2.0070	10.12.1	10.12.0	4.01.0	4.0170

CY 2015

North Carolina State Health Plan



Financial Projections - Jun 2015
Trends - 7.0% Medical & 8.5% Pharmacy
No Wellness, No 100% Preventive, Increased Cost Sharing, Smoker Surchager (\$40 for 2016 and 2017 and \$60 for 2018 and 2019) and \$20 Premium for Active on 70/30 Plan Starting 2018
With March 2015 Enrollment
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

(Segal 8-20-15)

PY 2016	gai 0-20-13)	2010-2011 Biennium		2012 - 2013	Biennium	2014 - 2015	Biennium	2016 - 2017	Biennium	2018 - 2019	Biennium	2020 - 2021	Biennium
PLAN INCOME	ľ												Projection
Net Controllation Income Net Controllation I		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Welman Suchange (Chedit) Medicar Advanced Duboris) Hash loads a Refure RRAP (1,310,144) (1													
Medical Claims Page 1.00		2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,941,097,678	2,987,502,673						4,489,302,699
Past					-								15,544,987
Reno Disconlinements (1,310,14e) (1,281,584) (461,48e) (467,819) (200,922) (11,359) (1,159,024) (1,581,024) (1,761,130) (1,767,793) (2,159,873) (2,159,873) (2,159,873) (2,159,874) (2,159						417,565		848,545	875,853	899,869	928,068	952,914	982,029
Permium Change due to Movement Medicare Part D 74,357,704 66,276,536 57,583,602 38,056,016 11,585,552 19,590,771 (3,596,115) (2,574,544) 5,187,202 9,006,017 11,189,1709 (14,457,206 14,230,852) 14,230,852 13,377,434 13,988,152 13,577,434 13,577,434 13,988,152 13,577,434 13,988,152 13,577,434 13,988,152 13,577,434 13,988,152 13,577,434 13,577,434 13,577,434 13,577,434 13,578,152 13,57													
Medicare Part D	Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(487,819)	(299,923)	(11,359)	(1,519,924)	(1,561,904)	(1,708,130)	(1,976,793)	(2,159,873)	(2,244,651)
EWP+Wrap Dived Useful Dissiple Dissiple Dived Useful Dissiple Dissipl						-	-						11,820,721
Direct Diseasing	Medicare Part D	74,357,704	66,276,535	57,583,602	38,056,016	11,583,652	19,590,771	14,457,206	14,230,850	14,333,822	13,977,434	13,988,152	13,481,389
Coverage Gap Subsidy	EGWP+Wrap												
Catastrophic Subsidy Total Investment Earnings 3.532.448 2.881.085 3.015.815 3.236.713 3.816.235 5.085.735 3.707.888 2.848.094 1.283.691 3.532.448 2.881.085 2.460.647.785 2.260.647.785		-	-	-	24,435,483			-	-	-	-	-	-
Total Plan Income 24.496,7860 2.801,085 3.015,815 3.206,083,786,781 3.062,2785 3.076,888 2.604,094 1.203,		-	-	-	-	38,563,909		-	-	-	-	-	-
Treatment Earnings	Catastrophic Subsidy	-	-	-	-	-	48,602,965	-	-	-	-	-	-
Total Plan Income	Total	-	-	-	24,435,483	63,780,571	50,283,823	-	-	-	-	-	-
PLAN EXPENSE: Medical Claims Payment	Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,916,235	5,065,735	3,767,868	2,646,994	1,263,591	839,092	1,353,303	1,674,048
Medical Claims Payment 1,820,432,263 1,820,432,081 (24,733,81)	Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,163	2,960,048,314	3,020,495,778	3,063,262,956	3,047,745,573	3,129,982,771	3,434,948,707	3,986,475,944	4,357,638,221	4,530,561,222
Medical Claims Payment 1,820,432,263 1,820,432,081 (24,733,81)													
Claim Refunds (31,916,831) (24,723,881) (22,634,615) (23,467,914) (22,450,768) (24,836,428) (25,761,279) (27,538,865) (29,624,601) (31,258,860) (33,625,582) (35,446) (35,614,619) (76,5378,009) (76,5													
Adjustment for Changes Cost of Add Locals Net Medical Claims Medicare Advantage Premiums Pharmacy Claims Payment Rebates N/A N/A N/A N/A N/A N/A N/A N/													2,989,707,862
Cost of Add Locals Net Medicar Claims 1,797,515,414 1,827,828,009 1,829,775,490 1,834,828,491 1,967,123,667 1,969,529,750 2,131,278,068 2,230,321,753 2,388,133,007 2,533,558,389 2,760,642,396 2,882,178 Medicare Advantage Premiums NA NIA 721,163,013 752,419,650 743,281,462 721,469,283 Rebates NIA NIA (93,130,160) (60,641,941) (61,653,105) (61,114,709) (61,653,105) (61,114,709) (61,653,105) (61,114,709) (61,641,641) (64,641,641) Net Pharmacy Claims Net Pharmacy Claims 1,797,515,414 1,827,828,009 1,826,775,490 1,834,828,491 1,967,123,667 1,969,529,750 1,969,		(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)	(22,450,766)	(24,839,428)						(35,492,222)
Cost Of Add Locals 1,797,515,414 1,827,826,009 1,826,775,490 1,834,628,491 1,967,123,567 1,965,529,750 2,131,278,006 2,230,321,753 2,386,133,007 2,533,568,899 2,760,642,396 2,882,176,410,410 2,230,410,410 2,230,410,410 2,240,410,410 2,440,410	Adjustment for Changes					-	-	(25,091,822)	(68,941,459)		(75,378,009)	(76,805,891)	(80,778,465)
Medicare Advantage Premiums 78,538,847 102,400,394 170,217,096 199,274,333 219,000,100 241,704,572 266,174,143 292,74,680,203 Rebates N/A N/A N/A N/A N/A N/A N/A N/	Cost of Add Locals						_	3,681,718	7,725,604		8,779,912	8,176,325	8,718,301
Pharmacy Claims Payment N/A N/A (93,130,160) (69,641,941) (91,693,105) (51,114,709) (104,118,977) (50,534,232) (51,558,328) (52,269,624) (53,319,011) (54,104,840,788 A) (52,269,624) (53,319,011) (54,104,840,788 A) (52,269,624) (53,319,011) (54,104,840,788 A) (54,270,940 A) (5	Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,967,123,567	1,996,529,750	2,131,278,066	2,230,321,753	2,368,133,007	2,533,558,389	2,760,642,396	2,882,155,475
Rebates N/A N/A N/A (93,130,180) (96,641,941) (91,653,105) (51,114,709) (104,118,977) (50,534,232) (51,558,326) (52,269,024) (53,319,911) (54,021) (104,118,977) (104,118,977) (105,534,232) (105,534,234,234) (105,534,234) (105,534,234) (105,534,234) (105,534,234) (105,534,234) (105,534,234) (105,534,234) (105,	Medicare Advantage Premiums					78,538,847	162,400,394	176,217,096	199,274,333	219,606,100	241,704,572	266,174,143	292,765,485
Rebates (Daims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims Science (Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims Science (Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims Science (Claims Adjustment for Changes (Claims Aca Preventive Medicine Net Pharmacy Claims Science (Claims Aca Preventive Medic	Pharmacy Claims Payment	N/A	N/A	721.163.013	752.419.650	743.281.462	721.469.293	801.972.479	832,959,448	898.016.897	968.213.916	1.044.840.766	1,126,360,411
Claims Adjustment for Changes Additional ACA Preventive Medicine Net Pharmacy Claims 596,709,775 655,888,735 628,032,853 682,777,709 651,628,357 670,354,584 696,837,888 783,746,244 847,872,000 917,420,940 993,101,508 1,074, 1074													(54,019,906)
Additional ACA Preventive Medicine Net Pharmacy Claims 596,709,775 655,868,735 628,032,853 682,777,709 651,628,357 670,354,584 698,387,888 783,740,244 847,872,600 917,420,940 993,101,508 1,074,1074,1074,1074,1074,1074,1074,1074	Claims Adjustment for Changes				, , , ,								
Total Claims	Additional ACA Preventive Medicine						-	984,386	1,321,028	1,414,029	1,476,948	1,580,652	1,693,972
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,969 2,649,596,388 2,620,288,904 2,620,288,904 2,620,288,904 2,620,288,904 2,620,288,904 2,620,881,495 2,620,881,496 2,649,596,888 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,250,585,244 3,459,237,045 3,678,976,186 3,938,412,516 4,270,085,048 4,505,7 Plan Income (Loss) Reginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,634,801 410,4 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 184,110,626 201,392,406 222,593,914 240,019,590 254,710,438 271,266,120 289,440,505 310,588,140 337,383,95,61 356,040 343,110,628 385,834,801 410,4 Premium Increase: 7/1 Increase 7/1 In	Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	651,628,357	670,354,584	698,837,888	783,746,244	847,872,600	917,420,940	993,101,508	1,074,034,477
ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,250,585,244 3,459,237,045 3,678,976,186 3,936,412,516 4,270,065,048 4,505,7 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,094 65,561,583 (202,839,671) (329,254,274) (244,027,479) 50,063,429 87,573,173 24,8 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,634,801 410, Target Stabilization Reserve 179,566,889 180,277,106 184,110,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,836,951 356,644 3,459,237,045 3,678,976,186 3,936,412,516 4,270,065,048 4,505,7 4,207,074,709 247,998,199 298,061,628 385,634,801 410, Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,836,951 356,644 3,459,237,045 3,678,976,186 3,938,412,516 4,270,065,048 4,505,7 4,5	Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,517,406,200	2,697,290,771	2,829,284,728	3,006,333,050	3,213,342,331	3,435,611,707	3,692,683,901	4,019,918,047	4,248,955,438
Extra EGWP+Wrap Administration	Administrative Costs	164,649,780	165,902,094	165,480,561	161,401,639	148,134,913	168,416,645	220,861,106	231,442,088	237,495,630	243,728,615	250,147,001	256,756,966
Total Plan Expense 2,558,874,989 2,649,596,838 2,620,288,904 2,678,807,839 2,845,425,684 2,997,701,373 3,250,585,244 3,459,237,045 3,678,976,188 3,936,412,516 4,270,065,048 4,505,77 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,004 85,561,583 (202,839,671) (329,254,274) (244,027,479) 50,063,429 87,573,173 24,87 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,684,801 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,634,801 410,488 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,836,951 356,048 Total Plan Expense 2,558,874,989 2,588 2,588,940 3,259,740 3,259,	ACA Reinsurance Fee					-	-	23,391,088	14,452,627	5,868,849	-	-	-
Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 175,070,094 65,561,583 (202,839,671) (329,254,274) (244,027,479) 50,063,429 87,573,173 24,8 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,634,801 410,4 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,836,951 356,0 7,5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Extra EGWP+Wrap Administration	-	-	-		-	-	-	-	-	-	-	-
Beginning Cash Balance (Deficit) 189,001,049 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,634,801 410,435	Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,845,425,684	2,997,701,373	3,250,585,244	3,459,237,045	3,678,976,186	3,936,412,516	4,270,065,048	4,505,712,404
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,834,801 410,410,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,838,951 356,040 1,024,119,623 1,	Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	175,070,094	65,561,583	(202,839,671)	(329,254,274)	(244,027,479)	50,063,429	87,573,173	24,848,818
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 958,558,040 1,024,119,623 821,279,952 492,025,679 247,998,199 298,061,628 385,834,801 410,410,626 201,392,496 222,593,914 240,019,590 254,710,436 271,266,120 289,440,505 310,588,140 337,838,951 356,040 1,024,119,623 1,	Beginning Cash Balance (Deficit)	189.901.049	121,484,030	269.856.212	502.247.471	783.487.946	958.558.040	1.024.119.623	821,279,952	492,025,679	247.998.199	298.061.628	385.634.801
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0													410,483,619
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201.392.498	222,593,914	240.019.590	254,710,438	271,266,120	289,440,505	310,588,140	337,836,951	356,057,096
7/1 Increase 7/1 Increase 7/1 Increase 7/1 Increase 1/1 Increase<	⁻												9.0%
		7/1 Increase	7/1 Increase								1/1 Increase		1/1 Increase
	Premium Increase:	8.9%	8.9%	5.3%	5.3%	0.00%	0.00%	2.83%	2.83%	16.12%	16.12%	4.31%	4.31%
Premium Increase: 8.9% 8.9% 5.3% 5.3% 0.00% 0.00% 2.83% 2.83% 16.12% 16.12% 4.31% 4.31	Premium Increase:	8.9%	8.9%	5.3%	5.3%	0.00%	0.00%	2.83%	2.83%	16.12%	16.12%	4.31%	4.31%