



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

# March 2015 Financial Report

*Board of Trustees Meeting*

May 22, 2015

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*A Division of the Department of State Treasurer*

# Financial Results: Actual vs. Budgeted

## Calendar Year to Date March 2015

Calendar Year 2015	Actual thru Mar 2015	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
<b>Beginning Cash Balance</b>	<b>\$1.015 b</b>	<b>\$1.015 b</b>	<b>\$0.0 m</b>
Plan Revenue	\$793.8 m	\$780.2 m	\$13.6 m
Net Claims Payments	\$673.1 m	\$670.7 m	\$2.4 m
Medicare Advantage Premiums	\$42.6 m	\$43.4 m	(\$0.8 m)
Net Administrative Expenses	\$62.5 m	\$76.0 m	(\$13.5 m)
<b>Total Plan Expenses</b>	<b>\$778.2 m</b>	<b>\$790.1 m</b>	<b>(\$11.9 m)</b>
<b>Net Income/(Loss)</b>	<b>\$15.6 m</b>	<b>(\$9.9 m)</b>	<b>\$25.5 m</b>
<b>Ending Cash Balance</b>	<b>\$1.030 b</b>	<b>\$1.005 b</b>	<b>\$25.5 m</b>

# Adjusted Variance Report

## Calendar Year to Date March 2015

Calendar Year 2015	Actual thru Mar 2015, As Adjusted	Authorized Budget (per Segal 4-28-15)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$802.9 m</b>	<b>\$780.2 m</b>	<b>\$22.7 m</b>
Net Claims Payments	\$673.1 m	\$670.7 m	\$2.4 m
Medicare Advantage Premiums	\$42.6 m	\$43.4 m	(\$0.8 m)
Net Administrative Expenses	\$62.5 m	\$76.0 m	(\$13.5 m)
<b>Total Plan Expenses</b>	<b>\$778.2 m</b>	<b>\$790.1 m</b>	<b>(\$11.9 m)</b>
<b>Net Income/(Loss)</b>	<b>\$24.7 m</b>	<b>(\$9.9 m)</b>	<b>\$34.6 m</b>

\* Adjusted for timing issues.

# Financial Results Actual vs. Budgeted

## Calendar Year to Date March 2015

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

<b>Calendar Year 2015</b>	<b>Actual thru Mar 2015</b>	<b>Authorized Budget (per Segal 4-28-15)</b>	<b>Variance Over/(Under) Budget</b>
<b>Plan Revenue</b>	<b>\$386.22</b>	<b>\$379.48</b>	<b>\$6.74</b>
Net Claims Payments	\$328.84	\$327.69	\$1.15
Medicare Advantage Premiums	\$20.79	\$21.18	(\$0.39)
Net Administrative Expenses	\$30.54	\$37.12	(\$6.58)
<b>Total Plan Expenses</b>	<b>\$380.17</b>	<b>\$385.99</b>	<b>(\$5.82)</b>
<b>Net Income/(Loss)</b>	<b>\$6.05</b>	<b>(\$6.51)</b>	<b>\$12.56</b>

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

# Adjusted Variance Report

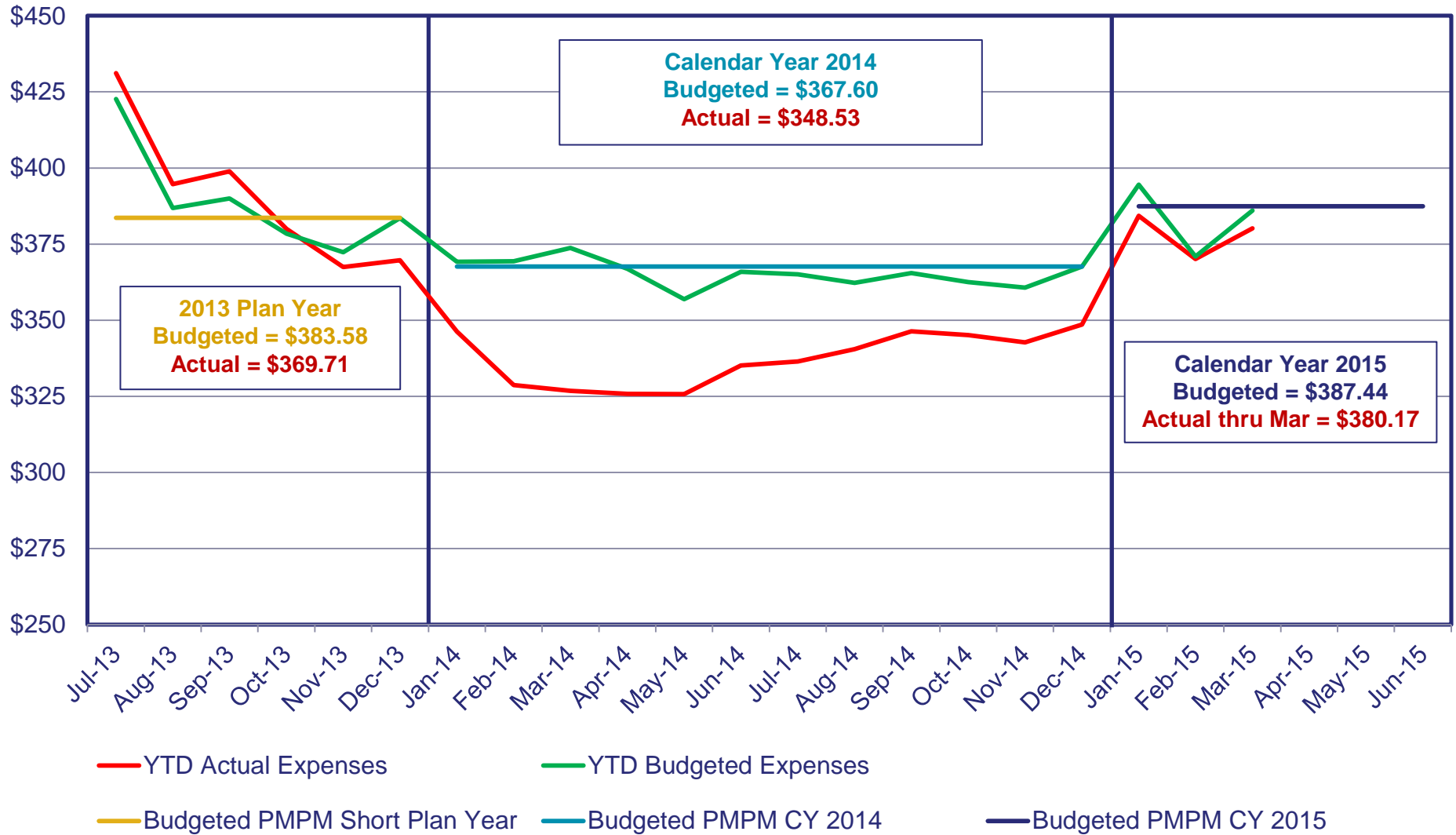
## Calendar Year to Date March 2015

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

Calendar Year 2015	Actual thru Mar 2015, as Adjusted	Authorized Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$390.67</b>	<b>\$379.48</b>	<b>\$11.19</b>
Net Claims Payments	\$328.84	\$327.69	\$1.15
Medicare Advantage Premiums	\$20.79	\$21.18	(\$0.39)
Net Administrative Expenses	\$30.54	\$37.12	(\$6.58)
<b>Total Plan Expenses</b>	<b>\$380.17</b>	<b>\$385.99</b>	<b>(\$5.82)</b>
<b>Net Income/(Loss)</b>	<b>\$10.50</b>	<b>(\$6.51)</b>	<b>\$17.01</b>

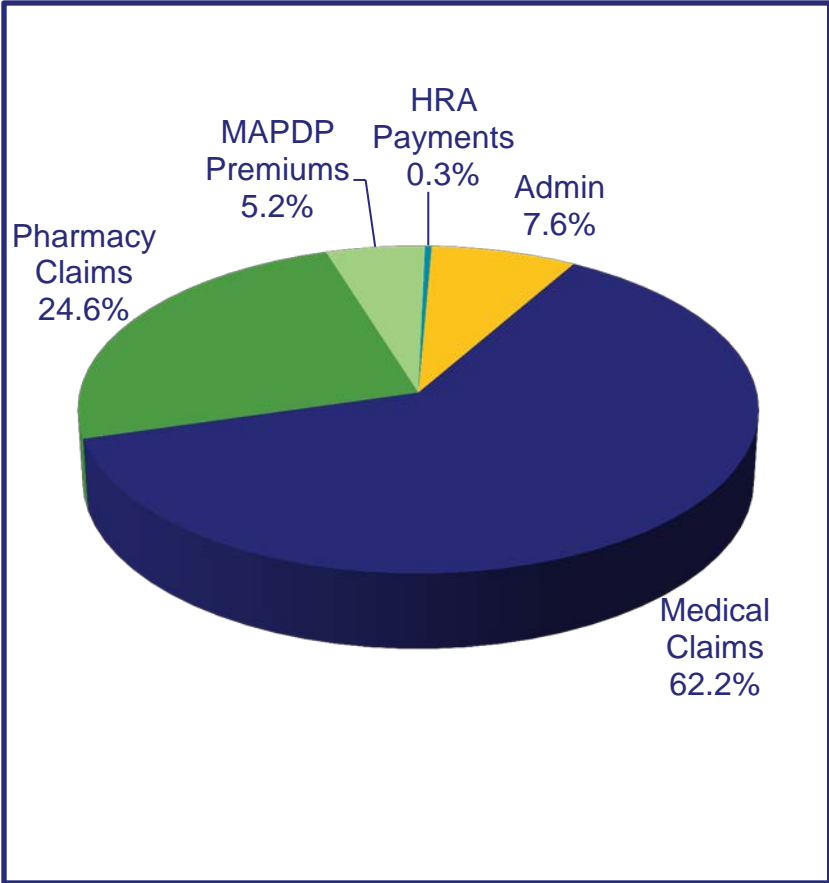
\* Adjusted for timing issues.

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

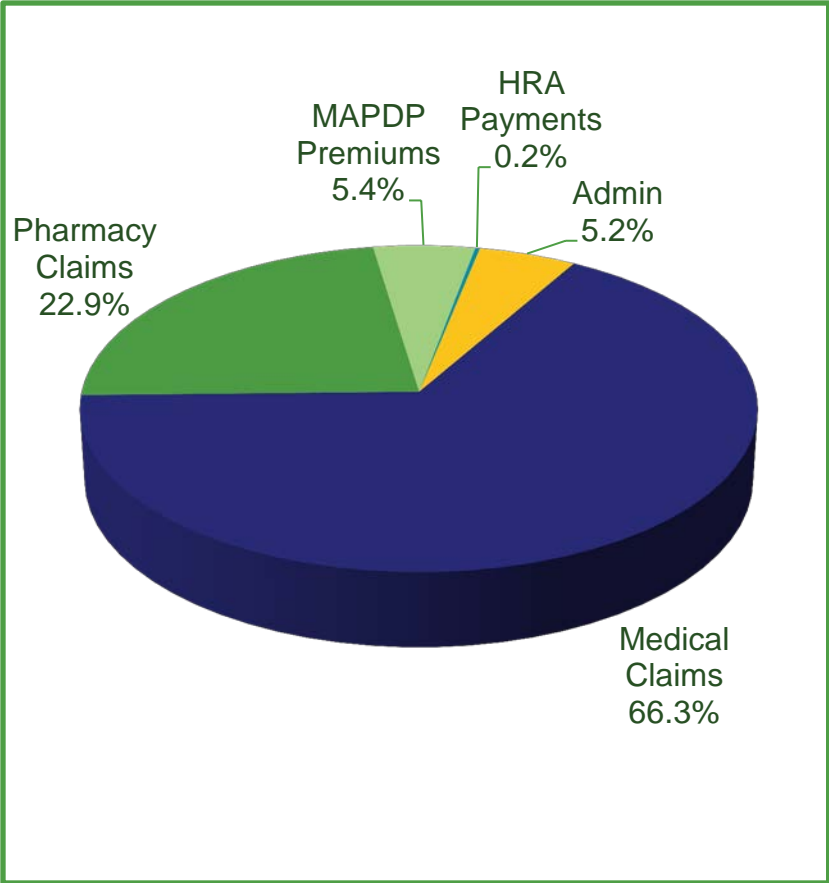


# Allocation of Total Expenditures

Calendar Year To Date: March 2015



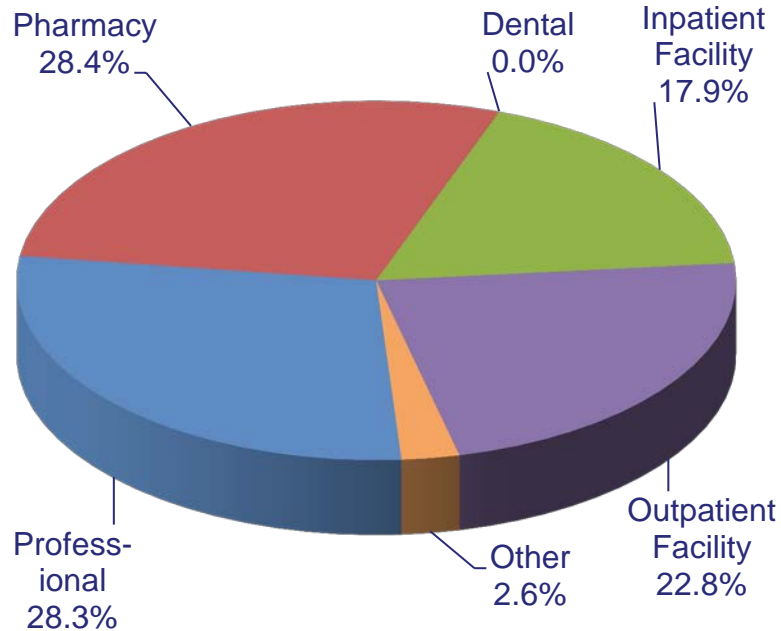
Calendar Year 2014



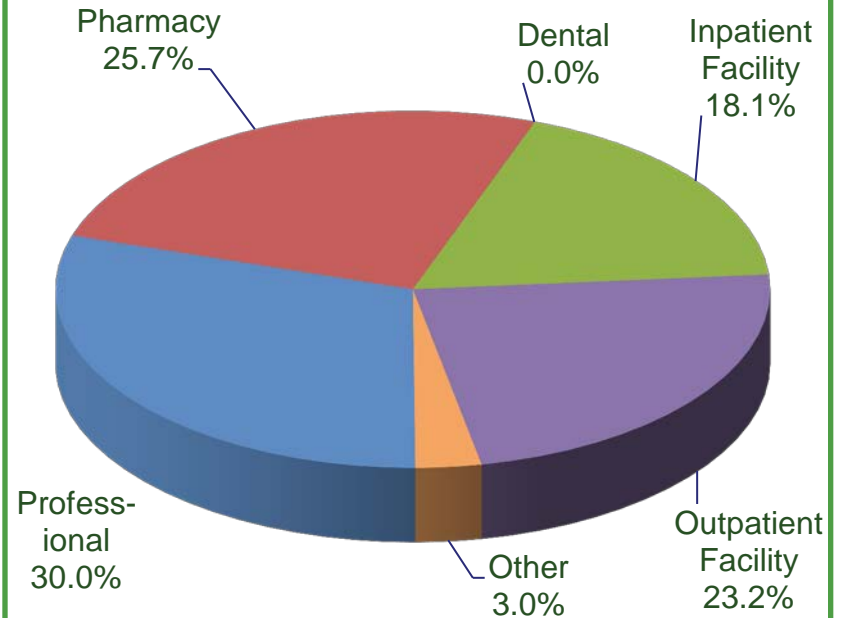
Sources: BCBSNC Summary of Billed Charges and Net Disbursements reports; Financial Status Reports

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

Calendar Year to Date: March 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 March 2015  
Calendar Year 2015

	A	B	C	D	E	F	G	H
	Actual March 2015	Authorized Budget March 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
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 258,490,811	\$ 248,970,791	\$ 9,520,020	\$ 739,354,119	\$ 726,861,628	\$ 12,492,491	\$ 2,963,937,832	\$ (2,224,583,713)
4 Premium Refunds/Retroactive Disenrollments	-	(124,877)	124,877	-	(364,606)	364,606	(1,486,657)	1,486,657
5 Medicare Part D (RDS) Subsidy	1,693,507	1,350,921	342,586	4,193,048	3,868,984	324,064	14,587,080	(10,394,032)
6 Medicare PDP (EGWP + Wrap) Subsidy	56	-	56	48,603,021	48,602,498	523	48,602,498	523
7 Medicare Advantage (MA) Subsidy	153,140	68,944	84,196	333,795	205,905	127,890	828,983	(495,188)
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
9 Net Premium & Other Contributions	260,337,514	250,265,779	10,071,735	792,483,983	779,174,409	13,309,574	3,026,469,736	(2,233,985,753)
10								
11 Investment Earnings	383,814	340,599	43,215	1,287,502	1,016,422	271,080	3,871,779	(2,584,277)
12 Miscellaneous Revenue	-	-	-	-	-	-	-	-
13 Other Revenue	383,814	340,599	43,215	1,287,502	1,016,422	271,080	3,871,779	(2,584,277)
14								
15 Total Plan Revenue (excludes internal transfers)	260,721,328	250,606,378	10,114,950	793,771,485	780,190,831	13,580,654	3,030,341,515	(2,236,570,030)
16								
17 <b>Plan Expenses:</b>								
18								
19 Medical Claim Payments	193,947,253	201,489,046	(7,541,793)	517,907,444	521,655,445	(3,748,001)	2,128,799,496	(1,610,892,052)
20 Medical Claim Refunds/Recoveries	(2,628,303)	(1,957,521)	(670,782)	(6,214,655)	(5,793,745)	(420,910)	(25,072,202)	18,857,547
21 Net Medical Claims	191,318,950	199,531,525	(8,212,575)	511,692,789	515,861,700	(4,168,911)	2,103,727,294	(1,592,034,505)
22								
23 Pharmacy Claim Payments	57,462,178	55,242,061	2,220,117	173,438,700	166,885,543	6,553,157	718,955,282	(545,516,582)
24 Pharmacy Claim Rebates	-	-	-	(11,815,970)	(11,988,502)	172,532	(57,020,841)	45,204,871
25 Pharmacy Claim Refunds/Recoveries	(150,603)	-	(150,603)	(172,316)	-	(172,316)	-	(172,316)
26 Net Pharmacy Claims	57,311,575	55,242,061	2,069,514	161,450,414	154,897,041	6,553,373	661,934,441	(500,484,027)
27								
28 Net Claim Payments	248,630,525	254,773,586	(6,143,061)	673,143,203	670,758,741	2,384,462	2,765,661,735	(2,092,518,532)
29								
30 Medicare Advantage Premium Payments	14,212,589	14,463,910	(251,321)	42,559,850	43,355,775	(795,925)	174,072,089	(131,512,239)
31								
32 Net Administrative Expenses	11,529,425	15,914,316	(4,384,891)	62,510,490	75,972,396	(13,461,906)	239,864,700	(177,354,210)
33								
34 Total Plan Expenses (excludes internal transfers)	274,372,539	285,151,812	(10,779,273)	778,213,543	790,086,912	(11,873,369)	3,179,598,524	(2,401,384,981)
35								
36 <b>Plan Income/(Loss)</b>	(13,651,211)	(34,545,434)	20,894,223	15,557,942	(9,896,081)	25,454,023	(149,257,009)	164,814,951
37								
38 <b>Cash Availability:</b>								
39								
40 Beginning Cash Balance/(Deficit)	1,044,056,499	1,039,496,699	4,559,800	1,014,847,346	1,014,847,346	-	1,014,847,346	-
41 Ending Cash Balance/(Deficit)	1,030,405,288	1,004,951,265	25,454,023	1,030,405,288	1,004,951,265	25,454,023	865,590,337	164,814,951
42								
43 Target Stabilization Reserve @ 12/31/15	248,909,557	248,909,557	-	248,909,557	248,909,557	-	248,909,557	-
44								
45 Cash Balance Over/(Under) Reserve Target	\$ 781,495,731	\$ 756,041,708	\$ 25,454,023	\$ 781,495,731	\$ 756,041,708	\$ 25,454,023	\$ 616,680,780	\$ 164,814,951

Comments:

- Premium receivables totaled \$212,102.29 as of March 31, 2015.
- The average weekly medical claims cost net of claims refunds was \$38,263,790.00 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$28,731,089.00 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)  
March - 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 March 2015  
**Fiscal Year 2014- 2015**

	A	B	C	D	E	F	G	H
	Actual March 2015	Authorized Budget March 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
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 258,490,811	\$ 244,544,669	\$ 13,946,142	\$ 2,253,426,582	\$ 2,204,760,113	\$ 48,666,469	\$ 2,937,906,736	\$ (684,480,154)
4 Premium Refunds/Retroactive Disenrollments	-	(123,118)	123,118	(6,016)	(1,109,556)	1,103,540	(1,478,664)	1,472,648
5 Medicare Part D (RDS) Subsidy	1,693,507	597,099	1,096,408	12,869,912	4,642,823	8,227,089	6,276,386	6,593,526
6 Medicare PDP (EGWP + Wrap) Subsidy	56	-	56	50,283,438	33,414,689	16,868,749	33,414,689	16,868,749
7 Medicare Advantage (MA) Subsidy	153,140	-	153,140	638,003	-	638,003	-	638,003
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	(1,949)	-	(1,949)	-	(1,949)
9 <b>Net Premium &amp; Other Contributions</b>	<b>260,337,514</b>	<b>245,018,650</b>	<b>15,318,864</b>	<b>2,317,209,970</b>	<b>2,241,708,069</b>	<b>75,501,901</b>	<b>2,976,119,147</b>	<b>(658,909,177)</b>
10								
11 Investment Earnings	383,814	331,120	52,694	3,629,496	2,950,081	679,415	3,933,340	(303,844)
12 Miscellaneous Revenue	-	-	-	-	-	-	-	-
13 <b>Other Revenue</b>	<b>383,814</b>	<b>331,120</b>	<b>52,694</b>	<b>3,629,496</b>	<b>2,950,081</b>	<b>679,415</b>	<b>3,933,340</b>	<b>(303,844)</b>
14								
15 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>260,721,328</b>	<b>245,349,770</b>	<b>15,371,558</b>	<b>2,320,839,466</b>	<b>2,244,658,150</b>	<b>76,181,316</b>	<b>2,980,052,487</b>	<b>(659,213,021)</b>
16								
17 <b>Plan Expenses:</b>								
18								
19 Medical Claim Payments	193,947,253	194,607,481	(660,228)	1,511,329,475	1,475,008,162	36,321,313	1,995,716,227	(484,386,752)
20 Medical Claim Refunds/Recoveries	(2,628,303)	(1,933,283)	(695,020)	(17,330,007)	(17,490,313)	160,306	(23,520,519)	6,190,512
21 <b>Net Medical Claims</b>	<b>191,318,950</b>	<b>192,674,198</b>	<b>(1,355,248)</b>	<b>1,493,999,468</b>	<b>1,457,517,849</b>	<b>36,481,619</b>	<b>1,972,195,708</b>	<b>(478,196,240)</b>
22								
23 Pharmacy Claim Payments	57,462,178	55,353,756	2,108,422	553,700,255	523,565,808	30,134,447	686,943,428	(133,243,173)
24 Pharmacy Claim Rebates	-	-	-	(51,114,709)	(52,193,817)	1,079,108	(74,166,940)	23,052,231
25 Pharmacy Claim Refunds/Recoveries	(150,603)	-	(150,603)	(641,972)	-	(641,972)	-	(641,972)
26 <b>Net Pharmacy Claims</b>	<b>57,311,575</b>	<b>55,353,756</b>	<b>1,957,819</b>	<b>501,943,574</b>	<b>471,371,991</b>	<b>30,571,583</b>	<b>612,776,488</b>	<b>(110,832,914)</b>
27								
28 <b>Net Claim Payments</b>	<b>248,630,525</b>	<b>248,027,954</b>	<b>602,571</b>	<b>1,995,943,042</b>	<b>1,928,889,840</b>	<b>67,053,202</b>	<b>2,584,972,196</b>	<b>(589,029,154)</b>
29								
30 Medicare Advantage Premium Payments	14,212,589	14,031,051	181,538	119,518,953	121,118,017	(1,599,064)	163,281,044	(43,762,091)
31								
32 <b>Net Administrative Expenses</b>	<b>11,529,425</b>	<b>15,815,979</b>	<b>(4,286,554)</b>	<b>133,530,223</b>	<b>176,554,951</b>	<b>(43,024,728)</b>	<b>223,971,245</b>	<b>(90,441,022)</b>
33								
34 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>274,372,539</b>	<b>277,874,984</b>	<b>(3,502,445)</b>	<b>2,248,992,218</b>	<b>2,226,562,808</b>	<b>22,429,410</b>	<b>2,972,224,485</b>	<b>(723,232,267)</b>
35								
36 <b>Plan Income/(Loss)</b>	<b>(13,651,211)</b>	<b>(32,525,214)</b>	<b>18,874,003</b>	<b>71,847,248</b>	<b>18,095,342</b>	<b>53,751,906</b>	<b>7,828,002</b>	<b>64,019,246</b>
37								
38 <b>Cash Availability:</b>								
39								
40 Beginning Cash Balance/(Deficit)	1,044,056,499	1,009,178,596	34,877,903	958,558,040	958,558,040	-	958,558,040	-
41 <b>Ending Cash Balance/(Deficit)</b>	<b>1,030,405,288</b>	<b>976,653,382</b>	<b>53,751,906</b>	<b>1,030,405,288</b>	<b>976,653,382</b>	<b>53,751,906</b>	<b>966,386,042</b>	<b>64,019,246</b>
42								
43 Target Stabilization Reserve @ 6/30/15	232,647,498	232,647,498	-	232,647,498	232,647,498	-	232,647,498	-
44								
45 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 797,757,790</b>	<b>\$ 744,005,884</b>	<b>\$ 53,751,906</b>	<b>\$ 797,757,790</b>	<b>\$ 744,005,884</b>	<b>\$ 53,751,906</b>	<b>\$ 733,738,544</b>	<b>\$ 64,019,246</b>

Comments:

- Premium receivables totaled \$212,102.29 as of March 31, 2015.
- The average weekly medical claims cost net of claims refunds was \$38,263,790.00 for the five scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$28,731,089.00 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)  
 March 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 March 2015

Calendar Year 2015

	A	B	C	D	E	F	G
	Current Year Actual March 2015	Prior Year Actual March 2014	Current Year to Date Actual CY 2015 thru March	Prior Year to Date Actual CY 2014 thru March	Current Year Authorized Annual Budget CY 2015	Prior Year Annual Budget CY 2014	Prior Year Actual Results CY 2014
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 258,490,811	\$ 261,081,536	\$ 739,354,119	\$ 722,074,811	\$ 2,963,937,832	\$ 2,921,878,532	\$ 2,952,592,141
4 Premium Refunds/Retroactive Disenrollments	-	947	-	5,798	(1,486,657)	(1,489,408)	(28,401)
5 Medicare Part D (RDS) Subsidy	1,693,507	7,711,178	4,193,048	9,258,550	14,587,080	6,344,076	21,584,404
6 Medicare PDP (EGWP + Wrap) Subsidy	56	-	48,603,021	12,080,189	48,602,498	31,047,005	28,378,401
7 Medicare Advantage (MA) Subsidy	153,140	115,656	333,795	152,149	828,983	-	721,773
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	(1,949)
9 <b>Net Premium &amp; Other Contributions</b>	<b>260,337,514</b>	<b>268,909,317</b>	<b>792,483,983</b>	<b>743,571,497</b>	<b>3,026,469,736</b>	<b>2,957,780,205</b>	<b>3,003,246,369</b>
10							
11 Investment Earnings	383,814	315,044	1,287,502	1,038,278	3,871,779	2,892,005	4,417,142
12 Miscellaneous Revenue	-	-	-	-	-	-	-
13 Other Revenue	383,814	315,044	1,287,502	1,038,278	3,871,779	2,892,005	4,417,142
14							
15 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>260,721,328</b>	<b>269,224,361</b>	<b>793,771,485</b>	<b>744,609,775</b>	<b>3,030,341,515</b>	<b>2,960,672,210</b>	<b>3,007,663,511</b>
16							
17 <b>Plan Expenses:</b>							
18							
19 Medical Claim Payments	193,947,253	184,877,202	517,907,444	464,709,526	2,128,799,496	2,062,826,346	1,949,838,964
20 Medical Claim Refunds/Recoveries	(2,628,303)	(1,748,825)	(6,214,655)	(5,339,692)	(25,072,202)	(25,469,051)	(22,731,740)
21 <b>Net Medical Claims</b>	<b>191,318,950</b>	<b>183,128,377</b>	<b>511,692,789</b>	<b>459,369,834</b>	<b>2,103,727,294</b>	<b>2,037,357,295</b>	<b>1,927,107,224</b>
22							
23 Pharmacy Claim Payments	57,462,178	46,912,582	173,438,700	173,037,518	718,955,282	599,541,594	698,126,200
24 Pharmacy Claim Rebates	-	(36,441,085)	(11,815,970)	(48,528,784)	(57,020,841)	(54,794,623)	(98,763,203)
25 Pharmacy Claim Refunds/Recoveries	(150,603)	(25,997)	(172,316)	(548,335)	-	-	(310,778)
26 <b>Net Pharmacy Claims</b>	<b>57,311,575</b>	<b>10,445,500</b>	<b>161,450,414</b>	<b>123,960,399</b>	<b>661,934,441</b>	<b>544,746,971</b>	<b>599,052,219</b>
27							
28 <b>Net Claim Payments</b>	<b>248,630,525</b>	<b>193,573,877</b>	<b>673,143,203</b>	<b>583,330,233</b>	<b>2,765,661,735</b>	<b>2,582,104,266</b>	<b>2,526,159,443</b>
29							
30 Medicare Advantage Premium Payments	14,212,589	13,802,453	42,559,850	40,244,787	174,072,089	174,162,733	155,497,950
31							
32 <b>Net Administrative Expenses</b>	<b>11,529,425</b>	<b>11,295,074</b>	<b>62,510,490</b>	<b>37,387,246</b>	<b>239,864,700</b>	<b>179,815,010</b>	<b>149,605,909</b>
33							
34 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>274,372,539</b>	<b>218,671,404</b>	<b>778,213,543</b>	<b>660,962,266</b>	<b>3,179,598,524</b>	<b>2,936,082,009</b>	<b>2,831,263,302</b>
35							
36 <b>Plan Income/(Loss)</b>	<b>(13,651,211)</b>	<b>50,552,957</b>	<b>15,557,942</b>	<b>83,647,509</b>	<b>(149,257,009)</b>	<b>24,590,201</b>	<b>176,400,209</b>
37							
38 <b>Cash Availability:</b>							
39							
40 Beginning Cash Balance/(Deficit)	1,044,056,499	871,541,689	1,014,847,346	838,447,137	1,014,847,346	694,975,133	838,447,137
41 Ending Cash Balance/(Deficit)	1,030,405,288	922,094,646	1,030,405,288	922,094,646	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 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 781,495,731</b>	<b>\$ 687,811,951</b>	<b>\$ 781,495,731</b>	<b>\$ 687,811,951</b>	<b>\$ 616,680,780</b>	<b>\$ 485,282,639</b>	<b>\$ 787,492,996</b>

Comments:

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

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)

Current Year Actual vs. Prior Year Actual

For the Month Ended March 2015

Fiscal Year 2014-2015

	A	B	C	D	E	F	G
	Current Year Actual March 2015	Prior Year Actual March 2014	Current Year to Date Actual FY 2014-15 thru March	Prior Year to Date Actual FY 2013-14 thru March	Current Year Authorized Annual Budget FY 2014-15	Prior Year Annual Budget FY 2013-14	Prior Year Actual Results FY 2013-14
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 258,490,811	\$ 261,081,536	\$ 2,253,426,582	\$ 2,224,652,811	\$ 2,937,906,736	\$ 2,902,567,015	\$ 2,941,097,678
4 Premium Refunds/Retroactive Disenrollments	-	947	(6,016)	(271,740)	(1,478,664)	(1,466,766)	(299,923)
5 Medicare Part D (RDS) Subsidy	1,693,507	7,711,178	12,869,912	7,934,662	6,276,386	6,218,762	11,583,652
6 Medicare PDP (EGWP + Wrap) Subsidy	56	-	50,283,438	49,162,774	33,414,689	50,346,402	63,780,569
7 Medicare Advantage (MA) Subsidy	153,140	115,656	638,003	152,149	-	-	417,565
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	(1,949)	-	-	-	-
9 Net Premium & Other Contributions	260,337,514	268,909,317	2,317,209,970	2,281,630,656	2,976,119,147	2,957,665,413	3,016,579,541
10							
11 Investment Earnings	383,814	315,044	3,629,496	2,824,393	3,933,340	2,868,131	3,861,263
12 Miscellaneous Revenue	-	-	-	54,972	-	-	54,972
13 Other Revenue	383,814	315,044	3,629,496	2,879,365	3,933,340	2,868,131	3,916,235
14							
15 Total Plan Revenue (excludes internal transfers)	260,721,328	269,224,361	2,320,839,466	2,284,510,021	2,980,052,487	2,960,533,544	3,020,495,776
16							
17 <b>Plan Expenses:</b>							
18							
19 Medical Claim Payments	193,947,253	184,877,202	1,511,329,475	1,497,866,926	1,995,716,227	2,107,493,114	1,989,574,333
20 Medical Claim Refunds/Recoveries	(2,628,303)	(1,748,825)	(17,330,007)	(16,174,070)	(23,520,519)	(24,643,884)	(22,450,766)
21 Net Medical Claims	191,318,950	183,128,377	1,493,999,468	1,481,692,856	1,972,195,708	2,082,849,230	1,967,123,567
22							
23 Pharmacy Claim Payments	57,462,178	46,912,582	553,700,255	598,852,987	686,943,428	699,653,578	743,680,114
24 Pharmacy Claim Rebates	-	(36,441,085)	(51,114,709)	(80,717,425)	(74,166,940)	(52,353,361)	(91,653,105)
25 Pharmacy Claim Refunds/Recoveries	(150,603)	(25,997)	(641,972)	(1,105,865)	-	-	(398,652)
26 Net Pharmacy Claims	57,311,575	10,445,500	501,943,574	517,029,697	612,776,488	647,300,217	651,628,357
27							
28 Net Claim Payments	248,630,525	193,573,877	1,995,943,042	1,998,722,553	2,584,972,196	2,730,149,447	2,618,751,924
29							
30 Medicare Advantage Premium Payments	14,212,589	13,802,453	119,518,953	40,244,787	163,281,044	86,864,744	78,538,847
31							
32 Net Administrative Expenses	11,529,425	11,295,074	133,530,223	106,935,983	223,971,245	182,446,628	148,134,913
33							
34 Total Plan Expenses (excludes internal transfers)	274,372,539	218,671,404	2,248,992,218	2,145,903,323	2,972,224,485	2,999,460,819	2,845,425,684
35							
36 <b>Plan Income/(Loss)</b>	(13,651,211)	50,552,957	71,847,248	138,606,698	7,828,002	(38,927,275)	175,070,092
37							
38 <b>Cash Availability:</b>							
39							
40 Beginning Cash Balance/(Deficit)	1,044,056,499	871,541,689	958,558,040	783,487,948	958,558,040	755,749,494	783,487,948
41 Ending Cash Balance/(Deficit)	1,030,405,288	922,094,646	1,030,405,288	922,094,646	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	\$ 797,757,790	\$ 682,648,440	\$ 797,757,790	\$ 682,648,440	\$ 733,738,544	\$ 477,376,013	\$ 729,288,324

Comments:

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

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

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru March	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Calendar Year to Date thru March	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 739,354,119	\$ 9,129,724	\$ 748,483,843	\$ 726,861,628	\$ 21,622,215	2.97%
4 Premium Refunds/Retroactive Disenrollments	-		-	(364,606)	364,606	-100.00%
5 Medicare Part D (RDS) Subsidy	4,193,048		4,193,048	3,868,984	324,064	8.38%
6 Medicare PDP (EGWP + Wrap) Subsidy	48,603,021		48,603,021	48,602,498	523	0.00%
7 Medicare Advantage (MA) Subsidy	333,795		333,795	205,905	127,890	62.11%
8 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	
9 <b>Net Premium &amp; Other Contributions</b>	<b>792,483,983</b>	<b>9,129,724</b>	<b>801,613,707</b>	<b>779,174,409</b>	<b>22,439,298</b>	<b>2.88%</b>
10						
11 Other Revenue	1,287,502		1,287,502	1,016,422	271,080	26.67%
12						
13 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>793,771,485</b>	<b>9,129,724</b>	<b>802,901,209</b>	<b>780,190,831</b>	<b>22,710,378</b>	<b>2.91%</b>
14						
15 <b>Plan Expenses:</b>						
16						
17 Net Medical Claims	511,692,789		511,692,789	515,861,700	(4,168,911)	-0.81%
18 Net Pharmacy Claims	161,450,414		161,450,414	154,897,041	6,553,373	4.23%
19 Net Claim Payments	673,143,203	-	673,143,203	670,758,741	2,384,462	0.36%
20						
21 Medicare Advantage Premiums	42,559,850		42,559,850	43,355,775	(795,925)	-1.84%
22						
23 Net Administrative Expenses	62,510,490		62,510,490	75,972,396	(13,461,906)	-17.72%
24						
25 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>778,213,543</b>	<b>-</b>	<b>778,213,543</b>	<b>790,086,912</b>	<b>(11,873,369)</b>	<b>-1.50%</b>
26						
27 <b>Plan Income/(Loss)</b>	<b>15,557,942</b>	<b>9,129,724</b>	<b>24,687,666</b>	<b>(9,896,081)</b>	<b>34,583,747</b>	<b>-349.47%</b>
28						
29 <b>Cash Availability:</b>						
30						
31 Beginning Cash Balance/(Deficit)	1,014,847,346		1,014,847,346	1,014,847,346	-	0.00%
32 Ending Cash Balance/(Deficit)	1,030,405,288	9,129,724	1,039,535,012	1,004,951,265	34,583,747	3.44%
33						
34 Target Stabilization Reserve @ 12/31/2015	248,909,557		248,909,557	248,909,557	-	0.00%
35						
36 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 781,495,731</b>	<b>\$ 9,129,724</b>	<b>\$ 790,625,455</b>	<b>\$ 756,041,708</b>	<b>\$ 34,583,747</b>	<b>4.57%</b>

**Adjustment Notes:**

1. Member premiums adjusted to include \$46.9 million in prepaid January premiums received in December 2014.
2. Member premiums adjusted to exclude \$37.8 million in prepaid April premiums received in March.

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 March 2015  
**Fiscal Year 2014-2015**

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru March	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Authorized Budget Fiscal Year to Date thru March	Year to Date Adjusted Variance Over/(Under) Budget	Adjusted Variance as Percentage of Budget
1 <b>Plan Revenue:</b>						
2						
3 Member Premiums (Notes 1 and 2)	\$ 2,253,426,582	\$ (21,759,723)	\$ 2,231,666,859	\$ 2,204,760,113	\$ 26,906,746	1.22%
4 Premium Refunds/Retroactive Disenrollments	(6,016)		(6,016)	(1,109,556)	1,103,540	-99.46%
5 Medicare Part D (RDS) Subsidy	12,869,912		12,869,912	4,642,823	8,227,089	177.20%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3)	50,283,438	(16,868,693)	33,414,745	33,414,689	56	0.00%
7 Medicare Advantage (MA) Subsidy (Note 4)	638,003	(638,003)	-	-	-	
8 Federal Early Retiree Reinsurance Program (ERRP) (Note 5)	(1,949)	1,949	-	-	-	
9 <b>Net Premium &amp; Other Contributions</b>	<b>2,317,209,970</b>	<b>(39,264,470)</b>	<b>2,277,945,500</b>	<b>2,241,708,069</b>	<b>36,237,431</b>	<b>1.62%</b>
10						
11 Other Revenue	3,629,496		3,629,496	2,950,081	679,415	23.03%
12						
13 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>2,320,839,466</b>	<b>(39,264,470)</b>	<b>2,281,574,996</b>	<b>2,244,658,150</b>	<b>36,916,846</b>	<b>1.64%</b>
14						
15 <b>Plan Expenses:</b>						
16						
17 Net Medical Claims	1,493,999,468		1,493,999,468	1,457,517,849	36,481,619	2.50%
18 Net Pharmacy Claims	501,943,574		501,943,574	471,371,991	30,571,583	6.49%
19 Net Claim Payments	1,995,943,042	-	1,995,943,042	1,928,889,840	67,053,202	3.48%
20						
21 Medicare Advantage Premiums	119,518,953		119,518,953	121,118,017	(1,599,064)	-1.32%
22						
23 Net Administrative Expenses (Note 6)	133,530,223	5,642,732	139,172,955	176,554,951	(37,381,997)	-21.17%
24						
25 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>2,248,992,218</b>	<b>5,642,732</b>	<b>2,254,634,950</b>	<b>2,226,562,808</b>	<b>28,072,142</b>	<b>1.26%</b>
26						
27 <b>Plan Income/(Loss)</b>	<b>71,847,248</b>	<b>(44,907,201)</b>	<b>26,940,047</b>	<b>18,095,342</b>	<b>8,844,705</b>	<b>48.88%</b>
28						
29 <b>Cash Availability:</b>						
30						
31 Beginning Cash Balance/(Deficit)	958,558,040		958,558,040	958,558,040	-	0.00%
32 Ending Cash Balance/(Deficit)	1,030,405,288	(44,907,201)	985,498,087	976,653,382	8,844,705	0.91%
33						
34 Target Stabilization Reserve @ 6/30/15	232,647,498		232,647,498	232,647,498	-	0.00%
35						
36 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 797,757,790</b>	<b>\$ (44,907,201)</b>	<b>\$ 752,850,589</b>	<b>\$ 744,005,884</b>	<b>\$ 8,844,705</b>	<b>1.19%</b>

**Adjustment Notes:**

1. Member premiums adjusted to include \$16.0 million in prepaid July premiums received in June.
2. Member premiums adjusted to exclude \$37.8 million in prepaid April premiums received in March.
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. Administrative expenses adjusted to include a second payment for the ACA Transitional Reinsurance program that was budgeted for January but will not be paid until November 2015.