



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES



CY 2014 1st Quarter Actuarial Forecast Update Baseline Scenario

Board of Trustees Meeting

May 30, 2014

Forecast prepared by The Segal Company
Final version dated 5-16-14

A Division of the Department of State Treasurer

Presentation Overview

- Forecast Update Schedule
- Updated Assumptions: Certified Budget vs. CY 2014 1st Quarter Projection
- Updated Forecast for CY 2014
- Summary Graphs
- Summary and Outlook for 2015-2017 Fiscal Biennium

Actuarial Forecast Update Schedule

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

Forecast Assumptions **Maintained** in the Update Certified Budget vs. CY 2014 1st Quarter Update

- Overall trend assumption of 8.5%
- Membership trends
 - 1% annual decrease in actives
 - 1% annual increase in retirees
- New benefit design effective January 1, 2014
- 2014 revenues reflect 3.57% across the board premium increases effective January 1, 2014, and the wellness premium structure
- 2015 revenues assume 2.14% across the board premium increases effective January 1, 2015, as authorized by the General Assembly and continuation of the 2014 wellness premium structure
- Future bienniums assume escalating wellness premium surcharges/credits and extension of the wellness premium structure to the Traditional 70/30 Plan

Forecast Assumptions **Changed/Revised** in the Update Certified Budget vs. CY 2014 1st Quarter Update

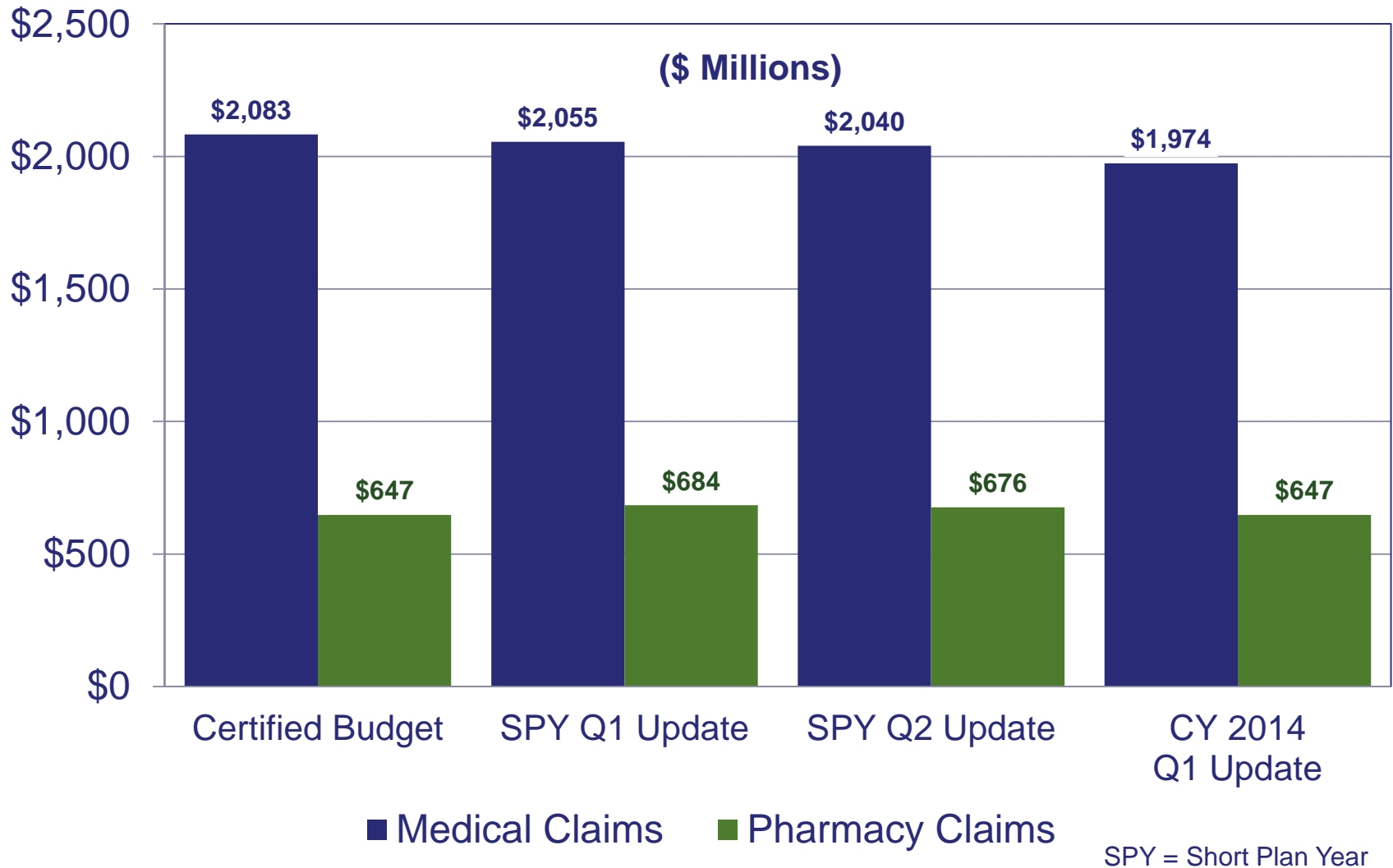
- Membership based on actual March 2014 counts (instead of March 2013)
- Anticipated claims expenditures based on actual experience through March 2014 (instead of through March 2013)
- Baseline pharmacy claims amount increased to reflect experience from the last six months (rather than the last 12 months)
- Elimination of lifetime limits on ACA “Essential Health Benefits”
- Decrease in the coinsurance maximum for Tier 5 non-preferred specialty medications to \$125
- Timing and amounts of pharmacy rebates and subsidies have been adjusted to reflect more recent estimates
- 100% coverage of preventive treatment is assumed for Traditional 70/30 Plan beginning in 2016
- Target Stabilization Reserve balances to 9% of claims costs only; Certified Budget balanced to 9% of claims costs *plus* Medicare Advantage premium payments
- Projections extended to include Fiscal Biennium 2017-19

Comparison of Models

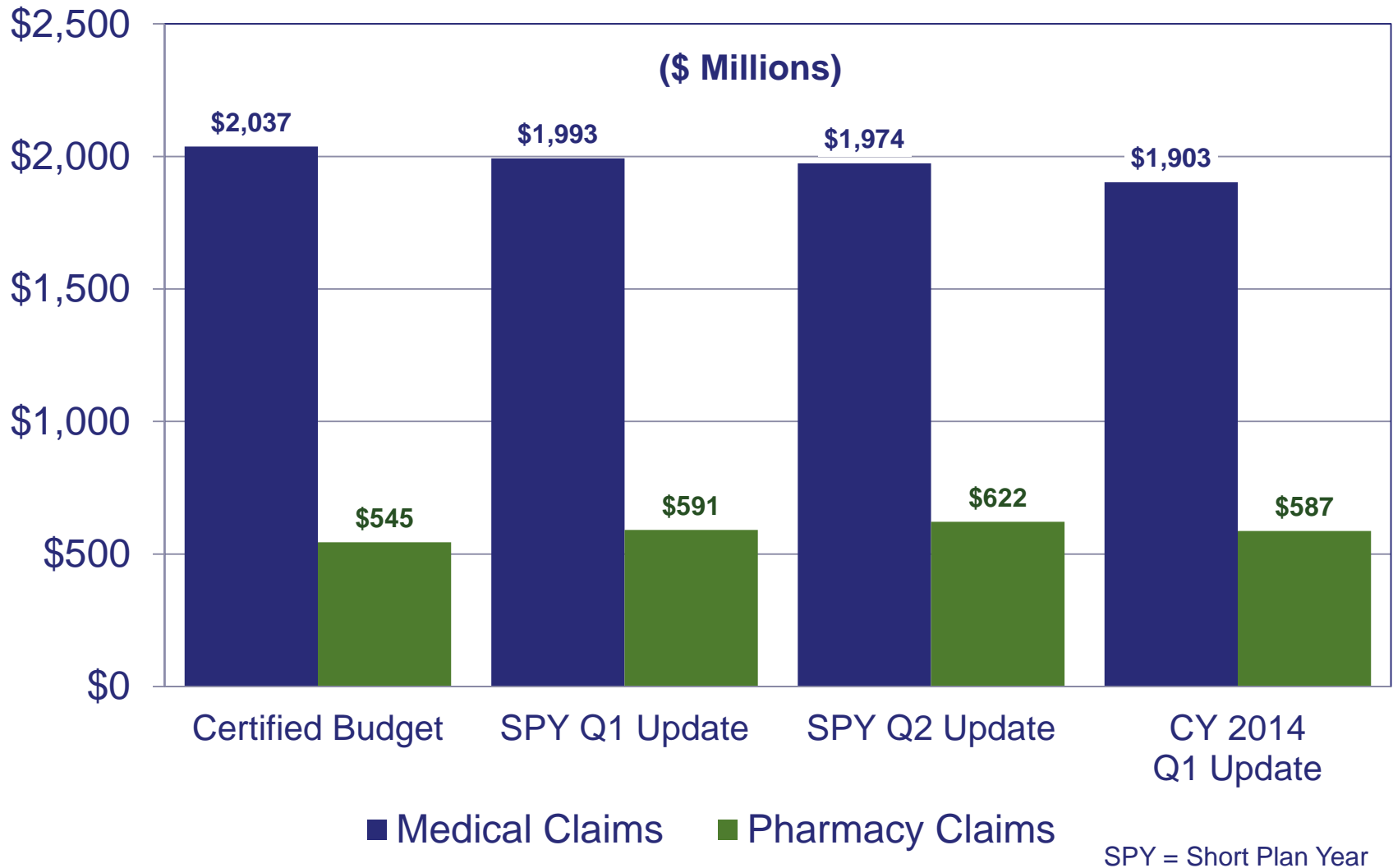
Certified Budget vs. CY 2014 1st Quarter Update

Calendar Year 2014	CY 2014 1 st Quarter Update (per Segal 05-16-14)	Certified Budget (per Segal 8-19-13)	Difference: Increase/ (Decrease) From Budget
Beginning Cash Balance	\$838.5 m	\$695.0 m	\$143.5 m
Plan Revenue	\$2.985 b	\$2.961 b	\$24.0 m
Net Claims Payments	\$2.489 b	\$2.582 b	(\$92.5 m)
Medicare Advantage Premiums	\$158.5 m	\$174.2 m	(\$15.7 m)
Net Admin. Expenses	\$180.3 m	\$179.8 m	\$0.5 m
Total Plan Expenses	\$2.828 b	\$2.936 b	(\$107.6 m)
Net Income/(Loss)	\$156.2 m	\$24.6 m	\$131.6 m
Ending Cash Balance	\$994.7 m	\$719.6 m	\$275.1 m
FB 2015-17 Premium Increases	4.47%	8.22%	(3.75%)
FB 2017-19 Premium Increases	16.11%	--	--

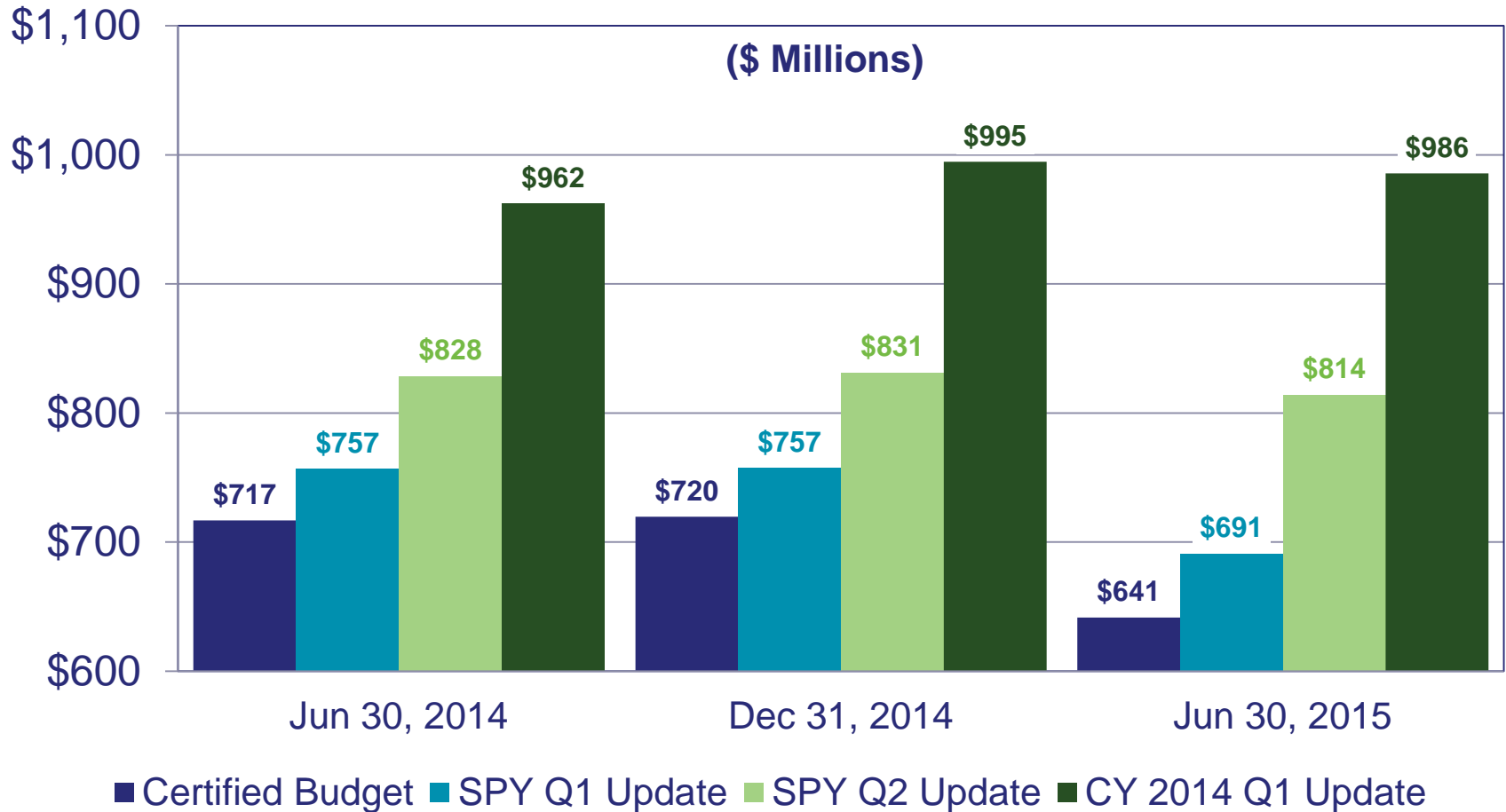
Forecast Comparisons: Fiscal Year 2013-14 Claims



Forecast Comparisons: Calendar Year 2014 Claims



Forecast Comparisons: Ending Cash Balances



SPY = Short Plan Year

Summary/Impact on State Budget

- Current Fiscal Biennium (2013-2015)
 - Relative to the Certified Budget, the CY 2014 1st Quarter Update projects **lower** medical claims costs and **higher** pharmacy claims costs for the biennium
 - \$985.6 million cash balance projected for the end of the biennium (June 30, 2015):
 - \$344.2 million higher than the Certified Budget projection
 - More than half (53.7%) of the higher projected cash balance can be attributed to lower projected expenses, 38.2% is due to higher projected revenues, and 8.1% is due to a higher starting balance than anticipated in the Certified Budget
 - Exceeds the 9.0% target reserve amount by \$750.4 million
 - Equates to more than 15 weeks of FY 2015-16 projected operating expenses
 - Assuming no changes in benefits beyond the Board's current design, the 1st Quarter Update projects a 4.47% premium increase for January 1 of each year of the 2015-17 biennium. This is **lower** than the Certified Budget projection (8.22%)

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

	2011 - 2013 Biennium		2013 - 2015 Biennium				2015 - 2017 Biennium				Projection Calendar 2017 Jul-Dec
	Actual FY 2012	Projection FY 2013	Projection Short Plan Year Jul-Dec 2013	Projection Calendar 2014 Jan-June	Projection Calendar 2014 July-Dec	Projection Calendar 2015 Jan-Jun	Projection Calendar 2015 Jul-Dec	Projection Calendar 2016 Jan-June	Projection Calendar 2016 July-Dec	Projection Calendar 2017 Jan-Jun	
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,865,761,803	1,442,578,008	1,490,952,575	1,487,864,429	1,516,588,534	1,513,510,299	1,634,808,643	1,631,357,328	1,761,956,879	1,758,528,795
EGWP/PDP Spouse Premium Reduction	(1,244,865)	(1,244,865)	(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)
MA Spouse Premium Reduction				(5,898,039)	(5,927,456)	(5,957,019)	(5,988,730)	(6,018,589)	(6,048,598)	(6,078,755)	(6,107,083)
MA Buy-up Premium				10,940,679	10,995,548	15,140,644	15,216,158	19,774,355	19,872,981	24,884,033	25,008,144
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(714,727)	(721,289)	(745,476)	(743,932)	(758,294)	(756,755)	(817,303)	(815,079)	(880,978)	(879,264)
Premium Incentive			-	(15,363,911)	(15,332,089)	(14,299,813)	(14,287,662)	18,347,595	18,311,123	18,164,492	18,129,151
CDHP Premium Reduction			-	(3,528,927)	(3,521,618)	(4,751,766)	(4,747,728)	(5,957,822)	(5,945,979)	(7,139,050)	(7,125,180)
Medicare Part D	57,583,802	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
EGWP+Wrap											
Direct Subsidy	-	25,008,159	25,151,533	-	-	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	7,195,769	17,999,102	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	13,047,904	-	-	-	-	-	-
Total	-	25,008,159	32,347,302	17,999,102	13,047,904	-	-	-	-	-	-
Appropriations from State Reserve											
Investment Earnings	3,015,815	3,063,553	1,448,002	1,420,130	1,471,875	1,364,138	1,187,237	977,122	864,507	734,935	644,071
Total Plan Income	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
PLAN EXPENSE:											
Medical Claims Payment	1,849,410,105	1,882,949,142	997,508,625	1,111,574,513	1,036,956,734	1,201,076,486	1,130,686,863	1,298,249,706	1,217,598,950	1,400,256,154	1,312,797,082
Claim Refunds	(22,634,615)	(23,855,443)	(12,080,684)	(12,583,200)	(12,885,851)	(13,596,192)	(14,362,157)	(14,789,230)	(15,257,502)	(15,736,111)	(16,451,838)
Dental & MHSA Enhancement			1,695,794	3,370,442	3,144,191	3,641,824	3,428,393	3,936,466	3,861,922	4,245,763	3,980,576
Medicare Advantage Claims Reduction				(51,495,701)	(60,190,041)	(65,631,913)	(65,959,257)	(71,922,732)	(72,281,451)	(78,816,526)	(79,209,628)
Calendar Year Adjustments			44,524,878	(4,229,258)	14,039,329	(14,419,571)	18,622,423	(17,792,129)	20,205,328	(19,304,460)	21,922,781
Preventative at 100% in Standard Plan				9,805,123	13,733,526	15,553,431	15,012,324	16,765,870	16,153,784	18,067,218	17,400,893
Premium Incentive				(7,995,527)	(11,972,541)	(11,462,987)	(11,446,086)	(12,527,363)	(12,502,373)	(19,984,282)	(19,945,259)
CDHP Claims Reduction				(2,705,932)	(4,051,876)	(5,771,199)	(5,762,600)	(8,941,127)	(8,923,291)	(12,953,021)	(12,927,728)
Limited Network Savings				310,434	464,845	390,200	389,624	602,750	601,547	576,589	575,463
PCP Copay Waiver				4,407,787	6,800,242	(367,417)	(366,875)	(4,086,355)	(4,078,203)	(17,078,970)	(17,045,620)
Mental Health Enhancements				451,938	608,120	704,185	662,915	765,427	717,877	830,633	778,752
Net Medical Claims	1,826,775,490	1,859,093,698	1,031,938,612	1,050,910,619	986,446,678	1,110,116,847	1,070,905,478	1,190,261,283	1,145,926,587	1,280,102,988	1,211,875,383
Medicare Advantage Premiums			-	86,864,745	87,297,988	108,861,089	109,404,040	133,102,486	133,766,343	159,805,493	160,602,532
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
Rebates	(93,130,160)	(72,024,902)	(22,208,556)	(32,807,518)	(23,014,123)	(26,428,528)	(23,850,891)	(27,281,378)	(24,724,242)	(28,163,286)	(25,623,274)
Calendar Year Adjustments				6,211,534	11,406,548	(10,470,311)	12,325,781	(12,201,284)	12,627,650	(13,188,116)	13,647,580
Net Pharmacy Claims	628,032,853	677,065,471	410,785,408	346,976,963	449,625,637	383,531,630	486,765,106	453,405,403	487,761,402	491,321,968	528,250,635
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)	(183,256,437)
EGWP+Wrap Reduction in Rebates		808,689	1,635,695	827,018	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase		222,762	462,707	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips		-	591,768	686,454	813,546	741,737	879,099	869,568	881,865	939,755	953,084
HB 675 - Pharmacy Audit Changes				100,000	104,617	95,383	113,047	111,821	113,403	120,847	122,581
Specialty Pharmacy Tier				(188,553)	(265,758)	(258,101)	(305,899)	(321,725)	(326,275)	(370,373)	(375,627)
Total Pharmacy Claims	628,032,853	678,096,922	413,475,579	233,624,638	310,922,331	232,264,620	334,847,983	287,664,597	321,199,692	309,662,242	345,691,217
Total Claims	2,454,808,343	2,537,190,620	1,445,414,191	1,371,600,002	1,384,666,997	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	164,605,404	85,504,284	91,148,330	88,666,681	88,484,867	91,324,774	91,141,320	93,688,951	93,504,688	96,122,447
ACA Reinsurance Fee				-	-	34,632,846	-	21,039,454	-	14,201,632	-
Extra EGWP+Wrap Administration		2,893,881	5,794,014	-	-	-	-	-	-	-	-
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	(78,208,481)	(114,141,252)	(73,453,903)	(48,789,488)	(56,772,586)	(37,905,034)
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
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%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium Increase:	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase	
	5.3%	5.3%		3.57%		2.14%		8.22%		8.22%	

Short Plan Year Q1 Update (Segal 11-14-13)

North Carolina State Health Plan
Financial Projections - Sep 2013
Trends - 8.5% Medical & 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
Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit

	2012 - 2013 Biennium		2014 - 2015 Biennium				2016 - 2017 Biennium				Projection Calendar 2017 Jul-Dec
	Actual FY 2012	Actual FY 2013	Projection Short Plan Year Jul-Dec 2013	Projection Calendar 2014 Jan-June	Projection Calendar 2014 July-Dec	Projection Calendar 2015 Jan-Jun	Projection Calendar 2015 Jul-Dec	Projection Calendar 2016 Jan-June	Projection Calendar 2016 July-Dec	Projection Calendar 2017 Jan-Jun	
PLAN INCOME:											
Net Contribution Income	2,750,368,851	2,895,366,140	1,454,995,731	1,497,179,531	1,494,163,089	1,523,095,383	1,520,090,707	1,634,253,292	1,631,098,518	1,753,672,738	1,750,362,250
EGWP/PDP Spouse Premium Reduction	-	-	(1,231,103)	(14,552,685)	(14,625,268)	(14,698,212)	(14,771,520)	(14,845,194)	(14,919,235)	(14,993,648)	(15,068,428)
MA Spouse Premium Reduction	-	-	(5,856,638)	(5,885,849)	(5,915,205)	(5,945,707)	(5,944,707)	(5,974,357)	(6,004,154)	(6,034,100)	(6,064,196)
MA Buy-up Premium	-	-	11,144,450	11,200,034	11,200,034	15,391,702	15,468,409	20,077,844	20,177,983	25,245,260	25,371,173
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(613,406)	(748,590)	(747,082)	(761,548)	(760,045)	(817,127)	(815,549)	(876,836)	(875,181)
Premium Incentive	-	-	(15,132,835)	(15,102,346)	(15,102,346)	(14,099,776)	(14,071,961)	18,234,558	18,199,358	18,052,395	18,018,317
CDHP Premium Reduction	-	-	(3,486,444)	(3,479,420)	(4,693,593)	(4,693,593)	(4,684,333)	(5,878,790)	(5,867,442)	(7,042,406)	(7,029,111)
Medicare Part D	57,583,602	38,056,016	(2,045,274)	3,280,324	2,779,814	3,427,938	2,904,908	3,582,198	3,035,627	3,743,394	3,172,230
EGWP+Wrap	-	-	-	-	-	-	-	-	-	-	-
Direct Subsidy	-	24,435,483	25,741,422	-	-	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	8,953,844	18,169,771	-	-	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	-	13,171,828	-	-	-	-	-
Total	-	24,435,483	34,695,267	18,169,771	-	13,171,828	-	-	-	-	-
Appropriations from State Reserve	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	3,015,615	3,236,713	1,663,868	1,469,193	1,545,098	1,447,760	1,284,123	1,065,908	936,801	788,054	665,776
Total Plan Income	2,852,680,163	2,960,048,314	1,487,465,082	1,491,486,077	1,469,848,073	1,516,366,077	1,499,515,639	1,649,698,330	1,645,844,906	1,772,554,853	1,768,552,830
PLAN EXPENSE:											
Medical Claims Payment	1,840,410,105	1,858,096,405	1,004,924,154	1,087,845,343	1,014,877,297	1,175,569,905	1,106,736,822	1,270,823,703	1,191,944,159	1,370,832,602	1,285,284,566
Claim Refunds	(22,634,615)	(23,467,914)	(11,861,694)	(12,309,995)	(12,611,230)	(13,307,208)	(13,868,798)	(14,476,540)	(14,935,747)	(15,405,170)	(16,106,748)
Dental & MHSA Enhancement	-	-	1,424,066	3,370,351	3,144,282	3,642,138	3,428,880	3,937,253	3,692,869	4,247,099	3,982,055
Medicare Advantage Claims Reduction	-	-	(51,959,107)	(60,778,121)	(68,273,163)	(66,803,704)	(72,625,445)	(72,987,669)	(79,586,594)	(79,983,537)	(79,983,537)
Calendar Year Adjustments	-	-	33,053,694	(4,229,258)	10,939,329	(14,419,571)	18,822,421	(17,792,129)	20,205,328	(19,304,460)	21,922,781
Preventative at 100% in Standard Plan	-	-	9,572,332	13,420,058	15,191,448	14,674,949	16,376,498	15,789,284	17,649,201	17,009,684	17,009,684
Premium Incentive	-	-	(7,929,050)	(11,873,557)	(11,380,262)	(11,357,731)	(12,581,387)	(12,557,011)	(19,995,303)	(19,957,515)	(19,957,515)
CDHP Claims Reduction	-	-	(2,637,947)	(3,950,260)	(5,647,915)	(5,636,733)	(6,766,694)	(8,749,709)	(12,719,839)	(12,695,736)	(12,695,736)
Limited Network Savings	-	-	304,325	382,506	381,748	382,506	595,478	594,324	594,324	594,324	594,324
PCP Copay Waiver	-	-	4,337,145	6,404,768	(398,650)	(397,880)	(4,021,959)	(4,014,166)	(16,995,135)	(16,962,932)	(16,962,932)
Essential Health Benefits/MH Parity	-	-	1,411,202	1,898,981	2,198,838	2,070,089	2,241,718	2,593,068	2,241,718	2,593,068	2,431,814
Net Medical Claims	1,826,775,490	1,834,628,491	1,027,540,221	1,027,775,341	965,117,266	1,085,558,067	1,048,050,085	1,163,858,843	1,121,223,380	1,231,885,210	1,185,492,589
Medicare Advantage Premiums	-	-	-	88,480,183	88,921,483	110,744,961	111,297,308	135,281,658	135,956,384	162,309,415	163,118,944
Pharmacy Claims Payment	721,163,013	752,419,650	456,411,374	414,627,765	491,418,537	448,066,566	531,072,833	525,343,967	532,801,144	567,808,369	575,892,516
Rebates	(93,130,160)	(69,641,941)	(29,386,434)	(37,921,448)	(23,335,020)	(33,756,553)	(24,186,211)	(27,624,160)	(25,074,597)	(28,521,582)	(26,989,500)
Calendar Year Adjustments	-	-	4,259,545	(10,817,063)	12,155,834	(11,158,568)	13,136,856	(13,004,731)	13,460,008	(14,055,935)	14,548,727
Net Pharmacy Claims	628,032,853	682,777,709	431,284,485	365,889,254	480,239,351	403,151,475	520,023,278	484,715,076	521,188,555	525,230,852	564,451,743
MA-PDP Claims Reduction	-	-	(116,068,145)	(141,087,842)	(153,843,588)	(153,843,588)	(154,810,892)	(168,586,496)	(169,430,346)	(184,748,799)	(185,670,245)
EGWP+Wrap Reduction in Rebates	-	-	834,594	842,398	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase	-	-	238,622	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips	-	-	380,804	686,435	813,565	741,794	879,214	869,730	882,076	940,032	953,416
HB 675 - Pharmacy Audit Changes	-	-	100,000	104,614	95,386	95,386	113,056	111,837	113,424	120,876	122,597
Specialty Pharmacy Tier	-	-	(188,549)	(265,765)	(258,094)	(258,094)	(305,908)	(321,717)	(326,283)	(370,363)	(375,637)
Total Pharmacy Claims	628,032,853	682,777,709	432,738,506	251,261,393	339,804,124	249,886,974	366,098,750	316,785,430	352,425,425	341,172,598	379,481,875
Total Claims	2,454,808,343	2,517,406,200	1,460,278,726	1,367,516,917	1,393,842,873	1,448,190,002	1,525,446,144	1,615,925,931	1,606,805,189	1,735,367,224	1,728,093,407
Administrative Costs	165,480,561	161,401,839	83,826,787	91,261,895	88,664,163	88,487,385	91,322,160	91,143,934	93,697,029	93,518,151	96,141,880
ACA Reinsurance Fee	-	-	-	-	-	34,632,846	-	21,039,454	-	14,201,632	-
Extra EGWP+Wrap Administration	-	-	2,904,645	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,547,010,159	1,458,778,811	1,482,507,036	1,569,310,234	1,616,768,304	1,728,106,320	1,703,302,218	1,843,087,006	1,824,235,268
Plan Income (Loss)	232,391,259	281,240,475	(59,545,076)	32,707,266	(12,658,963)	(52,944,157)	(117,252,665)	(78,410,990)	(57,457,313)	(70,532,153)	(55,682,438)
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	723,942,870	756,650,136	743,991,173	691,047,016	573,794,351	495,383,360	437,926,048	367,393,895
Ending Cash Balance (Deficit)	502,247,471	783,487,946	723,942,870	756,650,136	743,991,173	691,047,016	573,794,351	495,383,360	437,926,048	367,393,895	311,711,457
Target Stabilization Reserve	184,110,626	201,392,496	116,822,298	240,362,830	234,715,582	255,602,959	267,447,253	282,723,487	290,297,801	301,047,517	311,711,457
	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium Increase:	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase	
	5.3%	5.3%		3.57%		2.14%		7.72%		7.72%	

Short Plan Year

Q2 Update

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North Carolina State Health Plan
Financial Projections - Dec 2013
Trends - 8.5% Medical & 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
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	2012 - 2013 Biennium		Actual Short Plan Year Jul- Dec 2013	Projection Calendar 2014	Projection Calendar 2015	Projection Calendar 2016	Projection Calendar 2017	Projection Calendar 2018	Projection Calendar 2019
	Actual FY 2012	Actual FY 2013							
PLAN INCOME:									
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	2,970,543,666	3,051,421,272	3,208,031,812	3,372,966,660	3,824,203,625	4,336,181,113
EGWP/PDP Spouse Premium Reduction	-	-	-	(28,758,859)	(29,046,448)	(29,336,913)	(29,630,282)	(29,926,584)	(30,225,850)
MA Spouse Premium Reduction	-	-	-	(11,584,206)	(11,700,048)	(11,817,049)	(11,935,219)	(12,054,571)	(12,175,117)
MA Buy-up Premium	-	-	-	22,174,902	30,658,726	40,019,308	50,341,322	50,844,735	51,353,182
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(1,485,272)	(1,525,711)	(1,604,016)	(1,686,483)	(1,912,102)	(2,168,091)
Premium Incentive	-	-	-	(30,089,702)	(28,000,094)	37,232,488	36,880,749	53,391,313	55,247,217
CDHP Premium Reduction	-	-	-	(6,988,511)	(9,406,300)	(11,779,904)	(14,110,059)	(14,083,447)	(14,057,443)
Medicare Part D	57,583,802	38,056,016	(1,323,888)	11,777,523	6,332,844	6,617,822	6,915,624	7,226,827	7,552,035
EGWP+Wrap	-	-	-	-	-	-	-	-	-
Direct Subsidy	-	24,435,483	25,202,822	-	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	24,177,036	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	31,734,272	-	-	-	-
Total	-	24,435,483	37,082,587	24,177,036	31,734,272	-	-	-	-
Appropriations from State Reserve	-	-	-	-	-	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	3,321,318	3,217,073	2,472,854	1,579,006	949,878	1,134,824
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	2,953,107,894	3,043,685,587	3,239,836,402	3,411,301,348	3,878,639,674	4,392,941,669
PLAN EXPENSE:									
Medical Claims Payment	1,849,410,105	1,858,066,405	1,033,157,400	2,083,673,638	2,261,596,481	2,440,333,727	2,631,827,805	2,897,278,791	3,072,605,012
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(24,973,844)	(26,929,550)	(29,144,515)	(31,223,916)	(33,784,572)	(36,623,068)
Dental & MSHA Enhancement	-	-	-	6,514,633	7,070,811	7,629,735	8,228,444	9,058,380	9,806,540
Medicare Advantage Claims Reduction	-	-	-	(112,463,801)	(132,498,969)	(145,198,965)	(159,116,318)	(174,387,618)	(191,080,754)
Calendar Year Adjustments	-	-	-	9,810,071	4,202,852	2,413,200	2,618,322	2,840,879	3,082,354
Preventative at 100%	-	-	-	22,773,968	29,585,221	49,841,453	55,369,748	60,984,799	64,519,766
Premium Incentive	-	-	-	(19,578,815)	(22,484,351)	(24,693,344)	(39,441,246)	(41,875,309)	(44,809,245)
CDHP Claims Reduction	-	-	-	(6,536,570)	(11,217,934)	(17,432,379)	(25,312,620)	(28,054,532)	(30,750,194)
Limited Network Savings	-	-	-	755,079	759,503	1,192,777	1,139,976	980,250	803,548
PCP Copay Waiver	-	-	-	10,761,897	(794,450)	(7,830,362)	(33,815,869)	(49,197,620)	(66,311,558)
Essential Health Benefits/MH Parity	-	-	-	3,310,240	4,268,927	4,631,788	5,025,488	5,532,368	5,887,154
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,974,048,893	2,113,578,641	2,281,743,083	2,415,296,812	2,649,395,817	2,786,909,556
Medicare Advantage Premiums	-	-	-	176,055,285	220,532,743	269,549,392	323,543,071	372,120,793	425,530,349
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	934,478,295	974,347,743	1,052,930,005	1,138,023,343	1,230,098,785	1,329,738,481
Rebates	(93,130,160)	(69,641,941)	(32,188,841)	(60,868,702)	(57,539,179)	(52,278,672)	(54,073,772)	(52,947,389)	(54,894,471)
Calendar Year Adjustments	-	-	-	1,940,054	1,968,345	452,762	490,050	530,480	574,256
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	875,549,647	918,778,908	1,001,104,064	1,084,439,621	1,177,681,856	1,275,418,266
MA-PDP Claims Reduction	-	-	-	(256,316,210)	(307,306,809)	(336,762,167)	(369,040,821)	(404,413,383)	(443,176,406)
EGWP+Wrap Reduction in Rebates	-	-	-	839,332	-	-	-	-	-
EGWP+Wrap Claim Increase	-	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips	-	-	-	1,500,000	1,563,997	1,690,136	1,826,725	1,974,522	2,134,461
HB 675 - Pharmacy Audit Changes	-	-	-	204,615	208,438	225,248	243,452	263,149	284,465
Specialty Pharmacy Tier	-	-	-	(227,226)	(292,000)	(336,000)	(386,000)	(417,231)	(451,027)
Total Pharmacy Claims	628,032,853	682,777,709	393,069,298	621,550,158	612,950,534	665,921,311	717,082,978	775,088,914	834,209,759
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,771,654,136	2,947,061,919	3,217,213,786	3,455,925,861	3,796,605,524	4,046,649,664
Administrative Costs	165,480,561	161,401,639	69,548,737	188,437,262	179,809,574	184,837,642	189,649,805	192,119,934	192,119,934
ACA Reinsurance Fee	-	-	-	-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,960,091,398	3,161,504,339	3,423,090,882	3,659,777,298	3,988,725,458	4,238,769,598
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	(6,983,504)	(117,818,752)	(183,254,480)	(248,475,950)	(110,085,784)	154,072,071
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	831,463,633	713,644,881	530,390,401	281,914,451	171,828,667
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	838,447,136	713,644,881	530,390,401	281,914,451	171,828,667	325,900,738
Target Stabilization Reserve	184,110,826	201,392,496	113,231,386	220,625,902	245,387,626	265,289,795	281,914,451	308,203,626	325,900,738
	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium 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
	5.3%	5.3%		3.57%	2.14%	5.55%	5.55%	13.81%	13.81%

Short Plan Year

Q2 Update

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North Carolina State Health Plan
Financial Projections - Dec 2013
Trends - 8.5% Medical & 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
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	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 FY 2015	Projection FY 2016	Projection FY 2017	Projection FY 2018	Projection FY 2019
PLAN INCOME:										
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,974,875,415	3,025,476,833	3,129,770,821	3,290,543,712	3,598,759,274	4,080,384,112
EGWP/PDP Spouse Premium Reduction				-	(14,343,660)	(28,902,296)	(29,191,319)	(29,483,232)	(29,778,065)	(30,075,845)
MA Spouse Premium Reduction					(5,777,895)	(11,841,983)	(11,758,403)	(11,875,987)	(11,994,747)	(12,114,894)
MA Buy-up Premium					11,059,870	26,406,262	35,327,375	45,167,477	50,592,402	51,098,326
Health care Reform ERRP	-	45,298,812	42,163,391	(558,219)	-	-	-	-	-	-
Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(487,819)	(1,013,687)	(1,512,738)	(1,564,885)	(1,645,272)	(1,799,380)	(2,040,192)
Premium Incentive					(15,050,145)	(29,033,551)	4,648,298	37,046,043	45,133,340	54,319,532
CDHP Premium Reduction					(3,497,810)	(8,198,537)	(10,594,160)	(12,945,967)	(14,096,877)	(14,070,368)
Medicare Part D	74,357,704	66,276,535	57,583,802	38,056,016	7,673,821	6,207,753	6,487,102	6,779,021	7,084,077	7,402,861
EGWP+Wrap										
Direct Subsidy	-	-	-	24,435,483	25,202,822	-	-	-	-	-
Coverage Gap Subsidy	-	-	-	-	38,056,800	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	-	31,734,272	-	-	-	-
Total	-	-	-	24,435,483	61,259,622	31,734,272	-	-	-	-
Appropriations from State Reserve										
Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,458,328	3,374,214	2,870,577	2,060,786	1,170,721	942,963
Total Plan Income	2,490,457,950	2,797,989,020	2,852,680,163	2,960,048,314	3,018,644,061	3,013,910,229	3,125,995,203	3,325,846,582	3,645,070,948	4,135,846,895
PLAN EXPENSE:										
Medical Claims Payment	1,829,432,245	1,852,549,690	1,849,410,105	1,858,096,405	2,111,136,595	2,170,606,720	2,355,942,280	2,539,384,035	2,744,609,210	2,957,011,522
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)	(23,311,025)	(25,683,840)	(28,087,779)	(30,064,154)	(32,703,421)	(35,022,891)
Dental & MHSA Enhancement					3,370,316	6,786,430	7,365,884	7,939,418	8,581,057	9,245,135
Medicare Advantage Claims Reduction					(51,858,331)	(126,689,953)	(138,833,186)	(152,140,346)	(166,722,999)	(182,703,398)
Calendar Year Adjustments				-	(4,229,258)	(380,241)	830,294	900,869	977,443	1,060,525
Preventative at 100%					9,478,438	28,342,109	39,151,144	53,420,904	57,681,930	62,081,319
Premium Incentive					(7,838,711)	(22,981,509)	(23,579,701)	(32,074,091)	(40,658,993)	(43,343,166)
CDHP Claims Reduction					(2,617,294)	(9,533,851)	(14,328,079)	(21,378,089)	(26,684,587)	(29,403,292)
Limited Network Savings					302,340	832,871	976,344	1,166,339	1,060,026	891,808
PCP Copay Waiver					4,309,148	6,055,127	(4,315,840)	(20,835,470)	(41,513,579)	(57,761,881)
Essential Health Benefits/MH Parity					1,411,238	4,097,858	4,480,159	4,835,394	5,240,844	5,646,428
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	2,040,153,456	2,031,451,720	2,199,581,522	2,351,156,809	2,509,866,931	2,687,702,109
Medicare Advantage Premiums					87,808,667	198,238,694	244,980,101	296,479,075	347,771,512	398,759,141
Pharmacy Claims Payment	N/A	N/A	721,163,013	752,419,650	870,709,119	934,905,342	1,051,228,929	1,095,165,283	1,183,723,074	1,279,551,736
Rebates	N/A	N/A	(93,130,160)	(69,641,941)	(69,918,142)	(56,895,982)	(51,398,622)	(53,167,573)	(52,001,558)	(53,911,531)
Calendar Year Adjustments					(10,156,576)	992,565	131,662	(592,770)	(641,245)	(693,747)
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	790,834,401	879,201,925	999,961,970	1,041,404,939	1,131,080,272	1,224,946,458
MA-PDP Claims Reduction					(115,753,515)	(293,833,875)	(321,997,852)	(352,861,346)	(386,883,102)	(423,746,682)
EGWP+Wrap Reduction in Rebates				-	839,332	-	-	-	-	-
EGWP+Wrap Claim Increase				-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips				-	715,027	1,500,885	1,687,405	1,757,931	1,900,081	2,053,903
HB 675 - Pharmacy Audit Changes					100,000	200,000	224,885	234,284	253,228	273,729
Specialty Pharmacy Tier					(94,304)	(266,546)	(325,193)	(360,820)	(401,501)	(434,004)
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	676,440,041	586,802,189	679,551,215	690,174,988	746,148,975	803,093,403
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,517,406,200	2,804,403,064	2,816,492,603	3,124,112,838	3,337,810,872	3,603,787,417	3,889,554,653
Administrative Costs	164,649,780	165,902,094	165,480,561	161,401,639	169,321,052	177,151,548	182,466,094	187,208,490	192,195,802	192,116,934
ACA Reinsurance Fee					-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,973,724,116	3,028,276,997	3,327,618,386	3,539,220,994	3,795,983,219	4,081,674,587
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	44,919,945	(14,366,769)	(201,623,183)	(213,574,412)	(150,912,271)	54,172,108
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	783,487,946	828,407,891	814,041,122	612,417,939	398,843,527	247,931,256
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,471	783,487,946	828,407,891	814,041,122	612,417,939	398,843,527	247,931,256	302,103,363
Target Stabilization Reserve	179,586,889	186,277,106	184,110,626	201,392,496	230,910,524	235,642,852	259,121,946	273,719,862	293,041,432	314,171,596
	7.5%	8.0%	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium Increase:	8.9%	8.9%	5.3%	5.3%	3.57%	2.14%	5.55%	5.55%	13.81%	13.81%

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North Carolina State Health Plan
Financial Projections - Mar 2014
Trends - 8.5% Medical & 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
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	2012 - 2013 Biennium		Actual Short Plan Year Jul- Dec 2013	Projection Calendar 2014	Projection Calendar 2015	Projection Calendar 2016	Projection Calendar 2017	Projection Calendar 2018	Projection Calendar 2019
	Actual FY 2012	Actual FY 2013							
PLAN INCOME:									
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	3,028,890,369	3,128,803,824	3,481,139,560	3,605,236,066	4,275,034,734	4,865,853,386
EGWP/PDP Spouse Premium Reduction	-	-	-	-	-	-	-	-	-
MA Spouse Premium Reduction	-	-	-	-	-	-	-	-	-
MA Buy-up Premium	-	-	-	-	-	-	-	-	-
Medicare Advantage Subsidy	-	-	-	152,149	-	-	-	-	-
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(1,147,810)	(1,564,402)	(1,740,570)	(1,802,618)	(2,137,517)	(2,432,927)
Wellness Credit	-	-	-	(86,126,636)	(115,224,546)	(336,693,892)	(333,629,435)	(486,724,546)	(486,445,952)
Premium Reduction due to Movement	-	-	-	-	(9,808,137)	(4,684,389)	(7,458,634)	(10,854,215)	(13,682,766)
Medicare Part D	57,583,602	38,056,016	(1,323,888)	14,528,165	6,332,844	6,617,822	6,915,624	7,226,827	7,552,035
EGWP+Wrap	-	-	-	-	-	-	-	-	-
Direct Subsidy	-	24,435,483	25,202,822	572,152	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	23,747,921	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	31,734,272	-	-	-	-
Total	-	24,435,483	37,082,587	24,320,074	31,734,272	-	-	-	-
Investment Earnings	3,015,815	3,236,713	1,841,087	4,013,866	3,918,968	3,125,545	1,868,283	947,440	1,121,086
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	2,984,630,376	3,044,192,823	3,147,764,077	3,271,129,287	3,783,492,723	4,371,964,862
PLAN EXPENSE:									
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,998,101,810	2,237,889,787	2,414,753,829	2,604,241,245	2,866,910,701	3,040,400,426
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(23,670,288)	(26,647,267)	(28,839,018)	(30,896,629)	(33,430,454)	(36,239,211)
Dental & MSHA Enhancement	-	-	-	4,999,489	7,299,440	7,873,090	8,490,897	9,347,307	9,912,955
Medicare Advantage Claims Reduction	-	-	-	(78,444,877)	(115,388,404)	(126,448,382)	(138,568,460)	(151,850,247)	(166,405,093)
Calendar Year Adjustments	-	-	-	4,202,852	2,413,200	2,618,322	2,840,879	3,082,354	3,325,000
Preventative at 100% in Standard Plan	-	-	-	20,115,500	29,499,993	49,702,868	55,224,139	60,822,061	64,365,360
Wellness Comply Savings	-	-	-	(2,518,767)	(8,952,914)	(24,869,613)	(43,903,034)	(47,586,599)	(51,953,062)
Claims Reduction due to Movement	-	-	-	(22,567,495)	(30,328,293)	(14,443,883)	(19,442,907)	(28,102,594)	(36,731,934)
Limited Network Savings	-	-	-	705,306	924,795	1,517,412	1,396,118	1,252,501	1,076,509
PCP Copay Waiver	-	-	-	7,958,584	270,005	(10,422,866)	(32,068,571)	(55,381,216)	(80,571,041)
Essential Health Benefits/MH Parity	-	-	-	3,019,428	4,268,927	4,831,786	5,025,488	5,532,369	5,887,158
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,903,047,735	2,103,035,923	2,276,068,423	2,412,116,608	2,630,374,708	2,752,804,391
Medicare Advantage Premiums	-	-	-	158,450,497	193,034,335	232,276,427	275,487,271	316,071,947	360,688,456
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	845,130,445	937,199,494	1,012,785,871	1,094,635,194	1,183,200,557	1,279,041,944
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(95,427,102)	(58,014,645)	(52,771,544)	(54,584,611)	(53,476,984)	(55,443,564)
Calendar Year Adjustments	-	-	-	6,343,463	1,893,300	435,501	471,369	510,239	552,367
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	756,046,806	881,078,150	960,449,828	1,040,521,953	1,130,233,812	1,224,150,747
MA-PDP Claims Reduction	-	-	-	(170,590,776)	(251,548,637)	(275,859,573)	(302,081,544)	(331,036,060)	(362,765,866)
EGWP+Wrap Reduction in Rebates	-	-	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase	-	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips	-	-	-	1,193,853	1,663,411	1,797,567	1,942,839	2,100,032	2,270,138
HB 875 - Pharmacy Audit Changes	-	-	-	158,587	208,438	225,249	243,452	263,150	284,465
Specialty Pharmacy Tier	-	-	-	(202,156)	(292,000)	(336,000)	(386,000)	(417,231)	(451,027)
Total Pharmacy Claims	628,032,853	682,777,709	393,069,298	586,606,311	631,109,362	686,477,071	740,240,701	801,143,703	863,488,457
Total Claims	2,454,808,343	2,517,408,200	1,415,392,320	2,648,104,543	2,927,179,620	3,194,821,920	3,427,844,580	3,747,560,358	3,976,981,304
Administrative Costs	165,480,561	161,401,639	66,548,737	180,329,844	184,837,659	189,649,870	194,604,037	194,527,888	194,527,888
ACA Reinsurance Fee	-	-	-	-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,828,434,388	3,141,622,038	3,400,899,034	3,631,696,082	3,942,194,395	4,171,508,992
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	156,195,988	(97,429,216)	(252,934,957)	(360,566,794)	(158,701,671)	200,455,870
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	994,643,125	897,213,909	644,278,952	283,712,158	125,010,486
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	994,643,125	897,213,909	644,278,952	283,712,158	125,010,486	325,466,356
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	211,620,594	246,073,076	266,629,094	283,712,158	308,836,657	325,466,356
7.5%	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%
7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase
Premium Increase:	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%

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North Carolina State Health Plan
Financial Projections - Mar 2014
Trends - 8.5% Medical & 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
Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

	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 FY 2015	Projection FY 2016	Projection FY 2017	Projection FY 2018	Projection FY 2019
PLAN INCOME:										
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,994,394,148	3,103,079,247	3,305,254,358	3,543,210,326	3,940,507,313	4,570,671,983
EGWP/PDP Spouse Premium Reduction	-	-	-	-	-	-	-	-	-	-
MA Spouse Premium Reduction	-	-	-	-	-	-	-	-	-	-
MA Buy-up Premium	-	-	-	-	-	-	-	-	-	-
Medicare Advantage Subsidy	-	-	-	-	152,149	-	-	-	-	-
Health care Reform ERRP	-	45,298,812	42,163,391	(558,219)	-	-	-	-	-	-
Retro Disenrollments	(1,310,148)	(1,281,584)	(451,496)	(487,819)	(656,611)	(1,551,540)	(1,652,627)	(1,771,605)	(1,970,254)	(2,285,336)
Wellness Credit	-	-	-	-	(28,759,106)	(115,080,257)	(226,204,540)	(335,157,115)	(410,339,598)	(486,584,965)
Premium Reduction due to Movement	-	-	-	-	-	(4,919,289)	(7,237,917)	(6,074,468)	(9,158,848)	(12,271,819)
Medicare Part D	74,357,704	66,276,535	57,583,802	38,056,016	10,355,829	6,276,386	6,487,102	6,779,021	7,084,077	7,402,861
EGWP+Wrap	-	-	-	-	-	-	-	-	-	-
Direct Subsidy	-	-	-	24,435,483	25,774,974	-	-	-	-	-
Coverage Gap Subsidy	-	-	-	-	35,627,686	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	-	31,734,272	-	-	-	-
Total	-	-	-	24,435,483	61,402,661	31,734,272	-	-	-	-
Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,839,168	4,026,509	3,592,708	2,552,944	1,282,719	887,099
Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,163	2,960,048,314	3,040,728,238	3,023,565,328	3,080,239,084	3,209,539,103	3,527,405,410	4,077,820,022
PLAN EXPENSE:										
Medical Claims Payment	1,829,432,245	1,852,549,690	1,849,410,105	1,858,096,405	2,036,106,807	2,147,853,708	2,331,246,792	2,512,766,181	2,715,840,904	2,926,017,901
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)	(22,138,801)	(25,414,481)	(27,793,356)	(29,749,020)	(32,360,630)	(34,655,800)
Dental & MHSA Enhancement	-	-	-	-	1,754,883	7,002,886	7,600,823	8,192,650	8,854,757	9,540,021
Medicare Advantage Claims Reduction	-	-	-	-	(25,666,010)	(110,329,549)	(120,904,637)	(132,493,346)	(145,192,833)	(159,109,567)
Calendar Year Adjustments	-	-	-	-	(18,690,285)	(380,241)	830,294	900,809	977,443	1,060,525
Preventative at 100% in Standard Plan	-	-	-	-	6,854,749	28,259,422	39,036,399	53,276,346	57,532,424	61,929,180
Wellness Comply Savings	-	-	-	-	(828,478)	(6,107,341)	(16,704,734)	(34,154,969)	(45,720,880)	(49,740,728)
Claims Reduction due to Movement	-	-	-	-	(7,525,283)	(30,174,831)	(22,157,948)	(16,838,015)	(23,653,924)	(32,262,373)
Limited Network Savings	-	-	-	-	237,351	936,304	1,228,691	1,460,151	1,328,348	1,169,261
PCP Copay Waiver	-	-	-	-	2,631,058	5,519,195	(4,975,565)	(21,046,701)	(43,500,701)	(67,734,584)
Essential Health Benefits/MH Parity	-	-	-	-	1,059,857	4,158,427	4,460,159	4,835,394	5,240,845	5,646,430
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,973,766,047	2,021,323,499	2,191,868,918	2,347,151,519	2,499,345,752	2,661,860,276
Medicare Advantage Premiums	-	-	-	-	79,548,716	175,178,855	212,606,572	253,828,104	295,729,130	338,324,708
Pharmacy Claims Payment	N/A	N/A	721,163,013	752,419,650	800,006,086	899,260,836	1,011,149,558	1,053,411,000	1,138,592,756	1,230,768,323
Rebates	N/A	N/A	(93,130,160)	(69,641,941)	(92,245,116)	(69,163,011)	(51,882,687)	(53,669,341)	(52,521,884)	(54,450,781)
Calendar Year Adjustments	-	-	-	-	(5,291,967)	954,722	126,642	(570,171)	(816,799)	(667,300)
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	702,469,003	831,052,548	959,393,513	999,171,487	1,085,454,274	1,175,650,242
MA-PDP Claims Reduction	-	-	-	-	(55,531,971)	(240,520,250)	(263,574,116)	(288,837,695)	(316,522,788)	(346,861,498)
EGWP+Wrap Reduction in Rebates	-	-	-	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase	-	-	-	-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips	-	-	-	-	358,984	1,596,075	1,794,663	1,899,672	2,020,859	2,184,459
HB 675 - Pharmacy Audit Changes	-	-	-	-	53,972	200,000	224,885	234,284	253,229	273,729
Specialty Pharmacy Tier	-	-	-	-	(60,788)	(274,995)	(325,193)	(360,820)	(401,501)	(434,004)
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	647,289,201	592,053,375	697,513,751	712,076,928	770,804,072	830,812,927
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,517,406,200	2,700,633,964	2,788,555,728	3,101,987,242	3,313,056,551	3,565,878,954	3,830,997,912
Administrative Costs	164,649,780	165,902,094	165,480,561	161,401,639	161,213,637	177,151,548	182,466,094	187,208,529	192,090,617	197,116,970
ACA Reinsurance Fee	-	-	-	-	-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,861,847,800	3,000,340,123	3,305,492,790	3,514,466,711	3,757,969,570	4,028,114,882
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	178,880,637	23,225,205	(225,253,707)	(304,927,609)	(230,564,161)	49,705,141
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	793,487,946	982,368,583	985,593,789	760,340,082	455,412,473	224,848,313
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,471	793,487,946	982,368,583	985,593,789	760,340,082	455,412,473	224,848,313	274,553,453
Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201,392,466	222,792,246	235,203,919	260,044,260	275,330,560	294,313,484	314,340,588
	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Premium Increase:	8.9%	8.9%	5.3%	5.3%	3.57%	2.14%	4.47%	4.47%	16.11%	16.11%