



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

# January 2014 Financial Report

*Board of Trustees Meeting*

March 27, 2014

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*A Division of the Department of State Treasurer*

# Financial Results: Actual v. Budgeted

## Calendar Year to Date January 2014

Calendar Year 2014	Actual thru Jan 2014	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Beginning Cash Balance	\$838.5 m	\$695.0 m	\$143.5 m
Plan Revenue	\$228.9 m	\$253.2 m	(\$24.3 m)
Net Claims Payments	\$196.4 m	\$216.5 m	(\$20.1 m)
Medicare Advantage Premiums	\$12.9 m	\$14.5 m	(\$1.6 m)
Net Administrative Expenses	\$23.4 m	\$15.2 m	\$8.2 m
<b>Total Plan Expenses</b>	<b>\$232.7 m</b>	<b>\$246.2 m</b>	<b>(\$13.5 m)</b>
<b>Net Income/(Loss)</b>	<b>(\$3.8 m)</b>	<b>\$7.0 m</b>	<b>(\$10.8 m)</b>
Ending Cash Balance	\$834.7 m	\$702.0 m	\$132.7 m

# Adjusted Variance Report

## Calendar Year to Date January 2014

Calendar Year 2014	Actual thru Jan 2014, As Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$257.8 m</b>	<b>\$253.2 m</b>	<b>\$4.6 m</b>
Net Claims Payments ^	\$157.7 m	\$216.5 m	(\$58.8 m)
Medicare Advantage Premiums	\$12.9 m	\$14.5 m	(\$1.6 m)
Net Administrative Expenses ^	\$14.9 m	\$15.2 m	(\$0.3 m)
<b>Total Plan Expenses</b>	<b>\$185.5 m</b>	<b>\$246.2 m</b>	<b>(\$60.7 m)</b>
<b>Net Income/(Loss)</b>	<b>\$72.3 m</b>	<b>\$7.0 m</b>	<b>\$65.3 m</b>

\* Adjusted for timing issues and to exclude non-budgeted revenue.

^ Adjusted for timing issues.

# Financial Results Actual v. Budgeted

## Calendar Year to Date January 2014

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

<b>Calendar Year 2014</b>	<b>Actual thru Jan 2014</b>	<b>Certified Budget (per Segal 8-19-13)</b>	<b>Variance Over/(Under) Budget</b>
<b>Plan Revenue</b>	<b>\$338.20</b>	<b>\$379.96</b>	<b>(\$41.76)</b>
Net Claims Payments	\$292.21	\$324.69	(\$32.48)
Medicare Advantage Premiums	\$19.21	\$21.66	(\$2.45)
Net Administrative Expenses	\$34.86	\$22.80	\$12.06
<b>Total Plan Expenses</b>	<b>\$346.28</b>	<b>\$369.15</b>	<b>(\$22.87)</b>
<b>Net Income/(Loss)</b>	<b>(\$8.08)</b>	<b>\$10.81</b>	<b>(\$18.89)</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 January 2014

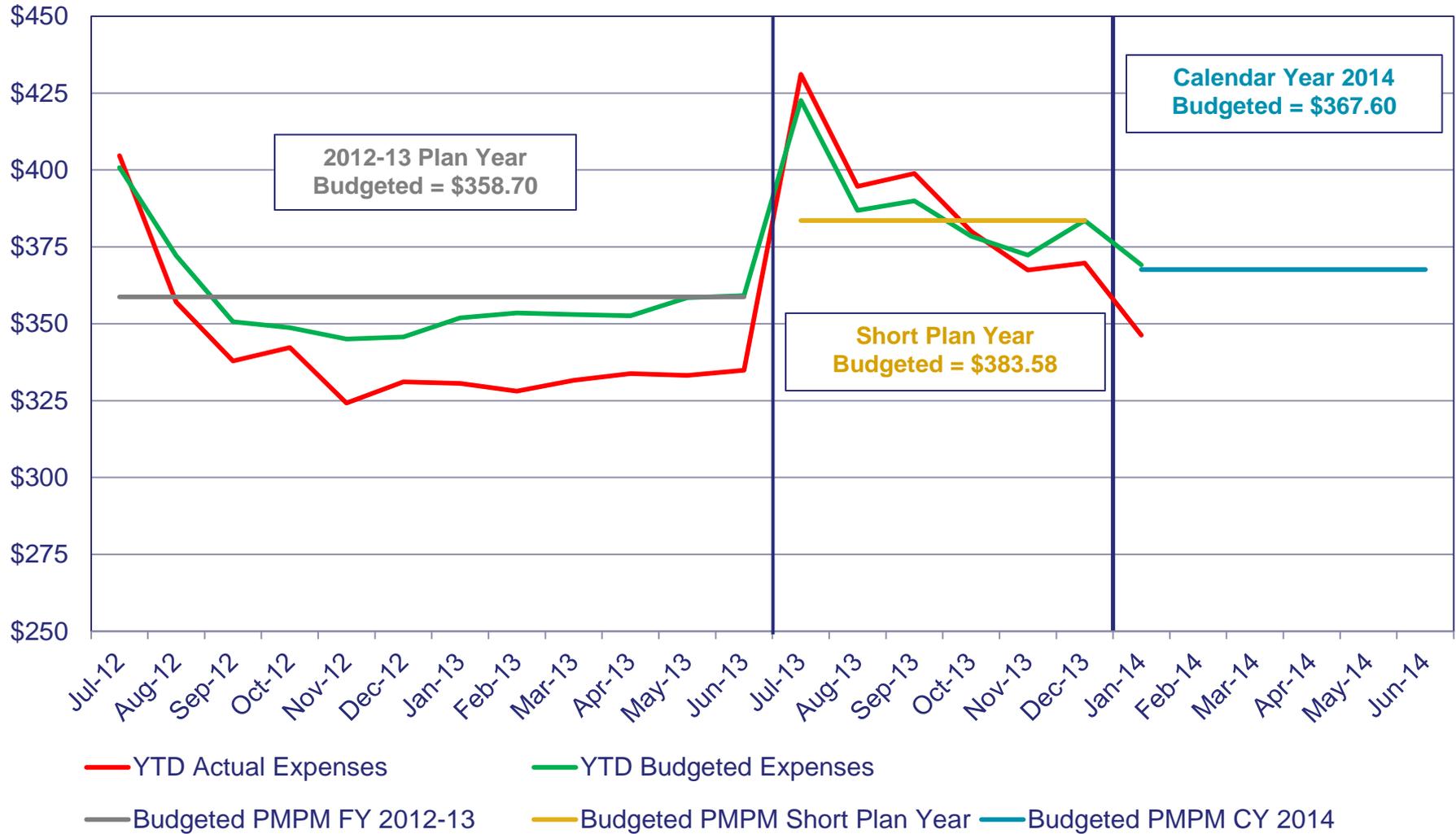
### *Per Member Per Month (PMPM) Analysis*

Calendar Year 2014	Actual thru Jan 2014, as Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
<b>Plan Revenue *</b>	<b>\$380.91</b>	<b>\$379.96</b>	<b>\$0.95</b>
Net Claims Payments ^	\$234.69	\$324.69	(\$90.00)
Medicare Advantage Premiums	\$19.21	\$21.66	(\$2.45)
Net Administrative Expenses ^	\$22.22	\$22.80	(\$0.58)
<b>Total Plan Expenses</b>	<b>\$276.12</b>	<b>\$369.15</b>	<b>(\$93.03)</b>
<b>Net Income/(Loss)</b>	<b>\$104.79</b>	<b>\$10.81</b>	<b>\$93.98</b>

\* Adjusted for timing issues and to exclude non-budgeted revenue.

^ Adjusted for timing issues.

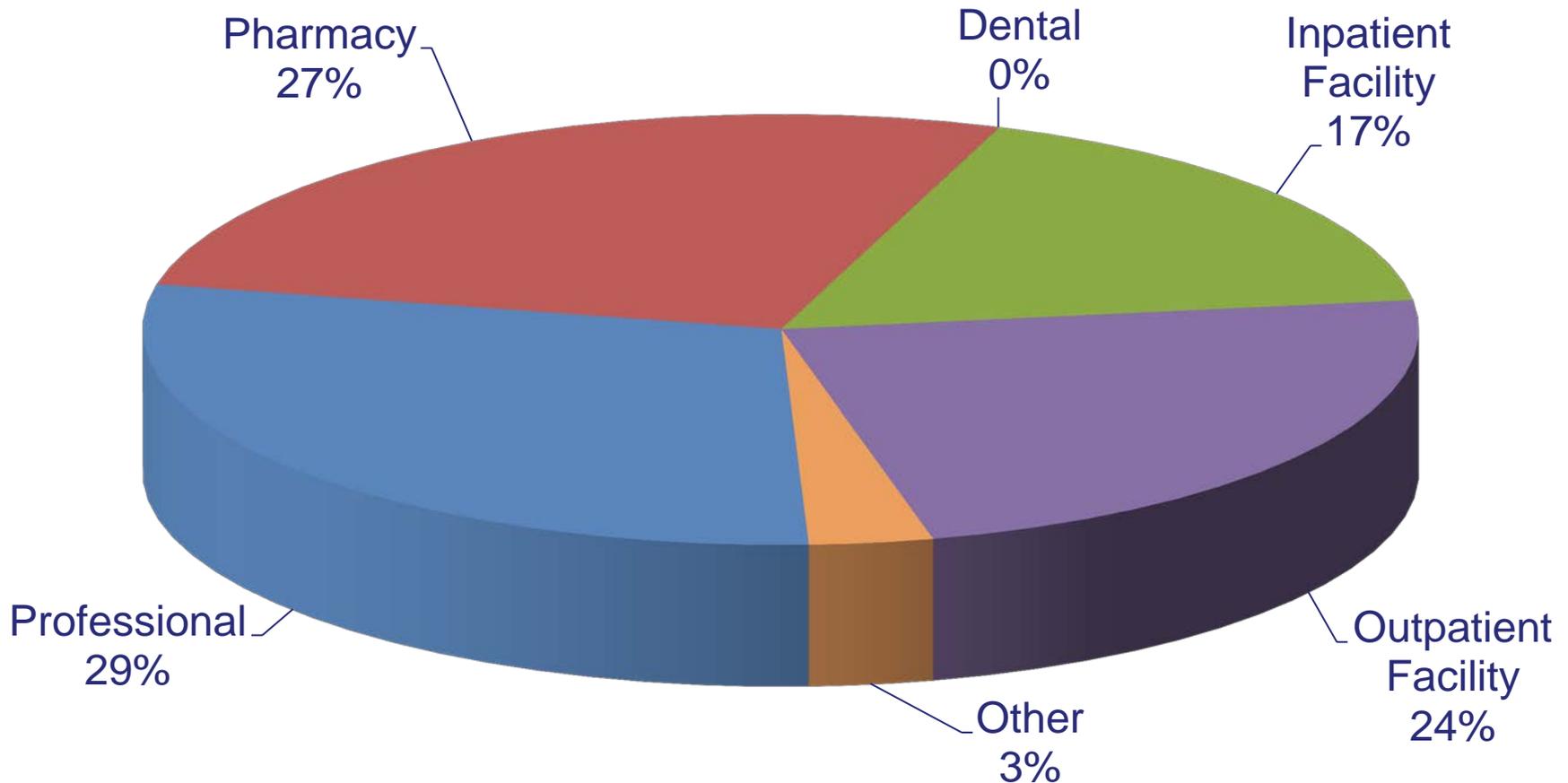
# Plan Year to Date Expenditure Trend Per Member Per Month



# Allocation of Claims Expenditures

## Fiscal Year to Date

### Includes Medical, Blue Card & Pharmacy Payments



Source: BCBSNC Summary of Billed Charges, fiscal year to date through January 2014

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)  
Consolidated Report, Actual vs. Certified Budget  
For the Month Ended January 2014  
Calendar Year 2014

	A	B	C	D	E	F	G	H
	Actual January 2014	Certified Budget January 2014	Monthly Variance Over/(Under) Certified Budget	Actual 2014 Calendar Year To Date	Certified Budget 2014 Calendar Year to Date	Calendar Year to Date Variance Over/(Under) Certified Budget	Calendar Year Certified Budget (Jan- Dec 2014)	Calendar Year to Date Variance Over/(Under) Certified Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 215,624,797	\$ 243,964,546	\$ (28,339,749)	\$ 215,624,797	\$ 243,964,546	\$ (28,339,749)	\$ 2,921,878,532	\$ (2,706,253,735)
4 Premium Refunds/Retroactive Disenrollments	1,918	(124,354)	126,272	1,918	(124,354)	126,272	(1,489,408)	1,491,326
5 Medicare Part D (RDS) Subsidy	865,445	603,039	262,406	865,445	603,039	262,406	6,344,076	(5,478,631)
6 Medicare PDP (EGWP + Wrap) Subsidy	12,080,189	8,534,636	3,545,553	12,080,189	8,534,636	3,545,553	31,047,005	(18,966,816)
7 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
8 <b>Net Premium &amp; Other Contributions</b>	<b>228,572,349</b>	<b>252,977,867</b>	<b>(24,405,518)</b>	<b>228,572,349</b>	<b>252,977,867</b>	<b>(24,405,518)</b>	<b>2,957,780,205</b>	<b>(2,729,207,856)</b>
9								
10 Investment Earnings	369,150	232,080	137,070	369,150	232,080	137,070	2,892,005	(2,522,855)
11 Miscellaneous Revenue	-	-	-	-	-	-	-	-
12 Other Revenue	369,150	232,080	137,070	369,150	232,080	137,070	2,892,005	(2,522,855)
13								
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>228,941,499</b>	<b>253,209,947</b>	<b>(24,268,448)</b>	<b>228,941,499</b>	<b>253,209,947</b>	<b>(24,268,448)</b>	<b>2,960,672,210</b>	<b>(2,731,730,711)</b>
15								
16 <b>Plan Expenses:</b>								
17								
18 Medical Claim Payments	122,660,199	172,999,479	(50,339,280)	122,660,199	172,999,479	(50,339,280)	2,062,826,346	(1,940,166,147)
19 Medical Claim Refunds/Recoveries	(1,967,807)	(1,883,217)	(84,590)	(1,967,807)	(1,883,217)	(84,590)	(25,469,051)	23,501,244
20 <b>Net Medical Claims</b>	<b>120,692,392</b>	<b>171,116,262</b>	<b>(50,423,870)</b>	<b>120,692,392</b>	<b>171,116,262</b>	<b>(50,423,870)</b>	<b>2,037,357,295</b>	<b>(1,916,664,903)</b>
21								
22 Pharmacy Claim Payments	82,399,014	56,670,333	25,728,681	82,399,014	56,670,333	25,728,681	599,541,594	(517,142,580)
23 Pharmacy Claim Rebates	(6,534,968)	(11,255,379)	4,720,411	(6,534,968)	(11,255,379)	4,720,411	(54,794,623)	48,259,655
24 Pharmacy Claim Refunds/Recoveries	(174,738)	-	(174,738)	(174,738)	-	(174,738)	-	(174,738)
25 <b>Net Pharmacy Claims</b>	<b>75,689,308</b>	<b>45,414,954</b>	<b>30,274,354</b>	<b>75,689,308</b>	<b>45,414,954</b>	<b>30,274,354</b>	<b>544,746,971</b>	<b>(469,057,663)</b>
26								
27 <b>Net Claim Payments</b>	<b>196,381,700</b>	<b>216,531,216</b>	<b>(20,149,516)</b>	<b>196,381,700</b>	<b>216,531,216</b>	<b>(20,149,516)</b>	<b>2,582,104,266</b>	<b>(2,385,722,566)</b>
28								
29 Medicare Advantage Premiums	12,907,634	14,447,462	(1,539,828)	12,907,634	14,447,462	(1,539,828)	174,162,733	(161,255,099)
30								
31 <b>Net Administrative Expenses</b>	<b>23,427,097</b>	<b>15,201,741</b>	<b>8,225,356</b>	<b>23,427,097</b>	<b>15,201,741</b>	<b>8,225,356</b>	<b>179,815,010</b>	<b>(156,387,913)</b>
32								
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>232,716,431</b>	<b>246,180,419</b>	<b>(13,463,988)</b>	<b>232,716,431</b>	<b>246,180,419</b>	<b>(13,463,988)</b>	<b>2,936,082,009</b>	<b>(2,703,365,578)</b>
34								
35 <b>Plan Income/(Loss)</b>	<b>(3,774,932)</b>	<b>7,029,528</b>	<b>(10,804,460)</b>	<b>(3,774,932)</b>	<b>7,029,528</b>	<b>(10,804,460)</b>	<b>24,590,201</b>	<b>(28,365,133)</b>
36								
37 <b>Cash Availability:</b>								
38								
39 Beginning Cash Balance/(Deficit)	838,447,137	694,975,133	143,472,004	838,447,137	694,975,133	143,472,004	694,975,133	143,472,004
40 Ending Cash Balance/(Deficit)	834,672,205	702,004,661	132,667,544	834,672,205	702,004,661	132,667,544	719,565,334	115,106,871
41								
42 Target Stabilization Reserve @ 12/31/14	234,282,695	234,282,695	-	234,282,695	234,282,695	-	234,282,695	-
43								
44 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 600,389,510</b>	<b>\$ 467,721,966</b>	<b>\$ 132,667,544</b>	<b>\$ 600,389,510</b>	<b>\$ 467,721,966</b>	<b>\$ 132,667,544</b>	<b>\$ 485,282,639</b>	<b>\$ 115,106,871</b>

Comments:

- a. Premium receivables totaled \$138,061.46 as of January 31, 2014.
- b. The average weekly medical claims cost net of claims refunds was \$30,173,098.00 for the four scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$27,466,338.00 per cycle.
- d. The target stabilization reserve is 8.5% of the projected net claims and Medicare Advantage premiums for Calendar Year 2014.
- e. Minor differences compared to other reports are due to rounding.

North Carolina State Health Plan for Teachers and State Employees

Summary of Operations (Cash Basis)  
Consolidated Report, Actual vs. Certified Budget  
For the Month Ended January 2014  
**Fiscal Year 2013- 2014**

	A	B	C	D	E	F	G	H
	Actual January 2014	Certified Budget January 2014	Monthly Variance Over/(Under) Certified Budget	Actual Year to Date FY 2013-14	Certified Budget Year to Date FY 2013-14	Year to Date Variance Over/(Under) Certified Budget	Annual Certified Budget FY 2013-14	Year to Date Variance Over/(Under) Annual Certified Budget
<b>Plan Revenue:</b>								
Member Premiums	\$ 215,624,797	\$ 243,964,546	\$ (28,339,749)	\$ 1,718,202,797	\$ 1,684,043,918	\$ 34,158,879	\$ 2,902,567,015	\$ (1,184,364,218)
Premium Refunds/Retroactive Disenrollments	1,918	(124,354)	126,272	(275,620)	(845,644)	570,024	(1,466,766)	1,191,146
Medicare Part D (RDS) Subsidy	865,445	603,039	262,406	(458,443)	3,387,783	(3,846,226)	6,218,762	(6,677,205)
Medicare PDP (EGWP + Wrap) Subsidy	12,080,189	8,534,636	3,545,553	49,162,774	40,881,937	8,280,837	50,346,402	(1,183,628)
Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	-	-	-	-	-
<b>Net Premium &amp; Other Contributions</b>	<b>228,572,349</b>	<b>252,977,867</b>	<b>(24,405,518)</b>	<b>1,766,631,508</b>	<b>1,727,467,994</b>	<b>39,163,514</b>	<b>2,957,665,413</b>	<b>(1,191,033,905)</b>
Investment Earnings	369,150	232,080	137,070	2,155,265	1,680,082	475,183	2,868,131	(712,866)
Miscellaneous Revenue	-	-	-	54,972	-	54,972	-	54,972
Other Revenue	369,150	232,080	137,070	2,210,237	1,680,082	530,155	2,868,131	(657,894)
<b>Total Plan Revenue (excludes internal transfers)</b>	<b>228,941,499</b>	<b>253,209,947</b>	<b>(24,268,448)</b>	<b>1,768,841,745</b>	<b>1,729,148,076</b>	<b>39,693,669</b>	<b>2,960,533,544</b>	<b>(1,191,691,799)</b>
<b>Plan Expenses:</b>								
Medical Claim Payments	122,660,199	172,999,479	(50,339,280)	1,155,817,599	1,216,998,776	(61,181,177)	2,107,493,114	(951,675,515)
Medical Claim Refunds/Recoveries	(1,967,807)	(1,883,217)	(84,590)	(12,802,185)	(13,943,901)	1,141,716	(24,643,884)	11,841,699
<b>Net Medical Claims</b>	<b>120,692,392</b>	<b>171,116,262</b>	<b>(50,423,870)</b>	<b>1,143,015,414</b>	<b>1,203,054,875</b>	<b>(60,039,461)</b>	<b>2,082,849,230</b>	<b>(939,833,816)</b>
Pharmacy Claim Payments	82,399,014	56,670,333	25,728,681	508,214,483	490,718,773	17,495,710	699,653,578	(191,439,095)
Pharmacy Claim Rebates	(6,534,968)	(11,255,379)	4,720,411	(38,723,609)	(31,828,240)	(6,895,369)	(52,353,361)	13,629,752
Pharmacy Claim Refunds/Recoveries	(174,738)	-	(174,738)	(732,268)	-	(732,268)	-	(732,268)
<b>Net Pharmacy Claims</b>	<b>75,689,308</b>	<b>45,414,954</b>	<b>30,274,354</b>	<b>468,758,606</b>	<b>458,890,533</b>	<b>9,868,073</b>	<b>647,300,217</b>	<b>(178,541,611)</b>
<b>Net Claim Payments</b>	<b>196,381,700</b>	<b>216,531,216</b>	<b>(20,149,516)</b>	<b>1,611,774,020</b>	<b>1,661,945,408</b>	<b>(50,171,388)</b>	<b>2,730,149,447</b>	<b>(1,118,375,427)</b>
Medicare Advantage Premiums	12,907,634	14,447,462	(1,539,828)	12,907,634	14,447,462	(1,539,828)	86,864,744	(73,957,110)
<b>Net Administrative Expenses</b>	<b>23,427,097</b>	<b>15,201,741</b>	<b>8,225,356</b>	<b>92,975,834</b>	<b>106,500,039</b>	<b>(13,524,205)</b>	<b>182,446,628</b>	<b>(89,470,794)</b>
<b>Total Plan Expenses (excludes internal transfers)</b>	<b>232,716,431</b>	<b>246,180,419</b>	<b>(13,463,988)</b>	<b>1,717,657,488</b>	<b>1,782,892,909</b>	<b>(65,235,421)</b>	<b>2,999,460,819</b>	<b>(1,281,803,331)</b>
<b>Plan Income/(Loss)</b>	<b>(3,774,932)</b>	<b>7,029,528</b>	<b>(10,804,460)</b>	<b>51,184,257</b>	<b>(53,744,833)</b>	<b>104,929,090</b>	<b>(38,927,275)</b>	<b>90,111,532</b>
<b>Cash Availability:</b>								
Beginning Cash Balance/(Deficit)	838,447,137	694,975,133	143,472,004	783,487,948	755,749,494	27,738,454	755,749,494	27,738,454
Ending Cash Balance/(Deficit)	834,672,205	702,004,661	132,667,544	834,672,205	702,004,661	132,667,544	716,822,219	117,849,986
Target Stabilization Reserve @ 6/30/14	239,446,206	239,446,206	-	239,446,206	239,446,206	-	239,446,206	-
<b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 595,225,999</b>	<b>\$ 462,558,455</b>	<b>\$ 132,667,544</b>	<b>\$ 595,225,999</b>	<b>\$ 462,558,455</b>	<b>\$ 132,667,544</b>	<b>\$ 477,376,013</b>	<b>\$ 117,849,986</b>

Comments:

- Premium receivables totaled \$138,061.46 as of January 31, 2014.
- The average weekly medical claims cost net of claims refunds was \$30,173,098.00 for the four scheduled weekly claim cycles.
- Total pharmacy claims, before rebates and refunds, included three bi-weekly invoice cycles averaging \$27,466,338.00 per cycle.
- The target stabilization reserve is 8.5% of the projected net claims and Medicare Advantage premiums for Fiscal Year 2013-14.
- Minor differences compared to other reports are due to rounding.

Actual vs Certified Budget (i.e. **Original Budget** per SL 2013-360 and Board Approved Design)  
January 2014 - 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 January 2014**  
**Fiscal Year 2013-2014**

	A	B	C	D	E	F	G
	Current Year Actual January 2014	Prior Year Actual January 2013	Current Year to Date Actual FY 2013-14 thru January	Prior Year to Date Actual FY 2012-13 thru January	Current Year Certified Annual Budget FY 2013-14	Prior Year Annual Budget FY 2012-13	Prior Year Actual Results FY 2012-13
1 <b>Plan Revenue:</b>							
2							
3 Member Premiums	\$ 215,624,797	\$ 217,336,501	\$ 1,718,202,797	\$ 1,687,804,549	\$ 2,902,567,015	\$ 2,872,808,844	\$ 2,895,366,140
4 Premium Refunds/Retroactive Disenrollments	1,918	(33,965)	(275,620)	(278,427)	(1,466,766)	(1,437,243)	(487,819)
5 Medicare Part D (RDS) Subsidy	865,445	-	(458,443)	25,570,898	6,218,762	39,519,892	38,056,016
6 Medicare PDP (EGWP + Wrap) Subsidy	12,080,189	3,879,515	49,162,774	3,879,515	50,346,402	19,759,856	24,435,483
7 Federal Early Retiree Reinsurance Program (ERRP)	-	-	-	(558,219)	-	-	(558,219)
8 <b>Net Premium &amp; Other Contributions</b>	<b>228,572,349</b>	<b>221,182,051</b>	<b>1,766,631,508</b>	<b>1,716,418,316</b>	<b>2,957,665,413</b>	<b>2,930,651,349</b>	<b>2,956,811,601</b>
9							
10 Investment Earnings	369,150	266,690	2,155,265	1,669,770	2,868,131	5,658,262	3,117,666
11 Miscellaneous Revenue	-	-	54,972	8,159	-	-	119,047
12 <b>Other Revenue</b>	<b>369,150</b>	<b>266,690</b>	<b>2,210,237</b>	<b>1,677,929</b>	<b>2,868,131</b>	<b>5,658,262</b>	<b>3,236,713</b>
13							
14 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>228,941,499</b>	<b>221,448,741</b>	<b>1,768,841,745</b>	<b>1,718,096,245</b>	<b>2,960,533,544</b>	<b>2,936,309,611</b>	<b>2,960,048,314</b>
15							
16 <b>Plan Expenses:</b>							
17							
18 Medical Claim Payments	122,660,199	137,118,189	1,155,817,599	1,056,190,175	2,107,493,114	2,003,583,417	1,858,096,405
19 Medical Claim Refunds/Recoveries	(1,967,807)	(2,361,986)	(12,802,185)	(14,655,055)	(24,643,884)	(31,216,928)	(23,467,914)
20 <b>Net Medical Claims</b>	<b>120,692,392</b>	<b>134,756,203</b>	<b>1,143,015,414</b>	<b>1,041,535,120</b>	<b>2,082,849,230</b>	<b>1,972,366,489</b>	<b>1,834,628,491</b>
21							
22 Pharmacy Claim Payments	82,399,014	84,034,775	508,214,483	442,935,930	699,653,578	743,853,418	755,896,440
23 Pharmacy Claim Rebates	(6,534,968)	(10,854,294)	(38,723,609)	(37,046,327)	(52,353,361)	(53,173,873)	(69,641,941)
24 Pharmacy Claim Refunds/Recoveries	(174,738)	(651)	(732,268)	(456,133)	-	-	(3,476,790)
25 <b>Net Pharmacy Claims</b>	<b>75,689,308</b>	<b>73,179,830</b>	<b>468,758,606</b>	<b>405,433,470</b>	<b>647,300,217</b>	<b>690,679,545</b>	<b>682,777,709</b>
26							
27 <b>Net Claim Payments</b>	<b>196,381,700</b>	<b>207,936,033</b>	<b>1,611,774,020</b>	<b>1,446,968,590</b>	<b>2,730,149,447</b>	<b>2,663,046,034</b>	<b>2,517,406,200</b>
28							
29 Medicare Advantage Premiums	12,907,634	-	12,907,634	-	86,864,744	-	-
30							
31 <b>Net Administrative Expenses</b>	<b>23,427,097</b>	<b>11,491,663</b>	<b>92,975,834</b>	<b>91,386,482</b>	<b>182,446,628</b>	<b>189,387,392</b>	<b>161,401,639</b>
32							
33 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>232,716,431</b>	<b>219,427,696</b>	<b>1,717,657,488</b>	<b>1,538,355,072</b>	<b>2,999,460,819</b>	<b>2,852,433,426</b>	<b>2,678,807,839</b>
34							
35 <b>Plan Income/(Loss)</b>	<b>(3,774,932)</b>	<b>2,021,045</b>	<b>51,184,257</b>	<b>179,741,173</b>	<b>(38,927,275)</b>	<b>83,876,185</b>	<b>281,240,475</b>
36							
37 <b>Cash Availability:</b>							
38							
39 Beginning Cash Balance/(Deficit)	838,447,137	679,967,599	783,487,948	502,247,471	755,749,494	502,247,475	502,247,471
40 Ending Cash Balance/(Deficit)	834,672,205	681,988,644	834,672,205	681,988,644	716,822,219	586,123,660	783,487,946
41							
42 Target Stabilization Reserve @ 6/30/14	239,446,206	199,728,453	239,446,206	199,728,453	239,446,206	199,728,453	188,805,465
43							
44 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 595,225,999</b>	<b>\$ 482,260,191</b>	<b>\$ 595,225,999</b>	<b>\$ 482,260,191</b>	<b>\$ 477,376,013</b>	<b>\$ 386,395,207</b>	<b>\$ 594,682,481</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, as adjusted)  
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 For the Month Ended January 2014  
 Calendar Year 2014

	A	B	C	D	E	F
	Actual Year to Date Calendar Year thru January	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Calendar Year to Date thru January	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)	\$ 215,624,797	\$ 29,484,769	\$ 245,109,566	\$ 243,964,546	\$ 1,145,020	0.47%
4 Premium Refunds/Retroactive Disenrollments	1,918		1,918	(124,354)	126,272	-101.54%
5 Medicare Part D (RDS) Subsidy	865,445		865,445	603,039	262,406	43.51%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 3)	12,080,189	(572,152)	11,508,037	8,534,636	2,973,401	34.84%
7 Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
8 <b>Net Premium &amp; Other Contributions</b>	<b>228,572,349</b>	<b>28,912,617</b>	<b>257,484,966</b>	<b>252,977,867</b>	<b>4,507,099</b>	<b>1.78%</b>
9						
10 Other Revenue	369,150		369,150	232,080	137,070	59.06%
11						
12 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>228,941,499</b>	<b>28,912,617</b>	<b>257,854,116</b>	<b>253,209,947</b>	<b>4,644,169</b>	<b>1.83%</b>
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	120,692,392		120,692,392	171,116,262	(50,423,870)	-29.47%
17 Net Pharmacy Claims (Notes 4 and 5)	75,689,308	(38,657,674)	37,031,634	45,414,954	(8,383,320)	-18.46%
18 <b>Net Claim Payments</b>	<b>196,381,700</b>	<b>(38,657,674)</b>	<b>157,724,026</b>	<b>216,531,216</b>	<b>(58,807,190)</b>	<b>-27.16%</b>
19						
20 Medicare Advantage Premiums	12,907,634		12,907,634	14,447,462	(1,539,828)	-10.66%
21						
22 <b>Net Administrative Expenses (Note 6)</b>	<b>23,427,097</b>	<b>(8,491,208)</b>	<b>14,935,889</b>	<b>15,201,741</b>	<b>(265,852)</b>	<b>-1.75%</b>
23						
24 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>232,716,431</b>	<b>(47,148,881)</b>	<b>185,567,550</b>	<b>246,180,419</b>	<b>(60,612,869)</b>	<b>-24.62%</b>
25						
26 <b>Plan Income/(Loss)</b>	<b>(3,774,932)</b>	<b>76,061,498</b>	<b>72,286,566</b>	<b>7,029,528</b>	<b>65,257,038</b>	<b>928.33%</b>
27						
28 <b>Cash Availability:</b>						
29						
30 Beginning Cash Balance/(Deficit)	838,447,137		838,447,137	694,975,133	143,472,004	20.64%
31 Ending Cash Balance/(Deficit)	834,672,205	76,061,498	910,733,703	702,004,661	208,729,042	29.73%
32						
33 Target Stabilization Reserve @ 12/31/2014	234,282,695		234,282,695	234,282,695	-	
34						
35 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ 600,389,510</b>	<b>\$ 76,061,498</b>	<b>\$ 676,451,008</b>	<b>\$ 467,721,966</b>	<b>\$ 208,729,042</b>	<b>44.63%</b>

**Adjustment Notes:**

1. Member premiums adjusted to include \$60.8 million in prepaid January premiums received in December 2013.
2. Member premiums adjusted to exclude \$31.3 million in prepaid February premiums received in January.
3. EGWP Subsidies adjusted to exclude an unbudgeted Direct Subsidy.
4. Pharmacy claims adjusted to exclude a \$33.1 million claims payment that was budgeted for payment in December 2013 but was not paid until January.
5. Pharmacy claims adjusted to include \$5.6 million in EGWP rebates budgeted for January and received in February.
6. Administrative expenses adjusted to exclude December 2013 vendor invoices that were not processed until January 2014.

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 January 2014  
**Fiscal Year 2013-2014**

	A	B	C	D	E	F
	Actual Year to Date Fiscal Year thru January	Adjustments for Timing, Unusual & Onetime Events	Adjusted Actual Year to Date	Certified Budget Fiscal Year to Date thru January	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)	\$ 1,718,202,797	\$ (20,994,494)	\$ 1,697,208,303	\$ 1,684,043,918	\$ 13,164,385	0.78%
4 Premium Refunds/Retroactive Disenrollments	(275,620)		(275,620)	(845,644)	570,024	-67.41%
5 Medicare Part D (RDS) Subsidy (Note 3)	(458,443)	5,717,385	5,258,942	3,387,783	1,871,159	55.23%
6 Medicare PDP (EGWP + Wrap) Subsidy (Note 4)	49,162,774	(572,152)	48,590,622	40,881,937	7,708,685	18.86%
7 Federal Early Retiree Reinsurance Program (ERRP)	-		-	-	-	
8 Net Premium & Other Contributions	1,766,631,508	(15,849,261)	1,750,782,247	1,727,467,994	23,314,253	1.35%
9						
10 Other Revenue (Note 5)	2,210,237	(54,973)	2,155,264	1,680,082	475,182	28.28%
11						
12 Total Plan Revenue (excludes internal transfers)	1,768,841,745	(15,904,233)	1,752,937,512	1,729,148,076	23,789,436	1.38%
13						
14 <b>Plan Expenses:</b>						
15						
16 Net Medical Claims	1,143,015,414		1,143,015,414	1,203,054,875	(60,039,461)	-4.99%
17 Net Pharmacy Claims (Notes 6 and 7)	468,758,606	225,718	468,984,324	458,890,533	10,093,791	2.20%
18 Net Claim Payments	1,611,774,020	225,718	1,611,999,738	1,661,945,408	(49,945,670)	-3.01%
19						
20 Medicare Advantage Premiums	12,907,634		12,907,634	14,447,462	(1,539,828)	-10.66%
21						
22 Net Administrative Expenses	92,975,834		92,975,834	106,500,039	(13,524,205)	-12.70%
23						
24 Total Plan Expenses (excludes internal transfers)	1,717,657,488	225,718	1,717,883,206	1,782,892,909	(65,009,703)	-3.65%
25						
26 <b>Plan Income/(Loss)</b>	51,184,257	(16,129,951)	35,054,306	(53,744,833)	88,799,139	-165.22%
27						
28 <b>Cash Availability:</b>						
29						
30 Beginning Cash Balance/(Deficit)	783,487,948		783,487,948	755,749,494	27,738,454	3.67%
31 Ending Cash Balance/(Deficit)	834,672,205	(16,129,951)	818,542,254	702,004,661	116,537,593	16.60%
32						
33 Target Stabilization Reserve @ 6/30/14	239,446,206		239,446,206	239,446,206	-	
34						
35 Cash Balance Over/(Under) Reserve Target	\$ 595,225,999	\$ (16,129,951)	\$ 579,096,048	\$ 462,558,455	\$ 116,537,593	25.19%

**Adjustment Notes:**

1. Member premiums adjusted to include \$10.3 million in prepaid July premiums received in June 2013.
2. Member premiums adjusted to exclude \$31.3 million in prepaid February premiums received in January.
3. Medicare Part D Subsidy adjusted to remove the impact of an unbudgeted repayment of subsidy revenues from prior years.
4. EGWP Subsidies adjusted to exclude an unbudgeted Direct Subsidy received in January.
5. Other revenue adjusted to exclude unbudgeted reimbursement of prior year expenditures.
6. Pharmacy claims adjusted to exclude \$5.8 million in unbudgeted EGWP rebates earned last fiscal year but not received until October 2013.
7. Pharmacy claims adjusted to include \$5.6 million in EGWP rebates budgeted for January and received in February.

Adjusted Variance Report Based on Certified (Original) Budget  
 Fiscal Year to Date Through January 2014