



September 2013 Financial Report

Board of Trustees Meeting

November 22, 2013

A Division of the Department of State Treasurer

Financial Results: Actual v. Budgeted Year to Date September 2013

Short Plan Year July-December 2013	Actual thru Sep 2013	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Beginning Cash Balance	\$783.5 m	\$755.8 m	\$27.7 m
Plan Revenue	\$749.4 m	\$736.1 m	\$13.3 m
Net Claims Payments	\$759.0 m	\$735.9 m	\$23.1 m
Net Administrative Expenses	\$41.1 m	\$45.7 m	(\$4.6 m)
Total Plan Expenses	\$800.1 m	\$781.6 m	\$18.5 m
Net Income/(Loss)	(\$50.7 m)	(\$45.5 m)	(\$5.2 m)
Ending Cash Balance	\$732.8 m	\$710.3 m	\$22.5 m



Adjusted Variance Report Year to Date September 2013

Short Plan Year July-December 2013	Actual thru Sep 2013, As Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Beginning Cash Balance	\$783.5 m	\$755.8 m	\$27.7 m
Plan Revenue *	\$737.8 m	\$736.1 m	\$1.7 m
Net Claims Payments †	\$753.6 m	\$735.9 m	\$17.7 m
Net Administrative Expenses ^	\$41.7 m	\$45.7 m	(\$4.0 m)
Total Plan Expenses	\$795.3 m	\$781.6 m	\$13.7 m
Net Income/(Loss)	(\$57.5 m)	(\$45.5 m)	(\$12.0 m)
Ending Cash Balance	\$726.0 m	\$710.3 m	\$15.7 m

^{*} Adjusted for timing issues and to exclude nonbudgeted revenues.

[^] Includes administrative expenses that were pending at the end of the month.



[†] Adjusted for timing issues.

Financial Results Actual v. Budgeted Year to Date September 2013

Per Member Per Month (PMPM) Analysis

Short Plan Year July-December 2013	Actual thru Sep 2013	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue	\$373.49	\$367.55	\$5.94
Net Claims Payments	\$378.42	\$367.19	\$11.23
Net Administrative Expenses	\$20.47	\$22.79	(\$2.32)
Total Plan Expenses	\$398.89	\$389.98	\$8.91
Net Income/(Loss)	(\$25.40)	(\$22.43)	(\$2.97)

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 Year to Date September 2013

Per Member Per Month (PMPM) Analysis

Short Plan Year July-December 2013	Actual thru Sep 2013, as Adjusted	Certified Budget (per Segal 8-19-13)	Variance Over/(Under) Budget
Plan Revenue *	\$367.70	\$367.55	\$0.15
Net Claims Payments †	\$375.72	\$367.19	\$8.53
Net Administrative Expenses ^	\$20.78	\$22.79	(\$2.01)
Total Plan Expenses	\$396.50	\$389.98	\$6.52
Net Income/(Loss)	(\$28.80)	(\$22.43)	(\$6.37)

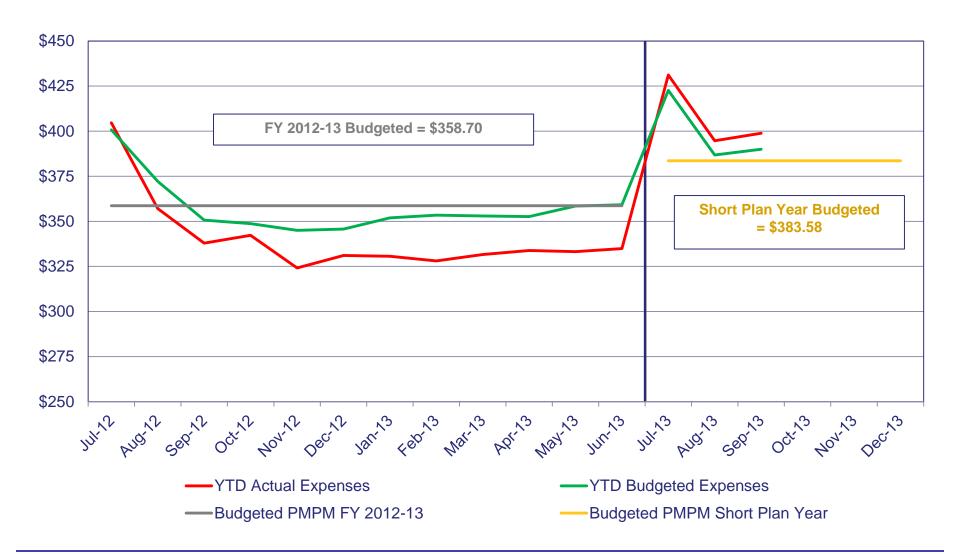
^{*} Adjusted for timing issues and to exclude nonbudgeted revenues.

[^] Includes administrative expenses that were pending at the end of the month.



[†] Adjusted for timing issues.

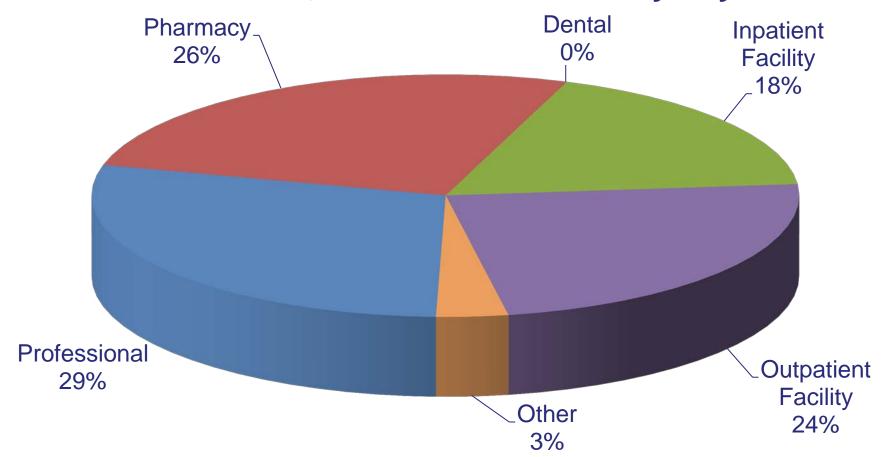
Year to Date Expenditure Trend Per Member Per Month





Allocation of Claims Expenditures

Includes Medical, Blue Card & Pharmacy Payments



Source: BCBSNC Summary of Billed Charges, year to date through September 2013



North Carolina State Health F	Plan for Teachers and St	tate Employees	;						
Summary of Operations (Cas		Α	В	С	D	E	F	G	Н
Consolidated Report, Actual vs. For the Month Ended Septembe Short Plan Year (July - Dec	er 2013	Actual September 2013	Certified Budget September 2013	Monthly Variance Over/(Under) Certified Budget	Actual Short Plan Year To Date	Certified Budget Short Plan Year to Date	Short Plan Year to Date Variance Over/(Under) Certified Budget	Short Plan Year Certified Budget (Jul - Dec 2013)	Short Plan Year to Date Variance Over/(Under) Certified Budget
Plan Revenue:									
Member Premiums Premium Refunds/Retroactive Dis Medicare Part D (RDS) Subsidy Medicare PDP (EGWP + Wrap) S Federal Early Retiree Reinsurance	Subsidy	(225,532) 307,743 4,094,352	\$ 240,055,343 (120,236) 364,862 4,190,180	\$ (31,238,118) (105,296) (57,119) (95,828)	\$ 731,105,957 (251,461) 1,510,296 16,106,284	\$ 720,420,712 (360,834) 1,277,453 14,046,619	\$ 10,685,245 109,373 232,843 2,059,665	(721,290) 2,784,744 32,347,301	\$ (708,973,415) 469,829 (1,274,448) (16,241,017)
8 Net Premium & Other Contribut	ions	212,993,788	244,490,149	(31,496,361)	748,471,076	735,383,950	13,087,126	1,474,490,127	(726,019,051)
10 Investment Earnings 11 Miscellaneous Revenue		303,960 54,972	239,370	64,590 54,972	858,605 54,972	725,262	133,343 54,972	1,448,002	(589,397) 54,972
12 Other Revenue 13		358,932	239,370	119,562	913,577	725,262	188,315	1,448,002	(534,425)
14 Total Plan Revenue (excludes in	nternal transfers)	213,352,720	244,729,519	(31,376,799)	749,384,653	736,109,212	13,275,441	1,475,938,129	(726,553,476)
15 16 Plan Expenses: 17									
18 Medical Claim Payments 19 Medical Claim Refunds/Recoverie		193,560,030 (1,494,252)	189,525,431 (2,038,882)	4,034,599 544,630	545,279,555 (5,764,072)	538,713,745 (6,135,864)	6,565,810 371,792	1,043,999,297 (12,060,684)	(498,719,742) 6,296,612
20 Net Medical Claims	es	192,065,778	187,486,549	4,579,229	539,515,483	532,577,881	6,937,602	1,031,938,613	(492,423,130)
21 22 Pharmacy Claim Payments		65,501,226	61,126,348	4,374,878	226,538,700	213,574,418	12,964,282	434,048,440	(207,509,740)
23 Pharmacy Claim Rebates		-	814,806	(814,806)	(6,882,250)	(10,242,022)	3,359,772	(20,572,861)	13,690,611
 24 Pharmacy Claim Refunds/Recove 25 Net Pharmacy Claims 	ries	(9,866) 65,491,360	61,941,154	(9,866) 3,550,206	(144,644) 219,511,806	203,332,396	(144,644) 16,179,410	413,475,579	(144,644) (193,963,773)
26									, , , ,
27 Net Claim Payments 28		257,557,138	249,427,703	8,129,435	759,027,289	735,910,277	23,117,012	1,445,414,192	(686,386,903)
29 Net Administrative Expenses		14,443,126	15,218,468	(775,342)	41,046,132	45,668,038	(4,621,906)	91,298,298	(50,252,166)
30 31 Total Plan Expenses (excludes 32	internal transfers)	272,000,264	264,646,171	7,354,093	800,073,421	781,578,315	18,495,106	1,536,712,490	(736,639,069)
33 Plan Income/(Loss)		(58,647,544)	(19,916,652)	(38,730,892)	(50,688,768)	(45,469,103)	(5,219,665)	(60,774,361)	10,085,593
34 35 Cash Availability:									
37 Beginning Cash Balance/(Deficit) 38 Ending Cash Balance/(Deficit) 39		791,446,724 73 2 ,799,180	730,197,043 710,280,391	61,249,681 22 ,518,789	783,487,948 732,799,180	755,749,494 710,280, 391	27,738,454 22,518,78 9	755,749,494 694,975,133	27,738,454 37,824,047
40 Target Stabilization Reserve @ 12	2/31/13	219,485,780	219,485,780	-	219,485,780	219,485,780	-	219,485,780	-
41 42 Cash Balance Over/(Under) Res	serve Target	513,313,400	\$ 490,794,611	\$ 22,518,789	\$ 513,313,400	\$ 490,794,611	\$ 22,518,789	\$ 475,489,353	\$ 37,824,047

Comments:

- a. Premium receivables totaled \$ 2,998,364.66 as of September 30, 2013.
- b. The average weekly medical claims cost net of claims refunds was \$38,413,155.60 for the five scheduled weekly claim cycles.
- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$32,750,613.00 per cycle.
- d. The target stabilization reserve is 8% of the projected net claims for Calendar Year 2013.
- 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)	Α		В	С	D	E	F	G	Н
	Consolidated Report, Actual vs. Certified Budget For the Month Ended September 2013	Actual		Certified	Monthly	Actual	Certified	Year to Date	Annual	Year to Date
	Fiscal Year 2013- 2014	Septemb		Budget	Variance	Year to Date	Budget	Variance	Certified	Variance
	113cai 1eai 2010-2014	2013	CI	September	Over/(Under)	FY 2013-14	Year to Date	Over/(Under)	Budget	Over/(Under)
		20.0		2013	Certified		FY 2013-14	Certified	FY 2013-14	Annual
					Budget			Budget		Certified Budget
4	Plan Revenue:									
2	Flan Revenue.									
3	Member Premiums	\$ 208,817	7,225	\$ 240,055,343	\$ (31,238,118)		\$ 720,420,712	\$ 10,685,245	\$ 2,902,567,015	\$ (2,171,461,058)
4	Premium Refunds/Retroactive Disenrollments		5,532)	(120,236)	(105,296)	(251,461)	(360,834)	109,373	(1,466,766)	1,215,305
5	Medicare Part D (RDS) Subsidy		7,743	364,862	(57,119)	1,510,296	1,277,453	232,843	6,218,762	(4,708,466)
6 7	Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP)	4,094	1,352	4,190,180	(95,828)	16,106,284	14,046,619	2,059,665	50,346,402	(34,240,118)
8	Net Premium & Other Contributions	212,993	3.788	244,490,149	(31,496,361)	748,471,076	735,383,950	13,087,126	2,957,665,413	(2,209,194,337)
9		1						, ,		
	Investment Earnings		3,960	239,370	64,590	858,605	725,262	133,343	2,868,131	(2,009,526)
	Miscellaneous Revenue		,972		54,972	54,972	705.000	54,972		54,972
12	Other Revenue	358	3,932	239,370	119,562	913,577	725,262	188,315	2,868,131	(1,954,554)
14	Total Plan Revenue (excludes internal transfers)	213,352	2,720	244,729,519	(31,376,799)	749,384,653	736,109,212	13,275,441	2,960,533,544	(2,211,148,891)
15 16	Plan Expenses:									
17	Plan Expenses.									
	Medical Claim Payments	193,560	0,030	189,525,431	4,034,599	545,279,555	538,713,745	6,565,810	2,107,493,114	(1,562,213,559)
	Medical Claim Refunds/Recoveries	(1,494		(2,038,882)	544,630	(5,764,072)	(6,135,864)	371,792	(24,643,884)	18,879,812
	Net Medical Claims	192,06	5,778	187,486,549	4,579,229	539,515,483	532,577,881	6,937,602	2,082,849,230	(1,543,333,747)
21	Pharmacy Claim Payments	65,501	1226	61,126,348	4.374.878	226.538.700	213.574.418	12.964.282	699.653.578	(473,114,878)
	Pharmacy Claim Rebates	05,50	-	814,806	(814,806)	(6,882,250)	(10,242,022)	3,359,772	(52,353,361)	45,471,111
	Pharmacy Claim Refunds/Recoveries	(9	9,866)	-	(9,866)	(144,644)	-	(144,644)	-	(144,644)
	Net Pharmacy Claims	65,491	1,360	61,941,154	3,550,206	219,511,806	203,332,396	16,179,410	647,300,217	(427,788,411)
26	Net Claim Payments	257,557	7 1 3 0	249,427,703	8,129,435	759,027,289	735,910,277	23.117.012	2,730,149,447	(1,971,122,158)
28	Net Claim Payments	251,551	,130	249,421,103	0,125,455	133,021,203	133,310,211	23,117,012	2,730,149,447	(1,571,122,130)
29	Medicare Advantage Premiums		-	-	-	-	-	-	86,864,744	(86,864,744)
30				45.44.40	(775.040)		45 000 000			
31	Net Administrative Expenses	14,443	3,126	15,218,468	(775,342)	41,046,132	45,668,038	(4,621,906)	182,446,628	(141,400,496)
33	Total Plan Expenses (excludes internal transfers)	272,000	,264	264,646,171	7,354,093	800,073,421	781,578,315	18,495,106	2,999,460,819	(2,199,387,398)
34										
	Plan Income/(Loss)	(58,647	7,544)	(19,916,652)	(38,730,892)	(50,688,768)	(45,469,103)	(5,219,665)	(38,927,275)	(11,761,493)
36	Cook Asselfabilities									
37 38	Cash Availability:									
	Beginning Cash Balance/(Deficit)	791,446	5.724	730,197,043	61,249,681	783,487,948	755,749,494	27,738,454	755,749,494	27,738,454
40		732,799		710,280,391	22,518,789	732,799,180	710,280,391	22,518,789	716,822,219	15,976,961
41										
	Target Stabilization Reserve @ 6/30/14	239,446	5,206	239,446,206	-	239,446,206	239,446,206	-	239,446,206	-
43										

Comments

- a. Premium receivables totaled \$ 2,998,364.66 as of September 30, 2013.
- b. The average weekly medical claims cost net of claims refunds was \$38,413,155.60 for the five scheduled weekly claim cycles.

493,352,974 \$ 470,834,185 \$

- c. Total pharmacy claims, before rebates and refunds, included two bi-weekly invoice cycles averaging \$32,750,613.00 per cycle.
- d. The target stabilization reserve is 8.5% of the projected net claims for Fiscal Year 2013-14.
- e. Minor differences compared to other reports are due to rounding.

44 Cash Balance Over/(Under) Reserve Target

15,976,961

22,518,789 \$ 477,376,013 \$

22,518,789 \$ 493,352,974 \$ 470,834,185 \$

	North Carolina State Health Plan for Teachers and	State Employees							
	Summary of Operations (Cash Basis)	A	В	С	D		E	F	G
	Current Year Actual vs. Prior Year Actual For the Month Ended September 2013 Fiscal Year 2013-2014	Current Year Actual September 2013	Prior Year Actual September 2012	Current Year to Date Actual FY 2013-14 thru September	Prior Year to Date Actual FY 2012-13 thru September		Current Year Certified Annual Budget FY 2013-14	Prior Year Annual Budget FY 2012-13	Prior Year Actual Results FY 2012-13
1	Plan Revenue:								
3 4 5 6 7	Premium Refunds/Retroactive Disenrollments Medicare Part D (RDS) Subsidy Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP)	\$ 208,817,225 (225,532) 307,743 4,094,352	\$ 235,740,702 (41,714) 2,036,789 - (558,219)	\$ 731,105,957 (251,461) 1,510,296 16,106,284	\$ 704,972,73 (141,35 9,388,77 (558,21	56) 78 - 19)	\$ 2,902,567,015 (1,466,766) 6,218,762 50,346,402	\$ 2,872,808,844 (1,437,243) 39,519,892 19,759,856	\$ 2,895,366,140 (487,819) 38,056,016 24,435,483 (558,219)
8	Net Premium & Other Contributions	212,993,788	237,177,558	748,471,076	713,661,93	33	2,957,665,413	2,930,651,349	2,956,811,601
10 11		303,960 54,972	232,656 8,159	858,605 54,972	714,16 8,15	59	2,868,131	5,658,262	3,117,666 119,047
12 13	Other Revenue	358,932	240,815	913,577	722,32	22	2,868,131	5,658,262	3,236,713
	Total Plan Revenue (excludes internal transfers)	213,352,720	237,418,373	749,384,653	714,384,25	55	2,960,533,544	2,936,309,611	2,960,048,314
15 16 17	Plan Expenses:								
	Medical Claim Payments	193,560,030	131,364,126	545,279,555	457,541,87		2,107,493,114	2,003,583,417	1,858,096,405
20	Medical Claim Refunds/Recoveries Net Medical Claims	(1,494,252) 192,065,778	(2,013,271) 12 9,350,855	(5,764,072) 539,515,483	(6,336,34 451,205,5 3		(24,643,884) 2,082,849,230	(31,216,928) 1,9 72 ,366,489	(23,467,914) 1,834,628,491
23	Pharmacy Claim Payments Pharmacy Claim Rebates Pharmacy Claim Refunds/Recoveries	65,501,226 - (9,866)	54,392,121 - (17,994)	226,538,700 (6,882,250) (144,644)	192,421,69 (12,543,43 (35,42	32)	699,653,578 (52,353,361)	743,853,418 (53,173,873)	755,896,440 (69,641,941) (3,476,790)
25	Net Pharmacy Claims	65,491,360	54,374,127	219,511,806	179,842,84	12	647,300,217	690,679,545	682,777,709
26 27 28	Net Claim Payments	257,557,138	183,724,982	759,027,289	631,048,37	74	2,730,149,447	2,663,046,034	2,517,406,200
29 30		-	-	-		-	86,864,744	-	-
31 32	Net Administrative Expenses	14,443,126	14,164,933	41,046,132	41,022,62	29	182,446,628	189,387,392	161,401,639
33 34	Total Plan Expenses (excludes internal transfers)	272,000,264	197,889,915	800,073,421	672,071,00)3	2,999,460,819	2,852,433,426	2,678,807,839
	Plan Income/(Loss)	(58,647,544)	39,528,458	(50,688,768)	42,313,25	52	(38,927,275)	83,876,185	281,240,475
36 37 38	Cash Availability:								
39	Beginning Cash Balance/(Deficit)	791,446,724	505,032,265	783,487,948	502,247,47		755,749,494	502,247,475	502,247,471
40 41	, ,	732,799,180	544,560,723	732,799,180	544,560,72	23	716,822,219	586,123,660	783,487,946
42 43	Target Stabilization Reserve @ 6/30/14	239,446,206	199,728,453	239,446,206	199,728,45		239,446,206	199,728,453	188,805,465
44	Cash Balance Over/(Under) Reserve Target	\$ 493,352,974	\$ 344,832,270	\$ 493,352,974	\$ 344,832,27	70	\$ 477,376,013	\$ 386,395,207	\$ 594,682,481

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)

Premium Refunds/Retroactive Disenrollments Medicare Part D (RDS) Subsidy Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 Medicare PDP (EGWP + Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) 744,666,19 754,674,313 756,906,633 755,333,950 755,833,950 756,109,212 1,656,026 1,304 1,046,619 753,615,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 753,515,483 755,718,816 Net Claim Payments 759,072,289 Net Administrative Expenses (Note 4) Net Claim Payments 759,072,289 1,041,045,132 753,615,483 753,515,483 753,610,612 753,610,612 753,610,612 753,610,612 753,610,612 753,610,612 753,610,			Α	В	С	D	E	F	
Member Premiums (Notes 1 and 2) Member Premiums (Notes 1 and 2) Premium Refunds/Retroactive Disearollments Medicare Part D (RDS) Subsidy Medicare PDP (EWP Wrap) Subsidy Federal Early Retiree Reinsurance Program (ERRP) Net Premium 8 Other Contributions Total Plan Revenue (Rota 3) Plan Expenses: Net Medical Claims Net Medicare Sand (Note 4) Premium 8 Other Contributions Total Plan Revenue (Rota 4) Net Medicare (Note 4) Premium 8 Other Contributions Total Plan Revenue (Rota 3) Net Medical Claims Net Medical Claims Net Medical Claims Net Medical Claims South Revenue (Note 4) Net Medical Claims Net Administrative Expenses (Note 4) Net Administrative Expenses (Note 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) Net Administrative Expenses (Rota 5) At 1,046,132 Plan Expenses (Rota 4) At 1,046,132 Plan Expenses (Rota 4) At 1,046,132 At 1,046,132 At 1,046,134 A		For the Month Ended September 2013	Year to Date Short Plan Year	Timing, Unusual & Onetime	Actual	Budget Year to Date Short Plan Year	Adjusted Variance Over/(Under)	Variance as Percentage of	
## Premium Refunds/Refroactive Disenrollments Medicare Part D (RDS) Subsidy 1,510,296 1,510,296 1,277,453 232,843 18.23%		Plan Revenue:							
Medicare Part D (RDS) Subsidy Medicare PDP (EGWP + Wrap) Subsidy Medicare Part D (RDS) Subsidy Medicare PDP (EGWP + Wrap) Subsidy Medicare Part D (RDS) Subsided Medicare PDP (EGWP + Wrap) Subsidy Medicare PDP (EGWP + Wrap) Subsidy Medicare Part D (RDS) Subsided Medicare PDP (EGWP + Wrap) Subsided Medicare PDP (EGWP + Wrap) Subsided Medicare PDP (EGWP + Wrap) Subsided Medicare Part D (RDS) Subsided Medicare Pa	3	Member Premiums (Notes 1 and 2)	\$ 731,105,957	\$ (11,564,443)	\$ 719,541,514	\$ 720,420,712	\$ (879,198)	-0.12%	
Medicare PDP (EGWP + Wrap) Subsidy 16,106,284 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 2,059,665 14,66% 14,06% 14,046,619 14,046,	4	Premium Refunds/Retroactive Disenrollments	(251,461)				,	-30.31%	
Federal Early Retiree Reinsurance Program (ERRP) Net Premium & Other Contributions 748,471,076 (11,564,443) 736,906,633 735,383,950 1,522,683 0,21% Other Revenue (Note 3) 913,577 (54,973) 858,604 725,262 133,342 18,39% 17 Total Plan Revenue (excludes internal transfers) 749,384,653 (11,619,415) 737,765,238 736,109,212 1,656,026 0,22% Plan Expenses: Net Medical Claims 1539,515,483 1532,577,881 16,937,602 1,30% 17 Net Plan Expenses 10 Net Claim Payments 17 Net Claim Payments 17 Net Claim Payments 17 Net Administrative Expenses (Note 4) 18 Net Claim Payments 18 Net Claim Payments 19 Net Administrative Expenses (Note 5) 11 Administrative Expenses (Note 5) 11 Administrative Expenses (excludes internal transfers) 19 Net Administrative Expenses (excludes internal transfers) 10 Net Administrative Expenses (Note 5) 11 Administrative Expenses (excludes internal transfers) 11 Administrative Expenses (Note 5) 12 Total Plan Expenses (excludes internal transfers) 13 Administrative Expenses (Note 5) 14 (A,794,061) 15 (A,794,061) 17 (A,794,061) 17 (A,794,061) 17 (A,794,061) 17 (A,794,061) 17 (A,794,061) 18 (A,794,0	_		1 1					18.23%	
Net Premium & Other Contributions 748,471,076 (11,564,443) 736,906,633 735,383,950 1,522,683 0.21% Other Revenue (Note 3) 10 Other Revenue (excludes internal transfers) 749,384,653 (11,619,415) 737,765,238 736,109,212 1,656,026 0.22% Plan Expenses: Net Medical Claims Net Pharmacy Claims (Note 4) Net Claim Payments 759,027,289 Net Claim Payments Net Administrative Expenses (Note 5) Net Administrative Expenses (Note 5) 140,46,132 150,688,768) 150,688,768) 150,688,768) 150,688,768) 150,688,768) 150,688,768) 150,688,768) 150,688,768) 150,682,354) 170,780,203 170,780,203 170,780,203 170,780,202 170,780,203 170,780,			16,106,284		16,106,284	14,046,619	2,059,665	14.66%	
Other Revenue (Note 3) Other Revenue (Note 4) Other			-		-	-	-		
Total Plan Revenue (excludes internal transfers) 749,384,653 (11,619,415) 737,765,238 736,109,212 1,656,026 0.22% Plan Expenses: Net Medical Claims 539,515,483 539,515,483 539,515,483 532,577,881 6,937,602 1.30% Net Pharmacy Claims (Note 4) 219,511,806 (5,419,579) 214,092,227 203,332,396 10,759,831 5.29% Net Claim Payments 759,027,289 (5,419,579) 753,607,710 735,910,277 17,697,433 2.40% Net Administrative Expenses (Note 5) 41,046,132 625,518 41,671,650 45,668,038 (3,996,388) -8.75% Total Plan Expenses (excludes internal transfers) 800,073,421 (4,794,061) 795,279,360 781,578,315 13,701,045 1.75% Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26,49% Each Availability: Beginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3,67% Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780	_	Net Premium & Other Contributions	748,471,076	(11,564,443)	736,906,633	735,383,950	1,522,683	0.21%	
Total Plan Revenue (excludes internal transfers) 749,384,653 (11,619,415) 737,765,238 736,109,212 1,656,026 0.22% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,109,212 1,656,026 1.30% 736,916,02 1.30% 736,916	10	Other Revenue (Note 3)	913,577	(54,973)	858,604	725,262	133,342	18.39%	
Plan Expenses:	11								
Plan Expenses:		Total Plan Revenue (excludes internal transfers)	749,384,653	(11,619,415)	737,765,238	736,109,212	1,656,026	0.22%	
Net Medical Claims 539,515,483 539,515,483 532,577,881 6,937,602 1.30%	14	Plan Expenses:							
Net Pharmacy Claims (Note 4) 219,511,806 (5,419,579) 214,092,227 203,332,396 10,759,831 5.29%		Net Medical Claims	539.515.483		539.515.483	532.577.881	6.937.602	1.30%	
Net Claim Payments 759,027,289 (5,419,579) 753,607,710 735,910,277 17,697,433 2.40% 19 Net Administrative Expenses (Note 5) 41,046,132 625,518 41,671,650 45,668,038 (3,996,388) -8.75% 21 Total Plan Expenses (excludes internal transfers) 800,073,421 (4,794,061) 795,279,360 781,578,315 13,701,045 1.75% 23 Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% 25 Cash Availability: 27 Beginning Cash Balance/(Deficit) 783,487,948 755,749,494 27,738,454 3.67% 29 Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% 31 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -				(5.419.579)				5.29%	
Net Administrative Expenses (Note 5) 41,046,132 625,518 41,671,650 45,668,038 (3,996,388) -8.75% Total Plan Expenses (excludes internal transfers) 800,073,421 (4,794,061) 795,279,360 781,578,315 13,701,045 1.75% Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% Cash Availability: 8eginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3.67% Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -				,				2.40%	
21 Total Plan Expenses (excludes internal transfers) 800,073,421 (4,794,061) 795,279,360 781,578,315 13,701,045 1.75% 23 24 Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% 25 26 Cash Availability: 27 28 Beginning Cash Balance/(Deficit) 783,487,948 755,749,494 27,738,454 3.67% 29 Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% 30 31 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -	19	•		(, , , ,	, ,				
Total Plan Expenses (excludes internal transfers) 800,073,421 (4,794,061) 795,279,360 781,578,315 13,701,045 1.75% Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% Cash Availability: 8 Beginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3.67% Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -	20	Net Administrative Expenses (Note 5)	41,046,132	625,518	41,671,650	45,668,038	(3,996,388)	-8.75%	
Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% Cash Availability: Beginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3.67% Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -	21								
Plan Income/(Loss) (50,688,768) (6,825,354) (57,514,122) (45,469,103) (12,045,019) 26.49% Cash Availability: Beginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3.67% Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -	22	Total Plan Expenses (excludes internal transfers)	800,073,421	(4,794,061)	795,279,360	781,578,315	13,701,045	1.75%	
25 26	23								
Cash Availability: 783,487,948 783,487,948 755,749,494 27,738,454 3.67% 29 Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% 30 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 219,485,780 -	24	Plan Income/(Loss)	(50,688,768)	(6,825,354)	(57,514,122)	(45,469,103)	(12,045,019)	26.49%	
27 28 Beginning Cash Balance/(Deficit) 29 Ending Cash Balance/(Deficit) 30 31 Target Stabilization Reserve @ 6/30/14 32 32 3783,487,948 383,487,948 383,487,948 383,487,948 384,948 384,948 385,780 386,825,354) 387,949,494 386,825,354) 387,949,494 387,9494									
28 Beginning Cash Balance/(Deficit) 783,487,948 783,487,948 755,749,494 27,738,454 3.67% 29 Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% 30 31 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 - 32		Cash Availability:							
29 Ending Cash Balance/(Deficit) 732,799,180 (6,825,354) 725,973,826 710,280,391 15,693,435 2.21% 30 31 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 - 32									
30 31 Target Stabilization Reserve @ 6/30/14 32 219,485,780 219,485,780 -		5 5 t ,		(2.225.25.1)					
31 Target Stabilization Reserve @ 6/30/14 219,485,780 219,485,780 - 32		Ending Cash Balance/(Deficit)	/32,/99,180	(6,825,354)	725,973,826	710,280,391	15,693,435	2.21%	
22 Cook Polongo Over/Under December Terret \$ 512,212,400 \$ (6.925.254) \$ 506.499.046 \$ 400.704.644 \$ 45.602.425 2.200/	31	Target Stabilization Reserve @ 6/30/14	219,485,780		219,485,780	219,485,780	-		
33 Cash balance Over/funder) Reserve Target [\$ 313,313,400 [\$ (0,023,334)] \$ 300,400,040 [\$ 430,194,611 [\$ 13,693,433] 3.20%	33	Cash Balance Over/(Under) Reserve Target	\$ 513,313,400	\$ (6,825,354)	\$ 506,488,046	\$ 490,794,611	\$ 15,693,435	3.20%	

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 \$21.9 million in prepaid October premiums received in September 2013.
- 3. Adjusted other revenue to exclude unbudgeted reimbursement of prior year expenditures.
- 4. Pharmacy claims adjusted to include an EGWP rebate budgeted for July that will not be received until October.
- 5. Administrative expenses adjusted to include estimated fees due to Benefitfocus for July and August that are pending review and payment.