



Committee on Employee Hospital and Medical Benefits

**June 25, 2009
Agenda**

1. Financial Update Dr. Jack Walker

2. Update on Plan Audits (*Verbal Presentation*) Dr. Jack Walker
 - a. Claims Lacey Barnes
 - b. Efficiency (BCBSNC) Lacey Barnes
 - c. Dependent Eligibility Lacey Barnes

THE STATE HEALTH PLAN OF NORTH CAROLINA
SUMMARY OF OPERATIONS (CASH BASIS REPORTING)
CONSOLIDATED
For the Month Ended May 2009
Fiscal Year 2008- 2009

	A	B	C
	Actual Year To Date 2008-2009	Budget Year To Date 2008-2009 recasted	Variance Year To Date 2008-2009 Over (Under)
1 Total Plan Revenue ^f	2,328,373,684	2,136,957,235	191,416,449
2 Net Claim Payments	2,218,741,412	2,200,872,486	17,868,926
3 Net Administrative Expenses ^g	131,821,611	149,412,229	(17,590,618)
4 Total Plan Expenses	2,350,563,023	2,350,284,715	278,308
5 Plan Income (Loss)	(22,189,339)	(213,327,480)	191,138,141
6 Ending Cash Balance (Deficit)	117,555,159	(73,582,983)	191,138,142

Comments:

- a. There were no delinquent receivables outstanding as of May 31, 2009.
- b. The average weekly medical claims cost net of claims refunds was \$39,852,011 for the four-weekly claims disbursements.
- c. Pharmacy claims include two bi-weekly invoice cycles and averaged \$26,324,796 per cycle.
- d. Stabilization reserve is 7.5% of the funding projection for net claims for Fiscal Year 2008-2009 or \$181,958,060.
- e. Minor differences between budget amounts for this report compared to Aon's budget projections are due to rounding.
- f. Includes state appropriation of \$150 million from the Rainy Day Fund (Savings Reserve) to the SHP (received year to date).
The Plan will receive an additional \$100 million in June 2009.
- g. Outstanding repayments of advances due as of May 31, 2009 are: \$20.5 million
- h. In the original budget, the Plan was projected to have a cash balance of \$198.7 million as of May 31, 2009. Without the \$150 million from the Savings Reserve, the Plan's actual cash balance would be <\$32.445> million. Correcting for delayed administrative expenses, the cash balance would be <\$52.945> million.

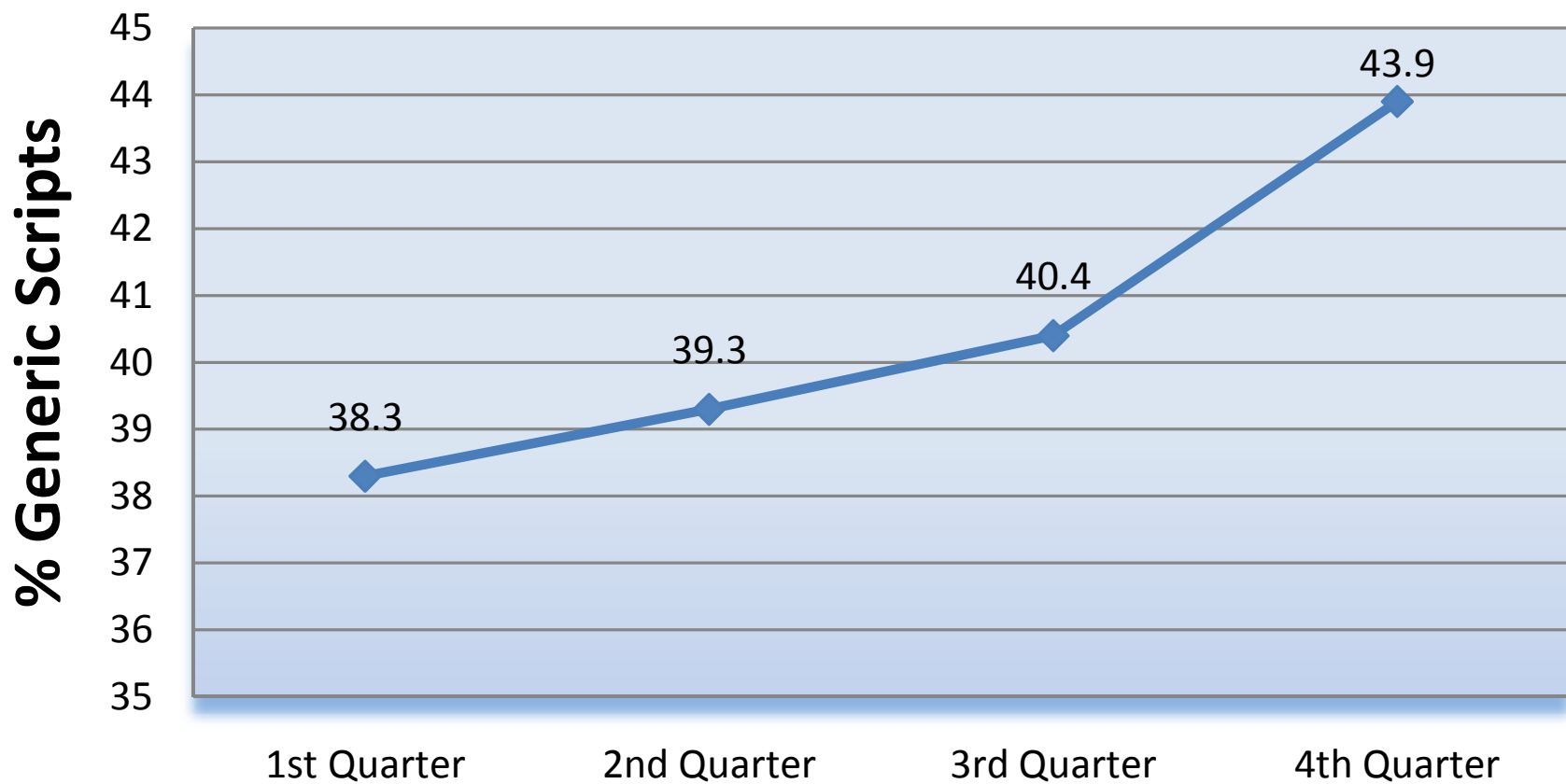
**THE STATE HEALTH PLAN OF NORTH CAROLINA
SUMMARY OF OPERATIONS (CASH BASIS REPORTING)
PMPM Comparison of Financial Statements Through May 2009**

	PMPM		Variance	
	Actual Year To Date 2008-2009	Budget Year To Date 2008-2009 recasted	\$	%
Total Plan Revenue (2)	\$298.24	\$299.60	(1.36)	-0.5%
Net Claim Payments	\$305.37	\$308.56	(3.19)	-1.0%
Net Administrative Expenses	\$15.74	\$20.43	(4.70)	-23.0%
Total Plan Expenses (1)	\$321.11	\$329.00	(7.89)	-2.4%
Plan Income (Loss)	(\$22.87)	(\$29.39)	6.53	-22.2%
	As % of total spend			1.98%

(1) Included \$20.5 million of deferred administrative charges

(2) Removes the \$150 million appropriation

Cholesterol Medications



FY 08/09