

# Actual vs Recasted Budget

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

	A	B	C	D	E	F	G	H
	Actual October 2008	Budget October 2008	Monthly Actual Variance Over (Under) Budget	Actual Year To Date 2008-2009	Budget Year To Date 2008-2009 recasted ver. 7/30/08	Variance Year To Date 2008-2009 Over (Under) Budget	Annual Budget 2008-2009 recasted ver. 7/30/08	YTD Actual Variance Over (Under) Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 205,133,809	\$ 190,132,928	\$ 15,000,881	\$ 774,807,773	\$ 760,531,712	\$ 14,276,061	\$ 2,281,595,143	\$ (1,506,787,370)
4 Retro Disenrollments	-	(651,049)	651,049	-	(2,604,196)	2,604,196	(7,812,586)	7,812,586
5 Premium Refunds	(60,249)	-	(60,249)	(1,207,221)	-	(1,207,221)	-	(1,207,221)
6 Medicare Part D Subsidy	-	3,515,123	(3,515,123)	18,535,327	19,531,416	(996,089)	53,886,565	(35,351,238)
7 Non-Capital Gifts	-	-	-	-	-	-	-	-
8								
9 <b>Net Premium &amp; Other Contributions</b>	<b>205,073,560</b>	<b>192,997,002</b>	<b>12,076,558</b>	<b>792,135,879</b>	<b>777,458,932</b>	<b>14,676,947</b>	<b>2,327,669,122</b>	<b>(1,535,533,243)</b>
10								
11 <b>Other Revenue</b>	<b>446,058</b>	<b>217,112</b>	<b>228,946</b>	<b>2,099,155</b>	<b>1,163,746</b>	<b>935,409</b>	<b>2,711,451</b>	<b>(612,296)</b>
12								
13 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>205,519,618</b>	<b>193,214,114</b>	<b>12,305,504</b>	<b>794,235,034</b>	<b>778,622,678</b>	<b>15,612,356</b>	<b>2,330,380,573</b>	<b>(1,536,145,539)</b>
14								
15 <b>Plan Expenses:</b>								
16								
17 Medical Claim Payments	126,393,524	134,802,025	(8,408,501)	600,822,829	614,974,543	(14,151,714)	1,835,578,715	(1,234,755,886)
18 Pharmacy Claim Payments	33,662,190	49,753,094	(16,090,904)	209,594,934	234,048,876	(24,453,942)	629,013,163	(419,418,230)
19 Claim Refunds	(2,930,224)	(2,062,671)	(867,553)	(10,541,183)	(7,933,607)	(2,607,576)	(24,477,232)	13,936,048
20 Cost Savings	-	(1,121,043)	1,121,043	-	(2,621,043)	2,621,043	(14,007,170)	14,007,170
21								
22 <b>Net Claim Payments</b>	<b>157,125,490</b>	<b>181,371,405</b>	<b>(24,245,915)</b>	<b>799,876,580</b>	<b>838,468,769</b>	<b>(38,592,189)</b>	<b>2,426,107,476</b>	<b>(1,626,230,898)</b>
23								
24 <b>Net Administrative Expenses</b>	<b>10,866,631</b>	<b>18,863,308</b>	<b>(7,996,677)</b>	<b>46,653,528</b>	<b>62,571,317</b>	<b>(15,917,789)</b>	<b>168,696,644</b>	<b>(122,043,117)</b>
25								
26 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>167,992,121</b>	<b>200,234,713</b>	<b>(32,242,592)</b>	<b>846,530,108</b>	<b>901,040,086</b>	<b>(54,509,978)</b>	<b>2,594,804,120</b>	<b>(1,748,274,015)</b>
27								
28 <b>Plan Income (Loss)</b>	<b>37,527,497</b>	<b>(7,020,599)</b>	<b>44,548,096</b>	<b>(52,295,074)</b>	<b>(122,417,408)</b>	<b>70,122,334</b>	<b>(264,423,547)</b>	<b>212,128,476</b>
29								
30 <b>Cash Availability:</b>								
31								
32 Beginning Cash Balance	49,921,927	24,347,691	25,574,236	139,744,498	139,744,497	1	139,744,497	1
33								
34 Ending Cash Balance (Deficit)	87,449,424	17,327,092	70,122,332	87,449,424	17,327,089	70,122,335	(124,679,050)	212,128,477
35								
36 Target Stabilization Reserve @ 6/30/09	181,958,060	181,958,060	-	181,958,060	181,958,060	-	181,958,061	(1)
37								
38 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ (94,508,636)</b>	<b>\$ (164,630,968)</b>	<b>\$ 70,122,332</b>	<b>\$ (94,508,636)</b>	<b>\$ (164,630,971)</b>	<b>\$ 70,122,335</b>	<b>\$ (306,637,110)</b>	<b>\$ 212,128,477</b>

Comments:

- Total delinquent receivables outstanding as of October 31, 2008 was \$19,745.58 for Indemnity and \$30,431.48 for PPO Plans.
- The average weekly medical claim costs net of claim refunds was \$30,865,825.
- Pharmacy claims includes two biweekly invoice cycles and averaged \$16,831,095 per cycle
- Stabilization reserve is 7.5% of the funding projection net claims for Fiscal Year 2008-2009 or \$181,958,060.
- Minor differences between budget amounts for this report compared to Aon's budget projections are due to rounding.

Actual vs. Recasted Budget  
October 2008

# Actual vs Original Budget

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

	A	B	C	D	E	F	G	H
	Actual October 2008	Budget October 2008 original ver: 7/9/2007	Monthly Actual Variance Over (Under) Budget	Actual Year to Date 2008-2009	Budget Year To Date 2008-2009 original ver: 7/9/2007	Variance Year To Date 2008-2009	Annual Budget 2008-2009 original Ver: 7/9/2007	YTD Actual Variance Over (Under) Budget
1 <b>Plan Revenue:</b>								
2								
3 Member Premiums	\$ 205,133,809	\$ 181,642,306	\$ 23,491,503	\$ 774,807,773	\$ 726,569,224	\$ 48,238,549	\$ 2,179,707,669	\$ (1,404,899,896)
4 Retro Disenrollments	-	-	-	-	-	-	-	-
5 Premium Refunds	(60,249)	-	(60,249)	(1,207,221)	-	(1,207,221)	-	(1,207,221)
6 Medicare Part D Subsidy	-	2,799,743	(2,799,743)	18,535,327	12,759,226	5,776,101	45,898,872	(27,363,545)
7 Non-Capital Gifts	-	-	-	-	-	-	-	-
8								
9 <b>Net Premium &amp; Other Contributions</b>	<b>205,073,560</b>	<b>184,442,049</b>	<b>20,631,511</b>	<b>792,135,879</b>	<b>739,328,450</b>	<b>52,807,429</b>	<b>2,225,606,541</b>	<b>(1,433,470,662)</b>
10								
11 <b>Other Revenue</b>	<b>446,058</b>	<b>320,049</b>	<b>126,009</b>	<b>2,099,155</b>	<b>1,302,603</b>	<b>796,552</b>	<b>3,862,999</b>	<b>(1,763,844)</b>
12								
13 <b>Total Plan Revenue (excludes internal transfers)</b>	<b>205,519,618</b>	<b>184,762,098</b>	<b>20,757,520</b>	<b>794,235,034</b>	<b>740,631,053</b>	<b>53,603,981</b>	<b>2,229,469,540</b>	<b>(1,435,234,506)</b>
14								
15 <b>Plan Expenses:</b>								
16								
17 Medical Claim Payments	126,393,524	182,828,625	(56,435,101)	600,822,829	679,340,456	(78,517,627)	2,200,237,966	(1,599,415,137)
18 Pharmacy Claim Payments	33,662,190	-	33,662,190	209,594,934	-	209,594,934	-	209,594,934
19 Claim Refunds	(2,930,224)	-	(2,930,224)	(10,541,183)	-	(10,541,183)	-	(10,541,183)
20 Cost Savings	-	(2,521,489)	2,521,489	-	(18,036,373)	18,036,373	(38,216,704)	38,216,704
21								
22 <b>Net Claim Payments</b>	<b>157,125,490</b>	<b>180,307,136</b>	<b>(23,181,646)</b>	<b>799,876,580</b>	<b>661,304,083</b>	<b>138,572,497</b>	<b>2,162,021,262</b>	<b>(1,362,144,682)</b>
23								
24 <b>Net Administrative Expenses</b>	<b>10,866,631</b>	<b>10,949,295</b>	<b>(82,664)</b>	<b>46,653,528</b>	<b>41,703,461</b>	<b>4,950,067</b>	<b>129,297,821</b>	<b>(82,644,293)</b>
25								
26 <b>Total Plan Expenses (excludes internal transfers)</b>	<b>167,992,121</b>	<b>191,256,431</b>	<b>(23,264,310)</b>	<b>846,530,108</b>	<b>703,007,544</b>	<b>143,522,564</b>	<b>2,291,319,083</b>	<b>(1,444,788,975)</b>
27								
28 <b>Plan Income (Loss)</b>	<b>37,527,497</b>	<b>(6,494,333)</b>	<b>44,021,830</b>	<b>(52,295,074)</b>	<b>37,623,509</b>	<b>(89,918,583)</b>	<b>(61,849,543)</b>	<b>9,554,469</b>
29								
30 <b>Cash Availability:</b>								
31								
32 Beginning Cash Balance	49,921,927	258,184,937	(208,263,010)	139,744,498	214,067,095	(74,322,597)	214,067,095	(74,322,597)
33								
34 Ending Cash Balance (Deficit)	87,449,424	251,690,604	(164,241,180)	87,449,424	251,690,604	(164,241,180)	152,217,552	(64,768,128)
35								
36 Target Stabilization Reserve @ 6/30/09	181,958,060	164,401,595	17,556,465	181,958,060	164,401,595	17,556,465	164,401,595	17,556,465
37								
38 <b>Cash Balance Over/(Under) Reserve Target</b>	<b>\$ (94,508,636)</b>	<b>\$ 87,289,009</b>	<b>\$ (181,797,645)</b>	<b>\$ (94,508,636)</b>	<b>\$ 87,289,009</b>	<b>\$ (181,797,645)</b>	<b>\$ (12,184,043)</b>	<b>\$ (82,324,593)</b>

Comments:

- a. Total delinquent receivables outstanding as of October 31, 2008 was \$19,745.58 for Indemnity and \$30,431.48 for PPO Plans.
- b. The average weekly medical claim costs net of claim refunds was \$30,865,825.
- c. Pharmacy claims includes two biweekly invoice cycles and averaged \$16,831,095 per cycle.
- d. Stabilization reserve is 7.5% of the funding projection 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.

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