



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES  
*A Division of the Department of State Treasurer*



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA



## Financial Update

*Board of Trustees Meeting*

June 5, 2019

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*A Division of the Department of State Treasurer*

# Financial Results: Actual vs. Budgeted

## Fiscal Year to Date April 2019

Fiscal Year 2019	Actual thru APR 2019	Authorized Budget (per Segal 4-02-19)	Variance Fav/(Unfav) Budget
<b>Beginning Cash Balance</b>	<b>\$1.063b</b>	<b>\$971.1m</b>	<b>\$ 91.7m</b>
<b>Plan Revenue</b>	<b>\$3.053b</b>	<b>\$3.035b</b>	<b>\$18.8m</b>
Net Claims Payments	\$2.623b	\$2.769b	\$145.8m
Medicare Advantage Premiums	\$160.9m	\$176.1m	\$ 15.2m
Net Administrative Expenses	\$98.2m	\$163.3m	\$ 65.1m
<b>Total Plan Expenses</b>	<b>\$2.883b</b>	<b>\$3.109b</b>	<b>\$226.1m</b>
<b>Net Income/(Loss)</b>	<b>\$170.8m</b>	<b>(\$74.2m)</b>	<b>\$244.9m</b>
<b>Ending Cash Balance</b>	<b>\$1.234b</b>	<b>\$897.0m</b>	<b>\$336.6m</b>

# Financial Results Actual vs. Budgeted

## Fiscal Year to Date April 2019

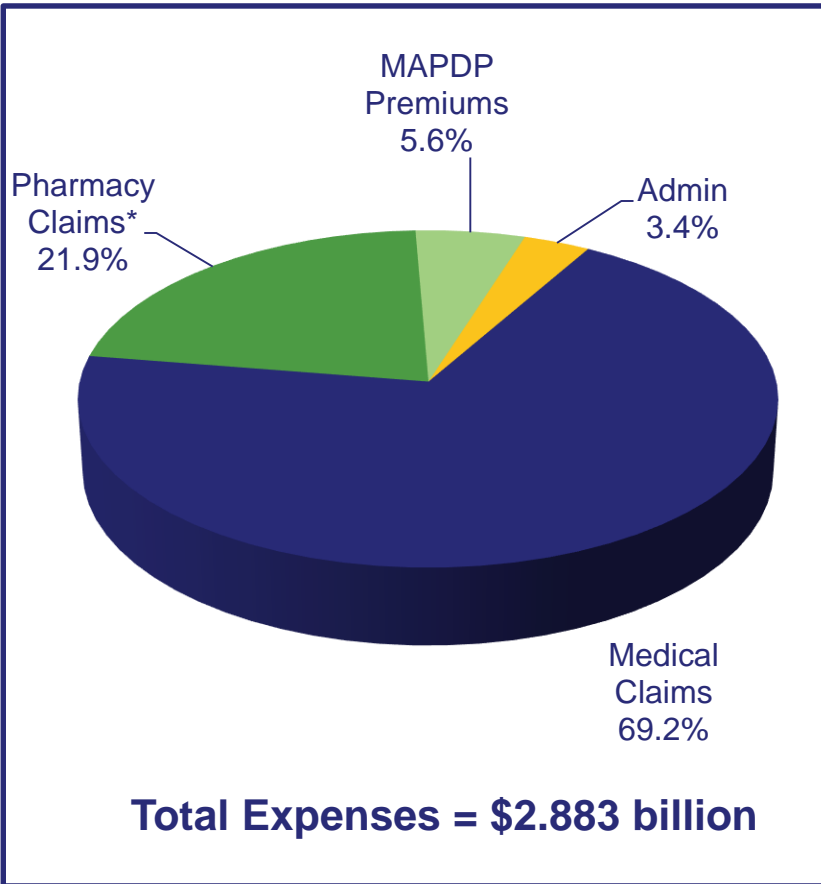
### *Per Member Per Month (PMPM) Analysis*

<b>Fiscal Year 2019</b>	<b>Actual thru APR 2019</b>	<b>Authorized Budget (per Segal 4-02-19)</b>	<b>Variance Fav/(Unfav) Budget</b>
<b>Plan Revenue</b>	<b>\$418.14</b>	<b>\$419.87</b>	<b>(\$1.73)</b>
Net Claims Payments	\$360.05	\$383.74	\$23.69
Medicare Advantage Premiums	\$ 22.09	\$ 24.40	\$ 2.32
Net Administrative Expenses	\$ 13.48	\$ 22.63	\$ 9.15
<b>Total Plan Expenses</b>	<b>\$395.62</b>	<b>\$430.77</b>	<b>\$35.15</b>
<b>Net Income/(Loss)</b>	<b>\$22.52</b>	<b>(\$10.90)</b>	<b>\$33.43</b>

*Comparing actual results to the budget projection on a PMPM basis helps correct for changes in membership that occurred during the year.*

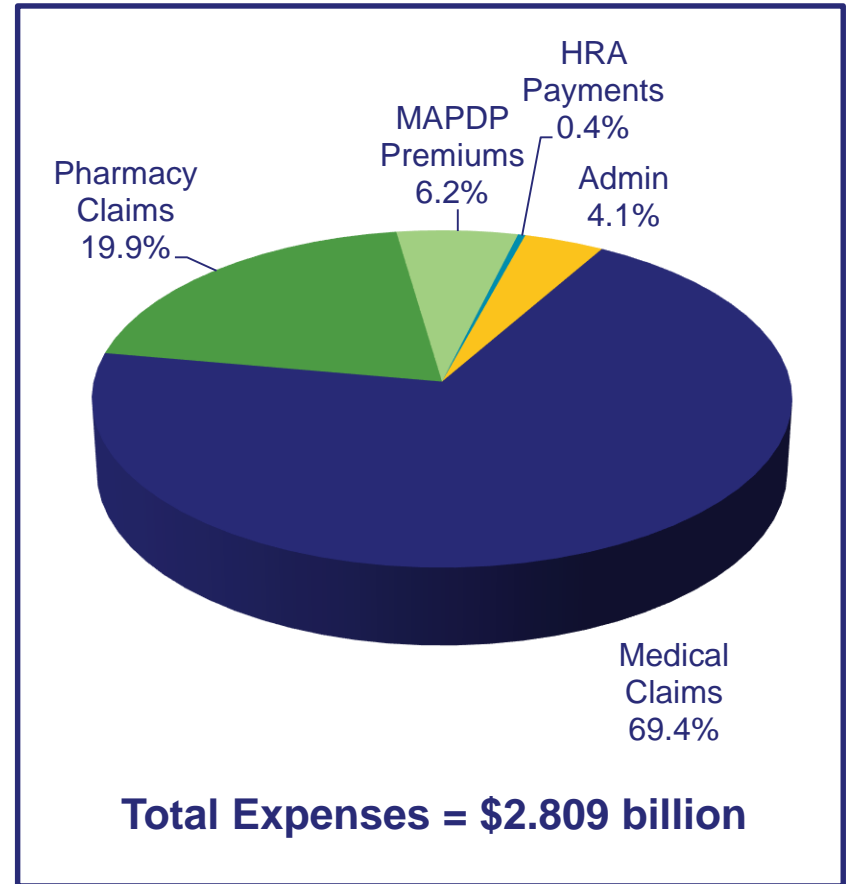
# Allocation of Total Expenditures

Fiscal YTD April 2019



\*After rebates

Fiscal YTD April 2018



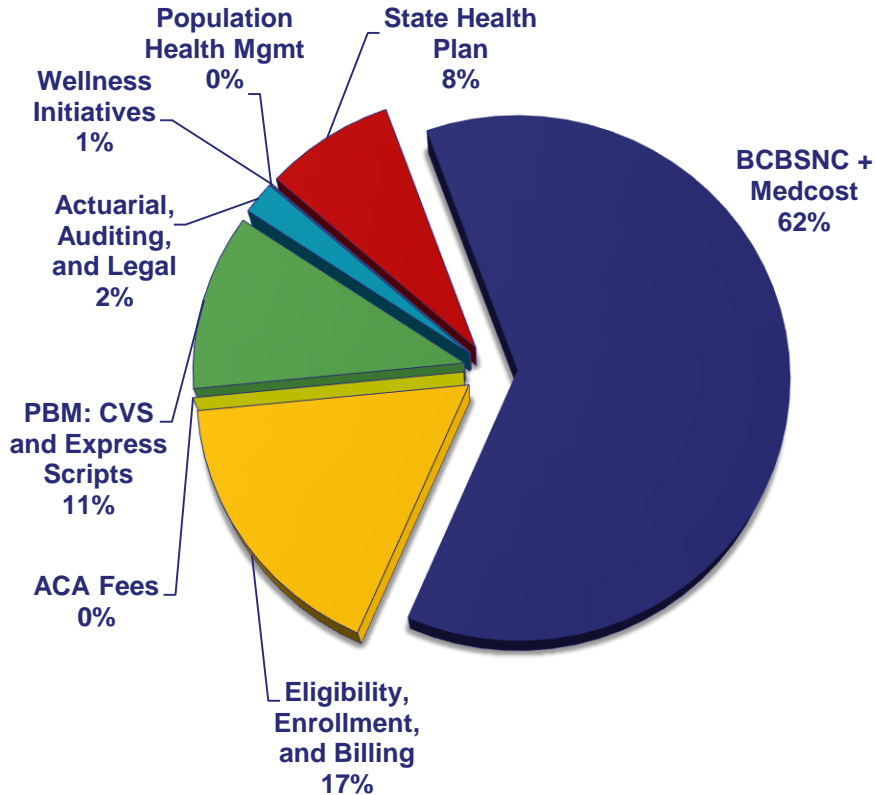
# Financial Results: Actual vs. Budgeted

## Calendar Year to Date April 2019

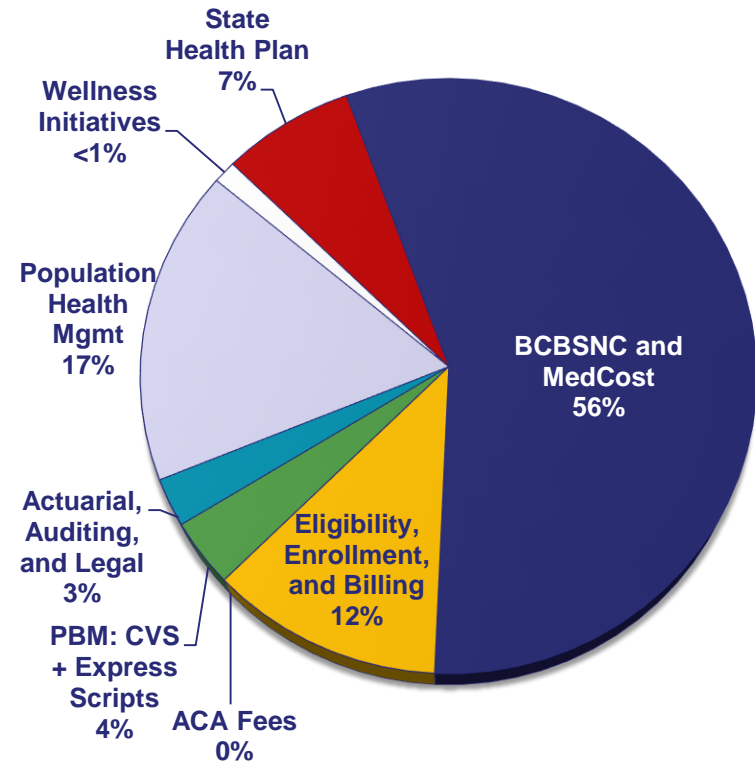
Calendar Year 2019	Actual thru APR 2019	Authorized Budget (per Segal 4-02-19)	Variance Fav/(Unfav) Budget
<b>Beginning Cash Balance</b>	<b>\$1.118b</b>	<b>\$1.118b</b>	<b>\$ 0.0m</b>
<b>Plan Revenue</b>	<b>\$1.224b</b>	<b>\$1.210b</b>	<b>\$ 14.0m</b>
Net Claims Payments	\$1.017b	\$1.052b	\$ 35.2m
Medicare Advantage Premiums	\$ 57.7m	\$ 57.7m	\$ 0.0m
Net Administrative Expenses	\$ 33.5m	\$ 87.6m	\$ 54.1m
<b>Total Plan Expenses</b>	<b>\$1.108b</b>	<b>\$1.197b</b>	<b>\$ 89.4m</b>
<b>Net Income/(Loss)</b>	<b>\$115.9m</b>	<b>\$12.6m</b>	<b>\$103.3m</b>
<b>Ending Cash Balance</b>	<b>\$1.234b</b>	<b>\$1.130b</b>	<b>\$103.3m</b>

# Calendar Year 2019 Administrative Expenses

**CY-YTD April 2019**  
**(\$33.5 Million)**



**CY-YTD April 2018**  
**(\$36.7 Million)**



Note: The charts show administrative fees that were paid in 2019 YTD vs Total 2018 and reflect some inconsistencies in the timing of payments. These data do not reflect admin fee balances being negotiated with BCBS.

# Clinic/Facility Fees

	2014	2018	Increase
Plan Paid Hospital Clinic/Facility Fees	\$8,622,695	\$12,437,894	44.2%
Member Paid Hospital Clinic/Facility Fees	\$1,430,033	\$1,423,485	-0.5%
<b>Total</b>	<b>\$10,052,728</b>	<b>\$13,861,379</b>	<b>37.9%</b>

Over 5 Year Period	
Plan Paid	\$52,374,050
Member Paid	\$7,738,322
<b>Total</b>	<b>\$60,085,372</b>