





CY 2014 1st Quarter Actuarial Forecast Update Modified Trend Scenario

Board of Trustees Meeting

May 30, 2014

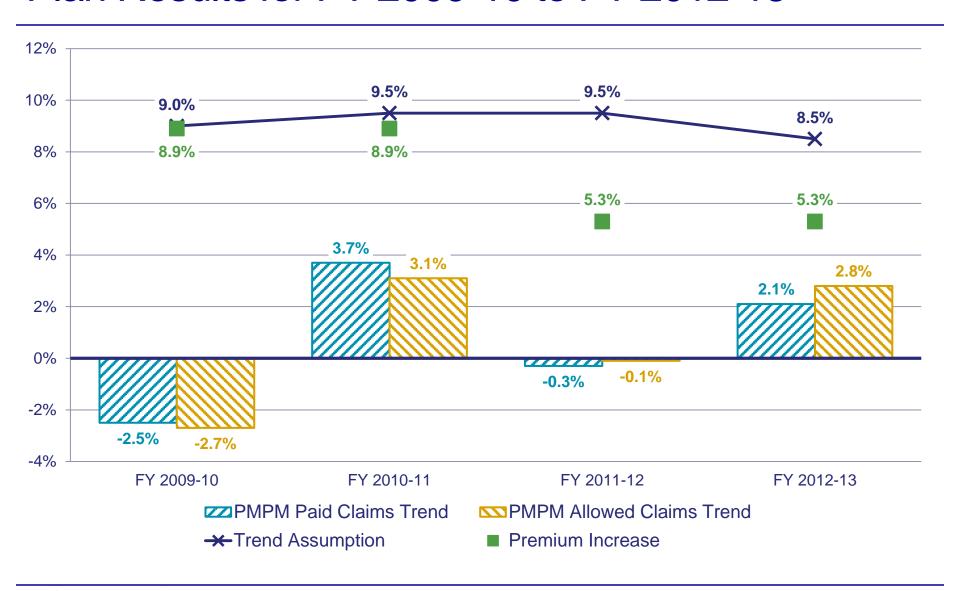
Forecast prepared by The Segal Company Final versions dated 5-16-14

A Division of the Department of State Treasurer

Presentation Overview

- Comparison of the Plan's Trend Assumption to Actual Experience
 - Findings and Conclusion
- Updated Forecast for CY 2014 Using Revised Trend Assumption
- Summary Graphs
- Proposed Premium Freeze for 2015
 - Summary Graphs
- Summary and Outlook for 2015-2017 Fiscal Biennium

Plan Results for FY 2009-10 to FY 2012-13





PMPM Trend Factors: <u>Active Employees and Non-Medicare Retirees</u>

Trend Factor	Change from FY 2011-12 to FY 2012-13	Change from CY 2012 to CY 2013
Utilization	-4.3%	-4.0%
Price	6.5%	7.9%
Allowed Claims Costs	1.9%	3.5%
Cost Share	0.3%	3.7%
Paid Claims Costs	2.2%	7.2%

Source: The Segal Company

- Reductions in utilization have helped to reduce trends in allowed and paid claims.
- The trend due to cost share is high in CY 2013 because it included the second half of the FY 2012-13 Plan Year, when deductibles and out-of-pocket (OOP) maximums are more likely to have been met, and the Short Plan Year, when deductibles and OOP maximums were halve.
- The paid claims trends were below the 8.5% trend assumption in both time periods reviewed.

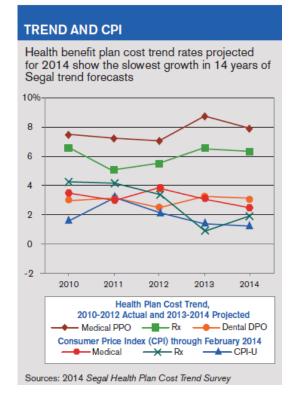


FY 2013-14 Trends Through December 2013

- Experience through December 2013 suggests higher trends for the current fiscal year
- Increases in paid claims are attributable to the Short Plan Year

PMPM Trends for FY13-14





- The 2014 Segal Health Plan Cost Trend Survey projects Medical cost increases of 8% and Pharmacy cost increases of just over 6%
- Segal's actuaries note that the trend survey tends to be conservative



Trend Review Findings and Conclusion

Findings:

- Trends in Plan paid costs for the four years prior to FY 2013-14 were very low and suggest a trend well below the current trend assumption of 8.5%
- Over the last 18-24 months, a decrease in utilization has offset growth in prices and reduced member cost sharing and has helped to constrain increases in Plan costs
- Trends in PMPM allowed claims have increased in the first half of FY 2013-14 from trends in prior fiscal years but are still less than 8.5%
- A conservative estimate of 2014 trend by insurance companies (the Segal survey) projects 8% for medical costs and just over 6% for pharmacy costs
- Risks to reducing the trend assumption:
 - Reductions in utilization may be unsustainable; prices have increased during recent measurement periods
 - PMPM claims trends have increased in the first half of FY 2013-14
 - There has been very little experience with new benefit designs and plan offerings
 - The economy, which is assumed to be one of the main causes for reduced medical expense trends, is improving

Conclusion:

- Despite risks, recent experience supports a decrease in the trend assumption used in the forecasts
- **Decision:** Reduce the trend assumption to 7%



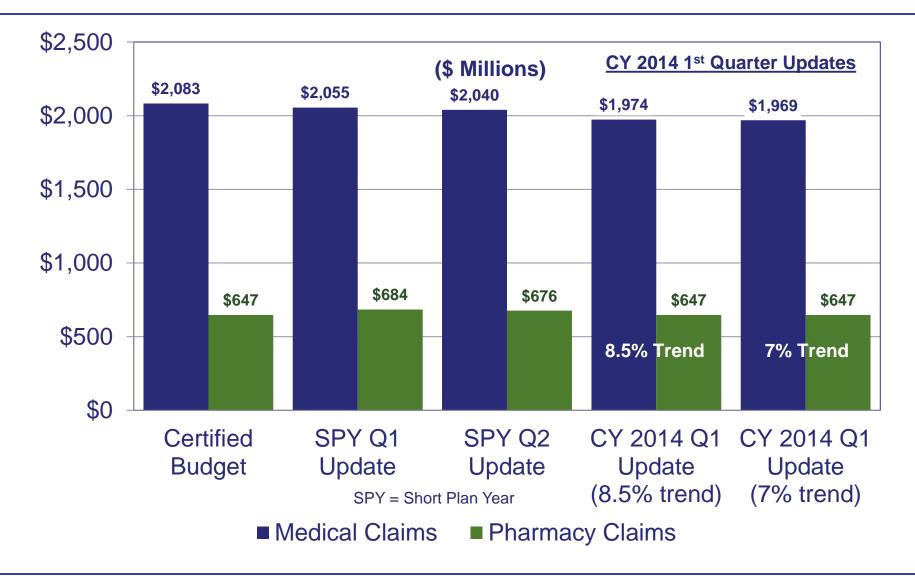
Comparison of Models:

Certified Budget vs. CY 2014 1st Quarter Update (7% trend)

Calendar Year 2014	7% Trend CY 2014 Q1 Update (per Segal 05-16-14)	Certified Budget (per Segal 8-19-13)	Difference: Increase/ (Decrease) From Budget
Beginning Cash Balance	\$838.5 m	\$695.0 m	\$143.5 m
Plan Revenue	\$2.985 b	\$2.961 b	\$24.0 m
Net Claims Payments	\$2.467 b	\$2.582 b	(\$115.0 m)
Medicare Advantage Premiums	\$158.5 m	\$174.2 m	(\$15.7 m)
Net Admin. Expenses	\$180.3 m	\$179.8 m	\$0.5 m
Total Plan Expenses	\$2.804 b	\$2.936 b	(\$130.2 m)
Net Income/(Loss)	\$178.8 m	\$24.6 m	\$154.2 m
Ending Cash Balance	\$1.017 b	\$719.6 m	\$297.6 m
2016 & 2017 Premium Increases	0.00%	8.22%	(8.22%)
2018 & 2019 Premium Increases	16.86%		

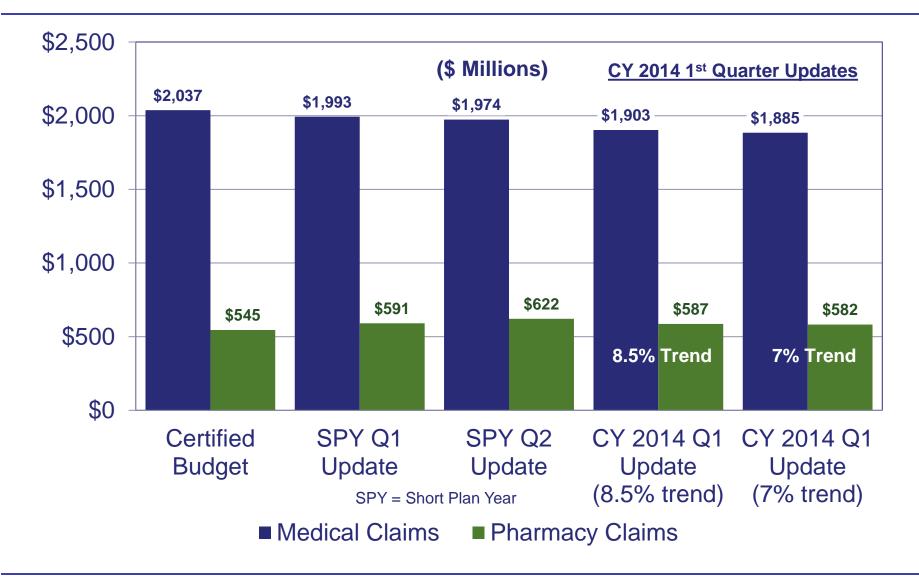


Forecast Comparisons: Fiscal Year 2013-14 Claims



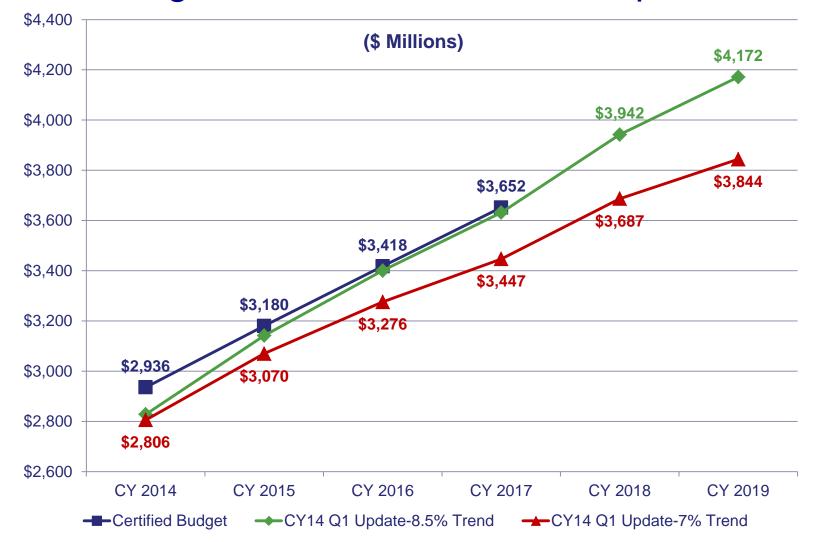


Forecast Comparisons: Calendar Year 2014 Claims





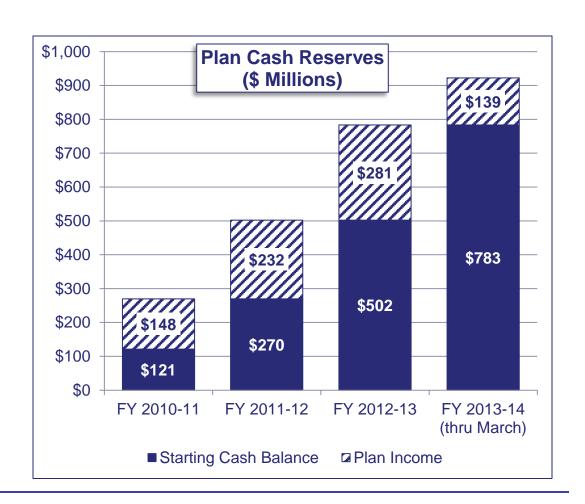
Forecast Comparisons: Projected Plan Spending Certified Budget vs. CY 2014 1st Quarter Updates





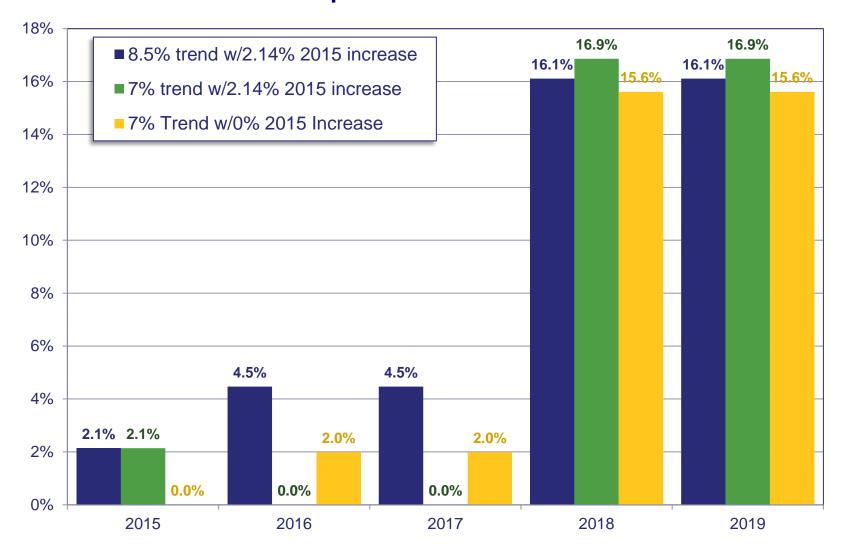
Proposed 2015 Premium Freeze

- On May 19th, the Treasurer sent a letter to General Assembly's Presiding Officers to inform them that she and the Board recommend forgoing the scheduled 2015 premium increase of 2.14%
- Reasons for the freeze:
 - Plan is on pace to spend \$250 less per member than budgeted for FY 2013-14
 - Projected Plan income for FY 2013-14 is about \$180 million
 - Plan and Segal have mutually agreed to reduce the trend assumption used in the forecast from 8.5% to 7%
 - Even with no increase in premiums for 2015, premium increases for 2016 and 2017 are expected to be less than 3% with the new trend assumption



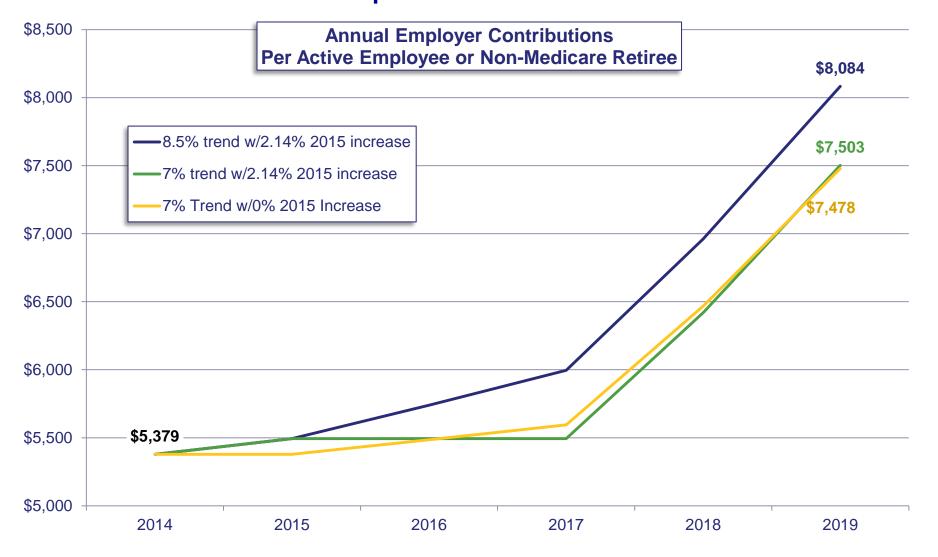


Projected Premium Increases: CY 2014 1st Quarter Update Scenarios



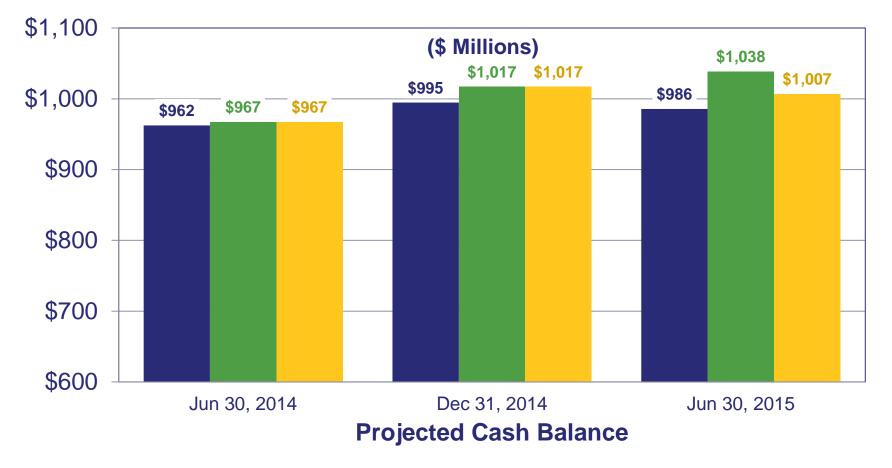


Estimated Employer Contributions: CY 2014 1st Quarter Update Scenarios





Ending Cash Balances: <u>CY 2014 1st Quarter Update Scenarios</u>



■8.5% trend w/2.14% 2015 increase ■7% trend w/2.14% 2015 increase ■7% trend w/0% 2015 increase



Summary/Impact on State Budget

- Current Fiscal Biennium (2013-2015)
 - Relative to the Certified Budget, the CY 2014 1st Quarter Update with 7% trend projects lower medical claims costs and higher pharmacy claims costs for the biennium
 - With or without a 2015 increase in premiums, cash balance is projected to be more than \$1 billion by the end of the biennium (June 30, 2015).
 - More than \$350 million higher than the Certified Budget
 - Exceeds the 9.0% target reserve amount by about \$800 million
 - Equates to more than 16 weeks of FY 2015-16 projected operating expenses
- Assuming no increase in premiums for 2015 and no changes in the current benefit design, the CY 2014 1st Quarter Update projects a 1.99% premium increase for January 1 of each year of the 2015-17 biennium. This is lower than the Certified Budget projection (8.22%)



Key Takeaways

- After reviewing the relevant data, Plan staff and Segal actuaries made a decision to lower the trend assumption used in the forecast to 7%
- Noting increasing reserves and continued good experience, the Treasurer has recommended that the General Assembly re-allocate \$23 million in State funds designated for the Plan to other purposes
- Premium increases for 2016 and 2017 look to be relatively low
- The Board will need to continue its pursuit of long-term cost reduction strategies to keep premium increases down for 2018 and 2019



Certified Budget (Segal 8-19-13)

North Carolina State Health Plan Financial Projections - Mar 2013

Trends - 8.5% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged

With MA & PDP

Incentives start at \$15/\$15/\$20 and increase to \$25/\$25/\$40 in Calendar 2016, \$10 Standard Premium Credit
Certified Budget

	2044 2042	Di		2042 2045	Certified Bud	get		2045 2047	Dii		
	2011 - 2013 Actual	Projection	Projection	2013 - 2015 Projection	Projection	Projection	Projection	2015 - 2017 Projection	Projection	Projection	Projection
	FY 2012	FY 2013	Short Plan Year Jul-Dec 2013	Calendar 2014 Jan-June	Calendar 2014 July-Dec	Calendar 2015 Jan-Jun	Calendar 2015 Jul-Dec	Calendar 2016 Jan-June	Calendar 2016 July-Dec	Calendar 2017 Jan-Jun	Calendar 2017 Jul-Dec
PLAN INCOME:	112012	112010			,				,		
Net Contribution Income	2.750.368.851	2,895,761,603	1,442,578,008	1,490,952,575	1,487,864,429	1,516,588,534	1,513,510,299	1,634,606,643	1,631,357,328	1,761,956,879	1,758,528,795
EGWP/PDP Spouse Premium Reduction	2,730,300,031	(1,244,665)	(2,498,637)	(14,615,034)	(14.687.927)	(14.761.184)	(14,834,807)	(14,908,796)	(14,983,155)	(15,057,884)	(15.132.986)
		(1,244,000)	(2,480,037)								
MA Spouse Premium Reduction				(5,898,039)	(5,927,456)	(5,957,019)	(5,986,730)	(6,016,589)	(6,046,598)	(6,076,755)	(6,107,063)
MA Buy-up Premium				10,940,979	10,995,548	15,140,644	15,216,158	19,774,355	19,872,981	24,884,033	25,008,144
Health care Reform ERRP	42,163,391	(558,219)	-	-	-	-	-	-	-	-	-
Retro Disenrollments	(451,496)	(714,727)	(721,289)	(745,476)	(743,932)	(758,294)	(756,755)	(817,303)	(815,679)	(880,978)	(879,264)
Premium Incentive			-	(15,363,911)	(15,332,089)	(14,299,813)	(14,287,662)	18,347,595	18,311,123	18,164,492	18,129,151
CDHP Premium Reduction			-	(3,528,927)	(3,521,618)	(4,751,766)	(4,747,728)	(5,957,822)	(5,945,979)	(7,139,050)	(7,125,160)
Medicare Part D	57,583,602	36,936,224	2,784,744	3,434,018	2,910,058	3,588,549	3,041,010	3,750,033	3,177,856	3,918,785	3,320,859
EGWP+Wrap											
Direct Subsidy	-	25,008,159	25,151,533	-	-	-	-	-	-	-	-
Coverage Gap Subsidy	_	-	7,195,769	17,999,102	_	_	_	_		_	_
Catastrophic Subsidy		_			13.047.904	_				_	
Total	-	25,008,159	32,347,302	17,999,102	13,047,904	-	-	-	-	-	-
Appropriations from State Persons				-							
Appropriations from State Reserve Investment Earnings	3.015.815	3.063.553	1.448.002	1,420,130	1.471.875	1,364,138	1,187,237	977.122	864,507	734,935	644.071
Total Plan Income	2,852,680,163	2,958,251,928	1,475,938,129	1,484,595,416	1,476,076,792	1,496,153,788	1,492,341,023	1,649,755,238	1,645,792,386	1,780,504,456	1,776,386,545
PLAN EXPENSE:	I		I								
Medical Claims Payment	1,849,410,105	1,882,949,142	997,508,625	1,111,574,513	1,036,956,734	1,201,076,486	1,130,686,863	1,298,249,706	1,217,598,950	1,400,256,154	1,312,797,082
Claim Refunds	(22,634,615)	(23,855,443)	(12,060,684)	(12,583,200)	(12,885,851)	(13,596,192)	(14,362,157)	(14,789,230)	(15,257,502)	(15,736,111)	(16,451,838)
Dental & MHSA Enhancement			1,965,794	3,370,442	3,144,191	3,641,824	3,428,393	3,936,466	3,691,922	4,245,763	3,980,576
Medicare Advantage Claims Reduction				(51,495,701)	(60,190,041)	(65,631,913)	(65,959,257)	(71,922,732)	(72,281,451)	(78,816,526)	(79,209,628)
Calendar Year Adjustments			44,524,878	(4,229,258)	14,039,329	(14,419,571)	18,622,423	(17,792,129)	20,205,328	(19,304,460)	21,922,781
Preventative at 100% in Standard Plan			11,021,010	9,805,123	13,733,526	15,553,431	15,012,324	16,765,870	16,153,784	18,067,218	17,400,803
Premium Incentive				(7,995,527)	(11,972,541)	(11,462,987)	(11,446,086)	(12,527,363)	(12,502,373)	(19,984,282)	(19,945,259)
CDHP Claims Reduction				(2,705,932)	(4,051,876)	(5,771,199)	(5,762,690)	(8,941,127)	(8,923,291)	(12,953,021)	(12,927,728)
Limited Network Savings				310,434	464,845	390,200	389,624	602,750	601,547	576,589	575,463
PCP Copay Waiver				4,407,787	6,600,242	(367,417)	(366,875)	(4,086,355)	(4,078,203)	(17,078,970)	(17,045,620)
Mental Health Enhancements				451,938	608,120	704,185	662,915	765,427	717,877	830,633	778,752
Net Medical Claims	1,826,775,490	1,859,093,698	1,031,938,612	1,050,910,619	986,446,678	1,110,116,847	1,070,905,478	1,190,261,283	1,145,926,587	1,260,102,988	1,211,875,383
Medicare Advantage Premiums			-	86,864,745	87,297,988	108,861,089	109,404,040	133,102,486	133,766,343	159,805,493	160,602,532
Pharmacy Claims Payment	721,163,013	749,090,373	426,782,431	389,095,527	461,133,212	420,430,469	498,290,216	492,888,065	499,857,994	532,671,371	540,226,350
Rebates	(93,130,160)	(72,024,902)	(22,208,556)	(32,607,518)	(23,014,123)	(26,428,528)	(23,850,891)	(27,281,378)	(24,724,242)	(28,163,286)	(25,623,274)
Calendar Year Adjustments	,		6,211,534	(9,511,046)	11,406,548	(10,470,311)	12,325,781	(12,201,284)	12,627,650	(13,186,116)	13,647,560
Net Pharmacy Claims	628,032,853	677,065,471	410,785,408	346,976,963	449,525,637	383,531,630	486,765,106	453,405,403	487,761,402	491,321,968	528,250,635
MA-PDP Claims Reduction	,,	,,	-	(114,577,245)	(139,255,710)	(151,846,028)	(152,603,370)	(166,400,470)	(167,230,403)	(182,349,955)	(183,259,437)
EGWP+Wrap Reduction in Rebates	I	808.689	1,635,695	827,018	(100,200,710)	(101,010,020)	(102,000,070)	(100,100,170)	(107,200,400)	(102,010,000)	(100,200,401)
				027,010		-			-		
EGWP+Wrap Claim Increase	I	222,762	462,707		040.540	744 707	070.000	000 500	004.005	000 755	050 004
Expand Coverage of Diabetic Test Strips	I	-	591,768	686,454	813,546	741,737	879,099	869,568	881,865	939,755	953,084
HB 675 - Pharmacy Audit Changes				100,000	104,617	95,383	113,047	111,821	113,403	120,847	122,561
Specialty Pharmacy Tier				(188,553)	(265,758)	(258,101)	(305,899)	(321,725)	(326,275)	(370,373)	(375,627)
Total Pharmacy Claims	628,032,853	678,096,922	413,475,579	233,824,638	310,922,331	232,264,620	334,847,983	287,664,597	321,199,992	309,662,242	345,691,217
Total Claims	2,454,808,343	2,537,190,620	1,445,414,191	1,371,600,002	1,384,666,997	1,451,242,555	1,515,157,501	1,611,028,367	1,600,892,923	1,729,570,723	1,718,169,132
Administrative Costs	165,480,561	164,665,404	85,504,284	91,148,330	88,666,681	88,484,867	91,324,774	91,141,320	93,688,951	93,504,688	96,122,447
ACA Reinsurance Fee	,			-	-	34,632,846	-	21,039,454		14,201,632	
Extra EGWP+Wrap Administration	-	2,893,881	5,794,014	_	-	-	-	-		-	
Total Plan Expense	2,620,288,904	2,704,749,905	1,536,712,490	1,462,748,331	1,473,333,678	1,574,360,269	1,606,482,275	1,723,209,141	1,694,581,874	1,837,277,042	1,814,291,579
Plan Income (Loss)	232,391,259	253,502,023	(60,774,360)	21,847,084	2,743,114	(78,206,481)	(114,141,252)	(73,453,903)	(48,789,488)	(56,772,586)	(37,905,034)
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	755,749,494	694,975,134	716,822,218	719.565.332	641,358,851	527,217,599	453,763,696	404,974,207	348,201,621
Ending Cash Balance (Deficit)	502,247,471	755,749,494	694,975,134	716,822,218	719,565,332	641,358,851	527,217,599	453,763,696	404,974,207	348,201,621	310,296,587
Target Stabilization Reserve	184,110,626	202.975.250	219,485,780	239,446,206	234,282,695	255,231,860	266,976,005	281,356,728	289,072,916	299,741,728	310,296,587
rarget Stabilization Reserve	7.5%	8.0%	8.0%	8.5%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
,	7/1 Increase	7/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase		1/1 Increase	
Premium Increase:	5.3%	5.3%		3.57%		2.14%		8.22%		8.22%	

CY 2014 Q1 Update 8.5% Trend

North Carolina State Health Plan Financial Projections - Mar 2014 Trends - 8.5% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Page 1

2012 - 2013 Biennium (Segal 5-16-14) Actual Actual Actual Projection Projection Projection Projection Projection Projection Short Plan Year Jul-FY 2012 FY 2013 Calendar 2014 Calendar 2015 Calendar 2016 Calendar 2017 Calendar 2018 Calendar 2019 Dec 2013 PLAN INCOME: 2,750,368,851 2,895,366,140 1,502,578,000 3,028,890,369 3,128,803,824 3,481,139,560 3,605,236,066 4,275,034,734 4,865,853,386 Net Contribution Income EGWP/PDP Spouse Premium Reduction MA Spouse Premium Reduction MA Buy-up Premium 152,149 Medicare Advantae Subsidy Health care Reform ERRP 42,163,391 (558,219 (277,538) Retro Disenrollments (487,819) (1,147,610 (1,564,402 (1,740,570)(1,802,618 (2,137,517 (2,432,927 (451,498)Wellness Credit (115,224,546) (336,693,892) (333,629,435 (486,724,546) (486,445,952 (86,126,636) Premium Reduction due to Movement (4,684,389)(7,458,634 (10,854,215 (13,682,766) (9.808.137 Medicare Part D 57.583.602 38,056,016 (1,323,888) 14,528,165 6.332.844 6.617.822 6.915.624 7.226.827 7.552.035 EGWP+Wrap Direct Subsidy 24,435,483 25,202,822 572.152 Coverage Gap Subsidy 11,879,765 23,747,921 31.734.272 Catastrophic Subsidy Total 24,435,483 37.082.587 24,320,074 31,734,272 vestment Earnings 3 015 815 1 841 083 1.888.28 1 121 086 2,960,048,314 Total Plan Income 2 852 680 163 1,539,900,247 2 984 630 376 3,044,192,823 3 147 764 077 3,271,129,287 3,783,492,723 4,371,964,862 PLAN EXPENSE: Medical Claims Payment 1,849,410,105 1,858,096,405 1,033,157,400 1,998,101,810 2,237,889,787 2,414,753,829 2,604,241,245 2,866,910,701 3,040,400,426 Claim Refunds (22,634,615) (23,467,914 (10,834,378) (23,670,288 (26,647,267 (28,839,018) (30,896,629 (33,430,454) (36,239,211 Dental & MHSA Enhancement 4.999.489 7.296.440 7,873,090 8.490.897 9.347.307 9.912.955 Medicare Advantage Claims Reduction (78,444,877 (115,388,404) (126,448,382) (138.568.460) (151,850,247) (166,405,093) Calendar Year Adjustments (4,650,956 4.202.852 2,413,200 2.618.322 2.840.879 3.082.354 20,115,500 29,499,993 49,702,868 55,224,139 60,822,061 64,365,360 Preventative at 100% in Standard Plan (24,669,613) (47,586,599) Wellness Comply Savings (2.518.767 (8,952,914 (43,903,034 (51,953,092 Claims Reduction due to Movement (22,567,495 (30,328,293 (14,443,883) (19.442.907 (28,102,594) (36,731,934 Limited Network Savings 705,306 924.795 1,517,412 1,396,118 1,252,501 1,076,509 (55,361,216) PCP Copay Waiver 7.958.584 270.005 (10,422,866) (32,068,571 (80,571,041 3.019.428 4.631.786 5.025.488 5.532.369 Essential Health Benefits/MH Parity 4 268 927 5 867 158 Net Medical Claims 1,826,775,490 1.834.628.491 1.022.323.022 1.903.047.735 2,103,035,923 2,276,068,423 2,412,116,608 2,630,374,708 2,752,804,391 Medicare Advantage Premiums 158,450,497 193,034,335 232,276,427 275,487,271 316,071,947 360,688,456 Pharmacy Claims Payment 721.163.013 752.419.650 425.257.939 845.130.445 937.199.494 1 012 785 871 1.094.635.194 1.183.200.557 1.279.041.944 Rebates (93,130,160) (69,641,941 (32,188,641 (95,427,102 (58,014,645 (52,771,544) (54,584,611 (53,476,984) (55,443,564 Calendar Year Adjustments 6,343,463 1,893,300 435,501 471.369 510.239 552,367 Net Pharmacy Claims 628,032,853 682,777,709 393,069,298 756,046,806 881,078,150 960,449,828 1,040,521,953 1,130,233,812 1,224,150,747 MA-PDP Claims Reduction (170,590,776 (251,548,637 (275,659,573) (302,081,544 (331,036,060) (362,765,866 EGWP+Wrap Reduction in Rebates EGWP+Wrap Claim Increase Expand Coverage of Diabetic Test Strips 1,193,853 1,663,411 1.797.567 1,942,839 2,100,032 2,270,138 HB 675 - Pharmacy Audit Changes 158 587 208 438 225 249 243 452 263 150 284 485 Specialty Pharmacy Tier (202,159 (292,000) (336,000)(386,000 (417,231) (451,027 Total Pharmacy Claims 628.032.853 682,777,709 393.069.298 586,606,311 631,109,362 686,477,071 740,240,701 801.143.703 863,488,457 Total Claims 2,454,808,343 2,517,406,200 1,415,392,320 2,648,104,543 2,927,179,620 3,194,821,920 3,427,844,580 3,747,590,358 3,976,981,304 179,809,572 184,837,659 189,649,870 194,604,037 194,527,688 Administrative Costs 165.480.561 161,401,639 69,548,737 180,329,844 34,632,846 21,039,454 14,201,632 ACA Reinsurance Fee Extra EGWP+Wrap Administration 3,400,699,034 Total Plan Expense 2.620.288.904 2.678.807.839 1.484.941.057 2.828.434.388 3.141.622.038 3.631.696.082 3.942.194.395 4.171.508.992 Plan Income (Loss) 232,391,259 281,240,475 54,959,190 156,195,988 (97,429,216) (252,934,957) (360,566,794 (158,701,671) 200,455,870 Beginning Cash Balance (Deficit) 269,856,212 502,247,471 783,487,946 838,447,136 994,643,125 897,213,909 644.278.952 283,712,158 125,010,486 Ending Cash Balance (Deficit) 502,247,471 783,487,946 838,447,136 994,643,125 897,213,909 644,278,952 283,712,158 125,010,486 325,466,356 Target Stabilization Reserve 184,110,626 201,392,496 113,231,386 211,620,594 246,073,076 308,836,657 8.0% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 7/1 Increase 1/1 Increase

Premium Increase

5.3%

5.3%

4.47%

4.47%

16.11%

16.11%

CY 2014 Q1 Update

North Carolina State Health Plan Financial Projections - Mar 2014 Trends - 8.5% Medical & Pharmacy

8.5% Trend

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Page 2 Segal 5-16-14)

Segal 5-16-14)	2010-2011		2012 - 2013		2014 - 2015		2016 - 2017		2018 - 2019	
Segai 5-10-14)	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Projection FY 2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019
PLAN INCOME:	F1 2010	F1 2011	F1 2012	F1 2013	112014	112010	112010	112011	112010	1 12010
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,994,394,148	3,103,079,247	3,305,254,358	3,543,210,326	3,940,507,313	4,570,671,983
EGWP/PDP Spouse Premium Reduction	2,110,011,011	2,001,011,112	2,700,000,001	2,000,000,110	2,001,001,110	0,100,010,211	0,000,201,000	0,010,210,020	0,010,007,010	1,070,071,000
MA Spouse Premium Reduction										
MA Buy-up Premium					-	-	-	-	-	•
					450.440	-	-		-	-
Medicare Advantae Subsidy		45.000.040	40 400 004	(550.040)	152,149	-	-	-	-	-
Health care Reform ERRP	-	45,298,812	42,163,391	(558,219)	-	-	-	-	-	-
Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(487,819)	(656,611)	(1,551,540)	(1,652,627)	(1,771,605)	(1,970,254)	(2,285,336)
Wellness Credit					(28,759,106)	(115,080,257)	(226,204,540)	(335,157,115)	(410,339,598)	(486,584,965)
Premium Reduction due to Movement					-	(4,919,289)	(7,237,917)	(6,074,468)	(9,158,848)	(12,271,619)
Medicare Part D	74,357,704	66,276,535	57,583,602	38,056,016	10,355,829	6,276,386	6,487,102	6,779,021	7,084,077	7,402,861
EGWP+Wrap										
Direct Subsidy				24,435,483	25,774,974	_	_			
Coverage Gap Subsidy	_			21,100,100	35,627,686					
			-	-	35,027,000	31.734.272		-		-
Catastrophic Subsidy		-	-				-	-	-	-
Total	-	-	-	24,435,483	61,402,661	31,734,272	-	-	-	-
Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,839,168	4,026,509	3,592,708	2,552,944	1,282,719	887,099
Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,163	2,960,048,314	3,040,728,238	3,023,565,328	3,080,239,084	3,209,539,103	3,527,405,410	4,077,820,022
DI AN EXPENSE.										
PLAN EXPENSE:	4 000 400 5 :-	4.050.540.000	4 040 445 455	4 050 000 455	0.000 100 007	0.447.050.755	0.004.040.70	0.540.700.45	0.745.040.05	0.006.047.07
Medical Claims Payment	1,829,432,245	1,852,549,690	1,849,410,105	1,858,096,405	2,036,106,807	2,147,853,708	2,331,246,792	2,512,766,161	2,715,840,904	2,926,017,901
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)	(22,138,601)	(25,414,481)	(27,793,356)	(29,749,020)	(32,360,630)	(34,655,800)
Dental & MHSA Enhancement					1,754,883	7,002,886	7,600,823	8,192,650	8,854,757	9,540,021
Medicare Advantage Claims Reduction					(25,666,010)	(110,329,549)	(120,904,637)	(132,493,346)	(145,192,833)	(159,109,567)
Calendar Year Adjustments				_	(18,690,285)	(380,241)	830,294	900,869	977.443	1,060,525
Preventative at 100% in Standard Plan					6,854,749	28,259,422	39,036,399	53,276,346	57,532,424	61,929,190
Wellness Comply Savings					(828,478)	(6,107,341)	(16,704,734)	(34,154,969)	(45,720,880)	(49,740,728)
Claims Reduction due to Movement					(7,525,283)	(30,174,831)	(22,157,948)	(16,836,015)	(23,653,924)	(32,262,373)
Limited Network Savings					237,351	936,304	1,228,691	1,460,151	1,328,348	1,169,261
PCP Copay Waiver					2,631,058	5,519,195	(4,975,565)	(21,046,701)	(43,500,701)	(67,734,584)
Essential Health Benefits/MH Parity					1,059,857	4,158,427	4,460,159	4,835,394	5,240,845	5.646.430
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,973,798,047	2,021,323,499	2,191,866,918	2,347,151,519	2,499,345,752	2,661,860,276
Medicare Advantage Premiums					79,548,716	175,178,855	212,606,572	253,828,104	295,729,130	338,324,708
Pharmacy Claims Payment	N/A	N/A	721.163.013	752.419.650	800,006,086	899.260.836	1,011,149,558	1.053.411.000	1,138,592,756	1.230.768.323
Rebates	N/A	N/A	(93,130,160)	(69,641,941)	(92,245,116)	(69,163,011)	(51,882,687)	(53,669,341)	(52,521,684)	(54,450,781)
Calendar Year Adjustments	1905	1905	(65,155,155)	(170,170,00)	(5,291,987)	954,722	128,642	(570,171)	(616,799)	(667,300)
	500 700 775	055 000 705	920 022 052	800 777 700						
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	702,469,003	831,052,546	959,393,513	999,171,487	1,085,454,274	1,175,650,242
MA-PDP Claims Reduction					(55,531,971)	(240,520,250)	(263,574,116)	(288,837,695)	(316,522,788)	(346,861,498)
EGWP+Wrap Reduction in Rebates				-	-	-	-	-	-	-
EGWP+Wrap Claim Increase				-	-	-	-	-	-	-
Expand Coverage of Diabetic Test Strips				-	358,984	1,596,075	1,794,663	1,869,672	2,020,859	2,184,459
HB 675 - Pharmacy Audit Changes					53,972	200,000	224,885	234,284	253,229	273,729
Specialty Pharmacy Tier					(60,788)	(274,995)	(325,193)	(360,820)	(401,501)	(434,004)
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	647,289,201	592,053,375	697,513,751	712,076,928	770,804,072	830,812,927
T	0.004.000	0.400.00.00	0.454.000.000	0.547	0.700.000.00	0.700	0.404.000.00	0.046.000.00	0.505.000.00	0.000.000.00
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,517,406,200	2,700,633,984	2,788,555,728	3,101,987,242	3,313,056,551	3,565,878,954	3,830,997,912
Administrative Costs	164,649,780	165,902,094	165,480,561	161,401,639	161,213,637	177,151,548	182,466,094	187,208,529	192,090,617	197,116,970
ACA Reinsurance Fee					-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,861,847,600	3,000,340,123	3,305,492,790	3,514,486,711	3,757,969,570	4,028,114,882
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	178,880,637	23,225,205	(225,253,707)	(304,927,609)	(230,564,161)	49,705,141
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	783,487,946	962,368,583	985,593,789	760,340,082	455,412,473	224,848,313
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,471	783,487,946	962,368,583	985,593,789	760,340,082	455,412,473	224,848,313	274,553,453
Target Stabilization Reserve	179,566,889	186,277,106	184.110.626	201.392.496	222.792.246	235.203.919	260.044.260	275.330.560	294.313.484	314.340.588
rarget Stabilization Reserve	179,000,889	100,277,100	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%
	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase
Premium Increase:	8.9%	8.9%	5.3%	5.3%	3.57%	2.14%	4.47%	4.47%	16.11%	16.11%

CY 2014 Q1 Update 7% Trend 2015 Premium Increase

North Carolina State Health Plan Financial Projections - Mar 2014 Trends - 7.0% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

Page 1

rage i	2012 - 2013	Biennium	1						
Segal 5-16-14)	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
Segai 5-10-14)	FY 2012	FY 2013	Short Plan Year Jul-	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019
	112012	112010	Dec 2013	Calcildar 2014	Calendar 2010	Odletidai 2010	Calcildar 2017	Calendar 2010	Calcildar 2010
PLAN INCOME:			4 500 570 000			0.047.470.770			4 550 544 055
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	3,028,890,369	3,128,803,824	3,347,179,776	3,332,384,098	3,981,723,320	4,552,511,955
EGWP/PDP Spouse Premium Reduction		-		-	-	-	-	•	-
MA Spouse Premium Reduction				-	-	-	-	-	-
MA Buy-up Premium					-	-	-	-	-
Medicare Advantae Subsidy				152,149	-	-	-	-	-
Health care Reform ERRP	42,163,391	(558,219)							
Retro Disenrollments Wellness Credit	(451,498)	(487,819)	(277,538)	(1,147,610)	(1,564,402)	(1,673,590)	(1,666,192)	(1,990,862)	(2,276,256)
				(86,126,636)	(115,224,546)	(336,693,892)	(333,629,435)	(486,724,546)	(486,445,952)
Premium Reduction due to Movement Medicare Part D	57,583,602	38,056,016	(1,323,888)	14,528,165	(9,808,137) 6,332,844	(4,684,389) 6,617,822	(7,458,634) 6,915,624	(10,854,215) 7,226,827	(13,682,766) 7,552,035
Medicare Part D	57,565,002	30,000,010	(1,323,000)	14,326,103	0,332,044	0,017,022	0,815,024	7,220,027	7,002,000
EGWP+Wrap									
Direct Subsidy	-	24,435,483	25,202,822	572,152	-	-	-	-	-
Coverage Gap Subsidy	-	-	11,879,765	23,747,921	-	-	-	-	-
Catastrophic Subsidy	-	-	-	-	31,734,272	-	-	-	-
Total	-	24,435,483	37,082,587	24,320,074	31,734,272	-	-	-	-
						0.474.000			
Investment Earnings Total Plan Income	3,015,815 2,852,680,163	3,236,713 2,960,048,314	1,841,087 1,539,900,247	4,041,748 2,984,658,258	4,137,497 3,044,411,352	3,471,636 3,014,217,363	2,022,452 2,998,567,914	844,859 3,490,225,384	962,454 4,058,621,469
Total Flan Income	2,002,000,103	2,800,040,314	1,558,800,247	2,864,006,206	3,044,411,352	3,014,217,303	2,886,007,814	3,490,220,364	4,056,021,408
PLAN EXPENSE:									
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,979,602,158	2,184,208,528	2,324,429,826	2,472,275,309	2,683,773,310	2,806,548,981
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(23,512,811)	(26,063,669)	(27,817,870)	(29,390,896)	(31,362,323)	(33,526,926)
Dental & MHSA Enhancement				4,985,330	7,187,968	7,649,419	8,135,961	8,831,976	9,236,016
Medicare Advantage Claims Reduction				(77,883,672)	(112,977,782)	(122,095,089)	(131,948,163)	(142,596,380)	(154,103,907)
Calendar Year Adjustments		_		(4,650,956)	4,202,852	2,532,821	2,710,118	2,899,826	3,102,814
Preventative at 100% in Standard Plan				19,866,393	28,788,927	47,829,125	52,422,093	56,932,443	59,409,530
Wellness Comply Savings				(2,518,767)	(8,952,914)	(24,669,613)	(43,903,034)	(47,586,599)	(51,953,092)
Claims Reduction due to Movement				(22,587,495)	(30,328,293)	(14,443,883)	(19,442,907)	(28,102,594)	(36,731,934)
Limited Network Savings				697,475	921,683	1,535,379	1,448,328	1,352,580	1,241,340
PCP Copay Waiver				7,981,392	507,478	(9,792,633)	(30,422,187)	(52.310.237)	(75,668,503)
Essential Health Benefits/MH Parity				3,010,876	4,209,910	4,504,603	4,819,926	5,232,260	5,471,622
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,885,009,924	2,051,704,688	2,189,662,085	2,286,704,549	2,457,064,262	2,533,025,941
Medicare Advantage Premiums			-	158,450,497	188,791,195	218,708,064	253,369,052	285,527,073	320,397,357
Pharmacy Claims Payment	721,163,013	752,419,650	425,257,939	839,182,293	917,539,888	978,010,226	1,042,435,439	1,111,199,721	1,184,602,221
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(95,427,102)	(58,014,645)	(52,771,544)	(54,584,611)	(53,476,984)	(55,443,564)
Calendar Year Adjustments				6,228,977	1,756,690	322,600	344,490	367,901	392,941
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	749,984,168	861,281,933	925,561,282	988,195,319	1,058,090,638	1,129,551,599
MA-PDP Claims Reduction			-	(169,024,224)	(245,794,445)	(265,630,057)	(287,066,403)	(310,232,661)	(335,268,437)
EGWP+Wrap Reduction in Rebates		-	-	-	-	-	-	-	-
EGWP+Wrap Claim Increase		-	-					4 000 010	
Expand Coverage of Diabetic Test Strips		-		1,191,683	1,640,061	1,748,149	1,863,306	1,986,219	2,117,422
HB 675 - Pharmacy Audit Changes				158,806	206,898	220,533	235,061	250,566	267,118
Specialty Pharmacy Tier	000 000 050	000 777 700	000 000 000	(201,792)	(292,000)	(336,000)	(386,000)	(411,463)	(438,642)
Total Pharmacy Claims	628,032,853	682,777,709	393,069,298	582,108,641	617,042,446	661,563,907	702,841,283	749,683,299	796,229,059
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,625,569,062	2,855,538,329	3,069,934,056	3,242,914,885	3,492,274,635	3,649,652,357
Administrative Costs	165.480.561	161,401,639	69.548.737	180.329.844	179.809.572	184.837.659	189,649,870	194,604,037	194,527,688
ACA Reinsurance Fee	,			-	34,632,846	21,039,454	14,201,632	-	-
Extra EGWP+Wrap Administration	-	-	-	-	-	-	-	-	-
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,805,898,907	3,069,980,747	3,275,811,170	3,446,766,386	3,686,878,671	3,844,180,045
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	178,759,352	(25,569,395)	(261,593,807)	(448,198,472)	(196,653,288)	214,441,424
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,017,206,488	991,637,093	730,043,286	281,844,814	85,191,526
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,017,206,488	991,637,093	730,043,286	281,844,814	281,844,814 85,191,528	299,632,950
									2,112,170
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	209,705,078	240,187,242	256,610,339	269,059,125	288,607,281	299,632,950
	7.5%	8.0%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%
Promise Increase:	7/1 Increase	7/1 Increase		1/1 Increase	1/1 Increase	1/1 Increase 0.00%	1/1 Increase 0.00%	1/1 Increase	1/1 Increase
Premium Increase:	5.3%	5.3%		3.57%	2.14%	0.00%	0.00%	16.86%	16.86%

CY 2014 Q1 Update 7% Trend

North Carolina State Health Plan Financial Projections - Mar 2014 Trends - 7.0% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

2015 Premium Increase Page 2

Actual Projection Project	Page 2	2010-2011	Riennium	2012 - 2013	Riennium	2014 - 2015	Riennium	2016 - 2017	Riennium	2018 - 2019	Riennium
PLAN EXPENSE:	Secol 5-16-14)										Projection
No. Commission Reduction No. Sports Previous Reduction N											FY2019
MA Spung-Premium Reduction May	Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,994,394,148	3,103,079,247	3,238,209,159	3,339,739,649	3,657,419,018	4,267,339,617
Medicar Advanted Cubsing 45,208.812 42,103.901 (598.219 (697.818 42,103.901 (797.818	MA Spouse Premium Reduction				-	-	-		-	-	-
Fash Tour Reform ERPF						450 440	-	-	-	-	-
Reno Disconlinents (1,310,146) (1,281,564 (491,469) (497,819) (695,611) (1,551,540) (1,519,106) (1,519			45 200 012	42 182 201	(EE0 240)	152,149	-	-	-	-	-
Welmans Cordet Permit Reduction due to Movement Medicare Part D 74,367,704 66,276,565 77,683,602 38,056,016 10,365,206 10		(1 310 148)				(858 811)	(1.551.540)	(1.810.105)	(1.880.970)	(1 929 710)	(2,133,670
Permittin Reduction due to Movement Medicare Part I Reduction due to Mov		(1,510,140)	(1,201,304)	(451,460)	(407,010)						(486,584,965
Medicare Part D						(20,700,100)					(12,271,619
Direct Diseasy		74,357,704	66,276,535	57,583,602	38,056,016	10,355,829					7,402,861
Coverage Cage Subsisty											
Calastropino Guissigh		-	-	-	24,435,483		-	-	-	-	-
Total Plan Income 2.463-6780 2.552.448 2.561.085 3.015.818 3.262.680,183 2.464.073.498 3.015.818 3.262.680,183 3.015.818 3.262.680,183 3.015.818 3.015.81		-	-	-	-	35,627,686	-	-	-	-	-
Presented Earnings 3.532.448 2.881.085 3.016.815 3.230.713 3.841.399 4.120.046 3.014.088 2.042.413 1.285.591 Total Plan Income 2.460.457.560 2.797.690.030 2.852.680.183 2.680.048.314 3.040.730.488 3.023.683.865 3.013.540.698 3.005.450.681 3.244.461.531 3.774		-	-	-	-	-		-	-	-	-
Total Plan Income	Total	-	-	-	24,435,483	61,402,661	31,734,272	-	-	-	-
PLAN EXPENSE: 1,820,432,245 1,852,540,600 1,840,410,105 1,860,006,405 (22,407,914) (22,122,851) (22,031,100) (20,000,114) (20,000,014)											728,433 3,774,480,657
Medical Claims Payment	Total Flan Income	2,490,457,950	2,797,909,020	2,652,060,103	2,900,046,314	3,040,730,408	3,023,003,800	3,013,049,096	3,000,459,031	3,244,401,531	3,774,460,057
Claim Refunds Claims Reduction Claims											
Dential & Mi-SA Enhancement 1,755,792 0,944.109 7,433.674 7,002.042 8,422.879 8,422.879 17,755,7947 7,202.042 8,422.879 17,755,7947 7,202.047 1,220.251 1,315.209 1,407.370 1,407.470 1,407.											2,719,469,947
Medicare Advantage Claims Reduction Calendar' VerA dijustments Calen	Ciami i (Ciama)	(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)						(32,284,772
Calendar Year Ağlustments Preventative at 100% in Standard Plan 1,202,511 1,315,209 1,407,370 1,202,151 3,57 1,											8,949,449
Preventative at 100% in Standard Plan Wellness Comply Savings Claims Reduction due to Movement Limited Network Savings PCP Copay Waiver Essential Health Benefits/MH Parity Net Medical Claims Net Medical Claims Na NiA NiA 721,163,013 752,410,650 796,851,561 1,797,515,414 1,827,826,000 1,826,775,490 1,834,628,491 1,996,231,220 1,985,073,162 2,122,977,802 2,241,034,517 2,351,498,427 2,467 1,996,851,591 1,996,851											(148,335,831
Wellness Comply Savings Collaims Reduction due to Movement Collaims Reduction in Rebates Collaims Reduction in Rebates Collaims Reduction in Rebates Collaims Reduction Collaims Reduction Collaims Reduction Collaims Reduction Collaims Colla					-		, , ,				1,505,885
Claims Reduction due to Movement Claims Reduction Gue to Movement Claims											57,559,180 (49,740,728
Limited Network Savings 1,243,396 1,403,776 1,402,070 1,403,776 1,402,070 1,207											(32,262,373
CPC PCOpay Waiver Exsential Hamiltonenfits/MH Parity 1,707,515,414 1,827,826,009 1,826,775,400 1,834,628,491 1,006,0231,229 1,865,073,152 2,122,977,802 2,241,034,517 2,351,498,427 2,467,648,428 2,468,488,438 2,468,488 2,468,											1,299,491
Essential Health Benefits/MH Parity 1,797,515,414 1,827,826,009 1,826,775,400 1,834,628,491 1,096,231,229 1,985,073,152 2,122,977,802 2,241,034,517 2,351,408,427 2,467											(63,815,910
Net Medicar Claims 1,797.515,414 1,827,826,009 1,826,775,490 1,826,775,490 1,824,628,491 1,896,231,229 1,886,073,152 2,122,077,802 2,241,034,517 2,381,498,427 2,467 2,467,490 3,000 1,826,775,490 1,824,628,491 1,896,231,229 1,986,073,152 1,122,087,802 2,224,034,517 2,381,498,427 2,467 2,467,490 1,707,808,795 1,147 1,000,800,795 1,147 1,000,80,795 1,147 1,000,80,795 1,147 1,000,800,805 1,147 1,000,80,805 1,147 1,000,80,805 1,147 1,000,800,805 1,147 1,000,80,805 1,147 1,000,80,805 1,147 1,000,800,805 1,000,800 1,00											5.301.854
Pharmacy Claims Payment Rebates Remany Claims Payment N/A		1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491						2,467,646,193
Rebates	Medicare Advantage Premiums					79,548,716	172,065,050	202,709,932	235,995,447	269,408,065	302,918,843
Calendar Year Adjustments Net Pharmacy Claims NA-PDP Claims Reduction EGWP-Wrap Reduction in Rebates EXPAIN Claim IN Rebates E	Pharmacy Claims Payment	N/A	N/A	721,163,013	752,419,650	798,951,591	886,950,308	983,315,106	1,010,095,422	1,076,680,795	1,147,754,108
Net Pharmacy Claims MA-PDP Claims Reduction EGWP-Wrap Reduction in Rebates EGWP-Wrap Reduction in Rebates EGWP-Wrap Claim Increase Expand Coverage of Disheiot Test Strips H8 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,551,032 2,740,842,586 3,003,277,945 3,156,335,269 3,347,710,355 3,542 2,000,000 2,75,019 3,25,268) 3,003,277,945 3,156,335,269 3,347,710,355 3,542 3,000,000 3,000,000 3,000,000 3,000,000	Rebates	N/A	N/A	(93,130,160)	(69,641,941)	(92,245,116)	(69,163,011)	(51,882,687)	(53,669,341)	(52,521,684)	(54,450,781
MA-PDP Claims Reduction in Rebates EGWP+Wrap Reduction in Rebates EGWP-Wrap Claim Increase Expand Coverage of Diabetic Test Strips H8 675 - Pharmacy Audit Changes Specialty Pharmacy Tiler Total Pharmacy Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,51,032 2,740,842,588 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,51,032 2,740,842,588 2,175,7631 1,805,499 1,924,518 2,427,783 2,921,729 2,177,788 2,427,788 2,427,783 2,921,729 2,777,788 2,427,783 2,921,729 2,777,590,211 681,305,305 7,26,803,881) 7,71 Total Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,51,032 2,740,842,588 3,003,277,945 3,158,335,269 3,347,710,355 3,542 Administrative Costs Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,969 2,649,569,838 2,620,288,904 2,678,807,839 2,856,746,669 2,955,687,580) 2,695,61,032 2,740,842,588 3,003,277,945 3,158,335,269 3,347,710,355 3,542 4,201,839,454 4,201,839,454 4,201,832 4,201,839,454 4,201,832 4,201,839,454 4,201,832 4,201,839,454 4,201,832 4,201,839,454 4,201,832 4,201,839,454 4,201,832 4,201,839,454 4,201,839	Calendar Year Adjustments					(5,266,655)	1,001,134	191,276	(471,571)	(503,150)	(536,892
EGWP-Wrap Reduction in Rebates EGWP-Wrap Claim Increase Expand Coverage of Diabetic Test Strips HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Pharmacy Claims 2,394,225,189 ACA Reinsurance Fee Extra EGWP-Wrap Administration Total Plan Expense 2,558,874,989 2,684,596,838 2,620,288,904 2,684,596,838 2,620,288,904 2,678,807,839 2,684,571,709 646,771,087 685,868,735 682,777,709 646,771,087 685,868,735 682,777,709 646,771,087 683,704,384 682,777,709 646,771,087 683,704,384 682,777,709 646,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,709 684,771,087 683,704,384 682,777,087 683,804,22 684,771,087 684,	Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	701,439,820	818,788,431	931,623,696	955,954,510	1,023,655,961	1,092,766,434
ESWP+Wrap Claim Increase Expand Coverage of Diabetic Test Strips HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Pharmacy Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,696,551,032 2,740,842,586 3,003,277,945 3,158,335,269 3,347,710,355 3,542 3,003,277,945 3,158,335,269 3,347,710,355 3,247,471 3,003,277,471 3,003,277,471 3,003,277,471 3,003,490,30 3,003,777,471,471 3,003,490,30 3						(55,021,320)	(236,594,411)	(255,687,580)	(276,321,568)	(298,620,718)	(322,719,410
Expand Coverage of Diabetic Test Strips HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Pharmacy Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,551,032 2,740,842,586 3,003,277,045 3,158,335,269 3,347,710,355 3,542 2,000,000 (275,019) (325,266) (380,090) (375,019) (325,266) (380,090) (389,881) 701 Total Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,551,032 2,740,842,586 3,003,277,045 3,158,335,269 3,347,710,355 3,542 Administrative Costs Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,989 2,649,596,838 2,620,288,904 2,678,807,839 2,856,764,669 2,952,626,981 3,206,783,493 3,359,745,430 3,359,800,972 3,739 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 183,965,799 71,036,885 (193,233,796) (353,285,799) (295,339,441) 34 Beginning Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,831,595 231 Target Stabilization Reserve 7/1 Increase 7/1 Increase 7/1 Increase 7/1 Increase 1/1 Increase					-	-	-	-	-	-	-
HB 675 - Pharmacy Audit Changes Specialty Pharmacy Tier Total Pharmacy Claims 596,709,775 656,888,735 628,032,853 682,777,709 646,771,087 658,342 200,000 (275,019) (325,266) (380,908) (389,881) 771 Total Claims Administrative Costs 164,649,780 165,902,094 165,480,561 161,401,639 161,213,637 177,151,548 182,466,094 187,208,529 182,090,617 197 ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,620,288,904 2,078,807,839 2,850,764,669 2,850,774,764 183,965,799 71,036,885 193,233,799) 194,350,330,377,945 3,158,335,699 3,347,710,355 3,542 3,003,277,945 3,158,335,699 3,347,710,355 3,542 3,003,277,945 3,158,335,699 3,347,710,355 3,542 3,003,277,945 3,158,335,699 3,347,710,355 3,542 3,003,277,945 3,158,335,699 3,347,710,355 3,542 3,003,277,945 3,164,640,780 3,161,213,637 177,151,548 182,460,094 187,206,204 187,106,206 188,101,632 189,101,632 199,104,475 189,901,949 199,104,475 189,901,949 199,104,475 199,104,475 199,104,475 199,104,475 199,104,475 199,104,475 199,104,475 199					-						
Specialty Pharmacy Tier Total Pharmacy Claims 596,709,775 655,868,735 628,032,853 682,777,709 646,771,087 583,704,384 677,590,711 681,305,305 726,803,863 771 77					-						2,051,558
Total Pharmacy Claims 598,709,775 655,888,735 628,032,853 682,777.709 646,771,087 583,704,384 677,590,211 681,305,305 726,803,883 771 Total Claims 2,394,225,189 2,483,694,744 2,454,808,343 2,517,406,200 2,695,551,032 2,740,842,586 3,003,277,045 3,158,335,269 3,347,710,355 3,542											258,809
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,989 2,649,596,838 2,620,288,904 2,032,391,259 281,240,475 183,965,799 71,036,885 183,486,094 187,208,529 192,090,617 197 197 197 197 197 197 197		596,709,775	655,868,735	628,032,853	682,777,709						(424,998 771,932,393
Administrative Costs ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,558,874,969 2,649,596,838 2,020,288,904 2,032,391,259 281,240,475 281	Total Claims	2,394.225.189	2,483.694.744	2,454.808.343	2,517.406.200	2,695.551.032	2,740.842.588	3,003.277.945	3,158.335.269	3,347.710.355	3,542,497,429
ACA Reinsurance Fee Extra EGWP+Wrap Administration Total Plan Expense 2,658,874,969 2,649,596,838 2,020,288,904 2,078,807,839 2,856,764,669 2,952,626,981 3,206,783,493 3,359,745,430 3,359,745,430 3,359,800,972 3,736 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 183,965,799 71,036,885 (193,233,796) (353,285,799) (295,339,441) 34 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,566,889 180,277,106 184,110,626 201,392,496 222,380,197 231,189,978 252,051,121 263,010,584 277,047,206 291 7/1 Increase 7/1 Increase 7/1 Increase 7/1 Increase 1/1											197,116,970
Total Plan Expense 2,558,874,989 2,649,596,838 2,620,288,904 2,678,907,839 2,856,764,869 2,952,626,981 3,206,783,493 3,359,745,430 3,539,800,972 3,739 Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 183,965,799 71,036,885 (193,233,796) (353,285,799) (295,339,441) 34 Beginning Cash Balance (Deficit) 189,901,049 121,484,030 209,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,566,889 180,277,106 184,110,628 201,392,496 222,360,197 231,189,978 25,051,121 263,010,584 277,047,206 291 7/1 Increase 7/1 Increase 7/1 Increase 1/1 Increase				,		-				-	-
Plan Income (Loss) (68,417,019) 148,372,182 232,391,259 281,240,475 183,965,799 71,036,885 (193,233,796) (353,285,799) (295,339,441) 34 Beginning Cash Balance (Deficit) 180,901,049 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196 Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,568,889 186,277,108 184,110,628 201,349,496 223,240,475 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,568,889 186,277,108 184,110,628 201,349,496 223,240,475 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,568,889 186,277,108 184,110,628 201,349,496 223,240,475 1,038,490,630 845,256,835 491,971,036 196,631,595 231	Extra EGWP+Wrap Administration	-	-		-	-	-	-	-	-	-
Beginning Cash Balance (Deficit) Ending Cash Balance (Deficit) 189,901,049 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,831,595 231 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,360,197 231,189,978 252,051,121 263,010,584 277,047,206 291 7/1 Increase 7/1 Increase 7/1 Increase 7/1 Increase 1/1 Increase	Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,856,764,669	2,952,626,981	3,206,783,493	3,359,745,430	3,539,800,972	3,739,614,400
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,360,197 231,189,978 252,051,121 263,010,584 277,047,206 291 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	183,965,799	71,036,885	(193,233,796)	(353,285,799)	(295,339,441)	34,866,257
Ending Cash Balance (Deficit) 121,484,030 269,856,212 502,247,471 783,487,946 967,453,745 1,038,490,630 845,256,835 491,971,036 196,631,595 231 Target Stabilization Reserve 179,566,889 186,277,106 184,110,626 201,392,496 222,360,197 231,189,978 252,051,121 263,010,584 277,047,206 291 7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0% 9.0	Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	783,487,946	967,453,745	1,038,490,630	845,256,835	491,971,036	196,631,598
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.1 increase 7/1 increase 7/1 increase 7/1 increase 1/1				502,247,471					491,971,036		231,497,852
7.5% 8.0% 8.5% 9.0% 9.0% 9.0% 9.0% 9.0% 9.1 increase 7/1 increase 7/1 increase 7/1 increase 7/1 increase 1/1	Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201,392,496	222,360,197	231,189,978	252,051,121	263,010,584	277,047,206	291,562,073
											9.0%
Premium Increase: 8.9% 8.9% 5.3% 5.3% 3.57% 2.14% 0.00% 0.00% 16.86% 16.8											1/1 Increase
	Premium Increase:	8.9%	8.9%	5.3%	5.3%	3.57%	2.14%	0.00%	0.00%	16.86%	16.86%

CY 2014 Q1 Update 7% **Trend**

North Carolina State Health Plan Financial Projections - Mar 2014

Trends - 7.0% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged With MA & PDP, With Essential Health Benefits & MH Parity

Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

No 2015 Premium Increase Page 1

Page 1	2012 - 2013	Riennium	1						
Segal 5-16-14)	Actual	Actual	Actual	Projection	Projection	Projection	Projection	Projection	Projection
ocgai o 10 14)	FY 2012	FY 2013	Short Plan Year Jul-	Calendar 2014	Calendar 2015	Calendar 2016	Calendar 2017	Calendar 2018	Calendar 2019
EL 411 INCOME			Dec 2013						
PLAN INCOME:									
Net Contribution Income	2,750,368,851	2,895,366,140	1,502,578,000	3,028,890,369	3,065,755,502	3,342,864,001	3,387,505,313	4,007,862,016	4,539,137,
EGWP/PDP Spouse Premium Reduction		-	- 1	-	-	-	-	-	
MA Spouse Premium Reduction			1	-	-	-	-	-	
MA Buy-up Premium			1	-	-	-	-	-	
Medicare Advantae Subsidy			1	152,149	-	-	-	-	
Health care Reform ERRP	42,163,391	(558,219)	- 1	-		-		_	
Retro Disenrollments	(451,496)	(487,819)	(277,538)	(1,147,610)	(1,532,878)	(1,671,432)	(1,693,753)	(2.003.931)	(2,269,
Wellness Credit	, , ,	, , ,	` '- '	(86,126,636)	(115,224,546)	(336,693,892)	(333,629,435)	(486,724,546)	(486,445,
Premium Reduction due to Movement				((9,808,137)	(4,684,389)	(7,458,634)	(10,854,215)	(13,682,
Medicare Part D	57,583,602	38.056.016	(1,323,888)	14,528,165	6,332,844	6,617,822	6,915,624	7,226,827	7,552,
incapare rate b	07,000,002	00,000,010	(1,020,000)	11,020,100	0,002,011	0,011,022	0,010,021	7,220,027	,,552,
EGWP+Wrap									
Direct Subsidy	_	24,435,483	25,202,822	572,152				_	
Coverage Gap Subsidy	_		11.879.765	23,747,921					
Catastrophic Subsidy			11,070,700	20,111,021	31,734,272	_		_	
Total	-	24.425.402	27 002 507	24 220 274		-		-	
Total	-	24,435,483	37,082,587	24,320,074	31,734,272	-	-	-	
Investment Earnings	3,015,815	3,236,713	1,841,087	4,041,748	4,011,227	3,209,957	1,861,473	845,969	989,1
Total Plan Income	2,852,680,163	2,960,048,314	1,539,900,247	2,984,658,258	2,981,268,284	3,009,642,068	3,053,500,588	3,516,352,121	4,045,280,4
PLAN EXPENSE:									
Medical Claims Payment	1,849,410,105	1,858,096,405	1,033,157,400	1,979,602,158	2,184,208,528	2,324,429,826	2,472,275,309	2,683,773,310	2,806,548,
Claim Refunds	(22,634,615)	(23,467,914)	(10,834,378)	(23,512,811)	(26,063,669)	(27,817,870)	(29,390,896)	(31,362,323)	(33,526,
Dental & MHSA Enhancement			- 1	4,985,330	7,187,968	7,649,419	8,135,961	8,831,976	9,236,
Medicare Advantage Claims Reduction			1	(77,883,672)	(112,977,782)	(122,095,089)	(131,948,163)	(142,596,380)	(154, 103,
Calendar Year Adjustments				(4,650,956)	4,202,852	2,532,821	2,710,118	2,899,826	3,102,
Preventative at 100% in Standard Plan			1	19,866,393	28,788,927	47,829,125	52,422,093	56,932,443	59,409.
			1	(2,518,767)	(8,952,914)	(24,669,613)	(43,903,034)	(47,586,599)	(51,953,
Wellness Comply Savings			1						
Claims Reduction due to Movement			1	(22,567,495)	(30,328,293)	(14,443,883)	(19,442,907)	(28,102,594)	(36,731,
Limited Network Savings			1	697,475	921,683	1,535,379	1,448,328	1,352,580	1,241,
PCP Copay Waiver			1	7,981,392	507,478	(9,792,633)	(30,422,187)	(52,310,237)	(75,668,
Essential Health Benefits/MH Parity			1	3,010,876	4,209,910	4,504,603	4,819,926	5,232,260	5,471,
Net Medical Claims	1,826,775,490	1,834,628,491	1,022,323,022	1,885,009,924	2,051,704,688	2,189,662,085	2,286,704,549	2,457,064,262	2,533,025,
Medicare Advantage Premiums			-	158,450,497	186,791,195	218,708,064	253,369,052	285,527,073	320,397,
Pharmacy Claims Payment	721,163,013	752.419.650	425,257,939	839,182,293	917.539.888	978.010.226	1,042,435,439	1,111,199,721	1,184,602,3
Rebates	(93,130,160)	(69,641,941)	(32,188,641)	(95,427,102)	(58,014,645)	(52,771,544)	(54,584,611)	(53,476,984)	(55,443,
	(83,130,100)	(08,041,941)	(32,100,041)						
Calendar Year Adjustments	000 000 000	000 777 777		6,228,977	1,756,690	322,600	344,490	367,901	392,
Net Pharmacy Claims	628,032,853	682,777,709	393,069,298	749,984,168	861,281,933	925,561,282	988,195,319	1,058,090,638	1,129,551,
MA-PDP Claims Reduction			•	(169,024,224)	(245,794,445)	(265,630,057)	(287,066,403)	(310,232,661)	(335,268,
EGWP+Wrap Reduction in Rebates		-	-	-	-	-	-	-	
EGWP+Wrap Claim Increase		-	-	-	-		-	-	
Expand Coverage of Diabetic Test Strips		-	-	1,191,683	1,640,061	1,748,149	1,863,306	1,986,219	2,117,
HB 675 - Pharmacy Audit Changes				158,806	206,898	220,533	235,061	250,566	267
Specialty Pharmacy Tier				(201,792)	(292,000)	(336,000)	(386,000)	(411,463)	(438,
Total Pharmacy Claims	628,032,853	682,777,709	393,069,298	582,108,641	617,042,446	661,563,907	702,841,283	749,683,299	796,229,
Total Claims	2,454,808,343	2,517,406,200	1,415,392,320	2,625,569,062	2,855,538,329	3,069,934,056	3,242,914,885	3,492,274,635	3,649,652
Administrative Costs	165,480,561	161,401,639	69,548,737	180,329,844	179,809,572	184,837,659	189,649,870	194,604,037	194,527
ACA Reinsurance Fee				-	34,632,846	21,039,454	14,201,632	-	
Extra EGWP+Wrap Administration	<u> </u>	<u> </u>	-	-	-	-	-	-	
Total Plan Expense	2,620,288,904	2,678,807,839	1,484,941,057	2,805,898,907	3,069,980,747	3,275,811,170	3,446,766,386	3,686,878,671	3,844,180,
Plan Income (Loss)	232,391,259	281,240,475	54,959,190	178,759,352	(88,712,463)	(266,169,102)	(393,265,798)	(170,526,550)	201,100,
Beginning Cash Balance (Deficit)	269,856,212	502,247,471	783,487,946	838,447,136	1,017,206,488	928,494,025	662,324,923	269,059,125	98,532
Ending Cash Balance (Deficit)	502,247,471	783,487,946	838,447,136	1,017,206,488	928,494,025	662,324,923	269,059,125	98,532,574	299,632
Target Stabilization Reserve	184,110,626	201,392,496	113,231,386	209,705,078	240,187,242	256,610,339	269,059,125	288,607,281	299,632
-						9.0%	9.0%	9.0%	9.0%
	7.5%	8.0%	8.0%	8.5%	9.0%	9.076		9.076	0.070
	7.5% 7/1 Increase	7/1 Increase	8.0%	1/1 Increase	9.0% 1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase

CY 2014 Q1 Update 7% Trend

North Carolina State Health Plan Financial Projections - Mar 2014 Trends - 7.0% Medical & Pharmaco

Trends - 7.0% Medical & Pharmacy

Board Approved Wellness Incentives - Active 70/30 Unchanged thru 2015 only, Retirees 70/30 Unchanged

With MA & PDP, With Essential Health Benefits & MH Parity Incentives start at \$15/\$15/\$20 and increase \$10/\$10/\$20 every 2-years, \$10 Standard Premium Credit

No 2015 Premium Increase Page 2

Page 2	2010-2011		2012 - 2013		2014 - 2015 Biennium				2018 - 2019 Biennium		
egal 5-16-14)	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Projection FY 2014	Projection FY2015	Projection FY2016	Projection FY2017	Projection FY2018	Projection FY2019	
PLAN INCOME:											
Net Contribution Income	2,413,877,944	2,684,814,172	2,750,368,851	2,895,366,140	2,994,394,148	3,071,523,682	3,204,556,411	3,365,170,757	3,698,034,873	4,273,703,	
EGWP/PDP Spouse Premium Reduction				· · · · · ·		· · · · · ·					
MA Spouse Premium Reduction					_	_		_	_		
MA Buy-up Premium					_	_	_	_			
Medicare Advantae Subsidy					152,149						
Health care Reform ERRP		45.298.812	42,163,391	(558,219)	152,146	_					
Retro Disenrollments	(1,310,146)	(1,281,584)	(451,496)	(487,819)	(656,611)	(1,535,762)	(1.602.278)	(1,682,585)	(1,849,017)	(2,136	
Wellness Credit	(1,310,140)	(1,201,304)	(451,480)	(407,018)							
					(28,759,106)	(115,080,257)	(226,204,540)	(335,157,115)	(410,339,598)	(486,584	
Premium Reduction due to Movement					-	(4,919,289)	(7,237,917)	(6,074,468)	(9,158,848)	(12,271	
Medicare Part D	74,357,704	66,276,535	57,583,602	38,056,016	10,355,829	6,276,386	6,487,102	6,779,021	7,084,077	7,402	
EGWP+Wrap											
Direct Subsidy	_	_	_	24,435,483	25,774,974	_	_	_			
Coverage Gap Subsidy				21,100,100	35.627.686						
		-	-	-	30,027,000	04 704 070		-	•		
Catastrophic Subsidy			-			31,734,272	-	-	-		
Total	-	-	-	24,435,483	61,402,661	31,734,272	-	-	-		
Investment Earnings	3,532,448	2,861,085	3,015,815	3,236,713	3,841,399	4,093,477	3,691,745	2,601,335	1,220,057	762	
Total Plan Income	2,490,457,950	2,797,969,020	2,852,680,163	2,960,048,314	3,040,730,468	2,992,092,509	2,979,690,522	3,031,636,945	3,284,991,544	3,780,874	
PLAN EXPENSE:											
Medical Claims Payment	1,829,432,245	1.852.549.690	1,849,410,105	1.858.096.405	2,031,399,679	2.110.125.213	2.258.871.190	2.401.194.294	2.559.461.067	2,719,469	
		.,									
Claim Refunds	(31,916,831)	(24,723,681)	(22,634,615)	(23,467,914)	(22,122,851)	(25,031,060)	(28,998,014)	(28,496,836)	(30,569,315)	(32,284	
Dental & MHSA Enhancement					1,755,792	6,944,169	7,433,674	7,902,042	8,422,879	8,949	
Medicare Advantage Claims Reduction					(25,482,995)	(108,749,048)	(117,525,096)	(127,009,371)	(137,259,027)	(148,33	
Calendar Year Adjustments				-	(18,690,285)	(380,241)	1,229,251	1,315,299	1,407,370	1,50	
Preventative at 100% in Standard Plan					6,791,651	27,757,947	37,790,909	50,912,121	54,221,153	57,559	
Wellness Comply Savings					(828,478)	(6,107,341)	(16,704,734)	(34,154,969)	(45,720,880)	(49,740	
Claims Reduction due to Movement					(7,525,283)	(30,174,831)	(22, 157, 948)	(16,836,015)	(23,653,924)	(32,26)	
Limited Network Savings					234,352	928.583	1,233,896	1,493,754	1,402,670	1,299	
PCP Copay Waiver					2,639,241	5,633,674	(4,563,789)	(19,954,086)	(41,203,466)	(63,815	
Essential Health Benefits/MH Parity					1,060,406	4,126,087	4,366,463	4,668,285	4,989,902	5,301	
Net Medical Claims	1,797,515,414	1,827,826,009	1,826,775,490	1,834,628,491	1,969,231,229	1,985,073,152	2,122,977,802	2,241,034,517	2,351,498,427	2,467,646	
ivet wedical Claims	1,767,510,414	1,027,020,000	1,020,770,460	1,004,020,461	1,000,201,220	1,000,070,102	2,122,077,002	2,241,004,017	2,001,400,427	2,407,040	
Medicare Advantage Premiums					79,548,716	172,065,050	202,709,932	235,995,447	269,408,065	302,918	
Pharmacy Claims Payment	N/A	N/A	721,163,013	752,419,650	798,951,591	886,950,308	983,315,106	1,010,095,422	1,076,680,795	1,147,754	
Rebates	N/A	N/A	(93,130,160)	(69,641,941)	(92,245,116)	(69,163,011)	(51,882,687)	(53,669,341)	(52,521,684)	(54,45)	
Calendar Year Adjustments			(00,100,100)	(00,011,011)	(5,266,655)	1,001,134	191,276	(471,571)	(503,150)	(53)	
Net Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	701,439,820	818,788,431	931,623,696	955,954,510	1.023,655,961	1,092,76	
	380,708,775	055,000,730	020,032,003	002,777,709							
MA-PDP Claims Reduction					(55,021,320)	(236,594,411)	(255,687,580)	(276,321,568)	(298,620,718)	(322,71	
EGWP+Wrap Reduction in Rebates				-	-	-	-	-	-		
EGWP+Wrap Claim Increase				-							
Expand Coverage of Diabetic Test Strips				-	359,644	1,585,383	1,757,631	1,805,499	1,924,518	2,05	
HB 675 - Pharmacy Audit Changes					53,842	200,000	221,729	227,768	242,783	250	
Specialty Pharmacy Tier					(60,900)	(275,019)	(325,266)	(360,906)	(398,681)	(424	
Total Pharmacy Claims	596,709,775	655,868,735	628,032,853	682,777,709	646,771,087	583,704,384	677,590,211	681,305,305	726,803,863	771,93	
Total Claims	2,394,225,189	2,483,694,744	2,454,808,343	2,517,406,200	2,695,551,032	2,740,842,586	3,003,277,945	3.158.335.269	3,347,710,355	3,542,49	
Administrative Costs	164,649,780	165,902,094	165,480,561	161,401,639	161,213,637	177,151,548	182,466,094	187,208,529	192,090,617	197,110	
ACA Reinsurance Fee	10-7,040,700	100,802,084	100,400,001	101,701,038	101,210,007	34,632,846	21,039,454	14,201,632	102,000,017	101,110	
					-	34,032,840	21,038,404	14,201,032	-		
Extra EGWP+Wrap Administration Total Plan Expense	2,558,874,969	2,649,596,838	2,620,288,904	2,678,807,839	2,856,764,669	2,952,626,981	3,206,783,493	3,359,745,430	3,539,800,972	3,739,614	
rount iun expense	2,000,014,000	2,010,000,000	2,020,200,604	2,070,007,000	2,000,701,000	2,002,020,001	5,255,755,765	5,000,140,400	3,000,000,072	0,700,01	
Plan Income (Loss)	(68,417,019)	148,372,182	232,391,259	281,240,475	183,965,799	39,465,529	(227,092,971)	(328,108,484)	(254,809,428)	41,260	
Beginning Cash Balance (Deficit)	189,901,049	121,484,030	269,856,212	502,247,471	783,487,946	967,453,745	1,006,919,274	779,826,303	451,717,819	196,90	
Ending Cash Balance (Deficit)	121,484,030	269,856,212	502,247,471	783,487,946	987,453,745	1,006,919,274	779,826,303	451,717,819	196,908,391	238,16	
Target Stabilization Reserve	179,566,889	186,277,106	184,110,626	201,392,496	222.360.197	231.189.978	252,051,121	263,010,584	277,047,206	291,56	
9	,,	,	7.5%	8.0%	8.5%	9.0%	9.0%	9.0%	9.0%	9.0%	
	7/1 Increase	7/1 Increase	7/1 Increase	7/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increase	1/1 Increas	