

2014

FINANCIAL INFORMATION

**PUBLIC SCHOOL EMPLOYEES (PSE)
ARKANSAS STATE EMPLOYEES (ASE)**

NOTES TO JUNE 2014 FINANCIALS

PSE

- There was no Department of Education Funding this month
- There were five weeks of claims this month because we had to book an extra week of claims for closing book purposes. The fifth week of claims was \$5.3 million.
- We booked a 6 month liability of the \$63 per member that will be owed at the end of the year. We only booked what we owe as of the end of Fiscal Year 2014 (January – June). This shows up as an expenditure under Plan Administration for \$2,318,242 in the top half of the financials and as a liability in the balance sheet on the line “Due to Federal Government”. We will have another liability for the last half of the plan year in December. It should be close to the same amount as the first half.
- We still have the full Catastrophic Reserve intact and have net assets of \$3.5 million.
- Because of not having the Dept. of Education funding, booking a fifth week of claims, and the expense of 6 months of the \$63 fee, PSE lost \$5.9 million for the month but we still have a year-to-date gain of \$17 million.

ASE

- We booked the FICA savings that is available for transfer later this year. It shows up as revenue on this financial in the amount of \$4,496,885. This amount is included in the Other line of the Funding section.
- There were five weeks of claims this month because we had to book an extra week of claims for closing book purposes. The fifth week of claims was \$4,648,992.
- We booked a 6 month liability of the \$63 per member that will be owed at the end of the year. We only booked what we owe as of the end of Fiscal Year 2014 (January – June). This shows up as an expenditure under Plan Administration for \$1,688,337 in the top half of the financials and as a liability in the balance sheet on the line “Due to Federal Government”. We will have another liability for the last half of the plan year in December. It should be close to the same amount as the first half.
- We have all the reserves intact with \$15 million net assets available.
- With the FICA savings offsetting the expense of the \$63 liability, ASE ended the month with a \$3 million gain and a year-to-date gain of \$12.8 million.

Public School Employees (PSE) Financials - January 1, 2014 through June 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	18322	22263	5015	7852	23153	42004	46490	72119
Retirees	1735	2026	94	97	1164	1448	2993	3571
Medicare	9025	9885					9025	9885
TOTAL	29082	34174	5109	7949	24317	43452	58508	85575

REVENUES & EXPENDITURES

	Current Month	Year to Date (6 months)
Funding		
Per Participating Employee Funding (PPE Funding)	\$ 8,455,578	\$ 50,877,463
Employee Contribution	\$ 9,961,734	\$ 60,675,382
Department of Education \$35,000,000 & \$15,000,000	\$ -	\$ 23,409,091
Other	\$ 535,792	\$ 1,183,659
Allocation for Actives - Plan Year 2014	\$ 3,583,333	\$ 21,500,000
Total Funding	\$ 22,536,437	\$ 157,645,595
Expenses		
Medical Expenses		
Claims Expense	\$ 18,972,438	\$ 100,114,368
Claims IBNR	\$ -	\$ -
Medical Administration Fees	\$ 1,662,200	\$ 9,791,092
Refunds	\$ (116,153)	\$ (20,350)
Employee Assistance Program (EAP)	\$ 80,447	\$ 484,651
Pharmacy Expenses		
RX Claims	\$ 4,704,021	\$ 24,122,046
RX IBNR	\$ -	\$ (400,000)
RX Administration	\$ 340,931	\$ 2,005,904
Plan Administration	\$ 2,804,314	\$ 4,443,676
Total Expenses	\$ 28,448,197	\$ 140,541,386
Net Income/(Loss)	\$ (5,911,760)	\$ 17,104,208

BALANCE SHEET

Assets	
Bank Account	\$ 22,416,796
State Treasury	\$ 49,150,462
Receivable from Provider	\$ -
Accounts Receivable	\$ 1,470,635
Due from ASE	\$ 178,839
Total Assets	\$ 73,216,732
Liabilities	
Accounts Payable	\$ 5,361,778
Due to ASE	\$ -
Deferred Revenues	\$ -
Due to Federal Government (\$63 fee)	\$ 2,318,242
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,400,000
Total Liabilities	\$ 37,080,020
Net Assets	\$ 36,136,712
Less Reserves Allocated:	
Premiums for Plan Year 1/1/14 - 12/31/14 (\$43,000,000)	\$ (21,500,001)
Catastrophic Reserve (2014 - \$11,100,000)	\$ (11,100,000)
Net Assets Available	\$ 3,536,711

Fifth Week of claims totaled: \$5,238,297.61

Arkansas State Employees (ASE) Financials - January 1, 2014 through June 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	24020	44119	1573	2919	2353	4549	27946	51587
Retirees	2444	3398	22	34	58	103	2524	3535
Medicare	8232	10896					8232	10896
TOTAL	34696	58413	1595	2953	2411	4652	38702	66018

REVENUES & EXPENDITURES

	Current Month	Year to Date (6 months)
Funding		
State Contribution	\$ 14,314,484	\$ 85,904,238
Employee Contribution	\$ 7,582,820	\$ 45,721,411
Other	\$ 5,822,483	\$ 8,766,069
Allocation for Actives - Plan Year 2014	\$ 2,154,167	\$ 12,925,000
Total Funding	\$ 29,873,953	\$ 153,316,718
Expenses		
Medical Expenses		
Claims Expense	\$ 16,777,465	\$ 92,023,259
Claims IBNR	\$ -	\$ 1,500,000
Medical Administration Fees	\$ 1,155,202	\$ 6,814,215
Refunds	\$ (59,293)	\$ 1,963
Employee Assistance Program (EAP)	\$ 56,163	\$ 337,257
Life Insurance	\$ 54,708	\$ 328,289
Pharmacy Expenses		
RX Claims	\$ 6,488,753	\$ 34,711,683
RX IBNR	\$ -	\$ (600,000)
RX Administration	\$ 253,931	\$ 1,546,800
Plan Administration	\$ 2,093,542	\$ 3,849,644
Total Expenses	\$ 26,820,470	\$ 140,513,109
Net Income/(Loss)	\$ 3,053,484	\$ 12,803,609

BALANCE SHEET

Assets		
Bank Account		\$ 9,266,885
State Treasury		\$ 71,530,318
Due from Cafeteria Plan		\$ 5,205,521
Due from PSE		\$ -
Receivable from Provider		\$ -
Accounts Receivable		\$ 926,044
Total Assets		\$ 86,928,768
Liabilities		
Accounts Payable		\$ 4,658,061
Deferred Revenues		\$ 6,495
Due to Cafeteria		\$ 465
Due to PSE		\$ 178,839
Due to Federal Government (\$63 fee)		\$ 1,688,337
Health IBNR		\$ 24,700,000
RX IBNR		\$ 1,800,000
Total Liabilities		\$ 33,032,197
Net Assets		\$ 53,896,572
Less Reserves Allocated:		
Premiums for Plan Year 1/1/14 - 12/31/14	(\$7,460,000 + \$9,390,000 + \$9,000,000)	\$ (12,925,000)
Premiums for Plan Year 1/1/15 - 12/31/15	(\$6,260,000 + \$5,400,000)	\$ (11,660,000)
Premiums for Plan Year 1/1/16 - 12/31/16	(\$3,600,000)	\$ (3,600,000)
Catastrophic Reserve		\$ (10,600,000)
Net Assets Available		\$ 15,111,572

Fifth Week of claims totaled: \$4,648,991.63

2013

FINANCIAL INFORMATION

**PUBLIC SCHOOL EMPLOYEES (PSE)
ARKANSAS STATE EMPLOYEES (ASE)**

Public School Employees (PSE) Financials - January 1, 2013 through June 30, 2013

	Gold	Silver	Bronze	Total
Actives	36,379	7,489	25,804	69,672
Retirees	2,617	57	1,152	3,826
Medicare	8,774			8,774
Total	47,770	7,546	26,956	82,272

Revenues & Expenditures

	Current Month	Year to Date (6 months)
Funding		
District Contribution	\$ 8,124,748	\$ 48,963,784
Employee Contribution	\$ 10,913,164	\$ 66,091,255
Dept of Ed \$35,000,000 & \$15,000,000	\$ -	\$ 23,409,091
Other	\$ 556,140	\$ 1,119,621
Allocation for Active/Retiree Premiums for Plan Year 2013	\$ 750,000	\$ 4,500,000
Total Funding	\$ 20,344,051	\$ 144,083,751
Expenses		
Medical Expenses:		
Claims Expense	\$ 19,438,955	\$ 111,231,091
Claims IBNR	\$ 3,300,000	\$ 3,300,000
Medical Admin Fees	\$ 1,664,526	\$ 9,603,214
Refunds	\$ (152,175)	\$ (62,424)
Employee Assistance Program (EAP)	\$ 81,291	\$ 490,699
Pharmacy Expenses:		
RX Claims	\$ 6,082,724	\$ 34,109,641
RX IBNR	\$ (800,000)	\$ (800,000)
RX Admin	\$ 606,634	\$ 2,028,164
Plan Administration	\$ 448,775	\$ 2,363,928
Total Expenses	\$ 30,670,730	\$ 162,264,314
Net Income/(Loss)	\$ (10,326,678)	\$ (18,180,563)

Balance Sheet

Assets

Bank Account	\$ 14,423,201
State Treasury	\$ 17,078,082
Receivable from Provider	\$ 758,297
Accounts Receivable	\$ 2,164,028
Due from ASE	\$ 2,159
Total Assets	\$ 34,425,767

Liabilities

Accounts Payable	\$ 5,947,196
Due to ASE	\$ 8,703
Deferred Revenues	\$ 2,014,821
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,800,000
Total Liabilities	\$ 37,770,720

Net Assets

\$ (3,344,953)

Less Reserves Allocated:

Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 (\$9,000,000)	\$ (4,500,000)
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 (\$3,600,000)	\$ -
Catastrophic Reserve (2013 - \$11,100,000)	\$ -

Net Assets Available

\$ (7,844,953)

Fifth week of claims totaled: \$5,905,187.10 IBNR Increased \$2,500,000

Arkansas State Employees (ASE) Financials - January 1, 2013 through June 30, 2013				
	Gold	Silver	Bronze	Total
Actives	45,234	2,197	3,498	50,929
Retirees	3,443	34	78	3,555
Medicare	10,461			10,461
Total	59,138	2,231	3,576	64,945
Revenues & Expenditures				
			Current Month	Year to Date (6 months)
Funding				
State Contribution			\$ 13,548,122	\$ 81,242,314
Employee Contribution			\$ 7,268,997	\$ 43,388,449
Other			\$ 5,938,698	\$ 7,966,924
Allocation for Active/Retiree Plan Year 2013			\$ 2,236,667	\$ 13,420,000
Total Funding			\$ 28,992,484	\$ 146,017,687
Expenses				
Medical Expenses				
Claims Expense			\$ 15,912,848	\$ 98,087,409.27
Claims IBNR			\$ 2,100,000	\$ 2,100,000
Medical Admin Fees			\$ 1,163,963	\$ 6,555,469
Refunds			\$ (28,572)	\$ 28,125
Employee Assistance Program (EAP)			\$ 56,630	\$ 339,134
Life Insurance			\$ 55,039	\$ 329,598
Pharmacy Expenses				
RX Claims			\$ 8,065,737	\$ 44,415,620
RX IBNR			\$ (800,000)	\$ (800,000)
RX Admin			\$ 474,565	\$ 1,562,255
Plan Administration			\$ 352,087	\$ 1,833,942
Total Expenses			\$ 27,352,299	\$ 154,451,553
Net Income/(Loss)			\$ 1,640,185	\$ (8,433,866)
Balance Sheet				
Assets				
Bank Account			\$	10,760,503
State Treasury			\$	73,501,875
Due from Cafeteria Plan			\$	4,538,305
Due from PSE			\$	8,703
Receivable from Provider			\$	539,324
Accounts Receivable			\$	1,802,026
Total Assets				\$ 91,150,737
Liabilities				
Accounts Payable			\$	5,366,870
Deferred Revenues			\$	92,414
Due to Cafeteria			\$	751
Due to PSE			\$	2,159
Health IBNR			\$	23,200,000
RX IBNR			\$	2,400,000
Total Liabilities				\$ 31,062,194
Net Assets				\$ 60,088,542
Less Reserves Allocated:				
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13			\$ (11,190,000 + \$15,650,000)	\$ (13,420,000)
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14			\$ (7,460,000 + \$9,390,000)	\$ (16,850,000)
Active/Retiree Premiums for Plan Year 1/1/15 - 12/31/15			\$ (6,260,000)	\$ (6,260,000)
Catastrophic Reserve			\$	\$ (10,000,000)
Net Assets Available				\$ 13,558,542

Fifth week of claims totaled: \$5,340,148.38 IBNR increased \$1,300,000