

Hudson, Mark

From: Bob Alexander [Bob.Alexander@dfa.arkansas.gov]
Sent: Monday, December 15, 2014 2:11 PM
To: Hudson, Mark
Subject: FW: November Financials
Attachments: ASE 2014-11-30.pdf; ASE 2013-11-30.pdf; PSE 2014-11-30.pdf; PSE 2013-11-30.pdf

From: Marla Wallace
Sent: Thursday, December 04, 2014 2:18 PM
To: Bob Alexander
Subject: FW: November Financials

Electronic copies of November financials attached for 2014 and 2013..

PSE

- This was a four week claim month and even with having to book the 2nd half of the Transitional Reinsurance Fee (\$63 per non-Medicare member) we showed a small monthly gain of \$367,413.
- The Transitional Reinsurance Fee for the 2nd half of the year is \$1,858,829.16 making the plan year total \$4,177,071.16. This amount has been booked as an expense, but still shows up as a liability until the December financials. We had to book the expense in November but actually pay it 30 days later. The payment will be made on December 5, 2014 and will clear out the liability.
- We have a net gain for the year of \$31.3 million.
- The Catastrophic Reserve is fully funded and we have \$17.7 million net assets available.
- In comparison to Plan Year 2013:
 - Medical claims are \$13 million lower in 2014 than 2013 and pharmacy claims are \$15.2 million lower than 2013.
 - Plan Administration is \$4.5 million higher in 2014 than 2013 and the majority of that is the Transitional Reinsurance Fee and the PCORI fee.

ASE

- This was a four week claim month and even with having to book the 2nd half of the Transitional Reinsurance Fee (\$63 per non-Medicare member) we showed a small monthly gain of \$394,399.
- The Transitional Reinsurance Fee for the 2nd half of the year is \$1,381,566.90 making the plan year total \$3,069,903.90. This amount has been booked as an expense, but still shows up as a liability until the December financials. We had to book the expense in November and actually pay it 30 days later. The payment will be made on December 5, 2014 and will clear out the liability.
- We have a net gain for the year of \$24.1 million.
- The Catastrophic Reserve is fully funded and we have \$26.4 million net assets available.
- In comparison to Plan Year 2013
 - Medical claims are \$14.7 million lower in 2014 than 2013 and pharmacy claims are \$12.9 million lower than 2013.
 - Plan Administration is \$3.2 million higher in 2014 than 2013 and the majority of that is the Transitional Reinsurance Fee and the PCORI fee.

Arkansas State Employees (ASE) Financials - January 1, 2014 through November 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	23401	42801	1653	2990	2417	4591	27471	50382
Retirees	2359	3279	27	52	64	112	2450	3443
Medicare	8549	11316					8549	11316
TOTAL	34309	57396	1680	3042	2481	4703	38470	65141

REVENUES & EXPENDITURES			
	Current Month	Year to Date (11 months)	
Funding			
State Contribution	\$ 14,346,946	\$	157,627,882
Employee Contribution	\$ 7,495,913	\$	83,441,043
Other	\$ 448,705	\$	10,827,217
Allocation for Actives - Plan Year 2014	\$ 2,154,167	\$	23,695,833
Total Funding	\$ 24,445,731	\$	275,591,975
Expenses			
Medical Expenses			
Claims Expense	\$ 15,229,841	\$	164,377,166
Claims IBNR	\$ -	\$	1,500,000
Medical Administration Fees	\$ 1,047,254	\$	12,363,612
Refunds	\$ 3,766	\$	(14,653)
Employee Assistance Program (EAP)	\$ 56,464	\$	618,171
Life Insurance	\$ 55,014	\$	601,950
Pharmacy Expenses			
RX Claims	\$ 5,715,493	\$	62,968,596
RX IBNR	\$ -	\$	(600,000)
RX Administration	\$ 218,713	\$	2,670,608
Plan Administration	\$ 1,724,787	\$	6,941,743
Total Expenses	\$ 24,051,332	\$	251,427,191
Net Income/(Loss)	\$ 394,399	\$	24,164,784
BALANCE SHEET			
Assets			
Bank Account		\$	7,084,543
State Treasury		\$	76,105,904
Due from Cafeteria Plan		\$	709,521
Due from PSE		\$	-
Receivable from Provider		\$	-
Accounts Receivable		\$	178,848
Total Assets		\$	84,078,816
Liabilities			
Accounts Payable		\$	3,758
Deferred Revenues		\$	17,630
Due to Cafeteria		\$	469
Due to PSE		\$	142
Due to Federal Government (\$63 fee)		\$	3,069,904
Health IBNR		\$	24,700,000
RX IBNR		\$	1,800,000
Total Liabilities		\$	29,591,903
Net Assets		\$	54,486,913
Less Reserves Allocated:			
Premiums for Plan Year 1/1/14 - 12/31/14	(\$7,460,000 + \$9,390,000 + \$9,000,000)	\$	(2,154,167)
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		\$	26,472,747

Fifth Week of claims totaled:

Arkansas State Employees (ASE) Financials - January 1, 2013 through November 30, 2013				
	Gold	Silver	Bronze	Total
Actives	44,699	2,407	3,635	50,741
Retirees	3,405	30	91	3,526
Medicare	10,711			10,711
Total	58,815	2,437	3,726	64,978
Revenues & Expenditures				
<u>Funding</u>	Current Month	Year to Date (11 months)		
State Contribution	\$ 14,319,684	\$	152,835,386	
Employee Contribution	\$ 7,224,997	\$	79,573,197	
Other	\$ 25,496	\$	9,226,399	
Allocation for Active/Retiree Plan Year 2013	\$ 2,236,667	\$	24,603,333	
Total Funding	\$ 23,806,843	\$	266,238,316	
<u>Expenses</u>				
Medical Expenses				
Claims Expense	\$ 17,716,859	\$	172,334,712	
Claims IBNR	\$ -	\$	2,100,000	
Medical Admin Fees	\$ 1,091,490	\$	12,045,262	
Refunds	\$ 24,305	\$	78,359	
Employee Assistance Program (EAP)	\$ 56,230	\$	620,368	
Life Insurance	\$ 54,662	\$	602,966	
Pharmacy Expenses				
RX Claims	\$ 7,658,451	\$	75,920,762	
RX IBNR	\$ -	\$	(800,000)	
RX Admin	\$ 248,754	\$	2,803,094	
Plan Administration	\$ 378,376	\$	3,657,021	
Total Expenses	\$ 27,229,127	\$	269,362,545	
Net Income/(Loss)	\$ (3,422,284)	\$	(3,124,229)	
Balance Sheet				
<u>Assets</u>				
Bank Account		\$	4,451,700	
State Treasury		\$	75,450,353	
Due from Cafeteria Plan		\$	668,305	
Due from PSE		\$	236	
Receivable from Provider		\$	-	
Accounts Receivable		\$	(655,975)	
Total Assets		\$	79,914,619	
<u>Liabilities</u>				
Accounts Payable		\$	2,520	
Deferred Revenues		\$	97,489	
Due to Cafeteria		\$	-	
Due to PSE		\$	(236)	
Health IBNR		\$	23,200,000	
RX IBNR		\$	2,400,000	
Total Liabilities		\$	25,699,773	
Net Assets		\$	54,214,846	
Less Reserves Allocated:				
Active/Retiree Premiums for Plan Year 1/1/13 - 12/31/13 (\$11,190,000 + \$15,650,000)		\$	(2,236,667)	
Active/Retiree Premiums for Plan Year 1/1/14 - 12/31/14 (\$7,460,000 + \$9,390,000 + \$9,000,000)		\$	(25,850,000)	
Active/Retiree Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)		\$	(11,660,000)	
Active/Retiree Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000)		\$	(3,600,000)	
Catastrophic Reserve		\$	(10,000,000)	
Net Assets Available		\$	868,179	

Fifth week of claims totaled: \$5,048,454.51

Public School Employees (PSE) Financials - January 1, 2014 through November 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	17028	20759	5271	8190	23143	42098	45442	71047
Retirees	1689	1949	159	176	1506	1881	3354	4006
Medicare	9670	10595					9670	10595
TOTAL	28387	33303	5430	8366	24649	43979	58466	85648

REVENUES & EXPENDITURES			
		Current Month	Year to Date (11 months)
Funding			
Per Participating Employee Funding (PPE Funding)		\$ 8,270,763	\$ 91,837,014
Employee Contribution		\$ 9,799,734	\$ 110,108,919
Department of Education \$35,000,000 & \$15,000,000		\$ 3,181,818	\$ 46,818,182
Other		\$ 112,132	\$ 21,671,465
Allocation for Actives - Plan Year 2014		\$ 3,583,333	\$ 39,416,667
Total Funding		\$ 24,947,781	\$ 309,852,246
Expenses			
Medical Expenses			
Claims Expense		\$ 16,173,737	\$ 183,836,935
Claims IBNR		\$ -	\$ -
Medical Administration Fees		\$ 1,604,822	\$ 17,822,312
Refunds		\$ 5,857	\$ 2,959
Employee Assistance Program (EAP)		\$ 78,520	\$ 871,289
Pharmacy Expenses			
RX Claims		\$ 4,144,819	\$ 44,256,766
RX IBNR		\$ -	\$ (400,000)
RX Administration		\$ 293,561	\$ 3,500,433
Plan Administration		\$ 2,279,052	\$ 8,608,334
Total Expenses		\$ 24,580,367	\$ 258,499,028
Less Allocation for Plan Year 2015			\$ 20,000,000
Net Income/(Loss)		\$ 367,413	\$ 31,353,218
BALANCE SHEET			
Assets			
Bank Account			\$ 12,594,464
State Treasury			\$ 67,204,111
Receivable from Provider			\$ -
Accounts Receivable			\$ 6,247,905
Due from ASE			\$ 142
Total Assets			\$ 86,046,622
Liabilities			
Accounts Payable		\$ 496	
Due to ASE		\$ -	
Deferred Revenues		\$ -	
Due to Federal Government (\$63 fee)		\$ 4,177,071	
Health IBNR		\$ 28,000,000	
RX IBNR		\$ 1,400,000	
Total Liabilities		\$ 33,577,567	
Net Assets			\$ 52,469,055
Less Reserves Allocated:			
Premiums for Plan Year 1/1/14 - 12/31/14 (\$43,000,000)		\$ (3,583,333)	
Catastrophic Reserve (2014 - \$11,100,000)		\$ (11,100,000)	
Premiums for Plan Year 1/1/15 - 12/31/15 (\$20,000,000 received from Dept of Education)		\$ (20,000,000)	
Net Assets Available			\$ 17,785,722

Fifth Week of claims totaled:

Public School Employees (PSE) Financials - January 1, 2013 through November 30, 2013				
	Gold	Silver	Bronze	Total
Actives	35,053	8,282	28,000	71,335
Retirees	2,477	91	1,356	3,924
Medicare	9,311			9,311
Total	46,841	8,373	29,356	84,570
Revenues & Expenditures				
	Current Month		Year to Date (11 months)	
Funding				
District Contribution	\$	8,041,210	\$	88,778,027
Employee Contribution	\$	10,760,554	\$	120,098,594
Dept of Ed \$35,000,000 & \$15,000,000	\$	3,181,818	\$	46,818,182
Other	\$	15,093	\$	52,419,717
Allocation for Active/Retiree Premiums for Plan Year 2013	\$	750,000	\$	8,250,000
Total Funding	\$	22,748,675	\$	316,364,521
Expenses				
Medical Expenses:				
Claims Expense	\$	19,486,910	\$	196,875,813
Claims IBNR	\$	-	\$	3,300,000
Medical Admin Fees	\$	1,074,119	\$	17,515,598
Refunds	\$	31,137	\$	1,972
Employee Assistance Program (EAP)	\$	80,580	\$	887,881
Pharmacy Expenses:				
RX Claims	\$	6,253,568	\$	59,539,386
RX IBNR	\$	-	\$	(800,000)
RX Admin	\$	327,907	\$	3,642,812
Plan Administration	\$	268,316	\$	4,028,966
Total Expenses	\$	27,522,537	\$	284,992,427
Net Income/(Loss)	\$	(4,773,862)	\$	31,372,094
Less Reserve for 2014			\$	(43,000,000)
Net Income (Loss) for 2013	\$	(4,773,862)	\$	(11,627,906)
Balance Sheet				
Assets				
Bank Account			\$	9,945,425
State Treasury			\$	59,094,781
Receivable from Provider			\$	-
Accounts Receivable			\$	5,132,770
Due from ASE			\$	(236)
Total Assets			\$	74,172,741
Liabilities				
Accounts Payable			\$	642
Due to ASE			\$	236
Deferred Revenues			\$	1,914,159
Health IBNR			\$	28,000,000
RX IBNR			\$	1,800,000
Total Liabilities			\$	31,715,037
Net Assets			\$	42,457,704
Less Reserves Allocated:				
Active/Retiree Premiums for Plan Year 01/01/13 - 12/31/13 (\$9,000,000)			\$	(750,000)
Active/Retiree Premiums for Plan Year 01/01/14 - 12/31/14 (\$43,000,000)			\$	(43,000,000)
Catastrophic Reserve (2013 - \$11,100,000)			\$	-
Net Assets Available			\$	(1,292,296)

Fifth week of claims totaled: \$5,207,370.58