
State Employees' Group Health Self-Insurance Trust Fund

Report on the Post 2002 Session Outlook

For the Fiscal Years Ending June 30, 2003 & 2004

June 19, 2002

**Prepared by: Department of Management Services
Division of State Group Insurance
Bureau of Accounting & Financial Management**

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Post Session Financial Outlook

Fiscal Year 2002-03

(In Millions)

	(A) Financial Outlook <u>February '02</u>	(B) Financial Outlook <u>Post Session</u>	(B) - (A) <u>Difference</u>
BEGINNING CASH BALANCE ⁽¹⁾	\$ 73.7	\$ 73.7	\$ 0.0
REVENUES:			
Insurance Premiums: ⁽²⁾			
State Contributions	645.4	688.2	42.8
Employee Contributions	119.8	127.7	7.9
Medicare Contributions	51.0	54.3	3.3
Early Retiree Contributions	27.7	29.5	1.8
COBRA Contributions	5.7	6.1	0.4
Interest on Investments	1.1	1.1	0.0
TPA Refunds/PBM Rebates	13.4	13.4	0.0
Pre-Tax Trust Fund Transfer	12.0	12.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 876.1	\$ 932.3	\$ 56.2
TOTAL CASH AVAILABLE	949.8	1,006.0	56.2
EXPENSES:			
PPO Plan - Medical Claims ⁽³⁾	\$ 448.3	\$ 450.1	\$ 1.8
PPO Plan - Prescription Drug Claims ⁽⁴⁾	157.3	158.1	0.8
HMO Premiums	331.5	331.5	0.0
ASO Fee - TPA	38.6	38.6	0.0
DSGI Administrative Costs	6.4	6.4	0.0
Premium Refunds	2.0	2.0	0.0
Other Expenses	0.4	0.4	0.0
TOTAL EXPENSES	\$ 984.5	\$ 987.1	\$ 2.6
EXCESS OF REVENUES OVER EXPENSES	\$ (108.4)	\$ (54.8)	\$ 53.6
ENDING CASH BALANCE	\$ (34.7)	\$ 18.9	\$ 53.6
<u>Average Eligible Enrollment</u>			
PPO Plan	110,083	110,083	0
HMO Plans	56,447	56,447	0
Total	166,530	166,530	0

Notes:

- (1) Adjusted to include \$3.5 million of cash balances maintained in bank accounts that have been excluded from previous presentations.
- (2) Includes a 13% premium increase approved during the 2002 Legislative Session.
- (3) Includes the additional State Group Health Insurance Plan benefits for occupational therapy and ambulance services.
- (4) Includes the additional State Group Health Insurance Plan benefits for contraceptives.

Post Session Financial Outlook

Fiscal Year 2003-04

(In Millions)

	(A) Financial Outlook <u>February '02</u>	(B) Financial Outlook <u>Post Session</u>	(B) - (A) <u>Difference</u>
BEGINNING CASH BALANCE ⁽¹⁾	\$ 0.0	\$ 18.9	\$ 18.9
REVENUES:			
Insurance Premiums: ⁽²⁾			
State Contributions	647.2	731.3	84.1
Employee Contributions	119.9	135.5	15.6
Medicare Contributions	53.9	60.9	7.0
Early Retiree Contributions	28.9	32.7	3.8
COBRA Contributions	5.7	6.4	0.7
Interest on Investments	0.0	0.0	0.0
TPA Refunds/PBM Rebates	13.4	13.4	0.0
Pre-Tax Trust Fund Transfer	12.0	12.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 881.0	\$ 992.2	\$ 111.2
TOTAL CASH AVAILABLE	881.0	1,011.1	130.1
EXPENSES:			
PPO Plan - Medical Claims ⁽³⁾	\$ 510.0	\$ 513.6	\$ 3.6
PPO Plan - Prescription Drug Claims ⁽⁴⁾	184.0	185.6	1.6
HMO Premiums	379.0	379.0	0.0
ASO Fee - TPA	40.9	40.9	0.0
DSGI Administrative Costs	6.4	6.4	0.0
Premium Refunds	2.0	2.0	0.0
Other Expenses	0.4	0.4	0.0
TOTAL EXPENSES	\$ 1,122.7	\$ 1,127.9	\$ 5.2
EXCESS OF REVENUES OVER EXPENSE	\$ (241.7)	\$ (135.7)	\$ 106.0
ENDING CASH BALANCE	\$ (241.7)	\$ (116.8)	\$ 124.9
<u>Average Eligible Enrollment</u>			
PPO Plan	110,925	110,925	0
HMO Plans	57,146	57,146	0
Total	168,071	168,071	0

Notes:

- (1) Adjusted to include \$3.5 million of cash balances maintained in bank accounts that have been excluded from previous presentations.
- (2) Includes a 13% premium increase approved during the 2002 Legislative Session.
- (3) Includes the additional State Group Health Insurance Plan benefits for occupational therapy and ambulance services.
- (4) Includes the additional State Group Health Insurance Plan benefits for contraceptives.