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MEMORANDUM

TO: Consensus Estimating Conference Principals and Participants

FROM: Pam Johnson *PJ*
Division of Economic and Demographic Research

SUBJECT: Results of 4/23/92 Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund

DATE: April 24, 1992

Attached for your information are the results of the Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund held on April 23, 1992.

The conference anticipates a zero ending balance for the Trust fund for 1991-92, and -\$77.5 million for 1992-93. The forecast for 1991-92 anticipates a transfer of \$14.0 million from the State Life Insurance Trust Fund (this is a preliminary figure to be finalized shortly), as well as a supplemental appropriation of \$17.9 million provided for in Senate Bill 2408. The 1992-93 and 1993-94 forecasts incorporate the changes to the Prescription Drug Program made in Senate Bill 84 (higher brand name copayments and incentives for pharmacists to fill prescriptions with generic drugs), as well as changes in discounts and administrative costs contained in the pending contracts with new program administrators.

DR. PAM JOHNSON
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576 CLAUDE PEPPER BUILDING
C/O HOUSE MAIL ROOM
HAND DELIVER
00001

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1991-92

	Jan 1992 Estimate	Apr 1992 Estimate	Diff.
BEGINNING BALANCE	\$9.4	\$9.4	\$0.0

INCOME			

Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$287.0	\$387.9	\$100.9
Premiums--Employees	\$81.9		(\$81.9)
Premiums--Medicare Patients	\$15.2		(\$15.2)
Premiums--Other Non-employees	\$12.8		(\$12.8)
Interest	\$0.5	\$0.5	\$0.0
Transfer from Pretax Trust Fund	\$6.5	\$7.1	\$0.6
Other (COB's, audits and overpayment returns)	\$6.2	\$6.9	\$0.7
Transfer from Life Trust Fund		\$14.0	\$14.0
Supplemental Appropriation		\$17.9	\$17.9
TOTAL INCOME	\$414.0	\$438.2	\$24.2

EXPENDITURES			

Blue Cross/Blue Shield Administered Claims	\$309.4	\$306.6	(\$2.8)
Prescription Drug Program Claims and Administration	\$46.2	\$45.5	(\$0.7)
HMO Payments	\$83.7	\$84.6	\$0.9
Blue Cross/Blue Shield Administration	\$7.6	\$7.6	\$0.0
Division of State Employees' Insurance Administration	\$3.3	\$3.3	\$0.0
TOTAL EXPENDITURES	\$450.2	\$447.6	(\$2.6)

NET INCOME (INCOME LESS EXPENDITURES)	(\$36.2)	(\$9.4)	\$26.8

ENDING BALANCE	(\$26.8)	(\$0.0)	\$26.8
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State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1992-93

	Jan 1992 Estimate	<i>Current</i> Apr 1992 Estimate	Diff.
BEGINNING BALANCE	(\$26.8)	(\$0.0)	\$26.8

INCOME			

Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$295.7	\$302.2	\$6.5
Premiums--Employees	\$88.2	\$81.6	(\$6.6)
Premiums--Medicare Patients	\$16.6	\$16.6	\$0.0
Premiums--Other Non-employees	\$13.6	\$13.6	\$0.0
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$7.0	\$8.5	\$1.5
Other (COB's, audits and overpayment returns)	\$6.2	\$6.9	\$0.7
TOTAL INCOME	\$432.2	\$434.3	\$2.1

EXPENDITURES			

Blue Cross/Blue Shield Administered Claims	\$364.1	\$357.6	(\$6.5)
Prescription Drug Program Claims and Administration	\$51.3	\$41.8	(\$9.5)
HMO Payments	\$99.6	\$99.6	\$0.0
Blue Cross/Blue Shield Administration	\$9.5	\$9.5	\$0.0
Division of State Employees' Insurance Administration	\$3.3	\$3.3	\$0.0
TOTAL EXPENDITURES	\$527.8	\$511.8	(\$16.0)

NET INCOME (INCOME LESS EXPENDITURES)	(\$95.6)	(\$77.5)	\$18.1

ENDING BALANCE	(\$122.4)	(\$77.5)	\$44.9
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State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1993-94

	Jan 1992 Estimate	Apr 1992 Estimate	Diff.
BEGINNING BALANCE	(\$122.4)	(\$77.5)	\$44.9

INCOME			

Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$303.1	\$309.8	\$6.7
Premiums--Employees	\$90.4	\$83.7	(\$6.7)
Premiums--Medicare Patients	\$18.3	\$18.3	\$0.0
Premiums--Other Non-employees	\$14.0	\$14.0	\$0.0
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$7.6	\$8.5	\$0.9
Other (COB's, audits and overpayment returns)	\$6.2	\$6.9	\$0.7
TOTAL INCOME	\$444.5	\$446.1	\$1.6

EXPENDITURES			

Blue Cross/Blue Shield Administered Claims	\$438.3	\$426.7	(\$11.6)
Prescription Drug Program Claims and Administration	\$59.3	\$48.6	(\$10.7)
HMO Payments	\$117.6	\$117.6	\$0.0
Blue Cross/Blue Shield Administration	\$10.5	\$10.5	\$0.0
Division of State Employees' Insurance Administration	\$3.3	\$3.3	\$0.0
TOTAL EXPENDITURES	\$629.0	\$606.7	(\$22.3)

NET INCOME (INCOME LESS EXPENDITURES)	(\$184.5)	(\$160.6)	\$23.9

ENDING BALANCE	(\$306.9)	(\$238.1)	\$68.8
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