

PAT THOMAS
President



THE FLORIDA LEGISLATURE
JOINT LEGISLATIVE MANAGEMENT COMMITTEE
FRED BREEZE, EXECUTIVE DIRECTOR

BO JOHNSON
Speaker



DIVISION OF ECONOMIC AND DEMOGRAPHIC RESEARCH

Senator W. D. Childers, Chair
Representative Elaine Bloom, Vice Chair
Senator Robert Casas
Senator James A. Scott
Representative Jim Davis
Representative Timothy F. Ireland

EDWARD MONTANARO, DIRECTOR
Room 576, Claude Pepper Building
111 W. Madison Street
Tallahassee, Florida 32399-1400
Telephone (904) 487-1402

MEMORANDUM

TO: Interested Parties

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

SUBJECT: State Employees' Health Insurance Trust Fund, End of Year Reconciliation

DATE: August 3, 1994

Attached for your information are the latest tables containing the outlook for the State Employees' Health Insurance Trust Fund. The tables have been revised to reflect the higher than anticipated ending balance for the trust fund. Due mainly to higher than anticipated premiums and lower than anticipated claims for the self-insured plan, the trust fund ended the 1993-94 fiscal year with a balance of \$88.2 million, \$22.0 million higher than previously expected. The new expected ending balances for 1994-95 and 1995-96 are \$54.6 million and -\$28.7 million, respectively.

DR PAM JOHNSON
ECONOMIC AND DEMOGRAPHIC RESEARCH
576 CLAUDE PEPPER BUILDING
HAND DELIVER 00001

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1993-94

	Jan 1994 Estimate	Actual	Diff
BEGINNING BALANCE	\$56.5	\$56.5	\$0.0
<u>INCOME</u>			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$346.0	\$475.7	\$4.9
Premiums--Employees	\$89.4		
Premiums--Medicare Patients	\$20.3		
Premiums--Other Non-employees	\$15.1		
Interest	\$2.5	\$2.4	(\$0.1)
Transfer from Pretax Trust Fund	\$9.6	\$10.8	\$1.2
Other (COB's, audits and overpayment returns)	\$7.0	\$8.5	\$1.5
 TOTAL INCOME	 \$493.8	 \$501.3	 \$7.5
<u>EXPENDITURES</u>			
Blue Cross/Blue Shield Administered Claims	\$297.7	\$282.7	(\$15.0)
Prescription Drug Program Claims and Administration *	\$44.4	\$43.7	(\$0.7)
HMO Payments	\$128.2	\$129.5	\$1.3
Blue Cross/Blue Shield Administration	\$9.6	\$10.3	\$0.7
Division of State Employees' Insurance Administration	\$3.5	\$2.6	(\$0.9)
Transfer to Agency for Health Care Administration	\$0.7	\$0.8	\$0.1
 TOTAL EXPENDITURES	 \$484.1	 \$469.6	 (\$14.5)
 NET INCOME (INCOME LESS EXPENDITURES)	 \$9.7	 \$31.7	 \$22.0
 ENDING BALANCE	 \$66.2	 \$88.2	 \$22.0

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1994-95

	<u>Jan 1994</u> <u>Estimate</u>	<u>July 1994</u> <u>Estimate</u>	<u>Diff.</u>
BEGINNING BALANCE	\$66.2	\$88.2	\$22.0
<u>INCOME</u>			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$356.4	\$356.4	\$0.0
Premiums--Employees	\$91.9	\$91.9	\$0.0
Premiums--Medicare Patients	\$22.0	\$22.0	\$0.0
Premiums--Other Non-employees	\$15.6	\$15.6	\$0.0
Interest	\$1.5	\$1.5	\$0.0
Transfer from Pretax Trust Fund	\$9.9	\$9.9	\$0.0
Other (COB's, audits and overpayment returns)	\$7.5	\$7.5	\$0.0
TOTAL INCOME	<u>\$508.7</u>	<u>\$508.7</u>	<u>\$0.0</u>
<u>EXPENDITURES</u>			
Blue Cross/Blue Shield Administered Claims	\$320.7	\$320.7	\$0.0
Prescription Drug Program Claims and Administration *	\$48.0	\$48.0	\$0.0
HMO Payments	\$158.8	\$158.8	\$0.0
Blue Cross/Blue Shield Administration	\$10.6	\$10.6	\$0.0
Division of State Employees' Insurance Administration	\$3.5	\$3.5	\$0.0
Transfer to Agency for Health Care Administration	\$0.7	\$0.7	\$0.0
TOTAL EXPENDITURES	<u>\$542.3</u>	<u>\$542.3</u>	<u>\$0.0</u>
NET INCOME (INCOME LESS EXPENDITURES)	(\$33.6)	(\$33.6)	\$0.0
ENDING BALANCE	<u>\$32.6</u>	<u>\$54.6</u>	<u>\$22.0</u>

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1995-96

	Jan 1994 Estimate	July 1994 Estimate	Diff.
BEGINNING BALANCE	\$32.6	\$54.6	\$22.0
<u>INCOME</u>			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$367.4	\$367.4	\$0.0
Premiums--Employees	\$94.6	\$94.6	\$0.0
Premiums--Medicare Patients	\$23.8	\$23.8	\$0.0
Premiums--Other Non-employees	\$16.1	\$16.1	\$0.0
Interest	\$0.5	\$0.5	\$0.0
Transfer from Pretax Trust Fund	\$10.2	\$10.2	\$0.0
Other (COB's, audits and overpayment returns)	\$8.0	\$8.0	\$0.0
TOTAL INCOME	<u>\$524.5</u>	<u>\$524.5</u>	<u>\$0.0</u>
<u>EXPENDITURES</u>			
Blue Cross/Blue Shield Administered Claims	\$346.0	\$346.0	\$0.0
Prescription Drug Program Claims and Administration *	\$52.0	\$52.0	\$0.0
HMO Payments	\$193.8	\$193.8	\$0.0
Blue Cross/Blue Shield Administration	\$11.8	\$11.8	\$0.0
Division of State Employees' Insurance Administration	\$3.5	\$3.5	\$0.0
Transfer to Agency for Health Care Administration	\$0.7	\$0.7	\$0.0
TOTAL EXPENDITURES	<u>\$607.8</u>	<u>\$607.8</u>	<u>\$0.0</u>
NET INCOME (INCOME LESS EXPENDITURES)	(\$83.3)	(\$83.3)	\$0.0
ENDING BALANCE	<u>(\$50.7)</u>	<u>(\$28.7)</u>	<u>\$22.0</u>