

Self-Insurance Estimating Conference
State Employees' Group Health Self-Insurance Trust Fund
Previous Conference held February 28, 2013
Updated August 8, 2013 for Session Changes

Executive Summary

Post Session Changes

The 2013 General Appropriations Act (Section 8) provides for premium rate increases in FY 2013-14. Increases are effective March 1, 2014. The revised outlook incorporates this premium revenue enhancement which results in higher trust fund balances: for FY 2013-14 the ending cash balance increased from \$190.0 million to \$246.6 million, and for FY 2014-15 the ending cash balance increased from a deficit of \$59.1 million to a surplus of \$170.6 million. While projected ending cash balances improved for years 2015-16 through 2017-18, negative cash flows continue for those years.

Senate Bill 1802 was also adopted by the Legislature during the 2013 session. It allows certain eligible employees paid from Other Personal Services (OPS) funds to participate in the State Group Insurance program. In addition, a portion of the premium rate increases described above affects the employees captured by estimates contained within the Patient Protection and Affordable Care Act (PPACA) package. The newly adopted PPACA document reflects both the changes to revenue projections caused by the premium increases and new expense estimates that were included for an additional fiscal year, FY 2016-17. Otherwise, enrollment assumptions and expense projections reflect estimates as reported in the February 2013 conference report. The PPACA revenue impact of the increased premium rates relative to the revenues forecasted in February 2013 is as follows:

	February 2013 Revenue Forecast	August 2013 Revenue Forecast	Difference
FY 2013-14	\$42.74 million	\$44.91 million	\$2.17 million
FY 2014-15	\$82.54 million	\$89.84 million	\$7.30 million
FY 2015-16	\$89.14 million	\$97.04 million	\$7.90 million

February 28, 2013 Conference

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect recent fund experience and updated forecasts for price and utilization trends. The outlook in the short run is more positive: for FY 2012-13 the projected ending balance has been increased by \$9.7 million from \$256.7 million to \$266.4 million, and for FY 2013-14 the projected ending balance has been increased by \$18.1 million from \$171.9 million to \$190.0 million. The outlook for subsequent years shows that expenses will exceed revenues by an amount that generates a negative cash flow of \$249.1 million in FY 2014-15, \$449.8 million in FY 2015-16, \$663.8 million in FY 2016-17, and \$894.1 million in FY 2017-18.

Enrollment projections have changed only minimally due to lower than previously projected new open enrollment subscribers and monthly enrollment results updated through January of 2013. Enrollment for active employees has been increased very slightly, while enrollment among early retirees and Medicare recipients has been slightly reduced. COBRA enrollment remains

unchanged from the previous forecast. Overall enrollment is projected to decline by 1.7% in FY 2012-13 over FY 2011-12, decline minimally in FY 2013-14, and increase slightly in the remaining years of the forecast. There is also a continuing shift in enrollment from the PPO plans to the HMO plans. Enrollment projections for FY 2016-17 and FY 2017-18 are affected by higher than usual movement from active to retiree status, which results from higher than usual entrants into the Florida Retirement System Deferred Retirement Option Program (DROP) during 2010 and 2011.

On the revenue side, the forecast for premiums is lower due to lower projected enrollment. Additionally, receipts from the PPO Medicare Part D Subsidy are reduced mainly due to lower projected claims experience.

On the expense side, PPO expenses are generally lower than in the previous forecast, due to lower projected claims experience and trend factors as well as lower projected enrollment. Additionally, the FY 2012-13 PPO prescription drug base was reduced from the previous forecast, which along with lower enrollment results in lower projected PPO prescription drug costs. For HMO expenses, premiums are lower than previously projected due to lower enrollment. For self-insured HMOs, medical claims are higher than in the previous forecast due to higher projected enrollment and in the early years, higher claims experience. Lower projected trend factors in the later years of the forecast offset the higher enrollment to some extent, but projected claims remain higher than in the previous forecast throughout. Self-Insured HMO prescription drug claims are higher than previously forecast (after FY 2012-13) as a result of higher projected enrollment and higher than previously projected trend factors. There is no change from the previous forecast for other expenses.

Reports on the Financial Outlook prepared from December 2010 through June 2012 all included estimates of the impact of the Patient Protection and Affordable Care Act (PPACA) on the Trust Fund. Beginning with the August 2012 report, the impact of PPACA is being treated differently to mirror the treatment used by the Social Services Estimating Conference for Medicaid and KidCare. In this forecast as well as the August and November 2012 forecasts, the impacts of the provisions of PPACA that have already been implemented by the Program are included in the affected revenue and expense line items of each year's outlook. The impacts to the Program of the provisions of PPACA that will occur in the future have been removed from the outlook and are now described in a separate report titled *Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act*.

With this forecast, the estimated number of OPS employees has been increased based on new survey data, while the number of individuals opting out of State offered coverage has been reduced. Also, the forecasted expenses due to pharmaceutical industry fees have been removed from the table as those expenses are now embedded in the baseline forecast for the trust fund. The forecasts for excise taxes on medical devices and reinsurance fees have been increased for FY 2012-13 and reduced for the remaining years of the forecast. The additional costs to the State Health Insurance Program from PPACA are reflected in the line titled "Total Expenses" on page 7 of the referenced report. They are:

	December 2012 Forecast	February 2013 Forecast	Difference
FY 2012-13	\$0.38 million	\$.32 million	(\$.06 million)
FY 2013-14	\$59.79 million	\$56.32 million	(\$3.47 million)
FY 2014-15	\$137.27 million	\$124.94 million	(\$12.33 million)
FY 2015-16	\$155.09 million	\$137.82 million	(\$17.27 million)

These additional costs would be borne by a combination of the participating employers and the members covered by the Plans.

State Employees' Group Health Self-Insurance Trust Fund

Post Legislative Session Impact Outlook

For the Fiscal Years Ending June 30, 2013 through June 30, 2018

**Adopted August 8, 2013 by the
Self-Insurance Estimating Conference**

EXECUTIVE SUMMARY

The Florida Division of State Group Insurance (the Division) prepared a Post Legislative Session Impact Outlook for the State Employees' Group Health Self-Insurance Trust Fund (the Trust Fund) for the fiscal years ending June 30, 2013, through June 30, 2018. This Outlook is prepared to assist in the State's planning and budgeting in accordance with Section 216.136(9), *Florida Statutes*. This Outlook is prepared using cash basis methods and modeling based on the healthcare benefit and funding design currently in place.

The February 2013 Outlook reported and recognized the fiscal impact of the activities listed below:

1. Actual enrollment through January 2013.
2. Revenue and expenditure activity through December 2012.
3. Final Open Enrollment results for Plan Year 2013.
4. Adjustments to FY 2015-16 retirement enrollment due to increased Deferred Retirement Option Program (DROP) participation.
5. Inclusion of projections for FY 2016-17 and 2017-18.

This is a Post Legislative Session Impact Outlook using the February 2013 Outlook as its base, and recognizes the fiscal impact of the following:

1. State health insurance premium increases established in the 2013 General Appropriations Act (GAA) (Section 8).

The 2013 GAA established premium increases for participants enrolled in the self-funded programs for all Active, Early Retiree, and Medicare categories effective March 1, 2014, and premium increases for all COBRA participants effective May 1, 2014. This Outlook reflects changes to revenue projections impacted by the premium increases set forth in the 2013 GAA; enrollment and expense projections reflect estimates as reported in the February 2013 Outlook.

This Outlook reflects higher trust fund ending cash balances with an increase of \$56.6 million for FY 2013-14 and \$229.7 million for FY 2014-15. The Outlook for subsequent years shows improvements to ending cash balances due to the premium revenue increases; however expenses are projected to exceed revenues for FY15-16 and beyond, generating negative cash flows for those periods. The Trust Fund is projected to remain solvent through FY 2014-2015.

The projected ending cash balance for FY 2013-14 increased from \$190 million to \$246.6 million; the estimated operating loss decreased from \$76.4 million to \$19.8 million. For FY 2014-15 the ending cash balance increased from a deficit of \$59.1 million to a surplus of \$170.6 million; the estimated operating loss decreased from \$249.1 million to \$76 million. Deficits in projected ending cash balances and projected operating losses in subsequent years of the outlook were reduced, however ending cash balances reflect negative cash flows projected for FY 2015-16 through FY 2017-18.

If there are no changes to benefit attributes, covered services, premium rates, or other plan factors, the Trust Fund is projected to have a cash surplus of \$170.6 million in FY 2014-15, and a projected ending cash deficit of \$109.1 million in FY 2015-16. Projected revenues will fall short in meeting growth in health plan expenses by \$279.7 million in FY 2015-16. The projections for FY 2016-17 through FY 2017-18 are very soft due to various industry factors impacting costs. Following is a summary of the Outlook from FY 2012-13 through FY 2017-18.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Financial Outlook	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>
(Dollars in Millions)	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Beginning Cash Balance	313.9	266.4	246.6	170.6	0.0	0.0
Total Revenues	1,880.1	2,022.8	2,134.6	2,138.6	2,153.2	2,160.7
Total Expenses	1,927.6	2,042.6	2,210.6	2,418.3	2,646.4	2,883.9
Operating Gain / (Loss)	(47.5)	(19.8)	(76.0)	(279.7)	(493.2)	(723.2)
Ending Cash Balance	266.4	246.6	170.6	(109.1)	(493.2)	(723.2)

Note: Assumes no carry forward of negative cash balance from prior year beginning FY 2016-17.

Growth Trends

Following is a summary of the trends used to develop expense projections as reported in the February 2013 Impact Outlook. Expenses were not updated for this Outlook.

	February 2013 ⁽¹⁾		
	Trend	Industry Range	
PPO Medical Claims	8.5%	4.0%	- 11.0%
HMO Medical Claims	8.5%		
PPO Prescription Drug Claims ⁽²⁾	7.5%	5.3%	- 10.5%
HMO Prescription Drug Claims ⁽³⁾	10.0%		
HMO Premium Payments	9.0%	3.5%	- 9.2%

1) Survey data for Calendar Years 2012 and 2013

2) PPO trend rates provided by Pharmacy Benefits Manager for this conference are: FY 2012-13 5.6%; FY 2013-14 7.2%; FY 2014-15 5.6%; 2015-16 9.7%; 2016-17 7.7%; and FY 2017-18 8%.

3) HMO trend rates provided by Pharmacy Benefit Manager for this conference are: FY 2012-13 10.5%; FY 2013-14 7.9%; FY 2014-15 8.0%; 2015-16 10.9%; 2016-17 8.7%; and FY 17/18 9.3%.

Federal Patient Protection and Affordable Care Act (PPACA)

The February 2013 Financial Outlook reflected the impacts of PPACA to the Trust Fund for previously implemented federal mandates in the affected revenue and expense line items of each year's outlook. The impacts that will occur in the future were described in a separate report titled Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act.

Senate Bill 1802, passed during the 2013 Legislative session, extends coverage to eligible employees as determined in the legislation effective January 1, 2014. Premium increases established in the 2013 GAA impacting revenues for projected OPS enrollment are reflected in the Post Legislative Session Impact on the State Health Insurance Program of the Patient Protection and Affordable Care Act.

Exhibits

The exhibits that follow provide more in-depth information about the projections, estimated cash positions and comparisons to the previous Outlook.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year

Highlights of Changes to Forecast - Conference August 2013 Compared to February 2013

(In Millions)

	FY 2012-13			FY 2013-14			FY 2014-15			FY 2015-16			FY 2016-17			FY 2017-18		
	Feb '13	Aug '13	Diff.	Feb '13	Aug '13	Diff.	Feb '13	Aug '13	Diff.	Feb '13	Aug '13	Diff.	Feb '13	Aug '13	Diff.	Feb '13	Aug '13	Diff.
BEGINNING CASH BALANCE	\$ 313.9	\$ 313.9	\$ -	\$ 266.4	\$ 266.4	\$ -	\$ 190.0	\$ 246.6	\$ 56.6	\$ 0.0	\$ 170.6	\$ 170.6	\$ 0.0	\$ 0.0	\$ -	\$ 0.0	\$ 0.0	\$ -
REVENUES:																		
Insurance Premiums	\$ 1,790.0	\$ 1,790.0	\$ -	\$ 1,883.8	\$ 1,939.8	\$ 56.0	\$ 1,885.9	\$ 2,054.9	\$ 169.0	\$ 1,895.1	\$ 2,064.6	\$ 169.5	\$ 1,910.5	\$ 2,081.1	\$ 170.6	\$ 1,918.1	\$ 2,089.0	\$ 170.9
Investment Interest	5.7	5.7	-	4.5	5.1	0.6	-	4.1	4.1	-	0.6	0.6	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,880.1	\$ 1,880.1	\$ -	\$ 1,966.2	\$ 2,022.8	\$ 56.6	\$ 1,961.5	\$ 2,134.6	\$ 173.1	\$ 1,968.5	\$ 2,138.6	\$ 170.1	\$ 1,982.6	\$ 2,153.2	\$ 170.6	\$ 1,989.8	\$ 2,160.7	\$ 170.9
TOTAL CASH AVAILABLE	\$ 2,194.0	\$ 2,194.0	\$ -	\$ 2,232.6	\$ 2,289.2	\$ 56.6	\$ 2,151.5	\$ 2,381.2	\$ 229.7	\$ 1,968.5	\$ 2,309.2	\$ 340.7	\$ 1,982.6	\$ 2,153.2	\$ 170.6	\$ 1,989.8	\$ 2,160.7	\$ 170.9
TOTAL EXPENSES	\$ 1,927.6	\$ 1,927.6	\$ -	\$ 2,042.6	\$ 2,042.6	\$ -	\$ 2,210.6	\$ 2,210.6	\$ -	\$ 2,418.3	\$ 2,418.3	\$ -	\$ 2,646.4	\$ 2,646.4	\$ -	\$ 2,883.9	\$ 2,883.9	\$ -
EXCESS OF REV. OVER EXP.	\$ (47.5)	\$ (47.5)	\$ -	\$ (76.4)	\$ (19.8)	\$ 56.6	\$ (249.1)	\$ (76.0)	\$ 173.1	\$ (449.8)	\$ (279.7)	\$ 170.1	\$ (663.8)	\$ (493.2)	\$ 170.6	\$ (894.1)	\$ (723.2)	\$ 170.9
ENDING CASH BALANCE	\$ 266.4	\$ 266.4	\$ -	\$ 190.0	\$ 246.6	\$ 56.6	\$ (59.1)	\$ 170.6	\$ 229.7	\$ (449.8)	\$ (109.1)	\$ 340.7	\$ (663.8)	\$ (493.2)	\$ 170.6	\$ (894.1)	\$ (723.2)	\$ 170.9
ADDITIONAL INFORMATION																		
Total Unreported Claims Liability	\$ 137.4	\$ 137.4	\$ -	\$ 142.6	\$ 142.6	\$ -	\$ 154.8	\$ 154.8	\$ -	\$ 174.9	\$ 174.9	\$ -	\$ 192.1	\$ 192.1	\$ -	\$ 209.5	\$ 209.5	\$ -

Revenue and Expense categories have been collapsed to present the highlights of changes to forecast.

Exhibits II through XIV present detail forecast information per fiscal year.

Highlights of Changes to Forecast

- 1) Inclusion Fiscal Year 2013-14 GAA rate changes

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit II

Financial Outlook by Fiscal Year ⁽¹⁾ (In Millions)

	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 313.9	\$ 266.4	\$ 246.6	\$ 170.6	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾
REVENUES:						
Insurance Premiums:						
Employer	\$ 1,414.1	\$ 1,547.0	\$ 1,646.0	\$ 1,647.6	\$ 1,650.7	\$ 1,654.6
Employee	161.3	160.6	160.7	161.0	161.4	161.9
HSA Contributions ⁽³⁾	1.6	1.6	1.6	1.6	1.6	1.6
COBRA	6.2	6.7	7.2	7.2	7.2	7.2
Early Retiree	61.0	64.7	68.0	71.7	80.1	79.1
Medicare	145.8	159.2	171.4	175.5	180.1	184.6
Investment Interest	5.7	5.1	4.1	0.6	0.0	0.0
PPO-TPA Refunds	10.7	9.3	9.3	9.3	9.3	9.3
PPO-PBM Rebates	23.4	17.5	14.7	13.1	12.1	11.7
HMO-TPA Refunds	3.2	3.2	3.2	3.2	3.2	3.2
HMO-PBM Rebates	9.8	9.2	8.3	7.7	7.4	7.4
Pretax Trust Fund Transfer	19.0	19.0	19.0	19.0	19.0	19.0
PPO-Medicare Part D Subsidy	17.3	18.7	20.1	20.1	20.1	20.1
HMO-Medicare Part D Subsidy	1.0	1.0	1.0	1.0	1.0	1.0
Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,880.1	\$ 2,022.8	\$ 2,134.6	\$ 2,138.6	\$ 2,153.2	\$ 2,160.7
TOTAL CASH AVAILABLE	\$ 2,194.0	\$ 2,289.2	\$ 2,381.2	\$ 2,309.2	\$ 2,153.2	\$ 2,160.7
EXPENSES:						
State PPO Plan: ⁽⁴⁾						
Medical Claims	\$ 624.6	\$ 664.7	\$ 710.4	\$ 761.3	\$ 818.0	\$ 875.7
ASO Fee	19.0	18.7	18.4	18.2	18.0	17.8
Prescription Drug Claims	268.2	281.9	293.3	317.9	339.2	361.3
PBM Claims Administration	0.2	0.2	0.2	0.2	0.2	0.2
HMO Plan: ⁽⁵⁾						
Premium Payments	259.5	279.4	309.0	342.8	381.5	422.1
Medical Claims	531.6	588.2	650.6	721.7	803.1	888.8
Risk Reserve ⁽⁶⁾	32.0	N/A	N/A	N/A	N/A	N/A
ASO Fee	29.4	32.0	34.3	36.9	43.1	47.7
Prescription Drug Claims	153.4	168.4	185.3	210.2	234.2	261.2
HSA Deposits ⁽³⁾	1.6	1.6	1.6	1.6	1.6	1.6
Operating Costs & Admin Assessment	3.6	3.0	3.0	3.0	3.0	3.0
Premium Refunds	4.4	4.4	4.4	4.4	4.4	4.4
Other Expenses	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL EXPENSES	\$ 1,927.6	\$ 2,042.6	\$ 2,210.6	\$ 2,418.3	\$ 2,646.4	\$ 2,883.9
EXCESS OF REVENUES OVER EXPENSES	\$ (47.5)	\$ (19.8)	\$ (76.0)	\$ (279.7)	\$ (493.2)	\$ (723.2)
ENDING CASH BALANCE ⁽⁷⁾	\$ 266.4	\$ 246.6	\$ 170.6	\$ (109.1)	\$ (493.2)	\$ (723.2)

ADDITIONAL INFORMATION

Total Unreported Claims Liability ⁽⁸⁾	\$ 137.4	\$ 142.6	\$ 154.8	\$ 174.9	\$ 192.1	\$ 209.5
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	Average Enrollment by Plan					
	PPO Standard	PPO HIHP	HMO Standard	HMO HIHP	Total	
	86,069	1,211	82,285	465	170,030	
	84,381	1,227	83,679	473	169,760	
	83,096	1,227	85,316	473	170,112	
	82,061	1,227	87,223	473	170,984	
	81,252	1,227	89,466	473	172,418	
	80,154	1,227	91,260	473	173,114	
	Average Enrollment by Coverage Type					
	Active Standard	Active HIHP	COBRA	Early Retiree	Medicare	Total
	131,279	1,586	695	7,388	29,082	170,030
	130,972	1,610	695	7,216	29,267	169,760
	131,258	1,610	695	7,104	29,445	170,112
	131,760	1,610	695	7,289	29,630	170,984
	132,379	1,610	695	7,887	29,847	172,418
	133,072	1,610	695	7,769	29,968	173,114

1) Actual results may differ from projected values with increasing likelihood of variance in future periods.

2) Assumes no carry forward of negative ending cash balance from prior year.

3) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

4) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.00M.

5) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.

6) Established by Principals of the Revenue Estimating Conference for HMO medical and prescription drug claims. Calculated for Fiscal Year 2012-13 at 6.5% of total estimated HMO claim costs. Per approval of Principals for December 12, 2012 Conference, the calculated amount of the Risk Reserve from the previous Estimating Conference is reduced by the net increase in HMO Medical and Rx claims.

7) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.

8) Includes estimated PPO Plan and Self-Insured HMO Plans Incurred but not Reported (IBNR) claims and outstanding drafts.

Exhibit III
Financial Outlook - Fiscal Year 2012-13 (In Millions)

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference	
BEGINNING CASH BALANCE	\$ 313.9	\$ 313.9	\$ 0.0	
REVENUES:				
Insurance Premiums:				
Employer	\$ 1,414.1	\$ 1,414.1	\$ 0.0	
Employee	161.3	161.3	0.0	
HSA Contributions ⁽¹⁾	1.6	1.6	0.0	
COBRA	6.2	6.2	0.0	
Early Retiree	61.0	61.0	0.0	
Medicare	145.8	145.8	0.0	
Investment Interest	5.7	5.7	0.0	
PPO-TPA Refunds	10.7	10.7	0.0	
PPO-PBM Rebates	23.4	23.4	0.0	
HMO-TPA Refunds	3.2	3.2	0.0	
HMO-PBM Rebates	9.8	9.8	0.0	
Pretax Trust Fund Transfer	19.0	19.0	0.0	
PPO Medicare Part D Subsidy	17.3	17.3	0.0	
HMO Medicare Part D Subsidy	1.0	1.0	0.0	
Other Revenues	0.0	0.0	0.0	
TOTAL REVENUES	\$ 1,880.1	\$ 1,880.1	\$ 0.0	
TOTAL CASH AVAILABLE	\$ 2,194.0	\$ 2,194.0	\$ 0.0	
EXPENSES:				
State PPO Plan: ⁽²⁾				
Medical Claims	\$ 624.6	\$ 624.6	\$ 0.0	
ASO Fee	19.0	19.0	0.0	
Prescription Drug Claims	268.2	268.2	0.0	
PBM Claims Administration	0.2	0.2	0.0	
HMO Plan: ⁽³⁾				
Premium Payments	259.5	259.5	0.0	
Medical Claims	531.6	531.6	0.0	
Risk Reserve ⁽⁴⁾	32.0	32.0	0.0	
ASO Fee	29.4	29.4	0.0	
Prescription Drug Claims	153.4	153.4	0.0	
HSA Deposits ⁽¹⁾	1.6	1.6	0.0	
Operating Costs & Admin Assessment	3.6	3.6	0.0	
Premium Refunds	4.4	4.4	0.0	
Other Expenses	0.1	0.1	0.0	
TOTAL EXPENSES	\$ 1,927.6	\$ 1,927.6	\$ 0.0	
EXCESS OF REVENUES OVER EXPENSES	\$ (47.5)	\$ (47.5)	\$ 0.0	
ENDING CASH BALANCE ⁽⁵⁾	\$ 266.4	\$ 266.4	\$ 0.0	
ADDITIONAL INFORMATION				
Total Unreported PPO Plan Claims Liability ⁽⁶⁾	\$ 62.0	\$ 62.0	\$ 0.0	
Total Unreported HMO Plan Claims Liability ⁽⁷⁾	67.0	67.0	0.0	
Total Unreported PBM Claims Liability ⁽⁸⁾	8.4	8.4	0.0	
Total Unreported Claims Liability	\$ 137.4	\$ 137.4	\$ 0.0	
Average Enrollment by Plan				
	PPO Standard	86,069	86,069	0
	PPO HIHP	1,211	1,211	0
	HMO Standard	82,285	82,285	0
	HMO HIHP	465	465	0
	Total	170,030	170,030	0
Average Enrollment by Coverage Type				
	Active Standard	131,279	131,279	0
	Active HIHP	1,586	1,586	0
	COBRA	695	695	0
	Early Retiree	7,388	7,388	0
	Medicare	29,082	29,082	0
	Total	170,030	170,030	0

- 1) Contributions approximate a split between employer and employee of 42% and 58%, respectively.
- 2) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- 3) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- 4) Established by Principals of the Revenue Estimating Conference for Fiscal Years 2011-12 and 2012-13 for HMO medical and prescription drug claims. Calculated at 6.5% of total estimated HMO claim costs. Per approval of Principals for December 12, 2012 Conference, the calculated amount of the Risk Reserve from the previous Estimating Conference is reduced by the net increase of \$3.9M in HMO Medical and Rx claims. See Page 11 for details on the increase in HMO Medical and Rx claims.
- 5) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 6) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 7) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 8) Includes estimated PPO and HMO IBNR Rx claims.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

**Exhibit IV
Financial Outlook - Fiscal Year 2013-14 (In Millions)**

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference
BEGINNING CASH BALANCE	\$ 266.4	\$ 266.4	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,497.1	\$ 1,547.0	\$ 49.9
Employee	160.6	160.6	0.0
HSA Contributions ⁽¹⁾	1.6	1.6	0.0
COBRA	6.6	6.7	0.1
Early Retiree	62.9	64.7	1.8
Medicare	155.0	159.2	4.2
Investment Interest	4.5	5.1	0.6
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	17.5	17.5	0.0
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	9.2	9.2	0.0
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	18.7	18.7	0.0
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,966.2	\$ 2,022.8	\$ 56.6
TOTAL CASH AVAILABLE	\$ 2,232.6	\$ 2,289.2	\$ 56.6
EXPENSES:			
State PPO Plan: ⁽²⁾			
Medical Claims	\$ 664.7	\$ 664.7	\$ 0.0
ASO Fee	18.7	18.7	0.0
Prescription Drug Claims	281.9	281.9	0.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽³⁾			
Premium Payments	279.4	279.4	0.0
Medical Claims	588.2	588.2	0.0
ASO Fee	32.0	32.0	0.0
Prescription Drug Claims	168.4	168.4	0.0
HSA Deposits ⁽¹⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	3.0	3.0	0.0
Premium Refunds	4.4	4.4	0.0
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 2,042.6	\$ 2,042.6	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (76.4)	\$ (19.8)	\$ 56.6
ENDING CASH BALANCE ⁽⁴⁾	\$ 190.0	\$ 246.6	\$ 56.6
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁵⁾	\$ 64.2	\$ 64.2	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁶⁾	69.4	69.4	0.0
Total Unreported PBM Claims Liability ⁽⁷⁾	9.0	9.0	0.0
Total Unreported Claims Liability	\$ 142.6	\$ 142.6	\$ 0.0
Average Enrollment by Plan			
PPO Standard	84,381	84,381	0
PPO HIHP	1,227	1,227	0
HMO Standard	83,679	83,679	0
HMO HIHP	473	473	0
Total	169,760	169,760	0
Average Enrollment by Coverage Type			
Active Standard	130,972	130,972	0
Active HIHP	1,610	1,610	0
COBRA	695	695	0
Early Retiree	7,216	7,216	0
Medicare	29,267	29,267	0
Total	169,760	169,760	0

1) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

2) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.

3) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.

4) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.

5) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.

6) Includes estimated HMO IBNR medical claims and outstanding drafts.

7) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit V

Financial Outlook - Fiscal Year 2014-15 (In Millions)

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference
BEGINNING CASH BALANCE	\$ 190.0	\$ 246.6	\$ 56.6
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,496.3	\$ 1,646.0	\$ 149.7
Employee	160.7	160.7	0.0
HSA Contributions ⁽¹⁾	1.6	1.6	0.0
COBRA	6.6	7.2	0.6
Early Retiree	62.4	68.0	5.6
Medicare	158.3	171.4	13.1
Investment Interest	0.0	4.1	4.1
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	14.7	14.7	0.0
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	8.3	8.3	0.0
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	20.1	20.1	0.0
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,961.5	\$ 2,134.6	\$ 173.1
TOTAL CASH AVAILABLE	\$ 2,151.5	\$ 2,381.2	\$ 229.7
EXPENSES:			
State PPO Plan: ⁽²⁾			
Medical Claims	\$ 710.4	\$ 710.4	\$ 0.0
ASO Fee	18.4	18.4	0.0
Prescription Drug Claims	293.3	293.3	0.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽³⁾			
Premium Payments	309.0	309.0	0.0
Medical Claims	650.6	650.6	0.0
ASO Fee	34.3	34.3	0.0
Prescription Drug Claims	185.3	185.3	0.0
HSA Deposits ⁽¹⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	3.0	3.0	0.0
Premium Refunds	4.4	4.4	0.0
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 2,210.6	\$ 2,210.6	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (249.1)	\$ (76.0)	\$ 173.1
ENDING CASH BALANCE ⁽⁴⁾	\$ (59.1)	\$ 170.6	\$ 229.7
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁵⁾	\$ 68.4	\$ 68.4	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁶⁾	76.8	76.8	0.0
Total Unreported PBM Claims Liability ⁽⁷⁾	9.6	9.6	0.0
Total Unreported Claims Liability	\$ 154.8	\$ 154.8	\$ 0.0
Average Enrollment by Plan			
	PPO Standard	83,096	83,096
	PPO HIHP	1,227	1,227
	HMO Standard	85,316	85,316
	HMO HIHP	473	473
	Total	170,112	170,112
Average Enrollment by Coverage Type			
	Active Standard	131,258	131,258
	Active HIHP	1,610	1,610
	COBRA	695	695
	Early Retiree	7,104	7,104
	Medicare	29,445	29,445
	Total	170,112	170,112

1) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

2) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.

3) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.

4) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.

5) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.

6) Includes estimated HMO IBNR medical claims and outstanding drafts.

7) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit VI

Financial Outlook - Fiscal Year 2015-16 (In Millions)

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference
BEGINNING CASH BALANCE	\$ 0.0 ⁽¹⁾	\$ 170.6	\$ 170.6
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,497.8	\$ 1,647.6	\$ 149.8
Employee	161.0	161.0	0.0
HSA Contributions ⁽²⁾	1.6	1.6	0.0
COBRA	6.6	7.2	0.6
Early Retiree	65.8	71.7	5.9
Medicare	162.3	175.5	13.2
Investment Interest	0.0	0.6	0.6
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	13.1	13.1	0.0
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	7.7	7.7	0.0
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	20.1	20.1	0.0
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,968.5	\$ 2,138.6	\$ 170.1
TOTAL CASH AVAILABLE	\$ 1,968.5	\$ 2,309.2	\$ 340.7
EXPENSES:			
State PPO Plan: ⁽³⁾			
Medical Claims	\$ 761.3	\$ 761.3	\$ 0.0
ASO Fee	18.2	18.2	0.0
Prescription Drug Claims	317.9	317.9	0.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	342.8	342.8	0.0
Medical Claims	721.7	721.7	0.0
ASO Fee	36.9	36.9	0.0
Prescription Drug Claims	210.2	210.2	0.0
HSA Deposits ⁽²⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	3.0	3.0	0.0
Premium Refunds	4.4	4.4	0.0
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 2,418.3	\$ 2,418.3	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (449.8)	\$ (279.7)	\$ 170.1
ENDING CASH BALANCE ⁽⁵⁾	\$ (449.8)	\$ (109.1)	\$ 340.7
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁶⁾	\$ 73.4	\$ 73.4	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁷⁾	90.9	90.9	0.0
Total Unreported PBM Claims Liability ⁽⁸⁾	10.6	10.6	0.0
Total Unreported Claims Liability	\$ 174.9	\$ 174.9	\$ 0.0
Average Enrollment by Plan			
	PPO Standard	82,061	82,061
	PPO HIHP	1,227	1,227
	HMO Standard	87,223	87,223
	HMO HIHP	473	473
	Total	170,984	170,984
Average Enrollment by Coverage Type			
	Active Standard	131,760	131,760
	Active HIHP	1,610	1,610
	COBRA	695	695
	Early Retiree	7,289	7,289
	Medicare	29,630	29,630
	Total	170,984	170,984

- 1) Assumes no carry forward of negative ending cash balance from prior year.
- 2) Contributions approximate a split between employer and employee of 42% and 58%, respectively.
- 3) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- 4) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- 5) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.
- 6) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.
- 7) Includes estimated HMO IBNR medical claims and outstanding drafts.
- 8) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit VII

Financial Outlook - Fiscal Year 2016-17 (In Millions)

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference
BEGINNING CASH BALANCE	\$ 0.0 ⁽¹⁾	\$ 0.0 ⁽¹⁾	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,500.5	\$ 1,650.7	\$ 150.2
Employee	161.4	161.4	0.0
HSA Contributions ⁽²⁾	1.6	1.6	0.0
COBRA	6.6	7.2	0.6
Early Retiree	73.6	80.1	6.5
Medicare	166.8	180.1	13.3
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	12.1	12.1	0.0
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	7.4	7.4	0.0
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	20.1	20.1	0.0
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,982.6	\$ 2,153.2	\$ 170.6
TOTAL CASH AVAILABLE	\$ 1,982.6	\$ 2,153.2	\$ 170.6
EXPENSES:			
State PPO Plan: ⁽³⁾			
Medical Claims	\$ 818.0	\$ 818.0	\$ 0.0
ASO Fee	18.0	18.0	0.0
Prescription Drug Claims	339.2	339.2	0.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	381.5	381.5	0.0
Medical Claims	803.1	803.1	0.0
ASO Fee	43.1	43.1	0.0
Prescription Drug Claims	234.2	234.2	0.0
HSA Deposits ⁽²⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	3.0	3.0	0.0
Premium Refunds	4.4	4.4	0.0
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 2,646.4	\$ 2,646.4	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (663.8)	\$ (493.2)	\$ 170.6
ENDING CASH BALANCE ⁽⁵⁾	\$ (663.8)	\$ (493.2)	\$ 170.6
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁶⁾	\$ 79.4	\$ 79.4	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁷⁾	101.2	101.2	0.0
Total Unreported PBM Claims Liability ⁽⁸⁾	11.5	11.5	0.0
Total Unreported Claims Liability	\$ 192.1	\$ 192.1	\$ 0.0
Average Enrollment by Plan			
	PPO Standard	81,252	81,252
	PPO HIHP	1,227	1,227
	HMO Standard	89,466	89,466
	HMO HIHP	473	473
	Total	172,418	172,418
Average Enrollment by Coverage Type			
	Active Standard	132,379	132,379
	Active HIHP	1,610	1,610
	COBRA	695	695
	Early Retiree	7,887	7,887
	Medicare	29,847	29,847
	Total	172,418	172,418

1) Assumes no carry forward of negative ending cash balance from prior year.

2) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

3) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.

4) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.

5) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.

6) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.

7) Includes estimated HMO IBNR medical claims and outstanding drafts.

8) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit VIII

Financial Outlook - Fiscal Year 2017-18 (In Millions)

	(A) Feb '13	(B) Aug '13	(B) - (A) Difference
BEGINNING CASH BALANCE	\$ 0.0 ⁽¹⁾	\$ 0.0 ⁽¹⁾	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,504.1	\$ 1,654.6	\$ 150.5
Employee	161.9	161.9	0.0
HSA Contributions ⁽²⁾	1.6	1.6	0.0
COBRA	6.6	7.2	0.6
Early Retiree	72.6	79.1	6.5
Medicare	171.3	184.6	13.3
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds	9.3	9.3	0.0
PPO-PBM Rebates	11.7	11.7	0.0
HMO-TPA Refunds	3.2	3.2	0.0
HMO-PBM Rebates	7.4	7.4	0.0
Pretax Trust Fund Transfer	19.0	19.0	0.0
PPO Medicare Part D Subsidy	20.1	20.1	0.0
HMO Medicare Part D Subsidy	1.0	1.0	0.0
Other Revenues	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,968.5	\$ 2,160.7	\$ 170.9
TOTAL CASH AVAILABLE	\$ 1,968.5	\$ 2,160.7	\$ 170.9
EXPENSES:			
State PPO Plan: ⁽³⁾			
Medical Claims	\$ 875.7	\$ 875.7	\$ 0.0
ASO Fee	17.8	17.8	0.0
Prescription Drug Claims	361.3	361.3	0.0
PBM Claims Administration	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾			
Premium Payments	422.1	422.1	0.0
Medical Claims	888.8	888.8	0.0
ASO Fee	47.7	47.7	0.0
Prescription Drug Claims	261.2	261.2	0.0
HSA Deposits ⁽²⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	3.0	3.0	0.0
Premium Refunds	4.4	4.4	0.0
Other Expenses	0.1	0.1	0.0
TOTAL EXPENSES	\$ 2,883.9	\$ 2,883.9	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (894.1)	\$ (723.2)	\$ 170.9
ENDING CASH BALANCE ⁽⁵⁾	\$ (894.1)	\$ (723.2)	\$ 170.9
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁶⁾	\$ 85.9	\$ 85.9	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁷⁾	111.1	111.1	0.0
Total Unreported PBM Claims Liability ⁽⁸⁾	12.5	12.5	0.0
Total Unreported Claims Liability	\$ 209.5	\$ 209.5	\$ 0.0
Average Enrollment by Plan			
	PPO Standard	80,154	80,154
	PPO HIHP	1,227	1,227
	HMO Standard	91,260	91,260
	HMO HIHP	473	473
	Total	173,114	173,114
Average Enrollment by Coverage Type			
	Active Standard	133,072	133,072
	Active HIHP	1,610	1,610
	COBRA	695	695
	Early Retiree	7,769	7,769
	Medicare	29,968	29,968
	Total	173,114	173,114

1) Assumes no carry forward of negative ending cash balance from prior year.

2) Contributions approximate a split between employer and employee of 42% and 58%, respectively.

3) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.

4) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.

5) Includes \$36.5M held in accounts outside of the Trust Fund at the Dept. of Financial Services, Division of Treasury, for the purpose of paying medical claims.

6) Includes estimated PPO Incurred but not Reported (IBNR) medical claims and outstanding drafts.

7) Includes estimated HMO IBNR medical claims and outstanding drafts.

8) Includes estimated PPO and HMO IBNR Rx claims.

Exhibit IX
Comparison of Financial Outlooks
Fiscal Year 2012-13
(In Millions)

\$ 266.4 Previous Ending Cash Balance Forecast ⁽¹⁾

- Increase in Revenue Forecast
- No Change in Expense Forecast

\$ 266.4 Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

Exhibit X
Comparison of Financial Outlooks
Fiscal Year 2013-14
(In Millions)

\$ 190.0	Previous Ending Cash Balance Forecast ⁽¹⁾
	- Increase in Beginning Cash Balance Forecast
56.6	Increase in Revenue Forecast
	56.0 - Net Increase in Insurance Premiums due to premium rates effective March 2014 for April 2014 coverage
	0.6 - Increase in Investment Interest due to an increase in projected cash balance
	- No Change in Expense Forecast
246.6	Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

Exhibit XI
Comparison of Financial Outlooks
Fiscal Year 2014-15
(In Millions)

\$ (59.1)	Previous Ending Cash Balance Forecast ⁽¹⁾
56.6	Increase in Beginning Cash Balance Forecast
173.1	Increase in Revenue Forecast
	169.0 - Net Increase in Insurance Premiums due to premium rates effective March 2014 for April 2014 coverage
	4.1 - Increase in Investment Interest due to an increase in projected cash balance
-	No Change in Expense Forecast
170.6	Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

Exhibit XII
Comparison of Financial Outlooks
Fiscal Year 2015-16
(In Millions)

\$ (449.8)	Previous Ending Cash Balance Forecast ⁽¹⁾
170.6	Increase in Beginning Cash Balance Forecast
170.1	Increase in Revenue Forecast
	169.5 - Net Increase in Insurance Premiums due to premium rates effective March 2014 for April 2014 coverage
	0.6 - Increase in Investment Interest due to an increase in projected cash balance
-	No Change in Expense Forecast
(109.1)	Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

Exhibit XIII
Comparison of Financial Outlooks
Fiscal Year 2016-17
(In Millions)

\$ (663.8)	Previous Ending Cash Balance Forecast ⁽¹⁾
170.6	Increase in Revenue Forecast
	170.6 - Net Increase in Insurance Premiums due to premium rates effective March 2014 for April 2014 coverage
-	No Change in Expense Forecast
(493.2)	Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

Exhibit XIV
Comparison of Financial Outlooks
Fiscal Year 2017-18
(In Millions)

\$ (894.1) Previous Ending Cash Balance Forecast ⁽¹⁾

170.9 Increase in Revenue Forecast

170.9 - Net Increase in Insurance Premiums due to premium rates effective March 2014 for
April 2014 coverage

- No Change in Expense Forecast

(723.2) Ending Cash Balance

⁽¹⁾ Self Insurance Estimating Conference held in February 2013.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2011 for January 2012 Coverage

(Premium rate change ONLY for CHP and FHCP Medicare Participants)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁷⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	499.80	50.00	549.80	499.80	15.00	514.80
		Family	1,063.34	180.00	1,243.34	1,063.34	64.30	1,127.64
		Spouse	1,213.36	30.00	1,243.36	1,097.64	30.00	1,127.64
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	249.90	25.00	274.90	249.90	7.50	257.40
		Family	531.67	90.00	621.67	531.67	32.15	563.82
		Spouse	606.68	15.00	621.68	548.82	15.00	563.82
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	541.46	8.34	549.80	506.46	8.34	514.80
		Family	1,213.34	30.00	1,243.34	1,097.64	30.00	1,127.64
	Bi-Weekly Full -Time Employees ^(1,2)	Single	270.73	4.17	274.90	253.23	4.17	257.40
		Family	606.67	15.00	621.67	548.82	15.00	563.82
COBRA	Monthly ⁽³⁾	Single	0.00	560.80	560.80	0.00	482.60	482.60
		Family	0.00	1,268.21	1,268.21	0.00	1,065.20	1,065.20
Early Retirees	Monthly	Single	0.00	549.80	549.80	0.00	473.14	473.14
		Family	0.00	1,243.34	1,243.34	0.00	1,044.31	1,044.31
Overage Dependents		Single	0.00	549.80	549.80	0.00	473.14	473.14

Medicare Monthly Premium Rates (Effective January 1, 2012)

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁴⁾	One Under/Over ⁽⁵⁾	Both Eligible ⁽⁶⁾
Self-Insured PPO/HMO Plans	Standard	305.82	881.80	611.64
	HIHP	230.52	722.16	461.04
Capital Health Plan ⁽⁸⁾	Standard	266.00	895.49	532.00
	HIHP	244.69	810.36	489.38
Florida Health Care Plan ⁽⁸⁾	Standard	45.50	644.84	91.00
	HIHP	45.50	534.54	91.00

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) "Payalls" - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.

(3) Includes an additional 2% for administrative costs as permitted by federal regulations.

(4) Single coverage for participant eligible for Medicare Parts A and B.

(5) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(6) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(7) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

(8) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP for an additional premium.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective December 2012 for January 2013 Coverage

(Premium rate change ONLY for CHP and FHCP Medicare Participants)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	499.80	50.00	549.80	499.80	15.00	514.80
		Family	1,063.34	180.00	1,243.34	1,063.34	64.30	1,127.64
		Spouse	1,213.36	30.00	1,243.36	1,097.64	30.00	1,127.64
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	249.90	25.00	274.90	249.90	7.50	257.40
		Family	531.67	90.00	621.67	531.67	32.15	563.82
		Spouse	606.68	15.00	621.68	548.82	15.00	563.82
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	541.46	8.34	549.80	506.46	8.34	514.80
		Family	1,213.34	30.00	1,243.34	1,097.64	30.00	1,127.64
	Bi-Weekly Full -Time Employees ^(1,2)	Single	270.73	4.17	274.90	253.23	4.17	257.40
		Family	606.67	15.00	621.67	548.82	15.00	563.82
COBRA	Monthly ⁽³⁾	Single	0.00	560.80	560.80	0.00	482.60	482.60
		Family	0.00	1,268.21	1,268.21	0.00	1,065.20	1,065.20
Early Retirees	Monthly	Single	0.00	549.80	549.80	0.00	473.12	473.12
		Family	0.00	1,243.34	1,243.34	0.00	1,044.32	1,044.32
Overage Dependents		Single	0.00	549.80	549.80	0.00	473.14	473.14

Medicare Monthly Premium Rates (Premium rate change effective December 1, 2012 for CHP and FHCP only)				
Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO ⁽⁸⁾	Standard	305.82	881.80	611.64
	HIHP	230.52	722.16	461.04
Capital Health Plan ⁽⁹⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁹⁾	Standard	48.00	698.89	96.00
	HIHP	48.00	579.10	96.00

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) "Payalls" - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.

(3) Includes an additional 2% for administrative costs as permitted by federal regulations.

(4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

(5) Single coverage for participant eligible for Medicare Parts A and B.

(6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(7) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(8) Premium rates for Medicare participants enrolled in a Self-Insured HMO plan may differ from what is presented.

(9) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective May 2013 for June 2013 Coverage

(Premium rate change for all participants EXCEPT CHP and FHCP Medicare)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	537.74	50.00	587.74	537.74	15.00	552.74
		Family	1,149.14	180.00	1,329.14	1,149.14	64.30	1,213.44
		Spouse	1,299.16	30.00	1,329.16	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	268.87	25.00	293.87	268.87	7.50	276.37
		Family	574.57	90.00	664.57	574.57	32.15	606.72
		Spouse	649.58	15.00	664.58	591.72	15.00	606.72
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	579.40	8.34	587.74	544.40	8.34	552.74
		Family	1,299.14	30.00	1,329.14	1,183.44	30.00	1,213.44
	Bi-Weekly Full -Time Employees ^(1,2)	Single	289.70	4.17	293.87	272.20	4.17	276.37
		Family	649.58	15.00	664.58	591.72	15.00	606.72
COBRA	Monthly ⁽³⁾	Single	0.00	599.49	599.49	0.00	521.30	521.30
		Family	0.00	1,355.72	1,355.72	0.00	1,152.71	1,152.71
Early Retirees	Monthly	Single	0.00	587.74	587.74	0.00	511.08	511.08
		Family	0.00	1,329.14	1,329.14	0.00	1,130.11	1,130.11
Overage Dependents		Single	0.00	587.74	587.74	0.00	511.08	511.08

Medicare Monthly Premium Rates (Premium rate change effective May 1, 2013 for PPO only)

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	326.92	942.64	653.84
	HIHP	246.43	771.99	492.85
Capital Health Plan ⁽⁸⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁸⁾	Standard	48.00	698.89	96.00
	HIHP	48.00	579.10	96.00

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) "Payalls" - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.

(3) Includes an additional 2% for administrative costs as permitted by federal regulations.

(4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

(5) Single coverage for participant eligible for Medicare Parts A and B.

(6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(7) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(8) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective March 2014 for April 2014 Coverage

(Premium rate change for all participants EXCEPT COBRA and CHP / FHCP Medicare)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	591.52	50.00	641.52	591.52	15.00	606.52
		Family	1,264.06	180.00	1,444.06	1,264.06	64.30	1,328.36
		Spouse	1,429.08	30.00	1,459.08	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	295.76	25.00	320.76	295.76	7.50	303.26
		Family	632.03	90.00	722.03	632.03	32.15	664.18
		Spouse	714.54	15.00	729.54	649.18	15.00	664.18
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	637.34	8.34	645.68	598.18	8.34	606.52
		Family	1,429.06	30.00	1,459.06	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ^(1,2)	Single	318.67	4.17	322.84	299.09	4.17	303.26
		Family	714.54	15.00	729.54	649.18	15.00	664.18
COBRA	Monthly ⁽³⁾	Single	0.00	599.49	599.49	0.00	521.30	521.30
		Family	0.00	1,355.72	1,355.72	0.00	1,152.71	1,152.71
Early Retirees	Monthly	Single	0.00	641.52	641.52	0.00	564.86	564.86
		Family	0.00	1,444.06	1,444.06	0.00	1,245.03	1,245.03
Overage Dependents		Single	0.00	641.52	641.52	0.00	564.86	564.86

Medicare Monthly Premium Rates (Premium rate change effective March 1, 2014 for PPO and Self-Insured HMOs only)				
Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan ⁽⁸⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁸⁾	Standard	48.00	698.89	96.00
	HIHP	48.00	579.10	96.00

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) "Payalls" - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.

(3) Includes an additional 2% for administrative costs as permitted by federal regulations.

(4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

(5) Single coverage for participant eligible for Medicare Parts A and B.

(6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(7) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(8) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Premium Rate Table

Effective May 2014 for June 2014 Coverage

(Premium rate change for COBRA participants ONLY)

Subscriber Category / Contribution Cycle		Coverage Type	PPO/HMO Standard			PPO/HMO HIHP		
			Employer	Enrollee	Total	Employer ⁽⁴⁾	Enrollee	Total
Career Service	Monthly Full -Time Employees ⁽¹⁾	Single	591.52	50.00	641.52	591.52	15.00	606.52
		Family	1,264.06	180.00	1,444.06	1,264.06	64.30	1,328.36
		Spouse	1,429.08	30.00	1,459.08	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ⁽¹⁾	Single	295.76	25.00	320.76	295.76	7.50	303.26
		Family	632.03	90.00	722.03	632.03	32.15	664.18
		Spouse	714.54	15.00	729.54	649.18	15.00	664.18
"Payalls"	Monthly Full -Time Employees ^(1,2)	Single	637.34	8.34	645.68	598.18	8.34	606.52
		Family	1,429.06	30.00	1,459.06	1,298.36	30.00	1,328.36
	Bi-Weekly Full -Time Employees ^(1,2)	Single	318.67	4.17	322.84	299.09	4.17	303.26
		Family	714.54	15.00	729.54	649.18	15.00	664.18
COBRA	Monthly ⁽³⁾	Single	0.00	654.35	654.35	0.00	576.16	576.16
		Family	0.00	1,472.94	1,472.94	0.00	1,269.93	1,269.93
Early Retirees	Monthly	Single	0.00	641.52	641.52	0.00	564.86	564.86
		Family	0.00	1,444.06	1,444.06	0.00	1,245.03	1,245.03
Overage Dependents		Single	0.00	641.52	641.52	0.00	564.86	564.86

Medicare Monthly Premium Rates

Plan Name	Plan Type	Medicare I	Medicare II	Medicare III
		One Eligible ⁽⁵⁾	One Under/Over ⁽⁶⁾	Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO	Standard	359.61	1,036.90	719.22
	HIHP	271.07	849.19	542.15
Capital Health Plan ⁽⁸⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁸⁾	Standard	48.00	698.89	96.00
	HIHP	48.00	579.10	96.00

Notes:

(1) Premium contribution for Part-Time Employees is to be calculated as follows:

Step 1. State Contribution x FTE% = Calculated State Contribution

Step 2. Total Contribution - Calculated State Contribution = Employee Contribution

(2) "Payalls" - Includes executive, legislative and judicial branch agencies for employees with enhanced benefits, excluding Spouse Program participants.

(3) Includes an additional 2% for administrative costs as permitted by federal regulations.

(4) The employer monthly HSA contribution of \$41.66/single (\$500 annually) and \$83.33/family (\$1,000 annually) is included in the listed employer rates.

(5) Single coverage for participant eligible for Medicare Parts A and B.

(6) Family coverage for two or more participants, if at least one participant is eligible for Medicare Parts A and B.

(7) Family coverage for two participants and both are eligible for Medicare Parts A and B.

(8) Medicare eligible members who enroll with either CHP or FHCP must also enroll in a Medicare Advantage Prescription Drug ("MAPD") plan with CHP or FHCP.

Exhibit XIII

Abbreviations / Description of Terms

Accrual Basis	..... Accounting method in which transactions are recorded when the order is made, the item is delivered, or the services occur, regardless of when the money is actually received or paid. Income is recorded when the sale occurs, and expenses are recorded when goods or services are received.
ASO	..... Administrative Services Only
Cash Basis	..... Accounting method in which income is not recorded until cash, check or electronic payment is actually received, and expenses are not recorded until they are actually paid.
Carve-Out	..... Health insurance benefits that are separated from a contract and paid and administered under a different vendor/arrangement.
COBRA	..... Consolidated Omnibus Budget Reconciliation Act
DSGI	..... Division of State Group Insurance
FTE	..... Full Time Equivalency
FY	..... Fiscal Year (July 1 through June 30)
HIHP	..... Health Investor Health Plan (i.e., High Deductible Health Plan)
HMO	..... Health Maintenance Organization
HSA	..... Health Savings Account
IBNR	..... Incurred but not Reported Claims – The IBNR claims liability reflect the estimated total amount owed by the trust fund for valid medical claims incurred by self-insured plan members but not yet reported/submitted by providers to the state's TPA.
Fully-Insured Plan	..... A plan where the employer contracts with another organization to assume financial responsibility for the enrollees' medical claims and for all incurred administrative costs.
Medicare Advantage Prescription Drug (MAPD) Plan	..... A type of Medicare health plan offered by a private company that contracts with Medicare to provide beneficiaries with all Medicare Part A (hospital coverage), Part B (doctors' services, outpatient care, home health services, some preventive services, and other medical services) and Part D (prescription drugs) benefits. MAPDs include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans.
Medicare Part D Subsidy	..... A federal program passed as part of the Medicare Modernization Act (MMA) in 2003 to subsidize the costs of prescription drugs for Medicare beneficiaries in the United States. By being the primary payer for Medicare eligible subscribers drug claims, the state receives 28 percent of covered charges (net of rebates) between \$310 and \$6,300 for each Medicare-eligible participant.
Outstanding Drafts	..... Represent drafts (checks) that have been issued by the PPO plan TPA but have not been presented to the bank account for payment.
N/A	..... Not applicable.
PBM	..... Pharmacy Benefits Manager
PPACA	..... Patient Protection and Affordable Care Act signed into law on March 23, 2010, known as the Federal Health Care Reform
PPO	..... Preferred Provider Organization
Self-Insured Plan	..... A plan offered by employers who directly assume the major cost of health insurance for their employees. Some self-insured employers contract with insurance carriers or third party administrators for claims processing and other administrative services; other self-insured plans are self-administered. All types of plans (Conventional Indemnity, Preferred Provider Organizations, Exclusive Provider Organizations, Health Maintenance Organizations, Point of Service, and Physician Hospital Organizations) can be financed on a self-insured basis. Employers may offer both self-insured and fully insured plans to their employees.
TPA	..... Third Party Administrator

**Post Legislative Session Impact Outlook on the
State Health Insurance Program
of the Patient Protection and Affordable Care Act**

**Adopted August 8, 2013 by the
Self-Insurance Estimating Conference**

**POST SESSION IMPACT ON THE STATE HEALTH INSURANCE PROGRAM
OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT**

EXECUTIVE SUMMARY

The Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010. PPACA has many components, including new reporting mandates, taxes and fees, and major structural changes such as insurance reforms, employer and individual mandates, and insurance exchanges phasing in over many years. Every employer-sponsored health plan, including the State Group Insurance Program, will be affected.

The Division of State Group Insurance (DSGI) contracted with a consultant (Mercer) in 2010 to estimate the annual financial impact of PPACA. The results of the consultant's analysis, published on September 1, 2010, were included as an appendix to subsequent State Employee's Group Health Insurance Trust Fund estimating conference documents, adjusted as necessary, and rolled up into single lines in the revenues and expense categories for reporting purposes. The original estimates have been revised over time by subsequent conferences based on revised assumptions and information. In the August 2012 conference, at the request of the Principals, the impacts of PPACA began being reported separately from the Report on the Financial Outlook of the State Employees' Group Health Self-Insurance Trust Fund. In February 2013, DSGI contracted with Milliman Consultants to use more recent data to determine estimates of pass-through fees related to the pharmaceutical industry, 2.3% excise tax on medical devices, and reinsurance program fees.

The major health care reform provisions with potential employer impact that have been implemented, or are in the process of being implemented, for the Program, include:

- Elimination of overall lifetime plan maximums;
- Removal of annual limits for essential health benefits;
- Elimination of pre-existing condition exclusions for children under age 19;
- Patient-centered outcome research institute fees (phased in at \$1 to \$2 per participant); and
- Extended coverage for employees' adult children to age 26 without regard to dependency.

Major changes, effective January 1, 2014, include:

- Imposition of pass-through fees relating to the pharmaceutical industry; 2.3% excise tax on medical devices; and reinsurance, risk corridors, and risk adjustment;
- Elimination of all pre-existing condition limitations;
- "Shared responsibility" provisions requiring employers to offer affordable coverage meeting minimum standards to full-time workers (30 or more hours per week) or face potential penalties; and
- Individual mandate to maintain health coverage or face a penalty.

The February 2013 Impact Report recognized the fiscal impact of the following activities:

1. Changes in OPS and Opt-Out enrollment assumptions based on January 2013 data.
2. Revised estimates of pass-through fees based on February 2013 updated Milliman analysis.

Senate Bill 1802 was adopted by the Florida Legislature during the 2013 legislative session, which allows certain eligible employees paid from Other Personal Services (OPS) funds to participate in the State Group Insurance Program.

This Post Legislative Session Impact Report recognizes fiscal impact of the following to previously reported OPS and Opt Out premiums:

1. State health insurance premium increases established in the 2013 General Appropriations Act (GAA) (Section 8).
2. Removal of Fiscal year 2012-13 and additional of Fiscal Year 2016-17 revenue and expense projections.
3. Removal of previously forecast projections of 2.3% excise tax on medical devices.

The 2013 GAA established premium increases for active participants enrolled in the self-funded plans effective March 1, 2014. This report reflects changes to revenue projections impacted by the premium increases set forth in the 2013 GAA. Enrollment assumptions and expense projections reflect estimates as reported in the February 2013 Impact Report.

The impact of the increased premium rates to revenues forecasted in the February 2013 Report for OPS and Opt Out assumptions are:

	<u>February 2013</u>	<u>August 2013</u>	<u>Increase</u>
2013-14	\$42.74 million	\$44.91 million	\$2.17 million
2014-15	\$82.54 million	\$89.84 million	\$7.30 million
2015-16	\$89.14 million	\$97.04 million	\$7.90 million

**SUMMARY OF PPACA REFORMS WITH A FISCAL IMPACT ON THE
STATE EMPLOYEES' HEALTH INSURANCE PROGRAM (PROGRAM)**

1. Early Retiree Reinsurance Program (ERRP) – Interim Final Regulations Effective on June 1, 2010

- **Effective June 2010**
 - No estimated fiscal impact to Trust Fund (Estimated fiscal impact modified by Division of State Group Insurance to reflect that federal money provided for this purpose has been depleted prior to the state receiving any requested reimbursements.)
-

Provides reimbursement to participating employment-based plans for a portion of the cost of health benefits for early retirees and their spouses, surviving spouses and dependents.

- 80% Reimbursement for certain claims between \$15,000 and \$90,000 (with those amounts being indexed for plan years starting on or after October 1, 2011).
- Claims must be for participants ages 55-64 who are not Medicare eligible.
- Payments must be used to lower plan costs (i.e., offsetting future premium increases for all members).

2. No lifetime dollar maximum

- **Effective January 1, 2011**
 - Actual costs are embedded in medical and pharmacy claims reported in FY 2011-12 and subsequent years. As a result, specific costs cannot be separately identified for this estimate and are not included.
-

Plans cannot impose any lifetime dollar limits on benefits.

- Plans may place lifetime limits per beneficiary on specific covered benefits other than “essential health benefits,” if the limits are otherwise permitted by federal or state law.
- **Essential health benefits** include items and services in the below listed categories:
 - ambulatory patient services; emergency services; hospital, maternity and newborn care; mental health and substance use disorders, including behavioral health treatment; prescription drugs; rehabilitative services and devices; laboratory services; preventive and wellness services; chronic disease management; and pediatric services, including oral and vision care.

3. Restricted annual dollar limits

- **Effective January 1, 2011**
 - No estimated fiscal impact as minimum requirements are already met by the Program.
-

All insured and self-insured group health plans will face new rules on annual dollar limits. For plan years subsequent to 2011, “restricted” or no annual dollar limits may apply to “essential health benefits” (discussed below).

- The maximum annual dollar limit that may be imposed on essential health benefits are:
 - \$750,000 for the plan year beginning on or after September 23, 2010 but before September 23, 2011.

- \$1,250,000 for the plan year beginning on or after September 23, 2011 but before September 23, 2012.
- \$2,000,000 for the plan year beginning on or after September 23, 2012 but before January 1, 2014.
- No annual dollar limits permitted for plan years on or after January 1, 2014.
- Plans may impose annual per-beneficiary limits on non-essential benefits.

4. Elimination of preexisting condition for subscribers or dependents under 19 – Interim Final Regulations Issued on June 28, 2010

▪ **Effective January 1, 2011**

- Actual costs were incurred as part of medical and pharmacy claims in FY 2011-12 and are indeterminable as pertains to PPACA. Costs for FY 2012-13 through FY 2014-15 are based on the FY 2011-12 actual and are also indeterminable.
-

Before 2014, insured and self-insured plans cannot impose preexisting condition exclusions for subscribers and dependents under age 19.

- Until 2014, employers may continue to adopt or retain preexisting condition exclusions for participants ages 19 and older.
- A general ban is effective for all members for plan years starting in 2014. See #8 below.

5. Patient-centered outcome research institute fees

▪ **Effective October 1, 2012 for the next plan year.**

- Annual estimated fiscal impact for the Program – **\$750,000** .
-

- State of Florida Employees’ Group Health Insurance Program - Beginning January 1, 2012, \$1 per participant in 1st year.
- \$2 in subsequent years, from 2013 thru 2019 (sunset after 2019).

6. Other pass-through fees include pharmaceutical industry fees; 2.3% excise tax on medical devices and reinsurance.

▪ **Effective January 1, 2014**

- Annual estimated fiscal impact for the Program – **FY 13-14 \$15.63 million; FY 14-15 \$22.45 million; and FY 15-16 \$16.89 million**
-

7. Extension of coverage for all adult children until age 26 – Interim Final Regulations Issued on July 12, 2010

▪ **Effective January 1, 2011**

- Actual costs were embedded in medical and pharmacy claims in FY 2011-12 and subsequent years. As a result, specific costs cannot be separately identified for this estimate and are not included.
-

Applies to fully-insured and self-insured group health plans providing dependent coverage.

- Coverage available until the child’s 26th birthday.
- The mandate applies regardless of the typical criteria for dependent status under the tax

law, such as whether the adult child resides with the covered employee or is the employee's tax dependent, a full or part-time student, or married or unmarried.

- Plans may extend coverage beyond the child's 26th birthday – for example, until the end of the plan year in which the child turns 26. However, plans will not have to extend coverage to an adult child's dependents.
- No special-enrollment period required; eligible dependents need not be enrolled until the plan's next open enrollment.

8. Eliminate all preexisting condition limitations – Interim Final Regulations Issued on July 30, 2010

- **Effective January 1, 2014**
 - Annual estimated fiscal impact for the Program –**\$4.3 million.**
-

Preexisting condition limitation exclusion applies to all plan participants regardless of age as of January 1, 2014. See #4 above.

9. Free-choice vouchers (FCVs) – Repealed by Congress

- **Effective January 1, 2014**
- **No** estimated fiscal impact to the Program.

10. Individual mandate “free rider surcharge”

- **Effective January 1, 2014**
 - **No** estimated direct fiscal impact to the Program.
-

Individuals who fail to maintain coverage will face a penalty (the lesser of the following amounts):

- National average premium for the year, or
- The greater of:
 - 1% Adjusted Gross Income (AGI) in 2014; 2% AGI in 2015; 2.5% AGI thereafter, or
 - \$95 in 2014; \$325 in 2015; \$695 thereafter.

11. Medicaid expansion and migration to Exchange

- **Effective January 1, 2014**
 - There will be no direct fiscal impact to the Program unless the state elects to expand the current Medicaid Program to include the optional enhancements. The optional enhancements would expand the current Medicaid Program to cover persons up to 138% of the Federal Poverty Level (FPL) beginning in 2014.
-

Medicaid can be expanded to up to 138% of Federal Poverty Level (FPL), effective 2014 when the State-exchanges come online.

12. Employer mandate with federal subsidies

- **Effective January 1, 2014**
 - Total estimated fiscal impact for the Program – See item #12 on the Summary of Fiscal Impacts to the State Group Insurance Program for details.
-

- Large employers (those employing 50 or more) are required to offer health coverage to all “full-time” employees (i.e., persons who annually work an average of 30 hours or more per week).
- Employer penalty for failing to offer health coverage for all such “full-time” employees = \$2,000 per year, per employee as to all employees, if one or more employees enroll in an exchange and receive a premium credit.
- Subsidies available to anyone on an exchange plan with household income 133-400% FPL (person cannot be Medicaid eligible).
- Income level must be verifiable for the two years prior to the current calendar year of coverage (example, eligibility for affordability assistance for 2016 is based on household income for 2014).
- Assistance in the form of premium credits will be provided for exchange-participants on a sliding scale based on household income. Premium credits will be paid directly to the insurer; individuals will be required to pay insurers any remaining premium amount.
- Employer penalties = \$3,000 per year for each employee enrolled in the exchange and receiving a subsidy, if employee is offered coverage which is unaffordable (i.e., cost exceeds 9.5% of the employee’s income as reported on his/her W-2) or if the offered coverage fails to cover a minimum of 60% of covered health care expenses. Capped at \$2,000 per FTE.
- Employers with more than 200 full-time employees must automatically enroll new full-time employees in a plan (and continue enrollment of current employees). (The implementation date is subject to the adoption of required federal regulations.)

In most instances, these impacts will be borne by the State Employee Health Insurance Trust Fund. In some instances, the fiscal impacts may be borne by other funding sources or participating employers, as determined by the Legislature.

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	FY 2013-14			FY 2014-15			FY 2015-16			FY 2016-17 ⁽²⁾		
			Feb '13	Aug '13	Diff	Feb '13	Aug '13	Diff	Feb '13	Aug '13	Diff	Feb '13	Aug '13	Diff
			NO ESTIMATED IMPACT ON THE TRUST FUND											
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND											
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED											
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND											
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED											
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year) ⁽³⁾	Jan 2012	R	-	-	-	-	-	-	-	-	-	-	-	
		E	0.38	0.38	-	0.75	0.75	-	0.75	0.75	-	-	0.75	0.75
	Net	(0.38)	(0.38)	-	(0.75)	(0.75)	-	(0.75)	(0.75)	-	-	(0.75)	(0.75)	
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011	E	ALREADY EMBEDDED											
	Jan 2013	E	0.35	-	(0.35)	0.38	-	(0.38)	0.42	-	(0.42)	-	-	-
	Jan 2014	E	9.89	9.89	-	16.45	16.45	-	10.71	10.71	-	-	(4.12)	(4.12)
	Net	(10.24)	(9.89)	0.35	(16.83)	(16.45)	0.38	(11.13)	(10.71)	0.42	-	-	4.12	4.12
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED											
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-	-	-	
		E	2.03	2.03	-	4.30	4.30	-	4.30	4.30	-	-	4.30	4.30
		Net	(2.03)	(2.03)	-	(4.30)	(4.30)	-	(4.30)	(4.30)	-	-	(4.30)	(4.30)
9. Free choice vouchers		Net	REPEALED BY CONGRESS											
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND											
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR											
12. Employer Mandate with federal subsidies	Jan 2014	R	9.26	9.73	0.47	25.14	27.34	2.20	31.74	34.54	2.80	-	34.54	34.54
		R	11.56	12.14	0.58	19.82	21.58	1.76	19.82	21.58	1.76	-	21.58	21.58
		R	21.92	23.04	1.12	37.58	40.92	3.34	37.58	40.92	3.34	-	40.92	40.92
		E	8.07	8.07	-	26.16	26.16	-	37.94	37.94	-	-	41.20	41.20
		E	12.28	12.28	-	26.54	26.54	-	28.88	28.88	-	-	31.34	31.34
		E	23.32	23.32	-	50.36	50.36	-	54.82	54.82	-	-	59.46	59.46
		Net	(0.93)	1.24	2.17	(20.52)	(13.22)	7.30	(32.50)	(24.60)	7.90	-	(34.96)	(34.96)
TOTAL REVENUES ⁽⁸⁾			42.74	44.91	2.17	82.54	89.84	7.30	89.14	97.04	7.90	-	97.04	97.04
TOTAL EXPENSES			56.32	55.97	(0.35)	124.94	124.56	(0.38)	137.82	137.40	(0.42)	-	141.17	141.17
NET TOTAL ⁽⁹⁾			(13.58)	(11.06)	2.52	(42.40)	(34.72)	7.68	(48.68)	(40.36)	8.32	-	(44.13)	(44.13)
Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾ :														
Agency			0.20	0.27	0.07	0.40	0.48	0.08	0.40	0.48	0.08	-	0.48	0.48
Universities			0.22	0.30	0.08	0.44	0.53	0.09	0.44	0.53	0.09	-	0.53	0.53

See Notes on Page 13

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	FY 2013-14 Total	FY 2014-15 Total	FY 2015-16 Total	FY 2016-17 Total ⁽²⁾
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND			
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED			
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND			
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED			
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes out years same as 2nd year) ⁽³⁾	Jan 2012	R E Net	- 0.38 (0.38)	- 0.75 (0.75)	- 0.75 (0.75)	- 0.75 (0.75)
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011 Jan 2013 Jan 2014	E E E Net	NO REVENUES FOR THIS ITEM			
			ALREADY EMBEDDED			
			ALREADY EMBEDDED			
			9.89 (9.89)	16.45 (16.45)	10.71 (10.71)	4.12 (4.12)
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED			
8. Eliminate all preexisting condition limitations	Jan 2014	R E Net	- 2.03 (2.03)	- 4.30 (4.30)	- 4.30 (4.30)	- 4.30 (4.30)
9. Free choice vouchers		Net	REPEALED BY CONGRESS			
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND			
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR			
12. Employer Mandate with federal subsidies	Jan 2014					
Opt-Outs ⁽⁴⁾		R	9.73	27.34	34.54	34.54
Agency OPS ⁽⁵⁾⁽⁶⁾		R	12.14	21.58	21.58	21.58
Universities OPS ⁽⁵⁾⁽⁷⁾		R	23.04	40.92	40.92	40.92
Opt-Outs ⁽⁴⁾		E	8.07	26.16	37.94	41.20
Agency OPS ⁽⁵⁾⁽⁶⁾		E	12.28	26.54	28.88	31.34
Universities OPS ⁽⁵⁾⁽⁷⁾		E	23.32	50.36	54.82	59.46
		Net	(1.24)	(13.22)	(24.60)	(34.96)
TOTAL REVENUES ⁽⁸⁾			44.91	89.84	97.04	97.04
TOTAL EXPENSES			55.97	124.56	137.40	141.17
NET TOTAL ⁽⁹⁾			(11.06)	(34.72)	(40.36)	(44.13)

Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾ :					
Agency	0.27	0.48	0.48	0.48	0.48
Universities	0.30	0.53	0.53	0.53	0.53

See Notes on Page 13

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	Estimated Annual Fiscal Impact								FY 2013-14 Total
			FY 2013-14				FY 2013-14				
			July-December				January-June				
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED								
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED								
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year) ⁽³⁾	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.18	-	0.20	0.38	0.38
		Net	-	-	-	-	(0.18)	-	(0.20)	(0.38)	(0.38)
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011	R	NO REVENUES FOR THIS ITEM								
	Jan 2013	E	ALREADY EMBEDDED								
	Jan 2014	E	ALREADY EMBEDDED								
		Net	-	-	-	-	-	-	-	9.89	9.89
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED								
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.69	0.21	1.13	2.03	2.03
		Net	-	-	-	-	(0.69)	(0.21)	(1.13)	(2.03)	(2.03)
9. Free choice vouchers		Net	REPEALED BY CONGRESS								
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR								
12. Employer Mandate with federal subsidies	Jan 2014	R	-	-	-	-	-	-	-	9.73	9.73
		R	-	-	-	-	-	-	-	12.14	12.14
		R	-	-	-	-	-	-	-	23.04	23.04
		E	-	-	-	-	-	-	-	8.07	8.07
		E	-	-	-	-	-	-	-	12.28	12.28
		E	-	-	-	-	-	-	-	23.32	23.32
		Net	-	-	-	-	-	-	-	(1.24)	(1.24)
TOTAL REVENUES ⁽⁶⁾			-	-	-	-	-	-	-	44.91	44.91
TOTAL EXPENSES			-	-	-	-	0.87	0.21	1.33	55.97	55.97
NET TOTAL ⁽⁹⁾			-	-	-	-	(0.87)	(0.21)	(1.33)	(11.06)	(11.06)

Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾:

Agency	0.27
Universities	0.30

See Notes on Page 13

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

			Estimated Annual Fiscal Impact								
			FY 2014-15								
Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	July-December				January-June				FY 2014-15 Total
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED								
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED								
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year) ⁽³⁾	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.33	-	0.42	0.75	0.75
		Net	-	-	-	-	(0.33)	-	(0.42)	(0.75)	(0.75)
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011 Jan 2013 Jan 2014	R	NO REVENUES FOR THIS ITEM								
		E	ALREADY EMBEDDED								
		E	ALREADY EMBEDDED								
		Net	-	-	-	9.89	-	-	-	6.56	16.45
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED								
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	
		E	0.71	0.22	1.16	2.09	0.75	0.23	1.23	2.21	4.30
		Net	(0.71)	(0.22)	(1.16)	(2.09)	(0.75)	(0.23)	(1.23)	(2.21)	(4.30)
9. Free choice vouchers		Net	REPEALED BY CONGRESS								
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR								
12. Employer Mandate with federal subsidies	Jan 2014	R	-	-	-	13.67	-	-	-	13.67	27.34
		R	-	-	-	10.79	-	-	-	10.79	21.58
		R	-	-	-	20.46	-	-	-	20.46	40.92
		E	-	-	-	13.08	-	-	-	13.08	26.16
		E	-	-	-	13.27	-	-	-	13.27	26.54
		E	-	-	-	25.18	-	-	-	25.18	50.36
		Net	-	-	-	(6.61)	-	-	-	(6.61)	(13.22)
TOTAL REVENUES ⁽⁸⁾			-	-	-	44.92	-	-	-	44.92	89.84
TOTAL EXPENSES			0.71	0.22	1.16	63.51	1.08	0.23	1.65	61.05	124.56
NET TOTAL ⁽⁹⁾			(0.71)	(0.22)	(1.16)	(18.59)	(1.08)	(0.23)	(1.65)	(16.13)	(34.72)

Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾:

Agency	0.48
Universities	0.53

See Notes on Page 13

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	Estimated Annual Fiscal Impact								FY 2015-16 Total
			July-December				January-June				
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED								
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED								
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes out years same as 2nd year) ⁽³⁾	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.33	-	0.42	-	0.75
		Net	-	-	-	-	(0.33)	-	(0.42)	-	(0.75)
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011 Jan 2013 Jan 2014	R E E E Net	NO REVENUES FOR THIS ITEM								
		E	ALREADY EMBEDDED								
		E	ALREADY EMBEDDED								
		E	-	-	-	6.59	-	-	-	4.12	10.71
		Net	-	-	-	(6.59)	-	-	-	(4.12)	(10.71)
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED								
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	0.71	0.22	1.16	2.09	0.75	0.23	1.23	2.21	4.30
		Net	(0.71)	(0.22)	(1.16)	(2.09)	(0.75)	(0.23)	(1.23)	(2.21)	(4.30)
9. Free choice vouchers		Net	REPEALED BY CONGRESS								
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR								
12. Employer Mandate with federal subsidies	Jan 2014	R	-	-	-	17.27	-	-	-	17.27	34.54
Opt-Outs ⁽⁴⁾		R	-	-	-	10.79	-	-	-	10.79	21.58
Agency OPS ⁽⁵⁾⁽⁶⁾		R	-	-	-	20.46	-	-	-	20.46	40.92
Universities OPS ⁽⁵⁾⁽⁷⁾		E	-	-	-	18.97	-	-	-	18.97	37.94
Opt-Outs ⁽⁴⁾		E	-	-	-	14.44	-	-	-	14.44	28.88
Agency OPS ⁽⁵⁾⁽⁶⁾		E	-	-	-	27.41	-	-	-	27.41	54.82
Universities OPS ⁽⁵⁾⁽⁷⁾		E	-	-	-	12.30	-	-	-	12.30	24.60
		Net	-	-	-	(12.30)	-	-	-	(12.30)	(24.60)
TOTAL REVENUES ⁽⁶⁾			-	-	-	48.52	-	-	-	48.52	97.04
TOTAL EXPENSES			0.71	0.22	1.16	69.50	1.08	0.23	1.65	67.90	137.40
NET TOTAL ⁽⁹⁾			(0.71)	(0.22)	(1.16)	(20.98)	(1.08)	(0.23)	(1.65)	(19.38)	(40.36)

Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾:

Agency	0.48
Universities	0.53

See Notes on Page 13

Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) ⁽¹⁾
(In Millions)

			Estimated Annual Fiscal Impact								
			FY 2016-17								
Reform	Effective Date	Revenue(R) Expense (E) Net ⁽²⁾	July-December				January-June				FY 2016-17 Total
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
2. No lifetime dollar maximum	Jan 2011	Net	ALREADY EMBEDDED								
3. Restricted annual dollar limits		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	Net	ALREADY EMBEDDED								
5. Patient-centered outcomes research institute fees (\$1 per participant in first year, \$2 in 2nd year, assumes 3rd year is same as 2nd year) ⁽³⁾	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.33	-	0.42	0.75	0.75
		Net	-	-	-	-	(0.33)	-	(0.42)	(0.75)	(0.75)
6. Other pass-through fees to include: Pharmaceutical industry fees 2.3% excise tax on medical devices Reinsurance (Expires 12/31/16)	Jan 2011 Jan 2013 Jan 2014		NO REVENUES FOR THIS ITEM								
		E	ALREADY EMBEDDED								
		E	ALREADY EMBEDDED								
		Net	-	-	-	4.12	-	-	-	-	4.12
7. Extension of coverage for all adult children until age 26	Jan 2011	Net	ALREADY EMBEDDED								
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	0.71	0.22	1.16	2.09	0.75	0.23	1.23	2.21	4.30
		Net	(0.71)	(0.22)	(1.16)	(2.09)	(0.75)	(0.23)	(1.23)	(2.21)	(4.30)
9. Free choice vouchers		Net	REPEALED BY CONGRESS								
10. Individual Mandate "free rider surcharge"		Net	NO ESTIMATED IMPACT ON THE TRUST FUND								
11. Medicaid Expansion and migration into Exchange		Net	PENDING FUTURE ACTION BY THE LEGISLATURE AND GOVERNOR								
12. Employer Mandate with federal subsidies	Jan 2014	R	-	-	-	17.27	-	-	-	17.27	34.54
		R	-	-	-	10.79	-	-	-	10.79	21.58
		R	-	-	-	20.46	-	-	-	20.46	40.92
		E	-	-	-	20.60	-	-	-	20.60	41.20
		E	-	-	-	15.67	-	-	-	15.67	31.34
		E	-	-	-	29.73	-	-	-	29.73	59.46
		Net	-	-	-	(17.48)	-	-	-	(17.48)	(34.96)
TOTAL REVENUES ⁽⁸⁾			-	-	-	48.52	-	-	-	48.52	97.04
TOTAL EXPENSES			0.71	0.22	1.16	72.21	1.08	0.23	1.65	68.96	141.17
NET TOTAL ⁽⁹⁾			(0.71)	(0.22)	(1.16)	(23.69)	(1.08)	(0.23)	(1.65)	(20.44)	(44.13)

Estimated annual revenue shift from Employee to Employer premium contributions for 0.75 - 0.99 FTEs (in millions) ⁽¹⁰⁾:

Agency	0.48
Universities	0.53

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Notes to the Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA)

(1) Projected revenues and expenses for Items 1 - 11 provided by Milliman Consulting. Revenues and expenses for Item 12 are projected using the analyses described in Notes 4 and 6.

(2) "Net" is defined as Revenue less Expense.

(3) Patient-centered outcomes research institute fees reflect the fiscal year in which payment of the fees will actually occur, in July for the previous fiscal year.

(4) As of January 1, 2013, 13,414 eligible individuals have opted-out ("Opt-Outs") of the Health Insurance Plan. Using the January 2013 Single and Family ratios of 46.3% and 53.7%, respectively, it is projected that 6,211 will qualify for single coverage and 7,203 will qualify for family coverage if they elect to enter the Plan. It is projected that 20% of the Opt-Outs will elect to enter the Plan with 10% entering on January 1, 2014, and the remaining 10% on January 1, 2015. Revenues for FY 2013-14 are determined by multiplying Single enrollment by \$4,329.30 (7-months premium) and Family enrollment by \$9,763.66 (7-months premium). For FY 2014-15, revenues are determined by multiplying 50% of Single enrollment by \$4,490.64.18 (7-months premium), 50% of Single enrollment by \$7,698.24 (12-months premium), 50% of Family enrollment by \$10,108.42 (7-months premium), and 50% of Family enrollment by \$17,328.72 (12-months premium). Expenses for FY 2013-14 are determined by multiplying the Opt-Out enrollment by \$6,016.14 (6-months claims expense). For FY 2014-15, expenses are determined by multiplying 50% of Opt-Out enrollment by \$12,994.97 (12-months claims expense) and 50% of Opt-Out enrollment by \$6,497.48 (6-months claims expense). These amounts are the Program Cost per Contract for the respective fiscal year computed for the February 2013 Conference.

(5) Senate Bill 1802 was adopted by the Florida Legislature during the 2013 legislative session, which allows certain eligible employees paid from Other Personal Services (OPS) funds to participate in the State Group Insurance Program effective January 1, 2014. Revenue and expenses are projected using the analyses described in Notes 6 and 7.

(6) There are an estimated 3,015 State Agency OPS employees not covered under the State's Health Insurance Plan who work an annual average of 30 hours or more per week. 59.72% are Single (24.31% are under 30 years old) and 40.28% are Married. It is projected that 50% of the Married OPS will elect to enter the Plan on January 1, 2014, 50% of the Single OPS Under 30 Years Old will elect to enter the Plan on January 1, 2014, and all of the Single OPS Over 30 Years Old will elect to enter the Plan on January 1, 2014. Revenues for FY 2013-14 are determined by multiplying Single enrollment by \$4,329.30 (7-months premium) and Family enrollment by \$9,763.66 (7-months premium). For FY 2014-15 through FY 2016-17, revenues are determined by multiplying Single enrollment by \$7,698.24 (12-months premium) and Family enrollment by \$17,328.72 (12-months premium). Expenses are determined by multiplying the OPS enrollment by \$6,016.14 (6-months claims expense) for FY 2013-14 and \$12,994.97 (12-months claims expense) for FY 2014-15; and \$14,143.43 and \$15,348.75 respectively for FY 2015-16 and 2016-17. These amounts are the Program Cost per Contract for the respective fiscal year computed for the February 2013 Conference.

(7) The State University System of Florida Board of Governors reported that as of January 1, 2012, there were an estimated 5,722 State University System OPS employees who worked an annual average of 30 hours or more per week. Assumptions pertaining to Single and Married percentages, as well as calculations for Revenues and Expenses, are the same as for State Agency OPS, as noted in (6) above.

(8) Revenues are derived largely from state-paid premiums. The funding methodology determined by the Legislature will establish the cost to the participating employers.

(9) The "net total" simply shows the shortfalls resulting from projected revenues being less than projected expenses.

(10) As of January 1, 2013, there were approximately 425 State Agency and University System employees who worked 30-39 hours per week. These employees are currently required to pay the full employee health insurance premium plus a prorated portion of the employer premium. Under PPACA, employees working more than 30 hours per week meet the definition of "full-time employee". This is the estimated annual portion of the employer premium revenue these employees are paying that will be shifted back to the employer.

University: State University System

Included special units:
 1. _____
 2. _____
 3. _____

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
1. Number of OPS Employees, EXCLUDING ADJUNCT FACULTY	5,201	7,389	6,851	7,089	6,922	8,242	7,293	7,255	7,051	7,394	7,219	7,064
2. Number of adjunct faculty	521	673	683	675	376	370	330	549	660	714	738	564
3. Total number of the above with insurance provided/paid by or required by the university	2,002	2,179	2,089	2,095	2,052	2,204	1,810	2,096	2,121	2,211	2,151	2,085
1 + 2 - 3	3,720	5,883	5,445	5,669	5,246	6,408	5,813	5,708	5,590	5,897	5,806	5,543
4. Percent of those OPS/adjunct faculty salaries funded from E&G funds												
5. Percent of those OPS/adjunct faculty salaries funded from grants, faculty practice or other non-E&G funds												
6. Total of #4 and #5 (should equal 100%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

¹ Include graduate assistants, research assistants, postdoctoral assistants, clinical post-doctoral assistants, medical residencies/interns/housestaff, and all other OPS positions.