

JAMES A. SCOTT
President



PETER R. WALLACE
Speaker



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


DIVISION OF ECONOMIC AND DEMOGRAPHIC RESEARCH

Representative Jack Ascherl, Chair
Senator Toni Jennings, Vice-Chair
Senator W. D. Childers
Senator Ronald A. Silver
Representative F. Allen Boyd, Jr.
Representative James E. "Jim" King, Jr.

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

MEMORANDUM

TO: Interested Parties

FROM: Pam Johnson 
Economic and Demographic Research

DATE: November 20, 1996

SUBJECT: Results--11/20/96 Conference on State Employees' Health Insurance Trust Fund

Attached for your information are tables containing the results of the November 20, 1996 Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund. The Trust Fund is projected to have a cash deficit of \$23.5 million at the end of 1997-98. Please call me at 487-8269 should you have any questions.

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

	Feb 96		
	Estimate	Actual	Diff.
BEGINNING BALANCE	\$103.6	\$103.6	\$0.0
<u>INCOME</u>			
Retired Teachers Appropriation	\$1.9	\$1.9	\$0.0
Premiums--State	\$502.8	\$504.7	\$1.9
Premiums--Employees			\$0.0
Premiums--Medicare Patients			\$0.0
Premiums--Other Non-employees			\$0.0
Interest	\$5.6	\$5.8	\$0.2
Transfer from Pretax Trust Fund	\$9.5	\$10.5	\$1.0
Refunds and Rebates	\$8.9	\$7.4	(\$1.5)
TOTAL INCOME	\$528.7	\$530.3	\$1.6
<u>EXPENDITURES</u>			
Medical Claims	\$290.2	\$270.4	(\$19.8)
Prescription Drug Program Claims and Administration	\$52.1	\$54.2	\$2.1
HMO Contract Fees	\$175.6	\$178.0	\$2.4
Third-Party Administration	\$15.1	\$15.3	\$0.2
Division of State Employees' Insurance Administration	\$4.0	\$3.1	(\$0.9)
Transfer to Agency for Health Care Administration	\$0.8	\$0.8	\$0.0
Other Expenses	\$2.0	\$2.5	\$0.5
TOTAL EXPENDITURES	\$539.8	\$524.3	(\$15.5)
NET INCOME (INCOME LESS EXPENDITURES)	(\$11.1)	\$6.0	\$17.1
ENDING BALANCE	\$92.5	\$109.7	\$17.2

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1996-97

	<u>Feb 96</u> <u>Estimate</u>	<u>Nov 96</u> <u>Estimate</u>	<u>Diff.</u>
BEGINNING BALANCE	\$92.5	\$109.7	\$17.2
<u>INCOME</u>			
Retired Teachers Appropriation	\$1.9	\$0.0	(\$1.9)
Premiums--State	\$366.2	\$363.5	(\$2.7)
Premiums--Employees	\$99.6	\$98.9	(\$0.7)
Premiums--Medicare Patients	\$25.5	\$25.0	(\$0.5)
Premiums--Other Non-employees	\$17.6	\$16.6	(\$1.0)
Interest	\$3.9	\$3.7	(\$0.2)
Transfer from Pretax Trust Fund	\$9.5	\$10.5	\$1.0
Refunds and Rebates	\$8.4	\$6.2	(\$2.2)
TOTAL INCOME	<u>\$532.6</u>	<u>\$524.4</u>	<u>(\$8.2)</u>
<u>EXPENDITURES</u>			
Medical Claims	\$283.4	\$303.0	\$19.6
Prescription Drug Program Claims and Administration	\$55.2	\$58.8	\$3.6
HMO Contract Fees	\$204.7	\$210.0	\$5.3
Third-Party Administration	\$13.3	\$11.1	(\$2.2)
Division of State Employees' Insurance Administration	\$3.6	\$3.6	\$0.0
Transfer to Agency for Health Care Administration	\$0.8	\$0.7	(\$0.1)
Other Expenses	\$1.0	\$1.0	\$0.0
TOTAL EXPENDITURES	<u>\$562.0</u>	<u>\$588.2</u>	<u>\$26.2</u>
NET INCOME (INCOME LESS EXPENDITURES)	(\$29.4)	(\$63.8)	(\$34.4)
ENDING BALANCE	<u>\$63.1</u>	<u>\$45.9</u>	<u>(\$17.2)</u>

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1997-98

	<u>Feb 96</u> <u>Estimate</u>	<u>Nov 96</u> <u>Estimate</u>	<u>Diff.</u>
BEGINNING BALANCE	\$63.1	\$45.9	(\$17.2)
<u>INCOME</u>			
Retired Teachers Appropriation	\$1.9	\$0.0	(\$1.9)
Premiums--State	\$371.1	\$363.7	(\$7.4)
Premiums--Employees	\$100.9	\$99.0	(\$1.9)
Premiums--Medicare Patients	\$25.8	\$26.2	\$0.4
Premiums--Other Non-employees	\$17.8	\$17.4	(\$0.4)
Interest	\$0.6	\$0.5	(\$0.1)
Transfer from Pretax Trust Fund	\$9.5	\$10.5	\$1.0
Refunds and Rebates	\$8.2	\$8.9	\$0.7
TOTAL INCOME	<u>\$535.8</u>	<u>\$526.2</u>	<u>(\$9.6)</u>
<u>EXPENDITURES</u>			
Medical Claims	\$293.7	\$285.0	(\$8.7)
Prescription Drug Program Claims and Administration	\$61.0	\$65.3	\$4.3
HMO Contract Fees	\$221.0	\$228.8	\$7.8
Third-Party Administration	\$11.9	\$11.2	(\$0.7)
Division of State Employees' Insurance Administration	\$3.6	\$3.6	\$0.0
Transfer to Agency for Health Care Administration	\$0.8	\$0.7	(\$0.1)
Other Expenses	\$1.0	\$1.0	\$0.0
TOTAL EXPENDITURES	<u>\$593.0</u>	<u>\$595.6</u>	<u>\$2.6</u>
NET INCOME (INCOME LESS EXPENDITURES)	(\$57.2)	(\$69.4)	(\$12.2)
ENDING BALANCE	<u>\$5.9</u>	<u>(\$23.5)</u>	<u>(\$29.4)</u>

PROJECTED AVERAGE COST PER ENROLLEE

1996-97	Feb 96 Estimate	Nov 96 Estimate	% Change
SELF-INSURANCE PLAN			
MEDICAL CLAIMS	\$2,933	\$3,035	3.5%
PRESCRIPTION DRUG CLAIMS	\$571	\$631	10.4%
MEDICAL ADMINISTRATIVE FEES	\$138	\$119	-13.5%
TOTAL (1)	\$3,642	\$3,784	3.9%
HMO	\$3,300	\$3,313	0.4%

1997-98	Feb 96 Estimate	Nov 96 Estimate	% Change
SELF-INSURANCE PLAN			
MEDICAL CLAIMS	\$3,080	\$3,167	2.8%
PRESCRIPTION DRUG CLAIMS	\$640	\$726	13.4%
MEDICAL ADMINISTRATIVE FEES	\$125	\$124	-0.3%
TOTAL	\$3,845	\$4,017	4.5%
HMO	\$3,354	\$3,375	0.6%

(1) For 1996-97 projected average cost per enrollee excludes the impact of those medical claims amounting to approximately \$20 million which were not paid during the previous fiscal year but are scheduled for payment this year. By including the \$20 million impact, the average cost per enrollee is increased by \$215 for a total of \$3,999.

Note: Department administrative costs, transfers, and other expenses are excluded.