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MEMORANDUM

TO: Consensus Estimating Conference Principals and Participants

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

SUBJECT: Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund--1/21/92

DATE: January 21, 1992

Attached for your information are the results of the conference held on January 21 concerning the outlook for the State Employees' Health Insurance Trust Fund. The conference made only minor adjustments to the forecast. The fund is anticipated to be in deficit by \$26.8 million by the end of the 1991-92 fiscal year. The deficit for the 1992-93 fiscal year is projected to be \$95.6 million, resulting in an ending balance of -\$122.4 million. The initial outlook for 1993-94 is also included.

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

	Sept 1991 Estimate	Jan 1992 Estimate	Diff.
BEGINNING BALANCE	\$9.4	\$9.4	\$0.0
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INCOME			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$287.2	\$287.0	(\$0.2)
Premiums--Employees	\$82.2	\$81.9	(\$0.3)
Premiums--Medicare Patients	\$12.9	\$15.2	\$2.3
Premiums--Other Non-employees	\$14.7	\$12.8	(\$1.9)
Interest	\$0.4	\$0.5	\$0.1
Transfer from Pretax Trust Fund	\$6.0	\$6.5	\$0.5
Other (COB's, audits and overpayment returns)	\$6.2	\$6.2	\$0.0
TOTAL INCOME	\$413.5	\$414.0	\$0.5
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EXPENDITURES			
Blue Cross/Blue Shield Administered Claims	\$314.7	\$309.4	(\$5.3)
Prescription Drug Program Claims and Administration	\$46.2	\$46.2	\$0.0
HMO Payments	\$81.2	\$83.7	\$2.5
Blue Cross/Blue Shield Administration	\$9.2	\$7.6	(\$1.6)
Division of State Employees' Insurance Administration	\$3.0	\$3.3	\$0.3
TOTAL EXPENDITURES	\$454.3	\$450.2	(\$4.1)
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NET INCOME (INCOME LESS EXPENDITURES)	(\$40.8)	(\$36.2)	\$4.6
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ENDING BALANCE	(\$31.4)	(\$26.8)	\$4.6
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State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1992-93

	Sept 1991 Estimate	Jan 1992 Estimate	Diff.
BEGINNING BALANCE	(\$31.4)	(\$26.8)	\$4.6
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INCOME			
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Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$295.0	\$295.7	\$0.7
Premiums--Employees	\$87.5	\$88.2	\$0.7
Premiums--Medicare Patients	\$15.6	\$16.6	\$1.0
Premiums--Other Non-employees	\$15.1	\$13.6	(\$1.5)
Interest	\$0.4	\$1.0	\$0.6
Transfer from Pretax Trust Fund	\$6.0	\$7.0	\$1.0
Other (COB's, audits and overpayment returns)	\$6.2	\$6.2	\$0.0
TOTAL INCOME	\$429.7	\$432.2	\$2.5
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EXPENDITURES			
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Blue Cross/Blue Shield Administered Claims	\$374.2	\$364.1	(\$10.1)
Prescription Drug Program Claims and Administration	\$45.0	\$51.3	\$6.3
HMO Payments	\$95.2	\$99.6	\$4.4
Blue Cross/Blue Shield Administration	\$9.6	\$9.5	(\$0.1)
Division of State Employees' Insurance Administration	\$3.3	\$3.3	\$0.0
TOTAL EXPENDITURES	\$527.3	\$527.8	\$0.5
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NET INCOME (INCOME LESS EXPENDITURES)	(\$97.6)	(\$95.6)	\$2.0
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ENDING BALANCE	(\$129.0)	(\$122.4)	\$6.6
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State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1993-94

	Sept 1991 Estimate	Jan 1992 Estimate	Diff.
BEGINNING BALANCE	(\$129.0)	(\$122.4)	\$6.6
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INCOME			
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Retired Teachers Appropriation		\$3.9	\$3.9
Premiums--State		\$303.1	\$303.1
Premiums--Employees		\$90.4	\$90.4
Premiums--Medicare Patients		\$18.3	\$18.3
Premiums--Other Non-employees		\$14.0	\$14.0
Interest		\$1.0	\$1.0
Transfer from Pretax Trust Fund		\$7.6	\$7.6
Other (COB's, audits and overpayment returns)		\$6.2	\$6.2
TOTAL INCOME		\$444.5	\$444.5
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EXPENDITURES			
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Blue Cross/Blue Shield Administered Claims		\$438.3	\$438.3
Prescription Drug Program Claims and Administration		\$59.3	\$59.3
HMO Payments		\$117.6	\$117.6
Blue Cross/Blue Shield Administration		\$10.5	\$10.5
Division of State Employees' Insurance Administration		\$3.3	\$3.3
TOTAL EXPENDITURES		\$629.0	\$629.0
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NET INCOME (INCOME LESS EXPENDITURES)		(\$184.5)	(\$184.5)
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ENDING BALANCE		(\$306.9)	(\$306.9)
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