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MEMORANDUM

TO: Consensus Estimating Conference Principals and Participants
FROM: Pam Johnson
SUBJECT: Results of October 22, 1992 Conference on State Employees' Health Insurance
DATE: October 22, 1992

Attached for your information are the results of the October 22, 1992 consensus estimating conference on the State Employees' Health Insurance Trust Fund. The conference projects that the trust fund will end the 1992-93 fiscal year with a balance of \$33.5 million, and 1993-94 with a balance of \$2.4 million. Also included is a **corrected** summary of plan changes made by the 1992 Legislature to replace the summary page included in the post-session package for the trust fund, which was dated September 4, 1992.

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**Florida Consensus Estimating Conference
State Employees' Health Insurance
Executive Summary**

The attached tables contain the outlook for the State Employees' Health Insurance Trust Fund for 1992-93 and 1993-94, as well as the actual experience of the Fund during 1991-92. The projections reflect the changes made during the 1992 Legislative session, outlined below.

Premiums

		<u>Old</u>	<u>New</u>
Family	State	\$234.38	\$268.14
	Employee	\$ 85.46	\$ 93.58
	Total	\$319.84	\$361.72
Individual	State	\$116.60	\$133.40
	Employee	\$ 23.76	\$ 26.02
	Total	\$140.36	\$159.42

All premium increases were effective 7/1/92.

Ancillary Outpatient Services Annual Deductible

Effective 1/1/93, the calendar year deductible for ancillary outpatient services will increase from \$50 per person, 2 per family, to \$150 per person, 2 per family for PPC providers, and from \$200 per person, 2 per family, to \$300 per person, 2 per family for non-PPC providers.

Hospital Inpatient per admission Deductible

Effective 8/1/92, the per admission deductible for hospital inpatient services was increased from \$100 to \$150 for PPC providers, and from \$250 to \$300 for non-PPC providers.

Non-PPC copayment for Physician and Outpatient Services

Effective 8/1/92, the copayment for non-PPC physician and outpatient services was increased from 20% to 30%.

Prescription Drug Copayments

Effective 7/1/92, the copayment for brand name drugs purchased either by using the prescription drug card or through the mail order program was raised from \$11 to \$15. The copayment for generic drug purchases remains at \$5.

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1992-93

	July 1992 Estimate	Oct 1992 Estimate	Diff.
BEGINNING BALANCE	\$20.8	\$20.8	\$0.0
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INCOME			
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Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums-- State	\$345.1	\$336.1	(\$9.0)
Premiums-- Employees	\$89.4	\$86.8	(\$2.6)
Premiums-- Medicare Patients	\$18.9	\$19.3	\$0.4
Premiums-- Other Non-employees	\$15.4	\$15.6	\$0.2
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$8.5	\$8.5	\$0.0
Other (COB's, audits and overpayment returns)	\$6.9	\$7.5	\$0.6
 TOTAL INCOME	 \$489.1	 \$478.7	 (\$10.4)
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EXPENDITURES			
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Blue Cross/Blue Shield Administered Claims	\$343.4	\$311.5	(\$31.9)
Prescription Drug Program Claims and Administration *	\$41.8	\$40.0	(\$1.8)
HMO Payments	\$99.6	\$101.9	\$2.3
Blue Cross/Blue Shield Administration	\$9.5	\$9.1	(\$0.4)
Division of State Employees' Insurance Administration	\$3.3	\$3.5	\$0.2
 TOTAL EXPENDITURES	 \$497.6	 \$466.0	 (\$31.6)
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NET INCOME (INCOME LESS EXPENDITURES)	(\$8.5)	\$12.7	\$21.2
ENDING BALANCE	\$12.3	\$33.5	\$21.2
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* The Prescription Drug program figures assume that the current contract discount of 18% for brand name drugs remains in place. Should the courts rule that a 12% discount must be observed, costs will increase by about \$250,000 per month

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

	Apr 1992 Estimate	Oct 1992 Estimate	Diff.
BEGINNING BALANCE	\$12.3	\$33.5	\$21.2

INCOME			

Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$353.7	\$336.1	(\$17.6)
Premiums--Employees	\$91.6	\$86.8	(\$4.8)
Premiums--Medicare Patients	\$20.8	\$21.6	\$0.8
Premiums--Other Non-employees	\$15.8	\$16.3	\$0.5
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$8.5	\$8.5	\$0.0
Other (COB's, audits and overpayment returns)	\$6.9	\$7.5	\$0.6
TOTAL INCOME	\$502.2	\$481.7	(\$20.5)

EXPENDITURES			

Blue Cross/Blue Shield Administered Claims	\$389.6	\$339.9	(\$49.7)
Prescription Drug Program Claims and Administration *	\$48.6	\$46.0	(\$2.6)
HMO Payments	\$117.6	\$113.6	(\$4.0)
Blue Cross/Blue Shield Administration	\$10.5	\$9.8	(\$0.7)
Division of State Employees' Insurance Administration	\$3.3	\$3.5	\$0.2
TOTAL EXPENDITURES	\$569.6	\$512.8	(\$56.8)

NET INCOME (INCOME LESS EXPENDITURES)	(\$67.4)	(\$31.1)	\$36.3

ENDING BALANCE	(\$55.1)	\$2.4	\$57.5
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* The Prescription Drug program figures assume that the current contract discount of 18% for brand name drugs remains in place. Should the courts rule that a 12% discount must be observed, costs will increase by about \$250,000 per month