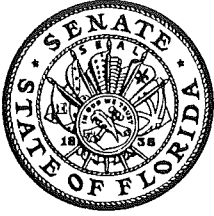


ANDER CRENSHAW
President



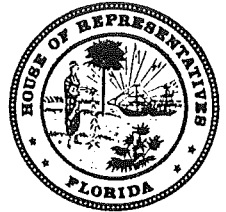
THE FLORIDA LEGISLATURE

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MEMORANDUM

TO: Consensus Estimating Conference Principals and Participants
FROM: Pam Johnson *PJ*
SUBJECT: Conference Results, State Employees' Health Insurance
DATE: January 21, 1993

Attached for your information are the results of the consensus estimating conference on the State Employees' Health Insurance Trust Fund. The conference is projecting a somewhat better outlook for the Trust Fund than the previous forecast, with the ending balance expected to be \$41.8 million in 1992-93 and \$25.2 million in 1993-94. Additionally, the conference developed figures for 1994-95 for the first time, with an expected ending balance of -\$51.5 million.

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

	Oct 1992 Estimate	Jan 1993 Estimate	Diff.
BEGINNING BALANCE	\$20.8	\$20.8	\$0.0
INCOME			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$336.1	\$337.4	\$1.3
Premiums--Employees	\$86.8	\$87.2	\$0.4
Premiums--Medicare Patients	\$19.3	\$19.0	(\$0.3)
Premiums--Other Non-employees	\$15.6	\$14.7	(\$0.9)
Interest	\$1.0	\$1.5	\$0.5
Transfer from Pretax Trust Fund	\$8.5	\$9.0	\$0.5
Other (COB's, audits and overpayment returns)	\$7.5	\$8.5	\$1.0
TOTAL INCOME	\$478.7	\$481.2	\$2.5
EXPENDITURES			
Blue Cross/Blue Shield Administered Claims	\$311.5	\$303.8	(\$7.7)
Prescription Drug Program Claims and Administration *	\$40.0	\$38.6	(\$1.4)
HMO Payments	\$101.9	\$105.3	\$3.4
Blue Cross/Blue Shield Administration	\$9.1	\$9.0	(\$0.1)
Division of State Employees' Insurance Administration	\$3.5	\$3.5	\$0.0
TOTAL EXPENDITURES	\$466.0	\$460.2	(\$5.8)
NET INCOME (INCOME LESS EXPENDITURES)	\$12.7	\$21.0	\$8.3
ENDING BALANCE	\$33.5	\$41.8	\$8.3

* 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

	Oct 1992 Estimate	Jan 1993 Estimate	Diff.
BEGINNING BALANCE	\$33.5	\$41.8	\$8.3
<u>INCOME</u>			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$336.1	\$344.1	\$8.0
Premiums--Employees	\$86.8	\$88.9	\$2.1
Premiums--Medicare Patients	\$21.6	\$20.9	(\$0.7)
Premiums--Other Non-employees	\$16.3	\$15.3	(\$1.0)
Interest	\$1.0	\$1.5	\$0.5
Transfer from Pretax Trust Fund	\$8.5	\$9.5	\$1.0
Other (COB's, audits and overpayment returns)	\$7.5	\$9.0	\$1.5
TOTAL INCOME	\$481.7	\$493.1	\$11.4
<u>EXPENDITURES</u>			
Blue Cross/Blue Shield Administered Claims	\$339.9	\$331.2	(\$8.7)
Prescription Drug Program Claims and Administration *	\$46.0	\$44.7	(\$1.3)
HMO Payments	\$113.6	\$120.7	\$7.1
Blue Cross/Blue Shield Administration	\$9.8	\$9.6	(\$0.2)
Division of State Employees' Insurance Administration	\$3.5	\$3.5	\$0.0
TOTAL EXPENDITURES	\$512.8	\$509.7	(\$3.1)
NET INCOME (INCOME LESS EXPENDITURES)	(\$31.1)	(\$16.6)	\$14.5
ENDING BALANCE	\$2.4	\$25.2	\$22.8

* 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
 1994-95

	<u>Jan 1993 Estimate</u>
BEGINNING BALANCE	<u>\$25.2</u>
<u>INCOME</u>	
Retired Teachers Appropriation	\$3.9
Premiums--State	\$357.9
Premiums--Employees	\$92.5
Premiums--Medicare Patients	\$23.0
Premiums--Other Non-employees	\$15.7
Interest	\$1.5
Transfer from Pretax Trust Fund	\$10.0
Other (COB's, audits and overpayment returns)	\$9.5
TOTAL INCOME	<u>\$514.0</u>
<u>EXPENDITURES</u>	
Blue Cross/Blue Shield Administered Claims	\$385.9
Prescription Drug Program Claims and Administration *	\$52.6
HMO Payments	\$137.8
Blue Cross/Blue Shield Administration	\$10.9
Division of State Employees' Insurance Administration	\$3.5
TOTAL EXPENDITURES	<u>\$590.7</u>
NET INCOME (INCOME LESS EXPENDITURES)	(\$76.7)
ENDING BALANCE	<u><u>(\$51.5)</u></u>

* 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