

**Self-Insurance Estimating Conference
State Employees' Health Insurance Trust Fund
Last conference held: January 4, 2012**

Updated June, 2012 for Session Changes

Executive Summary

Post-Session Changes

The 2012 General Appropriations Act (Section 8) provides for premium increases in 2012-13. Increases are effective December 2012 for certain Medicare participants, and May 2013 for all other enrollees. The revised outlook reflects the impact of the increase, which results in higher trust fund ending balances of \$20.0 million for 2012-13 and \$141.6 million for 2013-14.

January 4, 2012 Conference

The outlook for the State Employees' Health Insurance Trust Fund has been revised to take into account recent fund experience, including open enrollment. The outlook in the short run is slightly less optimistic due to these changes: for 2011-12 the projected ending balance has been reduced by \$7.0 million from \$234.1 million to \$227.1 million, while for 2012-13 the projected ending balance has been reduced by \$3.5 million from \$110.2 million to \$106.7 million. The outlook for subsequent years shows that expenses will exceed revenues by an amount that generates a negative cash flow of \$301.0 million in 2013-14, \$554.0 million in 2014-15, and \$759.3 million in 2015-16.

Impacting all areas of the forecast are changes to the enrollment forecast, due to recent trends. Overall projected enrollment has been reduced substantially throughout the forecast period, due to recent significant reductions in enrollment among active employees and to the results of open enrollment. Enrollment for Medicare members and early retirees has also been reduced. Overall enrollment is projected to decline by 2.3% in 2011-12 over 2010-11, and by .4% in 2012-13, and then to level of with declines of less than .1% for the three remaining years of the forecast period. The decline is concentrated in HMO enrollment, with PPO enrollment actually projected to be slightly higher than in the previous forecast.

On the revenue side, the forecast for premiums is lower due to lower projected enrollment. In 2011-12, the premium reduction is offset somewhat by higher than previously projected amounts for PPO TPA refunds and PPO PBM rebates, but in general revenues are lower due to lower enrollment and lower fund balances.

On the expense side, PPO expenses are generally higher than in the previous forecast, due to higher projected enrollment, and for medical claims, higher recent experience than previously expected. However, HMO expenses are lower than in the previous forecast as a result of lower projected enrollment, and overall expenses are lower than in the October forecast. Also with regard to expenses, in 2011-12 the forecast incorporates a decrease in expected Early Retiree Reinsurance Program collections of \$11.5 million from the previous forecast.

State Employees' Group Health Self-Insurance Trust Fund

Post Session Impact Outlook

For the Fiscal Years Ending June 30, 2012 through June 30, 2016

Presented June 20, 2012

(Revised June 21, 2012)

Prepared by: Florida Department of Management Services
Division of State Group Insurance

**Self-Insurance Estimating Conference
State Employees' Health Insurance Trust Fund
Last conference held: January 4, 2012
Updated June 20, 2012**

Executive Summary

The outlook for the State Employees' Health Insurance Trust Fund has been revised to reflect premium increases established in Section 8 of the 2012 General Appropriations Act (GAA). Changes to revenue projections impacted by the premium increases are reflected in the outlook; enrollment and expense projections remain unchanged. Premium changes reflected in this outlook are effective May, 2013.

The cash position has improved for the forecast period due to the premium increases. The outlook is slightly more optimistic for fiscal year 2012-13, reflecting a revenue increase of \$20.1 million, increasing the ending cash balance from \$106.7 million to \$126.7 million. The outlook for subsequent years shows improvements to ending cash balances; however expenses are still projected to exceed revenues for fiscal years 2013-14 and beyond, generating negative cash flows for those periods. Fiscal year 2013-2014 reflects a revenue increase of \$121.6 million, reducing the ending balance deficit from \$194.3 million to \$52.7 million. Fiscal year 2014-15 reflects a revenue increase of \$121.1 million, reducing the ending cash balance deficit from \$554.0 million to \$432.9 million. And, fiscal year 2015-2016 reflects a revenue increase of \$120.6 million, reducing the deficit from \$759.3 million to \$638.7 million.

The Trust Fund is expected to remain solvent through fiscal year 2012-13. Changes to operating losses reflected in the updated outlook are: fiscal year 2012-13 shows a change in operating deficit from \$120.4 million to \$100.3 million, for fiscal year 2013-14 the operating deficit of \$301.0 million is reduced to \$179.4 million. The Trust Fund is projected to go from a cash surplus of \$126.7 million in fiscal year 2012-13 to a cash deficit of \$52.7 million in fiscal year 2013-14. Projected fiscal year 2013-14 revenues are estimated to fall short of meeting health plan costs by \$179.4 million.

Following is a summary of the Outlook for fiscal years 2011-12 through 2015-16.

Financial Outlook

(Dollars in Millions)	----- Projected -----				
	2011-12	2012-13	2013-14	2014-15 ⁽¹⁾	2015-16 ⁽¹⁾
Beginning Cash Balance	\$ 197.8	\$ 227.0	\$ 126.7	\$ 0.0	\$ 0.0
Revenues	1,886.3	1,903.8	2,098.1	2,194.5	2,186.3
Expenses	<u>1,857.1</u>	<u>2,004.1</u>	<u>2,277.5</u>	<u>2,627.4</u>	<u>2,825.0</u>
Operating Gain / (Loss)	<u>\$ 29.2</u>	<u>\$ (100.3)</u>	<u>\$ (179.4)</u>	<u>\$ (432.9)</u>	<u>\$ (638.7)</u>
Ending Cash Balance	<u>\$ 227.0</u>	<u>\$ 126.7</u>	<u>\$ (52.7)</u>	<u>\$ (432.9)</u>	<u>\$ (638.7)</u>

(1) Assumes no carry forward of negative cash balances from prior year.

While enrollment and expense projections remained unchanged for this update, it should be noted that the Trust Fund did not receive the projected \$25.66 million in Early Retiree Medical Reinsurance (EERP) funds during fiscal year 2011-12, as the program's funding was depleted prior to the receipt of the anticipated funding. This line item will be adjusted in the next full financial forecast.

The following is a summary of the trends used in the January 4, 2012 Estimating Conference forecast, which was used as the basis for this Update.

	October 2011			January 2012		
	Trend	Industry Range		Trend	Industry Range	
PPO Medical Claims	9.0%	5.4%	- 11.7%	9.0%	5.4%	- 11.7%
HMO Medical Claims	9.0%			9.0%		
PPO Prescription Drug Claims	9.2%	6.5%	- 11.3%	8.9%	6.5%	- 11.3%
HMO Prescription Drug Claims	8.9%			8.6%		
HMO Premium Payments	9.0%	9.2%	- 10.6%	9.0%	9.2%	- 10.6%

* Survey data for Calendar Years 2011 and 2012.

STATE EMPLOYEES' GROUP HEALTH SELF-INSURANCE TRUST FUND

Exhibit I

Financial Outlook by Fiscal Year

Highlights of Changes to Forecast - Conference June 2012 Compared to January 2012

(In Millions)

	FY 2011-12			FY 2012-13			FY 2013-14			FY 2014-15			FY 2015-16		
	Jan '12	June '12	Diff.	Jan '12	June '12	Diff.	Jan '12	June '12	Diff.	Jan '12	June '12	Diff.	Jan '12	June '12	Diff.
BEGINNING CASH BALANCE	\$ 197.8	\$ 197.8	\$ -	\$ 227.1	\$ 227.0	\$ (0.1)	\$ 106.7	\$ 126.7	\$ 20.0	\$ 0.0	\$ 0.0	\$ -	\$ 0.0	\$ 0.0	\$ -
REVENUES:															
Insurance Premiums	\$ 1,811.3	\$ 1,811.2	\$ (0.1)	\$ 1,800.1	\$ 1,820.0	\$ 19.9	\$ 1,792.4	\$ 1,914.0	\$ 121.6	\$ 1,784.0	\$ 1,905.1	\$ 121.1	\$ 1,777.3	\$ 1,897.9	\$ 120.6
Investment Interest	4.2	4.2	-	3.3	3.5	0.2	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
TOTAL REVENUES	\$ 1,886.4	\$ 1,886.3	\$ (0.1)	\$ 1,883.7	\$ 1,903.8	\$ 20.1	\$ 1,976.5	\$ 2,098.1	\$ 121.6	\$ 2,073.4	\$ 2,194.5	\$ 121.1	\$ 2,065.7	\$ 2,186.3	\$ 120.6
TOTAL CASH AVAILABLE	\$ 2,084.2	\$ 2,084.1	\$ (0.1)	\$ 2,110.8	\$ 2,130.8	\$ 20.0	\$ 2,083.2	\$ 2,224.8	\$ 141.6	\$ 2,073.4	\$ 2,194.5	\$ 121.1	\$ 2,065.7	\$ 2,186.3	\$ 120.6
TOTAL EXPENSES	\$ 1,857.1	\$ 1,857.1	\$ -	\$ 2,004.1	\$ 2,004.1	\$ -	\$ 2,277.5	\$ 2,277.5	\$ -	\$ 2,627.4	\$ 2,627.4	\$ -	\$ 2,825.0	\$ 2,825.0	\$ -
EXCESS OF REV. OVER EXP.	\$ 29.3	\$ 29.2	\$ (0.1)	\$ (120.4)	\$ (100.3)	\$ 20.1	\$ (301.0)	\$ (179.4)	\$ 121.6	\$ (554.0)	\$ (432.9)	\$ 121.1	\$ (759.3)	\$ (638.7)	\$ 120.6
ENDING CASH BALANCE	\$ 227.1	\$ 227.0	\$ (0.1)	\$ 106.7	\$ 126.7	\$ 20.0	\$ (194.3)	\$ (52.7)	\$ 141.6	\$ (554.0)	\$ (432.9)	\$ 121.1	\$ (759.3)	\$ (638.7)	\$ 120.6
ADDITIONAL INFORMATION															
Total Unreported Claims Liability	\$ 115.2	\$ 115.2	\$ -	\$ 120.6	\$ 120.6	\$ -	\$ 126.5	\$ 126.5	\$ -	\$ 132.8	\$ 132.8	\$ -	\$ 139.9	\$ 139.9	\$ -

Revenue and Expense categories have been collapsed to present the highlights of changes to forecast.
Exhibits II through X present detail forecast information per fiscal year.

Highlights of Changes to Forecast

- Inclusion of Fiscal Year 2012-13 GAA rate changes
- Inclusion of updated Medicare rates for Florida Health Care Plan
- Correction to formulas used to calculate Fiscal Year 2011-12 Medicare rates

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

	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
BEGINNING CASH BALANCE	\$ 197.8	\$ 227.0	\$ 126.7	\$ 0.0 ⁽²⁾	\$ 0.0 ⁽²⁾
REVENUES:					
Insurance Premiums:					
Employer	\$ 1,431.4	\$ 1,438.0	\$ 1,519.5	\$ 1,509.8	\$ 1,500.1
Employee	165.3	163.9	163.0	162.0	161.1
HSA Contributions ⁽³⁾	1.6	1.6	1.6	1.6	1.6
COBRA	6.2	6.3	6.6	6.6	6.6
Early Retiree	63.5	63.6	67.1	66.9	66.8
Medicare	143.2	146.6	156.2	158.2	161.7
Investment Interest	4.2	3.5	0.0	0.0	0.0
PPO-TPA Refunds	10.6	7.2	7.2	7.2	7.2
PPO-PBM Rebates ⁽⁴⁾	23.0	27.5	24.9	21.7	20.2
HMO-PBM Rebates ⁽⁵⁾	0.0	7.0	7.5	8.2	9.1
Pretax Trust Fund Transfer	18.0	18.0	18.0	18.0	18.0
PPO-Medicare Part D Subsidy	19.3	20.6	22.5	23.2	22.8
PPACA ⁽⁶⁾	0.0	0.0	104.0	211.1	211.1
TOTAL REVENUES	\$ 1,886.3	\$ 1,903.8	\$ 2,098.1	\$ 2,194.5	\$ 2,186.3
TOTAL CASH AVAILABLE	\$ 2,084.1	\$ 2,130.8	\$ 2,224.8	\$ 2,194.5	\$ 2,186.3
EXPENSES:					
State PPO Plan: ⁽⁷⁾					
Medical Claims	\$ 631.5	\$ 678.6	\$ 730.0	\$ 785.3	\$ 844.7
ASO Fee	19.4	19.1	18.9	18.7	18.5
Prescription Drug Claims ⁽⁴⁾	289.5	301.2	320.6	342.9	365.7
PBM Claims Administration	0.2	0.2	0.2	0.2	0.2
HMO Plan: ⁽⁵⁾⁽⁸⁾					
Premium Payments	626.3	266.6	288.0	317.7	350.3
Medical Claims	199.9	520.6	575.6	635.1	700.8
Risk Reserve ⁽⁹⁾	22.3	42.1	N/A	N/A	N/A
ASO Fee	14.3	30.2	32.6	34.7	36.9
Prescription Drug Claims ⁽⁴⁾	56.6	121.1	132.2	145.8	160.9
HSA Deposits ⁽³⁾	1.6	1.6	1.6	1.6	1.6
Operating Costs & Admin Assessment	2.6	2.6	2.6	2.6	2.6
Premium Refunds	3.5	3.5	3.5	3.5	3.5
Other Expenses	0.1	0.1	0.1	0.1	0.1
PPACA ⁽⁶⁾	(10.7)	16.6	171.6	339.2	339.2
TOTAL EXPENSES	\$ 1,857.1	\$ 2,004.1	\$ 2,277.5	\$ 2,627.4	\$ 2,825.0
EXCESS OF REVENUES OVER EXPENSES	\$ 29.2	\$ (100.3)	\$ (179.4)	\$ (432.9)	\$ (638.7)
ENDING CASH BALANCE	\$ 227.0	\$ 126.7	\$ (52.7)	\$ (432.9)	\$ (638.7)
ADDITIONAL INFORMATION					
Total Unreported Claims Liability ⁽¹⁰⁾	\$ 115.2	\$ 120.6	\$ 126.5	\$ 132.8	\$ 139.9
Average Enrollment by Plan ⁽¹¹⁾					
PPO Standard	88,391	87,083	85,940	84,797	83,661
PPO HIHP	1,067	1,111	1,111	1,111	1,111
HMO Standard	83,197	83,805	84,850	85,904	86,960
HMO HIHP	450	429	429	429	429
Total	173,105	172,428	172,330	172,241	172,161
Average Enrollment by Coverage Type ⁽¹¹⁾					
Active Standard	134,636	133,450	132,831	132,212	131,593
Active HIHP	1,432	1,451	1,451	1,451	1,451
COBRA	691	699	699	699	699
Early Retiree	7,704	7,657	7,672	7,696	7,729
Medicare	28,642	29,171	29,677	30,183	30,689
Total	173,105	172,428	172,330	172,241	172,161

(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) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

(5) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

(6) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

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

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

(9) Established by Principals of the Revenue Estimating Conference for HMO medical and prescription drug claims. Calculated for Fiscal Years 2011-12 and 2012-13 at 7.25% and 6.5%, respectively, of total estimated HMO claim costs.

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

(11) Excludes estimated impact to enrollment of certain PPACA reforms.

**Exhibit III
Financial Outlook - Fiscal Year 2011-12 (In Millions)**

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>
	<u>Jan '12</u>	<u>June '12</u>	<u>Difference</u>
BEGINNING CASH BALANCE	\$ 197.8	\$ 197.8	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,431.4	\$ 1,431.4	\$ 0.0
Employee	165.3	165.3	0.0
HSA Contributions ⁽¹⁾	1.6	1.6	0.0
COBRA	6.2	6.2	0.0
Early Retiree	63.5	63.5	0.0
Medicare	143.3	143.2	(0.1)
Investment Interest	4.2	4.2	0.0
PPO-TPA Refunds	10.6	10.6	0.0
PPO-PBM Rebates	23.0	23.0	0.0
HMO-PBM Rebates ⁽²⁾⁽³⁾	0.0	0.0	0.0
Pretax Trust Fund Transfer	18.0	18.0	0.0
PPO-Medicare Part D Subsidy	19.3	19.3	0.0
PPACA ⁽⁴⁾	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,886.4	\$ 1,886.3	\$ (0.1)
TOTAL CASH AVAILABLE	\$ 2,084.2	\$ 2,084.1	\$ (0.1)
EXPENSES:			
State PPO Plan: ⁽⁵⁾			
Medical Claims	\$ 631.5	\$ 631.5	\$ 0.0
ASO Fee	19.4	19.4	0.0
Prescription Drug Claims ⁽³⁾	289.5	289.5	0.0
PBM Claims Administration ⁽³⁾	0.2	0.2	0.0
HMO Plan: ⁽²⁾⁽⁶⁾			
Premium Payments	626.3	626.3	0.0
Medical Claims	199.9	199.9	0.0
Risk Reserve ⁽⁷⁾	22.3	22.3	0.0
ASO Fee	14.3	14.3	0.0
Prescription Drug Claims ⁽⁵⁾	56.6	56.6	0.0
HSA Deposits ⁽¹⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	2.6	2.6	0.0
Premium Refunds	3.5	3.5	0.0
Other Expenses	0.1	0.1	0.0
PPACA ⁽⁴⁾	(10.7)	(10.7)	0.0
TOTAL EXPENSES	\$ 1,857.1	\$ 1,857.1	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ 29.3	\$ 29.2	\$ (0.1)
ENDING CASH BALANCE	\$ 227.1	\$ 227.0	\$ (0.1)
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 64.5	\$ 64.5	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁹⁾	50.7	50.7	0.0
Total Unreported Claims Liability	\$ 115.2	\$ 115.2	\$ 0.0
Average Enrollment by Plan			
PPO Standard	88,391	88,391	0
PPO HIHP	1,067	1,067	0
HMO Standard	83,197	83,197	0
HMO HIHP	450	450	0
<u>Total</u>	<u>173,105</u>	<u>173,105</u>	<u>0</u>
Average Enrollment by Coverage Type			
Active Standard	134,636	134,636	0
Active HIHP	1,432	1,432	0
COBRA	691	691	0
Early Retiree	7,704	7,704	0
Medicare	28,642	28,642	0
<u>Total</u>	<u>173,105</u>	<u>173,105</u>	<u>0</u>

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

(2) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.

(3) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.

(4) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).

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

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

(7) Established by Principals of the Revenue Estimating Conference for HMO medical and prescription drug claims. Calculated at 7.25% of total estimated HMO claim costs.

(8) Includes estimated PPO Incurred but not Reported (IBNR) claims of \$58.3M and outstanding drafts of \$6.2M.

(9) Includes estimated HMO IBNR medical claims of \$49.1M and drug claims of \$1.6M.

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

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>
	<u>Jan '12</u>	<u>June '12</u>	<u>Difference</u>
BEGINNING CASH BALANCE	\$ 227.1	\$ 227.0	\$ (0.1)
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,419.8	\$ 1,438.0	\$ 18.2
Employee	163.9	163.9	0.0
HSA Contributions ⁽¹⁾	1.6	1.6	0.0
COBRA	6.2	6.3	0.1
Early Retiree	62.9	63.6	0.7
Medicare	145.7	146.6	0.9
Investment Interest	3.3	3.5	0.2
PPO-TPA Refunds	7.2	7.2	0.0
PPO-PBM Rebates ⁽²⁾	27.5	27.5	0.0
HMO-PBM Rebates ⁽²⁾⁽³⁾	7.0	7.0	0.0
Pretax Trust Fund Transfer	18.0	18.0	0.0
PPO-Medicare Part D Subsidy	20.6	20.6	0.0
PPACA ⁽⁴⁾	0.0	0.0	0.0
TOTAL REVENUES	\$ 1,883.7	\$ 1,903.8	\$ 20.1
TOTAL CASH AVAILABLE	\$ 2,110.8	\$ 2,130.8	\$ 20.0
EXPENSES:			
State PPO Plan: ⁽⁵⁾			
Medical Claims	\$ 678.6	\$ 678.6	\$ 0.0
ASO Fee	19.1	19.1	0.0
Prescription Drug Claims ⁽²⁾	301.2	301.2	0.0
PBM Claims Administration ⁽²⁾	0.2	0.2	0.0
HMO Plan: ⁽³⁾⁽⁶⁾			
Premium Payments	266.6	266.6	0.0
Medical Claims	520.6	520.6	0.0
Risk Reserve ⁽⁷⁾	42.1	42.1	0.0
ASO Fee	30.2	30.2	0.0
Prescription Drug Claims ⁽²⁾	121.1	121.1	0.0
HSA Deposits ⁽¹⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	2.6	2.6	0.0
Premium Refunds	3.5	3.5	0.0
Other Expenses	0.1	0.1	0.0
PPACA ⁽⁴⁾	16.6	16.6	0.0
TOTAL EXPENSES	\$ 2,004.1	\$ 2,004.1	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (120.4)	\$ (100.3)	\$ 20.1
ENDING CASH BALANCE	\$ 106.7	\$ 126.7	\$ 20.0
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 64.5	\$ 64.5	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁹⁾	56.1	56.1	0.0
Total Unreported Claims Liability	\$ 120.6	\$ 120.6	\$ 0.0
Average Enrollment by Plan			
PPO Standard	87,083	87,083	0
PPO HIHP	1,111	1,111	0
HMO Standard	83,805	83,805	0
HMO HIHP	429	429	0
Total	172,428	172,428	0
Average Enrollment by Coverage Type			
Active Standard	133,450	133,450	0
Active HIHP	1,451	1,451	0
COBRA	699	699	0
Early Retiree	7,657	7,657	0
Medicare	29,171	29,171	0
Total	172,428	172,428	0

- (1) Contributions approximate a split between employer and employee of 42% and 58%, respectively.
- (2) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.
- (3) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.
- (4) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).
- (5) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- (6) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- (7) Established by Principals of the Revenue Estimating Conference for HMO medical and prescription drug claims. Calculated at 6.5% of total estimated HMO claim costs.
- (8) Includes estimated PPO Incurred but not Reported (IBNR) claims of \$58.3M and outstanding drafts of \$6.2M.
- (9) Includes estimated HMO IBNR medical claims of \$54.4M and drug claims of \$1.7M.

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

	<u>(A)</u> <u>Jan '12</u>	<u>(B)</u> <u>June '12</u>	<u>(B) - (A)</u> <u>Difference</u>
BEGINNING CASH BALANCE	\$ 106.7	\$ 126.7	\$ 20.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,410.8	\$ 1,519.5	\$ 108.7
Employee	163.0	163.0	0.0
HSA Contributions ⁽¹⁾	1.6	1.6	0.0
COBRA	6.2	6.6	0.4
Early Retiree	62.7	67.1	4.4
Medicare	148.1	156.2	8.1
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds	7.2	7.2	0.0
PPO-PBM Rebates ⁽²⁾	24.9	24.9	0.0
HMO-PBM Rebates ⁽²⁾⁽³⁾	7.5	7.5	0.0
Pretax Trust Fund Transfer	18.0	18.0	0.0
PPO-Medicare Part D Subsidy	22.5	22.5	0.0
PPACA ⁽⁴⁾	104.0	104.0	0.0
TOTAL REVENUES	\$ 1,976.5	\$ 2,098.1	\$ 121.6
TOTAL CASH AVAILABLE	\$ 2,083.2	\$ 2,224.8	\$ 141.6
EXPENSES:			
State PPO Plan: ⁽⁵⁾			
Medical Claims	\$ 730.0	\$ 730.0	\$ 0.0
ASO Fee	18.9	18.9	0.0
Prescription Drug Claims ⁽²⁾	320.6	320.6	0.0
PBM Claims Administration ⁽²⁾	0.2	0.2	0.0
HMO Plan: ⁽³⁾⁽⁶⁾			
Premium Payments	288.0	288.0	0.0
Medical Claims	575.6	575.6	0.0
ASO Fee	32.6	32.6	0.0
Prescription Drug Claims ⁽²⁾	132.2	132.2	0.0
HSA Deposits ⁽¹⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	2.6	2.6	0.0
Premium Refunds	3.5	3.5	0.0
Other Expenses	0.1	0.1	0.0
PPACA ⁽⁴⁾	171.6	171.6	0.0
TOTAL EXPENSES	\$ 2,277.5	\$ 2,277.5	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (301.0)	\$ (179.4)	\$ 121.6
ENDING CASH BALANCE	\$ (194.3)	\$ (52.7)	\$ 141.6
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁷⁾	\$ 64.5	\$ 64.5	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁸⁾	62.0	62.0	0.0
Total Unreported Claims Liability	\$ 126.5	\$ 126.5	\$ 0.0
Average Enrollment by Plan ⁽⁹⁾			
PPO Standard	85,940	85,940	0
PPO HIHP	1,111	1,111	0
HMO Standard	84,850	84,850	0
HMO HIHP	429	429	0
Total	172,330	172,330	0
Average Enrollment by Coverage Type ⁽⁹⁾			
Active Standard	132,831	132,831	0
Active HIHP	1,451	1,451	0
COBRA	699	699	0
Early Retiree	7,672	7,672	0
Medicare	29,677	29,677	0
Total	172,330	172,330	0

- (1) Contributions approximate a split between employer and employee of 42% and 58%, respectively.
- (2) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.
- (3) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.
- (4) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).
- (5) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- (6) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- (7) Includes estimated PPO Incurred but not Reported (IBNR) claims of \$58.3M and outstanding drafts of \$6.2M.
- (8) Includes estimated HMO IBNR medical claims of \$60.1M and drug claims of \$1.9M.
- (9) Excludes estimated impact to enrollment of certain PPACA reforms.

**Exhibit VI
Financial Outlook - Fiscal Year 2014-15 (In Millions)**

	<u>(A)</u> <u>Jan '12</u>	<u>(B)</u> <u>June '12</u>	<u>(B) - (A)</u> <u>Difference</u>
BEGINNING CASH BALANCE	\$ 0.0 ⁽¹⁾	\$ 0.0 ⁽¹⁾	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,401.8	\$ 1,509.8	\$ 108.0
Employee	162.0	162.0	0.0
HSA Contributions ⁽²⁾	1.6	1.6	0.0
COBRA	6.2	6.6	0.4
Early Retiree	62.6	66.9	4.3
Medicare	149.8	158.2	8.4
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds ⁽³⁾	7.2	7.2	0.0
PPO-PBM Rebates ⁽³⁾⁽⁴⁾	21.7	21.7	0.0
HMO-PBM Rebates	8.2	8.2	0.0
Pretax Trust Fund Transfer	18.0	18.0	0.0
PPO-Medicare Part D Subsidy	23.2	23.2	0.0
PPACA ⁽⁵⁾	211.1	211.1	0.0
TOTAL REVENUES	\$ 2,073.4	\$ 2,194.5	\$ 121.1
TOTAL CASH AVAILABLE	\$ 2,073.4	\$ 2,194.5	\$ 121.1
EXPENSES:			
State PPO Plan: ⁽⁶⁾			
Medical Claims	\$ 785.3	\$ 785.3	\$ 0.0
ASO Fee	18.7	18.7	0.0
Prescription Drug Claims ⁽³⁾	342.9	342.9	0.0
PBM Claims Administration ⁽³⁾	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾⁽⁷⁾			
Premium Payments	317.7	317.7	0.0
Medical Claims	635.1	635.1	0.0
ASO Fee	34.7	34.7	0.0
Prescription Drug Claims ⁽³⁾	145.8	145.8	0.0
HSA Deposits ⁽²⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	2.6	2.6	0.0
Premium Refunds	3.5	3.5	0.0
Other Expenses	0.1	0.1	0.0
PPACA ⁽⁵⁾	339.2	339.2	0.0
TOTAL EXPENSES	\$ 2,627.4	\$ 2,627.4	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (554.0)	\$ (432.9)	\$ 121.1
ENDING CASH BALANCE	\$ (554.0)	\$ (432.9)	\$ 121.1
ADDITIONAL INFORMATION			
Total Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 64.5	\$ 64.5	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁹⁾	68.3	68.3	0.0
Total Unreported Claims Liability	\$ 132.8	\$ 132.8	\$ 0.0
Average Enrollment by Plan ⁽¹⁰⁾			
PPO Standard	84,797	84,797	0
PPO HIHP	1,111	1,111	0
HMO Standard	85,904	85,904	0
HMO HIHP	429	429	0
Total	172,241	172,241	0
Average Enrollment by Coverage Type ⁽¹⁰⁾			
Active Standard	132,212	132,212	0
Active HIHP	1,451	1,451	0
COBRA	699	699	0
Early Retiree	7,696	7,696	0
Medicare	30,183	30,183	0
Total	172,241	172,241	0

- (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) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.
- (4) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.
- (5) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).
- (6) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- (7) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- (8) Includes estimated PPO Incurred but not Reported (IBNR) claims of \$58.3M and outstanding drafts of \$6.2M.
- (9) Includes estimated HMO IBNR medical claims of \$66.3M and drug claims of \$2.0M.
- (10) Excludes estimated impact to enrollment of certain PPACA reforms.

**Exhibit VII
Financial Outlook - Fiscal Year 2015-16 (In Millions)**

	<u>(A)</u>	<u>(B)</u>	<u>(B) - (A)</u>
	<u>Jan '12</u>	<u>June '12</u>	<u>Difference</u>
BEGINNING CASH BALANCE	\$ 0.0 ⁽¹⁾	\$ 0.0 ⁽¹⁾	\$ 0.0
REVENUES:			
Insurance Premiums:			
Employer	\$ 1,392.7	\$ 1,500.1	\$ 107.4
Employee	161.1	161.1	0.0
HSA Contributions ⁽²⁾	1.6	1.6	0.0
COBRA	6.2	6.6	0.4
Early Retiree	62.5	66.8	4.3
Medicare	153.2	161.7	8.5
Investment Interest	0.0	0.0	0.0
PPO-TPA Refunds ⁽³⁾	7.2	7.2	0.0
PPO-PBM Rebates ⁽³⁾⁽⁴⁾	20.2	20.2	0.0
HMO-PBM Rebates	9.1	9.1	0.0
Pretax Trust Fund Transfer	18.0	18.0	0.0
PPO-Medicare Part D Subsidy	22.8	22.8	0.0
PPACA ⁽⁵⁾	<u>211.1</u>	<u>211.1</u>	<u>0.0</u>
TOTAL REVENUES	\$ 2,065.7	\$ 2,186.3	\$ 120.6
TOTAL CASH AVAILABLE	\$ 2,065.7	\$ 2,186.3	\$ 120.6
EXPENSES:			
State PPO Plan: ⁽⁶⁾			
Medical Claims	\$ 844.7	\$ 844.7	\$ 0.0
ASO Fee	18.5	18.5	0.0
Prescription Drug Claims ⁽³⁾	365.7	365.7	0.0
PBM Claims Administration ⁽³⁾	0.2	0.2	0.0
HMO Plan: ⁽⁴⁾⁽⁷⁾			
Premium Payments	350.3	350.3	0.0
Medical Claims	700.8	700.8	0.0
ASO Fee	36.9	36.9	0.0
Prescription Drug Claims ⁽³⁾	160.9	160.9	0.0
HSA Deposits ⁽²⁾	1.6	1.6	0.0
Operating Costs & Admin Assessment	2.6	2.6	0.0
Premium Refunds	3.5	3.5	0.0
Other Expenses	0.1	0.1	0.0
PPACA ⁽⁵⁾	<u>339.2</u>	<u>339.2</u>	<u>0.0</u>
TOTAL EXPENSES	\$ 2,825.0	\$ 2,825.0	\$ 0.0
EXCESS OF REVENUES OVER EXPENSES	\$ (759.3)	\$ (638.7)	\$ 120.6
ENDING CASH BALANCE	\$ (759.3)	\$ (638.7)	\$ 120.6
<u>ADDITIONAL INFORMATION</u>			
Total Unreported PPO Plan Claims Liability ⁽⁸⁾	\$ 70.0	\$ 70.0	\$ 0.0
Total Unreported HMO Plan Claims Liability ⁽⁹⁾	<u>70.0</u>	<u>70.0</u>	<u>0.0</u>
Total Unreported Claims Liability	\$ 139.9	\$ 139.9	\$ 0.0
Average Enrollment by Plan ⁽¹⁰⁾			
PPO Standard	83,661	83,661	0
PPO HIHP	1,111	1,111	0
HMO Standard	86,960	86,960	0
HMO HIHP	<u>429</u>	<u>429</u>	<u>0</u>
Total	<u>172,161</u>	<u>172,161</u>	<u>0</u>
Average Enrollment by Coverage Type ⁽¹⁰⁾			
Active Standard	131,593	131,593	0
Active HIHP	1,451	1,451	0
COBRA	699	699	0
Early Retiree	7,729	7,729	0
Medicare	<u>30,689</u>	<u>30,689</u>	<u>0</u>
Total	<u>172,161</u>	<u>172,161</u>	<u>0</u>

- (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) Includes estimated fiscal impact of new PBM contract effective January 1, 2012.
- (4) Includes estimated fiscal impact of new HMO contracts effective January 1, 2012.
- (5) Includes estimated fiscal impact of the Federal Patient Protection and Affordable Care Act (PPACA).
- (6) PPO bank services are estimated at approximately \$35,000 per year for the projected period, which rounds to \$0.0M.
- (7) Estimated annual HMO PBM claim administration costs are approximately \$20,000 and therefore round to \$0.0M.
- (8) Includes estimated PPO Incurred but not Reported (IBNR) claims of \$58.3M and outstanding drafts of \$6.2M.
- (9) Includes estimated HMO IBNR medical claims of \$66.3M and drug claims of \$2.0M.
- (10) Excludes estimated impact to enrollment of certain PPACA reforms.

Exhibit VIII
Comparison of Financial Outlooks
Fiscal Year 2011-12
(In Millions)

\$ 227.1	Previous Ending Cash Balance Forecast ⁽¹⁾
(0.1)	Decrease in Revenue Forecast
	(0.1) - Decrease in Medicare enrollee Insurance Premiums due to updated contracts and corrections to formulas used in January 4, 2012 Conference Report
0.0	Decrease in Expense Forecast
\$ 227.0	Ending Cash Balance

⁽¹⁾ Revenue Estimating Conference held in January 2012.

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

\$ 106.7	Previous Ending Cash Balance Forecast ⁽¹⁾
20.1	Increase in Revenue Forecast
19.9	- Increase in employer and enrollee Insurance Premiums due to increased premium rates
0.2	- Increase in Investment Interest due to an increase in projected cash balance
0.0	Decrease in Expense Forecast
\$ 126.7	Ending Cash Balance

⁽¹⁾ Revenue Estimating Conference held in January 2012.

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

\$ (194.3)	Previous Ending Cash Balance Forecast ⁽¹⁾
20.0	Increase in Beginning Cash Balance Forecast
121.6	Increase in Revenue Forecast
	121.6 - Increase in employer and enrollee Insurance Premiums due to increased premium rates
0.0	Decrease in Expense Forecast
(52.7)	Ending Cash Balance

⁽¹⁾ Revenue Estimating Conference held in January 2012.

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

\$ (554.0)	Previous Ending Cash Balance Forecast ⁽¹⁾
121.1	Increase in Revenue Forecast
	121.1 - Increase in employer and enrollee Insurance Premiums due to increased premium rates
0.0	Decrease in Expense Forecast
(432.9)	Ending Cash Balance

⁽¹⁾ Revenue Estimating Conference held in January 2012.

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

\$ (759.3)	Previous Ending Cash Balance Forecast ⁽¹⁾
120.6	Increase in Revenue Forecast
	120.6 - Increase in employer and enrollee Insurance Premiums due to increased premium rates
0.0	Decrease in Expense Forecast
(638.7)	Ending Cash Balance

⁽¹⁾ Revenue Estimating Conference held in January 2012.

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 One Eligible ⁽⁴⁾	Medicare II One Under/Over ⁽⁵⁾	Medicare III 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	473.14	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 (Premium rate change effective December 1, 2012 for CHP and FHCP only)				
Plan Name	Plan Type	Medicare I One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III 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	45.50	696.39	91.00
	HIHP	45.50	576.60	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) 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 for an additional premium.

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	649.57	15.00	664.57	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 One Eligible ⁽⁵⁾	Medicare II One Under/Over ⁽⁶⁾	Medicare III Both Eligible ⁽⁷⁾
Self-Insured PPO / HMO ⁽⁸⁾	Standard	326.92	942.64	653.84
	HIHP	246.43	771.99	492.85
Capital Health Plan ⁽⁹⁾	Standard	268.00	921.83	536.00
	HIHP	259.98	853.57	519.96
Florida Health Care Plan ⁽⁹⁾	Standard	45.50	696.39	91.00
	HIHP	45.50	576.60	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) 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 for an additional premium.

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

State Employees' Group Health Self-Insurance Trust Fund			State of Florida DSGI								
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)											
Estimated Annual Fiscal Impact											
FY 2011-12											
Reform	Effective Date	Revenue(R) Expense (E) Net	July-December				January-June				FY 2011-12 Total
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance (Illustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)	Jun 2010	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	(25.66)	(25.66)
		Net	-	-	-	-	-	-	-	25.66	25.66
2. No lifetime dollar maximum	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.38	0.12	-	1.50	1.43	0.13	-	1.56	3.06
		Net	(1.38)	(0.12)	-	(1.50)	(1.43)	(0.13)	-	(1.56)	(3.06)
3. Restricted annual dollar limits	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	0.28	0.09	0.45	0.82	0.30	0.10	0.48	0.88	1.70
		Net	(0.28)	(0.09)	(0.45)	(0.82)	(0.30)	(0.10)	(0.48)	(0.88)	(1.70)
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)	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
6. Other pass-through fees include (Illustration assumes cumulative increase to 2014): Pharmaceutical industry fees 2.3% excise tax on medical devices Health Insurance Industry fees	Jan 2011	R	-	-	-	-	-	-	-	-	-
	Jan 2013	E	-	-	-	-	-	-	-	-	-
	Jan 2014	Net	-	-	-	-	-	-	-	-	-
7. Extension of coverage for all adult children until age 26	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.80	0.46	2.69	4.95	1.87	0.48	2.91	5.26	10.21
		Net	(1.80)	(0.46)	(2.69)	(4.95)	(1.87)	(0.48)	(2.91)	(5.26)	(10.21)
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
9. Free choice vouchers	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
10. Shared responsibility "free rider surcharge"	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
11. Medicaid Expansion and migration into Exchange	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
12. Individual Mandate with federal subsidies	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
TOTAL		R	-	-	-	-	-	-	-	-	-
		E	3.46	0.67	3.14	7.27	3.60	0.71	3.39	(17.96)	(10.69)
		Net	(3.46)	(0.67)	(3.14)	(7.27)	(3.60)	(0.71)	(3.39)	17.96	10.69

Notes:

- (1) Assumes non-grandfathered status of plans.
- (2) Based on available information and legislative guidance as of February 1, 2011.
- (3) "Net" is defined as Revenue less Expense.
- (4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014, assumes that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.
FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15, assumes that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.
- (5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014, assumes that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.
FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15, assumes that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.
- (6) Total estimated collections of ERRP from July 2011 through June 2012, will be subject to availability of program funds.
- (7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect: a change in the assumed collection amount and timing of FY 2011-2012 ERRP subsidies; exclusion of FY 2010-11 from report; and, adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

State Employees' Group Health Self-Insurance Trust Fund			State of Florida DSGI								
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)											
Estimated Annual Fiscal Impact											
FY 2012-13											
Reform	Effective Date	Revenue(R) Expense (E) Net	July-December				January-June				FY 2012-13 Total
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance <i>(Illustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)</i>	Jun 2010	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
2. No lifetime dollar maximum	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.49	0.13	-	1.62	1.54	0.15	-	1.69	3.31
		Net	(1.49)	(0.13)	-	(1.62)	(1.54)	(0.15)	-	(1.69)	(3.31)
3. Restricted annual dollar limits	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	0.30	0.11	0.48	0.89	0.32	0.10	0.53	0.95	1.84
		Net	(0.30)	(0.11)	(0.48)	(0.89)	(0.32)	(0.10)	(0.53)	(0.95)	(1.84)
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)	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 include (Illustration assumes cumulative increase to 2014): Pharmaceutical industry fees 2.3% excise tax on medical devices Health Insurance Industry fees	Jan 2011	R	-	-	-	-	-	-	-	-	-
	Jan 2013	E	-	-	-	-	-	-	-	-	-
	Jan 2014	Net	-	-	-	-	-	-	-	-	-
7. Extension of coverage for all adult children until age 26	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.94	0.50	2.90	5.34	2.01	0.52	3.15	5.68	11.02
		Net	(1.94)	(0.50)	(2.90)	(5.34)	(2.01)	(0.52)	(3.15)	(5.68)	(11.02)
8. Eliminate all preexisting condition limitations	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
9. Free choice vouchers	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
10. Shared responsibility "free rider surcharge"	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
11. Medicaid Expansion and migration into Exchange	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
12. Individual Mandate with federal subsidies	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
TOTAL		R	-	-	-	-	-	-	-	-	-
		E	3.73	0.74	3.38	7.85	4.05	0.77	3.88	8.70	16.55
		Net	(3.73)	(0.74)	(3.38)	(7.85)	(4.05)	(0.77)	(3.88)	(8.70)	(16.55)

Notes:

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- (3) "Net" is defined as Revenue less Expense.
- (4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014, assumes that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.
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- (6) Total estimated collections of ERRP from July 2011 through June 2012, will be subject to availability of program funds.
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State Employees' Group Health Self-Insurance Trust Fund			State of Florida DSGI								
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)											
Estimated Annual Fiscal Impact											
FY 2013-14											
Reform	Effective Date	Revenue(R) Expense (E) Net	July-December				January-June				FY 2013-14 Total
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total	
1. Early retiree medical reinsurance <i>(Illustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)</i>	Jun 2010	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
2. No lifetime dollar maximum	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	1.61	0.14	-	1.75	1.68	0.14	-	1.82	3.57
		Net	(1.61)	(0.14)	-	(1.75)	(1.68)	(0.14)	-	(1.82)	(3.57)
3. Restricted annual dollar limits	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	0.33	0.11	0.52	0.96	0.34	0.11	0.57	1.02	1.98
		Net	(0.33)	(0.11)	(0.52)	(0.96)	(0.34)	(0.11)	(0.57)	(1.02)	(1.98)
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)	Jan 2012	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	0.34	-	0.41	0.75	0.75
		Net	-	-	-	-	(0.34)	-	(0.41)	(0.75)	(0.75)
6. Other pass-through fees include (Illustration assumes cumulative increase to 2014): Pharmaceutical industry fees 2.3% excise tax on medical devices Health Insurance Industry fees	Jan 2011	R	-	-	-	-	-	-	-	-	-
	Jan 2013	E	-	-	-	-	7.25	1.87	11.29	20.41	20.41
	Jan 2014	Net	-	-	-	-	(7.25)	(1.87)	(11.29)	(20.41)	(20.41)
7. Extension of coverage for all adult children until age 26	Jan 2011	R	-	-	-	-	-	-	-	-	-
		E	2.09	0.54	3.14	5.77	2.09	0.64	3.40	6.13	11.90
		Net	(2.09)	(0.54)	(3.14)	(5.77)	(2.09)	(0.64)	(3.40)	(6.13)	(11.90)
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	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
10. Shared responsibility "free rider surcharge"	Jan 2014	R	-	-	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
		Net	-	-	-	-	-	-	-	-	-
11. Medicaid Expansion and migration into Exchange	Jan 2014	R	-	-	-	-	(1.98)	(0.60)	(3.04)	(5.62)	(5.62)
		E	-	-	-	-	(2.50)	(0.75)	(3.83)	(7.08)	(7.08)
		Net	-	-	-	-	0.52	0.15	0.79	1.46	1.46
12. Individual Mandate with federal subsidies	Jan 2014	R	-	-	-	-	38.61	11.54	59.46	109.61	109.61
		E	-	-	-	-	48.64	14.53	74.91	138.08	138.08
		Net	-	-	-	-	(10.03)	(2.99)	(15.45)	(28.47)	(28.47)
TOTAL		R	-	-	-	-	36.63	10.94	56.42	103.99	103.99
		E	4.03	0.79	3.66	8.48	58.53	16.75	87.88	163.16	171.64
		Net	(4.03)	(0.79)	(3.66)	(8.48)	(21.90)	(5.81)	(31.46)	(59.17)	(67.65)

Notes:

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- (2) Based on available information and legislative guidance as of February 1, 2011.
- (3) "Net" is defined as Revenue less Expense.
- (4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014, assumes that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.
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- (5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014, assumes that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.
FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15, assumes that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.
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State Employees' Group Health Self-Insurance Trust Fund			State of Florida DSGI										
Summary of Fiscal Impact to Forecast of Federal Patient Protection Affordable Care Act (PPACA) (In Millions)													
Reform	Effective Date	Revenue(R) Expense (E) Net	Estimated Annual Fiscal Impact										FY 2011-12 through FY 2014-15 Grand Total
			July-December				January-June 0				FY 2014-15 Total		
			Medical	Drugs	HMO	Total	Medical	Drugs	HMO	Total			
1. Early retiree medical reinsurance <i>(Illustrative, assumes application is approved and receipts are available through 2013. See Mercer Analysis)</i>	Jun 2010	R E Net	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- (25.66) 25.66	
2. No lifetime dollar maximum	Jan 2011	R E Net	- 1.74 (1.74)	- 0.15 (0.15)	- - -	- 1.89 (1.89)	- 1.81 (1.81)	- 0.16 (0.16)	- - -	- 1.97 (1.97)	- 3.86 (3.86)	- 13.80 (13.80)	
3. Restricted annual dollar limits	Jan 2011	R E Net	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
4. Eliminate preexisting condition limitations for dependent children under 19	Jan 2011	R E Net	- 0.35 (0.35)	- 0.12 (0.12)	- 0.57 (0.57)	- 1.04 (1.04)	- 0.37 (0.37)	- 0.12 (0.12)	- 0.60 (0.60)	- 1.09 (1.09)	- 2.13 (2.13)	- 7.65 (7.65)	
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)	Jan 2012	R E Net	- - -	- - -	- - -	- - -	- 0.33 (0.33)	- - -	- 0.42 (0.42)	- 0.75 (0.75)	- 0.75 (0.75)	- 1.88 (1.88)	
6. Other pass-through fees include (Illustration assumes cumulative increase to 2014): Pharmaceutical industry fees 2.3% excise tax on medical devices Health Insurance Industry fees	Jan 2011 Jan 2013 Jan 2014	R E Net	- 7.38 (7.38)	- 1.90 (1.90)	- 11.49 (11.49)	- 20.77 (20.77)	- 7.83 (7.83)	- 2.02 (2.02)	- 12.20 (12.20)	- 22.05 (22.05)	- 42.82 (42.82)	- 63.23 (63.23)	
7. Extension of coverage for all adult children until age 26	Jan 2011	R E Net	- 2.22 (2.22)	- 0.59 (0.59)	- 3.42 (3.42)	- 6.23 (6.23)	- 2.36 (2.36)	- 0.63 (0.63)	- 3.64 (3.64)	- 6.63 (6.63)	- 12.86 (12.86)	- 45.99 (45.99)	
8. Eliminate all preexisting condition limitations	Jan 2014	R E Net	- 0.71 (0.71)	- 0.22 (0.22)	- 1.16 (1.16)	- 2.09 (2.09)	- 0.75 (0.75)	- 0.23 (0.23)	- 1.23 (1.23)	- 2.21 (2.21)	- 4.30 (4.30)	- 6.33 (6.33)	
9. Free choice vouchers	Jan 2014	R E Net	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
10. Shared responsibility "free rider surcharge"	Jan 2014	R E Net	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
11. Medicaid Expansion and migration into Exchange	Jan 2014	R E Net	(1.98) (2.50) 0.52	(0.60) (0.75) 0.15	(3.04) (3.83) 0.79	(5.62) (7.08) 1.46	(2.04) (2.70) 0.66	(0.62) (0.81) 0.19	(3.13) (4.14) 1.01	(5.79) (7.65) 1.86	(11.41) (14.73) 3.32	(17.03) (21.81) 4.78	
12. Individual Mandate with federal subsidies	Jan 2014	R E Net	38.61 48.64 (10.03)	11.54 14.53 (2.99)	59.46 74.91 (15.45)	109.61 138.08 (28.47)	39.77 52.54 (12.77)	11.89 15.69 (3.80)	61.24 80.90 (19.66)	112.90 149.13 (36.23)	222.51 287.21 (64.70)	332.12 425.29 (93.17)	
TOTAL		R E Net	36.63 58.54 (21.91)	10.94 16.76 (5.82)	56.42 87.72 (31.30)	103.99 163.02 (59.03)	37.73 63.29 (25.56)	11.27 18.04 (6.77)	58.11 94.85 (36.74)	107.11 176.18 (69.07)	211.10 339.20 (128.10)	315.09 516.70 (201.61)	

Notes:

- (1) Assumes non-grandfathered status of plans.
- (2) Based on available information and legislative guidance as of February 1, 2011.
- (3) "Net" is defined as Revenue less Expense.
- (4) FY 2013-14 - The negative expense of \$7.08M associated with Item #11, Medicaid Expansion, from January 2014 to June 2014, assumes that there will be a \$5.62M loss of revenue due to employees exiting the plan (\$4.81M in employer contributions plus \$0.81M in employee contributions) for the illustrated level of decreased enrollment in the plan, resulting in savings of \$1.46M due to medical and pharmacy inflation.
FY 2014-15 - The negative expense of \$14.73M associated with Item #11 for Fiscal Year 2014-15, assumes that there will be a \$11.41M loss of revenue due to employees exiting the plan (\$9.75M in employer contributions plus \$1.66M in employee contributions), resulting in savings of \$3.32M.
- (5) FY 2013-14 - The expense of \$138.08M associated with Item #12, the Individual Mandate, from January 2014 to June 2014, assumes that increased trust fund revenues will be available to offset the current level of costs (\$104.30M in employer contributions plus \$5.31M in employee contributions) for the illustrated level of increased enrollment in the plan, with the deficit of \$28.47M due to medical and pharmacy inflation.
FY 2014-15 - The expense of \$287.21M associated with Item #12 for Fiscal Year 2014-15, assumes that increased trust fund revenues will be available to offset the current level of costs (\$211.72M in employer contributions plus \$10.79M in employee contributions), resulting in a deficit of \$64.70M.
- (6) Total estimated collections of ERRP from July 2011 through June 2012, will be subject to availability of program funds.
- (7) Report prepared by Mercer Consultants on February 25, 2011, modified by the Division to reflect a change in the assumed collection amount and timing of FY 2011-2012 ERRP subsidies; exclusion of FY 2010-11 from report; and, adjustment of institute fees (Item #5) to reflect most recent information available from the Internal Revenue Service.

State Employees' Group Health Self-Insurance Trust Fund
Patient Protection and Affordable Care Act (PPACA)
Summary of Reforms and Estimated Fiscal Impact to the Trust Fund
(Mercer Report Dated February 25, 2011 Used as Base for Fiscal Impact
Updated By the Division of State Group Insurance for January 2012 Conference)

OVERVIEW

The recently enacted Patient Protection and Affordable Care Act (PPACA), as amended by the Health Care and Education Reconciliation Act (HCERA), creates a broad array of issues for employers' health benefit programs and the US health care system. New mandates and changes imposed by the law affect the design, cost, tax treatment, administration, reporting and disclosure of health benefit programs. Some new provisions go into effect this year; many will not take effect for several years.

PPACA imposes new mandates or standards for individual and group health coverage. With a few exceptions, all insured and self-insured group health plans will face a first round of coverage and cost-sharing mandates for plan years beginning on or after six months after March 23, 2010.

SUMMARY OF REFORMS WITH TOTAL FISCAL IMPACT FOR THE STATE EMPLOYEES' HEALTH INSURANCE PROGRAM (PROGRAM), FY 10-11 THROUGH FY 14-15

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

- **Effective June 2010**
 - Total estimated fiscal impact for the Program – Reduction of expenses in the amount of **\$25.66 million**. (Estimated fiscal impact modified by Division of State Group Insurance to reflect FY 11-12 collections and limited expected availability of funds through 2012.)
-

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**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$13.80 million**.
-

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.

PPACA Summary of Reforms and Estimated Fiscal Impact

- **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 to Trust Fund
-

All insured and self-insured group health plans will face new rules on annual dollar limits. For plan years until 2014, “restricted” annual dollar limits may apply to “essential health benefits” (discussed above).

- The maximum annual dollar limit that may be imposed on essential health benefits until 2014 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**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$7.65 million**.
-

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 (Federal Fiscal Year)**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$1.88 million**.
-

- State of Florida Employees’ Group Health Insurance Program - Beginning December 2012, \$1 per participant in 1st year.

PPACA Summary of Reforms and Estimated Fiscal Impact

- \$2 in subsequent years, from 2013 thru 2019 (sunset after 2019).

6. Other pass-through fees included

- **Effective January 1, 2014**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$62.23 million**.
-

Fees include pharmaceutical industry fees; 2.3% excise tax on medical devices and health insurance industry fees.

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

- **Effective January 1, 2011**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$45.99 million**.
-

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**
 - Total estimated fiscal impact for the Program – Increase in expenses in the amount of **\$6.33 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)

- **Effective January 1, 2014**
 - **No** estimated fiscal impact to Trust Fund.
-

Employers must offer vouchers to employees with household incomes at or below 400% of the Federal Poverty Level (FPL) if their contribution for employer-sponsored coverage would be 8% to 9.8% of household income. (Note: The highest EE premium share is standard family, \$180/month; SOF would not give an FCV unless the person's household income is below \$27,000).

PPACA Summary of Reforms and Estimated Fiscal Impact

- Voucher amount is equal to highest (percentage) employer contribution to any of its own plans (HIHP ER premium; coverage level depends on the level the member is enrolling in single/family).
- Vouchers provided for purchasing exchange-based coverage; employees can keep any excess amounts.
- Who receives vouchers? Employees who opt out of employer-sponsored coverage, have household income below 400% FPL, and would need to spend 8% or more of household income to participate in the employer plan.
- FCVs are designed to help employees buy coverage on the exchange and to shield employers from mandated penalties (\$3,000 per person if no FCV).

10. Shared responsibility “free rider surcharge”

- **Effective January 1, 2014**
 - **No** estimated fiscal impact to Trust Fund.
-

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

- National average premium for the year, or the greater of
- 1% AGI or \$95 in 2014; 2% AGI or \$325 in 2015; 2.5% AGI or \$695 in 2016; indexed thereafter.

11. Medicaid expansion and migration to Exchange

- **Effective January 1, 2014**
 - Total estimated fiscal impact for the Program – Net savings in the amount of **\$4.78 million**.
-

Medicaid expanded to up to 133% of Federal Poverty Level (FPL), effective 2014 when the State-exchanges come online.

12. Individual mandate with federal subsidies

- **Effective January 1, 2014**
 - Total estimated fiscal impact for the Program – Net cost in the amount of **\$93.17 million**.
-

- 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 subsidy.