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MEMORANDUM

TO: Consensus Estimating Conference Principals and Participants

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

SUBJECT: Results of 3/8/91 Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund

DATE: March 8, 1991

Attached for your information are the results of the March 8 Consensus Estimating Conference on the State Employees' Health Insurance Trust Fund. The new projections predict a trust fund ending balance of -\$69.6 million for 1991-92. This is an improvement from the old forecast of -\$77.9 million, due mainly to an improved outlook for Blue Cross/Blue Shield administered claims and HMO payments, balanced somewhat by higher projected claims for the Prescription Drug Program.

State Employees' Health Insurance Trust Fund
 Analysis of Income and Expenses
 1990-91

	Nov 1990 Estimate	Mar 1991 Estimate	Difference
INCOME			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$229.3	\$231.7	\$2.4
Premiums--Employees	\$74.8	\$75.6	\$0.8
Premiums--Medicare Patients	\$10.0	\$10.0	\$0.0
Premiums--Other Non-employees	\$12.3	\$12.3	\$0.0
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$6.0	\$6.0	\$0.0
Direct Appropriation--GR	\$15.3	\$15.2	(\$0.1)
Direct Appropriation--Trust	\$8.9	\$8.9	\$0.0
Other (COB's, audits and overpayment returns)	\$6.2	\$6.2	\$0.0
TOTAL INCOME	\$367.7	\$370.8	\$3.1
EXPENDITURES			
Blue Cross/Blue Shield Administered Claims	\$259.0	\$254.9	(\$4.1)
Prescription Drug Program Claims and Administration	\$37.9	\$42.5	\$4.6
HMO Payments	\$71.7	\$71.5	(\$0.2)
Blue Cross/Blue Shield Administration	\$5.7	\$5.9	\$0.2
Mobile Health Examinations	\$2.8	\$1.8	(\$1.0)
Division of State Employees' Insurance Administration	\$2.7	\$2.7	\$0.0
TOTAL EXPENDITURES	\$379.8	\$379.3	(\$0.5)
NET CHANGE IN BALANCE	(\$12.1)	(\$8.5)	\$3.6
Beginning Balance	\$21.7	\$21.7	\$0.0
Ending Trust Fund Balance	\$9.6	\$13.2	\$3.6

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

	Nov 1990 Estimate	Mar 1991 Estimate	Difference
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INCOME			

Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$238.7	\$237.7	(\$1.0)
Premiums--Employees	\$78.8	\$78.6	(\$0.2)
Premiums--Medicare Patients	\$10.5	\$10.4	(\$0.1)
Premiums--Other Non-employees	\$12.9	\$12.7	(\$0.2)
Interest	\$1.0	\$1.0	\$0.0
Transfer from Pretax Trust Fund	\$6.0	\$6.0	\$0.0
Other (COB's, audits and overpayment returns)	\$6.2	\$6.2	\$0.0
 TOTAL INCOME	 \$358.0	 \$356.5	 (\$1.5)
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EXPENDITURES			

Blue Cross/Blue Shield Administered Claims	\$309.8	\$300.5	(\$9.3)
Prescription Drug Program Claims and Administration	\$42.4	\$47.5	\$5.1
HMO Payments	\$81.0	\$79.0	(\$2.0)
Blue Cross/Blue Shield Administration	\$6.2	\$6.2	\$0.0
Mobile Health Examinations	\$3.1	\$3.1	\$0.0
Division of State Employees' Insurance Administration	\$3.0	\$3.0	\$0.0
 TOTAL EXPENDITURES	 \$445.5	 \$439.3	 (\$6.2)
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NET CHANGE IN BALANCE			
-----	(\$87.5)	(\$82.8)	\$4.7
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 Beginning Balance	 \$9.6	 \$13.2	 \$3.6
Ending Trust Fund Balance	(\$77.9)	(\$69.6)	\$8.3

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

	Nov 1990 Estimate	Mar 1991 Estimate	Difference
INCOME			
Retired Teachers Appropriation	\$3.9	\$3.9	\$0.0
Premiums--State	\$248.2	\$247.2	(\$1.0)
Premiums--Employees	\$82.0	\$81.7	(\$0.3)
Premiums--Medicare Patients	\$11.0	\$10.8	(\$0.2)
Premiums--Other Non-employees	\$13.4	\$13.2	(\$0.2)
Interest	\$0.0	\$1.0	\$1.0
Transfer from Pretax Trust Fund	\$6.0	\$6.0	\$0.0
Other (COB's, audits and overpayment returns)	\$8.0	\$6.2	(\$1.8)
TOTAL INCOME	\$372.5	\$370.0	(\$2.5)
EXPENDITURES			
Blue Cross/Blue Shield Administered Claims	\$370.5	\$359.4	(\$11.1)
Prescription Drug Program Claims and Administration	\$48.7	\$56.0	\$7.3
HMO Payments	\$92.6	\$92.3	(\$0.3)
Blue Cross/Blue Shield Administration	\$6.7	\$6.4	(\$0.3)
Mobile Health Examinations	\$3.5	\$3.5	\$0.0
Division of State Employees' Insurance Administration	\$3.3	\$3.3	\$0.0
TOTAL EXPENDITURES	\$525.3	\$520.9	(\$4.4)
NET CHANGE IN BALANCE	(\$152.8)	(\$150.9)	\$1.9
Beginning Balance	(\$77.9)	(\$69.6)	\$8.3
Ending Trust Fund Balance	(\$230.7)	(\$220.5)	\$10.2