



## **Uniform Medical Plan Financial Reports**

These reports together provide a summary of Uniform Medical Plan (UMP) expenditures versus premium contributions from employers and enrollees.

The reports will be updated quarterly, adding another quarter's claims payments as well as revising the incurred claims estimates for prior quarters. The incurred claims figures for prior quarters will change because they include estimated costs for services that were received but not paid during that quarter. These estimates are revised as additional data from paid claims becomes available.

The UMP premiums are established in advance based on projected costs for each calendar year, and remain constant during that year. On the other hand, UMP claims costs tend to be lower at the beginning of the year, while enrollees pay out-of-pocket for services that apply to their calendar year deductibles. As a result, we would expect the reports to show positive balances for the first quarters of the year, which are then depleted as the year progresses.

Finally, to correspond to the risk groups used for premium rating, each of the reports is separated into four separate tables for:

- Active/non-Medicare UMP PPO Enrollees;
- Enrollees with Medicare Primary Coverage;
- UMP Neighborhood enrollees; and
- Total Uniform Medical Plan.

The "Total Uniform Medical Plan" tables include a small number of enrollees enrolled in Conversion Plans, who are not counted in any of the other three categories.

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through March 31, 2008)*

See below for definitions of column headings

<b>Active / Non-Medicare UMP PPO Enrollees</b>					
Includes:					
- Active employees and their dependents					
- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents					
- Retirees and retiree dependents, if not enrolled in Medicare					
<b>Calendar Year and Quarter</b>	<b>Paid during Quarter (in \$000)</b>	<b>Less: Amount for Services Received in Prior Quarters (in \$000)</b>	<b>Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)</b>	<b>Result: Estimated Incurred Claims (in \$000)</b>	<b>Percent Paid thru 3/31/2008</b>
CY2006/Q1	\$101,210	(\$49,549)	\$47,639	\$99,300	100.0%
CY2006/Q2	\$116,551	(\$49,517)	\$43,297	\$110,331	100.0%
CY2006/Q3	\$110,814	(\$41,277)	\$44,737	\$114,274	100.0%
CY2006/Q4	\$120,005	(\$45,401)	\$46,865	\$121,469	100.0%
CY2006 to date	\$448,580			\$445,374	100.0%

<b>Enrollees with Medicare Primary Coverage</b>					
Includes retirees and retiree dependents, if enrolled in Medicare					
<b>Calendar Year and Quarter</b>	<b>Paid during Quarter (in \$000)</b>	<b>Less: Amount for Services Received in Prior Quarters (in \$000)</b>	<b>Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)</b>	<b>Result: Estimated Incurred Claims (in \$000)</b>	<b>Percent Paid thru 3/31/2008</b>
CY2006/Q1	\$19,395	(\$7,741)	\$7,151	\$18,805	100.0%
CY2006/Q2	\$21,945	(\$7,371)	\$6,360	\$20,934	100.0%
CY2006/Q3	\$21,502	(\$6,689)	\$5,776	\$20,589	100.0%
CY2006/Q4	\$22,111	(\$6,326)	\$6,420	\$22,205	100.0%
CY2006 to date	\$84,953			\$82,533	100.0%

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through March 31, 2008)*

See below for definitions of column headings

<b>UMP Neighborhood Enrollees</b>					
Includes:					
<ul style="list-style-type: none"> <li>- Active employees and their dependents</li> <li>- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents</li> <li>- Retirees and retiree dependents, if not enrolled in Medicare</li> </ul>					
<b>Calendar Year and Quarter</b>	<b>Paid during Quarter (in \$000)</b>	<b>Less: Amount for Services Received in Prior Quarters (in \$000)</b>	<b>Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)</b>	<b>Result: Estimated Incurred Claims (in \$000)</b>	<b>Percent Paid thru 3/31/2008</b>
CY2006/Q1	\$1,155	(\$307)	\$593	\$1,441	100.0%
CY2006/Q2	\$1,676	(\$563)	\$877	\$1,990	100.0%
CY2006/Q3	\$1,996	(\$855)	\$810	\$1,951	100.0%
CY2006/Q4	\$1,625	(\$579)	\$847	\$1,893	100.0%
CY2006 to date	\$6,452			\$7,275	100.0%

<b>TOTAL Uniform Medical Plan</b>					
Includes:					
<ul style="list-style-type: none"> <li>- Active/non-Medicare PPO enrollees</li> <li>- Active/non-Medicare UMP Neighborhood enrollees</li> <li>- Enrollees with Medicare primary coverage</li> <li>- Conversion Plan enrollees (not shown above)</li> </ul>					
<b>Calendar Year and Quarter</b>	<b>Paid during Quarter (in \$000)</b>	<b>Less: Amount for Services Received in Prior Quarters (in \$000)</b>	<b>Plus: Estimated Amount for Services Received but not Paid during Quarter (in \$000)</b>	<b>Result: Estimated Incurred Claims (in \$000)</b>	<b>Percent Paid thru 3/31/2008</b>
CY2006/Q1	\$121,776	(\$57,601)	\$55,390	\$119,565	100.0%
CY2006/Q2	\$140,201	(\$57,458)	\$50,555	\$133,298	100.0%
CY2006/Q3	\$134,358	(\$48,837)	\$51,331	\$136,852	100.0%
CY2006/Q4	\$143,771	(\$52,318)	\$54,246	\$145,699	100.0%
CY2006 to date	\$540,106			\$535,414	100.0%

## DERIVATION OF INCURRED CLAIM ESTIMATES

*(Based on Incurred Claim Estimates through March 31, 2008)*

See below for definitions of column headings

### DEFINITIONS OF COLUMN HEADINGS

***Paid during Quarter*** -- Final UMP payments during the quarter for medical and pharmacy claims, regardless of the date services were received.

***Amount for Services Received in Prior Quarters*** -- Final UMP payments during the quarter for medical and pharmacy services received prior to the beginning of that quarter.

***Estimated Amount for Services Received but not Paid during Quarter*** -- Estimated UMP payments for medical and pharmacy services received during the quarter but paid after that quarter ended. Estimates for a particular quarter will be revised as more claims information becomes available.

***Estimated Incurred Claims*** -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter. Includes estimated claims for services received by enrollees during the quarter but not yet paid. Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

***Percent Paid thru 3/31/2008*** -- Total dollars paid by UMP through 3/31/2008 for services received during the quarter, as a percent of the estimated incurred claims amount. This reflects the "completeness factors" used to derive the incurred claims estimates in this report.

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through March 31, 2008)

See below for definitions of column headings

<b>Active / Non-Medicare UMP PPO Enrollees</b>											
Includes:											
- Active employees and their dependents											
- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents											
- Retirees and retiree dependents, if not enrolled in Medicare											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/Deficit Per Adult Unit Per Month
CY2006/Q1	96,634	36,376	112,237	<u>\$99,300</u>	\$4,460	\$103,760	\$127,135	\$23,375	\$308.16	\$377.58	\$69.42
CY2006/Q2	97,071	36,453	112,763	<u>\$110,331</u>	\$4,763	\$115,094	\$127,732	\$12,638	\$340.22	\$377.58	\$37.36
CY2006/Q3	97,132	36,448	112,792	<u>\$114,274</u>	\$4,156	\$118,430	\$127,764	\$9,334	\$350.00	\$377.58	\$27.58
CY2006/Q4	98,596	36,399	114,257	<u>\$121,469</u>	\$4,818	\$126,287	\$129,423	\$3,136	\$368.43	\$377.58	\$9.15
CY2006 to date	97,359	36,419	113,012	<u>\$445,374</u>	\$18,197	\$463,571	\$512,054	\$48,483	\$341.83	\$377.58	\$35.75

<b>Enrollees with Medicare Primary Coverage</b>											
Includes retirees and retiree dependents, if enrolled in Medicare											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims (in \$000)</u>	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/Deficit Per Adult Unit Per Month
CY2006/Q1	25,208	35	25,243	<u>\$18,805</u>	\$1,103	\$19,908	\$24,103	\$4,195	\$262.88	\$318.28	\$55.39
CY2006/Q2	25,475	38	25,514	<u>\$20,934</u>	\$1,136	\$22,070	\$24,361	\$2,291	\$288.34	\$318.27	\$29.93
CY2006/Q3	25,860	42	25,902	<u>\$20,589</u>	\$802	\$21,391	\$24,732	\$3,341	\$275.28	\$318.27	\$42.99
CY2006/Q4	26,437	43	26,480	<u>\$22,205</u>	\$1,099	\$23,304	\$25,283	\$1,979	\$293.35	\$318.27	\$24.91
CY2006 to date	25,745	40	25,785	<u>\$82,533</u>	\$4,140	\$86,673	\$98,479	\$11,806	\$280.12	\$318.27	\$38.16

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

(Based on Incurred Claim Estimates through March 31, 2008)

See below for definitions of column headings

<b>UMP Neighborhood Enrollees</b>											
Includes:											
<ul style="list-style-type: none"> <li>- Active employees and their dependents</li> <li>- Self-pay enrollees on COBRA, LWOP or RIF, and their dependents</li> <li>- Retirees and retiree dependents, if not enrolled in Medicare</li> </ul>											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims</u> (in \$000)	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/Deficit Per Adult Unit Per Month
CY2006/Q1	2,356	1,246	2,881	<u>\$1,441</u>	\$196	\$1,637	\$2,281	<b>\$644</b>	\$189.41	\$263.92	<b>\$74.51</b>
CY2006/Q2	2,418	1,269	2,951	<u>\$1,990</u>	\$208	\$2,198	\$2,336	<b>\$138</b>	\$248.26	\$263.85	<b>\$15.59</b>
CY2006/Q3	2,430	1,271	2,962	<u>\$1,951</u>	\$196	\$2,147	\$2,345	<b>\$198</b>	\$241.59	\$263.87	<b>\$22.28</b>
CY2006/Q4	2,431	1,251	2,958	<u>\$1,893</u>	\$206	\$2,099	\$2,342	<b>\$243</b>	\$236.51	\$263.89	<b>\$27.38</b>
CY2006 to date	2,409	1,259	2,938	<u>\$7,275</u>	\$806	\$8,081	\$9,304	<b>\$1,223</b>	\$229.20	\$263.88	<b>\$34.69</b>

<b>TOTAL Uniform Medical Plan</b>											
Includes:											
<ul style="list-style-type: none"> <li>- Active/non-Medicare PPO enrollees</li> <li>- Active/non-Medicare UMP Neighborhood enrollees</li> <li>- Enrollees with Medicare primary coverage</li> <li>- Conversion Plan enrollees (not shown above)</li> </ul>											
Calendar Year and Quarter	Average Enrollment: Adults	Average Enrollment: Children	Average Enrollment: Adult Units	<u>Estimated Incurred Claims</u> (in \$000)	Administrative and Other Expenses (in \$000)	Total Estimated Expenses (in \$000)	Employer & Enrollee Contributions (in \$000)	Excess/Deficit (in \$000)	Estimated Expense Per Adult Unit Per Month	Employer & Enrollee Contribution Per Adult Unit Per Month	Excess/Deficit Per Adult Unit Per Month
CY2006/Q1	124,220	37,657	140,383	<u>\$119,565</u>	\$5,759	\$125,324	\$153,576	<b>\$28,252</b>	\$297.58	\$364.66	<b>\$67.08</b>
CY2006/Q2	124,985	37,760	141,249	<u>\$133,298</u>	\$6,108	\$139,406	\$154,482	<b>\$15,076</b>	\$328.98	\$364.56	<b>\$35.58</b>
CY2006/Q3	125,445	37,762	141,681	<u>\$136,852</u>	\$5,155	\$142,007	\$154,902	<b>\$12,895</b>	\$334.10	\$364.44	<b>\$30.34</b>
CY2006/Q4	127,485	37,693	143,717	<u>\$145,699</u>	\$6,125	\$151,824	\$157,105	<b>\$5,281</b>	\$352.14	\$364.38	<b>\$12.25</b>
CY2006 to date	125,534	37,718	141,758	<u>\$535,414</u>	\$23,147	\$558,561	\$620,065	<b>\$61,504</b>	\$328.35	\$364.51	<b>\$36.16</b>

Note: Children reflected in the Non-Medicare category may contain children covered under the Conversion plan.

## UNIFORM MEDICAL PLAN FINANCIAL SUMMARY

*(Based on Incurred Claim Estimates through March 31, 2008)*

See below for definitions of column headings

### DEFINITIONS OF COLUMN HEADINGS

**Average Enrollment: Adults** -- average monthly enrollment of subscribers and spouses for the applicable quarter.

**Average Enrollment: Children** -- average monthly enrollment of children for the applicable quarter.

**Average Enrollment: Adult Units** -- "Adult units" are used in developing UMP rates, and reflect one or more children per enrollee as 0.75 units.  
Per adult unit per month converts totals to per single adult.

**Estimated Incurred Claims** -- Estimated UMP payments for medical and pharmacy claims with service dates in the applicable quarter.  
Includes estimated claims for services received by enrollees during the quarter but not yet paid.  
Incurred claims estimates for a particular quarter will be revised as more claims information becomes available.

**Administrative and Other Expenses** -- includes both administrative functions that are handled in-house (such as Health Care Authority staff assigned to the UMP program and related non-salary expenses), and outsourced services performed by contractors (such as claims processing).  
Also includes prescription drug rebates and adjustments to premium stabilization reserves.

**Total Estimated Expenses** -- the sum of estimated incurred claims and administrative and other expenses.

**Employer and Enrollee Contributions** -- based on finalized UMP risk-adjusted rates, multiplied by actual plan enrollment. Includes both estimated state (or employer) premium share, as well as enrollee premium contributions.

**Excess / Deficit** -- employer and enrollee contributions less total estimated expenses.