

NY44 HEALTH BENEFITS PLAN TRUST

March 9, 2020

Fiscal Report
Meeting #107

Alice B. Riley, Manager of Finance and Enrollment

James Fregelette, Trust Chair
Donna Walters, Trust Vice Chair

Fiscal Summary

Meeting #107

03/09/2020

The following pages of summary and detailed financial activity for the Trust is for the period beginning 07/01/2019 through 01/31/2020.

Details include:

- Explanation of Reports
- Balance Sheet
- Statement of Net Assets
- Financial Activity of the NY44 Trust
- Statement of Cash Flow Contribution Rev vs. Medical/RX Expenses

Summary:

Banking figures on Summary Sheet represent adjusted, unadjusted, un-audited numbers.

If you require further detail, please do not hesitate to ask.

Respectfully submitted,

Alice B. Riley

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NY44 Trust Manager in Finance and Enrollment

Explanation of Reports:

1. **NY44 Health Benefits Plan Trust Financial Report (Balance Sheet):** This report is a current snapshot of the financials-the assets and liabilities. Included on the report there is the prior fiscal year ending June 30, 2019. The auditors' adjustments at year end are also reflected in the June 30th figures. The Liability section includes the Estimated Claims Payable or also known as the IBNR (Incurred But Not Recorded). The Equity Position is the difference between the assets and liabilities. As such, the equity position changes depending on the funding requirements during that month. The Independent Health funding occurs bi-weekly on Mondays and the MVP Healthcare funding is weekly on Wednesdays.
2. **NY44 Health Benefits Plan Trust Statements of Net Assets Available for Benefits (Cash Flow Statement):** Like the Balance Sheet the Cash Flow Statement is a record of Assets – (minus) Current Liabilities; miscellaneous revenue received is detailed at the bottom such as the Pharmacy Rebates and/or the Retiree Drug Subsidy (RDS).
3. **Financial Activity for the NY44 Health Benefits Plan Trust (Dashboard Report):** The report shows a quick look at of the entire financials of the Trust, also known as a Dashboard Report. The report includes the Administrative, Operational, and Dental accounts. Working from the top left the report shows the change in enrollment. The bottom left has the Revenue and Disbursements broken out by the same accounts the auditors use for the annual financial statements. The top right side begins with the investment account and includes all other checking and savings accounts. Next is the employee reimbursement for the Wellness and Physical paid in the current fiscal year.
4. **Statement of Cash Flow Contribution Revenue vs Medical and Pharmacy Expenses:** This is a summary of Claims vs Revenue. Medical claims paid on behalf of the NY44 by from the third-party administrators (IH/Nova and MVP) to the providers (doctors, hospitals, etc) plus Non-Medical claims paid which are the TPA administrative fees, consultant and service vendor payments, and appeal expenses. This report does not include the Administrative revenue or expenses for the Trust operations, nor does it include the Dental revenue or claims associated with it.

NY44 Health Benefits Trust Financial Report as of January 2020

	Balance at	
	<u>1/31/2020</u>	<u>6/30/2019</u>
Assets:		
Assets of the Trust are comprised of Cash and Investments and amounts due from other parties(e.g. pharmacy rebates, etc.)		
Cash and Investments	\$ 40,518,388	\$ 23,278,561
Less: cash received in advance	6,353,027	4,234,425
Net cash	34,165,361	19,044,136
Amounts due from others	-	-
Total Assets	34,165,361	19,044,136

Liabilities:

The only significant liability of the Trust is amounts due to medical providers for services provided. Since medical claims are not always received timely this is an estimate of amounts due.

Accounts and claims payable (estimated)	11,050,634	11,050,634
Total Liabilities	11,050,634	11,050,634

Equity Position:

Taking Trust assets and subtracting liabilities provides the equity position, which may also be termed fund balance, net assets or reserves.

Equity position or (deficit)	23,114,727	7,993,502
Total equity (deficit)	\$ 23,114,727	\$ 7,993,502

*IBNR rec'd from BPAS 9.12.19

NY44 Health Benefits Plan Trust
Statements of Net Assets Available For Benefits
January 2020

Jan-20

Current Assets

Cash	\$ 35,241,028.07	
Other Savings-General and Stop Loss Account	\$ 1,527,455	
Investments in Securities	\$ 3,749,905	
	\$ -	
Net Assets		\$ 40,518,388

Accounts Receivable

Payments in Current Month for Next Month	\$ (6,353,027)	
Total Accounts Receivable	\$ 6,353,027	
Total Accounts Receivable	\$ -	\$ 6,353,027
Total of Net Assets		\$ 34,165,361

Current Liabilities

Est. Claims Payable (IBNR)*Rec'd IBNR Reserves 9.12.19	\$ 11,050,634	
Accounts Payable	\$ -	
Total Current Liabilities		\$ (11,050,634)

NET ASSETS

Unrestricted	\$ (23,003,850)	
Temporary Retriected	\$ (110,877)	
Total of Net Assets		\$ (23,114,727)

Total Liabilities and Net Assets Available For Benefits

\$ (34,165,361)

RECEIVED REBATE REVENUE:

RX Rebates Received in 2019-20

Q4-2018 Pharmacy Rebate Rec'd 7.30.2019	\$ 1,773,563
Q1-2019 Pharmacy Rebate Rec'd 10.29.2019	\$ 1,906,759
Q2-2019 Pharmacy Rebate Rec'd 01.28.2020	\$ 2,014,693
	<u><u>\$ 5,695,015</u></u>

Retiree Drug Subsidy Received in 2019-20

7.1.2018-6.30.19 Rec'd 02.02.2020	\$ 504,691
	<u><u>\$ 504,691</u></u>

Financial Activity for the NY44 Health Benefits Plan Trust

Through January 31, 2020

Board of Trustee's Meeting:

ENROLLMENT	7/1/2019	3/1/2020	Change*
Family	3,891	3,835	(56)
Single	2,651	2,547	(104)
Employee + Children	472	462	(10)
Two Adults	1,213	1,211	(2)
Total	8,227	8,055	(172)
Revenue & Disbursements	Time Period 01/31/2020	Year to Date 7/1/2019 - 01/31/2020	Financial Statement Ending 6/30/2019 (Year before)
Revenues			
District Premium Contributions	\$ 13,758,324	\$ 96,909,826	\$ 184,308,589
Trust Admin Fees	\$ 97,668	\$ 684,529	\$ 1,311,995
Interest Income and change in investment	\$ 862	\$ 50,821	\$ 203,048
Pharmacy Rebates & Subsidies	\$ 2,014,693	\$ 3,908,888	\$ 9,005,116
COBRA	\$ 5,714	\$ 108,444	\$ 182,580
Dental	\$ 113,425	\$ 754,314	\$ 1,273,698
Misc. Other-TPA Internal Audits	\$ 72,085	\$ 250,882	\$ 556,067
Participants' Assessments	\$ -	\$ -	\$ 132,048.00
Total Revenues	\$ 16,062,771	\$ 102,667,703	\$ 196,973,141
Disbursements			
Medical Claim Payments	\$ 6,742,718	\$ 58,504,522	\$ 132,166,816
Prescription Drug Claim Payments	\$ 3,050,338	\$ 24,186,246	\$ 48,211,673
Dental Claim Payments	\$ 140,247	\$ 740,632	\$ 1,304,433
Claim Administrative fees-TPA	\$ 344,006	\$ 2,344,684	\$ 4,955,533
Consultants	\$ 43,803	\$ 255,276	\$ 595,328
Administrative/Operation Expenses	\$ 55,151	\$ 497,727	\$ 310,452
Wellness Health Reimbursement	\$ -	\$ 116,376	\$ 201,950
Annual Physical Claims	\$ 100	\$ 181,400	\$ 518,590
Other Expenses	\$ -	\$ -	\$ -
6.30.19 Claims Payable-adj to Actual	\$ -	\$ -	\$ (9,960,880)
Total Expenses	\$ 10,376,361	\$ 86,826,862	\$ 178,303,896
Net Revenues - Disbursements	\$ 5,686,410	\$ 15,840,841	\$ 18,669,245
NET ASSETS, at beginning of Year			\$ (10,675,744)
NET ASSETS, at end of year			\$ 7,993,501

Deposits/Investments

Investments	Other: Reinvestment
Morgan Stanley	\$ 3,749,905
Banking	As of 01/31/2020
M&T Checking & Saving Accounts	\$ 36,657,606
Savings Escrow 6976- Restricted	\$ 110,876.80
Total Cash/Investments	\$40,518,388

**Employee Reimbursement Paid in this Fiscal Year	
Wellness July - January 2020	\$ 116,376
Physical July - January 2020	\$ 181,400
Total Paid	\$ 297,776
Wellness 2018-19 Total	\$ 202,030.41
Physical Rewards 2018-19 Total	\$ 519,190.00
Program Total	\$ 721,220.41

**Program ended June 30, 2019

NOTES:

*Tax information was sent to the schools on 10.18.19

*Claims information will be provided on Oswald's Claims Analysis Report

NY44 Benefits Plan Trust
Statement of Cash Flow
Contribution Revenue vs. Medical/RX Expenses
Fiscal Year 2019-20

	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	
Revenue	\$ 16,037,764	\$ 13,707,478	\$ 13,817,617	\$ 15,692,702	\$ 13,938,798	\$ 13,906,427	
Medical/RX EX	\$ 12,867,386	\$ 11,551,649	\$ 15,329,127	\$ 12,625,804	\$ 10,833,403	\$ 9,690,343	
NonClaims EX	\$ 644,193	\$ 551,337	\$ 532,635	\$ 439,961	\$ 429,936	\$ 547,002	
Diff (+/-)	\$ 2,526,185	\$ 1,604,492	\$ (2,044,145)	\$ 2,626,938	\$ 2,675,459	\$ 3,669,082	
	RX Rebate			RX Rebate			

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	TOTAL
Revenue	\$ 15,850,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,951,602
Medical/RX EX	\$ 9,793,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,690,767
NonClaims EX	\$ 451,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,596,463
	\$ -						
Diff (+/-)	\$ 5,606,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,664,372
	RX Rebate			RX Rebate			

* Highlighted months have additional funding requirements - 5 weeks in the month

This is a Quick view report that shows a direct correlation of Contribution revenue and Rebate income against the Medical/RX and NonClaims (TPA admin fees, service vendors, Stop Loss pmts). The report does not include the Administrative revenue or expenses for the Trust operations, nor does it include the Dental revenue or claims associated with it.