




NY 44 Trust Financial Activity

Through January 31, 2020



Board Meeting #107

March 9, 2020

Alice B. Riley, Manager of Finance and Enrollment

James Fregelette, Trust Chair

Donna Walters, Trust Vice Chair



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

REPORT ON EXAMINATION

OF THE

NY 44 HEALTH BENEFITS PLAN TRUST

AS OF

JUNE 30, 2013

Date of Report: November 25, 2014

Executive Summary from DFS

The examiner's review of the sample of transactions did not reveal any differences which materially affected the Fund's financial condition as presented in its financial statements contain in the June 30, 2013 filed annual statement.

The examiner's review of the Fund's market conduct activities did not reveal significant instance which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Fund.

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:

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

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

NY44 Trust Manager of Finance and Enrollment

Balance Sheet "Snapshot" on January 31st

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	<u>6,353,027</u>	<u>4,234,425</u>
Net cash	34,165,361	19,044,136
Amounts due from others	<u>-</u>	<u>-</u>
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)	<u>11,050,634</u>	<u>11,050,634</u>
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)	<u>23,114,727</u>	<u>7,993,502</u>
Total equity (deficit)	<u>\$ 23,114,727</u>	<u>\$ 7,993,502</u>

*IBNR rec'd from BPAS 9.12.19

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
		<hr/> <hr/>
	\$	5,695,015

Retiree Drug Subsidy Received in 2019-20

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

The Enrollment comparison from July 2019 - March 2020

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)

Financial Activity of Accounts

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 investm	\$ 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

Status of Bank and Investment Accounts on January 31, 2020

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

Reimbursement for the 2018-19 Year Paid in 2019-20 & Total of the Reimbursement

**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

Statement of Cash Flow for Contribution Revenue vs. Expenses of Medical/Rx

	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.

Monthly Administrative Report

2019-20

2019-20 Administrative Expenses	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual
Salaries and Benefits	\$ 84,823.84	\$ 11,152.83	\$ 41,548.86	\$ 6,824.79	\$ 4,584.00	\$ 40,808.81
Rental of Office Space	\$ 6,159.25	\$ -	\$ -	\$ -	\$ 6,159.25	\$ -
Auditor Fees	\$ 382.50	\$ -	\$ -	\$ -	\$ -	\$ 9,234.00
Technology Support	\$ 22,155.56	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ 30,153.00	\$ 41,154.50	\$ 60,835.30	\$ 17,377.78	\$ 24,790.50	\$ 25,276.75
Misc Operational Cost:	\$ 919.01	\$ 3,202.67	\$ 6,824.31	\$ 1,547.71	\$ 94.10	\$ 327.50
Total:	\$144,593.22	\$ 55,509.94	\$ 109,208.51	\$ 25,750.35	\$ 35,627.85	\$ 75,647.06

Adj to account, see below

	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	Total Actual	Budgeted 2019-20	Remaining Available
Salaries and Benefits	\$ 9,659.65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,402.78	\$ 741,859.09	\$ 542,456.31
Rental of Office Space	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,318.50	\$ 24,640.91	\$ 12,322.41
Auditor Fee	\$ 10,286.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,902.79	\$ 21,500.00	\$ 1,597.21
Technology Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,155.56	\$ 26,000.00	\$ 3,844.44
Legal	\$ 35,133.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,720.83	\$ 300,000.00	\$ 65,279.17
Misc Operational Cost:	\$ 71.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,987.01	\$ 38,000.00	\$ 25,012.99
Total:	\$ 55,150.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,487.51	\$ 1,152,000.00	\$ 650,512.49

Trust Admin Fee	Total in QuickBooks (Checking/Savings)	NOTES:
Beginning Balance: July 1, 2019 →→→→	\$ 884,580.88	Beginning Balance
July 2019 Admin Fee	\$ 97,015.00	\$ -
August 2019 Admin Fee	\$ 97,168.00	\$ -
September 2019 Admin Fee	\$ 97,274.00	\$ -
October 2019 Admin Fee	\$ 97,860.00	\$ -
November 2019 Admin Fee	\$ 99,480.00	\$ -
December 2019 Admin Fee	\$ 98,220.00	\$ -
January 2020 Admin Fee	\$ 97,668.00	\$ -
February 2020 Admin Fee	\$ -	\$ -
March 2020 Admin Fee	\$ -	\$ -
April 2020 Admin Fee	\$ -	\$ -
May 2020 Admin Fee	\$ -	\$ -
June 2020 Admin Fee	\$ -	\$ -
Total	\$ 684,685.00	



NY44 Trust Proposed Administrative Operational Budget

March, 2020

Administrative Budget Proposal for 2020-2021 Fiscal Year

Administrative Budget	Budget 2017-18	%Chg	Budget 2018-19	%Chg	Budget 2019-20	%Chg	Budget 2020-21	%Chg
Salaries and Benefits	\$ 925,000.00		\$ 858,270.00		\$ 741,859.09		\$ 319,000.00	
Rental of Office Space	\$ 23,681.40		\$ 24,154.00		\$ 24,640.91		\$ 18,000.00	
Auditor's Annual Report & Consultin	\$ 11,518.60		\$ 11,519.00		\$ 21,500.00		\$ 22,000.00	
Technology Support (Website, Phon	\$ 35,000.00		\$ 27,000.00		\$ 26,000.00		\$ 25,000.00	
Legal	\$ 175,000.00		\$ 175,000.00		\$ 300,000.00		\$ 400,000.00	
Misc Operational Costs*	\$ 115,000.00		\$ 102,617.00		\$ 38,000.00		\$ 80,000.00	
Total	\$ 1,285,200.00	2.00%	\$ 1,198,560.00	-6.74%	\$ 1,152,000.00	-4%	\$ 864,000.00	-25%

* (postage, print shop, supplies, travel, insurance, etc)

Est. 6000 @\$12 PEPM

Reduction in Enrollment



Questions???