

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUND
Statements of Revenues, Expenses, and
Changes in Net Assets—Internal Service Funds
YTD as of September 30, 2012

	YTD 9/30/2012	YTD 9/30/2011	Full Year 6/30/2012	Full Year 6/30/2011	Full Year 6/30/2010
Operating revenues:					
Operating income	\$ 31,701,936	\$ 30,969,464	\$ 122,941,566	\$ 119,211,913	112,927,735
Other income				884	97,894
Investment income	81,655	107,061	443,209	498,476	779,620
Total operating revenues	\$ 31,783,591	\$ 31,076,526	\$ 123,384,775	\$ 119,711,273	\$ 113,805,250
Operating expenses:					
Losses and loss expenses	29,426,411	31,342,721	114,179,304	111,900,464	101,098,908
All other expenses	1,878,662	1,655,058	7,060,881	8,621,004	13,570,703
Total operating expenses	\$ 31,305,073	\$ 32,997,779	\$ 121,240,185	\$ 120,521,468	\$ 114,669,611
Nonoperating revenues:					
Capital contributions	0	0	0	49,990	
Transfers to Other Funds	0	0	0	(1,380,291)	
Loss on disposal of capital assets	0	0	0	(3,273)	
Total nonoperating revenues	\$ -	\$ -	\$ -	\$ (1,333,574)	\$ -
Change in net assets	478,518	(1,921,254)	2,144,590	(2,143,769)	(864,361)
Total net assets - Beginning	43,167,723	41,023,133	41,023,133	43,166,902	44,031,264
Total net assets - Ending	\$ 43,646,240	\$ 39,101,879	\$ 43,167,723	\$ 41,023,133	\$ 43,166,902

Maricopa County
Employee Benefits Trust Funds
Statements of Net Assets - Internal Service Funds
September 30, 2012, September 30, 2011, June 30, 2012, June 30, 2011, and June 30, 2010

	9/30/2012	9/30/2011	6/30/2012	6/30/2011	6/30/2010
Assets					
Cash and cash equivalents	\$ 60,213,550	\$ 56,516,228	\$ 60,636,639	\$ 57,181,449	\$ 56,235,460
Interest receivable	42,598	3,563	42,598	3,563	81,358
Accounts receivable	1,147,538	830,452	924,206	898,195	1,260,064
Prepaid insurance	179,102	102,572	1,411,102	852,807	110,532
Capital assets, net	0	0	0	0	4,013
Total assets	\$ 61,582,789	\$ 57,452,815	\$ 63,014,546	\$ 58,936,014	\$ 57,691,427
Liabilities					
Accounts payable	218,253	336	88,404	124,271	512,556
Accrued Liabilities	5,269,796	2,917,858	5,554,366	2,382,967	3,243,514
Employee compensation payable	3,246,126	3,317,672	3,268,085	3,290,574	2,263,426
Reserve for losses and loss expenses	9,202,375	12,115,069	10,935,968	12,115,069	8,505,029
Total liabilities	\$ 17,936,550	\$ 18,350,936	\$ 19,846,823	\$ 17,912,882	\$ 14,524,525
Net Assets					
Invested in capital assets	0			0	4,013
Unrestricted (deficit)	43,646,240	39,101,879	43,167,722	41,023,133	43,162,889
Total net assets (deficit)	\$ 43,646,240	\$ 39,101,879	\$ 43,167,722	\$ 41,023,133	\$ 43,166,902

IBNR/RBUC Estimates ¹

Plan	Claims Incurred But Not Paid as of 6/30/2012		
	Actual Claims Paid 7/1/2012 through 7/31/2012	Still Outstanding as of 7/31/2012	6/30/12 IBNR with Runout through 7/31/12
CIGNA CMG High	\$ 2,606,861	\$ 1,619,327	\$ 4,226,188
CIGNA CMG Low	\$ 28,356	\$ 37,271	\$ 65,627
CIGNA OAP IN	\$ 916,307	\$ 552,421	\$ 1,468,728
CIGNA OAP High	\$ 1,942,678	\$ 1,115,468	\$ 3,058,146
CIGNA OAP Low	\$ 75,645	\$ 70,279	\$ 145,924
CIGNA HSA	\$ 525,567	\$ 298,239	\$ 823,806
CIGNA Medical Total	\$ 6,095,415	\$ 3,693,005	\$ 9,788,420

Plan	Claims Incurred But Not Paid as of 6/30/2012		
	Actual Claims Paid 7/1/2012 through 7/31/2012	Still Outstanding as of 7/31/2012	6/30/12 IBNR with Runout through 7/31/12
Catamaran Rx	\$ -	\$ -	\$ -
Magellan Behavioral Health	\$ 73,033	\$ 158,733	\$ 231,766
EyeMed Vision	\$ 89,115	\$ 18,461	\$ 107,576
CIGNA Dental	\$ 148,466	\$ 335,879	\$ 484,345
Sedgwick Short Term Disability Plans 40%	\$ 3,229	\$ 10,913	\$ 14,411
Sedgwick Short Term Disability Plans 50%	\$ 8,472	\$ 47,806	\$ 63,129
Sedgwick Short Term Disability Plans 60%	\$ 66,909	\$ 186,532	\$ 246,321
Sedgwick Short Term Disability Total	\$ 78,610	\$ 245,251	\$ 323,861
Total	\$ 6,484,639	\$ 4,451,328	\$ 10,935,968

¹ - Excludes due and unpaid. For STD, includes the reserve for the present value of amounts not yet due.

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Fund Balance Roll-Forward
Three Months Ended September 30, 2012

10/19/2012

Self Insured Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance</u> <u>7/1/2012</u>	<u>Fund Balance</u> <u>9/30/2012</u>
601-CMG MEDICAL	\$ 12,951,337	\$ 12,854,136	\$ (97,201)	\$ (3,175,089)	\$ (3,272,290)
602-CMG LOW OPTION				1,141,584	1,141,584
603-OAP IN				(1,764,074)	(1,764,074)
604-OAP MEDICAL	7,960,229	8,745,016	784,788	(2,034,662)	(1,249,874)
605-OAP LOW OPTION				1,938,145	1,938,145
606-CHOICE FUND H.S.A.	3,849,948	3,707,136	(142,812)	819,805	676,993
614-BEHAVIORAL HEALTH	474,634	462,272	(12,361)	5,304,061	5,291,700
Total Medical & BH	\$ 25,236,147	\$ 25,768,561	\$ 532,414	\$ 2,229,770	\$ 2,762,184
629-SI DENTAL	1,000,999	947,481	(53,519)	5,089,287	5,035,768
Total Dental	\$ 1,000,999	\$ 947,481	\$ (53,519)	\$ 5,089,287	\$ 5,035,768
608-COINSURANCE PHARMACY	3,311,512	3,066,136	(245,376)	17,461,014	17,215,638
609-CONSUMER CHOICE			0	1,261,278	1,261,278
619-ONSITE PHARMACY CLINIC	462,286	338,175	(124,110)	0	(124,110)
620-Admin Unassigned	(236,909)	(236,909)	0	0	0
Total Pharmacy	\$ 3,536,888	\$ 3,167,402	\$ (369,486)	\$ 18,722,292	\$ 18,352,806
623-VISION	538,663	369,935	(168,727)	168,475	(252)
Total Vision	\$ 538,663	\$ 369,935	\$ (168,727)	\$ 168,475	\$ (252)
615-WELLNESS	77,198	451,955	374,757	2,926,118	3,300,875
618-BENEFIT ADMINISTRATION	445,211	605,735	160,525	5,304,248	5,464,773
999-BENEFITS CLEARING	0	0	0		0
Total Other	\$ 522,408	\$ 1,057,690	\$ 535,282	\$ 8,230,366	\$ 8,765,648
Grand Total	\$ 30,835,106	\$ 31,311,069	\$ 475,963	\$ 34,440,190	\$ 34,916,153

Employee Self Insured Funds

611-60 PERCENT STD	389,216	358,323	(30,893)	6,909,543	6,878,650
612-50 PERCENT STD	52,934	78,922	25,988	1,110,613	1,136,601
613-40 PERCENT STD	27,818	35,276	7,457	707,378	714,835
Total STD	\$ 469,968	\$ 472,521	\$ 2,553	\$ 8,727,534	\$ 8,730,087
Total Self-Insured	\$ 31,305,074	\$ 31,783,591	\$ 478,517	\$ 43,167,723	\$ 43,646,240

Fully Insured (Agency) Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance</u> <u>7/1/2012</u>	<u>Fund Balance</u> <u>9/30/2012</u>
607-FI DENTAL PPO	\$ 1,232,286	\$ 1,230,201	\$ (2,086)	\$ 68,952	\$ 66,867
625-FI PREPAID DENTAL	94,168	92,492	(1,676)	109,890	108,214
Total Dental	\$ 1,326,454	\$ 1,322,693	\$ (3,762)	\$ 178,842	\$ 175,080
621-FLEX SPENDING HEALTH	869,356	637,350	(232,006)	0	(232,006)
622-FLEX SPENDING DEP CARE	107,505	240,163	132,658	0	132,658
Total FSA	\$ 976,862	\$ 877,514	\$ (99,348)	\$ -	\$ (99,348)
626-FI LIFE AND AD AND D	73,681	89,321	15,640	43,077	58,717
627-SUPPLEMENTAL LIFE	817,532	799,987	(17,546)	232,046	214,500
630-DEPENDENT LIFE	87,024	86,631	(393)	10,486	10,093
Total Life and AD&D	\$ 978,237	\$ 975,939	\$ (2,299)	\$ 285,609	\$ 283,310
628-EMPLOYEE ASSISTANCE	53,225	53,481	256	739	995
631-VOLUNTARY BENEFITS	221,324	241,258	19,934	3,198	23,132
632-CIGNA FOR SENIORS	173,824	178,031	4,207	86,403	90,610
Total Others	\$ 448,373	\$ 472,770	\$ 24,397	\$ 90,340	\$ 114,737
Total Agency Funds	\$ 3,729,926	\$ 3,648,916	\$ (81,011)	\$ 554,791	\$ 473,780

Employee Benefits Trust Funds

10/15/2012

Balance Sheet Details

September 30, 2012, September 30, 2011, June 30, 2012, June 30, 2011, and June 30, 2010

	9/30/2012	9/30/2011	6/30/2012	6/30/2011	6/30/2010
<u>Accounts receivable</u>					
<i>COBRA Receivable</i>	\$ 106,422	\$ 112,356	\$ 164,058	\$ 109,355	\$ 436,144
<i>Vision</i>	1,664	1,408	1,057	1,345	
<i>Dental</i>	2,294	2,684	1,154	2,652	
<i>619-ONSITE PHARMACY CLINIC</i>	338,175				
<i>WHI Rebate</i>	698,983	714,004	757,936	784,843	823,920
Total Accounts receivable	\$ 1,147,538	\$ 830,452	\$ 924,206	\$ 898,195	\$ 1,260,064
<u>Prepaid insurance</u>					
<i>STD</i>	\$ 94,567	\$ 97,716	\$ 94,567	\$ 97,716	\$ 105,544
<i>Vision</i>	4,989	4,856	4,989	4,856	4,988
<i>H.S.A</i>	79,547	0	1,311,547	750,235	
Total prepaid insurance	\$ 179,102	\$ 102,572	\$ 1,411,102	\$ 852,807	\$ 110,532
<u>Accounts payable</u>					
<i>Medical</i>	\$ 170,000	\$ -	\$ -	\$ -	\$ 378,664
<i>Behavioral Health</i>	39,828		38,030	32,500	24,000
<i>Vision</i>	0	336		300	6,362
<i>Dental</i>					
<i>STD</i>			11,929	13,007	23,743
<i>WELLNESS</i>	1,615	0	5,754	16,705	1,512
<i>616-CONTRACT ADMINISTRATION</i>	0		23,474	37,543	21,107
<i>618-BENEFIT ADMINISTRATION</i>	6,810	0	9,218	24,217	57,167
<i>619-ONSITE PHARMACY CLINIC</i>	0				
Total accounts payable	\$ 218,253	\$ 336	\$ 88,404	\$ 124,271	\$ 512,556
<u>Accrued Liabilities</u>					
<i>Medical</i>	\$ 2,267,322	\$ 1,862,802	\$ 2,846,956	\$ 1,470,817	\$ 2,272,774
<i>Pharmacy</i>	730,298	594,880	625,425	650,525	657,132
<i>Behavioral Health</i>	32,500			0	
<i>Vision</i>					141,657
<i>Dental</i>	159,837	411,702	139,519	261,625	121,960
<i>STD</i>	12,000	12,000	(0)		
<i>615-WELLNESS</i>	0				
<i>616-CONTRACT ADMINISTRATION</i>	0	23,474			
<i>618-BENEFIT ADMINISTRATION</i>	23,474	13,000			
<i>619-ONSITE PHARMACY CLINIC</i>	323,915				
<i>999-BENEFITS CLEARING</i>	1,720,450		1,942,466		
<i>HEALTH SELECT SI TRUST</i>					49,990
Total Accrued Liabilities	\$ 5,269,795	\$ 2,917,858	\$ 5,554,366	\$ 2,382,967	\$ 3,243,514
<u>Employee compensation payable</u>					
<i>Consumer Choice Pharmacy Employee Allo</i>	\$ 3,122,217	\$ 3,122,217	\$ 3,122,217	\$ 3,122,217	\$ 2,124,477
<i>Employee compensation payable</i>	123,909	151,651	145,869	124,553	138,949
<i>615-WELLNESS</i>	0				
<i>H.S.A</i>		43,804		43,804	
Total Employee Comp Accrual	\$ 3,246,126	\$ 3,317,672	\$ 3,268,086	\$ 3,290,574	\$ 2,263,426
<u>Reserve for losses and loss expenses -IBNR Details</u>					
<i>Medical</i>	\$ 8,054,827	\$ 10,991,703	\$ 9,788,419	\$ 10,991,704	\$ 7,444,933
<i>Pharmacy</i>					
<i>Behavioral Health</i>	231,766	178,642	231,766	178,642	252,691
<i>Vision</i>	107,576	91,554	107,576	91,554	52,502
<i>Dental</i>	484,345	409,517	484,345	409,517	374,756
<i>STD</i>	323,861	443,654	323,861	443,654	380,147
Total Reserve for losses and loss exensi	\$ 9,202,375	\$ 12,115,069	\$ 10,935,967	\$ 12,115,071	\$ 8,505,029

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Three Months Ended September 30, 2012

Self Insured Funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Revenue				
601-CMG MEDICAL	\$ 11,327,328	\$ 12,854,136	\$ 1,526,808	13.48%
604-OAP MEDICAL	10,916,754	8,745,016	(2,171,738)	-19.89%
606-CHOICE FUND H.S.A.	3,059,781	3,707,136	647,355	21.16%
614-BEHAVIORAL HEALTH	472,476	462,272	(10,204)	-2.16%
Total Medical & BH	\$ 25,776,339	\$ 25,768,561	(7,778)	-0.03%
629-SI DENTAL	918,099	947,481	29,382	3.20%
Total Dental	\$ 918,099	\$ 947,481	29,382	3.20%
608-COINSURANCE PHARMACY	3,146,220	3,066,136	(80,084)	-2.55%
619-ONSITE PHARMACY CLINIC	267,501	338,175	70,674	
200-ELIMINATIONS	(267,501)	(236,909)	30,592	
Total Pharmacy	\$ 3,146,220	\$ 3,167,402	(9,410)	-0.30%
623-VISION	384,375	369,935	(14,440)	-3.76%
Total Vision	\$ 384,375	\$ 369,935	(14,440)	-3.76%
615-WELLNESS	397,404	451,955	54,551	13.73%
618-BENEFIT ADMINISTRATION	543,868	605,735	61,867	11.38%
999-BENEFITS CLEARING	-	0		
Total Other	\$ 941,272	\$ 1,057,690	\$ 116,418	12.37%
Grand Total	\$ 31,166,305	\$ 31,311,069	\$ 114,172	0.37%

Employee Self Insured Funds

611-60 PERCENT STD	\$ 352,038	\$ 358,323	\$ (6,285)	-1.79%
612-50 PERCENT STD	76,140	78,922	(2,782)	-3.65%
613-40 PERCENT STD	35,547	35,276	271	0.76%
Total STD	\$ 463,725	\$ 472,521	(8,796)	-1.90%
Total Revenue	\$ 31,630,030	\$ 31,783,591	105,376	0.33%

Expenses

601-CMG MEDICAL	\$ 13,570,868	\$ 12,951,336	\$ 619,532	4.57%
604-OAP MEDICAL	11,938,105	7,960,229	3,977,876	33.32%
606-CHOICE FUND H.S.A.	4,236,465	3,849,948	386,517	9.12%
614-BEHAVIORAL HEALTH	472,476	474,634	(2,158)	-0.46%
Total Medical & BH	\$ 30,217,914	\$ 25,236,146	\$ 4,981,768	16.49%
629-SI DENTAL	975,328	1,000,999	(25,671)	-2.63%
Total Dental	\$ 975,328	\$ 1,000,999	(25,671)	-2.63%
608-COINSURANCE PHARMACY	3,146,220	3,311,512	(165,292)	-5.25%
619-ONSITE PHARMACY CLINIC	307,998	462,286	(154,288)	-50.09%
200-ELIMINATIONS	(267,501)	(236,909)	(30,592)	11.44%
Total Pharmacy	\$ 3,186,717	\$ 3,536,888	(350,171)	-10.99%
623-VISION	542,615	538,663	3,952	
Total Vision	\$ 542,615	\$ 538,663	3,952	0.73%
615-WELLNESS	174,970	77,198	97,772	
618-BENEFIT ADMINISTRATION	524,099	445,211	78,888	15.05%
Total Other	\$ 699,069	\$ 522,408	\$ 176,661	25.27%
Grand Total	\$ 35,621,643	\$ 30,835,105	\$ 4,786,538	13.44%

Employee Self Insured Funds

611-60 PERCENT STD	\$ 406,482	\$ 389,216	\$ 17,266	4.25%
612-50 PERCENT STD	76,140	52,934	23,206	30.48%
613-40 PERCENT STD	35,547	27,818	7,729	21.74%
Total STD	\$ 518,169	\$ 469,968	\$ 48,201	9.30%
Total Self-Insured	\$ 36,139,812	\$ 31,305,073	\$ 4,834,739	13.38%

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
September 2012

NOTE 1 – Interest Receivable Held with the Treasurer

Interest Receivable represents the Trust's share of the amortization of zero coupon bond discounts and the unpaid but earned portion of bond coupons which are normally paid every six months on varying dates. The trust has all cash invested with the Maricopa County Treasurer in the investment pool. This pool consists of U S Government Securities that have up to a three year maturity.

NOTE 2 – Accounts Receivable

Accounts Receivable included \$106,422 for COBRA premium, \$1,664 for Vision, \$2,294 for Dental, \$639,307 for WHI Rebates, \$338,175 for OnSite Pharmacy Clinic..

NOTE 3 – Pre-Paid Insurance

Pre-Paid insurance included \$94,567 for Sedgwick, \$4,989 for Vision plan, and \$79,547 for H.S.A.

NOTE 4 – Capital Equipment

This is for the Ergonomics AstroVan purchased in 2000. All equipment has been fully depreciated as of June 30, 2012

NOTE 5 – Accounts Payable

Accounts Payable included \$170,000 for Medical, \$39,828 for Behavioral Health (Magellan Health Services), \$6,810 for benefit administration (\$5,765.14 for Mercer and \$1,045 for Serene corp.), and \$1,615 for Wellness (\$1,200 for Magellan Health Services and \$414.67 for BSN Sports).

NOTE 6 – Accrued Liabilities

Accrued Liabilities fluctuates monthly mainly due to the amount of outstanding checks that have not been cashed by providers. That included \$2,267,322 for Medical, \$730,298 for Pharmacy, \$32,500 for Behavioral Health, \$159,837 for Dental, \$12,000 for STD, \$23,474 for Benefit Administration (\$11,667 is for Mercer & \$11,807 is for OptumHealth), and \$1,799,987 for Fund 999- Benefits Clearing.

NOTE 7 – Employee Compensation Payable

Employee Compensation Payable includes in FY2012 unused employee pharmacy allowance for the WHI Consumer Choice Pharmacy plan of \$3.1 million. The remaining balance \$123,909 is accrued salaries as of month end, plus employee vacations earnings payable.

NOTE 8 – Reserve for losses and loss expenses

The funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. As of September 2012, the Reserve for losses and loss expenses is \$9,202,375 that included \$8,054,827 for Medical, \$231,766 for Behavioral health, \$107,576 for Vision, \$484,345 for Dental, and \$323,861 for STD.