GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2007

Legislative Actuarial Note

HEALTH BENEFITS

BILL NUMBER: House Bill 1473 (Seventh Edition)

SHORT TITLE: 2007 Appropriations Act.

SPONSOR(S):

SYSTEM OR PROGRAM AFFECTED: Teachers' and State Employees' Comprehensive Major Medical Plan.

FUNDS AFFECTED: State General Fund, State Highway Fund, other State employer receipts, premium payments for dependents by active and retired teachers and State employees, premium payments for coverages selected by eligible former teachers and State employees, premium payments for coverages selected by firefighters, rescue squad workers, members of the National Guard, and certain authorized local governments.

BILL SUMMARY: Senate Committee Substitute implements the changes to the Plan as recommended by the Executive Administrator of the Plan.

According to available information from the Executive Administrator of the Teachers' and State Employees' Comprehensive Major Medical Plan, the Plan's self-insured indemnity program needs over $547 million in additional financial support to remain solvent and maintain minimum claim stabilization reserves for the 2007-2009 biennium. This reported total amount of required funding by the Executive Administrator of the Plan is $50 million less than the previously reported requirements of $597 million provided in the legislative actuarial note on the 3rd edition of the bill.

	2007-2008	2008-2009	Biennium
Additional Financial Support Required ($Million)	$234.532	$312.709	$547.241

From these requirements can be deducted the additional funding provided by this Act in the way of premiums paid on behalf of teachers, state employees, and retired employees by employing agencies and the State's various Retirement Systems:

Employer Financing ($Million)	2007-2008	2008-2009	Biennium
General Fund	$120.118	$127.271	$247.389
Highway Fund	5.606	5.939	11.545
Other Employer Funds	24.781	26.256	51.037
Total	$150.505	$159.466	$309.971

This additional premium financing is equivalent to a 13.3% across-the-board premium rate increase for the Indemnity plan, and an 11.5% premium increase for the Preferred Provider Option

(PPO) programs effective October 1, 2007. The Plan's Executive Administrator has the statutory authority to set the premium rates for the spouses and dependent children of teachers, state employees, and retired employees who elect to pay for parent and child and family coverage. If the Executive Administrator were to increase the premium amounts paid by employees and retired employees for their family members by 13.3% for the Indemnity plan and 11.5% for the PPO programs across-the-board effective October 1, 2007, he says that the additional premium income to the program will be:

	2007-2008	2008-2009	Biennium
Employee Financing ($Million)	$33.052	$35.020	$68.072

After realizing the additional premium income provided by this Act and the anticipated premium income to be authorized by the Plan's Executive Administrator, the program's financial condition would still be in a deficit position.

Therefore, the required changes necessary to address the remaining deficit is accomplished through benefit reductions, elimination of the Indemnity plan, and other cost savings assured by the Executive Administrator of the Plan. Based on estimated savings provided by the Plan's consulting actuary, these savings are reflected below for the 2007-2009 biennium:

	2007-2008	2008-2009	Biennium
Recommended Benefit Reductions ($Million)	$51.106	$9.617	$60.723

The special provision in Section 28.22 of the Act reflects the amount of the benefit reductions recommended by the Plan's Executive Administrator.

1. Subsection (d) increases the outpatient prescription drug co-payments for plan members enrolled in the Indemnity plan only. Co-pays are increased by $5 per script for each generic, preferred brand, preferred brand with generic equivalent, and non-preferred outpatient prescription drug;

2. Subsection (b,c,e) increases the Indemnity plan's maximum plan member out-of-pocket annual deductible from $350 to $450 with an annual limit of $1,350 per employee and child(ren) or employee and family contract; and

3. Subsection (f) increases under the Indemnity plan out-of-pocket expenditures for plan members by increasing the office visit co-payment from $15 to $25 per visit.

No benefit reductions are proposed for the PPO programs.

	2007-2008	2008-2009	Biennium
Recommended Benefit Enhancements ($Million)	$6.665	$12.399	$19.064

The special provision in Section 28.22 of the Act reflects the amount of the benefit enhancements recommended by the Plan's Executive Administrator.

1. Subsection (g) requires the Plan to provide parity with benefits provided for physical illnesses in for mental illness and substance abuse treatments under the PPO programs. The Plan is also required to remove limits on the number of annual visits for necessary physical therapy, occupational therapy, and speech therapy.

No benefit enhancements are proposed for the Indemnity plan.

	2007-2008	2008-2009	Biennium
Recommended Net Benefit Reductions ($Million)	$44.391	$2.960	$41.431

The above number reflects the net reduction in benefits for the biennium by offsetting the total reductions and enhancements shown above.

	2007-2008	2008-2009	Biennium
Eliminate Indemnity Plan ($Millions)	$0.000	$75.764	$75.764

Upon the recommendation of the Plan's Executive Administrator, further reductions are projected by eliminating the Indemnity plan as a benefit options beginning July 1, 2008 [included under Section 28.22A (a) of the bill]. Those projected savings are reflected in the 2008-2009 fiscal year.

	2007-2008	2008-2009	Biennium
Projected Savings in Pharmacy Costs By the Executive Administrator ($Millions)	$26.000	$30.000	$56.000

Upon the recommendation of the Plan's Executive Administrator, further reductions are projected by reducing outpatient prescription drug costs for the biennium through ongoing negotiations with the Plan's Pharmacy Benefit Manager to increase discounts off of average whole sale price, creation of a specialty pharmacy network, increased discounts for generic drugs, and lower administrative costs.

	2007-2008	2008-2009	Biennium
State Health Plan Wellness Pilot ($Millions)	$0.200	$0.000	$0.200

	2007-2008	2008-2009	Biennium
Balance of Financial Requirements ($Millions)	-$19.266	$15.241	-$4.025

EFFECTIVE DATE: July 1, 2007, except for Section 28.22A, which is effective July 1, 2008.

ESTIMATED IMPACT ON STATE:

Benefit Changes

Based upon information provided by the Plan, Aon Consulting, consulting actuary for the Plan, estimates that proposed benefit reductions in the bill will result in a net cost reduction of $44.5 million in fiscal year 2007-2008 and a net increase in costs of $2.9 million in fiscal year 2008-2009 for a total net cost reduction for the 2007-2009 biennium of $41.6 million.

Based upon information available from the Plan, the consulting actuary for the General Assembly's Fiscal Research Division, Hartman and Associates, estimates the referenced provisions of the bill will result in a net cost reduction to the Plan of $48.5 million in fiscal year 2007-2008 and $616,000 in fiscal year 2008-2009 for a total net cost reduction of $49.1 million for the 2005-2007 biennium.

The differences in the cost reduction estimates between Aon Consulting and Hartman and Associates are reflected below:

	2007-2008		2008-2009		Biennium	
($Millions)	**Aon Consulting**	**Hartman & Associates**	**Aon Consulting**	**Hartman & Associates**	**Aon Consulting**	**Hartman & Associates**
Indemnity Plan Only						
Increase Annual Deductible by $100	$20.100	$14.951	$1.000	$2.990	$21.100	$17.941
Increase Office Visit Co-pay by $10 per visit	$15.600	$12.485	$3.500	$2.497	$19.100	$14.982
Increase All Drug Co-pays by $5 per script	$15.400	$25.758	$5.100	$1.030	$20.500	$26.788
PPO Program						
Mental Health & Substance Abuse Benefit Parity	-$2.600	-$3.057	-$5.000	-$3.740	-$7.600	-$6.797
Remove Limits on No. of Office Visits for Physical, Speech, and Occupational Therapies	-$4.000	-$1.652	-$7.500	-$2.161	-$11.500	-$3.813
Total Changes	$44.500	$48.485	-$2.900	$0.616	$41.600	$49.101

For the purposes of funding the Plan for the 2007-2009 biennium under the funding scenario and benefit reductions included in the 7th edition (Senate Committee Substitute) of the Appropriations Act, the benefit reduction amounts and projection of financial need provided by the consulting actuary for the Plan were used as the baseline assumptions for funding the Plan.

Repeal Indemnity Plan Effective July 1, 2008

Based upon information provided by the Plan, Aon Consulting, consulting actuary for the Plan, estimates that elimination of the Indemnity plan as a benefit option effective July 1, 2008, will result in a total cost reduction of $75.8 million in the 2008-2009 fiscal year. Based on revised projections dated May 29, 2007, the elimination of the Indemnity plan reduces premium contributions to the overall Plan by $51.7 through shifting current Indemnity plan members to lower premium rates under the PPO. This premium reduction accrues to the employing agencies and members paying dependent premiums. Thus, the estimated net savings to the Plan is $24.1 million according to the data in Aon Consulting's latest revised projection.

Based upon information provided by the Plan, Hartman & Associates, consulting actuary for the General Assembly, estimates that elimination of the Indemnity plan as a benefit option effective July 1, 2008, will result in a total cost reduction of $55.1 million (gross savings in provider rates minus richer benefits paid under the PPO) in the 2008-2009 fiscal year. The elimination of the Indemnity plan reduces premium contributions to the overall Plan by $50.3 through shifting current Indemnity plan members to lower premium rates under the PPO. This premium reduction accrues to the employing agencies and members paying dependent premiums. Thus, the estimated net savings to the Plan is $4.8 million according to the actuarial analysis of the Plan's data by Hartman and Associates.

	2008-2009	
($Millions)	**Aon Consulting**	**Hartman & Associates**
Eliminate Indemnity Plan		
Cost Savings	$75.8	$55.1
Reduced Premium Contributions	($51.7)	($50.3)
Net Savings	$24.1	$4.8

State Health Plan Wellness Pilot

Section 28.22B of the bill requires the Plan to spend an amount up to $200,000 to implement one or more wellness pilot programs for state employees.

ASSUMPTIONS AND METHODOLOGY:

Aon Consulting: The information below reflects the verbatim comments and assumptions of the Plan's consulting actuary with respect to the projection of funding need and estimate of cost reduction:

"PRICING APPROACH AND COMMENTS

Based on total projected expenses of $2,224,173,794 and $2,407,206,452 for the 2008 and 2009 fiscal years respectively.

Indemnity Plan Changes

The bill increases the annual deductible under the indemnity program. The bill also increases the member office visit copayments under the indemnity program and the copay under the pharmacy benefit for the indemnity program. All other benefits remain unchanged.

The following information was compiled and utilized in determining the projected costs or savings of the benefit plan cost sharing changes addressed in this actuarial note:

- Pharmacy claims data is received monthly from the plan's Pharmacy Benefit Manager (PBM). Aon utilized data received for Fiscal Year 2006 as the baseline. The information was summarized by copayment category, detailing the number of scripts, total cost, member copayments and net employer cost. The data showed 10.5 million scripts with $452 million of paid claims.

- Invoice data through February 2007 was also received from the PBM and validated with the SHP. This allowed a more accurate projection of the claims for Fiscal Year 2007. The claims were projected separately for the PPO and Indemnity plans.

- The pharmacy claims were then trended for Fiscal Year 2008 & 2009 separately for utilization and per script cost. Annual utilization was assumed to increase at 7% per year with cost per scripts increasing at a slightly lower rate of 5%.

- Aon used EInfoNow reports to collect claims distributions for members in the Indemnity Plan. Aon also collected summary reports showing the amount of deductible being paid and the timing of these payments. From there reports we were able to compile the impact of changes to the plan year deductible.

- Various monthly reports are developed by the Claims Processing Contractor (CPC) that identifies the number of office visits as well as the associated costs. The information was also compared to the EInfoNow reports.

- Aon also maintains a detailed claims database for calendar years 2001 to 2005 and is in the process up updating for 2006. This data was used to supplement the various reports.

- From the information above, Aon was able to determine utilization rates, cost per services, employee payments, etc.

- A 3-month run-in was assumed for Fiscal Year 2008, showing only 9-months of impact for the pharmacy and office visit copay changes. Due to front-end distribution of the annual deductible, 95% was assumed to be paid in Fiscal Year 2008.

PPO Plan Changes

This bill would allow for coverage of mental health and chemical dependency the same as any other illness under the State's PPO plan. The indemnity plan's benefit structure currently operates as this bill is intended. The PPO plan would require changes.

Currently, the PPO plan covers mental health and chemical dependency the same as any other illness however, the deductible does not apply and the coinsurance does not apply to the coinsurance maximum. In addition, there is a 30 office visit maximum per benefit period for the mental health benefit. The current PPO plan also limits chemical dependency to an $8,000 benefit period maximum and a $16,000 lifetime maximum. One additional change was that the PPO program shall not limit the number of visits for physical therapy, occupational therapy, and speech therapy the following information was compiled and utilized in determining the projected costs or savings of the benefit component addressed in this actuarial note:

<u>Mental Health</u>

- A report from the Claims Processing Contract (CPC), entitled "Report on Mental Health and Substance Abuse Care for the State of North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan", was used to price the mental health section of the bill. Data for the period July, 2005 through June, 2006 was used in the pricing. Although this data was from the indemnity plan, it was deemed to hold similar relationships to the PPO.

- The average paid per psychiatric visit under the comprehensive major medical plan was $58.00.

- A report that contained a frequency distribution of visits per person was used; however, it was only available for the State Active participants. This report indicated there were about 39,900 psychiatric visits that would be affected by removing a maximum 30 visit limit. The total cost of those visits is $58.00 x 39,900 or $2,314,200 which is about 9.5% of the total mental health payments for the State Active participants. Assuming that same 9.5% for all participants (Active and Retirees) would result in a total cost impact of $2,853,610.

- The total payments for the State Health Plan for fiscal year 2006 were $1,746,227,347. An additional $2,853,610 in claims payments would have had a 0.16% cost impact.

- The PPO plan is expected to make up 54% of the total State Health Plan costs. Assuming a 10% utilization increase, this would result in an overall impact of approximately 0.10% of total claims (0.54 x 1.10 x 0.16).

- Aon's proprietary rating manual was used to validate the process and found to show a similar impact.

- Since the change is effective January 1, 2008 and we have assumed a 2-month claims lag, the first fiscal year only has a 4-month impact.

Chemical Dependency

- For the pricing of the chemical dependency benefit change, a benefit pricing model was used that develops expected claims costs using select assumptions, pricing plan differences and utilization patterns. The model was developed from commercial data from nearly 4 million covered lives as well as public sources such as discharge databases, HCUP databases and Medicare data.

- Based on the plan design change, the model produced an expected cost of 0.20% to the PPO plan. As with the mental health component, the overall cost impact to the State Health Plan results in only a 0.10% increase to total claims.

- Since the change is effective January 1, 2008 and we have assumed a 2-month claims lag, the first fiscal year only has a 4-month impact.

Physical Therapy, Occupational therapy, and Speech therapy

- • Reports were complied from the claims processing contractor's claims management system that detailed the amount of claims paid by claimant. From this Aon was able to determine the amount of claims that would have been denied if the benefits were limited. All the data was for the current Indemnity program.

- From the information above, Aon applied a relationship of these costs to the PPO program. These differences were also compared to our proprietary rating manual for validity of results.

Repeal Indemnity Plan

The following information was compiled and utilized in determining the projected costs or savings of the benefit component addressed in this actuarial note:

- The March 2007 actuarial projections were utilized for the baseline numbers in the calculations. The projections have incorporated years of financial data, premium collections, administrative expense, enrollment reports, contributions receipts, claims distributions, seasonality curves, etc. The historical data goes back to 1995.

- Effective 10/1/2006, the plan implemented the BlueChoice PPO program. The current program has three options. Aon used the most recently available financial data, in conjunction with various reports from the claims processing contractor, to project program specific costs. The baseline projections are currently divided between the PPO and Indemnity plans and combined in total.

- In additional to current financial projections, Aon made a number of assumptions to convert the current indemnity members to PPO members. We assumed that the PPO enrollment would be similar to their indemnity enrollment, meaning no movement or additional members would be added to the program. Consistent with prior actuarial estimated, the PPO was assumed to produce an 8% overall saving. There were no assumed utilization changes. The overall projected PPO per member cost took the average indemnity cost reduced by 8% and then added to it the current PPO member cost to generate a new aggregate PPO cost.

- A 2-month claims run-out was assumed for the indemnity plan members.

- PPO benefits were assumed to be enhanced to reflect the changes addressed in this legislation.

Starting December 2008, a comprehensive health management program is anticipated to reduce program costs by 0.2%, increasing at 0.25% per month. These savings are assumed to produce a 100% ROI for the program expenditures."

Hartman and Associates: : The information below reflects the verbatim assumptions of the General Assembly's consulting actuary with respect to the estimate of cost reduction:

"House Bill 1473 Senate PCS
Actuarial Assumptions and Data

Data Sources: SHP Distribution of Claims Reports FY 2003-06
SHP Charge Summary Reports FY 2005-06
SHP Pharmacy Utilization Reports FY 2004-06
SHP Pharmacy Utilization Report 7/1/2006 through 4/30/2007
SHP Therapy Database for FY 2006
SHP Utilization Study for FY 2002-2006
SHP Report on Mental Health and Substance Abuse Care FY 2002-2006

Data Summary:

Distribution of Claims FY2006	
Annual Eligible Charges	Percent of Plan Members
<$150	13.8%
150-300	4.2%
300-500	4.5%
500-1,000	9.4%
1,000-5,000	34.0%
5,000-10,000	14.6%
10,000-20,000	10.0%

20,000-40,000	5.5%
>40,000	4.0%

Distribution of Rx Claims FY2006	
Eligible Charges Per Rx	Percent of Total Rx’s
<$10	4.5%
10-15	7.9%
15-20	6.8%
20-30	10.7%
30-40	7.9%
40-50	7.3%
>50	54.9%

Prescription Drug Summary Fiscal Year 2007							
	Annual Rx Per Member			Avg. Paid per Rx			
Group	4th Qtr 2006	1st Qtr 2007		4th Qtr 2006	1st Qtr 2007		Member Ct April 2007
Indemnity Active	12.71	14.45		50.96	54.92		130,985
Indemnity Retired	34.88	38.47		47.49	52.30		119,957
PPO Active	12.03	14.23		46.62	51.18		333,256
PPO Retired	30.23	34.68		49.83	53.90		39,158

Indemnity Plan Office Visits Fiscal Year 2006				
	Annual Visits/Member			
Group	Primary Care	Specialty Care	Total	Allowed per Visit
Active	2.3	4.3	6.6	$136
Non-Medicare Retired	3.2	7.3	10.5	$158
Medicare Retired	3.0	8.7	11.7	$ 35

Plan Members:	Indemnity	255,211
	PPO	363,477

Indemnity Membership by Coverage Type December 31, 2006				
Medicare	Coverage Type	Contracts	Dependents	Members
Non-Medicare	Employee	111,740	0	111,740
	EE+Children	10,752	18,358	29,110
	EE+Family	9,451	19,491	28,942
Medicare Elig	Employee	71,479	0	71,479
	EE+Children	341	479	820
	EE+Child Elig	115	121	236
	EE+Family	1,665	1,991	3,656
	EE+Family Elig	4,537	4,691	9,228
Total		210,080	45,131	255,211

Actuarial Assumptions:

Annual Claims Trends	3.0% on office visit utilization 9.0% on overall claims
Membership Growth	0.0%
Pct. Elig. Charge Allowed	75.0%
Average Allowed Charge Subject to Ded/Coins	$3,652
Premium Rate Increase	PPO 11.5% Indemnity 13.3% Effective October 1, 2007 Based on Plan projections

Indemnity Plan gross claim rates were reduced 11.0% as a result of lower Provider Reimbursement rates under the PPO network for fiscal year 2009. This represents the 8.0% rate reduction plus the impact of leveraging from member co-pays.

Claims for current Indemnity members were increase in fiscal year 2009 to reflect the enhanced benefits under the PPO. Costs were calculated for lower deductible and coinsurance maximum and for the different application of co-payments for office visits. No differences were calculated for mental health and substance abuse treatment or therapy treatments due to the changes to the PPO under this proposal."

General Plan Assumptions

The Plan currently operates on a self-insured basis funded through premium contributions, investment earnings and other receipts. As of October 1, 2006, the Plan operates an Indemnity plan and an optional Preferred Provider Option (PPO) program. Claim cost trends are expected to increase at a rate of 9% annually according to the Plan's consulting actuary. Investment earnings are based upon a 4.5% return on available cash balances.

Combined Financial Components of the Plan: For the fiscal year beginning July 1, 2006, the Plan started its operations with a beginning cash balance of $246 million. Receipts for the year are estimated to be $1.946 billion from premium collections, $34 million from Medicare Part D subsidies and $11 million from investment earnings for a total of $1.991 billion in receipts for the year. Disbursements from the Plan are expected to be $1.977 billion in claim payments and $105 million in administration and claims processing expenses for a total of $2.082 billion. For the fiscal year beginning July 1, 2006, the self-insured indemnity program is expected to have a net operating loss of approximately $91 million for the year. The Plan is expected to have an available beginning cash balance of $155 million for the fiscal year beginning July 1, 2007. The Plan program maintains a claim stabilization reserve for claim cost fluctuations equal to 7.5% of annual claim payments without reserving additional funds for incurred but unreported claims.

Indemnity Plan Component**:** For the fiscal year beginning July 1, 2006, the Indemnity plan started its operations with a beginning cash balance of $246 million. Receipts for the year are estimated to be $1.113 billion from premium collections, $34 million from Medicare Part D subsidies and $9.5 million from investment earnings for a total of $1.156 billion in receipts for the year. Disbursements from the Indemnity plan are expected to be $1.213 billion in claim payments and $66 million in administration and claims processing expenses for a total of $1.279 billion. For the fiscal year beginning July 1, 2006, the self-insured indemnity program is expected to have a net operating loss of approximately $123 million for the year. The Indemnity plan is expected to have an available beginning cash balance of $123 million for the fiscal year beginning July 1, 2007.

PPO Program Component**:** For the fiscal year beginning July 1, 2006, the PPO program started its operations with a beginning cash balance of $0 million. Receipts for the year are estimated to be $833 million from premium collections, $0 million from Medicare Part D subsidies and $1.5 million from investment earnings for a total of $835 million in receipts for the year. Disbursements from the Indemnity plan are expected to be $763 million in claim payments and $39 million in administration and claims processing expenses for a total of $803 million. For the fiscal year beginning July 1, 2006, the self-insured indemnity program is expected to have net operating income of approximately $32 million for the year. The Plan is expected to have an available beginning cash balance of $32 million for the fiscal year beginning July 1, 2007. The Plan program maintains a claim stabilization reserve for claim cost fluctuations equal to 7.5% of annual claim payments without reserving additional funds for incurred but unreported claims.

The Plan is consequently assumed to not be able to carry out its operations for the 2007-2009 biennium without increases in its current premium rates or a reduction in existing benefits or payments to health care providers or both. This assumption is further predicated upon the fact that the program's cost containment strategies (hospital DRG reimbursements, discounts on hospital outpatient services, pre-admission hospital testing, pre-admission hospital inpatient certification with length-of-stay approval, hospital bill audits, case and disease management for selected medical conditions, mental health case management, coordination of benefits with other payers, Medicare benefit "carve-outs", cost reduction contracts with participating physicians and other providers, a prescription drug benefit manager with manufacturer rebates from formularies, and fraud detection) are maintained and improved where possible.

Enrollment Data

Percent Enrollment by Age	Indemnity Plan	PPO Options	Total
29 & Under	16.6%	33.6%	26.6%
30 to 44	14.2%	24.7%	20.4%
45 to 54	16.0%	21.3%	19.1%
55 to 64	21.9%	16.4%	18.7%
65 & Over	31.3%	4.1%	15.3%

Percent Enrollment by Sex	Indemnity Plan	PPO Options	Total	Percent of Total
Female	62.4%	162,497	223,760	386,257
Male	37.6%	92,714	139,717	232,431
Total	100.0%	255,211	363,477	618,688

Plan Enrollment as of December 31, 2006

No. of Participants	Indemnity Plan	PPO Options	Total	Percent of Total
Actives				
Employees	100,405	211,349	311,754	50.4%
Dependents	32,776	112,785	145,561	23.5%
Sub-total	133,181	324,134	457,315	73.9%
Retired				
Employees	108,263	29,764	138,027	22.3%
Dependents	11,876	7,700	19,576	3.2%
Sub-total	120,139	37,464	157,603	25.5%
Former Employees with Continuation Coverage				
Employees	1,391	297	1,688	0.3%
Dependents	478	154	632	0.1%
Sub-total	1,869	451	2,320	0.4%
Firefighters, Rescue Squad & National Guard				
Employees	5	2	7	0.0%
Dependents	-	2	2	0.0%
Sub-total	5	4	9	0.0%
Local Governments				
Employees	16	1,045	1,061	0.1%
Dependents	1	379	380	0.1%
Sub-total	17	1,424	1,441	0.2%
Total	255,211	363,477	618,688	
Percent of Total	41.3%	58.7%	100.0%	100.0%

SOURCES OF DATA:

-Actuarial Note, Hartman & Associates, Senate Proposed Committee Substitute to House Bill 1473, May 29, 2007, original of which is on file in the General Assembly's Fiscal Research Division.

-Actuarial Note, Aon Consulting, Senate PCS Special Provisions, House Bill 1473, May 29, 2007, original of which is on file with the Comprehensive Major Medical Plan for Teachers and State Employees and the General Assembly's Fiscal Research Division.

TECHNICAL CONSIDERATIONS: None

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