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AGENDA ITEM

Action Item

Information Only

Date: July 28, 2022

Item Number: IV.II.I

Title: Chief Financial Officer Budget Report

Summary

This report addresses the Operational Budget as of March 31, 2022 to include:

1. Budget Status
2. Budget Totals
3. Claims Summary

Budget Account 1338 – Operational Budget – Shown below is a summary of the operational budget account status as of March 31, 2022, with comparisons to the same period in Fiscal Year 2021. The budget status is reported on a cash basis and does not include incurred expenses and income owed to the fund.

The budget status report reflects actual income of \$264.0 million as of March 31, 2022, compared to \$309.3 million as of March 31, 2021, or a decrease of 14.6%. Total expenses for the period have increased by \$2.5 million or 0.9% for the same period.

The budget status report shows Realized Funding Available (cash) at \$133.0 million. This compares to \$176.2 million for last year. The table below reflects the actual revenue and expenditures for the period.

Operational Budget 1338

	FISCAL YEAR 2022			FISCAL YEAR 2021		
	Actual as of 3/31/2022	Work Program	Percent	Actual as of 3/31/2021	Fiscal Year 2021 Close	Percent
Beginning Cash	159,011,280	159,011,280	100%	154,541,329	154,541,329	100%
Premium Income	237,316,511	355,412,324	67%	293,157,908	368,807,766	79%
All Other Income	26,702,188	30,896,554	86%	16,127,096	24,098,398	67%
Total Income	264,018,699	386,308,878	68%	309,285,004	392,906,164	79%
Personnel Services	1,648,654	2,822,786	58%	1,674,531	2,413,496	69%
Operating - Other than Personnel	1,509,303	3,135,691	48%	1,661,928	2,340,118	71%
Insurance Program Expenses	285,845,630	389,943,547	73%	283,914,993	383,166,380	74%
All Other Expenses	1,083,114	1,199,300	90%	384,945	516,219	75%
Total Expenses	290,086,701	397,101,324	73%	287,636,397	388,436,213	74%
Change in Cash	(26,068,002)	(10,792,446)		21,648,607	4,469,951	
REALIZED FUNDING AVAILABLE	132,943,278	148,218,834	90%	176,189,936	159,011,280	111%
Incurred But Not Reported Liability	(52,286,000)	(52,286,000)		(51,514,000)	(51,514,000)	
Catastrophic Reserve	(34,875,000)	(34,875,000)		(34,835,000)	(34,835,000)	
HRA Reserve	(25,056,050)	(25,056,050)		(30,550,651)	(30,550,651)	
NET REALIZED FUNDING AVAILABLE	20,726,228	36,001,784		59,290,285	42,111,629	

Current Budget Projections

The following table represents projections for FY 2022. The projection reflects total income to be less than budgeted by 1.3% (\$538.5 million vs \$545.3 million), total expenditures are projected to be less than budgeted by 1.2% (\$392.4 million vs \$397.1 million); total reserves are projected to be less than budgeted by 1.4% (\$146.1 million vs \$148.2 million).

State Subsidies are projected to be less than the budgeted amount by \$0.9 million (0.3%), Non-State Subsidies are projected to be more than budgeted by \$3.1 million (15.7%), and Premium Income is projected to be less than budgeted by \$8.9 million (12.9%). This overall decrease in budgeted revenue is due in part to a planned 1-month employee premium holiday in October 2021 and due in part to a reduction in State Subsidies as a result of average enrollment as compared to budgeted enrollment and a change in the mix of plan tiers. The mix of participants is as follows:

- 4.18% fewer state actives,
- 1.60% more state non-Medicare retirees,
- 1.59% more non-state actives,
- 18.80% fewer non-state, non-Medicare retirees
- 5.12% more state Medicare retirees, and
- 1.98% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)					
Description	Budget	Actual 3/31/22	Projected	Difference	
Carryforward	159,011,280	159,011,280	159,011,280	0	0.0%
State Subsidies	266,543,926	176,382,898	265,660,461	(883,465)	-0.3%
Non-State Subsidies	20,042,853	17,344,659	23,180,303	3,137,450	15.7%
Premium	68,825,545	43,588,954	59,965,734	(8,859,811)	-12.9%
COVID Funds	8,557,308	8,557,308	10,507,308	1,950,000	-8.2%
Appropriations	6,009,449	6,009,449	5,141,274	(868,175)	-1.3%
All Other	16,329,797	12,135,431	14,998,180	(1,331,617)	-8.2%
Total	545,320,158	423,029,979	538,464,542	(6,855,616)	-1.3%
Budgeted and Projected Expenses (Budget Account 1338)					
Description	Budget	Actual 3/31/22	Projected	Difference	
Operating	7,157,777	4,241,071	6,441,946	715,831	10.0%
State Insurance Costs	339,552,889	251,218,508	337,589,714	1,963,175	0.6%
Non-State Insurance Costs	11,507,187	6,004,200	8,217,946	3,289,241	28.6%
Medicare Retiree Insurance Costs	38,883,471	28,622,922	40,119,012	(1,235,541)	-3.2%
Total Insurance Costs	389,943,547	285,845,630	385,926,671	4,016,876	1.0%
Total Expenses	397,101,324	290,086,701	392,368,617	4,732,707	1.2%
Restricted Reserves	112,217,050	112,217,050	111,104,979	1,112,071	1.0%
Differential Cash Available	36,001,784	20,726,228	34,990,945	1,010,839	2.8%
Total Reserves	148,218,834	132,943,278	146,095,925	2,122,909	1.4%
Total of Expenses and Reserves	545,320,158	423,029,979	538,464,542	6,855,616	1.3%

Expenses for Fiscal Year 2022 are projected to be \$4.7 million (1.2%) less than budgeted when changes to reserves are excluded. Operating expenses are projected to be less than budgeted by \$2.0 million (0.6%). Employee and Retiree insurances costs are projected to be less than budgeted by \$4.0 million (1.0%) when taken in total (see table above for specific information).

Recommendations

None.