



**CELESTENA GLOVER**  
*Executive Officer*

**JOE LOMBARDO**  
*Governor*

STATE OF NEVADA  
**PUBLIC EMPLOYEES' BENEFITS PROGRAM**

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**JACK ROBB**  
*Board Chair*

**AGENDA ITEM**

Action Item

Information Only

**Date:** December 07, 2023

**Item Number:** 4.2.2

**Title:** Chief Financial Officer Budget Report

**Summary**

This report addresses the Operational Budget as of September 30, 2023, 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 September 30, 2023, with comparisons to Fiscal Year 2023. 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 \$68.1 million as of September 30, 2023, compared to \$77.6 million as of September 30, 2022, or a decrease of 12.2%. Total expenses for the period have increased by \$4.9 million or 4.8% for the same period.

The budget status report shows Realized Funding Available (cash) at \$82.6. This compares to \$125.1 million for last year. The table below reflects the actual revenues and expenditures for the period.

**Operational Budget 1338**

	FISCAL YEAR 2024			FISCAL YEAR 2023		
	Actual as of 9/30/2023	Work Program	Percent	Actual as of 9/30/2022	Fiscal Year 2023 Close	Percent
Beginning Cash	120,714,437	120,714,437	100%	148,854,786	148,854,786	100%
Premium Income	64,638,449	419,156,515	15%	69,200,105	357,314,962	19%
All Other Income	3,505,242	23,770,377	15%	8,396,850	36,548,418	23%
Total Income	68,143,691	442,926,892	15%	77,596,954	393,863,379	20%
Personnel Services	466,237	2,938,164	16%	471,421	2,320,130	20%
Operating - Other than Personnel	535,391	2,926,863	18%	743,043	3,400,154	22%
Insurance Program Expenses	105,168,351	457,819,158	23%	99,990,480	415,155,444	24%
All Other Expenses	39,316	187,157	21%	102,414	400,119	26%
Total Expenses	106,209,295	463,871,342	23%	101,307,358	421,275,847	24%
Change in Cash	(38,065,604)	(20,944,450)		(23,710,403)	(27,412,467)	
REALIZED FUNDING AVAILABLE	82,648,833	99,769,987	83%	125,144,383	121,442,319	103%
Incurred But Not Reported Liability	(52,874,000)	(52,874,000)		(51,030,000)	(51,030,000)	
Catastrophic Reserve	(41,762,000)	(41,762,000)		(38,426,000)	(38,426,000)	
HRA Reserve	(19,242,892)	(19,242,892)		(22,800,889)	(22,800,889)	
NET REALIZED FUNDING AVAILABLE	(31,230,059)	(14,108,905)		12,887,494	9,185,430	

***Current Budget Projections***

The following table represents projections for FY 2024. The projections reflect total income to be less than budgeted by 8.5% (\$524.4 million vs \$573.4 million), total expenditures are projected to be less than budgeted by 8.5% (\$524.4 million vs \$573.5 million); total reserves are budgeted at \$113.9 million which includes a reduction to excess reserves in the amount of \$14.7 million.

State Subsidies are projected to be less than the budgeted amount by \$33.7 million (10.5%), Non-State Subsidies are projected to be more than budgeted by \$.2 million (1.1%), and Premium Income is projected to be less than budgeted by \$11.5 million (14.6%). This overall decrease in budgeted revenue is due in part to a reduction in State Subsidies and participant premiums 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:

- 1.74% fewer state actives,
- 2.92% more state non-Medicare retirees,
- 2.31% fewer non-state, non-Medicare retirees
- 2.12% fewer state Medicare retirees, and
- 3.02% fewer non-state Medicare retirees

Budgeted and Projected Income (Budget Account 1338)						
Code	Description	Budget	Actual 9/30/23	Projected	Difference	
3817	Medicare Part D Subsidy	271,854	0	466,191	194,337	71.5%
4218	PPO Rx Rebates	22,401,637	3,504,821	18,197,196	(4,204,441)	-18.8%
4254	Miscellaneous Revenue	21,183	421	1,683	(19,500)	-92.1%
4319	Non-State Premium	4,584,990	665,205	2,660,820	(1,924,170)	-42.0%
4321	Non-State Subsidy	20,164,091	5,096,263	20,385,051	220,960	1.1%
4323	State Premium	74,425,047	16,203,131	64,812,525	(9,612,522)	-12.9%
4325	State Subsidies	319,982,387	42,673,850	286,302,652	(33,679,735)	-10.5%
4326	Treasurers Interest Distrib	1,075,703	0	1,075,703	0	0.0%
4611	Trans In Fed ARPA	0	0	0	0	
	Total	442,926,892	68,143,691	393,901,822	(49,025,070)	-11.1%
	Appropriations	9,813,825	9,813,825	9,813,825	0	0.0%
47	Beginning Cash	120,714,437	120,714,437	120,714,437	0	0.0%
	Total	573,455,154	198,671,953	524,430,084	(49,025,070)	-8.5%
Budgeted and Projected Expenses (Budget Account 1338)						
Category	Description	Budget	Actual 9/30/23	Projected	Difference	
01	Personnel Services	2,938,164	466,237	2,391,870	546,294	-18.6%
02	Out of State Travel	1,670	0	0	1,670	-100.0%
03	In State Travel	12,044	60	3,127	8,917	-74.0%
04	Operating	2,926,863	535,391	3,039,016	(112,153)	3.8%
26	Information Services	88,510	19,028	88,510	0	0.0%
30	Training	4,021	0	0	4,021	-100.0%
40	State Insurance Costs	396,437,575	97,486,165	362,471,907	33,965,668	-8.6%
42	Non-State Insurance Costs	7,657,002	948,184	4,168,229	3,488,773	-45.6%
44	Medicare Retiree Insurance Costs	49,429,501	6,734,001	26,939,441	22,490,060	-45.5%
80	DHRM Cost Allocation	9,897	2,474	9,897	0	0.0%
87	Purchasing Assessment	5,892	1,473	5,892	0	0.0%
88	St Cost Plan Recovery	62,230	15,558	62,230	0	0.0%
89	AG Cost Allocation	2,893	723	2,893	0	0.0%
93	Reserve for Reversion	0	0	0	0	0.0%
	Total	459,576,262	106,209,295	399,183,012	60,393,250	-13.1%
82	HRA Reserve	19,242,892	19,242,892	19,242,892	0	0.0%
84	IBNR Reserve	52,874,000	52,874,000	52,874,000	0	0.0%
85	Reserve Rate Stabilization	41,762,000	41,762,000	41,762,000	0	0.0%
86	Reserve	0	0	0	0	
	Total	573,455,154	198,671,953	524,430,084	49,025,070	-8.5%

Expenses for Fiscal Year 2024 are projected to be \$60.4 million less than budgeted when changes to reserves are excluded. Operating expenses are projected to be more than budgeted by \$0.1 million (3.8%). Employee and Retiree insurances costs are projected to be less than budgeted by \$59.9 million (13.2%) when taken in total (see table above for specific information).

### Recommendations

None.