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# Appropriations Committee

Tuesday, December 6, 2011  
11:00 AM – 1:00 PM  
212 Knott Building

Meeting Packet

**Dean Cannon**  
Speaker

**Denise Grimsley**  
Chair



**The Florida House of Representatives**  
**Appropriations Committee**

**Dean Cannon**  
**Speaker**

**Denise Grimsley**  
**Chair**

**Meeting Agenda**  
Tuesday, December 6, 2011  
212 Knott Building  
11:00 AM – 1:00 PM

- I. Call to order/Roll Call
- II. Opening Remarks by Chair Grimsley
- III. Consideration of the following bill:  
  
HB 4009 Repealing Budget Provisions by Brodeur
- IV. Overview of Revisions to the State Group Insurance Program and Prescription Drug Program
- V. Closing Remarks and Adjournment





HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4009 Repealing Budget Provisions

SPONSOR(S): Brodeur

TIED BILLS: IDEN./SIM. BILLS: SB 656

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Appropriations Committee		Kramer 	Leznoff 

SUMMARY ANALYSIS

Section 216.023, F.S. requires the head of each state agency to submit a final legislative budget request to the Legislature and to the Governor based on the agency's independent judgment of its needs by October 15 of each year. Pursuant to subsection (4)(b) each state agency and the judicial branch are required to submit a one-page summary of information for the preceding year that must contain the following information relating to unit costs:

1. The number of activity units performed or accomplished.
2. Total expenditures for each activity, including amounts paid to contractors and subordinate entities. Expenditures related to administrative activities not aligned with output measures must consistently be allocated to activities with output measures prior to computing unit costs.
3. The cost per unit for each activity, including the costs allocated to contractors and subordinate entities.
4. The total amount of reversions and pass-through expenditures omitted from unit-cost calculations.

These reports have not been utilized in making appropriations decisions, or in policy making or accountability analyses. The bill repeals subsection (4)(b) of s. 216.023, F.S.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

Section 216.023, F.S. requires the head of each state agency to submit a final legislative budget request to the Legislature and to the Governor based on the agency's independent judgment of its needs by October 15 of each year.

This section requires the legislative budget request to include specified information for each program such as the authority for the program, details on trust funds and fees and the total number of positions. Subsection (4)(b) provides that "it is the intent of the Legislature that total accountability measures, including unit-cost data, serve not only as a budgeting tool but also as a policymaking tool and an accountability tool." Each state agency and the judicial branch are required to submit a one-page summary of information for the preceding year that must contain:

1. The final budget for the agency and the judicial branch.
2. Total funds from the General Appropriations Act.
3. Adjustments to the General Appropriations Act.
4. The line-item listings of all activities.
5. The number of activity units performed or accomplished.
6. Total expenditures for each activity, including amounts paid to contractors and subordinate entities. Expenditures related to administrative activities not aligned with output measures must consistently be allocated to activities with output measures prior to computing unit costs.
7. The cost per unit for each activity, including the costs allocated to contractors and subordinate entities.
8. The total amount of reversions and pass-through expenditures omitted from unit-cost calculations.

If an agency does not submit this information, the Legislature is required to reduce the allocation for the agency in the General Appropriations Act by at least 10 percent.

These reports have not been utilized in making appropriations decisions, or in policy making or accountability analyses. In May 2005, the Office of Program Policy Analysis & Government Accountability (OPPAGA) issued a report relating to unit costs.<sup>1</sup> The report indicated that the usefulness of the unit cost information was limited because "many agencies are not allocating all of their costs when calculating their unit costs, and agencies are using different methodologies to calculate their direct and indirect activity costs." According to the report "these differences limit the Legislature's ability to validly compare the efficiency of similar activities performed by different agencies or to assess changes in agency performance over time."

In 2006, the Legislature created a working group consisting of representatives from the Governor's Office, OPPAGA, the Auditor General, the Department of Financial Services, and legislative staff to develop a cost-allocation methodology for agencies to use in the computation of activity and unit costs.<sup>2</sup>

The workgroup concluded that "to fully achieve the primary goal of creating auditable and comparable unit cost data, the Legislature should consider a number of changes to current cost accounting and

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<sup>1</sup> *More Uniform Methodology Is Needed for State Agencies' Unit Cost Information*, Report No. 05-35, May 2005  
<http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0535rpt.pdf>

<sup>2</sup> Ch. 2006-146, s. 18, Laws of Fla.

indirect cost allocation practices prior to the development of a new unit cost methodology” but indicated that these changes “would likely require significant and potentially costly changes to current agency accounting practices.”<sup>3</sup>

The bill repeals subsection (4)(b) of s. 216.023, F.S. and makes corresponding changes to s. 216.013, F.S., relating to long-range program plans and conforms a cross-reference in s. 489.145, F.S.

**B. SECTION DIRECTORY:**

Section 1. Amends s. 216.023, F.S., relating to Legislative budget requests to be furnished to Legislature by agencies.

Section 2. Amends s. 216.013, F.S., relating to long-range program plan.

Section 3. Amends s. 489.145, F.S., relating to guaranteed energy, water and wastewater performance savings contracting.

Section 4. Provides effective date of July 1, 2012.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

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<sup>3</sup> *Unit Cost Calculation Workgroup Report Required by Chapter 2006-146, Laws of Florida, December 31, 2006.*  
*See also, The Legislature Has Taken Steps to Promote the Self-Sufficiency of Regulatory Programs, Report 07-39, September 2007.*

Not applicable. This bill does not appear to affect county or municipal government.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

1                                   A bill to be entitled  
 2           An act relating to repealing budget provisions;  
 3           amending s. 216.023, F.S.; deleting certain budget  
 4           summary requirements; amending ss. 216.013 and  
 5           489.145, F.S.; conforming cross-references; providing  
 6           an effective date.

7  
 8 Be It Enacted by the Legislature of the State of Florida:

9  
 10           Section 1. Subsection (4) of section 216.023, Florida  
 11 Statutes, is amended to read:

12           216.023 Legislative budget requests to be furnished to  
 13 Legislature by agencies.—

14           (4) ~~(a)~~ The legislative budget request must contain for  
 15 each program:

16           (a)1. The constitutional or statutory authority for a  
 17 program, a brief purpose statement, and approved program  
 18 components.

19           (b)2. Information on expenditures for 3 fiscal years  
 20 (actual prior-year expenditures, current-year estimated  
 21 expenditures, and agency budget requested expenditures for the  
 22 next fiscal year) by appropriation category.

23           (c)3. Details on trust funds and fees.

24           (d)4. The total number of positions (authorized, fixed,  
 25 and requested).

26           (e)5. An issue narrative describing and justifying changes  
 27 in amounts and positions requested for current and proposed  
 28 programs for the next fiscal year.



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29            (f)~~6~~. Information resource requests.

30            (g)~~7~~. Supporting information, including applicable cost-

31 benefit analyses, business case analyses, performance

32 contracting procedures, service comparisons, and impacts on

33 performance standards for any request to outsource or privatize

34 agency functions. The cost-benefit and business case analyses

35 must include an assessment of the impact on each affected

36 activity ~~from those identified in accordance with paragraph (b)~~.

37 Performance standards must include standards for each affected

38 activity and be expressed in terms of the associated unit of

39 activity.

40            (h)~~8~~. An evaluation of any major outsourcing and

41 privatization initiatives undertaken during the last 5 fiscal

42 years having aggregate expenditures exceeding \$10 million during

43 the term of the contract. The evaluation shall include an

44 assessment of contractor performance, a comparison of

45 anticipated service levels to actual service levels, and a

46 comparison of estimated savings to actual savings achieved.

47 Consolidated reports issued by the Department of Management

48 Services may be used to satisfy this requirement.

49            (i)~~9~~. Supporting information for any proposed consolidated

50 financing of deferred-payment commodity contracts including

51 guaranteed energy performance savings contracts. Supporting

52 information must also include narrative describing and

53 justifying the need, baseline for current costs, estimated cost

54 savings, projected equipment purchases, estimated contract

55 costs, and return on investment calculation.

56            (j)~~10~~. For projects that exceed \$10 million in total cost,

57 the statutory reference of the existing policy or the proposed  
 58 substantive policy that establishes and defines the project's  
 59 governance structure, planned scope, main business objectives  
 60 that must be achieved, and estimated completion timeframes.  
 61 Information technology budget requests for the continuance of  
 62 existing hardware and software maintenance agreements, renewal  
 63 of existing software licensing agreements, or the replacement of  
 64 desktop units with new technology that is similar to the  
 65 technology currently in use are exempt from this requirement.

66 ~~(b) It is the intent of the Legislature that total~~  
 67 ~~accountability measures, including unit cost data, serve not~~  
 68 ~~only as a budgeting tool but also as a policymaking tool and an~~  
 69 ~~accountability tool. Therefore, each state agency and the~~  
 70 ~~judicial branch must submit a summary of information for the~~  
 71 ~~preceding year in accordance with the legislative budget~~  
 72 ~~instructions. Each summary must provide a one page overview and~~  
 73 ~~must contain:~~

- 74 ~~1. The final budget for the agency and the judicial~~  
 75 ~~branch.~~
- 76 ~~2. Total funds from the General Appropriations Act.~~
- 77 ~~3. Adjustments to the General Appropriations Act.~~
- 78 ~~4. The line item listings of all activities.~~
- 79 ~~5. The number of activity units performed or accomplished.~~
- 80 ~~6. Total expenditures for each activity, including amounts~~  
 81 ~~paid to contractors and subordinate entities. Expenditures~~  
 82 ~~related to administrative activities not aligned with output~~  
 83 ~~measures must consistently be allocated to activities with~~  
 84 ~~output measures prior to computing unit costs.~~

85 ~~7. The cost per unit for each activity, including the~~  
 86 ~~costs allocated to contractors and subordinate entities.~~

87 ~~8. The total amount of reversions and pass-through~~  
 88 ~~expenditures omitted from unit-cost calculations.~~

89  
 90 ~~At the regular session immediately following the submission of~~  
 91 ~~the agency unit cost summary, the Legislature shall reduce in~~  
 92 ~~the General Appropriations Act for the ensuing fiscal year, by~~  
 93 ~~an amount equal to at least 10 percent of the allocation for the~~  
 94 ~~fiscal year preceding the current fiscal year, the funding of~~  
 95 ~~each state agency that fails to submit the report required under~~  
 96 ~~this paragraph.~~

97 Section 2. Paragraph (h) of subsection (1) of section  
 98 216.013, Florida Statutes, is amended to read:

99 216.013 Long-range program plan.—State agencies and the  
 100 judicial branch shall develop long-range program plans to  
 101 achieve state goals using an interagency planning process that  
 102 includes the development of integrated agency program service  
 103 outcomes. The plans shall be policy based, priority driven,  
 104 accountable, and developed through careful examination and  
 105 justification of all agency and judicial branch programs.

106 (1) Long-range program plans shall provide the framework  
 107 for the development of budget requests and shall identify or  
 108 update:

109 (h) Legislatively approved output and outcome performance  
 110 measures. ~~Each performance measure must identify the associated~~  
 111 ~~activity contributing to the measure from those identified in~~  
 112 ~~accordance with s. 216.023(4)(b).~~

113 Section 3. Paragraph (a) of subsection (6) of section  
 114 489.145, Florida Statutes, is amended to read:

115 489.145 Guaranteed energy, water, and wastewater  
 116 performance savings contracting.—

117 (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW.—The  
 118 Department of Management Services, with the assistance of the  
 119 Office of the Chief Financial Officer, shall, within available  
 120 resources, provide technical content assistance to state  
 121 agencies contracting for energy, water, and wastewater  
 122 efficiency and conservation measures and engage in other  
 123 activities considered appropriate by the department for  
 124 promoting and facilitating guaranteed energy, water, and  
 125 wastewater performance contracting by state agencies. The  
 126 Department of Management Services shall review the investment-  
 127 grade audit for each proposed project and certify that the cost  
 128 savings are appropriate and sufficient for the term of the  
 129 contract. The Office of the Chief Financial Officer, with the  
 130 assistance of the Department of Management Services, shall,  
 131 within available resources, develop model contractual and  
 132 related documents for use by state agencies. Prior to entering  
 133 into a guaranteed energy, water, and wastewater performance  
 134 savings contract, any contract or lease for third-party  
 135 financing, or any combination of such contracts, a state agency  
 136 shall submit such proposed contract or lease to the Office of  
 137 the Chief Financial Officer for review and approval. A proposed  
 138 contract or lease shall include:

139 (a) Supporting information required by s. 216.023(4)(i) ~~or~~  
 140 ~~216.023(4)(a)9.~~ in ss. 287.063(5) and 287.064(11). For contracts

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141 | approved under this section, the criteria may, at a minimum,  
142 | include the specification of a benchmark cost of capital and  
143 | minimum real rate of return on energy, water, or wastewater  
144 | savings against which proposals shall be evaluated.

145

146 | The Office of the Chief Financial Officer shall not approve any  
147 | contract submitted under this section from a state agency that  
148 | does not meet the requirements of this section.

149 | Section 4. This act shall take effect July 1, 2012.



**State Group Insurance Program  
Overview and Update of Program Changes**



DEPARTMENT OF MANAGEMENT

**SERVICES**

**John P. Miles**  
Secretary

Presented by Barbara Crosier, Director  
Division of State Group Insurance

**December 6, 2011**



## Agenda

- Program Overview
- Process Resulting in Change
- Review of Program Revisions
- Improved Conference Outlook
- Options and Alternatives Report





## **Program Overview** *State Group Health Insurance Program (Program)*

- **Employer-sponsored** health insurance whereby state entities make a substantial contribution toward the cost of coverage on behalf of its employees as part of their employee pay package
- **Cafeteria Plan** offered pursuant to Section 125 of the Internal Revenue Code which provides for tax savings for employees in that contributions made through payroll deductions are not subject to federal or social security taxes. The state saves on the employer portion of the social security tax.
- **Legislature** sets eligibility, funding, and benefit policies
- **Administered** by the Division of State Group Insurance, Department of Management Services, pursuant to s. 110.123, F.S.
- **State Employees' Health Self-Insurance Trust Fund** is the treasury account to record the collection of revenues and the disbursements for health benefit and administrative costs.
- **Plan Year** is on a calendar year basis



## **Program Overview** *Division of State Group Insurance*

Pursuant to s. 110.123, Florida Statutes, the Division of State Group Insurance:

- Provides active employees and retirees access to employer sponsored cafeteria plan health and supplemental insurance benefits
- Administers self-insured benefit plans and oversees fully-insured insurance benefits
- Administers the State Employees' Group Health Self-Insurance Trust Fund
- Procures and manages contracts for pretax insurance benefits
- Supports the Legislature through program evaluation and modeling as requested



## **Program Overview** **Budget**

The State Employees' Health Insurance Program:

- Is estimated to spend \$1.9 billion in FY 2011-12 in health benefit cost
- Total spend is growing on average 7.4% per year
- Financed in large part by the state through each agency's 'Salaries & Benefits' appropriations category
  - \$1.45 billion in FY 2010-11
- Legislative changes to contributions and plan benefits are typically made in Section 8 (Salaries and Benefits) of the General Appropriations Act



## **Program Overview** *Estimating Program Cost*

### Self-Insurance Estimating Conference

- S. 216.136(9), F.S., requires Self-Insurance Estimating Conferences to develop official information on related program issues to aid in the state planning and budgeting process
- Three estimating conferences per year
- Conferees forecast trust fund cash flows and year-end balances for the current and next 3 or 4 fiscal years
- Provides trend information and program forecasting support (estimating conferences)
- Last conference report dated October 12, 2011





## Program Overview Plan Design Options

	HMO Standard	PPO Standard		PPO and HMO HIHP	
		Network	Out-of-Network	Network	Out-of-Network (PPO Only)
<b>Deductible</b>	None	\$250   \$500 Employee   Family	\$750   \$1,500 Employee   Family	\$1,250   \$2,500 Employee   Family	\$2,500   \$5,000 Employee   Family
<b>Annual State Health Savings Account Deposit</b>	N/A	N/A		\$500   \$1,000	
<b>Primary Care</b>	\$20 copayment	\$15 copayment	40% after deductible	20% after deductible	40% after deductible
<b>Specialist</b>	\$40 copayment	\$25 copayment			
<b>Hospital</b>	\$250 copayment	20% after \$250 copayment	20% after \$500 copayment	30% after deductible   50% after deductible	30% after deductible   50% after deductible
<b>Generic   Preferred   Non-Preferred Prescriptions</b>	\$7   \$30   \$50 Retail \$14   \$60   \$100 Mail Order	\$7   \$30   \$50 Retail \$14   \$60   \$100 Mail Order			
<b>Out-of-Pocket Maximum</b>	\$1,500   \$3,000 Employee   Family	\$2,500   \$5,000 plus deductible Employee   Family		\$3,000   \$6,000 (PPO only - plus deductible) Employee   Family	



## Program Overview Health Plan Enrollment

Plan/ Category	Actual		Estimated	
	FY 10-11	FY 11-12	FY 11-12	FY 12-13
Total PPO Standard	91,784	88,234	88,234	86,099
Active	62,885	59,198	59,198	56,832
COBRA	492	444	444	444
Early Retirees	4,902	4,893	4,893	4,813
Medicare Retirees	23,505	23,699	23,699	24,010
Total PPO HIHP	979	1,018	1,018	1,018
Active	907	947	947	947
COBRA	2	1	1	1
Early Retirees	41	40	40	40
Medicare Retirees	29	30	30	30
<b>Total PPO</b>	<b>92,763</b>	<b>89,252</b>	<b>89,252</b>	<b>87,117</b>

Total HMO Standard	83,877	84,818	84,818	87,483
Active	76,280	76,739	76,739	78,989
COBRA	256	234	234	231
Early Retirees	2,715	2,904	2,904	3,008
Medicare Retirees	4,626	4,941	4,941	5,255
Total HMO HIHP	470	470	470	470
Active	464	462	462	462
COBRA	-	1	1	1
Early Retirees	4	5	5	5
Medicare Retirees	2	2	2	2
<b>Total HMO</b>	<b>84,347</b>	<b>85,288</b>	<b>85,288</b>	<b>87,953</b>

<b>Total All</b>	<b>177,110</b>	<b>174,540</b>	<b>174,540</b>	<b>175,070</b>
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## Program Overview Health Plan Contributions

Category	Coverage	PPO/HMO Plan					
		Standard Plan			Health Investor (HIHP)		
		Employer	Enrollee	Total	Employer *	Enrollee	Total
Career Service	Single	499.80	50.00	549.80	499.80	15.00	514.80
	Family	1,063.34	180.00	1,243.34	1,063.34	64.30	1,127.64
	Spouse	1,213.36	30.00	1,243.36	1,097.64	30.00	1,127.64
SES/ SMS	Single	541.46	8.34	549.80	506.46	8.34	514.80
	Family	1,213.34	30.00	1,243.34	1,097.64	30.00	1,127.64
COBRA	Single		560.80	560.80		482.60	482.60
	Family		1,268.21	1,268.21		1,065.20	1,065.20
Early Retirees	Single		549.80	549.80		473.12	473.12
	Family		1,243.34	1,243.34		1,044.32	1,044.32
Medicare Retirees	One Eligible		305.82	305.82		230.52	230.52
	Family		881.80	881.80		722.16	722.16
	Two Eligible		611.64	611.64		461.04	461.04

\* Includes employer tax-free Health Savings Account (HSA) contribution - \$500 and \$1,000, per year, for single and family coverage, respectively.



## **Program Overview** *Enhanced Premium Arrangements for Certain Employees*

### **Spouse Program**

- When a married couple are both active state employees in the Career Service pay plan, both are eligible for a reduced monthly premium. Each spouse pays \$15 per month.
- Enrollment: 12,768 employees (6,384 couples)
- Cost: approximately \$11.7M per year

### **Non-Career Service Employees**

- Employees in pay plans including Selected Exempt Services, Senior Management Services, the Executive Office of the Governor, the Legislature, and the Florida Lottery pay a reduced monthly premium. Each employee pays \$8.34/\$30.00 for single/family coverage.
- Enrollment: 25,937 employees
- Cost: \$34.4M per year

Note: These two groups of employees were not required to make any contributions toward health insurance coverage prior to policy changes in employee contribution rates resulting from the 2010 Legislative Session.





## **Program Changes** **The Process for Change**

- Section 110.12302, Florida Statutes, became law on July 1, 2010
  - Directed the department to evaluate fully insured and self-insured funding models for health maintenance organization (HMO) contracts
  - Required the department to recommend to the Legislature the best value
- The department issued separate procurements for HMO contracts and pharmacy benefits management services
- On February 1, 2011, Secretary Miles provided the Legislature with the department's recommendation to self-insure the HMO plans
- On June 24, 2011, the Legislative Budget Committee approved funding for the self-funding model and placed budget authority in reserve, pending presentment of final contracts
- On October 13, 2011, budget authority was released from reserve following a fourteen-day consultation period



## **Program Changes** *Starting January 1, 2012*

- Four self-insured HMOs (two remain fully insured)
- Reduced premiums for the fully insured Capital Health Plan
- Single HMO availability in all but six counties (Volusia, Flagler, Palm Beach, St. Lucie, Broward, Dade)
- Medco will administer the State Employees' Prescription Drug Program for the PPO Plan and the HMO Plans (except for Medicare Advantage Plans offered to retirees)
- Consolidated retail pharmacy network



## **Additional Program Changes Implemented January 1, 2011 per the 2010-11 General Appropriations Act**

- **Copayments Changes**
  - HMO primary care increased from \$15 to \$20
  - HMO specialist increased from \$25 to \$40
  - PPO and HMO emergency room copayment increased from \$50 to \$100
  - Prescription drugs changed from \$10/25/40 to \$7/30/50 at retail
  - Prescription drugs changed from \$20/50/80 to \$14/60/100 at mail
- **Maintenance Medications Through Mail**
  - Maintenance medications may be filled at retail up to three times
  - Thereafter, to be covered the prescription will go through the mail order pharmacy
  - Both the plan and the member pay less when the mail order pharmacy is used
  - Currently applies to the PPO Plan
  - Will not apply to the HMO plans for the remainder of the 2011-12 fiscal year



## **Additional Program Changes Implemented January 1, 2011 per the 2010-11 General Appropriations Act**

- **Maintenance Medications Through Mail**
  - Section 8 of the GAA describes the maintenance mail program for the State Employees' Prescription Drug Plan
  - At the time the maintenance mail program was enacted (2010-11 GAA) and continued (2011-12 GAA) only the PPO Plan was participating in the State Employees' Prescription Drug Plan
  - Beginning January 1, 2012, the HMO plans will also participate in the State Employees' Prescription Drug Plan
  - Because the 2011-12 GAA references the HMO prescription benefits separately, the department is not applying this component of the State Employees' Prescription Drug Plan to the HMOs for the remainder of the 2011-12 fiscal year.





## Improved Estimating Conference Outlook Now Forecasting a Positive Ending Cash Balance For FY 2012-13

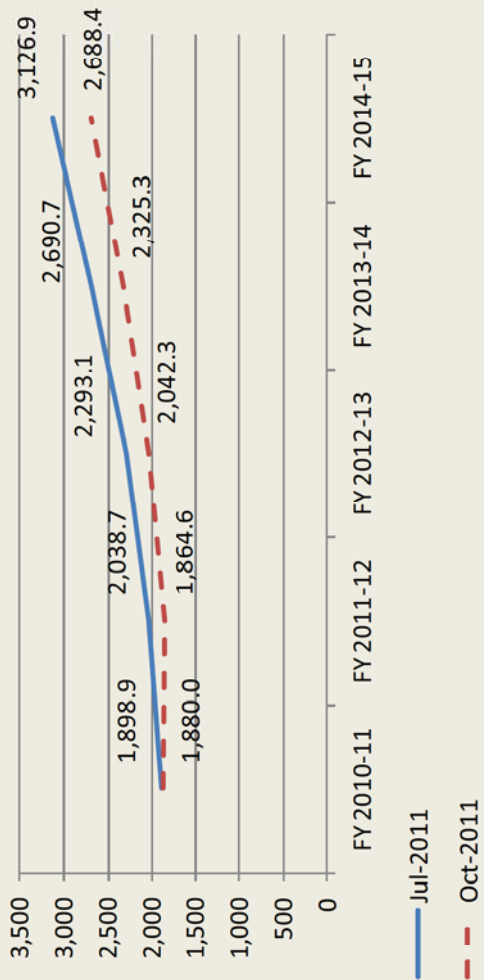
(All Figures in Millions)

	FY 2011-12		FY 2012-13	
	Jul-2011	Oct-2011	Jul-2011	Oct-2011
<b>Beginning Cash Balance</b>	230.2	197.8	91.7	234.1
		(32.4)		142.4
<b>Revenues</b>				
Premium Contributions				
Employer	1,449.1	1,447.5	1,497.9	1,447.7
Employee	166.7	166.4	172.9	166.7
COBRA	6.0	6.1	6.0	6.1
Early Retirees	61.4	64.7	58.9	64.5
Medicare	144.6	143.4	149.5	146.0
Other Revenues	72.4	72.8	71.6	87.4
Total Revenues	1,900.2	1,900.9	1,956.8	1,918.4
		0.7		(38.4)
<b>Expenses</b>				
PPO Plans	960.4	936.5	1,027.4	984.7
HMO Plans	1,092.7	942.5	1,241.6	1,033.2
Other Expenses	(14.4)	(14.4)	24.1	24.4
Total Expenses	2,038.7	1,864.6	2,293.1	2,042.3
		(174.1)		(250.8)
<b>Revenues over Expenses</b>	<b>(138.5)</b>	<b>36.3</b>	<b>(336.3)</b>	<b>(123.9)</b>
		<b>174.8</b>		<b>212.4</b>
<b>Ending Cash Balance</b>	<b>91.7</b>	<b>234.1</b>	<b>(244.6)</b>	<b>110.2</b>
		<b>142.4</b>		<b>354.8</b>
<b>Total Unreported Claims Liability:</b>				
PPO Plans		64.5		64.5
HMO Plans		52.9		59.6
Total Unreported Claims Liability		117.4		124.1



## Improved Estimating Conference Outlook Growing at an Estimated 7.4% per year

**Total Projected Costs - State Employees' Group Health Program**  
(In Millions)





## Options and Alternatives Report

- 2011-12 General Appropriations Act directed the department to develop a report of plan alternatives and options for the state employee health insurance program
- The department delivered the report to the Legislature on September 30, 2011
  - Strategic Health Plan Options (Buck)
  - 2010 Benchmarking Reports (Mercer)
- Available online at
  - [dms.MyFlorida.com/dsgi](http://dms.MyFlorida.com/dsgi)
  - *Select Plan Alternatives and Options*

