

STATE GROUP INSURANCE PROGRAM



2013 ANNUAL REPORT



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
BENEFITS ADMINISTRATION
1900 William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243

Larry B. Martin
COMMISSIONER

Laurie Lee
EXECUTIVE DIRECTOR

November 1, 2014

Ladies and Gentlemen:

We are pleased to submit the 2013 Annual Program and Financial Report for Benefits Administration. Under the direction of the State, Local Education and Local Government Insurance committees, this division of the Department of Finance and Administration manages insurance benefits for more than 140,000 employees and 26,000 Medicare eligible retirees from public sector organizations in Tennessee. At the end of 2013, the state-sponsored plans provided health insurance coverage to more than 311,000 individuals.

The data presented here demonstrate program, statistical and financial trends for the plans. The financial statements reflect the fiscal year ended June 30, 2013.

While the state group insurance program sponsors the coverages and programs reviewed in this report, we work in partnership with 14 contractors and a number of other state agencies to deliver services to program members. The results reported here reflect their contributions and the leadership of the Insurance Committees.

Sincerely,

Laurie Lee, Executive Director

Larry B. Martin, Commissioner



Tennessee Department of Finance and Administration.
Authorization Number 317238, 100 copies, June 2014. This
public document was promulgated at a cost of \$4.03 per copy.

OVERVIEW

Benefits Administration operates within the State of Tennessee's Department of Finance and Administration. The division administers health, dental, vision, life and long-term care insurance coverages for more than 311,000 public sector employees, retirees and their eligible dependents.

In addition to insurance coverages, the division also administers an employee assistance program and integrated disease management and wellness programs. These related programs complement insurance programs by educating employees and their families about prevention and behaviors that can affect their mental and physical health.

State group insurance program participants include state government and higher education employees, as well as employees of local school systems and local government agencies who choose to participate in one of the state-sponsored plans. Various quasi-governmental and nonprofit agencies receiving state support may also elect to participate in the local government plan.

In 2013, the state offered members two health insurance options — the partnership PPO and standard PPO. Both PPOs were available statewide and members had the choice of two medical insurance carriers — BlueCross BlueShield of Tennessee or

Cigna. The division contracts separately with CVS Caremark for prescription drug coverage and Magellan Health for behavioral health services for all plan options.

The PPOs cover the same services, treatments and products with one important difference — members who choose the partnership PPO must agree to a partnership promise. The promise requires members to take certain steps to maintain or improve their health. In return, these members pay lower premiums, copays, coinsurance, deductibles and have lower out-of-pocket maximums than those choosing the standard PPO.

A third option is available to participants in the local government plan. The limited PPO is a high-deductible plan. It is also available statewide with claims administered by either BlueCross BlueShield of Tennessee or Cigna. In 2014, and moving forward, a limited PPO will also be available to local education plan members.

In addition to health insurance, participants in all three plans may enroll in optional dental coverage choosing either the preferred dental plan administered by Delta Dental of Tennessee or the prepaid plan administered by Assurant Employee Benefits.

Vision coverage became available to members in 2013. All state plan members were eligible to participate. Members in the local education and local government plans were also eligible, if coverage is offered by the employing agency. Vision coverage is administered by EyeMed.

Medicare supplement coverage was available to Medicare eligible retirees who participate in the TN Consolidated Retirement System and certain state and local education plan members who participate in an optional retirement plan. Coverage is administered by the POMCO Group.

State employees were provided basic term life and accidental death and dismemberment coverage through Dearborn National Life while the optional term life coverage was underwritten by Minnesota Life.

Long-term care insurance was available to all state plan employees, retirees and eligible family members through MedAmerica Insurance Company. This coverage was also available to local education and local government plan members, if offered by the employing agency.

Enrollment Highlights	
Total Group Health Lives	279,069
Employees:	
State Partnership PPO	57,087
State Standard PPO	13,690
Local Education Partnership PPO	46,496
Local Education Standard PPO	10,776
Local Government Partnership PPO	6,708
Local Government Standard PPO	2,973
Local Government Limited PPO	2,760
Total Employee Group Health	140,490
Optional Dental Coverage	80,122
Optional Life Insurance Products	86,319
Optional Long-Term Care Coverage	2,825
Optional Vision Coverage	33,357
Retiree Medicare Supplement	26,430

Source: State of Tennessee and Partner Vendors

GOVERNANCE

The authorization for providing group insurance benefits for public officers, state, local education and local government employees and retirees is found in Chapter 27 of Title 8, Tennessee Code Annotated.

The benefit plans authorized by this legislation are governed separately by three committees identified as the State, Local Education and Local Government Insurance Committees. Each committee represents the interests of the employer(s) and their employees and retirees in financially separate benefit plans.

Committee Members

Larry B. Martin, Chairman — S, E, G
Commissioner, Department of Finance and Administration

Justin Wilson — S, E, G
Comptroller of the Treasury

David Lillard — S, E, G
State Treasurer

Julie Mix McPeak — S, E
Commissioner, Department of Commerce and Insurance

Rebecca Hunter — S
Commissioner, Department of Human Resources

Brenda Cowan — S
Employee Representative

Jeff Hughes — S
Employee Representative

Mark Paganelli — S
Higher Education Representative

Robert O'Connell — S
Tennessee State Employee Association

The responsibilities of each committee can be summarized under four broad areas:

- 1) To establish the benefit plans offered.
- 2) To approve premiums necessary to fund plan operations.
- 3) To provide for the administration of certain plan functions through the selection of contractors and monitoring of vendor performance.
- 4) To establish and review policy related to eligibility and benefits.

Maryanne Durski — E
Designee, Department of Education

Rebecca Jackman — E
Middle Tennessee Teacher Representative

Janie Holland — E
East Tennessee Teacher Representative

vacant — E
West Tennessee Teacher Representative

Leigh Mills — E
Tennessee School Boards Association

Kevin Krushenski — G
Tennessee Municipal League

Shawn Francisco — G
Tennessee County Services Association

S — State Insurance Committee

E — Local Education Insurance Committee

G — Local Government Insurance Committee

CONTRACT PARTNERS

The division works in partnership with the following entities in the administration of insurance benefits and related administrative functions:

BlueCross BlueShield of Tennessee

Providing administration of healthcare coverage for plan members in the partnership, standard and limited preferred provider organizations (PPOs).

Cigna

Providing administration of healthcare coverage for plan members in the partnership, standard and limited preferred provider organizations (PPOs).

CVS/caremark

Providing pharmacy benefits for all members enrolled in health coverage.

Magellan Health

Providing employee assistance program (EAP) services and administration of behavioral health and substance abuse coverage for plan members.

Assurant Employee Benefits

Providing optional prepaid dental insurance to participating plan members statewide.

Delta Dental of Tennessee

Providing optional preferred dental organization insurance to participating plan members statewide.

POMCO Group

Providing administration of retiree Medicare supplement coverage.

Dearborn National Life Insurance Company

Providing basic term and accidental death and dismemberment insurance for state plan members and optional accidental death and dismemberment insurance for state plan members who choose to enroll.

Minnesota Life

Providing optional term life insurance to state plan members who choose to enroll in this coverage.

MedAmerica Insurance Company

Providing long-term care coverage to plan members and their eligible family members who choose to enroll in this coverage.

EyeMed Vision Care

Providing vision insurance to plan members and their eligible family members who choose to enroll in this coverage.

Healthways

Providing disease management, lifestyle management and wellness program services for all plan members enrolled in health coverage.

Truven Health Analytics

Providing data warehousing and analytical services to assess healthcare utilization and claims-based costs for our population.

Aon Hewitt

Providing benefits and actuarial consultant services to the division.

LOOKING BACK

MISSION AND VISION

Benefits Administration provides health insurance benefits to State of Tennessee employees, retirees and dependents as well as certain employees, retirees and dependents from local education agencies, local governments and grantees of the state.

Our Mission: Deliver comprehensive, affordable, dependable and sustainable benefits

Our Vision: Healthy members; peace of mind

OVERVIEW

Benefits Administration completed its third year of implementation of the health benefits overhaul initiated in 2011. The aim of this redesign is to drive costs down by leveraging the state's purchasing power and vendor core competencies and to give members greater financial stake in their health and healthcare purchasing decisions. The cornerstone of the new design is the partnership PPO, which provides members with substantial savings in premiums and cost-sharing in exchange for member engagement in their health and chronic disease management.

The data in this report show that the partnership PPO is achieving the aim of encouraging members to obtain routine preventive exams and that partnership PPO members have lower use rates of the emergency department, hospital inpatient, outpatient visits, complications and readmissions. Initially, major cost savings were achieved with improved per unit pricing resulting from re-procurement. The challenge going forward is to reduce inappropriate utilization and improve member health status.

COST SAVINGS AND BENEFIT VALUE

For 2013, the State, Local Education and Local Government Insurance Committees approved benefit design changes, which Aon Hewitt, the plans' consulting actuary, estimated to result in total financial savings to the plans of 1.9 percent. These changes include:

- Increase deductible by \$100 for employee only; by \$150 for employee+child(ren); by \$200 for employee+spouse; and by \$250 for employee+spouse+child(ren)
- Increase out-of-pocket maximum by \$200 for employee only; by \$300 for employee+child(ren); by \$400 for employee+spouse; and by \$500 for employee+spouse+child(ren)
- Increase specialist office visit copays by \$5; (preventive still at \$0)
- Increase emergency room copay by \$45 (still waived if admitted)
- Increase pharmacy copays by \$5 (except for maintenance and generic drugs)
- Pharmacy program changes
 - » Dispense As Written (DAW) 2 policy (when plan member requests a brand drug when a generic is available and has been approved by the prescribing physician)
 - » Preferred specialty plan design (requirement that NEW members utilize step therapy)
- Women's preventive services at \$0 copay for screenings and contraceptives (as required by federal government effective January 1, 2013)

During 2013, the plans kept the reduced maintenance tier pharmacy copay for diabetic medications and supplies, cholesterol lowering drugs and drugs to treat hypertension.

As part of our design process, Benefits Administration reviews public sector plans in the southeast. This review indicated that, with these changes, our benefit plans still compare favorably with market and southeast public sector plans and ensure that the plans are fiscally sustainable.

IMPROVED EFFICIENCY

After the successful implementation of employee self-service (ESS) benefits enrollment feature for all active state members during our 2012 annual enrollment, we focused our efforts in 2013 on newly hired state employees using ESS when selecting their benefits for the first time. Benefits Administration is employing the "lean" tools and principles to design improved operational processes. Lean, a method used in public and private sector businesses, involves the elimination of waste by examining processes and striving for continual improvement. Benefits Administration conducted a lean event to improve the ESS experience for those newly hired. This effort included working with five state agencies, the Department of Human Resources and Edison staff, who support the state's enterprise resource system. Before this intervention, only 23 percent of newly hired employees used ESS to sign up for benefits. By the end of 2013, 38 percent of our newly hired employees selected their benefits using ESS and the numbers continue to improve. This is a major milestone in the continued progression toward automating our processes. Automating and streamlining our processes is good business: ESS reduces manual enrollment by service center staff, resulting in higher enrollment accuracy and reduced personnel costs.

LOOKING BACK

VENDOR CONTRACTS

In 2013, staff initiated competitive procurements for:

- Basic Term Life Insurance — Minnesota Life (completed)
- Decision Support and Executive Information System Tool — Truven (completed)
- Employee Clinic (ParTNers Health & Wellness Center) — this procurement was initiated in 2013 but the contract was awarded in 2014

PROGRAM PERFORMANCE

The division continues to ensure the plan is run in a fiscally prudent manner. The conservative fiscal policies advocated by the division's actuarial consultants and adopted by the Insurance Committees, the plan design changes adopted to balance increasing medical costs and the responsible funding of benefit enhancements, and the continued focus on member health management all work to ensure fiscal viability. As part of the annual rate setting process, Benefits Administration presents to the committees recommendations regarding use of any reserves accumulated in excess of those actuarially required to maintain the financial solvency of the program. As a result of our procurement and plan management activities, we are pleased to report that the plans have experienced on average below market rate increases over the course of the last five years. The annual average year over year increase has been 3.4 percent for the State Plan, 2.1 percent for the Local Education Plan and 4.1 percent for the Local Government Plan.

ADDITIONAL CHALLENGES

Federal Health Reform — Patient Protection and Affordable Care Act

Benefits Administration continues to implement the requirements of the Patient Protection and Affordable Care Act (PPACA). The key 2013 requirement for the public sector plans was the provision of women's preventive services at \$0 copay. During 2013, Benefits Administration also assisted the State of Tennessee and our member agencies in understanding the requirements of the employer mandate, which was initially planned to go into effect in 2014. In May 2013, Benefits Administration sponsored three webinars for local education and local government agencies conducted by our consulting actuary, Aon Hewitt, which outlined in detail the employer's responsibilities in offering health coverage.

We will continue to evaluate the PPACA impact on the state and our member agencies and provide information to our agencies as it becomes available. Also on the horizon is a PPACA requirement to report individual coverage to the federal government and provide certain information to participants to implement the PPACA individual mandate provisions. While these reporting requirements go into effect in 2016, the collection of data to support these reports must be in place January 2015. Evaluation and planning for these and other requirements started in 2013 and will continue into 2014.

Trend Increases

Some experts believe the historically low trend increases of the last two years were due in part to the national recession and cannot continue. If medical trend returns to a more historical average rate and supply and demand issues materialize, medical trend may increase at a much higher rate in 2014. This coupled with the aging of the plan membership will continue to pose cost and funding pressures.

We pledge to continue to evolve our product offerings based on the needs of our participating agencies, regulatory and funding challenges and health needs of members.

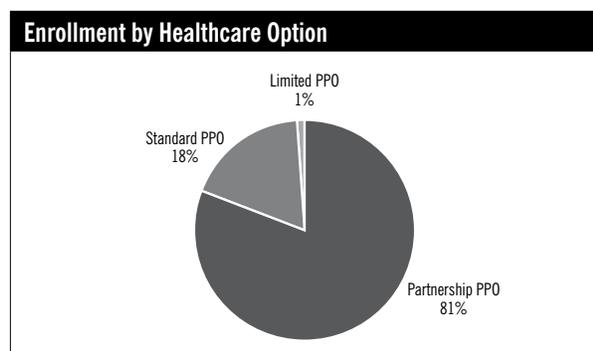
PARTNERSHIP PPO

The state group insurance program has been facing unparalleled financial challenges, even as we worked to continue to provide comprehensive, affordable, dependable and sustainable health benefits for all of our plan members. The three insurance plans paid out more than \$1.3 billion in healthcare claims.

Excess disease burden is one of the principal drivers of the growth in costs in the public sector plans. Plan members prevalence of chronic conditions such as coronary artery disease, congestive heart failure, chronic obstructive pulmonary disease, diabetes, hypertension, osteoarthritis and rheumatoid arthritis is higher than the national and state averages for individuals with insurance. Members also have a higher utilization than other comparable populations such as the insured residents of the nation's southeastern region as a whole.

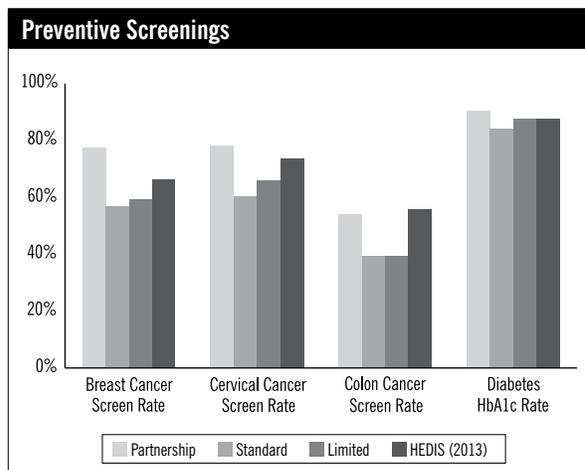
To address this issue, we developed the partnership PPO in 2011, which rewards members who agree to take responsibility to engage in maintaining or improving their health with lower costs.

During 2013, all partnership PPO members were required to complete the Healthways Well-Being Assessment™ (online health questionnaire), engage in one ParTNers for Health wellness activity by July 15 and keep their contact information current with their employer. Tobacco users were asked to enroll in a tobacco cessation program and the plan required members to complete a biometric screening with their healthcare provider and participate in coaching and/or case management, if an opportunity to improve their health was identified by the wellness vendor. Because health costs and premium increases are linked to overall plan member health, the partnership PPO provides a financial incentive for members to exercise responsibility for their own health and well-being.



Source: Truven

A total of 227,752 or 80.6 percent of members were enrolled in the partnership PPO, 50,509 or 17.9 percent were enrolled in the standard PPO and 4,355 or 1.5 percent in the limited PPO.



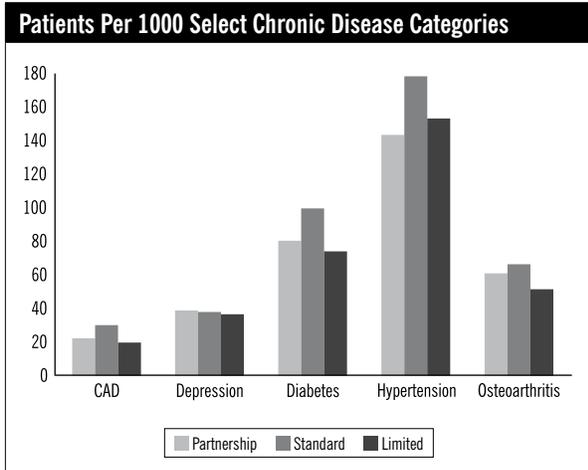
Source: Truven

Partnership PPO members engaged in preventive health activities such as cancer screening more often than members in the standard and limited PPOs. Partnership PPO members have been proactive about receiving regular screenings to detect and prevent chronic disease. For plan year 2013, partnership members' screening rates exceeded rates observed in the Healthcare Effectiveness Data and Information Set (HEDIS) for breast cancer, cervical cancer and diabetes HbA1c. The screening rate for colon cancer was slightly below the HEDIS rate. HEDIS results are gathered from health plans nationally and are widely accepted as benchmarks.

Time Period: Incurred Year	2011	2013	HEDIS (2013)
Breast Cancer Screen Rate {QM}	73%	73%	67%
Cervical Cancer Screen Rate {QM}	74%	75%	74%
Colon Cancer Screen Rate {QM}	48%	51%	56%
Diabetes HbA1c Test Rate {QM}	91%	89%	87%
MMR Vaccine Rate {QM}	88%	90%	88%
CAD Beta Blk 6 Mo Post MI {QM}	66%	58%	80%
Depression Continu Tx Rate {QM}	52%	57%	53%
URI Tx w/o Antibiotics Rate {QM}	65%	72%	82%
Acute Bronchitis Tx Rate {QM}	15%	20%	21%

Source: Truven. Measures are for Partnership PPO

PARTNERSHIP PPO

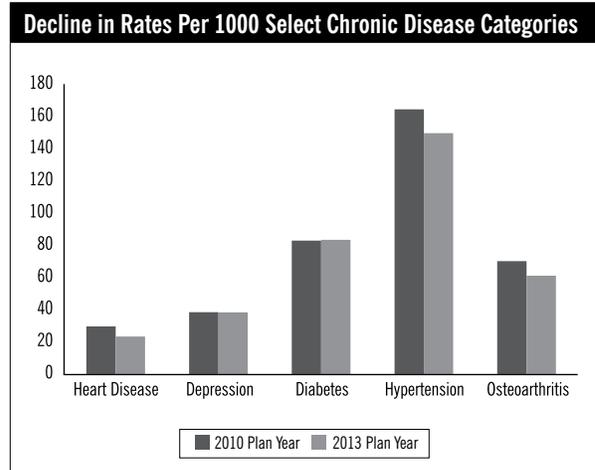


Source: Truven

The partnership PPO's higher screening rates correlate with fewer partnership patients per 1000 with diagnoses of coronary artery disease, hypertension or osteoarthritis than in the standard plan.

When combined, members in all healthcare options experienced a drop in the rates of chronic disease from 2010 to 2013.

From 2011 to 2013, diagnosis rates of heart disease, depression, hypertension and osteoarthritis declined across all three healthcare options.



Source: Truven

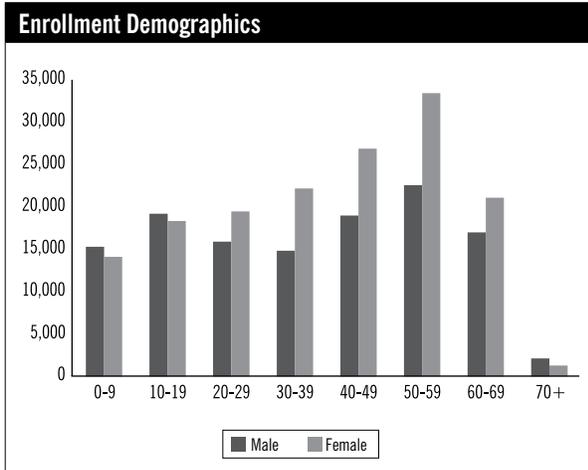
Members in the partnership PPO experienced healthcare utilization rates lower than those experienced by the public sector plans in 2010 across all indicators, with the exception of physician office visits. The office visit increase, however, signals a more appropriate use of primary and preventive care, which helps with early disease detection.

As the partnership PPO is in its third year, these early indicators are encouraging signs that the integrated wellness program is having a positive impact on healthcare utilization.

Utilization Trends							
Active and Retiree <65 including Dependents	All Options	Partnership		Standard		Limited	
	2010	2013	% Chg	2013	% Chg	2013	% Chg
Admissions per 1000	70	61	-13.5%	74	5.8%	59	-16.0%
Outpatient Facility Visits Per 1000	1,761	1,347	-23.5%	1,436	-18.5%	1,140	-35.0%
Office Visits per 1000	8,176	8,425	3.1%	7,097	-13.2%	6,216	-24.0%
Days Supply PMPY Rx	552	539	-2.4%	579	4.8%	430	-22.0%
ER Visits per 1000	243	214	-12.1%	266	9.4%	317	30.0%
Patients per 1000 Complications	13	12	-9.2%	15	11.7%	12	-11.0%
Readmissions per 1000	5	3	-40.2%	5	4.5%	2	-56.0%

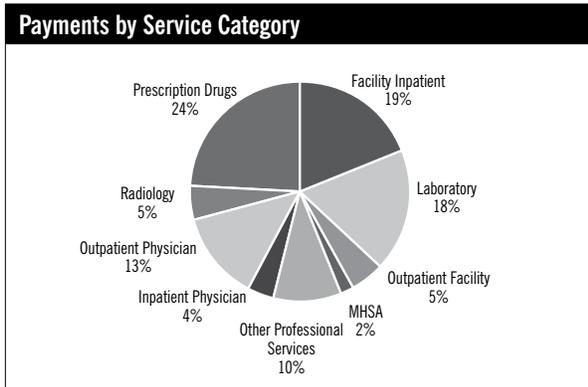
Source: Truven

COMBINED PLANS



Source: Truven

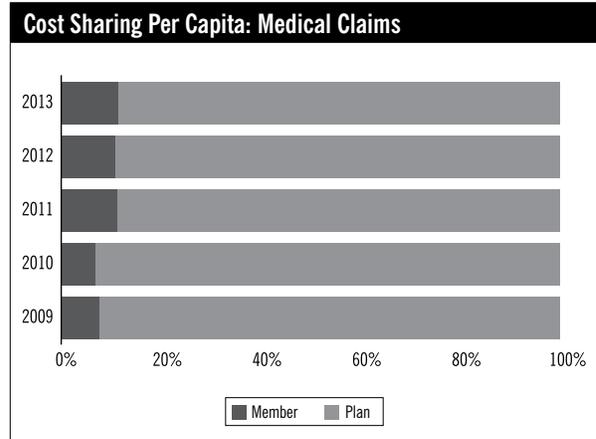
The largest age group was persons between the ages of 50 and 59 — 55,973 persons or 19.8 percent. Females outnumbered males in all age categories between 20 and 69 with males having the larger populations in 0 through 19 and age 70 up.



Source: Truven

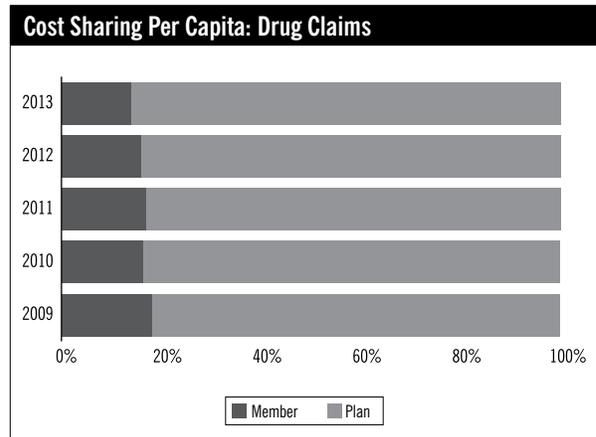
Total payments were more than \$1.33 billion. When broken into service category groups, prescription drugs accounted for the largest amount followed by inpatient facility, laboratory and outpatient physician. Prescription drugs' share of total payments has increased from 20 percent in 2010 to 24 percent in 2013.

Service category groups making up the remaining 25 percent of total payments included radiology, outpatient facility, inpatient physician, mental health services and other professional services.



Source: Truven

Member out-of-pocket share for medical care remained at 11 percent for the third consecutive year, with the plan paying the remaining 89 percent.



Source: Truven

Member out-of-pocket costs for drugs decreased to 14 percent in 2013 compared to 16 percent in 2012 — a decrease of 2 percent. The plan paid the remaining 86 percent. Fewer drugs became available in generic form in 2013 as opposed to previous years, which increased plan spending.

STATE PLAN

State employees, University of Tennessee and Board of Regents employees comprise the state plan. As measured by contracts, this plan provided coverage for 70,777 active employees, COBRA participants and qualified retirees.

Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	13,018	18.4%
Cigna	7,384	10.4%
Partnership PPO — Middle Region		
BlueCross BlueShield	15,052	21.3%
Cigna	9,212	13.0%
Partnership PPO — West Region		
BlueCross BlueShield	2,056	2.9%
Cigna	10,365	14.6%
Standard PPO — East Region		
BlueCross BlueShield	3,418	4.8%
Cigna	1,616	2.3%
Standard PPO — Middle Region		
BlueCross BlueShield	3,774	5.3%
Cigna	2,025	2.9%
Standard PPO — West Region		
BlueCross BlueShield	734	1.0%
Cigna	2,123	3.0%

Source: State of Tennessee

Members may choose to participate in optional dental insurance. One prepaid dental plan and one preferred dental plan are available. State employees electing dental coverage totaled 54,301 at year end, an increase of 15 percent over 2012.

Optional vision coverage became available in 2013. One basic plan and one expanded plan were available. A total of 24,945 members enrolled in coverage.

During 2013, Dearborn National received more than \$9.3 million in premiums for the basic term life and the accidental death and dismemberment coverages. Expenses reported for 2013 included \$9.7 million in basic term and accidental death and dismemberment claims and \$1.2 million in waiver of premium life reserves. Administrative fees were \$112,773, incurred but not reported reserve increases were \$11,149, conversion expenses were \$95,000 and premium taxes were \$219,702.

Employee basic term life benefits exceeded \$6.4 million and were paid on behalf of 188 employees who died during 2013. An additional \$670,000 in employee accidental death and dismemberment benefits were provided by the plan. Employees received \$294,000 in benefit payments due to the death of a

covered dependent and \$315,000 due to an accident involving the death or dismemberment of a dependent.

At 2013 year end, 21,929 employees were covered under the optional term life insurance plan, in addition to 10,102 spouses. There were also 15,990 child term riders in effect. The coverage for employees exceeded \$2.6 billion, spouse coverage was more than \$239 million and the child term rider amount was \$113 million. Premiums for 2013 were \$7.5 million, while claims totaled \$7.3 million.

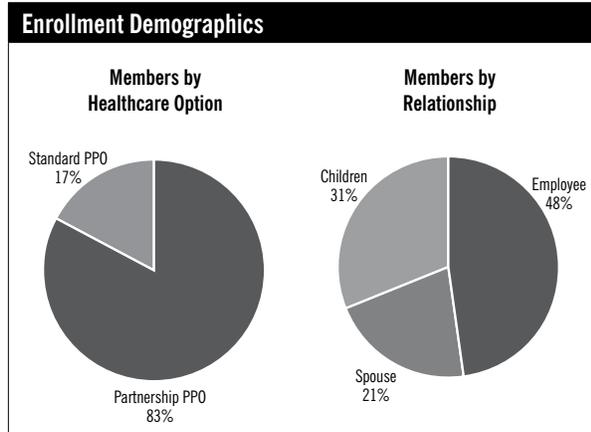
The optional universal life covered 9,952 current and former employees and 1,938 spouses who maintained \$494 million in coverage. Premiums were \$3.7 million, gross claims payments were \$5.3 million and net claims payments were \$3.3 million. At the end of December, the employee cash value had grown to more than \$76 million and spouse cash value to \$3.1 million. Enrollment closed to new members at the end of 2012.

Optional long-term care insurance covered 2,364 individuals at year end. Total premium payments exceeded \$2.6 million while claims payments totaled \$456,196.

Optional Insurance Contracts	DEC. 31, 2013	DEC. 31, 2012
Dental Insurance		
Prepaid Plan	19,887	17,481
Preferred Dental Plan	34,414	29,767
Total Dental	54,301	47,248
Vision Insurance		
Basic Plan	5,267	—
Expanded Plan	19,678	—
Total Vision	24,945	—
Life Insurance		
Term Life	48,021	33,356
Universal Life	11,890	12,639
Accidental Death	26,312	27,086
Perma Plan	96	225
Total Life	86,319	73,306
Long-Term Care		
Employees	1,606	1,572
Retirees	257	84
Eligible Family Members	501	499
Total Long-Term Care	2,364	2,347

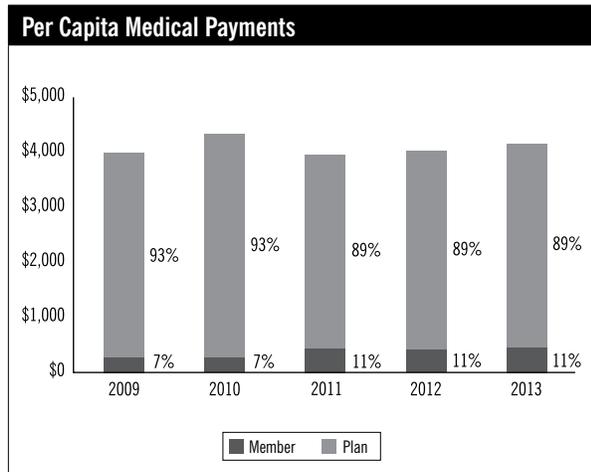
Source: State of Tennessee and Partner Vendors

STATE PLAN



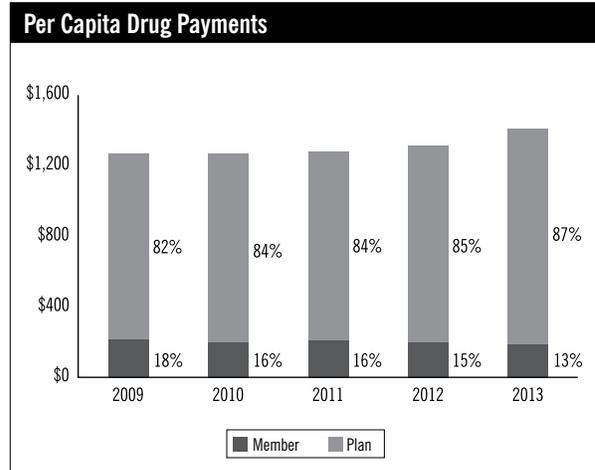
Source: Truven

The majority of state plan members enrolled in the partnership PPO. To participate, members must agree to take responsibility to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance.



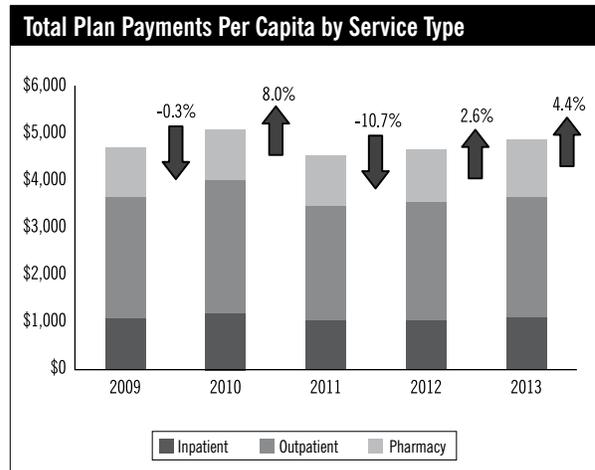
Source: Truven

Total per capita payments for medical claims were \$4,158 per member — an increase of 3.1 percent from 2012 and an increase of only 4.1 percent from 2009. The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies. During 2012 and 2013, the plan paid 89 percent of eligible expenses and the member paid 11 percent.



Source: Truven

Per capita payments for drug claims were \$1,412 per member — an increase of 7.5 percent from 2012. The plan paid 87 percent of eligible expenses with the remaining 13 percent paid by the member. This is a decrease from the percentage that members paid in 2009 (82 percent paid by the plan and 18 percent paid by the member).



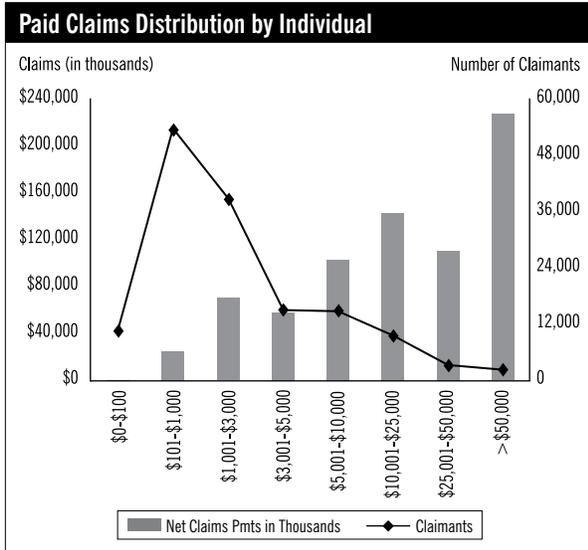
Source: Truven

Plan payments for outpatient services represented 51.9 percent of total claims while payments for inpatient services made up 23.1 percent. Pharmacy payments accounted for the remaining 25 percent.

There was an increase of 4.4 percent in total benefit payments — from \$4,684 in 2012 to \$4,888 in 2013. Plan payments for inpatient services increased by 1 percent and payments for outpatient services and pharmacy increased by 6.3 percent and 10 percent, respectively.

STATE PLAN

The five year change in plan payments between 2009 and 2013 showed a total increase of 3.4 percent, with payments for outpatient services decreasing by 1.9 percent, pharmacy increasing by 10 percent and inpatient services increasing by 2.9 percent.



Source: Truven

In 2013, 14,810 or 10 percent of plan members had claims exceeding \$10,000. The average net payment for this group was \$32,501.

There were 2,167 members or 1.5 percent with claims exceeding \$50,000. These members used 30.8 percent of plan benefits at an average net payment of \$104,975 with the other 145,216 members using the remaining 69.2 percent of plan benefits with an average net payment of \$3,519.

Most Frequently Occurring Diagnoses		
	TOTAL PATIENTS	TOTAL COSTS
Routine General Medical Exam	38,649	\$ 7,577,090
Well-Woman Exam	36,986	\$ 4,625,587
Hypertension	26,831	\$ 4,753,545
Mammogram	20,818	\$ 4,705,630
Well-Child Exam	17,992	\$ 5,775,364
Flu Vaccines	15,940	\$ 722,871
Acute Sinusitis	14,226	\$ 1,359,600
Acute Upper Respiratory Infection	11,727	\$ 1,241,993
Hyperlipidemia	11,248	\$ 1,529,297
Acute Pharyngitis	10,942	\$ 1,140,629

Source: Truven

The most frequently occurring diagnosis was for a routine medical exam, accounting for more than 38,000 patients. Approximately 55,000 patients had either well-woman or pediatric exams. More than 36,000 patients had other preventative care, such as mammograms and flu vaccines.

Highest Claims Cost by Condition		
	TOTAL PATIENTS	TOTAL COSTS
Osteoarthritis	10,839	\$ 23,463,150
Coronary Artery Disease	4,432	\$ 19,124,145
Gastrointestinal Disorder	19,283	\$ 17,352,753
Joint Disorders	28,147	\$ 14,745,726
Respiratory Disorders	14,449	\$ 14,703,587

Source: Truven

In 2013, osteoarthritis remained the most expensive condition treated for members of the plan. Gastrointestinal disorders surpassed respiratory disorders for the second most expensive condition.

LOCAL EDUCATION PLAN

In 1985, the Tennessee General Assembly authorized creation of an insurance plan for local education employees. Funds were appropriated to pay part of the premiums for participating employees beginning January 1, 1986. School systems within the state may join the local education plan or must provide alternative coverage that is equal or superior to the state-sponsored program. At 2013 year end, 129 school systems and educational co-ops were participating in the local education plan. Plan enrollment was 57,272 — a slight decrease from 57,468 in 2012.

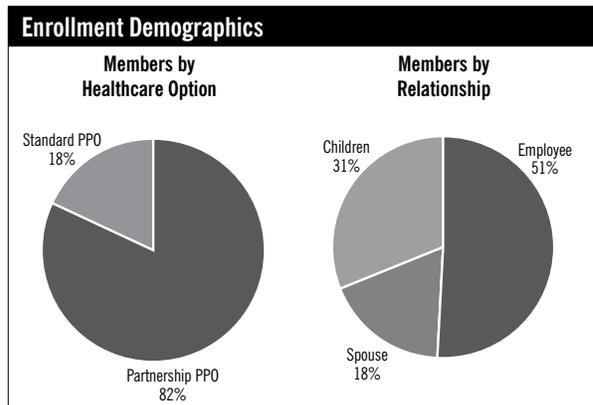
Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	11,292	19.7%
Cigna	12,366	21.6%
Partnership PPO — Middle Region		
BlueCross BlueShield	8,471	14.8%
Cigna	7,026	12.3%
Partnership PPO — West Region		
BlueCross BlueShield	1,688	2.9%
Cigna	5,653	9.9%
Standard PPO — East Region		
BlueCross BlueShield	2,129	3.7%
Cigna	2,075	3.6%
Standard PPO — Middle Region		
BlueCross BlueShield	2,484	4.3%
Cigna	1,796	3.1%
Standard PPO — West Region		
BlueCross BlueShield	624	1.1%
Cigna	1,668	2.9%

Source: State of Tennessee

Dental insurance is available as an option to participants in the local education plan, if offered by their agency. Participation in dental coverage increased 13.5 percent. Vision insurance became available to local education plan members in 2013, if their agency chose to participate. A total of 5,650 individuals enrolled in coverage. There were 382 individuals enrolled in optional long-term care coverage. Total premium payments were \$434,462 and paid claims were \$28,880. Life insurance is not an available option to members in the local education plan.

Optional Insurance Contracts		
	DEC. 31, 2013	DEC. 31, 2012
Dental Insurance		
Prepaid Plan	3,472	3,053
Preferred Dental Plan	17,163	15,132
Total Dental	20,635	18,185
Vision Insurance		
Basic Plan	1,017	—
Expanded Plan	4,633	—
Total Vision	5,650	
Long-Term Care		
Employees	310	281
Retirees	22	0
Eligible Family Members	50	40
Total Long-Term Care	382	321

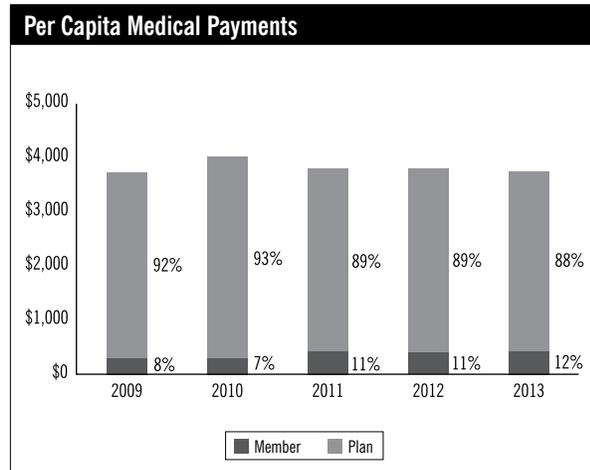
Source: State of Tennessee and Partner Vendors



Source: Truven

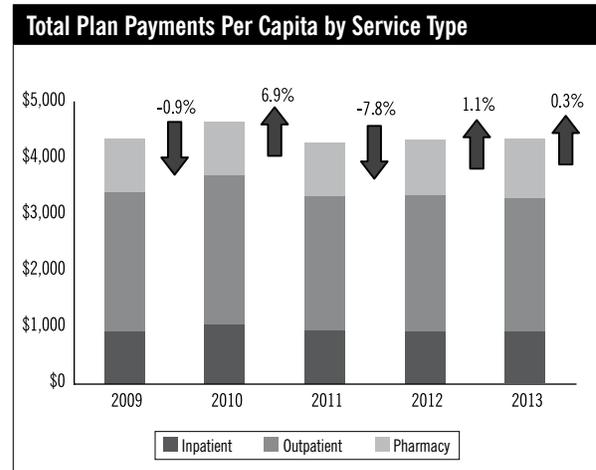
The majority of members enrolled in the partnership PPO. To participate, members must agree to take responsibility to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance.

LOCAL EDUCATION PLAN



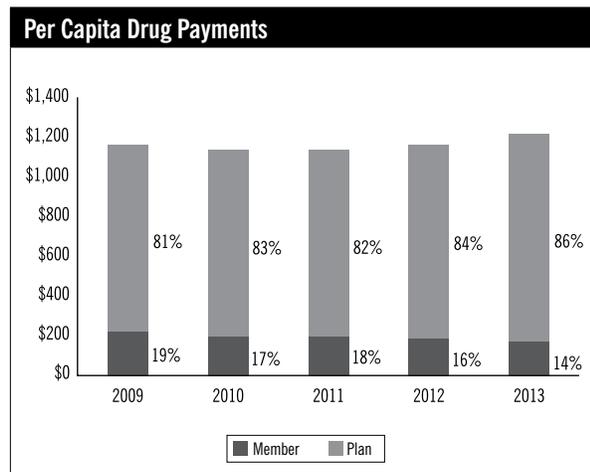
Source: Truven

Total per capita payments for medical claims were \$3,753 per member — a decrease of 1.1 percent from 2012 and an increase of 0.8 percent from 2009. During this period, the members' share of eligible expenses increased 4 percent.



Source: Truven

Plan payments for outpatient services represented 54.3 percent of total claims while payments for inpatient services made up 21.6 percent. Pharmacy payments accounted for the remaining 24.1 percent.



Source: Truven

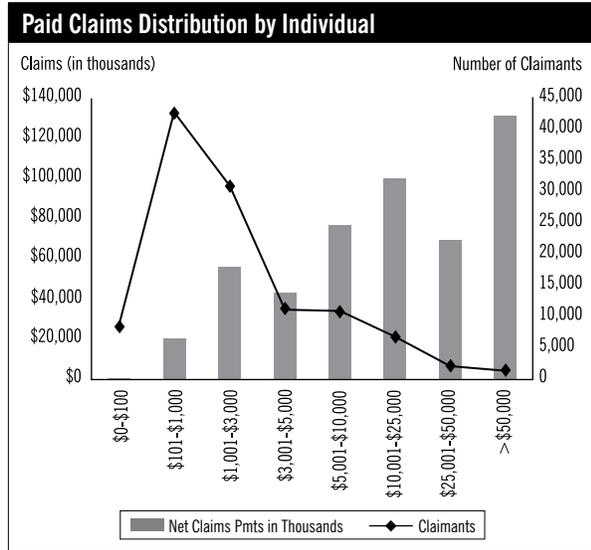
Total per capita payments for drug claims were \$1,222 per member — an increase of 4.8 percent from 2012, and an increase of 4.8 percent from 2009. The plan paid 86 percent of eligible expenses with the remaining 14 percent paid by the member. This is a slight shift from the 84 percent paid by the plan and 16 percent paid by the member in 2012 and the 81 percent paid by the plan and 19 percent paid by the member in 2009.

There was an increase of 0.3 percent, from \$4,332 to \$4,344, in total benefit payments between 2012 and 2013. Plan payments for inpatient services increased 0.7 percent and payments for outpatient services decreased by 2.8 percent. Payments for pharmacy increased by 7.6 percent.

The five year change in plan payments between 2009 and 2013 showed a total decrease of 0.5 percent, with payments for inpatient services decreasing by 0.48 percent, outpatient decreasing by 4.29 and pharmacy services increasing by 11.48 percent.

The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies.

LOCAL EDUCATION PLAN



Source: Truven

In 2013, 9,964 or 8.8 percent of plan members had claims exceeding \$10,000. The average net payment for this group was \$30,125.

There were 1,261 or 1.1 percent of total plan members with claims exceeding \$50,000. These members used 26.5 percent of plan benefits at an average net payment of \$104,012 with the other 113,085 members using the remaining 73.5 percent of plan benefits at an average net payment of \$3,239.

	TOTAL PATIENTS	TOTAL COSTS
Well-Woman Exam	36,303	\$ 4,446,061
Routine General Medical Exam	23,188	\$ 4,168,410
Hypertension	18,028	\$ 3,052,990
Mammogram	17,717	\$ 4,498,434
Flu Vaccines	16,552	\$ 682,676
Acute Sinusitis	15,981	\$ 1,516,276
Well-Child Exam	13,953	\$ 5,207,132
Acute Pharyngitis	12,438	\$ 1,197,166
Acute Upper Respiratory Infection	11,539	\$ 1,064,929
Hyperlipidemia	8,206	\$ 1,141,673

Source: Truven

The most frequently occurring diagnosis was for a routine well-woman exam, accounting for 36,303 patients. A total of 37,141 patients had routine adult or pediatric medical exams and 34,269 patients had other preventative care such as mammograms and flu vaccines.

	TOTAL PATIENTS	TOTAL COSTS
Osteoarthritis	7,052	\$ 15,202,381
Gastrointestinal Disorders	14,159	\$ 12,252,167
Pregnancy with Vaginal Delivery	1,776	\$ 12,018,757
Joint Disorders	20,349	\$ 10,401,077
Coronary Artery Disease	2,415	\$ 9,639,177

Source: Truven

In 2013, osteoarthritis remained the most expensive condition treated for members of the plan. Coronary artery disease fell from the third most to the fifth most expensive condition.

LOCAL EDUCATION PLAN

Participants

Achievement School District	Fayette County Schools	Knox County Schools	Paris Special School District
Alamo City Schools	Fayetteville City Schools	Lake County Schools	Perry County Schools
Alcoa City Schools	Fentress County Schools	Lauderdale County Schools	Pickett County Schools
Anderson County Schools	Franklin County Schools	Lawrence County Schools	Polk County Board of Education
Athens City Schools	Franklin Special School District	LEAD Public Schools	Putnam County Schools
Bedford County Board of Education	Frayser Community Schools	Lebanon – Special School District	Rhea County Schools
Bells City Schools	Gestalt Community School	Lenoir City Schools	Richard Hardy Memorial School
Benton County Schools	Gibson County Schools	Lewis County Schools	Roane County Schools
Bledsoe County Schools	Giles County Schools	Lexington City Schools	Robertson County Schools
Bradford Special School District	Grainger County Schools	Lincoln County Schools	Rogersville City Schools
Bradley County Board of Education	Greene County Schools	Little TN Valley Education Co-op	Scott County Schools
Bristol City Schools	Greenville City Schools	Loudon County Schools	Sequatchie County Schools
Campbell County Schools	Grundy County Schools	Macon County Schools	Sevier County Schools
Cannon County Schools	Hamblen County Schools	Manchester City Schools	Smith County Schools
Carroll County Schools	Hancock County Schools	Marion County Schools	South Carroll County Special District
Carter County Schools	Hardeman County Schools	Marshall County Board of Education	Stewart County Schools
Cheatham County Schools	Hardin County Schools	Maury County Schools	Sullivan County Board of Education
Chester County Schools	Hawkins County Schools	McKenzie Special School District	Sumner County Schools
Clay County Schools	Haywood County Schools	McMinn County Schools	Sweetwater City Schools
Cleveland City Schools	Henderson County Schools	McNairy County School System	Tipton County Schools
Clinton City Schools	Henry County Board of Education	Meigs County Board of Education	Trenton Special School District
Cocke County Schools	Hickman County Schools	Milan Special School District	Trousdale County Schools
Coffee County Schools	Hollow Rock – Bruceton Special School District	Monroe County Board of Education	Tullahoma City Schools
Crockett County Schools	Houston County Schools	Moore County Schools	Unicoi County Schools
Cumberland County Schools	Humboldt City Schools	Morgan County Schools	Union City Schools
Dayton City Schools	Humphreys County Schools	Murfreesboro City Schools	Van Buren County Schools
Decatur County Schools	Huntingdon Special Schools	Newport City Schools	Warren County Schools
Dekalb County Schools	Jackson County Schools	Oak Ridge City Schools	Washington County Schools
Dickson County Board of Education	Jackson-Madison County Board of Education	Obion County Schools	Wayne County Schools
Dyer County Schools	Jefferson County Schools	Oneida Special School District	Weakley County Schools
Dyersburg City Schools	Johnson County Board of Education	Overton County Schools	West Carroll Special School District
Elizabethton City Schools	Kingsport City Schools		White County Schools
Etowah City Schools	KIPP Memphis Collegiate Schools		

LOCAL GOVERNMENT PLAN

In 1989, the Tennessee General Assembly authorized creation of an insurance plan for local government agency and quasi-governmental agency employees. At 2013 year end, 358 counties, cities and quasi-governmental agencies were participating in the local government plan. Plan enrollment as measured by contracts was 12,441 at year end — a slight decrease from 12,520 in 2012.

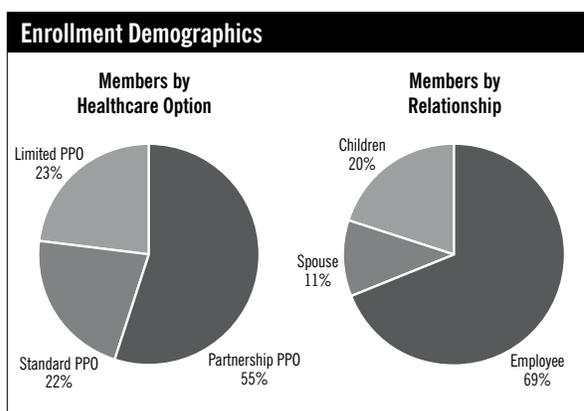
Health Contracts		
Partnership PPO — East Region		
BlueCross BlueShield	781	6.3%
Cigna	1,401	11.3%
Partnership PPO — Middle Region		
BlueCross BlueShield	1,339	10.8%
Cigna	1,509	12.1%
Partnership PPO — West Region		
BlueCross BlueShield	323	2.6%
Cigna	1,355	10.9%
Standard PPO — East Region		
BlueCross BlueShield	405	3.3%
Cigna	552	4.4%
Standard PPO — Middle Region		
BlueCross BlueShield	671	5.4%
Cigna	451	3.6%
Standard PPO — West Region		
BlueCross BlueShield	291	2.3%
Cigna	603	4.8%
Limited PPO — East Region		
BlueCross BlueShield	516	4.1%
Cigna	279	2.2%
Limited PPO — Middle Region		
BlueCross BlueShield	1,060	8.5%
Cigna	213	1.7%
Limited PPO — West Region		
BlueCross BlueShield	332	2.7%
Cigna	360	2.9%

Source: State of Tennessee

Dental insurance is available as an option to participants in the local government plan, if offered by their agency. Participation in dental coverage increased 18 percent. Vision insurance became available to local government plan members in 2013, if their agency chose to participate. A total of 2,762 individuals enrolled in coverage. There were 79 individuals enrolled in optional long-term care coverage. Life insurance is not an available option to members in the local government plan.

Optional Insurance Contracts		
	DEC. 31, 2013	DEC. 31, 2012
Dental Insurance		
Prepaid Plan	1,319	1,057
Preferred Dental Plan	3,867	3,333
Total Dental	5,186	4,390
Vision Insurance		
Basic Plan	448	—
Expanded Plan	2,314	—
Total Vision	2,762	
Long-Term Care		
Employees	68	61
Retirees	0	0
Eligible Family Members	11	8
Total Long-Term Care	79	69

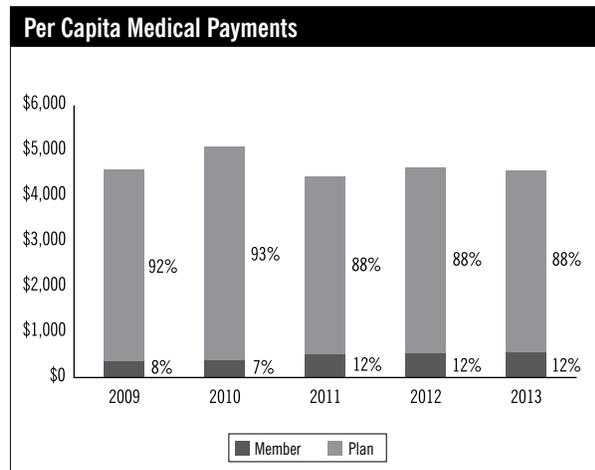
Source: State of Tennessee and Partner Vendors



Source: Truven

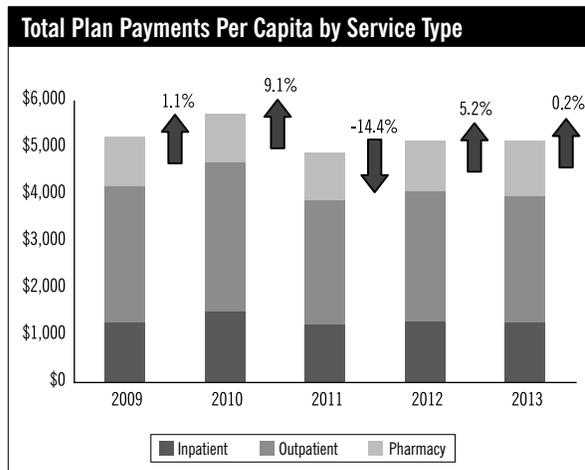
The majority of members enrolled in the partnership PPO. To participate, members must agree to engage in maintaining or improving their health. In return, they pay lower premiums and enjoy lower deductibles, copays and coinsurance.

LOCAL GOVERNMENT PLAN



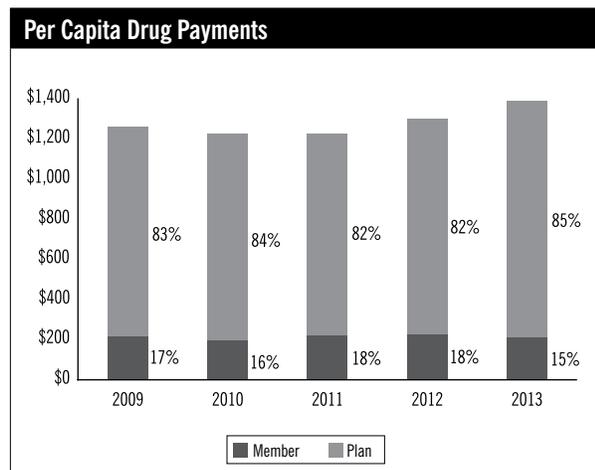
Source: Truven

Total per capita payments for medical claims were \$4,560 per member — a decrease of 1.4 percent from 2012 and a decrease of 0.4 percent from 2009. During this period, the plan paid 88 percent of eligible expenses and the member paid 12 percent. This is the same percentage as in 2012 and 2011.



Source: Truven

Plan payments for outpatient services represented 52.4 percent of total claims while payments for inpatient services made up 24.8 percent. Pharmacy payments accounted for the remaining 22.8 percent.



Source: Truven

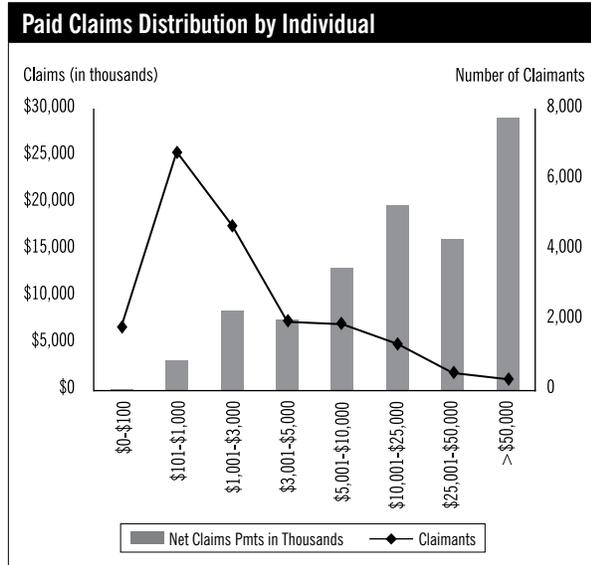
Per capita payments for drug claims were \$1,392 per member — an increase of 7.1 percent from 2012 and an increase of 10.3 percent from 2009. The plan paid 85 percent of eligible expenses with the remaining 15 percent paid by the member. This is a slight change from 83 percent paid by the plan and 17 percent paid by the member in 2009.

There was an increase of 0.2 percent in total benefit payments — from \$5,145 in 2012 to \$5,154 in 2013. Plan payments for inpatient services decreased by 1.8 percent and payments for outpatient services decreased by 2.6 percent. Payments for pharmacy increased by 9.7 percent.

The five year change in plan payments between 2009 and 2013 showed a total decrease of 1.6 percent, with payments for inpatient services decreasing by 0.63 percent, outpatient services decreasing by 7.23 percent and pharmacy increasing by 12.96 percent.

The plan has been able to keep the annual medical cost increase low due to aggressive purchasing and care management strategies.

LOCAL GOVERNMENT PLAN



Source: Truven

In 2013, 2,047 or 10.7 percent of total plan members had claims exceeding \$10,000. The average net payment for this group was \$31,700.

There were 288 members or 1.5 percent with claims exceeding \$50,000. These members used 30 percent of plan benefits at an average net payment of \$100,983, with 18,755 members using the remaining 70 percent of plan benefits at an average net payment of \$3,622.

	TOTAL PATIENTS	TOTAL COSTS
Well-Woman Exam	4,485	\$ 551,024
Hypertension	4,308	\$ 815,441
Routine General Medical Exam	3,621	\$ 643,918
Mammogram	2,485	\$ 613,395
Acute Sinusitis	2,283	\$ 226,726
Flu Vaccines	1,764	\$ 72,073
Acute Upper Respiratory Infection	1,674	\$ 186,443
Diabetes	1,533	\$ 338,510
Hyperlipidemia	1,483	\$ 210,213
Fatigue	1,407	\$ 244,036

Source: Truven

The most frequently occurring diagnosis was for a well-woman exam, accounting for nearly 4,500 patients. Another 3,621 patients underwent a routine medical exam while 4,249 patients had preventative services such as mammograms and flu vaccines.

	TOTAL PATIENTS	TOTAL COSTS
Coronary Artery Disease	732	\$ 4,253,687
Osteoarthritis	1,542	\$ 3,297,297
Newborns	191	\$ 2,762,084
Respiratory Disorder	2,815	\$ 2,515,103
Gastrointestinal Disorders	2,140	\$ 2,292,893

Source: Truven

In 2013, coronary artery disease remained the most expensive condition treated for members of the plan. Newborns make an appearance as a high cost condition for the local government plan, accounting for more than \$2.5 million.

LOCAL GOVERNMENT PLAN

Participants

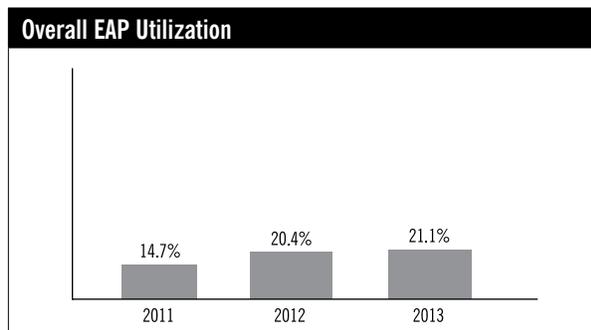
Agape, Inc.	CEASE, Inc.	Easter Seals of TN	Hardin County
Aging Services of the Upper Cumberland	Center for Independent Living of Middle TN	Eastside Utility District	Hardin County 911
Aid to Distressed Families of Appalachian Counties	Center for Living and Learning	Elkton, City of	Hardin County Skills, Inc.
Alamo, City of	Cerebral Palsy Center	Engstrom Services, Inc.	Hartsville/Trousdale County
Alpha-Talbot Utility District	Chattanooga Housing Authority	Erin, City of	Hartsville/Trousdale Water and Sewer Utility
Anderson County CAC	Chester County	Erin Housing Authority	Hawkins County
Appalachian Education Community Corp.	Chester County Highway	Estill Springs, Town of	Henderson, City of
ARC of Davidson County	Children's Advocacy Center	Etheridge, City of	Henderson County
ARC of Washington County	City of Michie Water Systems	Fairview Utility District	Henderson County Highway
ARC of Williamson County	Clarksville Housing Authority	Fayette County	Henry County Highway
Arts Center of Cannon County	Clarksville/Montgomery County CAA	Fayette County 911	Highland Rim Economic Corporation
Atoka, Town of	Clearfork Utility District	Fayette County Public Works	Hixson Utility District
Atwood, Town of	Clifton, City of	Fayetteville Housing Authority	Hohenwald Housing Authority
Avalon Center	Clinchfield Senior Adult Center	Fentress County	Homesafe of Sumner, Wilson and Robertson County
Bangham Utility District of Putnam and Jackson Counties	Cocaine Alcohol Awareness Program	Fentress County Emergency Communications District	Hope of East TN
Bedford County	Cocke County	Fifty Forward	Humboldt, City of
Behavioral Health Initiatives	Cocke County 911	First Utility District of Hardin County	Humboldt Housing Authority
Belle Meade, City of	Cocke County Highway	First Utility District of Tipton County	Humphreys County
Benton County Highway	Coffee County	Forest Hills, City of	Humphreys County 911
Bethlehem Centers of Nashville	Community Development Center	Four Lake Regional Industrial Development Authority	Huntingdon, Town of
Better Decisions	Community Foundation of Middle TN	Franklin County	Impact Center, Inc.
Big Creek Utility District	Cookeville Boat Dock Utility	Franklin County Adult Activity Center	Industrial Development Board of Blount County, Alcoa and Maryville
Big Sandy, City of	Coopertown, Town of	Franklin County Consolidated Housing Authority	Jacksboro, Town of
Blaine, City of	Cordell Hull Utility District	Franklin County Highway	Jackson Area Council on Alcohol and Drug Dependence
Blakemore United Methodist Childrens Center	Cornerstone	Friendship, City of	Jackson Center for Independent Living
Bledsoe County	County Officials Association of TN	Gainesboro, Town of	James Developmental Center
Blount County CAA	Crab Orchard Utility District	Gallatin Housing Authority	Jamestown, City of
Blountville Utility District	Crockett County	Gibson County Municipal Water District	Jason Foundation
Bondcroft Utility	Crockett County Highway	Giles County	Jasper, Town of
Bountiful Basket Nutrition Program	Crockett County Public Utility District	Giles County 911	Jefferson City Housing
Bradley/Cleveland CSA	Cross Plains, City of	Gladeville Utility District	Jefferson County
Bradley/Cleveland Services	Cumberland Community Options, Inc.	Gleason, City of	Jefferson County 911
Bridges of Williamson County	Cumberland County	Good Neighbor Mission and Crisis Center	Johnson County
Bruceton, Town of	Cumberland Utility District	Goodwill Industries Knoxville, Inc.	Journeys in Community Living
Burns, City of	Cunningham Utility District	Gordonville, Town of	Jubilee Community Arts
Camden, City of	Dandridge, Town of	Gorham MacBane Library	Kimball, Town of
Campbell County 911	Dayton, City of	GRAD Restart Academies, Inc.	Kings Daughters Day Home
Care of Savannah, Inc.	Decatur County	Greenbrier, City of	Kingston, City of
Carey Counseling Center	Decherd, City of	Grundy County	Kingston Springs, Town of
Carroll County 911	Dekalb County	Grundy County Highway	Knoxville-Knox County CAC
Carthage, Town of	Dekalb County 911	Grundy Housing Authority	Lafayette, City of
Caryville – Jacksboro Utility	DeWhite Utility District	Habilitation and Training Services	Lakeland, City of
Caryville, Town of	Disability Resource Center	Hancock County	Lakesite, City of
CASA of East TN, Inc.	Dismas, Inc.	Hardeman – Fayette Utility District	Launch Tennessee
CASA, Inc.	Dover, Town of		Lawrence County
Castalian Springs – Bethpage Utility District	Dyersburg Housing Authority		Lawrence County 911
	East TN Development District		Lawrenceburg Housing Authority

LOCAL GOVERNMENT PLAN

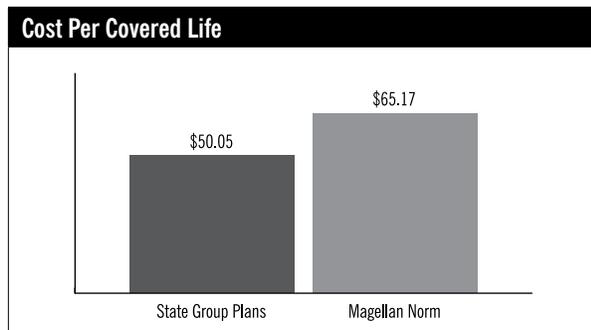
Lewis County Highway	Northwest Dyersburg Utility	Smith County	TN Municipal Bond Fund
Lewisburg Housing Authority	Northwest Safeline	Smith County Highway	TN Municipal League
Lexington, City of	Northwest TN Economic	Smithville, City of	TN Organization of School
Lexington Electric System	Development Council	Smithville Electric System	Superintendents
Lincoln County	Northwest TN Head Start	South Carthage, Town of	TN Primary Care Association
Linden, Town of	Oak Hill, City of	South Central TN	TN School Board Association
Loretto, City of	Oak Ridge, City of	Development District	TN Secondary School Athletic
Loudon County Economic	Oak Ridge Housing Authority	South Central TN Workforce	Association
Development Agency	Old Knoxville Highway Utility	Alliance	TN Sports Hall of Fame
Madison Suburban Utility	District	South Pittsburg, City of	TN State Employees
District	Overton County	Southeast Mental Health	Association
Manchester Housing	Overton County Highway	Center	TN State Museum
Authority	Overton County Nursing	Southwest TN Development	Foundation
Marion County	Home	District	TN State Veterans Home
Marion County Highway	Pegram, Town of	St. Joseph, City of	– Executive Office
Marion County 911	Perry County	Statewide Independent Living	TN State Veterans Home
Marion Natural Gas	Perry County Highway	Council of TN	– Humboldt
McKenzie, City of	Perry County Medical Center	Stewart County	TN State Veterans Home
McNairy County	Petersburg, Town of	Stewart County Highway	– Knoxville
Development Services	Pleasant View, Town of	Sullivan County 911	TN State Veterans Home
McNairy County Highway	Portland, City of	Surgoinville Utility District	– Murfreesboro
Memphis Area Association of	Prevent Child Abuse TN	TARP, Inc.	TN Voices for Children
Governments	Progress, Inc.	Team Centers, Inc.	Tracey City Public Utility
Memphis Area Legal Services	Project Return	Technology Access Center	Troy, Town of
Memphis Center for	Puryear, City of	The Development Corp of	Tuckaleechee Utility District
Independent Living	Reelfoot Lake Regional Utility	Knox County	Tullahoma Housing Authority
Mental Health Association of	and Planning District	The Next Door, Inc.	Tullahoma Utilities Board
Middle TN	Renewal House	Tipton County	Twenty-first Drug Task Force
Meritan, Inc.	Rhea County	Tipton County 911 District	Unicoi, Town of
Michie, City of	Rhea Medical Center	Tiptonville, City of	Upper Cumberland CSA
Mid-Cumberland CAA	Riceville Utility District	TN Alliance for Legal Services	Upper Cumberland
Mid-Cumberland HRA	Ripley, City of	TN Association of Alcohol,	Development District
Mid-East CAA	Roane Central Utility	Drug Addiction Services	Upper East TN Human
Minor Hill Water Utility	Roane County	TN Association of Assessing	Development Agency
District	Roane County 911	Officers	Urban Housing Solutions
Monteagle, Town of	Rochelle Center	TN Association of County	Vision Coordination
Mosheim, Town of	Samaritan Recovery	Executives	Volunteer Memphis
Mt. Carmel – Hawkins SCC	Community, Inc.	TN Association of Craft	Walden, Town of
Murfreesboro Electric	Savannah, City of	Artists	Warren County
Department	Scotts Hill, Town of	TN Association of Rescue	Wartburg, City of
My Friend's House Family	Second South Cheatham	Squads	Wartrace, Town of
and Children's Services	Utility District	TN Association of Utility	WDVX Cumberland
NAMI Davidson County	Sequatchie County	Districts	Communications
NAMI TN	Sequatchie County Highway	TN Business Enterprises	Weakley County
Nashville Cares	Sequatchie Valley Planning	TN Chapter of Children's	Weakley County 911
National Association of Social	Serenity Recovery Center	Advocacy Center	West Overton Utility
Workers	Sertoma Center	TN Community Services	West TN Forensic Services
National Healthcare for the	Sexual Assault Center	Agency	West TN Legal Services, Inc.
Homeless Council	Sexual Assault Crisis Center	TN County Commissioners	West TN Regional Art Center
New Horizons Corporation	of East TN	Association	Westmoreland, Town of
Newbern, City of	Sharon, City of	TN County Highway Officials	White Bluff, City of
Nolensville, Town of	Shelby County 911	TN County Services	Whitwell, City of
North Utility District of Rhea	Shelby Residential and	Association	Williamson County Child
County	Vocational Services, Inc.	TN Education Association	Advocacy Center
Northeast Henry County	Skills Development Services,	TN Historical Society	Woodbury Housing Authority
Utility	Inc.	TN Mental Health Consumers	Workforce Solutions
		Association	

EAP, MENTAL HEALTH AND SUBSTANCE ABUSE

The Employee Assistance Program (EAP) provides counseling and referral services for personal and workplace situations, as well as legal and financial counseling. Eligible employees and their dependents may receive up to five counseling sessions per problem episode at no cost to them. The program is available to all state and higher education employees and dependents who are eligible to participate in the state group insurance program. Local education and local government employees and their dependents who participate in a state-sponsored health plan are also eligible. If more intensive treatment is needed, individuals may receive care through their insurance plan's mental health or substance abuse coverage.



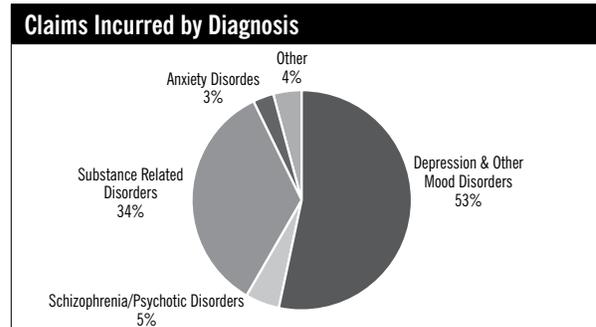
Source: Magellan Health



Source: Magellan Health

Magellan Health reported a continued increase in overall EAP utilization for 2013. Online EAP referrals more than doubled for a total of 1,111 self-referrals in 2013 compared to 527 in 2012. Additionally, there were 92 online referrals for financial and legal consultations compared to 51 in 2012. The website recorded 3,452 uses of online tools compared to 2,838 in 2012. There was a doubling of member participation in trainings to 5,001 participants compared to 2,470 in 2012. The website recorded a total of 16,170 user sessions — although not an increase, an indicator that the large gains from 2012 are generally being maintained. The maintenance of gains is due to the development of a new “landing page” on the HERE4TN.com website that does not require a member log-in.

In 2013, there were 9,276 counseling and consultation cases. As a percent of total, utilization by plan was 73 percent state plan, 22 percent local education plan and 5 percent local government plan.



Source: Magellan Health

The overall utilization rate for all EAP services was 210.8 per 1,000 members compared to 203.8 per 1,000 members in 2012. There were 7,721 unique counseling and consultation users compared to 7,755 unique users in 2012.

Training programs included employee orientations, supervisory training classes and benefit fairs, all promoting employee assistance services. There were 202 professional growth seminars attended by 5,001 employees along with 23 benefit fairs attended by more than 3,000 plan members.

Inpatient utilization involved a total of 1,483 cases reviewed. The number of admissions for inpatient acute per 1,000 lives was 3.4; for residential 0.9; for partial hospitalization 0.5; and for intensive outpatient 1.4. Days of care per 1,000 covered lives were 21 for inpatient acute; 20.1 for residential; 6.6 for partial and 21.8 for intensive outpatient. Utilization trends for behavioral health and substance abuse inpatient services are holding steady when compared to 2012.

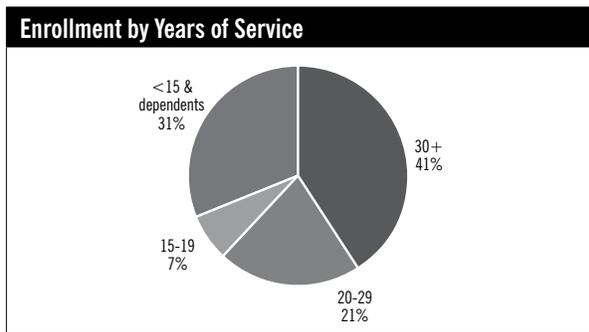
Outpatient utilization for the plans showed a total of 15,059 patients reviewed with sessions totaling 381.7 per 1,000 lives. Intensive outpatient and partial hospitalization services were utilized by 552 patients with 21.8 visits per 1,000 lives for intensive outpatient and 5.5 days per 1,000 for partial.

Total utilization for the combined plans was 105,947 outpatient sessions with just over \$5.2 million in claims payments. Intensive outpatient and partial hospitalization resulted in claims payments of slightly more than \$1.4 million in claims payments for 6,047 intensive outpatient units and 1,844 partial days. Inpatient acute days were 5,824 with more than \$4.9 million in claims payments. Residential treatment days were 5,572 with nearly \$2.2 million in claims payments.

MEDICARE SUPPLEMENT PROGRAM

Since January 1989, the state has maintained a benefits program for Medicare-eligible retired teachers and state employees. The program involves two elements: the sponsorship of Medicare supplement coverage and the provision of financial support for participating retirees.

The division offers a single Medicare supplement plan (The Tennessee Plan) that complies with standard plan requirements established by the National Association of Insurance Commissioners (NAIC). The Tennessee Plan matches the NAIC level D benefits.



Source: State of Tennessee

The state's financial support is based on a retiree's length of service. Retired teachers and state employees received \$50 per month for 30 or more years of service; \$37.50 for 20 to 29 years of service and \$25 per month for 15 to 19 years of service. This support is provided to Medicare supplement participants and to retired teachers in school districts which sponsor employee medical plans and permit Medicare-eligible retirees to continue coverage during retirement. The Tennessee Plan ended the year with 32,523 members.

The Tennessee Plan is self-insured, meaning that the state, rather than an insurance company, is financially responsible for paying the plan's expenses. Claims are administered by the POMCO Group.

POMCO's customer service center received more than 55,000 calls in 2013. The customized web portal provides members access to claim information, copies of explanation of benefits forms and direct links to other helpful sites.

PARTNERS FOR HEALTH WELLNESS PROGRAM

The ParTNers for Health Wellness Program is available at no cost to all state group insurance program members, eligible spouses and dependents age 18 and up. Members and their dependents have access to a wide variety of tools and resources to help them take charge of their health and feel their best.

Healthways currently administers the wellness program. Members enrolled in the partnership PPO are required to complete certain wellness activities as part of the partnership promise. Wellness participation is an optional benefit for standard and limited PPO members.

In 2013, 134,302 plan members completed the Healthways Well-Being Assessment (online health questionnaire) taking the first step toward improved well-being. Each year, Healthways will summarize the members' well-being assessment results in aggregate form to help determine the key drivers of our population's health. Here are some of the 2013 findings:

- 30 percent have three or more health risks (e.g., body mass index 30 or greater, tobacco user, no exercise, stress, unhealthy eating, high cholesterol, high blood pressure).
- 63 percent of active plan members have a body mass index classified as 30 or greater, which is considered obese.
- 70 percent of pre-65 retiree plan members have a body mass index of 30 or greater, which is considered obese.
- 72 percent said they want to lose weight.
- 77 percent want to focus on eating more fruits and vegetables.
- 54 percent want to work on coping better with stress.
- 7 percent self-reported they use tobacco — other national data sources indicate the smoking rate in Tennessee is 23 percent, suggesting that our members' tobacco use rate is underreported.
- 56.2 percent of plan members feel that personal problems or financial stress interfere with their ability to concentrate at work.
- Some of our most prevalent self-reported conditions are: migraines, acid reflux/heartburn, chronic back pain, depression, diabetes and high cholesterol.
- Only 50 percent get the recommended exercise of 30 minutes or more each day.

A total of 50,575 plan members participated in a health coaching program. Health coaches give members one-on-one support and encouragement over the phone. They help members create a custom plan to address their health needs, reach their goals,

better understand their health condition(s), if applicable, and learn to manage their overall health and well-being. Members have reported a variety of health coaching success stories:

"I did not like the program at first; thought it was a burden, but I'm now happy working with you (health coach) especially now that my cholesterol has improved."

—*"D" increased good cholesterol, decreased triglycerides, lost weight, increased exercise*

"It's nice to talk to someone about this and appreciate you being open."

—*"N" quit tobacco, lost 10 pounds and continues working with a coach on weight management*

"The dietitian was awesome. I found the information she gave me very useful."

—*"B" lost 25 pounds after working with a coach*

Wellness Challenges

To support and encourage healthy behaviors, members can participate in online wellness challenges. Challenges create friendly competition among co-workers while boosting morale and teamwork. More than 10,000 people participated in one of the four quarterly challenges: More Than a Number (focused on weight loss), Feel Good Foods (focused on healthy eating), One Show (focused on physical activity) and Maintain Don't Gain (focused on weight maintenance). Each challenge included a chatter board where participants could offer support and encouragement to one another as well as share tips and ideas. Many used the chatter board to share successes and post comments about their experiences:

"I have turned my physical challenge into a weight loss challenge for myself. I have lost 8 pounds during this challenge and hope to lose another 4 more before it's over."

—*"M," Aug. 20, 2013, One Show*

"I defeated Thanksgiving weight gain. I weighed this morning and I have lost 2 and 1/2 pounds over the holiday. I feel great and motivated to continue my exercise plan and lose more weight."

—*"A," Dec. 2, 2013, Maintain, Don't Gain*

"This is not a sprint for me it is a marathon. I am proud of the 9 pounds I have lost in the past 6 weeks."

—*"L," March 29, 2013, More Than a Number*

STATE PLAN

The following unaudited financial statements for the state plan, local education plan, local government plan and retiree plan disclose the financial position and the results of operations for the year ended June 30, 2013. The state plan, local education plan and local government plan financial statements include only active employees — retirees are disclosed separately. The Department of Finance and Administration, Benefits Administration prepared these statements which summarize transactions for all coverages available through each plan. The complete financial

statements, accompanying notes and supplemental schedules are included in the Comprehensive Annual Financial Report (CAFR) for the State of Tennessee. The CAFR was prepared by the Department of Finance and Administration, Division of Accounts and was audited by the Comptroller of the Treasury, Division of State Audit.

NOTE: Financial data in this section expressed in thousands

Comparative Statement of Net Position

	30-JUN-13	30-JUN-12
Assets		
Cash and cash equivalents	\$ 231,109	\$ 182,411
Accounts receivable, net	5,101	4,366
Due from other funds	—	—
Total assets	\$ 236,210	\$ 186,777
Liabilities		
Accounts payable	\$ 43,530	\$ 44,196
Unearned revenue	39,866	39,429
Total liabilities	\$ 83,396	\$ 83,625
Net position		
Unrestricted	\$ 152,814	\$ 103,152
Total net position	\$ 152,814	\$ 103,152

STATE PLAN

Comparative Statement of Revenues, Expenses and Changes in Net Position

	30-JUN-13	30-JUN-12
Operating revenues		
Premiums	\$ 703,856	\$ 679,584
Other	495	343
Total operating revenues	\$ 704,351	\$ 679,927
Operating expenses		
Medical and mental health claims	\$ 617,807	\$ 596,376
Less: insurance recoveries	—	—
Administrative services	10,427	8,457
Contract services	26,623	25,776
Rent and insurance	—	—
Total operating expenses	\$ 654,857	\$ 630,609
Operating income (loss)	\$ 49,494	\$ 49,318
Non-operating revenues		
Interest income	\$ 168	\$ 167
Total non-operating revenues	\$ 49,662	\$ 49,485
Income (loss) before transfers	\$ 49,662	\$ 49,485
Transfers from general fund	—	—
Change in net position	\$ 49,662	\$ 49,485
Net position, July 1	103,152	53,667
Net position, June 30	\$ 152,814	\$ 103,152

STATE PLAN

Comparative Statement of Cash Flows

	30-JUN-13	30-JUN-12
Cash flows from operating activities		
Receipts from interfund services provided	\$ 400,411	\$ 393,927
Receipts from customers and users	330,909	320,084
Payments to suppliers	(672,301)	(661,900)
Payments for interfund services used	(10,489)	(9,238)
Net cash from (used for) operating activities	\$ 48,530	\$ 42,873
Cash flows from noncapital financing activities		
Transfers in	\$ —	\$ —
Net cash from (used for) noncapital financing activities	\$ —	\$ —
Cash flows from investing activities		
Interest received	\$ 168	\$ 167
Net cash from (used for) investing activities	\$ 168	\$ 167
Net increase (decrease) in cash and cash equivalents	\$ 48,698	\$ 43,040
Cash and cash equivalents, July 1	182,411	139,371
Cash and cash equivalents, June 30	\$ 231,109	\$ 182,411
Cash flows from operating activities		
Operating income (loss)	\$ 49,494	\$ 49,318
Adjustments to reconcile operating income (loss) to net cash from operating activities		
(Increase) decrease in accounts receivable	\$ (735)	\$ (1,128)
Increase (decrease) in accounts payable	(666)	(5,511)
Increase (decrease) in unearned revenue	437	194
Total adjustments	(964)	(6,445)
Net cash provided by (used for) operating activities	\$ 48,530	\$ 42,873

LOCAL EDUCATION PLAN

Comparative Statement of Net Position

	30-JUN-13	30-JUN-12
Assets		
Cash and cash equivalents	\$ 141,939	\$ 125,895
Accounts receivable, net	3,706	2,745
Total assets	\$ 145,645	\$ 128,640
Liabilities		
Accounts payable and accruals	\$ 31,028	\$ 30,356
Unearned revenue	185	64
Total liabilities	\$ 31,213	\$ 30,420
Net position		
Unrestricted	\$ 114,432	\$ 98,220
Total net position	\$ 114,432	\$ 98,220

Comparative Statement of Revenues, Expenses and Changes in Net Position

	30-JUN-13	30-JUN-12
Operating revenues		
Premiums	\$ 463,954	\$ 439,497
Total operating revenues	\$ 463,954	\$ 439,497
Operating expenses		
Medical and mental health claims	\$ 420,390	\$ 416,822
Less: insurance recoveries	—	—
Administrative services	6,888	6,075
Contract services	20,496	20,398
Rent and insurance	—	—
Total operating expenses	\$ 447,774	\$ 443,295
Operating income (loss)	\$ 16,180	\$ (3,798)
Non-operating revenues		
Interest income	\$ 32	\$ 143
Total non-operating revenues	\$ 32	\$ 143
Income (loss) before transfers	\$ 16,212	\$ (3,655)
Transfers from general fund	—	—
Change in net position	\$ 16,212	\$ (3,655)
Net position, July 1	98,220	101,875
Net position, June 30	\$ 114,432	\$ 98,220

LOCAL EDUCATION PLAN

Comparative Statement of Cash Flows

	30-JUN-13	30-JUN-12
Cash flows from operating activities		
Receipts from customers and users	\$ 469,919	\$ 444,726
Payments to suppliers	(447,015)	(443,288)
Payments for interfund services used	(6,892)	(6,078)
Net cash from (used for) operating activities	\$ 16,012	\$ (4,640)
Cash flows from noncapital financing activities		
Transfers in	\$ —	\$ —
Net cash from (used for) noncapital financing activities	\$ —	\$ —
Cash flows from investing activities		
Interest received	\$ 32	\$ 143
Net cash from (used for) investing activities	\$ 32	\$ 143
Net increase (decrease) in cash and cash equivalents	\$ 16,044	\$ (4,497)
Cash and cash equivalents, July 1	125,895	130,392
Cash and cash equivalents, June 30	\$ 141,939	\$ 125,895
Cash flows from operating activities		
Operating income (loss)	\$ 16,180	\$ (3,798)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
(Increase) decrease in accounts receivable	\$ (960)	\$ (761)
Increase (decrease) in accounts payable	672	(145)
Increase (decrease) in unearned revenue	120	64
Total adjustments	\$ (168)	\$ (842)
Net cash provided by (used for) operating activities	\$ 16,012	\$ (4,640)

LOCAL EDUCATION PLAN

Supplementary Information — Active Employees

The table below illustrates how the local education group insurance fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the local education group insurance fund as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year); some of these amounts are unavailable. (4) This section shows the cumulative net amounts paid as of the end of successive years for each policy year; some of these amounts are unavailable. (5) This section shows how each policy year's incurred claims increased or decreased as of the end of successive years; some of

these amounts are unavailable. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive fiscal and policy years. Beginning with fiscal year 2007, the plan is reported in accordance with the Governmental Accounting Standards Board's Statement No. 43. Therefore, for accounting and financial reporting purposes, the table below only includes active employees of the local education plan; retirees of the plan are no longer included in the 2007, 2008, 2009, 2010, 2011, 2012 and 2013 column disclosures below.

Ten-Year Claims Development Information

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
(1) Required contribution and investment revenue earned (fiscal year)	287,814	323,053	359,963	356,328	390,835	403,627	421,242	444,773	494,310	463,985
(2) Unallocated expenses (fiscal year)	23,168	23,771	21,584	17,152	16,366	21,019	23,195	26,767	28,004	27,384
(3) Estimated claims and expenses, end of policy year, net incurred	263,345	296,509	320,702	342,692	389,270	373,682	441,168	413,568	429,252	*
(4) Net paid (cumulative) as of:										
End of policy year	238,934	268,863	295,687	313,376	359,949	347,060	408,968	383,440	401,000	*
One year later	263,694	296,441	320,503	342,800	389,645	407,483	441,224	415,724	*	
Two years later	263,699	296,434	320,454	342,952	391,632	407,504	441,773	*		
Three years later	263,759	296,405	320,364	347,276	391,511	407,379	*			
Four years later	263,730	296,347	320,364	347,253	391,490	*				
Five years later	263,720	296,347	320,364	347,253	*					
Six years later	263,720	296,347	320,364	*						
Seven years later	263,720	296,347	*							
Eight years later	263,720	*								
Nine years later	*									
(5) Reestimated net incurred claims and expenses:										
End of policy year	263,345	296,509	320,702	342,692	389,270	373,682	441,168	413,568	429,252	*
One year later	263,738	296,274	320,646	342,865	389,163	407,718	441,247	415,256	*	
Two years later	263,670	296,440	320,396	342,969	391,531	407,507	440,529	*		
Three years later	263,736	296,379	320,352	347,276	391,511	407,364	*			
Four years later	263,728	296,342	320,364	347,276	391,511	*				
Five years later	263,708	296,347	320,364	347,276	*					
Six years later	263,720	296,347	320,364	*						
Seven years later	263,720	296,347	*							
Eight years later	263,720	*								
Nine years later	*									
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	375	(162)	(338)	4,584	2,241	33,682	(638)	1,688	*	*

* Data not available

LOCAL GOVERNMENT PLAN

Comparative Statement of Net Position

	30-JUN-13	30-JUN-12
Assets		
Cash and cash equivalents	\$ 27,630	\$ 18,105
Accounts receivable, net	803	615
Total assets	\$ 28,433	\$ 18,720
Liabilities		
Accounts payable and accruals	\$ 7,076	\$ 6,950
Unearned revenue	34	64
Total liabilities	\$ 7,110	\$ 7,014
Net position		
Unrestricted	\$ 21,323	\$ 11,706
Total net position	\$ 21,323	\$ 11,706

Comparative Statement of Revenues, Expenses and Changes in Net Position

	30-JUN-13	30-JUN-12
Operating revenues		
Premiums	\$ 105,972	\$ 103,259
Total operating revenues	\$ 105,972	\$ 103,259
Operating expenses		
Medical and mental health claims	\$ 90,221	\$ 91,345
Less: insurance recoveries	—	—
Administrative services	1,269	1,139
Contract services	4,866	4,871
Rent and insurance	—	—
Total operating expenses	\$ 96,356	\$ 97,355
Operating income (loss)	\$ 9,616	\$ 5,904
Non-operating revenues		
Interest income	\$ 1	\$ 19
Total non-operating revenues	\$ 1	\$ 19
Income (loss) before transfers	\$ 9,617	\$ 5,923
Transfers from general fund	—	—
Change in net position	\$ 9,617	\$ 5,923
Net position, July 1	11,706	5,783
Net position, June 30	\$ 21,323	\$ 11,706

LOCAL GOVERNMENT PLAN

Comparative Statement of Cash Flows

	30-JUN-13	30-JUN-12
Cash flows from operating activities		
Receipts from customers and users	\$ 107,347	\$ 104,481
Payments to suppliers	(96,554)	(97,791)
Payments for interfund services used	(1,269)	(1,140)
Net cash from (used for) operating activities	\$ 9,524	\$ 5,550
Cash flows from noncapital financing activities		
Transfers in	\$ —	\$ —
Net cash from (used for) noncapital financing activities	\$ —	\$ —
Cash flows from investing activities		
Interest received	\$ 1	\$ 19
Net cash from (used for) investing activities	\$ 1	\$ 19
Net increase (decrease) in cash and cash equivalents	\$ 9,525	\$ 5,569
Cash and cash equivalents, July 1	18,105	12,536
Cash and cash equivalents, June 30	\$ 27,630	\$ 18,105
Cash flows from operating activities		
Operating income (loss)	\$ 9,616	\$ 5,904
Adjustments to reconcile operating income (loss) to net cash from operating activities		
(Increase) decrease in accounts receivable	\$ (188)	\$ (210)
Increase (decrease) in accounts payable	126	(208)
Increase (decrease) in unearned revenue	(30)	64
Total adjustments	\$ (92)	\$ (354)
Net cash provided by (used for) operating activities	\$ 9,524	\$ 5,550

LOCAL GOVERNMENT PLAN

Supplementary Information — Active Employees

The table below illustrates how the local government group insurance fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the local government group insurance fund as of the end of each of the last ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the fund including overhead and claims expense not allocable to individual claims. (3) This line shows the fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year); some of these amounts are unavailable. (4) This section shows the cumulative net amounts paid as of the end of successive years for each policy year; some of these amounts are unavailable. (5) This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years; some of these amounts are unavailable.

This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive fiscal and policy years. Beginning with fiscal year 2007, the plan is reported in accordance with the Governmental Accounting Standards Board's Statement No. 43. Therefore, for accounting and financial reporting purposes, the table below only includes active employees of the local government insurance plan; retirees of the plan are no longer included in the 2007, 2008, 2009, 2010, 2011, 2012 and 2013 column disclosures below.

Ten-Year Claims Development Information

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
(1) Required contribution and investment revenue earned (fiscal year)	98,302	103,521	96,914	89,240	96,558	103,157	104,810	102,710	107,073	105,973
(2) Unallocated expenses (fiscal year)	7,194	6,651	5,038	3,398	3,500	4,348	5,921	5,473	5,867	6,134
(3) Estimated claims and expenses, end of policy year, net incurred	82,822	90,559	87,058	91,622	94,655	100,350	107,083	91,699	94,738	*
(4) Net paid (cumulative) as of:										
End of policy year	76,196	81,924	80,519	84,836	88,265	93,456	98,709	89,231	88,026	*
One year later	82,622	90,552	86,934	91,791	94,820	100,916	105,833	91,703	*	
Two years later	82,491	90,528	86,981	91,793	95,029	101,895	107,170	*		
Three years later	82,528	90,522	86,974	93,594	94,992	100,533	*			
Four years later	82,478	90,514	86,974	93,594	94,991	*				
Five years later	82,458	90,514	86,974	93,591	*					
Six years later	82,458	90,514	86,974	*						
Seven years later	82,458	90,514	*							
Eight years later	82,458	*								
Nine years later	*									
(5) Reestimated net incurred claims and expenses:										
End of policy year	82,822	90,559	87,058	91,622	94,655	100,350	107,083	91,699	94,738	*
One year later	82,529	90,476	86,948	91,801	94,749	100,803	106,870	91,640	*	
Two years later	82,485	90,525	86,977	91,788	94,999	101,895	106,720	*		
Three years later	82,481	90,517	86,972	93,594	94,992	100,492	*			
Four years later	82,475	90,514	86,974	93,594	94,993	*				
Five years later	82,454	90,514	86,974	93,594	*					
Six years later	82,458	90,514	86,974	*						
Seven years later	82,458	90,514	*							
Eight years later	82,458	*								
Nine years later	*									
(6) Increase (decrease) in estimated net incurred claims and expenses from end of policy year	(364)	(45)	(84)	1,971	339	142	(363)	(59)	*	

* Data not available

RETIREE PLANS

Comparative Statement of Fiduciary Net Assets

	30-JUN-13	30-JUN-12
Assets		
Cash and cash equivalents	\$ 20,787	\$ 17,796
Accounts receivable	2,082	2,258
Total assets	\$ 22,869	\$ 20,054
Liabilities		
Accounts payable and accruals	\$ 16,684	\$ 18,027
Amounts held in custody for others	6,185	2,027
Total liabilities	\$ 22,869	\$ 20,054

Comparative Statement of Changes in Assets and Liabilities

	BALANCE 01-JUL-12	ADDITIONS	DEDUCTIONS	BALANCE 30-JUN-13
Assets				
Cash and cash equivalents	\$ 17,796	\$ 225,947	\$ 222,956	\$ 20,787
Accounts receivable	2,258	11,433	11,609	2,082
Total assets	\$ 20,054	\$ 237,380	\$ 234,565	\$ 22,869
Liabilities				
Accounts payable and accruals	\$ 18,027	\$ 23,363	\$ 24,706	\$ 16,684
Amounts held in custody for others	2,027	229,170	225,012	6,185
Total liabilities	\$ 20,054	\$ 252,533	\$ 249,718	\$ 22,869

Comparative Statement of Changes in Assets and Liabilities

	BALANCE 01-JUL-11	ADDITIONS	DEDUCTIONS	BALANCE 30-JUN-12
Assets				
Cash and cash equivalents	\$ 17,264	\$ 218,938	\$ 218,406	\$ 17,796
Accounts receivable	1,461	10,491	9,694	2,258
Total assets	\$ 18,725	\$ 229,429	\$ 228,100	\$ 20,054
Liabilities				
Accounts payable and accruals	\$ 17,664	\$ 22,243	\$ 21,880	\$ 18,027
Amounts held in custody for others	1,061	221,154	220,188	2,027
Total liabilities	\$ 18,725	\$ 243,397	\$ 242,068	\$ 20,054

