

# North Carolina Health Benefit Exchange

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## HBE Enrollment and Administrative Cost Estimates

February 28, 2012



# Background

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- Milliman produced the *North Carolina Health Benefit Exchange Study* (December 9, 2011).
- The report included:
  - ✓ Estimated NCHBE enrollment of 807,212
  - ✓ Estimated 2014 NCHBE administration costs of ~\$25M

## GOAL

Compare/contrast NC enrollment and administrative cost estimates with estimates from other state reports

# NC population estimates are consistent with other states' estimates

	NC	IL	MA	DE	WY	MD	AL
Estimated HBE Enrollment	<b>807,212</b>	589,000	190,000	66,433	30,500	312,244	330,000
As % of total Population	<b>9%</b>	5%	3%	8%	6%	5%	7%
% of Current Population Covered by ESI	<b>47%</b>	52%	57%	53%	53%	59%	49%

# On a PMPM basis, NCHBE administrative estimates appear low

	NC	IL	MA	DE	WY	MD	AL
Estimated Admin Costs	<b>\$25.2M</b>	\$56.2M	\$27.5M	\$7.8M	\$4.2M	\$41.8M	\$44.5M
Estimated Enrollment	<b>807,212</b>	589,000	190,000	66,433	30,500	312,244	330,000
Per Member Per Month Cost	<b>\$2.60</b>	\$7.95	\$12.04	\$9.74	\$11.46	\$11.16	\$11.24

- The average of the other reviewed states is **>\$10 PMPM**

# Conclusions

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- Population estimates are reasonable
- Administrative costs appear low
- Need to consider the effect of higher administrative costs on sustainability options for the NC HBE
- During NC HBE planning, NCDOI will create a detailed, multi-year budget to estimate administrative costs



**Public Consulting Group, Inc.**  
148 State Street, Tenth Floor, Boston, Massachusetts 02109  
(617) 426-2026, [www.publicconsultinggroup.com](http://www.publicconsultinggroup.com)

