



## Third Quarter 2014 Dissolution Progress Report

### 3Q 2014 Financial Highlights (Unaudited)

Pool Cash on Hand as of September 30, 2014:	\$17,355,891
Medical Claims Paid:	\$ 538,044
Pharmacy Claims Paid (credits exceeded claims):	\$ (6,303,407)
Subrogation Recoveries:	\$ 87,473
Open Subrogation Cases as of September 30, 2014:	\$ 2,261,332
Federal Grant Funds Received:	\$ 2,152,240
Prompt Pay Penalties Collected:	\$18,606,563
Prompt Pay Penalties Transferred to TDI:	\$64,478,595
Prompt Pay Penalty Funds Held for TDI as of September 30, 2014:	\$13,125,920

### 3Q 2014 Operational Highlights

Number of Medical Claims Processed by TPA <sup>1</sup> :	3,981
Number of Pharmacy Claims Processed by PBM <sup>2</sup> :	18
Number of Phone Calls Handled by Pool's TPA and PBM:	3,015
Number of Appeals Received by EDO <sup>3</sup> :	12
Number of Appeals Processed by EDO:	18
Number of Open Appeals as of September 30, 2014:	1

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<sup>1</sup> Third Party Administrator

<sup>2</sup> Pharmacy Benefit Manager

<sup>3</sup> Pool Executive Director's Office

## **TEXAS HEALTH INSURANCE POOL Third Quarter 2014 Activities Summary**

Pool Staffing: EDO staffing during the quarter remained at one full-time employee (the Executive Director) and one part-time Accountant.

Federal Grants: The Center for Medicare Services awarded the Pool a \$2,152,240 federal grant on September 12, 2014. The Pool received the funds on September 19, 2014. The grant was used to partially offset claim expenses. All 3Q 2014 federal risk pool grant reports were filed with CMS.

TDI Reporting: The 2Q 2014 Dissolution Progress Report was submitted to the Commissioner on July 30, 2014. The Pool's 2Q 2014 financial statement was filed in August with TDI Financial Analysis.

Assessments: In September, the Pool mailed preliminary assessment statements to 158 insurers, and notified the companies that all requests to revise data call forms were due October 5, 2014. This assessment incorporates a refund of \$12.4 million in surplus Pool funds.

TPA Updates: On August 18, 2014, the Pool received a ±\$326,900 reimbursement from Blue Cross Blue Shield of Texas, which also serves as the Pool's TPA, for prescriptions filled by policyholders who continued to use their Pool drug benefit after they had purchased replacement coverage from BCBSTX.

PBM Updates: In July, the Pool received payment of \$5,952,440 from Express Scripts, the Pool's PBM, associated with contractual outpatient pharmacy drug pricing guarantees.

Unclaimed Money Fund: In July, the EDO identified and filed a ±\$17,870 claim for Pool funds held by the Texas State Comptroller. On September 5, 2014, the Comptroller remitted these escheated funds to the Pool. On September 12, 2014, the EDO identified an additional ±\$1,990 of unclaimed Pool funds and immediately filed a second claim with the Comptroller, which was pending at quarter-end.

### Miscellaneous Administrative Activities:

During the quarter, the EDO received 3 new requests for records related to litigation between former Pool policyholders and third parties, and 2 responses to requests were completed.

In August, the EDO filed a claim for a share of the proposed Neurontin class action settlement. The timing of the distribution and the Pool's settlement amount are unknown at this time.