

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE ACTUARIAL NOTE**

**BILL NUMBER:** House Bill 1414 (Conference Report) (Note 2)

**SHORT TITLE:** 2004 Appropriations Act - 1.

**SPONSOR(S):** Senators Dalton, Garrou, Hagan, and Rand  
Representatives Baker, Clary, Crawford, Earle, Grady, Owens,  
Sherrill, and Wright

**SYSTEM OR PROGRAM AFFECTED:** Teachers' and State Employees' Comprehensive Major Medical Plan.

**FUNDS AFFECTED:** State General Fund, State Highway Fund, other State employer receipts, premium payments for dependents by active and retired teachers and State employees, premium payments for coverages selected by eligible former teachers and State employees and premium payments for coverages selected by firefighters, rescue squad workers, and members of the National Guard.

**BILL SUMMARY:** Section 31.21(a), (b), (c), & (d). Employees of the North Carolina Symphony Society, Inc. Provided Membership in the Plan: The section includes the North Carolina Symphony Society, Inc., a non-profit corporation, as an employing unit for the purpose of providing health benefits to its employees and employees' families under the Teachers' and State Employees' Comprehensive Major Medical Plan. Coverage under the Plan will be on a partially contributory basis for employees and enrolled spouses and dependent children. The Plan's Executive Administrator and Board of Trustees are required to set premium rates separate from those charged to active and retired teachers and state employees and their dependents enrolled in the Plan. The section does not include retired employees of the Symphony Society, Inc., since its employees are not eligible for benefits through the State Retirement Systems. Section 31.25. Subrogation of Claim Payments under the Plan to Recoveries from Liable Third Parties: The section establishes the Plan's right to recover its claim payments from compensation, damages, or other payments received from a Plan member's lawful claim against another party for liability resulting from injuries or illnesses. Recoveries may be from Plan members or from another third party. The Plan may enforce a liability recovery even if a Plan member fails to pursue a remedy against a liable third party. Section 31.26 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (k). Bladen, Cherokee, Rutherford, Washington, and Wilkes Counties Allowed Optional Participation in the Plan: The section permits Bladen, Cherokee, Rutherford, Washington, and Wilkes Counties to become employing units under the Teachers' and State Employees' Comprehensive Major Medical Plan for the purpose of providing health benefits to its employees, retired employees, and their eligible spouses and dependent children. If these local governments elect to participate in the Plan, they must by legal resolution approved by the Plan elect such participation and agree to make any contributions required by the Plan. A local government must enroll all of its eligible employees and their eligible spouses and dependent children on a non-contributory, partially contributory, or fully contributory basis. All enrolled

employees, retired employees, and their family members will be required to participate in disease management, case management, and all other cost containment measures implemented by the Plan. If a local government elects to enroll its retired employees, and their eligible spouses and dependent children, the election is irrevocable. Local government employers making this election to cover retired employees are also required to make additional contributions to the Local Governmental Employees' Retirement System for this purpose as do all other employers participating in the Plan that cover its retired employees. If a local government does not participate in the Local Governmental Employees' Retirement System, but has another formally established retirement plan, and elects to cover its retired employees, it is required to make premium contributions to the Plan as it may require. Local governments and their employees and retired employees will pay the same premium rates as those charged by the Plan for active and retired teachers and state employees and their dependents enrolled in the Plan. The opportunity to participate in the Plan will expire June 30, 2006. Section 31.28. Statutory Codification of the Plan's Medical Policy on Providing Mental Health Benefits in Licensed Residential Treatment Facilities: Upon the advice of the Attorney General's Office, the section puts the Plan's medical policy definition of a licensed residential treatment facility for the treatment of mental illness into the Plan's statutes. The definition includes the requirement that a facility have 24-hour on-site care provided by a registered nurse and be currently accredited by a national accrediting body approved by the Plan's mental health case manager.

**EFFECTIVE DATE:** July 1, 2004

**ESTIMATED IMPACT ON STATE:** Section 31.21(a), (b),(c), & (d) .Employees of the North Carolina Symphony Society, Inc. Provided Membership in the Plan: Based upon census data provided by the North Carolina Symphony Society, Inc., Aon Consulting, consulting actuary for the Plan, states that the provision will have a negligible impact upon the Plan. Hartman & Associates, consulting actuary for the General Assembly's Fiscal Research Division, states that the provision is not expected to have a significant financial impact on the Plan. Both actuaries, however, do express concerns about adverse selection against the Plan.

The Symphony Society, Inc., would be expected to realize health benefit cost savings from the provision. A comparison of the Society's health benefit claims and administrative costs for fiscal year 2002-03 and the benefit claims and administrative costs projected for fiscal year 2003-04 with premium rates charged by the Plan for firefighters, rescue workers, members of the National Guard and their families for the same periods shows the following expected gains and (losses) to the Society and the Plan:

	<u>2002-03</u>	<u>2003-04</u>
<u>Symphony Society Costs</u>	<u>Annual Costs</u>	<u>Annual Costs</u>
Total Claims Paid	\$448,955.88	\$610,320.00
Total Administrative Fees	\$107,068.19	\$116,160.00
Total Costs	\$556,024.07	\$726,480.00
Unadjusted Gain (Loss) to Society	\$147,435.83	\$189,895.20

<u>State Employee Health Benefit</u>	<u>No. of</u>	<u>2002-03</u>	<u>2003-04</u>
<u>Plan Coverage &amp; Costs</u>	<u>Society</u>	<u>Annual Premium</u>	<u>Annual Premium</u>
	<u>Employees</u>		
Employee Only	41	\$127,483.68	\$168,805.20
Employee & Spouse	4	\$33,013.20	\$41,090.88
Employee & Family	31	\$241,035.78	\$318,454.32
COBRA Employee Only	2	\$7,055.58	\$8,234.40
Total	78	\$408,588.24	\$536,584.80
Unadjusted Gain (Loss) to Plan		(\$40,367.64)	(\$73,735.20)

Notes: 2003-04 Society Costs Projected from 9 Months' Experience.

Plan Member Cost-Sharing not in Society Costs or Plan Premiums.

The foregoing unadjusted losses to the Plan would however have to be adjusted by the following differences in benefits currently offered to employees of the Symphony Society, Inc. and their families, and those provided by the Plan:

<u>Benefit Comparisons</u>	<u>Plan</u>	<u>Society</u>
Member Annual Deductible	\$350	\$250
Family Annual Deductible	\$1,050	\$750
Member Coinsurance		
Network	20%	10% & 20%
Non-Network	40%	20% & 30%
Out-of-Area	40%	20%
Out-of-Pocket Maximums		
Annual Network	\$1,500	\$1,500
Annual Non-Network	\$6,500	\$3,000
Member Copayments		
Office Visits	\$15	\$20
Outpatient Drugs	\$10, \$25, \$35, \$40	\$10, \$15
Hospital Inpatient	\$100	\$300 Non-Net.
Hospital Outpatient	\$50	None

The reduced level of benefits provided by the Plan would be expected to absorb the unadjusted losses to the Plan.

Section 31.25. Subrogation of Claim Payments under the Plan to Recoveries from Liable Third Parties: Aon Consulting, consulting actuary for the Plan, estimates that the provision will save the Plan \$3 million for fiscal year 2004-05 and \$9 million for fiscal year 2005-06. Hartman & Associates, consulting actuary for the General Assembly's Fiscal Research Division, estimates that the provision is expected to save the Plan \$1,597,000 for fiscal year 2004-05 and \$5,100,000 for fiscal year 2005-06.

Section 31.26 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (k). Bladen, Cherokee, Rutherford, Washington, and Wilkes Counties Allowed Optional Participation in the Plan: Based upon census data provided by the Local Governmental Employees' Retirement System for employees and retired employees of the five counties and claims and underwriting experience provided by the North Carolina Association of County Commissioners' Group Benefits Pool for the employees, retired employees, and their family members from Bladen and Wilkes Counties, Aon Consulting, consulting actuary for the Plan, estimates that the premium rates charged to local governments and their employees and retired employees will not be sufficient to cover the costs for county participation in the Plan. The North Carolina Association of County Commissioners has been providing health benefits coverage for Bladen and Wilkes Counties. Aon Consulting further states that this adverse selection against the Plan will cost the Plan \$800,000 for fiscal year 2004-05 and \$900,000 for fiscal year 2005-06. Based upon the same census information and claims and underwriting experience provided by the North Carolina Association of County Commissioners, Hartman & Associates, consulting actuary for the General Assembly's Fiscal Research Division, estimates that the premium rates charged to local governments and their employees and retired employees will not be sufficient to cover the costs for county participation in the Plan. Hartman & Associates expects that such adverse selection against the Plan will cost the Plan \$800,000 for fiscal year 2004-05 and \$1,550,000 for fiscal year 2005-06.

Section 31.28. Statutory Codification of the Plan's Medical Policy on Providing Mental Health Benefits in Licensed Residential Treatment Facilities: Aon Consulting, consulting actuary for the Plan, estimates that the provision will have no cost impact on the Plan. Hartman & Associates, consulting actuary for the General Assembly's Fiscal Research Division, estimates that the provision will not have any significant cost impact on the Plan.

**ASSUMPTIONS AND METHODOLOGY:** The Comprehensive Major Medical Plan for Teachers and State Employees is divided into two programs. From October 1982 through June 1986, the Plan only had a self-funded indemnity type of program which covered all employees, retired employees, eligible dependents of employees and retired employees, and eligible former employees and their eligible dependents authorized to continue coverage past a termination of employment other than for retirement or disability purposes. A prepaid program of coverage by health maintenance organizations (HMOs) was offered in July 1986 as an alternative to the Plan's self-insured indemnity program. The benefits of the self-insured indemnity type of program are spelled out in Part 3 of Article 3 of Chapter 135 of the North Carolina General Statutes (i.e., \$350 annual deductible, 20% coinsurance up to \$1,500 annually, etc. paid by the program's members). HMOs are required to offer benefits that are comparable to those provided by the self-insured indemnity program. Beginning in July 2000, firefighters, rescue squad workers, and members of the National Guard and their eligible dependents were

allowed to voluntarily participate in the Plan on a fully contributory basis, provided they were ineligible for any other type of group health benefits and had been without such benefits for at least six months. Employer-paid non-contributory premiums are only authorized for the indemnity program's coverage for employees and retired employees. All other types of premium in the indemnity program are fully contributory, except for job-sharing public school teachers who are authorized partially contributory premiums at 50% of non-contributory rates. The Plan's Executive Administrator has set the premium rates for firefighters, rescue squad workers, and members of the National Guard and their families at 20% more than the comparable rates charged for employees, retired employees, and their families. Premiums paid by employers to HMOs are limited to like amounts paid to the indemnity program with employees and retired employees paying any HMO amounts above the indemnity program's non-contributory rates. Both types of coverage continue to be available in the Plan; however, none of the HMOs with certificates of authority to transact business in North Carolina have offered to participate in the Plan since September 30, 2001. The Plan's employees and retired employees select the type of program that they wish for themselves and their dependents during the months of August and September of each year for coverage beginning in October. The demographics of the Plan as of December 31, 2003, include:

	Self-Insured Indemnity <u>Program</u>	Alternative <u>HMOs</u>	Plan <u>Total</u>
<u>Number of Participants</u>			
Active Employees	288,089	-0-	288,089
Active Employee Dependents	135,558	-0-	135,558
Retired Employees	122,014	-0-	122,014
Retired Employee Dependents	19,062	-0-	19,062
Former Employees & Dependents with Continued Coverage	2,458	-0-	2,458
Firefighters, Rescue Squad Workers, National Guard Members & Dependents	9	-0-	9
Total Enrollments	567,190	-0-	567,190
<u>Number of Contracts</u>			
Employee Only	327,543	-0-	327,543
Employee & Child(ren)	41,030	-0-	41,030
Employee & Family	43,359	-0-	43,359
Total Contracts	411,932	-0-	411,932
<u>Percentage of Enrollment by Age</u>			
29 & Under	26.5%	-0-%	26.5%
30-44	20.7	-0-	20.7
45-54	20.5	-0-	20.5
55-64	17.1	-0-	17.1
65 & Over	15.2	-0-	15.2

Percentage of  
Enrollment by Sex

Male	38.1%	-0-%	38.1%
Female	61.9	-0-	61.9

Assumptions for the Self-Insured Indemnity Program: For the fiscal year beginning July 1, 2003, the self-insured program started its operations with a beginning cash balance of \$123 million. Receipts for the year are estimated to be \$1.564 billion from premium collections and \$7 million from investment earnings for a total of \$1.571 billion in receipts for the year. Disbursements from the self-insured program are expected to be \$1.425 billion in claim payments and \$57 million in administration and claims processing expenses for a total of \$1.482 billion for the year beginning July 1, 2003. For the fiscal year beginning July 1, 2003, the self-insured indemnity program is expected to have a net operating gain of approximately \$89 million for the year. The Plan's self-insured indemnity program is expected to have an available beginning cash balance of \$212 million for the fiscal year beginning July 1, 2004. The self-insured indemnity program is consequently assumed to be able to carry out its operations for the remainder of the 2003-2005 biennium without increases in its current premium rates or a reduction in existing benefits or payments to health care providers or both. This assumption is further predicated upon the fact that the program's cost containment strategies (hospital DRG reimbursements, discounts on hospital outpatient services, pre-admission hospital testing, pre-admission hospital inpatient certification with length-of-stay approval, hospital bill audits, case and disease management for selected medical conditions, mental health case management, coordination of benefits with other payers, Medicare benefit "carve-outs", cost reduction contracts with participating physicians and other providers, a prescription drug benefit manager with manufacturer rebates from formularies, and fraud detection) are maintained and improved where possible. Current non-contributory premium rates are \$217.66 monthly for employees whose primary payer of health benefits is Medicare and \$285.92 per month for employees whose primary payer of health benefits is not Medicare. Fully contributory premium amounts for employee and child(ren) contracts are \$135.46 monthly for children whose primary payer of health benefits is Medicare and \$178.22 monthly for other covered children, and \$324.88 per month for family contracts whose dependents have Medicare as the primary payer of health benefits and \$427.48 per month for other family contract dependents. Claim cost trends are expected to increase 11% annually. Total enrollment in the program is expected to increase less than 1% annually over the next few years. The number of enrolled active employees is expected to increase about 1.5% annually over the next few years, whereas the growth in the number of retired employees is assumed to be 4.5% per year. The program is expected to have a 3% decrease in the number of active employee dependents per year whereas the number of retiree dependents is expected to increase 3% per year. Investment earnings are based upon a 4.2% return on available cash balances. The self-insured indemnity program maintains a claim stabilization reserve for claim cost fluctuations equal to 7.5% of annual claim payments without reserving additional funds for incurred but unreported claims.

Assumptions for Employees of the North Carolina Symphony, Inc.: Health benefits are provided by the Symphony Society, Inc., for its employees and employee family members through a labor contract with the Professional Musicians Association, a local of the American Federation of

Musicians. Employees have chosen partially contributory for themselves in return for partially contributory premiums for their enrolled spouses and dependent children. The amount of contributions provided by the Society and by employees is determined periodically in accordance with the labor contract. Health benefits are self-insured by the Society with claims processing provided by Penn Western Benefits, a third party administrator, and preferred provider (PPO) contracts provided by MedCost, LLC, which is owned by Carolinas Healthcare System and North Carolina Baptist Hospitals. The Society has 174 lives currently covered, of which 78 are employees. These employees have chosen the following types of coverage: 41 have chosen employee only coverage, 4 have chosen employee and spouse coverage, 31 have chosen employee and family coverage, and 2 have chosen employee only continuation coverage. An age and gender comparison of the Society's enrolled employees and total group with those of the Teachers' and State Employees' Comprehensive Major Medical Plan shows:

Ages	Employee Only Groups							
	Symphony Employees				State Employee Health Benefit Plan Active Employees			
	Male	Female	Total	Percent	Male	Female	Total	Percent
0-4			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%
15-19		1	1	1.3%	58	60	118	0.0%
20-24	1	1	2	2.6%	2,946	7,624	10,570	3.7%
25-29		2	2	2.6%	7,909	18,598	26,507	9.2%
30-34	2	2	4	5.1%	11,128	21,797	32,925	11.4%
35-39	4	2	6	7.7%	11,604	22,533	34,137	11.8%
40-44	11	4	15	19.2%	13,048	26,973	40,021	13.9%
45-49	2	5	7	9.0%	14,543	32,354	46,897	16.3%
50-54	7	6	13	16.7%	14,892	32,162	47,054	16.3%
55-59	13	4	17	21.8%	11,327	21,932	33,259	11.5%
60-64	8	1	9	11.5%	5,158	8,098	13,256	4.6%
65-69	2		2	2.6%	1,228	1,426	2,654	0.9%
70-74			0	0.0%	384	310	694	0.2%
75-79			0	0.0%	77	62	139	0.0%
>79			0	0.0%	28	15	43	0.0%
Unknown			0	0.0%			0	0.0%
TOTAL	50	28	78	100.0%	94,330	193,944	288,274	100.0%
Percent	64.1%	35.9%	100.0%		32.7%	67.3%	100.0%	

Ages	Total Groups							
	Symphony Employees & Dependents				State Employee Health Benefit Plan Active Employees & Dependents			
	Male	Female	Total	Percent	Male	Female	Total	Percent
0-4	3	3	6	3.4%	8,337	7,850	16,187	3.8%
5-9	6	7	13	7.5%	9,829	9,493	19,322	4.6%
10-14	11	10	21	12.1%	12,989	12,485	25,474	6.0%
15-19	5	5	10	5.7%	14,446	13,886	28,332	6.7%
20-24	6	3	9	5.2%	10,615	15,489	26,104	6.2%
25-29	3	5	8	4.6%	8,672	19,672	28,344	6.7%
30-34	2	4	6	3.4%	11,681	23,218	34,899	8.3%
35-39	5	7	12	6.9%	12,722	24,285	37,007	8.8%
40-44	6	7	13	7.5%	14,972	28,991	43,963	10.4%
45-49	10	12	22	12.6%	17,513	34,487	52,000	12.3%
50-54	8	13	21	12.1%	18,745	34,131	52,876	12.5%
55-59	14	6	20	11.5%	14,522	23,473	37,995	9.0%
60-64	9	3	12	6.9%	7,138	8,916	16,054	3.8%
65-69	1		1	0.6%	1,506	1,584	3,090	0.7%
70-74			0	0.0%	457	351	808	0.2%
75-79			0	0.0%	101	77	178	0.0%
>79			0	0.0%	42	20	62	0.0%
Unknown			0	0.0%			0	0.0%
TOTAL	89	85	174	100.0%	164,287	258,408	422,695	100.0%
Percent	51.1%	48.9%	100.0%		38.9%	61.1%	100.0%	

Assumptions for the Subrogation of Claim Payments to Recoveries from Liable Third Parties:  
The Plan issued a Request for Proposals on April 19, 2004, to secure a third party administrator for the purpose of identifying, investigating, and collecting recoveries from awards to Plan members injured or becoming ill as a result of liability of other parties. Proposals were received from firms through June 1, 2004, with selection of a vendor scheduled for July 26, 2004. The selected vendor is expected to begin implementation by September 1, 2004, with an expected effective date for subrogating claims of October 1, 2004.



Assumptions for Optional Participation of Bladen, Cherokee, Rutherford, Washington, and Wilkes Counties in the Plan: A current census of employees and retired employees enrolled in the Local Governmental Employees' Retirement System by these five counties shows:

<u>Five County Employees</u>				
<u>Ages</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
0-4			0	0.0%
5-9			0	0.0%
10-14			0	0.0%
15-19	4	0	4	0.2%
20-24	41	39	80	4.1%
25-29	101	127	228	11.7%
30-34	194	180	374	19.2%
35-39	150	137	287	14.8%
40-44	101	120	221	11.4%
45-49	77	135	212	10.9%
50-54	94	120	214	11.0%
55-59	65	122	187	9.6%
60-64	30	46	76	3.9%
65-69	14	15	29	1.5%
70-74	8	6	14	0.7%
75-79	0	7	7	0.4%
>79	0	0	0	0.0%
Unknown	3	8	11	0.6%
TOTAL	882	1,062	1,944	100.0%
Percent	45.4%	54.6%	100.0%	

<u>Five County Retirees</u>				
<u>Ages</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	
0-4			0	0.0%
5-9			0	0.0%
10-14			0	0.0%
15-19			0	0.0%
20-24	0	1	1	0.2%
25-29	0	1	1	0.2%
30-34	1	0	1	0.2%
35-39	0	0	0	0.0%
40-44	2	0	2	0.4%
45-49	4	8	12	2.4%
50-54	12	16	28	5.6%
55-59	15	34	49	9.8%
60-64	23	48	71	14.1%
65-69	38	62	100	19.9%
70-74	23	61	84	16.7%
75-79	16	50	66	13.1%
>79	28	59	87	17.3%
TOTAL	162	340	502	100.0%
Percent	32.3%	67.7%	100.0%	

In comparison, employees and retired employees enrolled in the Plan who reside in these five counties and employees and retired employees enrolled in the Plan in total reveal:

<u>Ages</u>	<u>Employees from Five Counties in State Plan</u>				<u>All Employees in State Plan</u>			
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
0-4			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%
15-19	0	2	2	0.0%	53	51	104	0.0%
20-24	57	122	179	2.9%	2,970	7,983	10,953	3.8%
25-29	192	313	505	8.2%	7,901	18,522	26,423	9.2%
30-34	259	444	703	11.4%	11,084	21,816	32,900	11.4%
35-39	267	493	760	12.3%	11,538	22,468	34,006	11.8%
40-44	265	578	843	13.6%	13,022	26,922	39,944	13.9%
45-49	334	744	1,078	17.5%	14,550	32,521	47,071	16.3%
50-54	333	751	1,084	17.6%	14,984	32,292	47,276	16.4%
55-59	259	443	702	11.4%	11,171	21,650	32,821	11.4%
60-64	87	157	244	4.0%	5,118	8,024	13,142	4.6%
65-69	21	35	56	0.9%	1,229	1,375	2,604	0.9%
70-74	10	5	15	0.2%	367	296	663	0.2%
75-79	0	4	4	0.1%	76	60	136	0.0%
>79	0	1	1	0.0%	30	16	46	0.0%
Unknown	0	0	0	0.0%				0.0%
TOTAL	2,084	4,092	6,176	100.0%	94,093	193,996	288,089	100.0%
Percent	33.7%	66.3%	100.0%		32.7%	67.3%	100.0%	

<u>Ages</u>	<u>Retirees from Five Counties in State Plan</u>				<u>All Retirees in State Plan</u>			
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
0-4			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%
15-19			0	0.0%	2	8	10	0.0%
20-24			0	0.0%	1	5	6	0.0%
25-29			0	0.0%	2	2	4	0.0%
30-34	0	2	2	0.1%	15	37	52	0.0%
35-39	3	2	5	0.2%	58	106	164	0.1%
40-44	4	9	13	0.4%	167	293	460	0.4%
45-49	11	18	29	0.9%	479	738	1,217	1.0%
50-54	94	145	239	7.6%	2,674	4,907	7,581	6.2%
55-59	164	269	433	13.8%	5,892	9,688	15,580	12.8%
60-64	243	322	565	18.0%	7,583	14,018	21,601	17.7%
65-69	231	337	568	18.1%	8,102	14,395	22,497	18.4%
70-74	170	268	438	13.9%	6,929	11,979	18,908	15.5%
75-79	157	225	382	12.2%	5,140	9,986	15,126	12.4%
>79	127	343	470	14.9%	4,939	13,869	18,808	15.4%
TOTAL	1,204	1,940	3,144	100.0%	41,983	80,031	122,014	100.0%
Percent	38.3%	61.7%	100.0%		34.4%	65.6%	100.0%	

A census for each of these five counties shows:

Ages	<u>Bladen Co. Employees</u>				<u>Cherokee Co. Employees</u>				<u>Rutherford Co. Employees</u>			
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
0-4			0	0.0%			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%			0	0.0%
15-19			0	0.0%	4	0	4	1.3%			0	0.0%
20-24	22	24	46	8.8%	3	6	9	2.9%	4	3	7	1.6%
25-29	27	46	73	13.9%	13	24	37	11.8%	34	29	63	14.1%
30-34	78	70	148	28.2%	25	22	47	15.0%	37	28	65	14.5%
35-39	47	50	97	18.5%	20	13	33	10.5%	42	29	71	15.9%
40-44	13	15	28	5.3%	14	15	29	9.3%	26	35	61	13.6%
45-49	12	12	24	4.6%	13	27	40	12.8%	15	37	52	11.6%
50-54	17	17	34	6.5%	14	23	37	11.8%	28	32	60	13.4%
55-59	11	21	32	6.1%	13	28	41	13.1%	17	22	39	8.7%
60-64	8	6	14	2.7%	8	10	18	5.8%	7	14	21	4.7%
65-69	0	5	5	1.0%	6	6	12	3.8%	4	2	6	1.3%
70-74	1	6	7	1.3%	6	0	6	1.9%	1		1	0.2%
75-79	0	7	7	1.3%			0	0.0%			0	0.0%
>79			0	0.0%			0	0.0%			0	0.0%
Unknow n	1	8	9	1.7%			0	0.0%	1		1	0.2%
TOTAL	237	287	524	100.0%	139	174	313	100.0%	216	231	447	100.0%
Percent	45.2%	54.8%	100.0%		44.4%	55.6%	100.0%		48.3%	51.7%	100.0%	

Ages	<u>Bladen Co. Retirees</u>				<u>Cherokee Co. Retirees</u>				<u>Rutherford Co. Retirees</u>			
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Percent</u>
0-4			0	0.0%			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%			0	0.0%
15-19			0	0.0%			0	0.0%			0	0.0%
20-24	0	1	1	0.6%			0	0.0%			0	0.0%
25-29	0	1	1	0.6%			0	0.0%			0	0.0%
30-34	1	0	1	0.6%			0	0.0%			0	0.0%
35-39			0	0.0%			0	0.0%			0	0.0%
40-44			0	0.0%	1	0	1	2.7%			0	0.0%
45-49	0	4	4	2.2%	1	1	2	5.4%		2	2	1.6%
50-54	3	7	10	5.6%	0	1	1	2.7%	6	4	10	7.9%
55-59	3	13	16	8.9%	1	0	1	2.7%	5	12	17	13.4%
60-64	8	21	29	16.2%	1	3	4	10.8%	11	6	17	13.4%
65-69	11	26	37	20.7%	5	5	10	27.0%	14	12	26	20.5%
70-74	3	25	28	15.6%	1	7	8	21.6%	5	8	13	10.2%
75-79	4	19	23	12.8%	1	4	5	13.5%	6	14	20	15.7%
>79	6	23	29	16.2%	0	5	5	13.5%	9	13	22	17.3%
TOTAL	39	140	179	100.0%	11	26	37	100.0%	56	71	127	100.0%

Percent 21.8% 78.2% 100.0% 29.7% 70.3% 100.0% 44.1% 55.9% 100.0%

Ages	<u>Washington Co. Employees</u>				<u>Wilkes Co. Employees</u>			
	Male	Female	Total	Percent	Male	Female	Total	Percent
0-4			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%
15-19			0	0.0%			0	0.0%
20-24	3	1	4	2.3%	9	5	14	2.9%
25-29	2	6	8	4.6%	25	22	47	9.7%
30-34	12	23	35	20.0%	42	37	79	16.3%
35-39	10	20	30	17.1%	31	25	56	11.5%
40-44	8	19	27	15.4%	40	36	76	15.7%
45-49	5	15	20	11.4%	32	44	76	15.7%
50-54	8	19	27	15.4%	27	29	56	11.5%
55-59	5	16	21	12.0%	19	35	54	11.1%
60-64		3	3	1.7%	7	13	20	4.1%
65-69			0	0.0%	4	2	6	1.2%
70-74			0	0.0%			0	0.0%
75-79			0	0.0%			0	0.0%
>79			0	0.0%			0	0.0%
Unknown			0	0.0%	1	0	1	0.2%
TOTAL	53	122	175	100.0%	237	248	485	100.0%
Percent	30.3%	69.7%	100.0%		48.9%	51.1%	100.0%	

Ages	<u>Washington Co. Retirees</u>				<u>Wilkes Co. Retirees</u>			
	Male	Female	Total	Percent	Male	Female	Total	Percent
0-4			0	0.0%			0	0.0%
5-9			0	0.0%			0	0.0%
10-14			0	0.0%			0	0.0%
15-19			0	0.0%			0	0.0%
20-24			0	0.0%			0	0.0%
25-29			0	0.0%			0	0.0%
30-34			0	0.0%			0	0.0%
35-39			0	0.0%			0	0.0%
40-44			0	0.0%	1	0	1	0.8%
45-49	1	1	2	6.9%	2	0	2	1.5%
50-54			0	0.0%	3	4	7	5.4%
55-59		3	3	10.3%	6	6	12	9.2%
60-64		5	5	17.2%	3	13	16	12.3%
65-69		2	2	6.9%	8	17	25	19.2%
70-74	3	2	5	17.2%	11	19	30	23.1%
75-79		1	1	3.4%	5	12	17	13.1%
>79	9	2	11	37.9%	4	16	20	15.4%
TOTAL	13	16	29	100.0%	43	87	130	100.0%
Percent	44.8%	55.2%	100.0%		33.1%	66.9%	100.0%	

**SOURCES OF DATA:**

- Actuarial Note, Hartman & Associates, Appropriations Act Special Provision No. 4, May 26, 2004, Appropriations Act Special Provision No. 6, June 16, 2004, Appropriations Act Special Provision No. 7B, July 15, 2004, and Appropriations Act Special Provision No. 9, June 21, 2004, originals of which are on file in the General Assembly's Fiscal Research Division.
- Actuarial Note, Aon Consulting, Appropriations Act Special Provision No. 4, May 28, 2004, Appropriations Act Special Provision No. 6, June 18, 2004, Appropriations Act Special Provision No. 7B, July 16, 2004, and Appropriations Act Special Provision No. 9, June 22, 2004, originals of which are on file with the Comprehensive Major Medical Plan for Teachers and State Employees and the General Assembly's Fiscal Research Division.

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION** (919) 733-4910

**PREPARED BY:** Sam Byrd

**APPROVED BY:** James D. Johnson, Director  
Fiscal Research Division



**DATE:** July 17, 2004

**Signed Copy Located in the NCGA Principal Clerk's Offices**