Michigan Health & Wellness Foundation
Expected Cash Flows ($Millions)
Calendar Years 2014-2031

Based on Senate Bill 1294 as amended October 17, 2012

	Calendar Year																				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals
(1) Foundation Surplus at Beginning of Year	**$ -**	**$ 25**	**$ 51**	**$ 77**	**$ 103**	**$ 143**	**$ 183**	**$ 224**	**$ 265**	**$ 320**	**$ 376**	**$ 433**	**$ 490**	**$ 548**	**$ 607**	**$ 667**	**$ 728**	**$ 790**	**$ 853**	**$ 866**	
(2) BCBSM Contribution (April 1)	50	50	50	50	75	75	75	75	100	100	100	100	100	100	100	100	100	100	-	-	1,500
(3) Yearly Interest and Earnings	1	2	3	3	5	6	7	8	10	12	14	15	17	19	20	22	24	26	26	26	214
(4) Total Contribution plus Interest	51	52	53	53	80	81	82	83	110	112	114	115	117	119	120	122	124	126	26	26	1,714
(5) Non-Medigap §655(3) Disbursement	(26)	(26)	(11)	(11)	(16)	(16)	(16)	(17)	(55)	(56)	(57)	(58)	(59)	(60)	(60)	(61)	(62)	(63)	(13)	(13)	(730)
(6) Medigap §655(3) Disbursement	-	-	(16)	(16)	(24)	(25)	(25)	(25)	-	-	-	-	-	-	-	-	-	-	-	-	(131)
(7) Total §655(3) Disbursement	(26)	(26)	(27)	(27)	(40)	(41)	(41)	(42)	(55)	(56)	(57)	(58)	(59)	(60)	(60)	(61)	(62)	(63)	(13)	(13)	(861)
(8) Foundation Surplus at End of Year	**$ 25**	**$ 51**	**$ 77**	**$ 103**	**$ 143**	**$ 183**	**$ 224**	**$ 265**	**$ 320**	**$ 376**	**$ 433**	**$ 490**	**$ 548**	**$ 607**	**$ 667**	**$ 728**	**$ 790**	**$ 853**	**$ 866**	**$ 879**	

Notes:

(2) Assumes BCBSM contribution occurs on April 1 of each calendar year.
(3) Assumes foundation funds and contributions earn interest at 3.0% per year.
(4) Row (2) + Row (3)
(5) Row (7) - Row (6)
(6) 60% of Row (7), payable annually from 1/1/2016 through 12/31/2021, as a Medigap subsidy per §653(5). Assumes fully paid on December 31.
(7) 50% of Row (4), per Sec 655(3). Assumes **maximum** disbursement available under statute which is fully paid on December 31.
(8) Row (1) + Row (4) + Row (7)

Assumptions

(a) Yearly interest and earnings are net of annual administrative expenses.
(b) BCBSM will continue to offer its Medigap products through 12/31/2021. Should BCBSM cease offering these products prior to 12/31/2021, the Foundation will not be required to disburse 60% of eligible funds under §653(5). However, the Foundation's obligation to support Medigap coverage under §653(4) will continue. For this illustration, only the disbursements under §653(5) are shown in row (6).
(c) Upon completion of BCBSM contributions in 2031, disbursements under §655(3) will be limited to 50% of the interest on foundation assets earned in previous year. The above illustration indicates a material decrease in foundation disbursements from 2031 to 2032, which may not be desired.