

Washington State Health Insurance Pool
Year-to-Year Comparisons

Administrative Costs (Dollars)	2013	2014	2015	2016	2017	2018	2014/2013	2015/2014	2016/2015	2017/2016	2018/2017
	Actual	Actual	Actual	Actual	Projected	Budget	Actual Change	Actual Change	Actual Change	Projected Change	Estimated Change
Member Months (1)	46,358	22,657	19,199	17,609	17,489	17,049	-51.13%	-15.26%	-8.28%	-0.68%	-2.51%
PMPM Administrative Expense (2)	\$1,805,418	\$1,142,304	\$984,462	\$1,062,706	\$941,556	\$925,130	-36.73%	-13.82%	7.95%	-11.40%	-1.74%
Variable Administrative Expense (3)	512,081	373,335	180,125	183,982	152,970	180,599	-27.09%	-51.75%	2.14%	-16.86%	18.06%
Salary and Benefits Expense (4)	236,059	353,944	490,865	351,512	363,332	408,080	49.94%	38.68%	-28.39%	3.36%	12.32%
RX Benefit Management Fees	86,915	50,636	25,120	26,083	24,437	22,104	-41.74%	-50.39%	3.83%	-6.31%	-9.55%
Miscellaneous Expense (5)	113,259	131,324	108,031	108,065	119,585	138,822	15.95%	-17.74%	0.03%	10.66%	16.09%
Professional Fees (6)	290,958	221,450	181,973	174,604	199,592	261,400	-23.89%	-17.83%	-4.05%	14.31%	30.97%
Total Administrative Costs (Dollars)	\$3,044,690 *	\$2,272,993 *	\$1,970,576	\$1,906,952	\$1,801,472	\$1,936,135	-25.35%	-16.10%	-8.58%	-5.53%	7.48%
<i>Administrative Costs (% of Expenses)</i>	<i>2.9% *</i>	<i>2.7% *</i>	<i>4.0%</i>	<i>4.1%</i>	<i>4.3%</i>	<i>4.2%</i>					

Administrative Costs (PMPM)	2013	2014	2015	2016	2017	2018	2014/2013	2015/2014	2016/2015	2017/2016	2018/2017
	Actual	Actual	Actual	Actual	Projected	Budget	Actual Change	Actual Change	Actual Change	Projected Change	Estimated Change
Member Months (1)	46,358	22,657	19,199	17,609	17,489	17,049	-51.13%	-15.26%	-8.28%	-0.68%	-2.51%
PMPM Administrative Expense (2)	\$38.95	\$50.42	\$51.28	\$60.35	\$53.84	\$54.26	29.46%	1.70%	17.70%	-10.79%	0.79%
Variable Administrative Expense (3)	11.05	16.48	9.38	10.45	8.75	10.59	49.17%	-43.06%	11.36%	-16.29%	21.11%
Salary and Benefits Expense (4)	5.09	15.62	25.57	19.96	20.77	23.94	206.79%	63.66%	-21.92%	4.07%	15.21%
RX Benefit Management Fees	1.87	2.23	1.31	1.48	1.40	1.30	19.20%	-41.46%	13.21%	-5.67%	-7.21%
Miscellaneous Expense (5)	2.44	5.80	5.63	6.14	6.84	8.14	137.24%	-2.92%	9.06%	11.42%	19.08%
Professional Fees (6)	6.28	9.77	9.48	9.92	11.41	15.33	55.73%	-3.03%	4.61%	15.10%	34.34%
Total Administrative Costs (PMPM)	\$65.68 *	\$100.32 *	\$102.64	\$108.29	\$103.01	\$113.56	52.75%	7.95%	0.36%	-4.88%	10.25%

Notes:

- (1) Assumes the Non-medicare membership decreases by 2 member per month. Assumes Medicare Basic membership increases by 3 members per month while Medicare Basic Plus decreases by 2 members per month.
- (2) PMPM Administrative Expense includes the combined expenses for Third Party Administration services (including finance and accounting), Provider Network services, and Utilization Management services.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, and miscellaneous administrative expenses such as special mailings.
- (4) Salary and Benefits Expense includes the combined expenses for the Executive Director and staff positions. Expenses in this line item reflect a reimbursement from PCIP-WA for 50% of salary/benefits in years 2010-2013 and 25% in 2014.
- (5) Miscellaneous expense includes:
 - \$37,000 of insurance expenses (D&O, E&O and general liability).
 - \$47,800 for WSHIP Board meeting expenses and travel costs.
 - \$32,600 for bank fees.
 - \$21,300 for phone, conference lines and other office expenses.
- (6) Professional fees includes:
 - \$100,000 of actuarial expenses which covers IBNR calculations, premium rate development, forecast updates and actuarial studies.
 - \$70,000 of legal expenses.
 - \$70,000 of consulting expenses (including IRO).
 - \$22,000 of auditing expenses.

* Denotes years in which WSHIP received reimbursements from PCIP-WA which helped offset certain expenses such as Salary and Miscellaneous expenses. This help reduce the Total Administrative costs (Dollars), Administrative Costs (% of Expenses) and Total Administrative Costs (PMPM) for those years.