

**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	17,457	16,957	-51.13%	-15.26%	-8.28%	-0.86%	-2.87%
PMPM Administrative Expense (2)	\$1,805,418	\$1,142,304	\$984,462	\$1,062,706	\$933,744	\$879,983	-36.73%	-13.82%	7.95%	-12.14%	-5.76%
Variable Administrative Expense (3)	512,081	373,335	180,125	183,982	168,977	180,599	-27.09%	-51.75%	2.14%	-8.16%	6.88%
Salary and Benefits Expense (4)	236,059	353,944	490,865	351,512	370,056	408,080	49.94%	38.68%	-28.39%	5.28%	10.28%
RX Benefit Management Fees	86,915	50,636	25,120	26,083	23,697	21,994	-41.74%	-50.39%	3.83%	-9.15%	-7.19%
Miscellaneous Expense (5)	113,259	131,324	108,031	108,065	111,347	138,519	15.95%	-17.74%	0.03%	3.04%	24.40%
Professional Fees (6)	290,958	221,450	181,973	174,604	186,531	212,400	-23.89%	-17.83%	-4.05%	6.83%	13.87%
Total Administrative Costs (Dollars)	\$3,044,690 *	\$2,272,993 *	\$1,970,576	\$1,906,952	\$1,794,352	\$1,841,575	-25.35%	-16.10%	-8.94%	-5.90%	2.63%
<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>4.0%</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	17,457	16,957	-51.13%	-15.26%	-8.28%	-0.86%	-2.87%
PMPM Administrative Expense (2)	\$38.95	\$50.42	\$51.28	\$60.35	\$53.49	\$51.90	29.46%	1.70%	17.70%	-11.37%	-2.98%
Variable Administrative Expense (3)	11.05	16.48	9.38	10.45	9.68	10.65	49.17%	-43.06%	11.36%	-7.36%	10.03%
Salary and Benefits Expense (4)	5.09	15.62	25.57	19.96	21.20	24.07	206.79%	63.66%	-21.92%	6.19%	13.53%
RX Benefit Management Fees	1.87	2.23	1.31	1.48	1.36	1.30	19.20%	-41.46%	13.21%	-8.36%	-4.45%
Miscellaneous Expense (5)	2.44	5.80	5.63	6.14	6.38	8.17	137.24%	-2.92%	9.06%	3.93%	28.08%
Professional Fees (6)	6.28	9.77	9.48	9.92	10.69	12.53	55.73%	-3.03%	4.61%	7.76%	17.23%
Total Administrative Costs (PMPM)	\$65.68 *	\$100.32 *	\$102.64	\$108.29	\$102.79	\$108.61	52.75%	7.95%	0.14%	-5.09%	5.66%

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 expenses
- (6) Professional fees includes:
 - \$99,400 of actuarial expenses which covers IBNR calculations, premium rate development, forecast updates and actuarial studies.
 - \$40,000 of legal expenses.
 - \$51,000 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.