

**Washington State Health Insurance Pool
Year-to-Year Comparisons**

Administrative Costs (Dollars)	2014	2015	2016	2017	2018	2019	2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
	Actual	Actual	Actual	Actual	Projected	Budget	Actual Change	Actual Change	Projected Change	Estimated Change	Estimated Change
Member Months (1)	22,657	19,199	17,609	17,505	17,177	17,274	-15.26%	-8.28%	-0.59%	-1.87%	0.56%
PMPM Administrative Expense (2)	\$1,142,304	\$984,462	\$1,062,706	\$943,880	\$961,240	\$933,113	-13.82%	7.95%	-11.18%	1.84%	-2.93%
Variable Administrative Expense (3)	373,335	180,125	183,982	161,574	151,072	189,710	-51.75%	2.14%	-12.18%	-6.50%	25.58%
Salary and Benefits Expense (4)	353,944	490,865	351,512	359,865	380,249	395,866	38.68%	-28.39%	2.38%	5.66%	4.11%
RX Benefit Management Fees	50,636	25,120	26,083	23,932	19,522	22,325	-50.39%	3.83%	-8.25%	-18.43%	14.36%
Miscellaneous Expense (5)	131,324	108,031	108,065	119,303	106,153	128,604	-17.74%	0.03%	10.40%	-11.02%	21.15%
Professional Fees (6)	221,450	181,973	174,604	191,497	229,511	304,600	-17.83%	-4.05%	9.68%	19.85%	32.72%
Total Administrative Costs (Dollars)	\$2,272,993 *	\$1,970,576	\$1,906,952	\$1,800,051	\$1,847,747	\$1,974,218	-16.10%	-8.65%	-5.61%	2.65%	6.84%
Administrative Costs (% of Expenses)	2.7% *	4.0%	4.3%	4.4%	4.6%	5.1%					

PCIP Reductions							2015/2014	2016/2015	2017/2016	2018/2017	2019/2018
Administrative Costs (PMPM)	2014	2015	2016	2017	2018	2019	Actual Change	Actual Change	Projected Change	Estimated Change	Estimated Change
	Actual	Actual	Actual	Actual	Projected	Budget					
Member Months (1)	22,657	19,199	17,609	17,505	17,177	17,274	-15.26%	-8.28%	-0.59%	-1.87%	0.56%
PMPM Administrative Expense (2)	\$50.42	\$51.28	\$60.35	\$53.92	\$55.96	\$54.02	1.70%	17.70%	-10.65%	3.78%	-3.47%
Variable Administrative Expense (3)	16.48	9.38	10.45	9.23	8.80	10.98	-43.06%	11.36%	-11.66%	-4.71%	24.87%
Salary and Benefits Expense (4)	15.62	25.57	19.96	20.56	22.14	22.92	63.66%	-21.92%	2.98%	7.68%	3.52%
RX Benefit Management Fees	2.23	1.31	1.48	1.37	1.14	1.29	-41.46%	13.21%	-7.70%	-16.87%	13.72%
Miscellaneous Expense (5)	5.80	5.63	6.14	6.82	6.18	7.45	-2.92%	9.06%	11.06%	-9.32%	20.47%
Professional Fees (6)	9.77	9.48	9.92	10.94	13.36	17.63	-3.03%	4.61%	10.33%	22.14%	31.97%
Total Administrative Costs (PMPM)	\$100.32 *	\$102.64	\$108.29	\$102.83	\$107.57	\$114.29	7.95%	0.19%	-5.05%	4.61%	6.25%

Notes:

- (1) Assumes Non-Medicare enrollment decreases by 2 enrollees per month. Assumes Medicare Basic plan enrollment increases by 4 enrollees per month while Medicare Basic Plus plan enrollment decreases by 2 enrollees 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 25% of salary/benefits in 2014.
- (5) Miscellaneous Expense:
 - \$38,000 for insurance (D&O, E&O, general liability)
 - \$47,800 for Board meetings and travel
 - \$26,600 for bank fees
 - \$17,300 for other miscellaneous expenses
- (6) Professional Fees:
 - \$100,100 for actuarial services (IBNR, rates, projections, PMPM calculations, Med Advantage analyses, studies, & projects)
 - \$86,000 for consulting services (including IRO)
 - \$70,000 for legal services
 - \$24,500 for auditing services
 - \$24,000 for Medicare Plan Evaluation Project

* 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.