

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

| Administrative Costs (Dollars)              | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               | 2016/2015     | 2017/2016     | 2018/2017     | 2019/2018        | 2020/2019        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|---------------|---------------|------------------|------------------|
|   | Actual             | Actual             | Actual             | Actual             | Projected          | Budget             | Actual Change | Actual Change | Actual Change | Projected Change | Estimated Change |
| Member Months (1)                           | 19,199             | 17,609             | 17,505             | 17,149             | 16,821             | 17,130             | -8.28%        | -0.59%        | -2.03%        | -1.91%           | 1.84%            |
| PMPM Administrative Expense (2)             | \$984,462          | \$1,062,706        | \$943,880          | \$963,314          | \$957,870          | \$922,944          | 7.95%         | -11.18%       | 2.06%         | -0.57%           | -3.65%           |
| Variable Administrative Expense (3)         | 180,125            | 183,982            | 161,574            | 157,774            | 124,512            | 184,232            | 2.14%         | -12.18%       | -2.35%        | -21.08%          | 47.96%           |
| Salary and Benefits Expense (4)             | 490,865            | 351,512            | 359,865            | 389,908            | 387,418            | 401,321            | -28.39%       | 2.38%         | 8.35%         | -0.64%           | 3.59%            |
| RX Benefit Management Fees                  | 25,120             | 26,083             | 23,932             | 19,311             | 15,462             | 22,070             | 3.83%         | -8.25%        | -19.31%       | -19.93%          | 42.74%           |
| Miscellaneous Expense (5)                   | 108,031            | 108,065            | 119,303            | 109,392            | 112,995            | 124,409            | 0.03%         | 10.40%        | -8.31%        | 3.29%            | 10.10%           |
| Professional Fees (6)                       | 181,973            | 174,604            | 191,497            | 220,690            | 204,247            | 250,600            | -4.05%        | 9.68%         | 15.24%        | -7.45%           | 22.69%           |
| <b>Total Administrative Costs (Dollars)</b> | <b>\$1,970,576</b> | <b>\$1,906,952</b> | <b>\$1,800,051</b> | <b>\$1,860,389</b> | <b>\$1,802,504</b> | <b>\$1,905,577</b> | <b>-8.65%</b> | <b>-2.44%</b> | <b>3.35%</b>  | <b>-3.11%</b>    | <b>5.72%</b>     |
| <b>Administrative Costs (% of Expenses)</b> | <b>4.0%</b>        | <b>4.3%</b>        | <b>4.4%</b>        | <b>4.5%</b>        | <b>4.6%</b>        | <b>5.0%</b>        |               |               |               |                  |                  |

  

| Administrative Costs (PMPM)              | 2015            | 2016            | 2017            | 2018            | 2019            | 2020            | 2016/2015     | 2017/2016     | 2018/2017     | 2019/2018        | 2020/2019        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|------------------|------------------|
|  | Actual          | Actual          | Actual          | Actual          | Projected       | Budget          | Actual Change | Actual Change | Actual Change | Projected Change | Estimated Change |
| Member Months (1)                        | 19,199          | 17,609          | 17,505          | 17,149          | 16,821          | 17,130          | -8.28%        | -0.59%        | -2.03%        | -1.91%           | 1.84%            |
| PMPM Administrative Expense (2)          | \$51.28         | \$60.35         | \$53.92         | \$56.17         | \$56.94         | \$53.88         | 17.70%        | -10.65%       | 4.18%         | 1.37%            | -5.38%           |
| Variable Administrative Expense (3)      | 9.38            | 10.45           | 9.23            | 9.20            | 7.40            | 10.75           | 11.36%        | -11.66%       | -0.32%        | -19.54%          | 45.29%           |
| Salary and Benefits Expense (4)          | 25.57           | 19.96           | 20.56           | 22.74           | 23.03           | 23.43           | -21.92%       | 2.98%         | 10.60%        | 1.30%            | 1.72%            |
| RX Benefit Management Fees               | 1.31            | 1.48            | 1.37            | 1.13            | 0.92            | 1.29            | 13.21%        | -7.70%        | -17.63%       | -18.37%          | 40.16%           |
| Miscellaneous Expense (5)                | 5.63            | 6.14            | 6.82            | 6.38            | 6.72            | 7.26            | 9.06%         | 11.06%        | -6.40%        | 5.31%            | 8.12%            |
| Professional Fees (6)                    | 9.48            | 9.92            | 10.94           | 12.87           | 12.14           | 14.63           | 4.61%         | 10.33%        | 17.64%        | -5.65%           | 20.48%           |
| <b>Total Administrative Costs (PMPM)</b> | <b>\$102.64</b> | <b>\$108.29</b> | <b>\$102.83</b> | <b>\$108.48</b> | <b>\$107.16</b> | <b>\$111.24</b> | <b>0.19%</b>  | <b>0.18%</b>  | <b>5.50%</b>  | <b>-1.22%</b>    | <b>3.81%</b>     |

**Notes:**

- (1) Assumes Non-Medicare enrollment decreases by 2 enrollees per month. Assumes Medicare enrollment increases by 3 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.
- (5) Miscellaneous Expense:
  - \$35,600 for insurance (D&O, E&O, general liability)
  - \$47,750 for Board meetings and travel
  - \$26,600 for bank fees
  - \$14,500 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)
  - \$40,000 for legal services
  - \$24,500 for auditing services