

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

Administrative Costs (Dollars)	2016	2017	2018	2019	2020	2021	2017/2016	2018/2017	2019/2018	2020/2019	2021/2020
	Actual	Actual	Actual	Actual	Projected	Budget	Actual Change	Actual Change	Actual Change	Projected Change	Estimated Change
Member Months (1)	17,609	17,505	17,149	16,856	15,859	16,582	-0.59%	-2.03%	-1.71%	-5.91%	4.56%
PMPM Administrative Expense (2)	\$1,062,706	\$943,880	\$963,314	\$967,192	\$916,452	\$922,084	-11.18%	2.06%	0.40%	-5.25%	0.61%
Variable Administrative Expense (3)	183,982	161,574	157,774	95,692	103,334	115,310	-12.18%	-2.35%	-39.35%	7.99%	11.59%
Salary and Benefits Expense (4)	351,512	359,865	389,908	384,509	379,417	415,572	2.38%	8.35%	-1.38%	-1.32%	9.53%
RX Benefit Management Fees	26,083	23,932	19,311	13,105	14,032	21,136	-8.25%	-19.31%	-32.14%	7.07%	50.63%
Miscellaneous Expense (5)	108,065	119,303	109,392	118,431	113,023	107,000	10.40%	-8.31%	8.26%	-4.57%	-5.33%
Professional Fees (6)	174,604	191,497	220,690	192,020	229,365	298,300	9.68%	15.24%	-12.99%	19.45%	30.05%
Total Administrative Costs (Dollars)	\$1,906,952	\$1,800,051	\$1,860,389	\$1,770,949	\$1,755,623	\$1,879,401	-2.44%	-1.62%	-4.81%	-0.87%	7.05%

Administrative Costs (% of Expenses) **3.9%** **4.1%** **4.5%** **4.3%** **4.5%** **4.9%**

Administrative Costs (PMPM)	2016	2017	2018	2019	2020	2021	2017/2016	2018/2017	2019/2018	2020/2019	2021/2020
	Actual	Actual	Actual	Actual	Projected	Budget	Actual Change	Actual Change	Actual Change	Projected Change	Estimated Change
Member Months (1)	17,609	17,505	17,149	16,856	15,859	16,582	-0.59%	-2.03%	-1.71%	-5.91%	4.56%
PMPM Administrative Expense (2)	\$60.35	\$53.92	\$56.17	\$57.38	\$57.79	\$55.61	-10.65%	4.18%	2.15%	0.71%	-3.77%
Variable Administrative Expense (3)	10.45	9.23	9.20	5.68	6.52	6.95	-11.66%	-0.32%	-38.29%	14.77%	6.73%
Salary and Benefits Expense (4)	19.96	20.56	22.74	22.81	23.92	25.06	2.98%	10.60%	0.33%	4.88%	4.76%
RX Benefit Management Fees	1.48	1.37	1.13	0.78	0.88	1.27	-7.70%	-17.63%	-30.96%	13.80%	44.06%
Miscellaneous Expense (5)	6.14	6.82	6.38	7.03	7.13	6.45	11.06%	-6.40%	10.14%	1.43%	-9.45%
Professional Fees (6)	9.92	10.94	12.87	11.39	14.46	17.99	10.33%	17.64%	-11.48%	26.96%	24.39%
Total Administrative Costs (PMPM)	\$108.29	\$102.83	\$108.48	\$105.06	\$110.70	\$113.34	0.18%	2.17%	-3.15%	5.37%	2.39%

Notes:

- (1) Assumes Non-Medicare enrollment decreases by 1 enrollee per month. Assumes Medicare enrollment increases by 7 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:
 - \$40,900 for insurance (D&O, E&O, general liability)
 - \$25,000 for Board meetings and travel
 - \$26,600 for bank fees
 - \$14,500 for other miscellaneous expenses
- (6) Professional Fees:
 - \$151,600 for actuarial services (IBNR, rates, projections, PMPM calculations, Med Advantage analysis, studies, & projects)
 - \$79,500 for consulting services (including IRO)
 - \$40,000 for legal services
 - \$27,200 for auditing services

*Updated as of 11/5/2020