



Executive Director Report

September 2022

By Sharon Becker, Executive Director, September 21, 2022

Administration

OIC Filing – WSHIP’s 2023 contracts and forms were filed with the Office of Insurance Commissioner (OIC) in July and they have been approved. WSHIP rates will be filed upon approval by the Board at its September 28 meeting.

PMPM Report to OIC – The pmpm cost of WSHIP assessments for 2021 has been reported to Commissioner Kreidler as required by statute. *Attached is the report.*

Board

HMO Representative – Karen Lewis Smith was elected in August to replace Bill Ely who resigned from the Board on July 15, 2022. Ms. Smith will serve until the next regularly scheduled election of directors.

Governor-Appointed Board Opening – The large employer representative position on the WSHIP Board is still open and in need of applications. If you know of anyone interested in applying, please ask them to contact me or Ambar Algera, Director Boards & Commissions at the Governor’s office, at ambar.algera@gov.wa.gov.

Washington State Government

November Elections & 2023 Legislative Session

All state representative seats and half of the senate seats are up for election this November. Bill proposals for the 2023 legislative session will likely begin to surface in the next few months. We will monitor closely to identify any potential impacts to WSHIP. It is anticipated the 2023 legislative session will be held in person.

Washington Health Benefit Exchange (HBE)

2023 QHP Certification – The HBE Board has certified 90 plans offered by 12 carriers for plan year 2023. All counties will have two to nine carriers to choose from. The public option (Cascade Care) will be available in 34 counties, up from 25 counties in 2022. The average rate increase for 2023 is 8%.

Section 1332 Waiver Application

In an effort to expand health coverage options to all residents, WA State submitted a Section 1332 waiver application to the federal government in May. If approved, the waiver will allow all WA residents regardless of immigration status to enroll in health and dental coverage through the Washington Healthplanfinder starting in 2024. WSHIP met with HBE staff in June to explore potential impacts to WSHIP enrollees should the waiver be granted.

Inflation Reduction Act

The recently signed Inflation Reduction Act includes a three-year extension of the enhanced federal premium subsidies currently available to enrollees who purchase their health care coverage on Washington Healthplanfinder.

Washington Health Care Authority (HCA)

Universal Health Care Commission

The Commission met on July 13 to hear public comments and to listen to presentations on 1) strategies to move toward a universal health care system, 2) intermediate goals, and 3) the Commission's Finance Technical Advisory Committee.

Health Care Cost Transparency Board

The Health Care Cost Transparency Board is requesting 2017-2019 cost data from 11 health care insurers and two state agencies. This data will help set the baseline for tracking future spending growth.

**WSHIP
PMPM Calculations**

INCURRED BASIS

Financial Information	Year ended 12/31/2021	Year ended 12/31/2020	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014	Year ended 12/31/2013	Year ended 12/31/2012	Source
Revenue											
Earned premium	\$6,803,929	\$8,174,887	\$12,019,243	\$12,211,367	\$11,820,118	\$11,080,165	\$11,602,968	\$13,806,921	\$36,594,592	\$31,629,551	Audited financials
Excess loss ratio receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Audited financials
Federal grant awards	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,110,440	\$1,300,715	\$1,346,790	Audited financials
Investment income/other	\$3,044	\$22,058	\$135,842	\$106,773	\$64,508	\$48,087	\$2,150	\$3,023	\$94,733	\$168,342	Audited financials
Total revenue	\$6,806,973	\$8,196,945	\$12,155,085	\$12,318,140	\$11,884,626	\$11,128,252	\$11,605,118	\$14,920,384	\$37,990,040	\$33,144,683	
Expenses											
Medical claims incurred	\$15,649,893	\$19,680,911	\$24,869,414	\$26,069,107	\$24,346,400	\$25,955,609	\$29,979,466	\$62,631,107	\$57,925,707	\$55,841,910	BML data
Medical IBNR 7/31/22	\$362,671	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Leif Associates
Pharmacy claims incurred	\$9,260,099	\$10,621,406	\$12,682,570	\$13,210,002	\$14,077,003	\$15,496,470	\$15,621,662	\$19,854,167	\$53,738,997	\$44,364,978	BML data
Pharmacy IBNR 7/31/22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Leif Associates
Administrative costs	\$1,710,645	\$1,873,606	\$1,924,105	\$2,293,930	\$2,118,887	\$2,214,247	\$2,457,350	\$2,748,616	\$3,045,337	\$3,018,110	Audited financials
Total expenses	\$26,983,308	\$32,175,923	\$39,476,089	\$41,573,039	\$40,542,290	\$43,666,326	\$48,058,478	\$85,233,890	\$114,710,041	\$103,224,998	
Net Loss (1)	(\$20,176,335)	(\$23,978,978)	(\$27,321,004)	(\$29,254,899)	(\$28,657,664)	(\$32,538,074)	(\$36,453,360)	(\$70,313,506)	(\$76,720,001)	(\$70,080,315)	Revenue - expenses
Assessments (2)	\$22,500,000	\$24,500,000	\$27,230,002	\$28,701,104	\$27,137,353	\$31,353,672	\$33,999,828	\$45,500,000	\$84,543,448	\$74,031,979	Audited financials
Assessed members											
Health plan (3)	47,300,725	42,398,705	40,410,287	39,979,846	40,107,721	40,105,505	37,663,496	36,418,058	31,879,463	33,658,747	BML survey
Stop loss (4)	11,738,245	11,675,310	12,264,717	12,105,525	10,945,342	10,944,714	10,150,977	9,847,337	9,588,961	8,961,859	BML survey
Total (5)	59,038,970	54,074,015	52,675,004	52,085,371	51,053,063	51,050,219	47,814,473	46,265,395	41,468,424	42,620,606	

PMPM Calculations - Stop Loss @ 1/10

											Formula
Net Loss PMPM	(\$0.42)	(\$0.55)	(\$0.66)	(\$0.71)	(\$0.70)	(\$0.79)	(\$0.94)	(\$1.88)	(\$2.34)	(\$2.03)	(1) / ((3)+.10 x (4))
Assessment PMPM	\$0.46	\$0.56	\$0.65	\$0.70	\$0.66	\$0.76	\$0.88	\$1.22	\$2.57	\$2.14	(2) / ((3)+.10 x (4))

PAID BASIS

Financial Information	Year ended 12/31/2021	Year ended 12/31/2020	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017	Year ended 12/31/2016	Year ended 12/31/2015	Year ended 12/31/2014	Year ended 12/31/2013	Year ended 12/31/2012	Source
Revenue											
Premium	\$7,048,949	\$8,017,052	\$10,629,571	\$13,550,496	\$11,603,191	\$10,319,292	\$12,345,832	\$13,735,113	\$32,683,121	\$31,801,243	Audited financials
Excess loss ratio receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Audited financials
Federal grant awards	\$0	\$0	\$0	\$0	\$0	\$141,641	\$445,824	\$594,222	\$1,698,722	\$1,152,300	Audited financials
Investment income/other	\$3,044	\$22,058	\$135,842	\$106,772	\$64,508	\$48,087	\$2,150	\$3,023	\$340,235	\$18,342	Audited financials
Total revenue	\$7,051,993	\$8,039,110	\$10,765,413	\$13,657,268	\$11,667,699	\$10,509,020	\$12,793,806	\$14,332,358	\$34,722,078	\$32,971,885	
Expenses											
Medical/Rx claims paid	\$23,223,237	\$29,848,711	\$37,092,087	\$38,376,343	\$38,313,151	\$41,143,628	\$46,296,066	\$57,561,181	\$111,850,514	\$100,256,291	Audited financials
Administrative costs	\$1,619,386	\$1,761,894	\$1,770,949	\$1,862,474	\$1,817,864	\$1,969,101	\$1,836,285	\$2,314,866	\$3,042,454	\$2,984,722	Audited financials
Total expenses	\$24,842,623	\$31,610,605	\$38,863,036	\$40,238,817	\$40,131,015	\$43,112,729	\$48,132,351	\$59,876,047	\$114,892,968	\$103,241,013	
Net Loss (1)	(\$17,790,630)	(\$23,571,495)	(\$28,097,623)	(\$26,581,549)	(\$28,463,316)	(\$32,603,709)	(\$35,338,545)	(\$45,543,689)	(\$80,170,890)	(\$70,269,128)	Revenue - expenses
Assessments (2)	\$20,810,406	\$26,997,081	\$30,150,559	\$24,921,094	\$21,517,866	\$32,046,192	\$28,858,333	\$53,930,290	\$85,521,061	\$74,499,537	Audited financials (less exc lr rcpts)
Assessed members											
Health plan (3)	47,300,725	42,398,705	40,410,287	39,979,846	40,107,721	40,105,505	37,663,496	36,418,058	31,879,463	33,658,747	BML survey
Stop loss (4)	11,738,245	11,675,310	12,264,717	12,105,525	10,945,342	10,944,714	10,150,977	9,847,337	9,588,961	8,961,859	BML survey
Total (5)	59,038,970	54,074,015	52,675,004	52,085,371	51,053,063	51,050,219	47,814,473	46,265,395	41,468,424	42,620,606	

PMPM Calculations - Stop Loss @ 1/10

											Formula
Net Loss PMPM	(\$0.37)	(\$0.54)	(\$0.67)	(\$0.65)	(\$0.69)	(\$0.79)	(\$0.91)	(\$1.22)	(\$2.44)	(\$2.03)	(1) / ((3)+.10 x (4))
Assessment PMPM	\$0.43	\$0.62	\$0.72	\$0.61	\$0.52	\$0.78	\$0.75	\$1.44	\$2.60	\$2.16	(2) / ((3)+.10 x (4))