

**Washington State Health Insurance Pool
Treasurer's Report
April 2014 Financial Review**

1. 2014 Interim I Assessment Required

An assessment of \$10.0 M is required in order to adequately carry the pool into the next scheduled assessment in July 2014. This assessment was approved by the Board of Directors and generated on March 21, 2014 with invoices due April 21, 2014 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 21, 2014. Looking ahead as of May 31, 2014, there is \$1.5 M left to collect.

2. Financial Statements – April 2014

Balance Sheet

Cash on hand increased by \$3.8 M or 17.9% from March 2014 to April 2014. The current cash position is \$25.1 M which is sufficient to cover all liabilities of the pool at this time. As of the end of April 2014, the entire \$25.1 M of cash is fully secured either through the FDIC insurance or by collateralized securities pledged by KeyBank. Cash position is discussed further in the Budgeted Cash Flow section below.

Total IBNR as of April 2014 is \$7.0 M. This represents a decrease of \$246 K or 3.4% as compared to the prior month. Medical IBNR decreased \$307 K or 4.8% and pharmacy IBNR increased \$61 K or 6.9% from March 2014.

As of April 2014, the equity position of WSHIP is a positive \$18.4 M.

Income Statement

Total member months for April 2014 YTD are lower by 6,017 member months or 41.7% lower than April 2013 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for April 2014 YTD is \$13.8 M or 45.3% lower than April 2013 YTD. Incurred claim loss represents the total medical and pharmacy claims expense in addition to the change in unpaid losses (IBNR) and accrued loss adjustment for the period. For April 2014 YTD, the medical claims portion is \$6.4 M or 34.8% lower than April 2013 YTD, and the pharmacy claims portion is \$7.5 M or 61.2% lower than April 2013 YTD.

April 2014 YTD administrative expenses are \$124 K or 12.5% lower than the administrative expenses in April 2013 YTD. The ratio of administrative expenses as a percentage of total cost is 5.0% for April 2014 YTD as compared to 3.2% in April of

the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – April 2014

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2014 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$25.1 M is \$247 K lower than the budgeted cash balance of \$25.3 M. Total net cash receipts for April 2014 are \$2.5 M or 12.4% unfavorable to budget. Total expenses are \$2.3 M or 8.4% favorable to budget. The administrative expenses are \$66 K or 8.0% unfavorable to budget. Total medical claims expense is \$2.2 M or 16.8% unfavorable to budget, while total pharmacy claims expense is \$4.5 M or 35.2% favorable to budget.

4. Cash Flow Forecast – 2014

The 2014 cash flow forecast was developed using the assumptions developed by Leif & Associates for membership, premium receipts, pharmacy and medical claim cost projections. The key drivers (membership, premiums, medical claims and pharmacy claims) in the budget portion were updated in May 2014 to reflect new projections from Liz Leif. All other projections were trended from previous years with the best information available as of current.

The cash flow re-forecast is a dynamic document and changes are made as better financial information is obtained. Actual results are illustrated through February 2014. For May 2014, the preliminary figures for the key financial drivers (Premium Receipts, Grant Revenue, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2014 assessment projection. To ensure adequate funding, the current 2014 forecast is projecting an assessment of \$39.0 M which is a \$44.0 M or 53.0% decrease from the 2013 assessment of \$83.0 M.

5. Administrative Expense Budget

For April 2014, administrative expenses are \$66 K or 8.0% unfavorable to budget (cash basis).

6. Financial Performance

April 2014 YTD member months are 562 member months or 6% lower than projected in the original budget. Through April 2014, average premium receipt PMPM is 25% higher than anticipated. Average medical claims expense PMPM is

26% higher than anticipated and average pharmacy claims expense PMPM is 31% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,430 as compared to \$1,816 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$1,005 as compared to \$993 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of April 30

Total Enrollment: 1,841

	<u>2014</u>	<u>2013</u>
Assets:		
Cash	\$ 25,052,384	\$ 24,369,245
Premiums Receivable	460,684	427,415
Assessments Receivable	2,392,453	3,711,375
Grants Receivable	-	-
Other Receivable	-	-
Prepaid Expense	-	364
Total Assets	<u><u>\$ 27,905,522</u></u>	<u><u>\$ 28,508,399</u></u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 6,089,000	\$ 12,028,000
Reserve for Unpaid Losses - Pharmacy	949,000	2,389,000
Accrued Loss Adjustment	332,000	394,000
Premiums Received in Advance	1,887,452	4,590,735
Assessments Payable	-	-
Accrued Expenses	227,749	282,789
Abandoned Claim Reserve	71,222	69,585
Total Liabilities	<u><u>\$ 9,556,423</u></u>	<u><u>\$ 19,754,109</u></u>
Unassigned Surplus	18,349,098	8,754,290
Total Liabilities and Unassigned Surplus	<u><u>\$ 27,905,522</u></u>	<u><u>\$ 28,508,399</u></u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to April 30

	<u>2014</u>	<u>2013</u>
Total Member Months	8,408	14,425
Premium Income Earned	\$ 5,367,628	\$ 10,857,346
Pharmacy Rebate Income	211,139	148,455
Grant Income	-	-
Incurred Claim Loss - Medical	11,970,183	18,364,644
Incurred Claim Loss - Pharmacy	4,720,398	12,175,465
Total Incurred Claim Loss	<u>16,690,581</u>	<u>30,540,108</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 419,004	\$ 553,094
Variable Administrative Expense	163,917	203,739
Salary and Benefit Expense	138,374	89,205
Prescription Administrative Expense	16,040	30,182
Miscellaneous Expense	43,382	31,515
Professional Fee Expense	89,044	86,552
Total Operating Expenses	<u>\$ 869,761</u>	<u>\$ 994,287</u>
Underwriting Gain (Loss)	(11,981,576)	(20,528,594)
Investment Income	911	758
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (11,980,665)</u>	<u>\$ (20,527,837)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Changes in Unassigned Surplus January 1 to April 30

	<u>2014</u>	<u>2013</u>
Unassigned Surplus at Beginning of Year	\$ 20,329,763	\$ 9,782,127
Changes to Unassigned Surplus	(11,980,665)	(20,527,837)
Member Assessments	10,000,000	19,500,000
Unassigned Surplus	<u>\$ 18,349,098</u>	<u>\$ 8,754,290</u>

**WSHIP
Budgeted Cashflow 2014**

Budget - Updated Feb 2014

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	APR YTD	TOTAL
Enrollment Count	2,535	2,190	2,128	2,117	2,107	2,097	2,087	2,077	2,067	2,058	2,049	2,041	8,970	25,553
Cash Balance														
BEGINNING OF MONTH	32,118,470	27,119,355	21,222,908	16,800,308	25,299,215	23,235,391	21,110,133	17,665,710	45,674,693	46,573,969	47,420,650	44,198,174		
Receipts														
Premium Receipts	1,876,591	1,527,758	1,463,324	1,449,209	1,435,391	1,421,865	1,408,624	1,395,664	1,382,977	1,370,560	1,358,406	1,346,510	6,316,882	17,436,879
Grant Revenue	71,247	-	-	-	-	-	-	-	-	-	-	-	71,247	71,247
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	50,000	200,000
Claim Refunds Receipts	94,955	75,788	66,210	64,536	64,866	67,340	63,844	62,550	62,297	62,262	65,177	60,655	301,489	810,480
Assessment Receipts	3,150,000	104,522	-	12,000,000	1,500,000	1,500,000	-	14,560,000	1,820,000	1,820,000	-	-	15,254,522	36,454,522
Additional Assessment Receipts (HBE)	-	-	-	-	-	-	-	16,670,400	2,083,800	2,083,800	-	-	-	20,838,000
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	400	1,200
Abandoned Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	5,192,893	1,708,168	1,579,634	13,513,845	3,000,357	3,039,305	1,472,568	32,688,714	5,399,174	5,336,722	1,423,683	1,457,265	21,994,540	75,812,328
Refunds														
Assessment Refunds	-	912,408	-	-	-	-	-	-	-	-	-	-	912,408	912,408
Premium Refunds	54,702	53,993	782,699	50,373	49,707	49,053	48,413	47,786	47,172	46,570	45,980	45,402	941,767	1,321,850
Total Refunds	54,702	966,401	782,699	50,373	49,707	49,053	48,413	47,786	47,172	46,570	45,980	45,402	1,854,175	2,234,258
Assessment Payments														
HBE Assessment	-	-	-	-	-	-	-	-	-	-	-	20,838,000	-	20,838,000
Expenses														
Medical Claims	4,090,017	3,553,101	2,861,576	2,731,332	2,781,333	2,911,786	2,647,616	2,400,380	2,263,971	2,248,458	2,347,401	2,374,687	13,236,026	33,211,658
Pharmacy Claims	5,834,658	2,866,244	2,151,008	2,040,266	2,037,232	2,017,222	2,009,961	2,014,845	1,999,067	1,994,979	1,989,850	1,983,256	12,892,176	28,938,588
Fixed (PMPM) Admin	106,787	105,691	104,637	99,887	98,874	97,901	96,928	95,997	95,065	94,134	93,243	92,394	417,002	1,181,538
Variable Admin	33,647	32,831	32,625	26,673	26,474	28,785	28,594	25,912	25,730	25,548	58,374	25,208	125,776	370,401
Salary and Benefits	34,676	28,376	29,066	29,205	33,405	29,205	27,910	27,910	27,910	27,910	27,910	28,117	121,322	351,599
Prescription Admin	5,459	5,409	5,361	5,140	5,094	5,050	5,005	4,963	4,921	4,879	4,838	4,800	21,368	60,918
Miscellaneous	8,305	8,305	8,305	8,305	8,305	8,305	8,305	25,180	8,305	8,305	8,305	20,680	33,220	128,910
Professional Fees	23,758	38,258	26,958	23,758	23,758	17,258	44,258	36,758	27,758	39,258	70,258	25,258	112,730	397,291
Total Expense	10,137,306	6,638,214	5,219,535	4,964,565	5,014,474	5,115,511	4,868,577	4,631,945	4,452,727	4,443,471	4,600,179	4,554,400	26,959,620	64,640,903
Available Cash Balance	27,119,355	21,222,908	16,800,308	25,299,215	23,235,391	21,110,133	17,665,710	45,674,693	46,573,969	47,420,650	44,198,174	20,217,637		
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	\$ 27,119,355	\$ 21,222,908	\$ 16,800,308	\$ 25,299,215	\$ 23,235,391	\$ 21,110,133	\$ 17,665,710	\$ 45,674,693	\$ 46,573,969	\$ 47,420,650	\$ 44,198,174	\$ 20,217,637		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	2,534	2,095	1,938	1,841									8,408
Cash Balance													
BEGINNING OF MONTH	32,118,470	30,528,025	23,995,643	21,247,907									
Receipts													
Premium Receipts	3,948,909	608,061	1,097,722	1,900,204									7,554,897
Grant Revenue	-	71,247	-	-									71,247
Pharmacy Rebate Income	-	-	211,139	-									211,139
Claim Refunds Receipts	61,192	41,734	48,325	33,055									184,306
Assessment Receipts	2,255,260	1,967	1,910,815	7,606,435									11,774,477
Investment Income	281	225	212	193									911
Abandoned Claims	-	-	-	-									-
Other Income	-	-	-	-									-
Total Receipts	6,265,642	723,234	3,268,214	9,539,887									19,796,977
Refunds													
Assessment Refunds	-	912,408	-	-									912,408
Premium Refunds	41,960	885,924	208,693	112,067									1,248,644
Total Refunds	41,960	1,798,332	208,693	112,067									2,161,052
Expenses													
Medical Claims	4,257,882	3,444,146	3,829,467	3,922,194									15,453,689
Pharmacy Claims	3,290,997	1,952,504	1,558,743	1,547,953									8,350,198
Fixed (PMPM) Admin	153,700	-	247,974	67,761									469,435
Variable Admin	18,488	-	100,071	29,614									148,172
Salary and Benefits	41,811	27,429	23,389	34,342									126,971
Prescription Admin	14,837	2,845	6,289	2,195									26,166
Miscellaneous	16,811	8,734	10,055	5,380									40,981
Professional Fees	19,113	21,626	31,158	13,904									85,801
Total Expense	7,813,639	5,457,285	5,807,147	5,623,343									24,701,414
Available Cash Balance	30,528,513	23,995,643	21,248,017	25,052,384									
Inc(Dec) in Abandoned Property Reserve	(488)	-	(109)	-									
Month Ending Cash Balance	\$ 30,528,025	\$ 23,995,643	\$ 21,247,907	\$ 25,052,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

WSHIP
Budgeted Cashflow 2014

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(1)	(95)	(190)	(276)									(562)
Receipts													
Premium Receipts	2,072,318	(919,697)	(365,602)	450,995									1,238,015
Grant Revenue	(71,247)	71,247	-	-									-
Pharmacy Rebate Income	-	-	161,139	-									161,139
Claim Refunds Receipts	(33,763)	(34,054)	(17,885)	(31,481)									(117,183)
Assessment Receipts	(894,740)	(102,555)	1,910,815	(4,393,565)									(3,480,045)
Investment Income	181	125	112	93									511
Abandoned Claims	-	-	-	-									-
Other Income	-	-	-	-									-
Total Receipts	1,072,749	(984,934)	1,688,580	(3,973,958)									(2,197,563)
Refunds													
Assessment Refunds	-	-	-	-									-
Premium Refunds	12,742	(831,931)	574,006	(61,694)									(306,877)
Total Refunds	12,742	(831,931)	574,006	(61,694)									(306,877)
Expenses													
Medical Claims	(167,865)	108,955	(967,891)	(1,190,862)									(2,217,663)
Pharmacy Claims	2,543,661	913,740	592,265	492,313									4,541,978
Fixed (PMPM) Admin	(46,913)	105,691	(143,337)	32,126									(52,433)
Variable Admin	15,160	32,831	(67,446)	(2,941)									(22,396)
Salary and Benefits	(7,135)	947	5,676	(5,137)									(5,649)
Prescription Admin	(9,378)	2,564	(929)	2,945									(4,799)
Miscellaneous	(8,506)	(429)	(1,750)	2,925									(7,761)
Professional Fees	4,645	16,631	(4,201)	9,854									26,929
Total Expense	2,323,667	1,180,929	(587,612)	(658,778)									2,258,206
Available Cash Balance	3,409,158	2,772,734	4,447,708	(246,831)									
Inc(Dec) in Abandoned Property Reserve	-	-	-	-									
Month Ending Cash Balance	3,409,158	2,772,734	4,447,708	(246,831)									

- (1) Assumes an annual medical claim expense trend of 10% for Non-Medicare, MC Basic and Basic Plus products.
- (2) Assumes an annual pharmacy claim expense trend of 10% Non-Medicare, 10% MC Basic, and -8% MC Basic Plus.
- (3) Premium rates trended at a 4% increase.
- (4) Assumes EHIP members leave December 31, 2013 except for estimated 275 undocumented immigrants and another 90 members who leave March 31, 2013. Remaining Non-Medicare enrollment drops at a rate of 2% per month. Medicare enrollment is trended to increase at a rate of 4 members per month.
- (5) Assumes assessments on March **(\$15.0 M)**, July **(\$39.0 M)**, November **(\$0 M)** TOTAL **\$54.0 M**. The July assessment includes \$18.2 M to cover pool losses and \$20.8 M for the HBE Assessment payment.
- (6) 3-Week expense allowance is \$4.2 M based upon the projected data for the 12-month period ending in Dec of 2014.
- (7) WSHIP has access to a **\$5 M** line of credit in the event cash on hand is exhausted.
- (8) Assumes **\$20.8 M** HBE assessment payment in December 2014. WSHIP will add \$20.8 M to the Interim II assessment to help fund that payment.

**Washington State Health Insurance Pool
2014 Cash Flow Forecast**

Forecast	Actual (Bold)				Forecast								TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment Count	2,534	2,095	1,938	1,841	1,842	1,836	1,830	1,824	1,818	1,813	1,807	1,802	22,980
Cash Balance													
BEGINNING OF MONTH	32,118,470	30,528,025	23,995,643	21,247,907	25,052,384	21,106,692	19,652,446	16,899,291	37,590,232	38,070,366	37,325,843	34,723,611	
Receipts													
Premium Receipts	3,948,909	608,061	1,097,722	1,900,204	454,686	1,111,684	1,103,469	1,095,426	1,087,551	1,079,841	1,072,293	1,064,903	15,624,750
Grant Revenue	-	71,247	-	-	-	-	-	-	-	-	-	-	71,247
Pharmacy Rebate Income	-	-	211,139	-	-	50,000	-	-	50,000	-	-	50,000	361,139
Claim Refunds Receipts	61,192	41,734	48,325	33,055	64,866	67,340	63,844	62,550	62,297	62,262	65,177	60,655	693,297
Assessment Receipts	2,255,260	1,967	1,910,815	7,606,435	876,653	1,515,800	-	6,560,000	820,000	820,000	-	-	22,366,930
Additional Assessment Receipts (HBE)	-	-	-	193	-	-	-	16,670,400	2,083,800	2,083,800	-	-	20,838,193
Investment Income	281	225	212	-	100	100	100	100	100	100	100	100	1,518
Abandoned Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	6,265,642	723,234	3,268,214	9,539,887	1,396,305	2,744,924	1,167,413	24,388,476	4,103,748	4,046,003	1,137,570	1,175,658	59,957,074
Refunds													
Assessment Refunds	-	912,408	-	-	-	-	-	-	-	1,139,085	-	-	2,051,493
Premium Refunds	41,960	885,924	208,693	112,067	49,707	49,053	48,413	47,786	47,172	46,570	45,980	45,402	1,628,727
Total Refunds	41,960	1,798,332	208,693	112,067	49,707	49,053	48,413	47,786	47,172	1,185,655	45,980	45,402	3,680,220
Assessment Payments													
HBE Assessment	-	-	-	-	-	-	-	-	-	-	-	20,838,000	20,838,000
Expenses													
Medical Claim Expense	4,257,882	3,444,146	3,829,467	3,922,194	2,866,133	2,539,912	2,245,575	2,006,346	1,975,797	1,995,671	2,023,660	1,993,123	33,099,906
Pharmacy Claim Expense	3,290,997	1,952,504	1,558,743	1,547,953	2,230,249	1,423,702	1,415,580	1,426,683	1,410,956	1,409,166	1,407,234	1,402,808	20,476,577
PMPM Administrative Expense	153,700	-	247,974	67,761	98,874	97,901	96,928	95,997	95,065	94,134	93,243	92,394	1,233,971
Variable Administrative Expense	18,488	-	100,071	29,614	26,474	28,785	28,594	25,912	25,730	25,548	58,374	25,208	392,797
Salary and Benefits Expense	41,811	27,429	23,389	34,342	33,405	29,205	27,910	27,910	27,910	27,910	27,910	28,117	357,248
Prescription Administrative Expense	14,837	2,845	6,289	2,195	5,094	5,050	5,005	4,963	4,921	4,879	4,838	4,800	65,716
Miscellaneous Expense	16,811	8,734	10,055	5,380	8,305	8,305	8,305	25,180	8,305	8,305	8,305	20,680	136,671
Professional Fees	19,113	21,626	31,158	13,904	23,758	17,258	44,258	36,758	27,758	39,258	70,258	25,258	370,362
Total Expense	7,813,639	5,457,285	5,807,147	5,623,343	5,292,291	4,150,117	3,872,155	3,649,749	3,576,442	3,604,871	3,693,822	3,592,388	56,133,248
Available Cash Balance	30,528,513	23,995,643	21,248,016	25,052,384	21,106,692	19,652,446	16,899,291	37,590,232	38,070,366	37,325,843	34,723,611	11,423,479	
Inc(Dec) in Abandoned Property Reserve	(488)	-	(109)	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	30,528,025	23,995,643	21,247,907	25,052,384	21,106,692	19,652,446	16,899,291	37,590,232	38,070,366	37,325,843	34,723,611	11,423,479	

- (1) Assumes an annual medical claim expense trend of 10% for Non-Medicare, MC Basic and Basic Plus products.
- (2) Assumes an annual pharmacy claim expense trend of 10% Non-Medicare, 10% MC Basic, and -8% MC Basic Plus.
- (3) Premium rates trended at a 4% increase.
- (4) Assumes EHIP members leave December 31, 2013 except for estimated 375 undocumented immigrants. Remaining Non-Medicare enrollment drops of at a rate of 2% per month. Medicare enrollment is trended to increase at a rate of 3 members per month.
- (5) Assumes assessments on March (**\$10.0 M**), July (**\$29.0 M**), November (**\$0 M**) TOTAL **\$39.0 M**. The July assessment includes \$8.2 M to cover pool losses and \$20.8 M for the HBE Assessment payment.
- (6) 3-Week expense allowance is \$3.2 M based upon the projected data for the 12-month period ending in Dec of 2014.
- (7) WSHIP has access to a **\$5 M** line of credit in the event cash on hand is exhausted.
- (8) Assumes **\$20.8 M** HBE assessment payment in December 2014. WSHIP will add \$20.8 M to the Interim II assessment to help fund that payment.

**Washington State Health Insurance Pool
2014 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Membership (1)	2,843	2,817	2,792	2,677	2,653	2,630	2,607	2,585	2,563	2,541	2,520	2,500	31,729
PMPM Administrative Expense (2)	106,787	105,691	104,637	99,887	98,874	97,901	96,928	95,997	95,065	94,134	93,243	92,394	1,181,538
Variable Administrative Expense (3)	33,647	32,831	32,625	26,673	26,474	28,785	28,594	25,912	25,730	25,548	58,374	25,208	370,401
Salary and Benefits Expense (4) & (7)	34,676	28,376	29,066	29,205	33,405	29,205	27,910	27,910	27,910	27,910	27,910	28,117	351,599
RX Benefit Management Fees	5,459	5,409	5,361	5,140	5,094	5,050	5,005	4,963	4,921	4,879	4,838	4,800	60,918
Miscellaneous Expense (5)	8,305	8,305	8,305	8,305	8,305	8,305	8,305	25,180	8,305	8,305	8,305	20,680	128,910
Professional Fees (6)	23,758	38,258	26,958	23,758	23,758	17,258	44,258	36,758	27,758	39,258	70,258	25,258	397,291
Total Budget Operating Expenses	\$212,631	\$218,869	\$206,951	\$192,967	\$195,909	\$186,503	\$211,000	\$216,720	\$189,689	\$200,034	\$262,928	\$196,457	\$2,490,657

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership (1)	2,534	2,095	1,938	1,841									8,408
PMPM Administrative Expense (2)	153,700	-	247,974	67,761									469,435
Variable Administrative Expense (3)	18,488	-	100,071	29,614									148,172
Salary and Benefits Expense (4) & (7)	41,811	27,429	23,389	34,342									126,971
RX Benefit Management Fees	14,837	2,845	6,289	2,195									26,166
Miscellaneous Expense (5)	16,811	8,734	10,055	5,380									40,981
Professional Fees (6)	19,113	21,626	31,158	13,904									85,801
Total Actual Operating Expenses	\$264,760	\$60,634	\$418,937	\$153,195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$897,526

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership (1)	(309)	(722)	(854)	(836)									(2,721)
PMPM Administrative Expense (2)	(46,913)	105,691	(143,337)	32,126									(52,433)
Variable Administrative Expense (3)	15,160	32,831	(67,446)	(2,941)									(22,396)
Salary and Benefits Expense (4) & (7)	(7,135)	947	5,676	(5,137)									(5,649)
RX Benefit Management Fees	(9,378)	2,564	(929)	2,945									(4,799)
Miscellaneous Expense (5)	(8,506)	(429)	(1,750)	2,925									(7,761)
Professional Fees (6)	4,645	16,631	(4,201)	9,854									26,929
Total Variance Expenses	(\$52,129)	\$158,235	(\$211,986)	\$39,772									(\$66,109)

Notes:

- (1) Assumes EHIP members leave December 31, 2013 except 275 of undocumented immigrants and another 90 members who will leave March 31, 2014.
All non-EHIP membership drops off at a rate of 2% per month.
- (2) PMPM Administrative Expense reflects contractual fees and performance bonuses per member for TPA, Utilization Management fees and Network services.
The PMPM rate varies by plan and enrollment levels. For the Medicare plan, PMPM = \$31.05. For Non-Medicare, PMPM = \$40.55. The blended rate based on enrollment is \$36.74.
Please note that if monthly enrollment falls below 2,500 lives, PMPM administrative expenses will increase according to the agreed upon rate schedule.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, special mailings, misc. system programming, Exchange Transition administration and other miscellaneous.
- (4) Salary and Benefits Expense reflect the combined amounts of the Executive Director, Deputy Executive Director, Executive Assistant and Program Coordinator, as well as Temporary Resources. PCIP-WA will reimburse WSHIP for 25% of salary and benefit costs and these figures reflect those reimbursement
- (5) Miscellaneous expense includes Board expenses, conference travel, insurance, agent commissions, phone/internet charges, and office expenses.
PCIP-WA will reimburse WSHIP for 25% of miscellaneous costs and these figures reflect those reimbursements.
- (6) Professional fees include legal fees, auditing fees, actuarial fees, and consulting.

WSHIP Financial Performance

CASH BASIS	Month Ending April 30, 2014			
	Projected	Actual	Variance	% Change
Membership	2,117	1,841	(276)	-13%
Avg Premium Receipt PMPM	\$661	\$971	\$310	47%
Avg Medical Claim Expense PMPM	\$1,260	\$2,113	(\$853)	-68%
Avg Pharmacy Claim Expense PMPM	\$964	\$841	\$123	13%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,563)	(\$1,983)	(\$420)	-27%
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,308,871)	(\$3,650,703)	(\$341,832)	-10%
Variance Due to Changes in Membership			\$547,308	
Variance Due to Changes in Claim Expenses			(\$889,140)	

CASH BASIS	Year-To-Date April 30, 2014			
	Projected	Actual	Variance	% Change
Member Months	8,970	8,408	(562)	-6%
Avg Premium Receipt PMPM	\$599	\$750	\$151	25%
Avg Medical Claim Expense PMPM	\$1,442	\$1,816	(\$374)	-26%
Avg Pharmacy Claim Expense PMPM	\$1,437	\$993	\$444	31%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$2,280)	(\$2,059)	\$221	10%
Avg Premium Receipt Less Avg Claim Expense Total	(\$20,451,600)	(\$17,312,072)	\$3,139,528	15%
Variance Due to Changes in Membership			\$1,157,158	
Variance Due to Changes in Claim Expenses			\$1,982,370	

INCURRED BASIS	Year-To-Date April 30, 2014	Year-To-Date April 30, 2013
	Actual	Actual - Prior Year
Member Months	8,408	14,425
Avg Premium Income PMPM	\$653	\$753
Avg Medical Claim Expense PMPM (1)	\$1,430	\$1,545
Avg Pharmacy Claim Expense PMPM (2)	\$1,005	\$1,032
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,782)	(\$1,824)
Avg Premium Receipt Less Avg Claim Expense Total	(\$14,983,056)	(\$26,311,200)

(1) Incurred medical claims data totals \$12,021,372 which is derived from \$7,022,372 actual paid claims with dates of service between 1-1-14 and 4-30-14 and \$4,999,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$8,449,198 which is derived from \$7,500,198 actual paid claims with dates of service between 1-1-14 and 4-30-14 and \$949,000 IBNR reserve.