

**Washington State Health Insurance Pool
Treasurer's Report
April 2019 Financial Review**

1. 2019 Interim I Assessment Required

An assessment of \$9.0 M was required to adequately fund the pool until the next scheduled assessment in July 2019. This assessment was approved by the Board of Directors on March 13, 2019 and generated on March 22, 2019 with invoices due April 22, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 22, 2019. As of May 29, 2019, \$8.3 M of assessments have been collected, leaving \$700 K to be collected.

2. 2019 Interim II Assessment Required

An assessment of \$10.5 M is required to adequately fund the pool until the next scheduled assessment in November 2019. This assessment was approved by the Board of Directors on May 8, 2019 to be generated in July 2019.

3. Financial Statements – April 2019

Balance Sheet

Cash on hand increased by \$2.5 M or 76.3% from March 2019 to April 2019. The current cash position is \$5.8 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of April 2019, the entire \$5.8 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 2019 is \$4.5 M. This is a increase of \$173 K or 4.0% from the prior month. Medical IBNR increased \$147 K or 3.6% and pharmacy IBNR increased \$26 K or 9.3% from March 2019.

As of April 2019, the equity position of WSHIP is a positive \$5.3 M.

Income Statement

Total member months for April 2019 YTD are lower by 173 member months or 3.0% lower than April 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for April 2019 YTD is \$462 K or 3.7% lower than April 2018 YTD. Incurred claim loss represents the total medical and pharmacy claims expense as well as the change in unpaid losses (IBNR) and accrued loss adjustment for the period. For April 2019

YTD, the medical claims portion is \$242 K or 3.0% lower than April 2018 YTD, and the pharmacy claims portion is \$220 K or 4.9% lower than April 2018 YTD.

April 2019 YTD administrative expenses are \$64 K or 9.7% lower than the administrative expenses for April 2018 YTD. The ratio of administrative expenses as a percentage of total cost is 5.1% for April 2019 YTD as compared to 4.8% for April YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – April 2019

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2018 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$5.8 M is \$2 M or 26.8% lower than the budgeted cash balance of \$7.9 M. Total net cash receipts for April 2019 YTD are \$2.4 M or 29.8% unfavorable to budget. Total YTD expenses for April 2019 YTD are \$878 K or 6.5% favorable to budget. The YTD administrative expenses are \$65 K or 9.8% favorable to budget. Total YTD medical claims expense is \$655 K or 7.8% favorable to budget; while total YTD pharmacy claims expense is \$157 K or 3.6% favorable to budget.

5. Medicare vs. Non-Medicare Cash Flow – April 2019

As of April, the YTD Medicare member months total 4,343 and represent 78% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,221 and account for 22% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 194% while the YTD Non-Medicare Loss Ratio is 385%. On a cash basis, the YTD Claims PMPM is \$850 for Medicare members and \$6,817 for Non-Medicare members.

6. Cash Flow Forecast – 2019

The 2019 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 January 2019 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 April 2019. For May 2019, preliminary figures for the key financial drivers (Premium Receipts, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2019 assessment projection. To ensure adequate funding the current 2019 forecast is projecting an assessment of \$27.5 M which is a \$2.0 M or 7.9% increase from the 2018 assessment of \$25.5 M.

7. Administrative Expense Budget

For April 2019, YTD administrative expenses are \$65 K or 9.8% favorable to budget (cash basis).

8. Financial Performance

April 2019 YTD member months are 3.3% lower than expected, average premium receipt PMPM is 6.1% lower than expected, average medical claims expense PMPM is 5.4% lower than expected and average pharmacy claims expense PMPM is 0.3% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,446 as compared to \$1,436 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$714 as compared to \$768 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of April 30, 2019

	<u>2019</u>	<u>2018</u>
Assets:		
Cash	\$ 5,767,098	\$ 6,323,728
Premiums Receivable	143,743	133,205
Assessments Receivable	4,525,772	3,601,242
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 10,436,613</u>	<u>\$ 10,058,174</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,240,000	\$ 3,589,000
Reserve for Unpaid Losses - Pharmacy	307,000	508,000
Accrued Loss Adjustment	285,000	303,000
Premiums Received in Advance	200,241	1,565,093
Assessments Payable	-	-
Accrued Expenses	112,174	241,112
Abandoned Claim Reserve	-	2,084
Total Liabilities	<u>\$ 5,144,415</u>	<u>\$ 6,208,289</u>
Unassigned Surplus	5,292,198	3,849,885
Total Liabilities and Unassigned Surplus	<u>\$ 10,436,613</u>	<u>\$ 10,058,174</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to April 30

	<u>2019</u>	<u>2018</u>
Total Member Months	5,564	5,737
Premium Income Earned	\$ 5,509,188	\$ 4,261,119
Pharmacy Rebate Income	159,584	117,625
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 6,947,838	7,993,248
Incurred Claim Loss - Pharmacy	4,262,835	4,482,850
Total Incurred Claim Loss	<u>11,210,673</u>	<u>12,476,098</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 322,438	\$ 325,919
Variable Administrative Expense	39,807	54,946
Salary and Benefit Expense	135,462	140,170
Prescription Administrative Expense	4,009	7,979
Miscellaneous Expense	23,123	35,893
Professional Fee Expense	62,860	100,745
Total Operating Expenses	<u>\$ 587,698</u>	<u>\$ 665,652</u>
Underwriting Gain (Loss)	(6,129,599)	(8,763,005)
Investment Income	43,895	33,885
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (6,085,704)</u>	<u>\$ (8,729,121)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(6,085,704)	(8,729,121)
Member Assessments	9,000,000	7,000,000
Unassigned Surplus	<u>\$ 5,292,198</u>	<u>\$ 3,849,885</u>

**WSHIP 2019
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	APRIL YTD	TOTAL
Budget														
Enrollment Count	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	5,756	17,274
Cash Balance														
BEGINNING OF MONTH	4,023,437	6,757,262	4,788,394	3,129,444	7,881,232	6,086,629	5,854,659	3,393,676	7,993,297	7,559,803	6,055,829	3,311,884		
Receipts														
Premium Receipts	1,340,183	500,663	1,930,710	768,066	524,338	1,859,439	774,666	578,092	1,707,677	761,243	377,905	369,585	4,539,622	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	100,000	400,000
Claim Refunds Receipts	33,675	34,235	40,267	34,738	35,292	31,280	32,589	33,216	33,600	33,666	31,707	30,778	142,916	405,045
Assessment Receipts	4,631,893	850,000	-	7,200,000	900,000	900,000	-	7,200,000	900,000	900,000	-	6,800,000	12,681,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	400	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	6,005,851	1,384,999	2,071,077	8,002,904	1,459,730	2,890,819	807,356	7,811,408	2,741,378	1,695,009	409,712	7,300,463	17,464,831	42,580,706
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	113,491	287,315
Total Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	113,491	287,315
Expenses														
Medical Claims	1,980,871	2,013,853	2,368,660	2,043,424	2,076,029	1,839,994	1,917,029	1,953,870	1,976,498	1,980,357	1,865,135	1,810,470	8,406,807	23,826,190
Pharmacy Claims	1,086,330	1,178,522	1,122,388	1,032,745	1,006,366	1,086,741	1,144,090	1,091,154	993,085	1,034,061	1,113,650	1,035,529	4,419,985	12,924,662
Fixed (PMPM) Admin	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	311,571	933,113
Variable Admin	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	65,453	189,711
Salary and Benefits	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	139,467	395,866
Prescription Admin	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	7,446	22,326
Miscellaneous	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	27,950	128,604
Professional Fees	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	114,867	304,600
Total Expense	3,238,521	3,341,351	3,681,759	3,231,915	3,241,225	3,076,303	3,248,972	3,197,335	3,132,180	3,179,952	3,144,209	3,011,349	13,493,545	38,725,070
Month Ending Cash Balance	\$ 6,757,262	\$ 4,788,394	\$ 3,129,444	\$ 7,881,232	\$ 6,086,629	\$ 5,854,659	\$ 3,393,676	\$ 7,993,297	\$ 7,559,803	\$ 6,055,829	\$ 3,311,884	\$ 7,591,758		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
Enrollment Count	1,396	1,381	1,383	1,404									5,564	
Cash Balance														
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972										
Receipts														
Premium Receipts	976,066	380,221	1,637,297	1,072,255									4,065,840	
Grant Revenue	-	-	-	-									-	
Pharmacy Rebate Income	-	122,239	-	37,345									159,584	
Claim Refunds Receipts	18,284	11,404	153,844	10,103									193,635	
Assessment Receipts	6,460,545	1,970	-	4,474,228									10,936,743	
Investment Income	13,508	11,761	8,110	10,515									43,895	
Other Income	-	-	-	-									-	
Total Receipts	7,468,402	527,595	1,799,252	5,604,446	-	-	-	-	-	-	-	-	15,399,696	
Refunds														
Assessment Refunds	990,915	-	-	-									990,915	
Premium Refunds	7,150	35,474	5,953	860									49,436	
Total Refunds	998,065	35,474	5,953	860	-	-	-	-	-	-	-	-	1,040,351	
Expenses														
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211									7,751,473	
Pharmacy Claims	980,258	1,357,357	921,902	1,003,317									4,262,835	
Fixed (PMPM) Admin	83,778	80,847	83,072	81,144									328,841	
Variable Admin	8,645	12,816	14,764	4,754									40,978	
Salary and Benefits	31,061	30,788	31,254	42,994									136,097	
Prescription Admin	1,178	840	1,122	1,023									4,164	
Miscellaneous	3,508	8,072	3,054	5,851									20,485	
Professional Fees	12,841	16,481	29,323	12,166									70,812	
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	-	-	-	-	-	-	-	-	12,615,684	
Available Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	-	-	-	-	-	-	-	-		
Inc(Dec) in Abandoned Property Reserve														
Month Ending Cash Balance	\$ 7,253,817	\$ 4,550,531	\$ 3,270,972	\$ 5,767,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

**WSHIP 2019
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(43)	(58)	(56)	(35)									(192)
Receipts													
Premium Receipts	(364,117)	(120,442)	(293,412)	304,189									(473,783)
Grant Revenue	-	-	-	-									-
Pharmacy Rebate Income	-	122,239	(100,000)	37,345									59,584
Claim Refunds Receipts	(15,391)	(22,831)	113,577	(24,635)									50,719
Assessment Receipts	1,828,652	(848,030)	-	(2,725,772)									(1,745,150)
Investment Income	13,408	11,661	8,010	10,415									43,495
Other Income	-	-	-	-									-
Total Receipts	1,462,551	(857,404)	(271,825)	(2,398,458)									(2,065,135)
Refunds													
Assessment Refunds	(990,915)	-	-	-									(990,915)
Premium Refunds	26,355	(22,957)	42,315	18,342									64,055
Total Refunds	(964,560)	(22,957)	42,315	18,342									(926,860)
Expenses													
Medical Claims	(137,817)	325,647	380,292	87,213									655,335
Pharmacy Claims	106,072	(178,835)	200,486	29,428									157,151
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)	(3,388)									(17,270)
Variable Admin	6,292	1,522	6,075	10,586									24,474
Salary and Benefits	12,713	1,110	643	(11,096)									3,370
Prescription Admin	684	1,021	739	838									3,282
Miscellaneous	4,267	(2,197)	5,371	24									7,465
Professional Fees	11,876	735	20,593	10,851									44,055
Total Expense	(1,436)	145,943	608,900	124,455									877,861
Available Cash Balance	496,555	(237,862)	141,528	(2,114,134)									
Inc(Dec) in Abandoned													
Property Reserve													
Month Ending Cash Balance	496,555	(237,862)	141,528	(2,114,134)									

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trended with no increase.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 6% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 4 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$9.0 M) and November (\$8.5 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

WSHIP 2019
Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2018	2017	2016	
Medicare																	
Enrollment Count	1,088	1,077	1,079	1,099										4,343			
Premiums	518,529	266,048	317,366	802,182										1,904,124			
Medical Claims	931,265	769,478	775,979	853,752										3,330,473			
RX Claims	83,571	141,871	70,465	64,435										360,341			
Total Claims	1,014,836	911,349	846,444	918,186	-	-	-	-	-	-	-	-	-	3,690,815			
Income/Loss	(496,307)	(645,301)	(529,078)	(116,004)	-	-	-	-	-	-	-	-	-	(1,786,690)			
Loss Ratio	196%	343%	267%	114%										194%	191%	201%	219%
Claims PMPM	933	846	784	835										850	815	792	871
Non Medicare																	
Enrollment Count	308	304	304	305										1,221			
Premiums	457,537	114,174	1,319,931	270,073										2,161,714			
Medical Claims	1,187,423	918,728	1,212,387	1,102,459										4,420,997			
RX Claims	896,687	1,215,486	851,438	938,882										3,902,493			
Total Claims	2,084,110	2,134,214	2,063,825	2,041,341	-	-	-	-	-	-	-	-	-	8,323,490			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	-	-	-	-	-	-	-	-	-	(6,161,776)			
Loss Ratio	456%	1869%	156%	756%										385%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789	6,693										6,817	7,047	6,340	5,907
Combined Medicare/Non Medicare																	
Enrollment Count	1,396	1,381	1,383	1,404	-	-	-	-	-	-	-	-	-	5,564			
Premiums	976,066	380,221	1,637,297	1,072,255	-	-	-	-	-	-	-	-	-	4,065,839			
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	-	-	-	-	-	-	-	-	-	7,751,472			
RX Claims	980,258	1,357,357	921,902	1,003,317	-	-	-	-	-	-	-	-	-	4,262,834			
Total Claims	3,098,946	3,045,563	2,910,269	2,959,528	-	-	-	-	-	-	-	-	-	12,014,307			
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	(1,887,273)	-	-	-	-	-	-	-	-	-	(7,948,468)			
Loss Ratio	317%	801%	178%	276%										295%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104	2,108										2,159	2,277	2,235	2,355

Notes:
1) Premiums, Medical Claims and RX Claims are cash basis figures.

Washington State Health Insurance Pool 2019 Cash Flow Forecast

Forecast - Updated 01/31/19

	ACTUAL				Forecast								TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	308	304	304	305	308	306	304	302	300	298	296	294	3,630
Medicare Enrollment (Basic and Basic+)	1,088	1,077	1,079	1,099	1,098	1,099	1,100	1,101	1,102	1,103	1,104	1,145	13,195
Total Enrollment Count	1,396	1,381	1,383	1,404	1,406	1,405	1,404	1,403	1,402	1,401	1,400	1,439	16,825
Cash Balance													
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098	7,133,464	6,646,259	4,123,502	9,517,104	8,728,208	7,021,136	3,960,978	
Receipts													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,793	1,725,230	727,936	419,925	1,723,819	689,693	313,846	1,586,238	11,624,319
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	-	100,000	-	-	100,000	-	-	100,000	459,584
Claim Refunds Receipts	18,284	11,404	153,844	10,103	28,892	30,881	33,140	37,558	41,658	38,959	37,680	36,160	478,563
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,792,658	733,114	-	8,400,000	1,050,000	1,050,000	-	6,400,000	32,362,515
Investment Income	13,508	11,761	8,110	10,515	100	100	100	100	100	100	100	100	44,695
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	7,468,402	527,595	1,799,252	5,604,446	4,193,443	2,589,325	761,176	8,857,583	2,915,577	1,778,752	351,626	8,122,498	44,969,676
Refunds													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	9,295	43,131	18,198	10,498	43,095	17,242	7,846	39,656	238,398
Total Refunds	998,065	35,474	5,953	860	9,295	43,131	18,198	10,498	43,095	17,242	7,846	39,656	1,229,313
Expenses													
Medical Claim Expense	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	1,816,540	1,949,417	2,209,305	2,450,462	2,291,715	2,216,489	2,127,043	24,511,958
Pharmacy Claim Expense	980,258	1,357,357	921,902	1,003,317	959,437	1,067,292	1,128,465	1,091,867	1,048,319	1,011,332	1,022,025	1,070,100	12,661,672
PMPM Administrative Expense	83,778	80,847	83,072	81,144	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	950,383
Variable Administrative Expense	8,645	12,816	14,764	4,754	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	165,236
Salary and Benefits Expense	31,061	30,788	31,254	42,994	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	392,496
Prescription Administrative Expense	1,178	840	1,122	1,023	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	19,044
Miscellaneous Expense	3,508	8,072	3,054	5,851	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	121,139
Professional Fees	12,841	16,481	29,323	12,166	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	260,545
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	2,817,782	3,033,399	3,265,735	3,453,483	3,661,377	3,468,582	3,403,939	3,362,493	39,082,474
Available Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,133,464	6,646,259	4,123,502	9,517,104	8,728,208	7,021,136	3,960,978	8,681,326	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,133,464	6,646,259	4,123,502	9,517,104	8,728,208	7,021,136	3,960,978	8,681,326	

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trend or 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 3% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 2 members per month, while Medicare Basic+ projected to drop 1 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$10.5 M) and November (\$8.0 M) TOTAL \$27.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2019 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	316	314	312	310	308	306	304	303	301	299	297	295	3,666
Medicare Basic	957	961	965	969	973	977	981	985	989	993	997	1,001	11,748
Medicare Basic Plus	166	164	162	160	158	156	154	152	150	148	146	144	1,860
Total Membership	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	17,274
PMPM Administrative Expense (2)	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	933,113
Variable Administrative Expense (3)	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	189,710
Salary and Benefits Expense (4)	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	395,866
RX Benefit Management Fees	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	22,325
Miscellaneous Expense (5)	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	128,604
Professional Fees (6)	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	304,600
Total Budget Operating Expenses	\$171,319	\$148,976	\$190,711	\$155,746	\$158,830	\$149,567	\$187,853	\$152,311	\$162,596	\$165,534	\$165,424	\$165,350	\$1,974,218

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	308	304	304	305									1,221
Medicare Basic	927	919	921	943									3,710
Medicare Basic Plus	161	158	158	156									633
Total Membership	1,396	1,381	1,383	1,404	-	-	-	-	-	-	-	-	5,564
PMPM Administrative Expense (2)	83,778	80,847	83,072	81,144									\$328,841
Variable Administrative Expense (3)	8,645	12,816	14,764	4,754									\$40,978
Salary and Benefits Expense (4)	31,061	30,788	31,254	42,994									\$136,097
RX Benefit Management Fees	1,178	840	1,122	1,023									\$4,164
Miscellaneous Expense (5)	3,508	8,072	3,054	5,851									\$20,485
Professional Fees (6)	12,841	16,481	29,323	12,166									\$70,812
Total Actual Operating Expenses	\$141,011	\$149,844	\$162,589	\$147,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$601,377

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)	(5)									(31)
Medicare Basic	(30)	(42)	(44)	(26)									(142)
Medicare Basic Plus	(5)	(6)	(4)	(4)									(19)
Total Membership	(43)	(58)	(56)	(35)	-	-	-	-	-	-	-	-	(192)
PMPM Administrative Expense (2)	5,523	3,059	5,300	3,388									\$17,270
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)	(10,586)									(\$24,474)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)	11,096									(\$3,370)
RX Benefit Management Fees	(683)	(1,021)	(739)	(838)									(\$3,282)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)	(24)									(\$7,465)
Professional Fees (6)	(11,875)	(735)	(20,593)	(10,851)									(\$44,055)
Total Variance Expenses	(\$30,308)	\$868	(\$28,122)	(\$7,814)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$65,375)

WSHIP Financial Performance

CASH BASIS	Month Ending April 30, 2019			
	Projected	Actual	Variance	% Change
Membership	1,439	1,404	(35)	-2.4%
Avg Premium Receipt PMPM	\$520	\$763	\$243	46.7%
Avg Medical Claim Expense PMPM	\$1,396	\$1,386	\$10	-0.7%
Avg Pharmacy Claim Expense PMPM	\$718	\$715	\$3	-0.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,594)	(\$1,338)	\$256	16.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,293,985)	(\$1,878,552)	\$415,433	18.1%
Variance Due to Changes in Membership			\$47,013	
Variance Due to Changes in Claim Expenses			\$368,419	

CASH BASIS	Year-To-Date April 30, 2019			
	Projected	Actual	Variance	% Change
Member Months	5,756	5,564	(192)	-3.3%
Avg Premium Receipt PMPM	\$769	\$722	(\$47)	-6.1%
Avg Medical Claim Expense PMPM	\$1,436	\$1,358	(\$78)	-5.4%
Avg Pharmacy Claim Expense PMPM	\$768	\$766	(\$2)	-0.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,435)	(\$1,402)	\$33	2.3%
Avg Premium Receipt Less Avg Claim Expense Total	(\$8,259,842)	(\$7,800,728)	\$459,114	5.6%
Variance Due to Changes in Membership			\$269,166	
Variance Due to Changes in Claim Expenses			\$189,948	

INCURRED BASIS	Year-To-Date April 30, 2019	Year-To-Date April 30, 2018
	Actual	Actual - Prior Year
Member Months	5,564	5,737
Avg Premium Income PMPM	\$990	\$743
Avg Medical Claim Expense PMPM (1)	\$1,446	\$1,491
Avg Pharmacy Claim Expense PMPM (2)	\$714	\$834
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,170)	(\$1,582)
Avg Premium Receipt Less Avg Claim Expense Total	(\$6,509,880)	(\$9,075,934)

(1) Incurred medical claims data totals \$8,045,213 which is derived from \$4,260,213 actual paid claims with dates of service between 01-01-19 and 04-30-19 and \$3,785,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$3,972,024 which is derived from \$3,665,024 actual paid claims with dates of service between 01-01-19 and 04-30-19 and \$307,000 IBNR reserve.