

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

1. 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 and generated on July 22, 2019 with invoices due August 22, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 22, 2019. As of September 30, 2019, \$9 M of assessment have been collected, leaving \$1.5 M to be collected.

2. Financial Statements – August 2019

Balance Sheet

Cash on hand increased by \$4.5 M or 89.4% from July 2019 to August 2019. The current cash position is \$5.5 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of August 2019, the entire \$5.5 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 August 2019 is \$5.2 M. This is a decrease of \$302 K or 5.5% from the prior month. Medical IBNR increased \$265 K or 5.7% and pharmacy IBNR decreased \$567 K or 69% from July 2019.

As of August 2019, the equity position of WSHIP is a positive \$5.9 M.

Income Statement

Total member months for August 2019 YTD are lower by 326 member months or 2.8% lower than August 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for August 2019 YTD is \$2.1 M or 8.2% lower than August 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 August 2019 YTD, the medical claims portion is \$2 M or 11.4% lower than August 2018 YTD, and the pharmacy claims portion is \$148 K or 1.7% lower than August 2018 YTD.

August 2019 YTD administrative expenses are \$95 K or 7.5% lower than the administrative expenses for August 2018 YTD. The ratio of administrative expenses

as a percentage of total cost is 4.7% for August 2019 YTD as compared to 4.7% for August YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

### 3. Budgeted Cash Flow – August 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 \$9.6 M is \$1.6 M or 19.8% higher than the budgeted cash balance of \$8 M. Total net cash receipts for August 2019 YTD are \$332 K or 4.3% favorable to budget. Total YTD expenses for August 2019 YTD are \$820 K or 3.1% favorable to budget. The YTD administrative expenses are \$145 K or 11% favorable to budget. Total YTD medical claims expense is \$58 K or 0.4% favorable to budget; while total YTD pharmacy claims expense is \$86 K or 1% favorable to budget.

### 4. Medicare vs. Non-Medicare Cash Flow – August 2019

As of August, the YTD Medicare member months total 8,711 and represent 78.2% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,422 and account for 21.8% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 209% while the YTD Non-Medicare Loss Ratio is 415%. On a cash basis, the YTD Claims PMPM is \$868 for Medicare members and \$6,897 for Non-Medicare members.

### 5. 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 August 2019. For September 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.

## 6. Cash Flow Forecast – 2020

Included in this month's financial packet is a draft of the 2020 cash flow forecast. Assumptions are noted on this schedule as well as the 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$25.5 M which is identical to the 2019 assessment of \$25.5 M.

## 7. Administrative Expense Budget

For August 2019, YTD administrative expenses are \$145 K or 11% favorable to budget (cash basis).

## 8. Financial Performance

August 2019 YTD member months are 2.4% lower than expected, average premium receipt PMPM is 7.9% lower than expected, average medical claims expense PMPM is 0.4% high than expected and average pharmacy claims expense PMPM is 45.4% high than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,493 as compared to \$1,377 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$750 as compared to \$778 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of August 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Cash	\$ 9,573,338	\$ 7,172,127
Premiums Receivable	84,724	94,770
Assessments Receivable	2,211,854	2,574,203
Grants Receivable	-	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 11,869,915</u>	<u>\$ 9,841,100</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 4,942,000	\$ 4,042,000
Reserve for Unpaid Losses - Pharmacy	255,000	415,000
Accrued Loss Adjustment	285,000	331,000
Premiums Received in Advance	362,962	272,478
Assessments Payable	-	-
Accrued Expenses	122,722	128,706
Abandoned Claim Reserve	-	2,084
<b>Total Liabilities</b>	<u>\$ 5,967,683</u>	<u>\$ 5,191,267</u>
<b>Unassigned Surplus</b>	5,902,232	4,649,833
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 11,869,915</u>	<u>\$ 9,841,100</u>

## WASHINGTON STATE HEALTH INSURANCE POOL

### Unaudited Statement of Operations January 1 to August 31

	<u>2019</u>	<u>2018</u>
Total Member Months	11,133	11,459
<b>Premium Income Earned</b>	\$ 8,773,237	\$ 9,056,287
<b>Pharmacy Rebate Income</b>	354,076	370,451
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	\$ 15,366,381	17,351,406
<b>Incurred Claim Loss - Pharmacy</b>	8,662,667	8,810,876
<b>Total Incurred Claim Loss</b>	<u>24,029,048</u>	<u>26,162,282</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 641,111	\$ 650,143
Variable Administrative Expense	64,323	103,611
Salary and Benefit Expense	264,056	255,890
Prescription Administrative Expense	7,711	14,389
Miscellaneous Expense	63,974	79,172
Professional Fee Expense	126,256	158,774
<b>Total Operating Expenses</b>	<u>\$ 1,167,431</u>	<u>\$ 1,261,980</u>
<b>Underwriting Gain (Loss)</b>	(16,069,167)	(17,997,524)
<b>Investment Income</b>	93,497	68,351
<b>Other Income</b>	-	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (15,975,670)</u>	<u>\$ (17,929,173)</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Changes in Unassigned Surplus January 1 to August 31

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(15,975,670)	(17,929,173)
Member Assessments	19,500,000	17,000,000
<b>Unassigned Surplus</b>	<u>\$ 5,902,232</u>	<u>\$ 4,649,833</u>

**WSHIP 2019  
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	AUGUST YTD	TOTAL
<b>Budget</b>														
<b>Enrollment Count</b>	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	11,514	17,274
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	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		
<b>Receipts</b>														
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	8,276,157	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	200,000	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	275,294	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	21,681,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	800	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>6,005,851</b>	<b>1,384,999</b>	<b>2,071,077</b>	<b>8,002,904</b>	<b>1,459,730</b>	<b>2,890,819</b>	<b>807,356</b>	<b>7,811,408</b>	<b>2,741,378</b>	<b>1,695,009</b>	<b>409,712</b>	<b>7,300,463</b>	<b>30,434,144</b>	<b>42,580,706</b>
<b>Refunds</b>														
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	206,904	287,315
<b>Total Refunds</b>	<b>33,505</b>	<b>12,517</b>	<b>48,268</b>	<b>19,202</b>	<b>13,108</b>	<b>46,486</b>	<b>19,367</b>	<b>14,452</b>	<b>42,692</b>	<b>19,031</b>	<b>9,448</b>	<b>9,240</b>	<b>206,904</b>	<b>287,315</b>
<b>Expenses</b>														
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	16,193,729	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	8,748,336	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	622,447	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	122,821	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	267,390	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	14,887	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	75,536	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	212,234	304,600
<b>Total Expense</b>	<b>3,238,521</b>	<b>3,341,351</b>	<b>3,681,759</b>	<b>3,231,915</b>	<b>3,241,225</b>	<b>3,076,303</b>	<b>3,248,972</b>	<b>3,197,335</b>	<b>3,132,180</b>	<b>3,179,952</b>	<b>3,144,209</b>	<b>3,011,349</b>	<b>26,257,380</b>	<b>38,725,070</b>
<b>Month Ending Cash Balance</b>	<b>\$ 6,757,262</b>	<b>\$ 4,788,394</b>	<b>\$ 3,129,444</b>	<b>\$ 7,881,232</b>	<b>\$ 6,086,629</b>	<b>\$ 5,854,659</b>	<b>\$ 3,393,676</b>	<b>\$ 7,993,297</b>	<b>\$ 7,559,803</b>	<b>\$ 6,055,829</b>	<b>\$ 3,311,884</b>	<b>\$ 7,591,758</b>		

<b>Actual</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
<b>Enrollment Count</b>	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405					11,133	
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043						
<b>Receipts</b>														
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592					7,642,195	
Grant Revenue	-	-	-	-	-	-	-	-					-	
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	-	-	79,557					354,076	
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	-	49,949	2,263					277,943	
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	759,828	7,528,318					23,750,661	
Investment Income	13,508	11,761	8,110	10,515	13,353	12,851	11,689	11,710					93,497	
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-					-	
<b>Total Receipts</b>	<b>7,468,402</b>	<b>527,595</b>	<b>1,799,252</b>	<b>5,604,446</b>	<b>4,389,256</b>	<b>3,811,025</b>	<b>371,953</b>	<b>8,146,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,118,371</b>	
<b>Refunds</b>														
Assessment Refunds	990,915	-	-	-	-	-	-	-					990,915	
Premium Refunds	7,150	35,474	5,953	860	34,240	-	38,346	17,980					140,002	
<b>Total Refunds</b>	<b>998,065</b>	<b>35,474</b>	<b>5,953</b>	<b>860</b>	<b>34,240</b>	<b>-</b>	<b>38,346</b>	<b>17,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,130,917</b>	
<b>Expenses</b>														
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608					15,604,323	
Pharmacy Claims	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,066,724	1,548,514					8,662,667	
Fixed (PMPM) Admin	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152					646,178	
Variable Admin	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651					66,830	
Salary and Benefits	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009					260,893	
Prescription Admin	1,178	840	1,122	1,023	1,069	645	992	2,020					8,889	
Miscellaneous	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970					62,481	
Professional Fees	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241					125,290	
<b>Total Expense</b>	<b>3,239,957</b>	<b>3,195,407</b>	<b>3,072,859</b>	<b>3,107,460</b>	<b>2,794,386</b>	<b>3,295,567</b>	<b>3,121,751</b>	<b>3,610,165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,437,552</b>	
<b>Available Cash Balance</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	<b>7,843,187</b>	<b>5,055,043</b>	<b>9,573,338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Inc(Dec) in Abandoned Property Reserve</b>														
<b>Month Ending Cash Balance</b>	<b>\$ 7,253,817</b>	<b>\$ 4,550,531</b>	<b>\$ 3,270,972</b>	<b>\$ 5,767,098</b>	<b>\$ 7,327,729</b>	<b>\$ 7,843,187</b>	<b>\$ 5,055,043</b>	<b>\$ 9,573,338</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		

**WSHIP 2019  
Budgeted Cashflow**

<b>Variance to Budget</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
<b>Enrollment Count</b>	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)					(381)
<b>Receipts</b>													
Premium Receipts	(364,117)	(120,442)	(293,412)	304,189	(152,544)	4,908	40,956	(53,499)					(633,963)
Grant Revenue	-	-	-	-	-	-	-	-					-
Pharmacy Rebate Income	-	122,239	(100,000)	37,345	114,935	(100,000)	-	79,557					154,076
Claim Refunds Receipts	(15,391)	(22,831)	113,577	(24,635)	(3,197)	(31,280)	17,359	(30,952)					2,649
Assessment Receipts	1,828,652	(848,030)	-	(2,725,772)	2,957,079	(231,307)	759,828	328,318					2,068,768
Investment Income	13,408	11,661	8,010	10,415	13,253	12,751	11,589	11,610					92,697
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-					-
<b>Total Receipts</b>	<b>1,462,551</b>	<b>(857,404)</b>	<b>(271,825)</b>	<b>(2,398,458)</b>	<b>2,929,526</b>	<b>920,206</b>	<b>(435,403)</b>	<b>335,033</b>					<b>1,684,227</b>
<b>Refunds</b>													
Assessment Refunds	(990,915)	-	-	-	-	-	-	-					(990,915)
Premium Refunds	26,355	(22,957)	42,315	18,342	(21,131)	46,486	(18,980)	(3,528)					66,902
<b>Total Refunds</b>	<b>(964,560)</b>	<b>(22,957)</b>	<b>42,315</b>	<b>18,342</b>	<b>(21,131)</b>	<b>46,486</b>	<b>(18,980)</b>	<b>(3,528)</b>					<b>(924,013)</b>
<b>Expenses</b>													
Medical Claims	(137,817)	325,647	380,292	87,213	376,514	(499,795)	(10,910)	68,262					589,406
Pharmacy Claims	106,072	(178,835)	200,486	29,428	46,929	261,584	77,366	(457,361)					85,669
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)	(3,388)	365	(5,732)	(641)	(454)					(23,731)
Variable Admin	6,292	1,522	6,075	10,586	6,867	11,081	6,876	6,692					55,990
Salary and Benefits	12,713	1,110	643	(11,096)	1,030	677	1,366	55					6,497
Prescription Admin	684	1,021	739	838	792	1,216	868	(160)					5,998
Miscellaneous	4,267	(2,197)	5,371	24	(24)	(1,866)	23,820	(16,341)					13,054
Professional Fees	11,876	735	20,593	10,851	14,366	13,571	28,476	(13,524)					86,944
<b>Total Expense</b>	<b>(1,436)</b>	<b>145,943</b>	<b>608,900</b>	<b>124,455</b>	<b>446,839</b>	<b>(219,264)</b>	<b>127,221</b>	<b>(412,830)</b>					<b>819,827</b>
<b>Available Cash Balance</b>	<b>496,555</b>	<b>(237,862)</b>	<b>141,528</b>	<b>(2,114,134)</b>	<b>1,241,101</b>	<b>1,988,528</b>	<b>1,661,367</b>	<b>1,580,041</b>					
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>496,555</b>	<b>(237,862)</b>	<b>141,528</b>	<b>(2,114,134)</b>	<b>1,241,101</b>	<b>1,988,528</b>	<b>1,661,367</b>	<b>1,580,041</b>					

- (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.



**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	
<b>Enrollment:</b>													
Non-Medicare Enrollment	308	304	304	305	300	303	300	298	300	298	296	294	3,610
Medicare Enrollment (Basic and Basic+)	1,088	1,077	1,079	1,099	1,069	1,082	1,110	1,107	1,102	1,103	1,104	1,145	13,165
<b>Total Enrollment Count</b>	<b>1,396</b>	<b>1,381</b>	<b>1,383</b>	<b>1,404</b>	<b>1,369</b>	<b>1,385</b>	<b>1,410</b>	<b>1,405</b>	<b>1,402</b>	<b>1,401</b>	<b>1,400</b>	<b>1,439</b>	<b>16,775</b>
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	<b>4,023,437</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	<b>7,843,187</b>	<b>5,055,043</b>	<b>9,573,338</b>	8,623,598	8,017,441	4,957,282	
<b>Receipts</b>													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,791,590	689,693	313,846	1,586,238	12,023,561
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	-	-	79,557	-	-	-	100,000	454,076
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	-	49,949	2,263	8,361	38,959	37,680	36,160	399,103
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	759,828	7,528,318	820,767	2,150,915	-	6,400,000	33,122,343
Investment Income	13,508	11,761	8,110	10,515	13,353	12,851	11,689	11,710	100	100	100	100	93,897
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
<b>Total Receipts</b>	<b>7,468,402</b>	<b>527,595</b>	<b>1,799,252</b>	<b>5,604,446</b>	<b>4,389,256</b>	<b>3,811,025</b>	<b>371,953</b>	<b>8,146,440</b>	2,620,818	2,879,667	351,626	8,122,498	46,092,980
<b>Refunds</b>													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	0	38,346	17,980	44,790	17,242	7,846	39,656	249,536
<b>Total Refunds</b>	<b>998,065</b>	<b>35,474</b>	<b>5,953</b>	<b>860</b>	<b>34,240</b>	<b>0</b>	<b>38,346</b>	<b>17,980</b>	44,790	17,242	7,846	39,656	1,240,451
<b>Expenses</b>													
Medical Claim Expense	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608	2,353,610	2,291,715	2,216,489	2,127,043	24,593,181
Pharmacy Claim Expense	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,066,724	1,548,514	1,009,562	1,011,332	1,022,025	1,070,100	12,775,687
PMPM Administrative Expense	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	77,685	77,672	77,660	77,649	956,844
Variable Administrative Expense	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	15,346	14,347	22,849	14,350	133,720
Salary and Benefits Expense	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	32,064	32,064	32,064	32,282	389,369
Prescription Administrative Expense	1,178	840	1,122	1,023	1,069	645	992	2,020	1,860	1,860	1,860	1,859	16,328
Miscellaneous Expense	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	8,425	14,875	7,775	21,993	115,550
Professional Fees	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	27,217	24,717	23,217	17,217	217,656
<b>Total Expense</b>	<b>3,239,957</b>	<b>3,195,407</b>	<b>3,072,859</b>	<b>3,107,460</b>	<b>2,794,386</b>	<b>3,295,567</b>	<b>3,121,751</b>	<b>3,610,165</b>	3,525,769	3,468,582	3,403,939	3,362,493	39,198,335
Available Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,623,598	8,017,441	4,957,282	9,677,631	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month Ending Cash Balance</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	<b>7,843,187</b>	<b>5,055,043</b>	<b>9,573,338</b>	8,623,598	8,017,441	4,957,282	9,677,631	

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes a Medicare medical claim expense trend of 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a 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  
2020 Cash Flow Forecast

Forecast - Updated 01/31/19

	Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Enrollment:</b>													
Non-Medicare Enrollment	274	272	270	268	266	264	262	260	258	256	254	252	3,156
Medicare Enrollment (Basic and Basic+)	1,088	1,089	1,090	1,091	1,092	1,093	1,094	1,095	1,096	1,097	1,098	1,099	13,122
<b>Total Enrollment Count</b>	<b>1,362</b>	<b>1,361</b>	<b>1,360</b>	<b>1,359</b>	<b>1,358</b>	<b>1,357</b>	<b>1,356</b>	<b>1,355</b>	<b>1,354</b>	<b>1,353</b>	<b>1,352</b>	<b>1,351</b>	<b>16,278</b>
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	<b>9,677,631</b>	<b>8,731,382</b>	<b>7,049,908</b>	<b>5,679,100</b>	<b>9,830,920</b>	<b>8,083,855</b>	<b>7,762,616</b>	<b>5,387,897</b>	<b>10,954,232</b>	<b>10,273,182</b>	<b>8,691,764</b>	<b>5,822,136</b>	
<b>Receipts</b>													
Premium Receipts	1,257,978	422,597	1,645,796	814,199	491,013	1,667,853	703,726	405,959	1,666,489	666,755	303,408	1,533,483	11,579,254
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	100,000	100,000	100,000	-	-	100,000	-	-	100,000	-	-	100,000	600,000
Claim Refunds Receipts	32,384	31,823	32,890	33,135	33,435	29,502	31,563	35,699	40,140	37,683	35,535	34,171	407,959
Assessment Receipts	800,000	800,000	-	6,400,000	800,000	800,000	-	8,400,000	1,050,000	1,050,000	-	5,600,000	25,700,000
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>2,190,461</b>	<b>1,354,520</b>	<b>1,778,785</b>	<b>7,247,433</b>	<b>1,324,547</b>	<b>2,597,455</b>	<b>735,389</b>	<b>8,841,758</b>	<b>2,856,729</b>	<b>1,754,538</b>	<b>339,043</b>	<b>7,267,754</b>	<b>38,288,413</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	31,449	10,565	41,145	20,355	12,275	41,696	17,593	10,149	41,662	16,669	7,585	38,337	289,481
<b>Total Refunds</b>	<b>31,449</b>	<b>10,565</b>	<b>41,145</b>	<b>20,355</b>	<b>12,275</b>	<b>41,696</b>	<b>17,593</b>	<b>10,149</b>	<b>41,662</b>	<b>16,669</b>	<b>7,585</b>	<b>38,337</b>	<b>289,481</b>
<b>Expenses</b>													
Medical Claim Expense	1,904,938	1,871,954	1,934,683	1,949,106	1,966,753	1,735,431	1,856,634	2,099,949	2,361,204	2,216,620	2,090,283	2,010,036	23,997,591
Pharmacy Claim Expense	1,009,618	962,767	983,054	970,406	933,754	992,000	1,048,027	1,013,014	972,316	937,132	945,379	986,829	11,754,298
PMPM Administrative Expense	77,772	77,772	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	932,614
Variable Administrative Expense	20,839	20,839	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	202,113
Salary and Benefits Expense	31,898	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	383,989
Prescription Administrative Expense	1,859	1,860	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	22,321
Miscellaneous Expense	8,423	8,424	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	131,801
Professional Fees	49,915	49,916	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	362,497
<b>Total Expense</b>	<b>3,105,261</b>	<b>3,025,429</b>	<b>3,108,448</b>	<b>3,075,258</b>	<b>3,059,337</b>	<b>2,876,998</b>	<b>3,092,514</b>	<b>3,265,275</b>	<b>3,496,116</b>	<b>3,319,287</b>	<b>3,201,086</b>	<b>3,162,215</b>	<b>37,787,225</b>
Available Cash Balance	8,731,382	7,049,908	5,679,100	9,830,920	8,083,855	7,762,616	5,387,897	10,954,232	10,273,182	8,691,764	5,822,136	9,889,338	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month Ending Cash Balance</b>	<b>8,731,382</b>	<b>7,049,908</b>	<b>5,679,100</b>	<b>9,830,920</b>	<b>8,083,855</b>	<b>7,762,616</b>	<b>5,387,897</b>	<b>10,954,232</b>	<b>10,273,182</b>	<b>8,691,764</b>	<b>5,822,136</b>	<b>9,889,338</b>	

- (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 in March (\$8.0 M), July (\$10.5 M) and November (\$7.0 M) TOTAL \$25.5 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	
<b>Medicare</b>																	
Enrollment Count	1,088	1,077	1,079	1,099	1,069	1,082	1,110	1,107						8,711			
Premiums	518,529	266,048	317,366	802,182	250,982	488,150	600,565	375,893						3,619,714			
Medical Claims	931,265	769,478	775,979	853,752	951,250	841,047	951,867	872,293						6,946,931			
RX Claims	83,571	141,871	70,465	64,435	60,054	53,768	64,797	75,804						614,764			
Total Claims	1,014,836	911,349	846,444	918,187	1,011,304	894,815	1,016,664	948,098	-	-	-	-	-	7,561,695			
Income/Loss	(496,307)	(645,301)	(529,078)	(116,005)	(760,321)	(406,665)	(416,099)	(572,205)	-	-	-	-	-	(3,941,981)			
Loss Ratio	196%	343%	267%	114%	403%	183%	169%	252%						209%	191%	201%	219%
Claims PMPM	933	846	784	835	946	827	916	856						868	815	792	871
<b>Non Medicare</b>																	
Enrollment Count	308	304	304	305	300	303	300	298						2,422			
Premiums	457,537	114,174	1,319,931	270,073	120,812	1,376,197	215,057	148,699						4,022,480			
Medical Claims	1,187,423	918,728	1,212,387	1,102,459	748,265	1,498,742	976,073	1,013,314						8,657,391			
RX Claims	896,687	1,215,486	851,438	938,882	899,384	771,389	1,001,927	1,472,710						8,047,904			
Total Claims	2,084,110	2,134,214	2,063,825	2,041,341	1,647,649	2,270,131	1,978,000	2,486,024	-	-	-	-	-	16,705,294			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	(1,526,837)	(893,934)	(1,762,943)	(2,337,325)	-	-	-	-	-	(12,682,815)			
Loss Ratio	456%	1869%	156%	756%	1364%	165%	920%	1672%						415%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789	6,693	5,492	7,492	6,593	8,342						6,897	7,047	6,340	5,907
<b>Combined Medicare/Non Medicare</b>																	
Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	-	-	-	-	-	11,133			
Premiums	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	-	-	-	-	-	7,642,194			
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608	-	-	-	-	-	15,604,324			
RX Claims	980,258	1,357,357	921,902	1,003,317	959,438	825,157	1,066,724	1,548,514	-	-	-	-	-	8,662,668			
Total Claims	3,098,946	3,045,563	2,910,269	2,959,528	2,658,953	3,164,946	2,994,663	3,434,122	-	-	-	-	-	24,266,992			
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	(1,887,273)	(2,287,159)	(1,300,599)	(2,179,042)	(2,909,530)	-	-	-	-	-	(16,624,798)			
Loss Ratio	317%	801%	178%	276%	715%	170%	367%	655%						318%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104	2,108	1,942	2,285	2,124	2,444						2,180	2,277	2,235	2,355

**Notes:**

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

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

<b>Budget</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
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
<b>Total Budget Operating Expenses</b>	<b>\$171,319</b>	<b>\$148,976</b>	<b>\$190,711</b>	<b>\$155,746</b>	<b>\$158,830</b>	<b>\$149,567</b>	<b>\$187,853</b>	<b>\$152,311</b>	<b>\$162,596</b>	<b>\$165,534</b>	<b>\$165,424</b>	<b>\$165,350</b>	<b>\$1,974,218</b>

<b>Actual</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	308	304	304	305	300	303	300	298					2,422
Medicare Basic	927	919	921	943	914	929	959	957					7,469
Medicare Basic Plus	161	158	158	156	155	153	151	150					1,242
Total Membership	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	-	-	-	-	11,133
PMPM Administrative Expense (2)	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152					\$646,178
Variable Administrative Expense (3)	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651					\$66,830
Salary and Benefits Expense (4)	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009					\$260,893
RX Benefit Management Fees	1,178	840	1,122	1,023	1,069	645	992	2,020					\$8,889
Miscellaneous Expense (5)	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970					\$62,481
Professional Fees (6)	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241					\$125,290
<b>Total Actual Operating Expenses</b>	<b>\$141,011</b>	<b>\$149,844</b>	<b>\$162,589</b>	<b>\$147,932</b>	<b>\$135,434</b>	<b>\$130,621</b>	<b>\$127,087</b>	<b>\$176,043</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,170,562</b>

<b>Variance</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)	(5)	(8)	(3)	(4)	(5)					(52)
Medicare Basic	(30)	(42)	(44)	(26)	(59)	(48)	(22)	(28)					(299)
Medicare Basic Plus	(5)	(6)	(4)	(4)	(3)	(3)	(3)	(2)					(30)
Total Membership	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)	-	-	-	-	(381)
PMPM Administrative Expense (2)	5,523	3,059	5,300	3,388	(365)	5,732	641	454					\$23,731
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)	(10,586)	(6,867)	(11,081)	(6,876)	(6,692)					(\$55,990)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)	11,096	(1,030)	(677)	(1,366)	(55)					(\$6,497)
RX Benefit Management Fees	(683)	(1,021)	(739)	(838)	(792)	(1,216)	(868)	160					(\$5,997)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)	(24)	24	1,866	(23,820)	16,341					(\$13,054)
Professional Fees (6)	(11,875)	(735)	(20,593)	(10,851)	(14,366)	(13,571)	(28,476)	13,524					(\$86,944)
<b>Total Variance Expenses</b>	<b>(\$30,308)</b>	<b>\$868</b>	<b>(\$28,122)</b>	<b>(\$7,814)</b>	<b>(\$23,396)</b>	<b>(\$18,947)</b>	<b>(\$60,765)</b>	<b>\$23,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$144,752)</b>

## WSHIP Financial Performance

CASH BASIS	Month Ending August 31, 2019			
	Projected	Actual	Variance	% Change
Membership	1,440	1,405	(35)	-2.4%
Avg Premium Receipt PMPM	\$392	\$361	(\$31)	-7.9%
Avg Medical Claim Expense PMPM	\$1,334	\$1,340	(\$6)	0.4%
Avg Pharmacy Claim Expense PMPM	\$758	\$1,102	(\$344)	45.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,700)	(\$2,081)	(\$381)	-22.4%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,447,362)	(\$2,923,805)	(\$476,443)	-19.5%
Variance Due to Changes in Membership			\$72,054	
Variance Due to Changes in Claim Expenses			(\$548,497)	

CASH BASIS	Year-To-Date August 31, 2019			
	Projected	Actual	Variance	% Change
Member Months	11,514	11,133	(381)	-3.3%
Avg Premium Receipt PMPM	\$701	\$674	(\$27)	-3.9%
Avg Medical Claim Expense PMPM	\$1,383	\$1,377	(\$6)	-0.4%
Avg Pharmacy Claim Expense PMPM	\$760	\$778	\$18	2.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,442)	(\$1,481)	(\$39)	-2.7%
Avg Premium Receipt Less Avg Claim Expense Total	(\$16,602,771)	(\$16,487,973)	\$114,798	0.7%
Variance Due to Changes in Membership			\$563,833	
Variance Due to Changes in Claim Expenses			(\$449,035)	

INCURRED BASIS	Year-To-Date August 31, 2019	Year-To-Date August 31, 2018
	Actual	Actual - Prior Year
Member Months	11,133	11,459
Avg Premium Income PMPM	\$788	\$790
Avg Medical Claim Expense PMPM (1)	\$1,493	\$1,537
Avg Pharmacy Claim Expense PMPM (2)	\$750	\$798
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,455)	(\$1,545)
Avg Premium Receipt Less Avg Claim Expense Total	(\$16,198,515)	(\$17,704,155)

(1) Incurred medical claims data totals \$16,616,765 which is derived from \$11,747,765 actual paid claims with dates of service between 01-01-19 and 08-31-19 and \$4,869,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$8,354,418 which is derived from \$8,099,418 actual paid claims with dates of service between 01-01-19 and 08-31-19 and \$255,000 IBNR reserve.