

**Washington State Health Insurance Pool
Treasurer's Report
August 2020 Financial Review**

1. 2020 Interim II Assessment Required

An assessment of \$9M is required to adequately fund the pool until the next scheduled assessment in November 2020. This assessment was approved by the Board of Directors on May 13, 2020 and generated on July 29, 2020 with invoices due August 31, 2020 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 31, 2020. As of August 31, 2020, \$5.5M of assessments have been collected, leaving \$3.5M to be collected.

2. Financial Statements – August 2020

Balance Sheet

Cash on hand increased by \$2.8M or 43.6% from July 2020 to August 2020. The current cash position is \$9.1M, which is above our current 4-week expense allowance of \$2.7M. As of the end of August 2020, the entire \$9.1M 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 2020 is \$3.8M. This is a decrease of \$355K or 8.6% from the prior month. Medical IBNR decreased \$366K or 9.7% and pharmacy IBNR decreased \$183K or 33.2% from July 2020.

As of August 2020, the equity position of WSHIP is a positive \$9.2M

Income Statement

Total member months for August 2020 YTD are lower by 680 member months or 6.1% lower than August 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for August 2020 YTD is \$5.3M or 22.1% lower than August 2019 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 2020 YTD, the medical claims portion is \$4.2M or 27.5% lower than August 2019 YTD, and the pharmacy claims portion is \$1.1K or 12.6% lower than August 2019 YTD.

August 2020 YTD administrative expenses are \$6.6K or 0.6% lower than the administrative expenses for August 2019 YTD. The ratio of administrative expenses

as a percentage of total cost is 6.0% for August 2020 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 2020

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2019 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$9.1M is \$1.2M or 14.8% higher than the budgeted cash balance of \$7.9M. Total net cash receipts for August 2020 are \$2.2M or 27.4% unfavorable to budget. Total YTD expenses for August 2020 YTD are \$1.0M or 4.6% favorable to budget. The YTD administrative expenses are \$41.6K or 3.4% favorable to budget. Total YTD medical claims expense is \$2.8M or 17.6% favorable to budget; while total YTD pharmacy claims expense is \$1.8M or 30.8% unfavorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – August 2020

As of August, the YTD Medicare member months total 8,844 and represent 84.6% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,609 and account for 15.4% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 191% while the YTD Non-Medicare Loss Ratio is 683%. On a cash basis, the YTD Claims PMPM is \$849 for Medicare members and \$8,204 for Non-Medicare members.

5. Cash Flow Forecast – 2020

The 2020 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 August 2020 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 2020. For September 2020, 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 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$26.5M which is a \$1.5M or 5.4% decrease from the 2019 assessment of \$28M.

6. Cash Flow Forecast – 2021

Included in the month's financial packets is a draft of the 2021 cash flow forecast. Assumptions are noted on this schedule as well as the 2021 assessment projection. To ensure adequate funding the current 2021 forecast is projecting an assessment of \$24.5 which is a \$2M or 7.5% decrease from the 2020 assessment of \$26.5M

7. Administrative Expense Budget

For August 2020, YTD administrative expenses are \$41.6K or 3.4% favorable to budget (cash basis).

8. Financial Performance

August 2020 YTD member months are 1.8% lower than expected, average premium receipt PMPM is 57.0% lower than expected, average medical claims expense PMPM is 15.2% lower than expected and average pharmacy claims expense PMPM is 68.7% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,249 as compared to \$1,251 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$675 as compared to \$724 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of August 31, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 9,115,085	\$ 9,573,338
Premiums Receivable	187,692	84,724
Assessments Receivable	4,163,337	2,211,854
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 13,466,114</u>	<u>\$ 11,869,915</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,408,000	\$ 4,942,000
Reserve for Unpaid Losses - Pharmacy	368,000	255,000
Accrued Loss Adjustment	271,000	285,000
Premiums Received in Advance	157,431	362,962
Assessments Payable	-	-
Accrued Expenses	100,559	122,722
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,304,990</u>	<u>\$ 5,967,683</u>
Unassigned Surplus	9,161,124	5,902,232
Total Liabilities and Unassigned Surplus	<u>\$ 13,466,114</u>	<u>\$ 11,869,915</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to August 31

	<u>2020</u>	<u>2019</u>
Total Member Months	10,453	11,133
Premium Income Earned	\$ 5,942,513	\$ 8,773,237
Pharmacy Rebate Income	422,347	354,076
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 11,144,195	15,366,381
Incurred Claim Loss - Pharmacy	7,568,389	8,662,667
Total Incurred Claim Loss	<u>18,712,584</u>	<u>24,029,048</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 616,741	\$ 641,111
Variable Administrative Expense	61,396	64,323
Salary and Benefit Expense	251,294	264,056
Prescription Administrative Expense	8,769	7,711
Miscellaneous Expense	63,330	63,974
Professional Fee Expense	159,251	126,256
Total Operating Expenses	<u>\$ 1,160,781</u>	<u>\$ 1,167,431</u>
Underwriting Gain (Loss)	(13,508,506)	(16,069,167)
Investment Income	21,730	93,497
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (13,486,776)</u>	<u>\$ (15,975,670)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(13,486,776)	(15,975,670)
Member Assessments	19,500,000	19,500,000
Unassigned Surplus	<u>\$ 9,161,124</u>	<u>\$ 5,902,232</u>

**Washington State Health Insurance Pool
2020 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	August YTD	TOTAL
Budget														
Enrollment Count	1,353	1,354	1,355	1,356	1,357	1,358	1,359	1,360	1,361	1,362	1,363	1,364	10,852	16,302
Cash Balance														
BEGINNING OF MONTH	5,585,895	6,462,480	4,575,739	2,494,786	7,275,056	6,161,215	4,983,187	2,875,305	7,942,099	6,527,957	4,987,604	2,789,809		
Receipts														
Premium Receipts	721,491	723,372	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	5,829,246	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	360,000	480,000
Claim Refunds Receipts	35,958	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	270,948	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	18,978,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	800	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	4,036,131	876,386	759,105	7,559,669	1,733,108	1,614,329	767,929	8,092,920	1,676,206	1,681,298	902,309	6,384,181	25,439,575	36,083,569
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	145,731	220,013
Total Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	145,731	220,013
Expenses														
Medical Claims	2,115,173	1,936,131	1,980,677	1,893,474	1,970,504	1,912,034	1,988,462	2,141,646	2,189,455	2,338,290	2,241,960	2,191,171	15,938,101	24,898,977
Pharmacy Claims	863,589	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	5,784,811	8,624,114
Fixed (PMPM) Admin	73,460	72,317	72,347	72,377	72,407	72,407	72,437	72,466	72,526	72,556	72,585	72,615	580,307	870,589
Variable Admin	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	73,152	115,310
Salary and Benefits	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	273,585	403,001
Prescription Admin	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	13,899	20,870
Miscellaneous	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	74,518	130,409
Professional Fees	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	199,267	283,300
Total Expense	3,141,509	2,745,042	2,821,925	2,761,214	2,828,711	2,774,063	2,857,460	3,007,715	3,071,876	3,203,115	3,081,501	3,052,437	22,937,640	35,346,570
Month Ending Cash Balance	\$ 6,462,480	\$ 4,575,739	\$ 2,494,786	\$ 7,275,056	\$ 6,161,215	\$ 4,983,187	\$ 2,875,305	\$ 7,942,099	\$ 6,527,957	\$ 4,987,604	\$ 2,789,809	\$ 6,102,882		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Actual													
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336					10,453
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	9,115,085	9,115,085	9,115,085	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106					5,855,801
Grant Revenue	-	-	-	-	-	-	-	-					-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854					422,347
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674					66,423
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,493,240					18,864,427
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245					21,730
Other Income	-	-	-	-	-	-	-	-					-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	5,874,118					25,230,728
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-					206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	8,332					103,160
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332					309,883
Expenses													
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369	1,756,688					13,140,619
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900					7,568,389
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713					624,983
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110					63,871
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069					251,294
Prescription Admin	1,024	1,003	867	894	851	525	1,804	901					7,869
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401					61,761
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153					163,347
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	3,097,934					21,882,132
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	9,115,085	9,115,085	9,115,085	9,115,085	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 5,556,104	\$ 4,399,095	\$ 4,209,448	\$ 6,630,315	\$ 7,128,977	\$ 8,032,907	\$ 6,347,233	\$ 9,115,085	\$ 9,115,085	\$ 9,115,085	\$ 9,115,085	\$ 9,115,085	

**Washington State Health Insurance Pool
2020 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(62)	(60)	(74)	(51)	(40)	(53)	(35)	(24)					(399)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655	(424,306)					26,555
Grant Revenue	-	-	-	-	-	-	-	-					-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)	256,013	-	(54,146)					62,347
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)	(25,936)	5,213	(33,734)					(204,524)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)	1,787,444	1,332,060	-	(1,706,760)					(114,155)
Investment Income	8,791	6,442	2,996	1,087	683	445	340	145					20,930
Other Income	-	-	-	-	-	-	-	-					-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)	1,228,183	1,776,341	41,208	(2,218,801)					(208,848)
Refunds													
Assessment Refunds	(206,723)	-	-	-	-	-	-	-					(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078					42,571
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078					(164,152)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093	384,959					2,797,482
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)	(465,047)					(1,783,577)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)	(1,217)					(44,676)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083	4,041					9,281
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359	1,285					22,292
Prescription Admin	711	732	870	843	886	1,214	(65)	839					6,030
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)	(2,433)					12,757
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)	(12,644)					35,920
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435	(90,219)					1,055,508
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986					
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986	-	-	-	-	

2020 Budgeted Cashflow Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%.
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month.
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020.
- (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 Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual		
														2019	2018	2017
Medicare																
Enrollment Count	1,087	1,091	1,079	1,103	1,116	1,106	1,125	1,137								
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593	237,046								
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421	705,216								
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472	67,758								
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	873,894	772,974	-	-	-	-	-			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	(535,929)	-	-	-	-	-			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%	326%								
Claims PMPM	1,092	912	930	881	777	757	777	680						219%	191%	201%
														846	815	792
Non Medicare																
Enrollment Count	204	203	202	202	201	199	199	199								
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087	75,060								
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948	1,051,472								
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819	1,106,141								
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	1,424,089	1,499,397	1,461,767	2,157,613	-	-	-	-	-			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	(1,388,237)	(1,022,147)	(1,338,680)	(2,082,553)	-	-	-	-	-			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%	2875%								
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535	7,346	10,842						471%	350%	434%
														7,398	7,047	6,340
Combined Medicare/Non Medicare																
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	-	-	-	-	-			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	-	-	-	-	-			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,370	1,756,688	-	-	-	-	-			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	-	-	-	-	-			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	2,291,769	2,336,767	2,335,661	2,930,587	-	-	-	-	-			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	(1,974,302)	(1,391,284)	(1,565,981)	(2,618,482)	-	-	-	-	-			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%	939%								
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791	1,764	2,194						351%	285%	333%
														2,250	2,277	2,235

Medicare vs NonMedicare Notes:

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

**Washington State Health Insurance Pool
2020 Cash Flow Forecast**

Forecast - Updated 9/30/20

	Actual								Forecast				TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	204	203	202	202	201	199	194	199	198	197	196	195	2,390
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,130	1,137	1,145	1,152	1,159	1,166	13,471
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,343	1,349	1,355	1,361	15,861
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	9,626,623	8,814,667	6,950,755	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	833,287	689,942	690,298	690,654	8,759,982
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854	-	-	120,000	-	542,347
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674	37,221	39,751	38,113	37,250	218,758
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,493,240	2,192,295	1,314,465	-	5,600,000	27,971,187
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	100	100	100	22,130
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	5,874,118	3,062,903	2,044,258	848,511	6,328,004	37,514,404
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	8,332	12,499	10,349	10,354	10,360	146,723
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	12,499	10,349	10,354	10,360	353,446
Expenses													
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369	1,756,688	1,504,641	1,851,695	1,733,471	1,878,302	20,108,728
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	846,698	819,715	864,261	10,983,326
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	72,526	72,556	72,585	72,615	915,265
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	9,157	8,162	16,668	8,173	106,029
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	32,354	32,354	32,354	32,354	380,710
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,804	901	1,741	1,742	1,743	1,744	14,839
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	9,175	15,650	8,525	22,541	117,652
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	25,008	17,008	17,008	25,008	247,380
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	3,097,934	2,538,866	2,845,865	2,702,069	2,904,998	32,873,929
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,115,085	9,626,623	8,814,667	6,950,755	10,363,401	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,115,085	9,626,623	8,814,667	6,950,755	10,363,401	

2020 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$10.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted

Washington State Health Insurance Pool 2021 Cash Flow Forecast

Forecast - Updated 9/22/20

	Forecast												
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Enrollment:													
Non-Medicare Enrollment	176	175	174	173	172	171	170	169	168	167	166	165	2,046
Medicare Enrollment	1,173	1,180	1,187	1,194	1,201	1,208	1,215	1,222	1,229	1,236	1,243	1,250	14,538
Total Enrollment Count	1,349	1,355	1,361	1,367	1,373	1,379	1,385	1,391	1,397	1,403	1,409	1,415	16,584
Cash Balance													
BEGINNING OF MONTH	10,363,401	10,712,540	9,131,735	7,689,563	12,656,622	11,299,856	10,998,805	8,977,177	13,944,422	13,376,234	11,855,462	9,386,282	
Receipts													
Premium Receipts	771,575	300,563	1,294,275	847,612	293,901	1,473,756	644,745	414,688	1,424,182	569,348	219,094	286,681	8,540,419
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000
Claim Refunds Receipts	82	5,755	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	360,247
Assessment Receipts	2,234,341	636,845	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	25,971,187
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,006,098	1,063,263	1,328,046	7,679,901	1,297,499	2,356,361	678,649	7,771,195	2,361,503	1,509,199	377,307	5,924,031	35,353,053
Refunds													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	11,574	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	128,106
Total Refunds	11,574	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	128,106
Expenses													
Medical Claim Expense	1,648,813	1,736,791	1,768,354	1,738,815	1,721,942	1,617,275	1,643,868	1,778,510	1,891,000	2,028,713	1,877,632	1,985,359	21,437,073
Pharmacy Claim Expense	839,518	745,018	823,999	802,164	768,067	857,485	885,492	857,276	854,686	829,378	801,529	844,117	9,908,729
PMPM Administrative Expense	86,081	86,464	86,847	87,230	87,613	87,996	88,379	88,762	89,145	89,528	89,911	90,293	1,058,249
Variable Administrative Expense	9,332	9,373	9,415	9,456	9,498	9,539	9,581	9,622	9,664	9,705	9,747	9,788	114,721
Salary and Benefits Expense	34,388	34,541	34,694	34,847	35,000	35,153	35,306	35,459	35,612	35,765	35,918	36,071	422,755
Prescription Administrative Expense	1,088	1,093	1,098	1,103	1,107	1,112	1,117	1,122	1,127	1,132	1,136	1,141	13,376
Miscellaneous Expense	5,365	5,389	5,413	5,437	5,461	5,485	5,508	5,532	5,556	5,580	5,604	5,628	65,959
Professional Fees	20,798	20,891	20,983	21,076	21,169	21,261	21,354	21,446	21,539	21,631	21,724	21,816	255,688
Total Expense	2,645,384	2,639,561	2,750,804	2,700,128	2,649,856	2,635,306	2,690,605	2,797,729	2,908,328	3,021,432	2,843,200	2,994,214	33,276,549
Available Cash Balance	10,712,540	9,131,735	7,689,563	12,656,622	11,299,856	10,998,805	8,977,177	13,944,422	13,376,234	11,855,462	9,386,282	12,311,799	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	10,712,540	9,131,735	7,689,563	12,656,622	11,299,856	10,998,805	8,977,177	13,944,422	13,376,234	11,855,462	9,386,282	12,311,799	

2021 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020
- (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 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	297	295	293	291	289	287	285	283	281	279	277	275	3,432
Medicare Basic	900	904	908	912	916	920	924	928	932	936	940	944	11,063
Medicare Basic Plus	156	154	152	150	148	146	144	142	140	138	136	134	1,741
Total Membership	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	16,236
PMPM Administrative Expense (2)	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	870,589
Variable Administrative Expense (3)	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	115,310
Salary and Benefits Expense (4)	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	403,001
RX Benefit Management Fees	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,741	1,741	1,742	1,743	1,744	20,870
Miscellaneous Expense (5)	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	130,409
Professional Fees (6)	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	283,300
Total Budget Operating Expenses	\$162,747	\$142,542	\$173,304	\$152,115	\$145,527	\$135,838	\$145,438	\$157,217	\$149,961	\$147,472	\$148,883	\$162,435	\$1,823,479

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	204	203	202	202	201	199	199	199					1,609
Medicare Basic	902	888	866	874	874	859	850	842					6,955
Medicare Basic Plus	139	139	138	136	135	134	133	134					1,088
Medical Supplement	46	64	75	93	107	113	142	161					801
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	-	-	-	-	10,453
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713					\$624,983
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110					\$63,871
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069					\$251,293
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804	901					\$7,869
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401					\$61,761
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153					\$163,347
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$167,347	\$0	\$0	\$0	\$0	\$1,173,124

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(93)	(92)	(91)	(89)	(88)	(88)	(86)	(84)					(711)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)	(86)					(356)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)	(11)	(8)					
Medical Supplement	46	64	75	93	107	113	142	161					801
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	(17)	-	-	-	-	(371)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497	1,217					\$44,676
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)	(4,041)					(\$9,281)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)	(1,285)					(\$22,292)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65	(839)					(\$6,030)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195	2,433					(\$12,757)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612	12,644					(\$35,920)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$10,130	\$0	\$0	\$0	\$0	(\$41,604)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending August 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,360	1,336	(24)	-1.8%
Avg Premium Receipt PMPM	\$528	\$227	(\$301)	-57.0%
Avg Medical Claim Expense PMPM	\$1,548	\$1,313	\$235	-15.2%
Avg Pharmacy Claim Expense PMPM	\$521	\$879	(\$358)	68.7%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,541)	(\$1,965)	(\$424)	-27.5%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,095,760)	(\$2,625,240)	(\$529,480)	-25.3%
Variance Due to Changes in Membership			\$47,160	
Variance Due to Changes in Claim Expenses			(\$576,640)	

CASH BASIS	Year-To-Date August 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	10,852	10,453	(399)	-3.7%
Avg Premium Receipt PMPM	\$524	\$550	\$26	5.0%
Avg Medical Claim Expense PMPM	\$1,444	\$1,251	(\$193)	-13.4%
Avg Pharmacy Claim Expense PMPM	\$533	\$724	\$191	35.8%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,453)	(\$1,425)	\$28	1.9%
Avg Premium Receipt Less Avg Claim Expense Total	(\$15,767,956)	(\$14,895,525)	\$872,431	5.5%
Variance Due to Changes in Membership			\$568,575	
Variance Due to Changes in Claim Expenses			\$303,856	

INCURRED BASIS	Year-To-Date August 31, 2020	Year-To-Date August 31, 2019
	Actual	Actual - Prior Year
Member Months	10,453	11,113
Avg Premium Income PMPM	\$568	\$788
Avg Medical Claim Expense PMPM (1)	\$1,249	\$1,493
Avg Pharmacy Claim Expense PMPM (2)	\$675	\$750
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,356)	(\$1,455)
Avg Premium Receipt Less Avg Claim Expense Total	(\$14,174,268)	(\$16,169,415)

(1) Incurred medical claims data totals \$13,052,939 which is derived from \$9,644,939 actual paid claims with dates of service between 01-01-20 and 08-31-20 and \$3,408,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$7,051,168 which is derived from \$6,683,168 actual paid claims with dates of service between 01-01-20 and 08-31-20 and \$368,000 IBNR reserve.