



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

August 2021

**Washington State Health Insurance Pool
Treasurer's Report
August 2021 Financial Review**

1. 2021 Interim II Assessment Required

An assessment of \$9 M is required to adequately fund the pool until the next scheduled assessment in November 2021. This assessment was approved by the Board of Directors on May 12, 2021 and generated on July 26, 2021 with invoices due August 26, 2021 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 26, 2021. As of August 31, 2021, \$4.8 M of assessments have been collected, leaving \$4.2 M to be collected.

2. Financial Statements – August 2021

Balance Sheet

Cash on hand increased by \$1.7 M or 18.6% from July 2021 to August 2021. The current cash position is \$10.6 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of August 2021, the entire \$10.6 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 2021 is \$5.45 M. This is a decrease of \$295K or 5.1% from the prior month. Medical IBNR decreased \$286 K or 5.3% and pharmacy IBNR decreased \$9 K or 2.5% from July 2021.

As of August 2021, the equity position of WSHIP is a positive \$10.4 M

Income Statement

Total member months for August 2021 YTD are lower by 397 member months or 3.8% lower than August 2020 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for August 2021 YTD is \$585 K or 3.1% lower than August 2020 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 2021 YTD, the medical claims portion is \$275K or 2.5% higher than August 2020 YTD, and the pharmacy claims portion is \$861 K or 11.4% lower than August 2020 YTD.

August 2021 YTD administrative expenses are \$87 K or 7.5% lower than the administrative expenses for August 2020 YTD. The ratio of administrative expenses

as a percentage of total cost is 5.7% for August 2021 YTD as compared to 5.9% 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 2021

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2020 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$10.6 M is \$694 K or 6.2% lower than the budgeted cash balance of \$11.3 M. Total net cash receipts for August 2021 are 3.3 M or 42.3% unfavorable to budget. Total YTD expenses for August 2021 YTD are \$3.7 M or 17.1% favorable to budget. The YTD administrative expenses are \$183 K or 14.8% favorable to budget. Total YTD medical claims expense is \$2.8 M or 20.4% favorable to budget; while total YTD pharmacy claims expense is \$718 K or 10.9% favorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – August 2021

As of August, the YTD Medicare member months total 8,542 and represent 84.9% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,514 and account for 15.1% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 213% while the YTD Non-Medicare Loss Ratio is 619%. On a cash basis, the YTD Claims PMPM is \$745 for Medicare members and \$6,855 for Non-Medicare members.

5. Cash Flow Forecast – 2021

The 2021 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 March 2021 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 2021. For September 2021, 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 2021 forecast is projecting an assessment of \$24.5 M which matches the 2020 assessment of \$24.5 M.

6. Administrative Expense Budget

For August 2021, YTD administrative expenses are \$183 K or 14.8% favorable to budget (cash basis).

7. Financial Performance

August 2021 YTD member months are 8.2% lower than expected, average premium receipt PMPM is 10.5% lower than expected, average medical claims expense PMPM is 13% lower than expected and average pharmacy claims expense PMPM is 2.8% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,190 as compared to \$1,067 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$585 as compared to \$583 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of August 31, 2021

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 10,575,806	\$ 9,115,085
Premiums Receivable	781,615	187,692
Assessments Receivable	4,989,788	4,163,337
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 16,347,209</u>	<u>\$ 13,466,114</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 5,103,000	\$ 3,408,000
Reserve for Unpaid Losses - Pharmacy	348,000	368,000
Accrued Loss Adjustment	250,000	271,000
Premiums Received in Advance	123,863	157,431
Assessments Payable	10,000	-
Accrued Expenses	131,634	100,559
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 5,966,497</u>	<u>\$ 4,304,990</u>
Unassigned Surplus	10,380,713	9,161,124
Total Liabilities and Unassigned Surplus	<u>\$ 16,347,209</u>	<u>\$ 13,466,114</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to August 31

	<u>2021</u>	<u>2020</u>
Total Member Months	10,056	10,453
Premium Income Earned	\$ 5,736,298	\$ 5,942,513
Pharmacy Rebate Income	296,580	422,347
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 11,419,416	\$ 11,144,195
Incurred Claim Loss - Pharmacy	6,707,342	7,568,389
Total Incurred Claim Loss	<u>18,126,757</u>	<u>18,712,584</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 586,346	\$ 616,741
Variable Administrative Expense	59,229	61,396
Salary and Benefit Expense	259,602	251,294
Prescription Administrative Expense	8,667	8,769
Miscellaneous Expense	71,747	63,330
Professional Fee Expense	88,018	159,251
Total Operating Expenses	<u>\$ 1,073,609</u>	<u>\$ 1,160,781</u>
Underwriting Gain (Loss)	(13,167,489)	(13,508,506)
Investment Income	1,876	21,730
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (13,165,612)</u>	<u>\$ (13,486,776)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2021</u>	<u>2020</u>
Unassigned Surplus at Beginning of Year	\$ 6,046,325	\$ 3,147,900
Changes to Unassigned Surplus	(13,165,612)	(13,486,776)
Member Assessments	17,500,000	19,500,000
Unassigned Surplus	<u>\$ 10,380,713</u>	<u>\$ 9,161,124</u>

**Washington State Health Insurance Pool
2021 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	August YTD	TOTAL
Budget														
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	10,960	16,584
Cash Balance														
BEGINNING OF MONTH	9,501,959	8,637,023	6,431,605	4,974,035	9,944,514	8,600,890	8,320,297	6,308,902	11,269,485	10,710,269	9,198,587	6,737,469		
Receipts														
Premium Receipts	1,067,459	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	6,336,999	8,836,303
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	360,000	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	207,912	360,247
Assessment Receipts	564,858	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	16,264,858	23,664,858
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	800	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,632,499	426,418	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	23,170,569	33,342,609
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	16,012	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	95,055	132,545
Total Refunds	16,012	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	95,055	132,545
Expenses														
Medical Claims	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	13,654,369	21,437,073
Pharmacy Claims	839,518	745,018	823,999	802,164	768,067	857,485	885,492	857,276	854,686	829,378	801,529	844,117	6,579,019	9,908,729
Fixed (PMPM) Admin	75,695	75,243	75,557	75,871	76,185	76,500	76,814	77,128	77,442	77,757	78,071	78,385	608,992	920,646
Variable Admin	8,564	7,996	14,529	9,062	8,094	8,127	8,159	8,192	9,224	8,257	16,790	8,322	72,719	115,310
Salary and Benefits	49,188	33,228	33,228	33,228	33,228	33,228	33,374	33,374	33,374	33,374	33,374	33,374	282,074	415,572
Prescription Admin	1,721	1,728	1,736	1,743	1,750	1,758	1,765	1,772	1,780	1,787	1,794	1,801	13,974	21,136
Miscellaneous	3,692	3,567	4,342	3,567	3,692	4,217	4,642	29,383	5,592	14,817	7,692	21,797	57,102	107,000
Professional Fees	18,193	23,758	44,458	32,258	23,758	16,258	26,258	18,758	26,258	18,258	18,258	26,258	203,702	292,735
Total Expense	2,645,384	2,627,329	2,766,203	2,696,707	2,636,715	2,614,847	2,680,372	2,804,393	2,899,356	3,012,341	2,835,139	2,999,413	21,471,950	33,218,199
Month Ending Cash Balance	\$ 8,473,062	\$ 6,431,605	\$ 4,974,035	\$ 9,944,514	\$ 8,600,890	\$ 8,320,297	\$ 6,308,902	\$ 11,269,485	\$ 10,710,269	\$ 9,198,587	\$ 6,737,469	\$ 9,657,786		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Actual													
Enrollment Count	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173					10,056
Cash Balance													
BEGINNING OF MONTH	9,501,959	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960					78,056,315
Receipts													
Premium Receipts	1,087,037	408,058	744,678	825,069	255,892	841,180	707,603	273,160					5,142,677
Grant Revenue	-	-	-	-	-	-	-	-					-
Pharmacy Rebate Income	-	60,467	-	-	185,757	-	-	50,356					296,580
Claim Refunds Receipts	2,875	10,876	2,336	2,944	4,184	78,470	1,493	41,636					144,814
Assessment Receipts	564,858	387,747	1,612,260	4,996,417	1,226,036	660,434	-	4,118,022					13,565,776
Investment Income	84	67	221	355	327	285	268	271					1,876
Other Income	-	-	-	-	-	-	-	-					-
Total Receipts	1,654,854	867,214	2,359,495	5,824,785	1,672,196	1,580,369	709,364	4,483,444					19,151,723
Refunds													
Assessment Refunds	-	-	221,604	-	-	-	-	-					221,604
Premium Refunds	-	13,370	-	8,424	15,083	20,959	7,683	388					13,370
Total Refunds	-	13,370	221,604	8,424	15,083	20,959	7,683	388					234,974
Expenses													
Medical Claims	1,660,706	1,109,788	808,210	919,933	1,071,198	1,944,177	1,377,497	1,982,589					10,874,099
Pharmacy Claims	728,839	633,090	577,863	634,203	839,623	689,831	1,050,647	706,687					5,860,782
Fixed (PMPM) Admin	72,108	74,044	73,398	71,699	75,704	67,413	78,754	73,638					586,758
Variable Admin	6,888	7,832	6,329	8,973	5,731	6,305	8,983	5,651					56,692
Salary and Benefits	43,072	33,022	34,483	33,047	33,027	33,027	32,611	17,314					259,602
Prescription Admin	937	991	1,179	949	504	965	1,867	956					8,348
Miscellaneous	4,708	4,563	3,384	4,854	7,813	5,962	11,136	25,404					67,824
Professional Fees	2,532	7,342	13,081	10,945	15,680	6,134	5,574	14,971					76,258
Total Expense	2,519,789	1,870,671	1,517,927	1,684,603	2,049,281	2,753,814	2,567,068	2,827,211					17,790,363
Available Cash Balance	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806					
Inc(Dec) In Abandoned Property Reserve													
Month Ending Cash Balance	\$ 8,637,023	\$ 7,620,197	\$ 8,240,161	\$ 12,371,918	\$ 11,979,750	\$ 10,785,346	\$ 8,919,960	\$ 10,575,806	\$ -	\$ -	\$ -	\$ -	

**Washington State Health Insurance Pool
2021 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(38)	(46)	(76)	(99)	(126)	(140)	(161)	(218)	-	-	-	-	(904)
Receipts													
Premium Receipts	19,578	107,495	(549,597)	(22,543)	(38,009)	(632,576)	62,858	(141,528)					(1,194,322)
Grant Revenue	-	-	-	-	-	-	-	-					-
Pharmacy Rebate Income	-	(59,533)	-	-	65,757	-	-	(69,644)					6,224
Claim Refunds Receipts	2,793	5,121	(31,335)	(29,245)	(29,315)	45,965	(32,310)	5,228					(63,098)
Assessment Receipts	-	387,747	1,612,260	(1,803,583)	376,036	(189,566)	-	(3,081,978)					(2,699,084)
Investment Income	(16)	(33)	121	255	227	185	168	171					1,076
Other Income	-	-	-	-	-	-	-	-					-
Total Receipts	22,355	440,796	1,031,449	(1,855,116)	374,696	(775,992)	30,716	(3,287,751)	-	-	-	-	(4,018,846)
Refunds													
Assessment Refunds	-	-	(221,604)	-	-	-	-	-					(221,604)
Premium Refunds	16,012	(8,861)	19,414	4,290	(10,675)	1,147	1,988	5,832					29,147
Total Refunds	16,012	(8,861)	(202,190)	4,290	(10,675)	1,147	1,988	5,832	-	-	-	-	(192,457)
Expenses													
Medical Claims	(11,893)	627,003	960,144	818,881	650,744	(326,902)	266,371	(204,079)					2,780,270
Pharmacy Claims	110,679	111,928	246,137	167,961	(71,557)	167,654	(165,155)	150,589					718,237
Fixed (PMPM) Admin	3,587	1,199	2,159	4,172	481	9,087	(1,940)	3,490					22,235
Variable Admin	1,676	164	8,200	88	2,362	1,821	(824)	2,540					16,027
Salary and Benefits	6,115	206	(1,256)	181	201	201	764	16,060					22,472
Prescription Admin	785	738	557	794	1,246	793	(102)	816					5,626
Miscellaneous	(1,016)	(996)	958	(1,287)	(4,121)	(1,745)	(6,494)	3,978					(10,722)
Professional Fees	15,661	16,416	31,377	21,314	8,078	10,125	20,685	3,788					127,443
Total Expense	125,594	756,657	1,248,276	1,012,104	587,435	(138,967)	113,305	(22,818)	-	-	-	-	3,681,587
Available Cash Balance	163,961	1,188,592	3,266,127	2,427,404	3,378,860	2,465,049	2,611,058	(693,679)	-	-	-	-	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	163,961	1,188,592	3,266,127	2,427,404	3,378,860	2,465,049	2,611,058	(693,679)	-	-	-	-	

2021 Budgeted Cashflow Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 8%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (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 2021.

Washington State Health Insurance Pool
2021 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	1,119	1,117	1,095	1,078	1,059	1,051	1,037	986						8,542			
Premiums	332,499	354,155	296,326	723,315	199,386	467,152	419,023	197,618						2,989,473			
Medical Claims	763,340	633,291	340,357	554,329	630,311	926,160	832,108	1,212,029						5,891,925			
RX Claims	105,228	48,297	61,902	51,617	55,339	43,665	68,315	38,839						473,202			
Total Claims	868,567	681,587	402,259	605,946	685,650	969,825	900,424	1,250,868	-	-	-	-	-	6,365,127			
Income/Loss	(536,068)	(327,433)	(105,933)	117,370	(486,265)	(502,674)	(481,401)	(1,053,250)	-	-	-	-	-	(3,375,654)			
Loss Ratio	261%	192%	136%	84%	344%	208%	215%	633%						213%	219%	191%	201%
Claims PMPM	776	610	367	562	647	923	868	1,269						745	846	815	792
Non Medicare																	
Enrollment Count	192	192	190	190	188	188	187	187						1,514			
Premiums	478,301	42,193	417,571	101,754	42,076	462,631	64,712	66,170						1,675,408			
Medical Claims	897,366	476,498	476,853	365,605	440,887	1,018,017	545,389	770,561						4,991,175			
RX Claims	623,611	584,793	515,961	582,586	784,284	646,166	982,331	667,847						5,387,579			
Total Claims	1,520,977	1,061,291	992,814	948,191	1,225,171	1,664,183	1,527,720	1,438,408	-	-	-	-	-	10,378,754			
Income/Loss	(1,042,676)	(1,019,098)	(575,243)	(846,437)	(1,183,095)	(1,201,552)	(1,463,008)	(1,372,238)	-	-	-	-	-	(8,703,346)			
Loss Ratio	318%	2515%	238%	932%	2912%	360%	2361%	2174%						619%	471%	350%	434%
Claims PMPM	7,922	5,528	5,225	4,990	6,517	8,852	8,170	7,692						6,855	7,398	7,047	6,340
Combined Medicare/Non Medicare																	
Enrollment Count	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	-	-	-	-	-	10,056			
Premiums	810,800	396,348	713,897	825,069	241,462	929,782	483,735	263,788	-	-	-	-	-	4,664,881			
Medical Claims	1,660,706	1,109,788	817,210	919,933	1,071,198	1,944,177	1,377,497	1,982,590	-	-	-	-	-	10,883,102			
RX Claims	728,839	633,090	577,863	634,203	839,623	689,831	1,050,647	706,686	-	-	-	-	-	5,860,782			
Total Claims	2,389,545	1,742,879	1,395,073	1,554,136	1,910,822	2,634,008	2,428,144	2,689,276	-	-	-	-	-	16,743,884			
Income/Loss	(1,578,744)	(1,346,531)	(681,176)	(729,067)	(1,669,360)	(1,704,226)	(1,944,409)	(2,425,488)	-	-	-	-	-	(12,079,003)			
Loss Ratio	295%	440%	195%	188%	791%	283%	502%	1019%						359%	351%	285%	333%
Claims PMPM	1,823	1,331	1,086	1,226	1,532	2,126	1,984	2,293						1,665	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
2021 Cash Flow Forecast**

	Actual						Forecast						TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	192	192	190	190	188	188	187	187	185	185	183	183	2,250
Medicare Enrollment	1,119	1,117	1,095	1,078	1,059	1,051	1,037	986	980	974	968	962	12,426
Total Enrollment Count	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	1,165	1,159	1,151	1,145	14,676
Cash Balance													
BEGINNING OF MONTH	9,501,959	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,669,882	10,753,222	8,955,776	
Receipts													
Premium Receipts	1,087,037	408,058	744,678	825,069	255,892	841,180	707,603	273,160	699,677	626,494	621,320	618,349	7,708,517
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	60,467	-	-	185,757	-	-	50,356	-	-	120,000	-	416,580
Claim Refunds Receipts	2,875	10,876	2,336	2,944	4,184	78,470	1,493	41,636	37,221	39,751	38,113	37,250	297,149
Assessment Receipts	564,858	387,747	1,612,260	4,996,417	1,226,036	660,434	-	4,118,022	2,007,996	900,000	-	5,600,000	22,073,772
Investment Income	84	67	221	355	327	285	268	271	100	100	100	100	2,276
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,654,854	867,214	2,359,495	5,824,785	1,672,196	1,580,369	709,364	4,483,444	2,744,994	1,566,345	779,533	6,255,699	30,498,293
Refunds													
Assessment Refunds	-	-	221,604	-	-	-	-	-	-	-	-	-	221,604
Premium Refunds	0	13,370	0	8,424	15,083	20,959	7,683	388	12,945	9,397	9,320	9,275	106,845
Total Refunds	0	13,370	221,604	8,424	15,083	20,959	7,683	388	12,945	9,397	9,320	9,275	328,449
Expenses													
Medical Claim Expense	1,660,706	1,109,788	808,210	919,933	1,071,198	1,944,177	1,377,497	1,982,589	758,779	1,425,488	1,525,929	1,517,036	16,101,331
Pharmacy Claim Expense	728,839	633,090	577,863	634,203	839,623	689,831	1,050,647	706,687	725,524	893,870	885,752	883,118	9,249,045
PMPM Administrative Expense	72,108	74,044	73,398	71,699	75,704	67,413	78,754	73,638	77,442	77,757	78,071	78,385	898,411
Variable Administrative Expense	6,888	7,832	6,329	8,973	5,731	6,305	8,983	5,651	9,224	8,257	16,790	8,322	99,282
Salary and Benefits Expense	43,072	33,022	34,483	33,047	33,027	33,027	32,611	17,314	33,374	33,374	33,374	33,374	393,101
Prescription Administrative Expense	937	991	1,179	949	504	965	1,867	956	1,780	1,787	1,794	1,801	15,510
Miscellaneous Expense	4,708	4,563	3,384	4,854	7,813	5,962	11,136	25,404	5,592	14,817	7,692	21,797	117,722
Professional Fees	2,532	7,342	13,081	10,945	15,680	6,134	5,574	14,971	26,258	18,258	18,258	26,258	165,292
Total Expense	2,519,789	1,870,671	1,517,927	1,684,603	2,049,281	2,753,814	2,567,068	2,827,211	1,637,973	2,473,607	2,567,660	2,570,091	27,039,694
Available Cash Balance	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,669,882	10,753,222	8,955,776	12,632,108	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,669,882	10,753,222	8,955,776	12,632,108	

2021 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 8%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (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 2021.

**Washington State Health Insurance Pool
2021 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)	75,695	75,243	75,557	75,871	76,185	76,500	76,814	77,128	77,442	77,757	78,071	78,385	920,646
Variable Administrative Expense (3)	8,564	7,996	14,529	9,062	8,094	8,127	8,159	8,192	9,224	8,257	16,790	8,322	115,310
Salary and Benefits Expense (4)	49,188	33,228	33,228	33,228	33,228	33,228	33,374	33,374	33,374	33,374	33,374	33,374	415,572
RX Benefit Management Fees	1,721	1,728	1,736	1,743	1,750	1,758	1,765	1,772	1,780	1,787	1,794	1,801	21,136
Miscellaneous Expense (5)	3,692	3,567	4,342	3,567	3,692	4,217	4,642	29,383	5,592	14,817	7,692	21,797	107,000
Professional Fees (6)	23,758	23,758	44,458	32,258	23,758	16,258	26,258	18,758	26,258	18,258	18,258	26,258	298,300
Total Budget Operating Expenses	\$162,618	\$145,520	\$173,849	\$155,728	\$146,707	\$140,087	\$151,012	\$168,607	\$153,670	\$154,250	\$155,979	\$169,937	\$1,877,963

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	192	192	190	190	188	188	187	187					1,514
Medicare Basic	772	771	753	736	713	702	691	643					5,781
Medicare Basic Plus	126	125	121	121	121	118	117	117					966
Medical Supplement	221	221	221	221	225	231	229	226					1,795
Total Membership	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	-	-	-	-	10,056
PMPM Administrative Expense (2)	72,108	74,044	73,398	71,699	75,704	67,413	78,754	73,638					\$586,758
Variable Administrative Expense (3)	6,888	7,832	6,329	8,973	5,731	6,305	8,983	5,651					\$56,692
Salary and Benefits Expense (4)	43,072	33,022	34,483	33,047	33,027	33,027	32,611	17,314					\$259,602
RX Benefit Management Fees	937	991	1,179	949	504	965	1,867	956					\$8,348
Miscellaneous Expense (5)	4,708	4,563	3,384	4,854	7,813	5,962	11,136	25,404					\$67,824
Professional Fees (6)	2,532	7,342	13,081	10,945	15,680	6,134	5,574	14,971					\$76,258
Total Actual Operating Expenses	\$130,245	\$127,793	\$131,854	\$130,467	\$138,459	\$119,806	\$138,924	\$137,935	\$0	\$0	\$0	\$0	\$1,055,482

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(105)	(103)	(103)	(101)	(101)	(99)	(98)	(96)					(806)
Medicare Basic	(128)	(133)	(155)	(176)	(203)	(218)	(233)	(285)					(1,530)
Medicare Basic Plus	(30)	(29)	(31)	(29)	(27)	(28)	(27)	(25)					
Medical Supplement	221	221	221	221	225	231	229	226					1,795
Total Membership	(42)	(44)	(68)	(85)	(106)	(114)	(129)	(180)	-	-	-	-	(768)
PMPM Administrative Expense (2)	(3,587)	(1,199)	(2,159)	(4,172)	(481)	(9,087)	1,940	(3,490)					(\$22,235)
Variable Administrative Expense (3)	(1,676)	(164)	(8,200)	(88)	(2,362)	(1,821)	824	(2,540)					(\$16,027)
Salary and Benefits Expense (4)	(6,115)	(206)	1,256	(181)	(201)	(201)	(764)	(16,060)					(\$22,472)
RX Benefit Management Fees	(785)	(738)	(557)	(794)	(1,246)	(793)	102	(816)					(\$5,626)
Miscellaneous Expense (5)	1,016	996	(958)	1,287	4,121	1,745	6,494	(3,978)					\$10,722
Professional Fees (6)	(21,226)	(16,416)	(31,377)	(21,314)	(8,078)	(10,125)	(20,685)	(3,788)					(\$133,008)
Total Variance Expenses	(\$32,373)	(\$17,727)	(\$41,995)	(\$25,261)	(\$8,248)	(\$20,281)	(\$12,088)	(\$30,672)	\$0	\$0	\$0	\$0	(\$188,645)

Washington State Health Insurance Pool 2021 Financial Performance

CASH BASIS	Month Ending August 31, 2021			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Change</u>
Membership	1,391	1,173	(218)	-15.7%
Avg Premium Receipt PMPM	\$294	\$233	(\$61)	-20.7%
Avg Medical Claim Expense PMPM	\$1,279	\$1,655	(\$376)	29.4%
Avg Pharmacy Claim Expense PMPM	\$616	\$602	\$14	-2.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,601)	(\$2,024)	(\$423)	-26.4%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,226,991)	(\$2,374,152)	(\$147,161)	-6.6%
Variance Due to Changes in Membership			\$441,232	
Variance Due to Changes in Claim Expenses			(\$588,393)	

CASH BASIS	Year-To-Date August 31, 2021			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Change</u>
Member Months	10,960	10,056	(904)	-8.2%
Avg Premium Receipt PMPM	\$570	\$510	(\$60)	-10.5%
Avg Medical Claim Expense PMPM	\$1,227	\$1,067	(\$160)	-13.0%
Avg Pharmacy Claim Expense PMPM	\$600	\$583	(\$17)	-2.8%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,257)	(\$1,140)	\$117	9.3%
Avg Premium Receipt Less Avg Claim Expense Total	(\$13,776,720)	(\$11,463,840)	\$2,312,880	16.8%
Variance Due to Changes in Membership			\$1,030,560	
Variance Due to Changes in Claim Expenses			\$1,282,320	

INCURRED BASIS	Year-To-Date August 31, 2021	Year-To-Date August 31, 2020
	<u>Actual</u>	<u>Actual - Prior Year</u>
Member Months	10,056	10,453
Avg Premium Income PMPM	\$570	\$568
Avg Medical Claim Expense PMPM (1)	\$1,190	\$1,249
Avg Pharmacy Claim Expense PMPM (2)	\$585	\$675
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,205)	(\$1,356)
Avg Premium Receipt Less Avg Claim Expense Total	(\$12,117,480)	(\$14,174,268)

(1) Incurred medical claims data totals \$11,968,972 which is derived from \$6,865,972 actual paid claims with dates of service between 01-01-21 and 07-31-2021 and \$5,103,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$5,878,880 which is derived from \$5,530,880 actual paid claims with dates of service between 01-01-21 and 08-31-2021 and \$348,000 IBNR reserve.