

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

1. 2019 Interim III Assessment Required

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in March 2020. This assessment was approved by the Board of Directors on November 13, 2019 and generated on November 25, 2019 with invoices due December 27, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 27, 2020. As of December 31st, 2019, 5.6 M has been collected.

2. Financial Statements – December 2019

Balance Sheet

Cash on hand increased by \$2.9 M or 89.1% from November 2019 to December 2019. The current cash position is \$6 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of December 2019, the entire \$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 December 2019 is \$5.7 M. This is a decrease of \$184 K or 3.1% from the prior month. Medical IBNR decreased \$231 K or 4.5% and pharmacy IBNR increased \$47 K or 6.8% from November 2019.

As of December 2019, the equity position of WSHIP is a positive \$3.1 M.

Income Statement

Total member months for December 2019 YTD are lower by 293 member months or 1.7% lower than December 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for December 2019 YTD is \$1.6 M or 3.9% lower than December 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 December 2019 YTD, the medical claims portion is \$1.1 M or 4.1% lower than December 2018 YTD, and the pharmacy claims portion is \$470 K or 3.6% lower than December 2018 YTD.

December 2019 YTD administrative expenses are \$128 K or 6.8% lower than the administrative expenses for December 2018 YTD. The ratio of administrative expenses as a percentage of total cost is 4.6% for December 2019 YTD as

compared to 4.5% for December YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – December 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 \$6.1 M is \$1.5 M or 20.0% lower than the budgeted cash balance of \$7.6 M. Total net cash receipts for December 2019 YTD are \$1.1 M or 15% unfavorable to budget. Total YTD expenses for December 2019 YTD are \$978 K or 2.5% unfavorable to budget. The YTD administrative expenses are \$203 K or 10.3% favorable to budget. Total YTD medical claims expense is \$1.5 M or 6.5% unfavorable to budget; while total YTD pharmacy claims expense is \$368 K or 2.8% favorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – December 2019

As of December, the YTD Medicare member months total 13,244 and represent 78.5% of the combined WSHIP member months. The YTD Non-Medicare member months total 3,612 and account for 21.5% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 219% while the YTD Non-Medicare Loss Ratio is 471%. On a cash basis, the YTD Claims PMPM is \$846 for Medicare members and \$7,398 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 December 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 December 2019. For January 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 \$24.5 M which is a \$3.5 M or 12.5% decrease from the 2019 assessment of \$28 M.

7. Administrative Expense Budget

For December 2019, YTD administrative expenses are \$203 K or 10.3% favorable to budget (cash basis).

8. Financial Performance

December 2019 YTD member months are 2.4% lower than expected, average premium receipt PMPM is 2.8% lower than expected, average medical claims expense PMPM is 9.3% higher than expected and average pharmacy claims expense PMPM is 0.4% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,561 as compared to \$1,482 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$757 as compared to \$745 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of December 31, 2019

	<u>2019</u>	<u>2018</u>
Assets:		
Cash	\$ 6,076,372	\$ 4,023,437
Premiums Receivable	78,013	18,915
Assessments Receivable	3,527,764	6,462,515
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 9,682,149</u>	<u>\$ 10,504,867</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,940,000	\$ 4,487,000
Reserve for Unpaid Losses - Pharmacy	743,000	670,000
Accrued Loss Adjustment	294,000	285,000
Premiums Received in Advance	237,625	1,568,197
Assessments Payable	206,723	990,915
Accrued Expenses	112,902	125,853
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 6,534,250</u>	<u>\$ 8,126,965</u>
Unassigned Surplus	3,147,900	2,377,902
Total Liabilities and Unassigned Surplus	<u>\$ 9,682,149</u>	<u>\$ 10,504,867</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to December 31

	<u>2019</u>	<u>2018</u>
Total Member Months	16,856	17,149
Premium Income Earned	\$ 12,019,242	\$ 12,211,367
Pharmacy Rebate Income	444,012	501,231
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 25,514,756	26,607,762
Incurred Claim Loss - Pharmacy	12,556,343	13,026,812
Total Incurred Claim Loss	<u>38,071,099</u>	<u>39,634,574</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 965,369	\$ 977,947
Variable Administrative Expense	95,984	149,922
Salary and Benefit Expense	376,813	387,298
Prescription Administrative Expense	11,927	20,490
Miscellaneous Expense	117,639	122,683
Professional Fee Expense	190,267	227,562
Total Operating Expenses	<u>\$ 1,757,999</u>	<u>\$ 1,885,902</u>
Underwriting Gain (Loss)	(27,365,844)	(28,807,876)
Investment Income	135,842	106,772
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (27,230,002)</u>	<u>\$ (28,701,104)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(27,230,002)	(28,701,104)
Member Assessments	28,000,000	25,500,000
Unassigned Surplus	<u>\$ 3,147,900</u>	<u>\$ 2,377,902</u>

**Washington State Health Insurance
Pool 2019 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	December YTD	TOTAL
Budget														
Enrollment Count	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	17,274	17,274
Cash Balance														
BEGINNING OF MONTH	4,023,437	6,757,262	4,788,394	3,129,444	7,881,232	6,086,629	5,854,659	3,393,676	7,993,297	7,559,803	6,055,829	3,311,884		
Receipts														
Premium Receipts	1,340,183	500,663	1,930,710	768,066	524,338	1,859,439	774,666	578,092	1,707,677	761,243	377,905	369,585	11,492,568	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	400,000	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	405,045	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	30,281,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	6,005,851	1,384,999	2,071,077	8,002,904	1,459,730	2,890,819	807,356	7,811,408	2,741,378	1,695,009	409,712	7,300,463	42,580,706	42,580,706
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	287,315	287,315
Total Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	287,315	287,315
Expenses														
Medical Claims	1,980,871	2,013,853	2,368,660	2,043,424	2,076,029	1,839,994	1,917,029	1,953,870	1,976,498	1,980,357	1,865,135	1,810,470	23,826,190	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	12,924,662	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	933,113	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	189,711	189,711
Salary and Benefits	43,774	31,898	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,282	395,866	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	22,326	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	128,604	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	304,600	304,600
Total Expense	3,238,521	3,341,351	3,681,759	3,231,915	3,241,225	3,076,303	3,248,972	3,197,335	3,132,180	3,179,952	3,144,209	3,011,349	38,725,070	38,725,070
Month Ending Cash Balance	\$ 6,757,262	\$ 4,788,394	\$ 3,129,444	\$ 7,881,232	\$ 6,086,629	\$ 5,854,659	\$ 3,393,676	\$ 7,993,297	\$ 7,559,803	\$ 6,055,829	\$ 3,311,884	\$ 7,591,758		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	1,450	16,856
Cash Balance													
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497	3,213,540	
Receipts													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,801,634	720,243	277,160	362,660	10,803,892
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	-	-	79,557	-	-	89,937	-	444,012
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	-	49,949	2,263	8,361	91,212	9,154	9,410	396,079
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	759,828	7,528,318	820,767	733,792	718	5,835,536	31,141,474
Investment Income	13,508	11,761	8,110	10,515	13,353	12,851	11,689	11,710	15,998	12,967	7,811	5,569	135,842
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
Total Receipts	7,468,402	527,595	1,799,252	5,604,446	4,389,256	3,811,025	371,953	8,146,440	2,646,760	1,558,214	384,780	6,213,175	42,921,299
Refunds													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	-	38,346	17,980	-	20,390	(258)	14,187	174,321
Total Refunds	998,065	35,474	5,953	860	34,240	-	38,346	17,980	-	20,390	(258)	14,187	1,165,236
Expenses													
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	2,353,610	2,161,453	3,122,035	2,134,414	25,375,835
Pharmacy Claims	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,066,724	1,548,514	1,008,568	955,645	908,780	1,020,682	12,556,343
Fixed (PMPM) Admin	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	78,711	78,815	80,334	83,154	967,192
Variable Admin	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	6,138	7,448	7,847	7,430	95,692
Salary and Benefits	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	30,114	30,005	30,005	33,491	384,509
Prescription Admin	1,178	840	1,122	1,023	1,069	645	992	2,020	994	1,097	1,026	1,099	13,105
Miscellaneous	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	5,870	6,336	12,590	31,154	118,431
Professional Fees	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	13,807	10,814	17,376	24,733	192,020
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386	3,295,567	3,121,751	3,610,165	3,497,812	3,251,613	4,179,994	3,336,156	39,703,128
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	8,722,285	7,008,497	3,213,540	6,076,373	
Inc(Dec) in Abandoned Property Reserve													
Month Ending 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	\$ 8,722,285	\$ 7,008,497	\$ 3,213,540	\$ 6,076,373	

**Washington State Health Insurance
Pool 2019 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<i>Favorable/(Unfavorable)</i>													
Enrollment Count	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)	(24)	(15)	(8)	10	(418)
Receipts													
Premium Receipts	(364,117)	(120,442)	(293,412)	304,189	(152,544)	4,908	40,956	(53,499)	93,956	(41,000)	(100,745)	(6,925)	(688,676)
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	(100,000)	37,345	114,935	(100,000)	-	79,557	(100,000)	-	89,937	(100,000)	44,012
Claim Refunds Receipts	(15,391)	(22,831)	113,577	(24,635)	(3,197)	(31,280)	17,359	(30,952)	(25,239)	57,546	(22,554)	(21,368)	(8,966)
Assessment Receipts	1,828,652	(848,030)	-	(2,725,772)	2,957,079	(231,307)	759,828	328,318	(79,233)	(166,208)	718	(964,464)	859,581
Investment Income	13,408	11,661	8,010	10,415	13,253	12,751	11,589	11,610	15,898	12,867	7,711	5,469	134,642
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
Total Receipts	1,462,551	(857,404)	(271,825)	(2,398,458)	2,929,526	920,206	(435,403)	335,033	(94,618)	(136,795)	(24,933)	(1,087,288)	340,593
Refunds													
Assessment Refunds	(990,915)	-	-	-	-	-	-	-	-	-	-	-	(990,915)
Premium Refunds	26,355	(22,957)	42,315	18,342	(21,131)	46,486	(18,980)	(3,528)	42,692	(1,359)	9,706	(4,947)	112,994
Total Refunds	(964,560)	(22,957)	42,315	18,342	(21,131)	46,486	(18,980)	(3,528)	42,692	(1,359)	9,706	(4,947)	(877,921)
Expenses													
Medical Claims	(137,817)	325,647	380,292	87,213	376,514	(499,795)	(10,910)	68,262	(377,112)	(181,095)	(1,256,900)	(323,944)	(1,549,646)
Pharmacy Claims	106,072	(178,835)	200,486	29,428	46,929	261,584	77,366	(457,361)	(15,483)	78,415	204,870	14,847	368,319
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)	(3,388)	365	(5,732)	(641)	(454)	(1,026)	(1,143)	(2,674)	(5,505)	(34,079)
Variable Admin	6,292	1,522	6,075	10,586	6,867	11,081	6,876	6,692	9,208	6,899	15,002	6,920	94,018
Salary and Benefits	12,713	1,110	643	(11,096)	1,030	677	1,366	55	1,950	2,059	2,059	(1,209)	11,357
Prescription Admin	684	1,021	739	838	792	1,216	868	(160)	866	763	834	760	9,220
Miscellaneous	4,267	(2,197)	5,371	24	(24)	(1,866)	23,820	(16,341)	2,555	8,539	(4,815)	(9,161)	10,173
Professional Fees	11,876	735	20,593	10,851	14,366	13,571	28,476	(13,524)	13,409	13,903	5,840	(7,516)	112,580
Total Expense	(1,436)	145,943	608,900	124,455	446,839	(219,264)	127,221	(412,830)	(365,632)	(71,661)	(1,035,785)	(324,807)	(978,058)
Available Cash Balance	496,555	(237,862)	141,528	(2,114,134)	1,241,101	1,988,528	1,661,367	1,580,041	1,162,483	952,668	(98,344)	(1,515,386)	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	496,555	(237,862)	141,528	(2,114,134)	1,241,101	1,988,528	1,661,367	1,580,041	1,162,483	952,668	(98,344)	(1,515,386)	

2019 Budgeted Cashflow Notes

- (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 Medicare vs. Non-Medicare Cash Flow**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual		
														2018	2017	2016
Medicare																
Enrollment Count	1,088	1,077	1,079	1,099	1,069	1,082	1,110	1,107	1,116	1,127	1,135	1,155	13,244			
Premiums	518,529	266,048	317,366	802,182	250,982	488,150	600,565	375,893	435,684	587,336	211,527	272,007	5,126,269			
Medical Claims	931,265	769,478	775,979	853,752	951,250	841,047	951,867	872,293	730,475	1,051,822	916,189	747,319	10,392,736			
RX Claims	83,571	141,871	70,465	64,435	60,054	53,768	64,797	75,804	55,127	49,363	45,285	53,516	818,056			
Total Claims	1,014,836	911,349	846,444	918,187	1,011,304	894,815	1,016,664	948,098	785,603	1,101,185	961,474	800,835	11,210,792			
Income/Loss	(496,307)	(645,301)	(529,078)	(116,005)	(760,321)	(406,665)	(416,099)	(572,205)	(349,919)	(513,849)	(749,947)	(528,828)	(6,084,523)			
Loss Ratio	196%	343%	267%	114%	403%	183%	169%	252%	180%	187%	455%	294%	219%	191%	201%	219%
Claims PMPM	933	846	784	835	946	827	916	856	704	977	847	693	846	815	792	871
Non Medicare																
Enrollment Count	308	304	304	305	300	303	300	298	300	298	297	295	3,612			
Premiums	457,537	114,174	1,319,931	270,073	120,812	1,376,197	215,057	148,699	1,365,950	132,907	65,633	90,653	5,677,623			
Medical Claims	1,187,423	918,728	1,212,387	1,102,459	748,265	1,498,742	976,073	1,013,314	1,623,135	1,109,631	2,205,846	1,387,095	14,983,098			
RX Claims	896,687	1,215,486	851,438	938,882	899,384	771,389	1,001,927	1,472,710	953,441	906,282	863,496	967,165	11,738,288			
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	2,576,576	2,015,913	3,069,342	2,354,260	26,721,385			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	(1,526,837)	(893,934)	(1,762,943)	(2,337,325)	(1,210,626)	(1,883,006)	(3,003,709)	(2,263,607)	(21,043,763)			
Loss Ratio	456%	1869%	156%	756%	1364%	165%	920%	1672%	189%	1517%	4677%	2597%	471%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789	6,693	5,492	7,492	6,593	8,342	8,589	6,765	10,334	7,981	7,398	7,047	6,340	5,907
Combined Medicare/Non Medicare																
Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	1,450	16,856			
Premiums	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,801,634	720,243	277,160	362,660	10,803,891			
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	2,353,610	2,161,453	3,122,035	2,134,414	25,375,835			
RX Claims	980,258	1,357,357	921,902	1,003,317	959,438	825,157	1,066,724	1,548,514	1,008,568	955,645	908,780	1,020,682	12,556,344			
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	3,362,178	3,117,098	4,030,816	3,155,095	37,932,179			
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)	(1,560,545)	(2,396,855)	(3,753,655)	(2,792,435)	(27,128,288)			
Loss Ratio	317%	801%	178%	276%	715%	170%	367%	655%	187%	433%	1454%	870%	351%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104	2,108	1,942	2,285	2,124	2,444	2,374	2,187	2,815	2,176	2,250	2,277	2,235	2,355

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 12/30/19

	Forecast												
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Enrollment:													
Non-Medicare Enrollment	216	214	212	210	208	206	204	202	200	198	196	194	2,460
Medicare Enrollment	1,137	1,140	1,143	1,146	1,149	1,152	1,155	1,158	1,161	1,164	1,167	1,170	13,842
Total 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	16,302
Cash Balance													
BEGINNING OF MONTH	6,076,373	6,430,816	5,181,214	3,100,261	7,880,531	6,766,690	5,588,662	3,480,780	8,547,574	7,133,432	5,593,079	3,395,284	
Receipts													
Premium Receipts	1,300,521	723,372	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	9,379,535
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000
Claim Refunds Receipts	32,615	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	419,939
Assessment Receipts	2,234,048	637,138	-	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	3,567,285	1,513,524	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	36,251,861
Refunds													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	32,513	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	234,488
Total Refunds	32,513	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	234,488
Expenses													
Medical Claim Expense	1,918,519	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	24,702,323
Pharmacy Claim Expense	1,099,062	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	8,859,587
PMPM Administrative Expense	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	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	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
Prescription Administrative Expense	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	20,870
Miscellaneous Expense	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	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 Expense	3,180,328	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	35,385,388
Available Cash Balance	6,430,816	5,181,214	3,100,261	7,880,531	6,766,690	5,588,662	3,480,780	8,547,574	7,133,432	5,593,079	3,395,284	6,708,357	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	6,430,816	5,181,214	3,100,261	7,880,531	6,766,690	5,588,662	3,480,780	8,547,574	7,133,432	5,593,079	3,395,284	6,708,357	

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 (\$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
2019 Administrative Expense
Budget Variance Analysis**

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

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	308	304	304	305	300	303	300	298	300	298	297	295	3,612
Medicare Basic	927	919	921	943	914	929	959	957	967	981	992	1,015	11,424
Medicare Basic Plus	161	158	158	156	155	153	151	150	149	146	143	140	1,820
Total Membership	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	1,450	16,856
PMPM Administrative Expense (2)	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	78,711	\$78,815	\$80,334	\$83,154	\$967,192
Variable Administrative Expense (3)	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	6,138	\$7,448	\$7,847	\$7,430	\$95,692
Salary and Benefits Expense (4)	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	30,114	\$30,005	\$30,005	\$33,491	\$384,509
RX Benefit Management Fees	1,178	840	1,122	1,023	1,069	645	992	2,020	994	\$1,097	\$1,026	\$1,099	\$13,105
Miscellaneous Expense (5)	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	5,870	\$6,336	\$12,590	\$31,154	\$118,431
Professional Fees (6)	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	13,807	\$10,814	\$17,376	\$24,733	\$192,020
Total Actual Operating Expenses	\$141,011	\$149,844	\$162,589	\$147,932	\$135,434	\$130,621	\$127,087	\$176,043	\$135,634	\$134,515	\$149,179	\$181,061	\$1,770,950

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)	(5)	(8)	(3)	(4)	(5)	(1)	(1)	(0)	(0)	(54)
Medicare Basic	(30)	(42)	(44)	(26)	(59)	(48)	(22)	(28)	(22)	(12)	(5)	14	(324)
Medicare Basic Plus	(5)	(6)	(4)	(4)	(3)	(3)	(3)	(2)	(1)	(2)	(3)	(4)	(40)
Total Membership	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)	(24)	(15)	(8)	10	(418)
PMPM Administrative Expense (2)	5,523	3,059	5,300	3,388	(365)	5,732	641	454	1,026	1,143	2,674	5,505	\$34,079
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)	(10,586)	(6,867)	(11,081)	(6,876)	(6,692)	(9,208)	(6,899)	(15,002)	(6,920)	(\$94,018)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)	11,096	(1,030)	(677)	(1,366)	(55)	(1,950)	(2,059)	(2,059)	1,209	(\$11,357)
RX Benefit Management Fees	(683)	(1,021)	(739)	(838)	(792)	(1,216)	(868)	160	(866)	(763)	(834)	(760)	(\$9,220)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)	(24)	24	1,866	(23,820)	16,341	(2,555)	(8,539)	4,815	9,161	(\$10,173)
Professional Fees (6)	(11,875)	(735)	(20,593)	(10,851)	(14,366)	(13,571)	(28,476)	13,524	(13,409)	(13,903)	(5,840)	7,516	(\$112,580)
Total Variance Expenses	(\$30,308)	\$868	(\$28,122)	(\$7,814)	(\$23,396)	(\$18,947)	(\$60,765)	\$23,731	(\$26,963)	(\$31,019)	(\$16,245)	\$15,711	(\$203,268)

**Washington State Health Insurance Pool
2019 Financial Performance**

CASH BASIS	Month Ending December 31, 2019			
	Projected	Actual	Variance	% Change
Membership	1,440	1,450	10	0.7%
Avg Premium Receipt PMPM	\$250	\$240	(\$10)	-4.0%
Avg Medical Claim Expense PMPM	\$1,236	\$1,466	(\$230)	18.6%
Avg Pharmacy Claim Expense PMPM	\$719	\$704	\$15	-2.1%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,705)	(\$1,930)	(\$225)	-13.2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,455,628)	(\$2,798,500)	(\$342,872)	-14.0%
Variance Due to Changes in Membership			(\$18,816)	
Variance Due to Changes in Claim Expenses			(\$324,056)	

CASH BASIS	Year-To-Date December 31, 2019			
	Projected	Actual	Variance	% Change
Member Months	17,274	16,856	(418)	-2.4%
Avg Premium Receipt PMPM	\$649	\$631	(\$18)	-2.8%
Avg Medical Claim Expense PMPM	\$1,356	\$1,482	\$126	9.3%
Avg Pharmacy Claim Expense PMPM	\$748	\$745	(\$3)	-0.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,455)	(\$1,596)	(\$141)	-9.7%
Avg Premium Receipt Less Avg Claim Expense Total	(\$25,133,281)	(\$26,902,176)	(\$1,768,895)	-7.0%
Variance Due to Changes in Membership			\$666,701	
Variance Due to Changes in Claim Expenses			(\$2,435,596)	

INCURRED BASIS	Year-To-Date December 31, 2019	Year-To-Date December 31, 2018
	Actual	Actual - Prior Year
Member Months	16,856	17,149
Avg Premium Income PMPM	\$713	\$712
Avg Medical Claim Expense PMPM (1)	\$1,561	\$1,573
Avg Pharmacy Claim Expense PMPM (2)	\$757	\$778
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,605)	(\$1,639)
Avg Premium Receipt Less Avg Claim Expense Total	(\$27,053,880)	(\$28,107,211)

(1) Incurred medical claims data totals \$26,309,188 which is derived from \$21,369,188 actual paid claims with dates of service between 01-01-19 and 12-31-19 and \$4,940,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$12,755,301 which is derived from \$12,012,301 actual paid claims with dates of service between 01-01-19 and 12-31-19 and \$743,000 IBNR reserve.