



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

December 2020

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

1. 2020 Interim III Assessment Required

An assessment of \$5M is required to adequately fund the pool until the next scheduled assessment in March 2021. This assessment was approved by the Board of Directors on November 10, 2020, and generated on November 23, 2020 with invoices due December 23, 2020; except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 23, 2021.

2. Financial Statements – December 2020

Balance Sheet

Cash on hand increased by \$2.6M or 38% from November 2020 to December 2020. The current cash position is \$9.5M, which is above our current 4-week expense allowance of \$2.7M. As of the end of December 2020, the entire \$9.5M 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 2020 is \$3.9M. This is a decrease of \$140K or 3.5% from the prior month. Medical IBNR increased \$145K or 4.1% and pharmacy IBNR decreased \$285K or 54.6% from November 2020.

As of November 2020, the equity position of WSHIP is a positive \$6.1M.

Income Statement

Total member months for December 2020 YTD are lower by 1040 member months or 6.2% lower than December 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for December 2020 YTD is \$9.6M or 25.3% lower than December 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 December 2020 YTD, the medical claims portion is \$8.2M or 32.1% lower than December 2019 YTD, and the pharmacy claims portion is \$1.4M or 11.2% lower than December 2019 YTD.

December 2020 YTD administrative expenses are \$5K or 0.3% lower than the administrative expenses for December 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 5.9% for December 2020 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 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 \$9.5M is \$3.4M or 55.7% higher than the budgeted cash balance of \$6.1M. Total net cash receipts for December 2020 are \$1.2M or 18.2% unfavorable to budget. Total YTD expenses for December 2020 YTD are \$3.2M or 9.1% favorable to budget. The YTD administrative expenses are \$62K or 3.4% favorable to budget. Total YTD medical claims expense is \$5.7M or 22.8% favorable to budget; while total YTD pharmacy claims expense is \$2.5M or 29.2% unfavorable to budget.

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

As of December, the YTD Medicare member months total 13,420 and represent 84.9% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,396 and account for 15.1% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 206% while the YTD Non-Medicare Loss Ratio is 713%. On a cash basis, the YTD Claims PMPM is \$833 for Medicare members and \$8,004 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 September 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 December 2020. For January 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 2021 assessment projection. To ensure adequate funding, the current 2021 forecast is projecting an assessment of \$24.5M, which matches the 2020 assessment of \$24.5M

6. Administrative Expense Budget

For December 2020, YTD administrative expenses are \$62K or 3.4% favorable to budget (cash basis).

7. Financial Performance

December 2020 YTD member months are 3% lower than expected, average premium receipt PMPM is 3.8% lower than expected, average medical claims expense PMPM is 19.5% lower than expected and average pharmacy claims expense PMPM is 33.3% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,218 as compared to \$1,209 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$660 as compared to \$705 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of December 31, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 9,501,959	\$ 6,076,372
Premiums Receivable	282,416	78,013
Assessments Receivable	1,055,564	3,527,764
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 10,839,938</u>	<u>\$ 9,682,149</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,655,000	\$ 4,940,000
Reserve for Unpaid Losses - Pharmacy	237,000	743,000
Accrued Loss Adjustment	272,000	294,000
Premiums Received in Advance	284,193	237,625
Assessments Payable	231,604	206,723
Accrued Expenses	113,817	112,902
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,793,613</u>	<u>\$ 6,534,250</u>
Unassigned Surplus	6,046,325	3,147,900
Total Liabilities and Unassigned Surplus	<u>\$ 10,839,938</u>	<u>\$ 9,682,149</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to December 31

	<u>2020</u>	<u>2019</u>
Total Member Months	15,816	16,856
Premium Income Earned	\$ 8,174,886	\$ 12,019,242
Pharmacy Rebate Income	422,347	444,012
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 17,312,882	25,514,756
Incurred Claim Loss - Pharmacy	11,145,176	12,556,343
Total Incurred Claim Loss	<u>28,458,057</u>	<u>38,071,099</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 908,288	\$ 965,369
Variable Administrative Expense	86,548	95,984
Salary and Benefit Expense	399,353	376,813
Prescription Administrative Expense	12,613	11,927
Miscellaneous Expense	106,232	117,639
Professional Fee Expense	249,774	190,267
Total Operating Expenses	<u>\$ 1,762,809</u>	<u>\$ 1,757,999</u>
Underwriting Gain (Loss)	(21,623,633)	(27,365,844)
Investment Income	22,058	135,842
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (21,601,575)</u>	<u>\$ (27,230,002)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(21,601,575)	(27,230,002)
Member Assessments	24,500,000	28,000,000
Unassigned Surplus	<u>\$ 6,046,325</u>	<u>\$ 3,147,900</u>

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

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	December 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	16,302	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	8,800,505	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000	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	423,283	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	26,378,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200	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	36,083,569	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	201,342	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	201,342	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	24,898,977	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	8,624,114	8,624,114
Fixed (PMPM) Admin	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	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	115,310	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	403,001	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	20,870	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	130,409	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	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	35,346,570	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	1,341	1,344	1,337	1,341	15,816	
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	10,123,520	9,067,865	6,884,579		
Receipts														
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	824,518	252,578	372,445	8,159,335	
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	7,305	5,078	3,809	1,475	84,090	
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,493,240	2,717,165	791,061	1,097	4,830,054	27,203,804	
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	86	70	72	22,058	
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	3,578,563	1,620,743	257,554	5,204,047	35,891,634	
Refunds														
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723	
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665	(1,378)	142,283	
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665	(1,378)	349,006	
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	1,553,155	1,697,691	1,509,565	1,308,943	19,209,972	
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	763,528	1,112,016	11,145,176	
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	72,074	72,537	918,134	
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	4,911	7,508	88,597	
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	31,061	34,473	378,561	
Prescription Admin	1,024	1,003	867	894	851	525	1,804	901	934	952	975	945	11,676	
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	5,517	27,424	104,063	
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	33,544	24,199	260,863	
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,446	2,470,970	2,489,025	3,097,934	2,561,127	2,664,564	2,421,174	2,588,045	32,117,042	
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	10,123,520	9,067,865	6,884,579	9,501,959		
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	\$ 10,123,520	\$ 9,067,865	\$ 6,884,579	\$ 9,501,959		

**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)	(20)	(18)	(26)	(23)	(486)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655	(424,306)	115,107	83,071	(491,517)	(374,386)	(641,171)
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)	256,013	-	(54,146)	-	-	(120,000)	-	(57,653)
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)	(25,936)	5,213	(33,734)	(29,916)	(34,673)	(34,305)	(35,775)	(339,192)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)	1,787,444	1,332,060	-	(1,706,760)	1,817,165	(108,939)	1,097	(769,946)	825,222
Investment Income	8,791	6,442	2,996	1,087	683	445	340	145	0	(14)	(30)	(28)	20,858
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)	1,902,356	(60,555)	(644,755)	(1,180,134)	(191,936)
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	9,471	6,702	(1,062)	20,049	77,730
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078	9,471	6,702	(1,062)	20,049	(128,993)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093	384,959	636,301	640,599	732,396	882,228	5,689,005
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)	(465,047)	(151,804)	(99,626)	(72,870)	(413,185)	(2,521,062)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)	(1,217)	(1,187)	(2,272)	511	78	(47,545)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083	4,041	2,695	2,316	11,757	665	26,713
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359	1,285	1,293	1,682	1,293	(2,119)	24,440
Prescription Admin	711	732	870	843	886	1,214	(65)	839	807	790	768	798	9,193
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)	(2,433)	4,629	10,835	3,008	(4,883)	26,346
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)	(12,644)	18,016	(15,772)	(16,535)	809	22,437
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435	(90,219)	510,749	538,551	660,327	464,392	3,229,528
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986	3,595,563	4,080,261	4,094,770	3,399,076	
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	3,595,563	4,080,261	4,094,770	3,399,076	

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	1,142	1,148	1,142	1,144	13,420			
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593	237,046	363,241	672,543	193,601	279,140	5,431,621			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421	705,216	1,007,458	816,232	777,338	811,402	10,218,767			
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472	67,758	54,901	61,746	59,528	79,205	957,934			
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	873,894	772,974	1,062,358	877,979	836,866	890,607	11,176,701			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	(535,929)	(699,117)	(205,436)	(643,265)	(611,467)	(5,745,080)			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%	326%	292%	131%	432%	319%	206%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757	777	680	930	765	733	779	833	846	815	792
Non Medicare																
Enrollment Count	204	203	202	202	201	199	199	199	199	196	195	197	2,396			
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087	75,060	452,753	151,975	58,977	93,305	2,689,715			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948	1,051,472	545,697	881,459	732,227	497,541	8,991,206			
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819	1,106,141	829,363	755,233	704,000	1,032,811	10,187,242			
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	1,375,060	1,636,692	1,436,226	1,530,352	19,178,448			
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)	(922,307)	(1,484,717)	(1,377,249)	(1,437,047)	(16,488,733)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%	2875%	304%	1077%	2435%	1640%	713%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535	7,346	10,842	6,910	8,350	7,365	7,768	8,004	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	1,341	1,344	1,337	1,341	15,816			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	815,994	824,518	252,578	372,445	8,121,336			
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	1,553,155	1,697,691	1,509,565	1,308,943	19,209,975			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	763,528	1,112,016	11,145,176			
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	2,437,418	2,514,670	2,273,093	2,420,959	30,355,151			
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)	(1,621,424)	(1,690,153)	(2,020,515)	(2,048,514)	(22,233,814)			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%	939%	299%	305%	900%	650%	374%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791	1,764	2,194	1,818	1,871	1,700	1,805	1,919	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

Forecast - Updated 11/5/20

	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	9,501,959	8,566,283	6,360,864	4,903,294	9,873,774	8,530,149	8,249,557	6,238,162	11,198,744	10,639,528	9,127,847	6,666,728	
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	8,836,303
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	564,858	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	-	5,600,000
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	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	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	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	132,545
Expenses													
Medical Claim Expense	1,660,706	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	21,448,966
Pharmacy Claim Expense	728,839	745,018	823,999	802,164	768,067	857,485	885,492	857,276	854,686	829,378	801,529	844,117	9,798,049
PMPM Administrative Expense	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	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	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
Prescription Administrative Expense	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	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	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 Expense	2,552,162	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	33,124,978
Available Cash Balance	8,566,283	6,360,864	4,903,294	9,873,774	8,530,149	8,249,557	6,238,162	11,198,744	10,639,528	9,127,847	6,666,728	9,587,045	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	8,566,283	6,360,864	4,903,294	9,873,774	8,530,149	8,249,557	6,238,162	11,198,744	10,639,528	9,127,847	6,666,728	9,587,045	

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	1,740	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	199	196	195	197	2,396
Medicare Basic	902	888	866	874	874	859	850	842	837	822	810	803	10,227
Medicare Basic Plus	139	139	138	136	135	134	133	134	133	133	131	130	1,615
Medical Supplement	46	64	75	93	107	113	142	161	172	193	201	211	1,578
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,337	1,341	15,816
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	\$72,074	\$72,537	\$918,135
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	\$4,911	\$7,508	\$88,597
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	\$31,061	\$34,473	\$378,561
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804	901	934	952	\$975	\$945	\$11,676
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	\$5,517	\$27,424	\$104,063
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	\$33,544	\$24,199	\$260,863
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$167,347	\$123,709	\$149,893	\$148,082	\$167,086	\$1,761,894

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)	(82)	(83)	(82)	(78)	(1,036)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)	(86)	(95)	(114)	(130)	(141)	(836)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)	(11)	(8)	(7)	(5)	(5)	(4)	(4)
Medical Supplement	46	64	75	93	107	113	142	161	172	193	201	211	1,578
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	(17)	(12)	(9)	(16)	(12)	(420)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497	1,217	1,187	2,272	(511)	(78)	\$47,546
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)	(4,041)	(2,695)	(2,316)	(11,757)	(665)	(\$26,713)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)	(1,285)	(1,293)	(1,682)	(1,293)	2,119	(\$24,440)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65	(839)	(807)	(790)	(768)	(798)	(\$9,194)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195	2,433	(4,629)	(10,835)	(3,008)	4,883	(\$26,346)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612	12,644	(18,016)	15,772	16,535	(809)	(\$22,437)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$10,130	(\$26,252)	\$2,421	(\$801)	\$4,651	(\$61,584)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending December 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,364	1,341	(23)	-1.7%
Avg Premium Receipt PMPM	\$534	\$279	(\$255)	-47.8%
Avg Medical Claim Expense PMPM	\$1,606	\$975	\$631	-39.3%
Avg Pharmacy Claim Expense PMPM	\$512	\$829	(\$317)	61.9%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,584)	(\$1,525)	\$59	3.7%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,160,576)	(\$2,045,025)	\$115,551	5.3%
Variance Due to Changes in Membership			\$35,075	
Variance Due to Changes in Claim Expenses			\$80,476	

CASH BASIS	Year-To-Date December 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	16,302	15,816	(486)	-3.0%
Avg Premium Receipt PMPM	\$527	\$507	(\$20)	-3.8%
Avg Medical Claim Expense PMPM	\$1,501	\$1,209	(\$292)	-19.5%
Avg Pharmacy Claim Expense PMPM	\$529	\$705	\$176	33.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,503)	(\$1,407)	\$96	6.4%
Avg Premium Receipt Less Avg Claim Expense Total	(\$24,501,906)	(\$22,253,112)	\$2,248,794	9.2%
Variance Due to Changes in Membership			\$683,802	
Variance Due to Changes in Claim Expenses			\$1,564,992	

INCURRED BASIS	Year-To-Date December 31, 2020	Year-To-Date December 31, 2019
	Actual	Actual - Prior Year
Member Months	15,816	16,856
Avg Premium Income PMPM	\$517	\$713
Avg Medical Claim Expense PMPM (1)	\$1,218	\$1,561
Avg Pharmacy Claim Expense PMPM (2)	\$660	\$757
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,361)	(\$1,605)
Avg Premium Receipt Less Avg Claim Expense Total	(\$21,525,576)	(\$27,053,880)

(1) Incurred medical claims data totals \$19,265,379 which is derived from \$15,610,379 actual paid claims with dates of service between 01-01-20 and 12-31-20 and \$3,655,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$10,442,860 which is derived from \$10,205,860 actual paid claims with dates of service between 01-01-20 and 12-31-20 and \$237,000 IBNR reserve.