

**Washington State Health Insurance Pool  
Treasurer's Report  
February 2015 Financial Review**

1. 2015 Interim I Assessment Required

In March 2015, an assessment of \$9.5 M is required to adequately fund the pool until the next scheduled assessment in July 2015. This assessment was approved by the Board of Directors and generated on March 30, 2015 with invoices due April 30, 2015 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 30, 2015.

2. Financial Statements – February 2015

Balance Sheet

Cash on hand decreased by \$3.5 M or 28.0% from January 2015 to February 2015. The current cash position is \$9.0 M which is well above our current three week expense allowance of \$2.9 M. As of the end of February 2015, the entire \$9.0 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 February 2015 is \$5.8 M. This represents a decrease of \$209 K or 3.5% as compared to the prior month. Medical IBNR decreased \$306 K or 5.9% and pharmacy IBNR increased \$97 K or 12.3% from January 2015.

As of February 2015, the equity position of WSHIP is a positive \$2.4 M.

Income Statement

Total member months for February 2015 YTD are lower by 1,343 member months or 29.0% lower than February 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for February 2015 YTD is \$77 K or 1.0% lower than February 2014 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 February 2015 YTD, the medical claims portion is \$817 K or 15.4% lower than February 2014 YTD, and the pharmacy claims portion is \$741 K or 34.2% higher than February 2014 YTD.

February 2015 YTD administrative expenses are \$101 K or 19.2% lower than the administrative expenses in February 2014 YTD. The ratio of administrative expenses as a percentage of total cost is 5.4% for February 2015 YTD as compared to 6.6% in February of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

### 3. Budgeted Cash Flow – February 2014

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2015 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$9.0 M is \$209 K higher than the budgeted cash balance of \$8.8 M. Total net cash receipts for February 2015 are \$204 K or 6.4% favorable to budget. Total expenses are \$5 K or less than one percent favorable to budget. The administrative expenses are \$38 K or 8.4% favorable to budget. Total medical claims expense is \$254 K or 5.1% unfavorable to budget, while total pharmacy claims expense is \$221 K or 8.1% favorable to budget.

### 4. Cash Flow Forecast – 2015

The 2015 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 2015 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 February 2015. For March 2015, preliminary figures for the key financial drivers (Premium Receipts, Grant Revenue, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2015 assessment projection. To ensure adequate funding, the current 2015 forecast is projecting an assessment of \$35.5 M which is a \$10.0 M or 22.0% decrease from the 2014 assessment of \$45.5 M.

### 5. Administrative Expense Budget

For February 2015, administrative expenses are \$38 K or 8.4% favorable to budget (cash basis).

### 6. Financial Performance

February 2015 YTD member months are 59 member months or 2% lower than projected in the original budget. Through February 2015, average premium receipt PMPM is 14% higher than anticipated. Average medical claims expense PMPM is 8% higher than anticipated and average pharmacy claims expense PMPM is 7% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,620 as compared to \$1,547 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$771 as compared to \$761 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of February 28

Total Enrollment: 1,613

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash	\$ 8,988,214	\$ 23,995,643
Premiums Receivable	319,070	1,568,674
Assessments Receivable	-	1,909,703
Grants Receivable	462,976	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 9,770,260</u>	<u>\$ 27,474,020</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 4,902,000	\$ 7,064,000
Reserve for Unpaid Losses - Pharmacy	883,000	1,477,000
Accrued Loss Adjustment	291,000	391,000
Premiums Received in Advance	1,070,516	2,091,095
Assessments Payable	-	-
Accrued Expenses	150,609	635,304
Abandoned Claim Reserve	29,948	71,331
<b>Total Liabilities</b>	<u>\$ 7,327,073</u>	<u>\$ 11,729,731</u>
<b>Unassigned Surplus</b>	2,443,187	15,744,289
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 9,770,260</u>	<u>\$ 27,474,020</u>

## WASHINGTON STATE HEALTH INSURANCE POOL

### Unaudited Statement of Operations January 1 to February 28

	<u>2015</u>	<u>2014</u>
Total Member Months	3,286	4,629
<b>Premium Income Earned</b>	\$ 2,051,406	\$ 3,414,712
<b>Pharmacy Rebate Income</b>	-	-
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	4,493,586	5,311,054
<b>Incurred Claim Loss - Pharmacy</b>	2,905,189	2,164,551
<b>Total Incurred Claim Loss</b>	<u>7,398,775</u>	<u>7,475,604</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 150,140	\$ 247,974
Variable Administrative Expense	40,422	100,071
Salary and Benefit Expense	186,966	80,740
Prescription Administrative Expense	4,081	7,555
Miscellaneous Expense	9,187	35,872
Professional Fee Expense	33,355	52,874
<b>Total Operating Expenses</b>	<u>\$ 424,152</u>	<u>\$ 525,087</u>
<b>Underwriting Gain (Loss)</b>	(5,771,521)	(4,585,980)
<b>Investment Income</b>	272	506
<b>Other Income</b>	-	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (5,771,249)</u>	<u>\$ (4,585,474)</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Changes in Unassigned Surplus January 1 to February 28

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(5,771,249)	(4,585,474)
Member Assessments	-	-
<b>Unassigned Surplus</b>	<u>\$ 2,443,187</u>	<u>\$ 15,744,289</u>

**WSHIP 2015  
Budgeted Cashflow**

**Budget - Updated Jan 2015**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	FEB YTD	TOTAL
<b>Enrollment Count</b>	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	3,345	19,808
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	19,667,071	12,240,340	8,779,189	6,821,237	10,895,656	8,273,266	6,819,152	3,320,830	10,708,922	9,607,719	7,427,985	3,429,494		
<b>Receipts</b>														
Premium Receipts	1,926,768	470,802	1,977,159	622,690	421,906	1,875,707	692,329	420,241	1,861,220	680,146	388,824	1,952,373	2,397,570	13,290,165
Grant Revenue	124,489	-	-	154,326	-	-	154,325	-	-	154,325	-	-	124,489	587,465
Pharmacy Rebate Income	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	-	120,000
Claim Refunds Receipts	114,540	107,777	98,752	100,108	101,909	108,334	114,841	114,008	116,245	118,831	119,350	117,946	222,317	1,332,643
Assessment Receipts	706,247	-	-	7,200,000	900,000	900,000	-	11,200,000	1,400,000	1,400,000	-	9,200,000	706,247	32,906,247
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	200	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>2,872,144</b>	<b>578,679</b>	<b>2,106,011</b>	<b>8,077,224</b>	<b>1,423,915</b>	<b>2,914,141</b>	<b>961,596</b>	<b>11,734,349</b>	<b>3,407,565</b>	<b>2,353,402</b>	<b>508,274</b>	<b>11,300,420</b>	<b>3,450,823</b>	<b>48,237,721</b>
<b>Refunds</b>														
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015	5,882,015
Premium Refunds	226,685	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	271,461	1,485,918
<b>Total Refunds</b>	<b>6,108,700</b>	<b>44,776</b>	<b>220,441</b>	<b>69,426</b>	<b>47,040</b>	<b>209,130</b>	<b>77,190</b>	<b>46,854</b>	<b>207,515</b>	<b>75,832</b>	<b>43,351</b>	<b>217,678</b>	<b>6,153,476</b>	<b>7,367,933</b>
<b>Expenses</b>														
Medical Claims	2,582,871	2,421,202	2,335,767	2,367,831	2,410,422	2,562,405	2,716,308	2,696,611	2,749,516	2,810,678	2,822,960	2,789,755	5,004,073	31,266,326
Pharmacy Claims	1,328,583	1,394,192	1,330,074	1,375,282	1,388,316	1,410,633	1,457,687	1,384,748	1,361,651	1,446,118	1,401,169	1,402,947	2,722,775	16,681,399
Fixed (PMPM) Admin	74,738	74,429	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	149,167	1,023,745
Variable Admin	27,953	27,281	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	55,234	334,497
Salary and Benefits	143,885	33,965	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	177,850	513,302
Prescription Admin	3,375	3,366	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	6,741	39,861
Miscellaneous	9,800	7,150	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	16,950	155,639
Professional Fees	18,970	33,470	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	52,440	399,340
<b>Total Expense</b>	<b>4,190,175</b>	<b>3,995,055</b>	<b>3,843,522</b>	<b>3,933,379</b>	<b>3,999,264</b>	<b>4,159,126</b>	<b>4,382,728</b>	<b>4,299,402</b>	<b>4,301,255</b>	<b>4,457,303</b>	<b>4,463,413</b>	<b>4,389,487</b>	<b>8,185,230</b>	<b>50,414,109</b>
<b>Month Ending Cash Balance</b>	<b>\$ 12,240,340</b>	<b>\$ 8,779,189</b>	<b>\$ 6,821,237</b>	<b>\$ 10,895,656</b>	<b>\$ 8,273,266</b>	<b>\$ 6,819,152</b>	<b>\$ 3,320,830</b>	<b>\$ 10,708,922</b>	<b>\$ 9,607,719</b>	<b>\$ 7,427,985</b>	<b>\$ 3,429,494</b>	<b>\$ 10,122,750</b>		

<b>Actual</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Enrollment Count</b>	1,673	1,613											3,286
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	19,667,071	12,484,611											
<b>Receipts</b>													
Premium Receipts	2,033,165	401,598											2,434,763
Grant Revenue	124,489	-											124,489
Pharmacy Rebate Income	-	-											-
Claim Refunds Receipts	144,512	30,746											175,257
Assessment Receipts	703,762	2,485											706,247
Investment Income	168	104											272
Other Income	-	-											-
<b>Total Receipts</b>	<b>3,006,095</b>	<b>434,933</b>											<b>3,441,028</b>
<b>Refunds</b>													
Assessment Refunds	5,882,015	-											5,882,015
Premium Refunds	25,776	32,158											57,935
<b>Total Refunds</b>	<b>5,907,791</b>	<b>32,158</b>											<b>5,939,950</b>
<b>Expenses</b>													
Medical Claims	2,709,187	2,549,228											5,258,415
Pharmacy Claims	1,328,583	1,173,035											2,501,617
Fixed (PMPM) Admin	77,147	75,702											152,849
Variable Admin	16,771	25,312											42,083
Salary and Benefits	141,590	43,066											184,655
Prescription Admin	2,051	2,029											4,081
Miscellaneous	3,115	5,687											8,802
Professional Fees	2,321	25,112											27,434
<b>Total Expense</b>	<b>4,280,764</b>	<b>3,899,171</b>											<b>8,179,936</b>
<b>Available Cash Balance</b>	<b>12,484,611</b>	<b>8,988,214</b>											
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>\$ 12,484,611</b>	<b>\$ 8,988,214</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**WSHIP 2015  
Budgeted Cashflow**

<b>Variance to Budget</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
<b>Enrollment Count</b>	(2)	(57)											(59)
<b>Receipts</b>													
Premium Receipts	106,397	(69,204)											37,193
Grant Revenue	-	-											-
Pharmacy Rebate Income	-	-											-
Claim Refunds Receipts	29,972	(77,032)											(47,060)
Assessment Receipts	(2,485)	2,485											-
Investment Income	68	4											72
Other Income	-	-											-
<b>Total Receipts</b>	<b>133,951</b>	<b>(143,746)</b>											<b>(9,795)</b>
<b>Refunds</b>													
Assessment Refunds	-	-											-
Premium Refunds	200,909	12,618											213,526
<b>Total Refunds</b>	<b>200,909</b>	<b>12,618</b>											<b>213,526</b>
<b>Expenses</b>													
Medical Claims	(126,316)	(128,026)											(254,342)
Pharmacy Claims	0	221,157											221,158
Fixed (PMPM) Admin	(2,409)	(1,273)											(3,682)
Variable Admin	11,182	1,969											13,151
Salary and Benefits	2,295	(9,101)											(6,805)
Prescription Admin	1,324	1,337											2,660
Miscellaneous	6,685	1,463											8,148
Professional Fees	16,649	8,358											25,006
<b>Total Expense</b>	<b>(90,589)</b>	<b>95,884</b>											<b>5,294</b>
<b>Available Cash Balance</b>	<b>244,271</b>	<b>209,026</b>											
<b>Inc(Dec) in Abandoned</b>													
<b>Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>244,271</b>	<b>209,026</b>											

- (1) Assumes a Non-medicare medical claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare medical claim expense trend of 12%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 4% for Basic Plus
- (3) Assumes a Non-medicare premium rate trended at a 7.2% increase. Assumes a Medicare premium rate increase of 12% for Basic and 7% for Basic Plus
- (4) Non-medicare enrollment projected to decrease by 7 members per month. All Medicare enrollment projected to increase by 2 members per month.
- (5) Assumes assessments on March (**\$9.0 M**), July (**\$14.0**) and November (**\$11.5 M**) TOTAL **\$34.5 M**.
- (6) 3-Week expense allowance is **\$2.9 M** based upon the actual data for the 12-month period ending in Dec of 2015.
- (7) WSHIP has access to a **\$5 M** line of credit in the event cash on hand is exhausted.



## Washington State Health Insurance Pool 2015 Cash Flow Forecast

Forecast - Updated 03/31/15

	Actual (Bold)			Forecast										TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
<b>Enrollment:</b>														
Non-Medicare Enrollment	615	579	564	568	560	553	546	539	532	525	518	512	6,611	
Medicare Enrollment (Basic and Basic+)	1,058	1,034	1,048	1,031	1,032	1,033	1,034	1,035	1,036	1,037	1,038	1,039	12,455	
<b>Total Enrollment Count</b>	<b>1,673</b>	<b>1,613</b>	<b>1,612</b>	1,599	1,592	1,586	1,580	1,574	1,568	1,562	1,556	1,551	19,066	
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	<b>19,667,071</b>	<b>12,484,611</b>	8,988,214	6,233,229	10,551,642	7,819,035	6,370,866	2,900,304	10,323,550	9,295,714	7,149,054	3,214,118		
<b>Receipts</b>														
Premium Receipts	2,033,165	401,598	1,680,186	596,440	404,120	1,796,634	663,143	402,525	1,782,758	651,473	372,433	1,870,068	12,654,541	
Grant Revenue	124,489	-	-	154,326	-	-	154,325	-	-	154,325	-	-	587,465	
Pharmacy Rebate Income	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	120,000	
Claim Refunds Receipts	144,512	30,746	61,700	49,627	50,377	51,867	52,656	51,931	53,081	54,320	53,776	52,965	707,559	
Assessment Receipts	703,762	2,485	-	7,600,000	950,000	950,000	-	11,200,000	1,400,000	1,400,000	-	9,600,000	33,806,247	
Investment Income	168	104	100	100	100	100	100	100	100	100	100	100	1,272	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Receipts</b>	<b>3,006,095</b>	<b>434,933</b>	1,771,986	8,400,493	1,404,597	2,828,601	870,225	11,654,556	3,265,939	2,260,217	426,309	11,553,133	47,877,084	
<b>Refunds</b>														
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015	
Premium Refunds	25,776	32,158	67,207	23,858	16,165	71,865	26,526	16,101	71,310	26,059	14,897	74,803	466,726	
<b>Total Refunds</b>	<b>5,907,791</b>	<b>32,158</b>	67,207	23,858	16,165	71,865	26,526	16,101	71,310	26,059	14,897	74,803	6,348,741	
<b>Expenses</b>														
Medical Claim Expense	2,709,187	2,549,228	3,085,023	2,481,345	2,518,869	2,593,360	2,632,819	2,596,560	2,654,051	2,715,977	2,688,818	2,648,274	31,873,512	
Pharmacy Claim Expense	1,328,583	1,173,035	1,197,059	1,386,612	1,401,644	1,425,456	1,472,709	1,400,606	1,378,326	1,464,335	1,418,246	1,418,035	16,464,644	
PMPM Administrative Expense	77,147	75,702	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,027,427	
Variable Administrative Expense	16,771	25,312	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	321,346	
Salary and Benefits Expense	141,590	43,066	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	520,106	
Prescription Administrative Expense	2,051	2,029	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	37,201	
Miscellaneous Expense	3,115	5,687	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	147,491	
Professional Fees	2,321	25,112	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	374,333	
<b>Total Expense</b>	<b>4,280,764</b>	<b>3,899,171</b>	4,459,765	4,058,222	4,121,040	4,204,904	4,314,261	4,215,209	4,222,464	4,380,818	4,346,347	4,263,093	50,766,059	
<b>Available Cash Balance</b>	<b>12,484,611</b>	<b>8,988,214</b>	6,233,229	10,551,642	7,819,035	6,370,866	2,900,304	10,323,550	9,295,714	7,149,054	3,214,118	10,429,356		
<b>Inc(Dec) in Abandoned Property Reserve</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Month Ending Cash Balance</b>	<b>12,484,611</b>	<b>8,988,214</b>	6,233,229	10,551,642	7,819,035	6,370,866	2,900,304	10,323,550	9,295,714	7,149,054	3,214,118	10,429,356		

- (1) Assumes a Non-medicare medical claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare medical claim expense trend of 12%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 4% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 7.2% increase. Assumes a Medicare premium rate increase of 12% for Basic and 7% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 5 members per month. All Medicare enrollment projected to decrease by 1 members per month.
- (5) Assumes assessments on March (\$9.5 M), July (\$14.0) and November (\$12.0 M) TOTAL \$35.5 M.
- (6) 3-Week expense allowance is \$2.9 M based upon the actual data for the 12-month period ending in Dec of 2015.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool  
2015 Administrative Expense  
Budget Variance Analysis**

<b>Budget</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Membership: (1)													
Non-Medicare	619	612	605	599	592	586	580	574	568	562	556	551	7,004
Medicare Basic	790	795	800	805	810	815	820	825	830	835	840	845	9,810
Medicare Basic Plus	266	263	260	257	254	251	248	245	242	239	236	233	2,994
Total Membership	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	19,808
PMPM Administrative Expense (2)	74,738	74,429	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,023,745
Variable Administrative Expense (3)	27,953	27,281	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	334,497
Salary and Benefits Expense (4)	143,885	33,965	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	513,301
RX Benefit Management Fees	3,375	3,366	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	39,861
Miscellaneous Expense (5)	9,800	7,150	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	155,639
Professional Fees (6)	18,970	33,470	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	399,339
<b>Total Budget Operating Expenses</b>	<b>\$278,722</b>	<b>\$179,661</b>	<b>\$177,682</b>	<b>\$190,265</b>	<b>\$200,527</b>	<b>\$186,088</b>	<b>\$208,733</b>	<b>\$218,043</b>	<b>\$190,087</b>	<b>\$200,507</b>	<b>\$239,284</b>	<b>\$196,784</b>	<b>\$2,466,382</b>

<b>Actual</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Membership: (1)													
Non-Medicare	615	579											1,194
Medicare Basic	792	776											1,568
Medicare Basic Plus	266	258											524
Total Membership	1,673	1,613	-	-	-	-	-	-	-	-	-	-	3,286
PMPM Administrative Expense (2)	77,147	75,702											\$152,849
Variable Administrative Expense (3)	16,771	25,312											\$42,083
Salary and Benefits Expense (4)	141,590	43,066											\$184,655
RX Benefit Management Fees	2,051	2,029											\$4,081
Miscellaneous Expense (5)	3,115	5,687											\$8,802
Professional Fees (6)	2,321	25,112											\$27,434
<b>Total Actual Operating Expenses</b>	<b>\$242,995</b>	<b>\$176,909</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$419,903</b>

<b>Variance</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Membership: (1)													
Non-Medicare	(4)	(33)											(37)
Medicare Basic	2	(19)											(17)
Medicare Basic Plus	-	(5)											(5)
Total Membership	(2)	(57)	-	-	-	-	-	-	-	-	-	-	(59)
PMPM Administrative Expense (2)	(2,409)	(1,273)											(\$3,682)
Variable Administrative Expense (3)	11,182	1,969											\$13,151
Salary and Benefits Expense (4)	2,296	(9,100)											(\$6,805)
RX Benefit Management Fees	1,324	1,336											\$2,661
Miscellaneous Expense (5)	6,685	1,463											\$8,148
Professional Fees (6)	16,649	8,358											\$25,006
<b>Total Variance Expenses</b>	<b>\$35,727</b>	<b>\$2,753</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,479</b>

**Notes:**

- (1) Non-medicare enrollment projected to decrease by 7 members per month. All Medicare enrollment projected to increase by 2 members per month.
- (2) PMPM Administrative Expense reflects contractual fees and performance bonuses per member for TPA, Utilization Management fees and Network services. It is paid a month in arrears.  
The PMPM rate varies by plan and enrollment levels. For Jan - Mar, the Medicare plan PMPM = \$38.55 and the Non-Medicare PMPM = \$48.20. For Apr - Dec, the Medicare plan, PMPM = \$47.87 and the Non-Medicare PMPM = \$57.52. Please note that when monthly enrollment falls below 1,750 lives, PMPM administrative expenses will increase according to the agreed upon rate schedule.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, special mailings, misc. system programming, and other miscellaneous.
- (4) Salary and Benefits Expense reflect the combined amounts of the Executive Director, Executive Assistant and Program Coordinator, as well as temporary resources.  
PCIP-WA no longer will reimburse WSHIP for any salary and benefit costs as it has over the last few years.
- (5) Miscellaneous expense includes Board expenses, conference travel, insurance, agent commissions, phone/internet charges, and office expenses.  
PCIP-WA no longer will reimburse WSHIP for any miscellaneous costs as it has over the last few years.
- (6) Professional fees include legal fees, auditing fees, actuarial fees, and consulting.

**WSHIP Financial Performance**

CASH BASIS	Month Ending February 28, 2015			
	Projected	Actual	Variance	% Change
Membership	1,670	1,613	(57)	-3%
Avg Premium Receipt PMPM	\$255	\$229	(\$26)	-10%
Avg Medical Claim Expense PMPM	\$1,385	\$1,561	(\$176)	-13%
Avg Pharmacy Claim Expense PMPM	\$835	\$727	\$108	13%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,965)	(\$2,059)	(\$94)	-5%
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,281,550)	(\$3,321,167)	(\$39,617)	-1%
Variance Due to Changes in Membership			\$117,363	
Variance Due to Changes in Claim Expenses			(\$156,980)	

CASH BASIS	Year-To-Date February 28, 2015			
	Projected	Actual	Variance	% Change
Member Months	3,345	3,286	(59)	-2%
Avg Premium Receipt PMPM	\$636	\$723	\$87	14%
Avg Medical Claim Expense PMPM	\$1,430	\$1,547	(\$117)	-8%
Avg Pharmacy Claim Expense PMPM	\$814	\$761	\$53	7%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,608)	(\$1,585)	\$23	1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$5,378,760)	(\$5,208,310)	\$170,450	3%
Variance Due to Changes in Membership			\$93,515	
Variance Due to Changes in Claim Expenses			\$76,935	

INCURRED BASIS	Year-To-Date February 28, 2015	Year-To-Date February 28, 2014
	Actual	Actual - Prior Year
Member Months	3,286	4,629
Avg Premium Income PMPM	\$624	\$738
Avg Medical Claim Expense PMPM (1)	\$1,620	\$1,228
Avg Pharmacy Claim Expense PMPM (2)	\$771	\$1,251
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,767)	(\$1,741)
Avg Premium Receipt Less Avg Claim Expense Total	(\$5,806,362)	(\$8,059,089)

(1) Incurred medical claims data totals \$5,324,056 which is derived from \$1,789,056 actual paid claims with dates of service between 1-1-15 and 2-28-15 and \$3,535,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$2,533,617 which is derived from \$1,651,617 actual paid claims with dates of service between 1-1-15 and 2-28-15 and \$882,000 IBNR reserve.