

**Washington State Health Insurance Pool
Treasurer's Report
February 2018 Financial Review**

1. 2017 Interim III Assessment Required

An assessment of \$8.5 M was required to adequately fund the pool until the next scheduled assessment in March 2018. This assessment was approved by the Board of Directors on November 8, 2017 and invoices were generated on November 28, 2017 with invoices due December 28, 2017 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 28, 2018. As of March 31, 2018, \$9.5 M of assessments have been collected, leaving \$150 K to be collected before \$1.2 M is distributed for assessment true-up refunds.

2. 2018 Interim I Assessment Required

An assessment of \$7.0 M is required to adequately fund the pool until the next scheduled assessment in July 2018. This assessment was approved by the Board of Directors and generated on March 30, 2018 with invoices due April 30, 2018 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 30, 2018.

3. Financial Statements – February 2018

Balance Sheet

Cash on hand increased by \$16 K or less than 1% from January 2018 to February 2018. The current cash position is \$8.3 M, which is well above our current 4-week expense allowance of \$3.0 M. As of the end of February 2018, the entire \$8.3 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 2018 is \$4.7 M. This is an increase of \$335 K or 7.7% from the prior month. Medical IBNR increased \$201 K or 5.7% and pharmacy IBNR increased \$134 K or 17.2% from January 2018.

As of February 2018, the equity position of WSHIP is a positive \$1.8 M.

Income Statement

Total member months for February 2018 YTD are lower by 67 member months or 2.3% lower than February 2017 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for February 2018 YTD is \$72 K or 1.2% lower than February 2018 YTD.

Incurring 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 2018 YTD, the medical claims portion is \$336 K or 10.1% higher than February 2017 YTD, and the pharmacy claims portion is \$408 K or 16.1% lower than February 2017 YTD.

February 2018 YTD administrative expenses are \$66 K or 22.1% higher than the administrative expenses for February 2017 YTD. The ratio of administrative expenses as a percentage of total cost is 5.8% for February 2018 YTD as compared to 4.9% for February YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – February 2018

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2018 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$8.3 M is \$2.3 M or 21.7% lower than the budgeted cash balance of \$10.6 M. Total net cash receipts for February 2018 YTD are \$1.7 K or 25.9% favorable to budget. Total YTD expenses are \$801 K or 12.1% favorable to budget. The YTD administrative expenses are \$40 K or 11.9% favorable to budget. Total YTD medical claims expense is \$312 K or 8.0% favorable to budget; while total YTD pharmacy claims expense is \$448 K or 19.0% favorable to budget.

5. Medicare vs. Non-Medicare Cash Flow – February 2018

As of February, the YTD Medicare member months total 2,178 and represent 76% of the combined WSHIP member months. The YTD Non-Medicare member months total 696 and account for 24% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 148% while the YTD Non-Medicare Loss Ratio is 224%. On a cash basis, the YTD Claims PMPM is \$741 for Medicare members and \$5,631 for Non-Medicare members.

6. Cash Flow Forecast – 2018

The 2018 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 2017 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 2018. For March 2018, preliminary figures for the key financial drivers (Premium

Receipts, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

To ensure adequate funding, the current 2018 forecast is projecting an assessment of \$24.5 M which is a \$1.5 M or 5.8% decrease from the 2017 assessment of \$26.0 M.

7. Administrative Expense Budget

For February 2018, YTD administrative expenses are \$40 K or 11.9% favorable to budget (cash basis).

8. Financial Performance

February 2018 YTD member months are 1% higher than expected, average premium receipt PMPM is 61% higher than expected, average medical claims expense PMPM is 7% lower than expected and average pharmacy claims expense PMPM is 20% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,682 as compared to \$1,253 on a cash basis. Also on an incurred basis, the average YTD pharmacy claims expense PMPM is \$1,005 as compared to \$667 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of February 28

Total Enrollment: 1,410

	<u>2018</u>	<u>2017</u>
Assets:		
Cash	\$ 8,297,715	\$ 8,345,429
Premiums Receivable	92,277	137,603
Assessments Receivable	150,248	139
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 8,540,240</u>	<u>\$ 8,483,171</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,756,000	\$ 3,949,000
Reserve for Unpaid Losses - Pharmacy	914,000	1,025,000
Accrued Loss Adjustment	295,000	313,000
Premiums Received in Advance	846,027	831,916
Assessments Payable	724,986	-
Accrued Expenses	170,378	166,119
Abandoned Claim Reserve	2,084	19,897
Total Liabilities	<u>\$ 6,708,475</u>	<u>\$ 6,304,933</u>
Unassigned Surplus	1,831,765	2,178,239
Total Liabilities and Unassigned Surplus	<u>\$ 8,540,240</u>	<u>\$ 8,483,171</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations February 1 to February 28

	<u>2018</u>	<u>2017</u>
Total Member Months	2,874	2,941
Premium Income Earned	\$ 2,277,056	\$ 2,261,522
Pharmacy Rebate Income	117,625	15,401
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 3,672,175	3,340,174
Incurred Claim Loss - Pharmacy	2,120,743	2,528,886
Total Incurred Claim Loss	<u>5,792,918</u>	<u>5,869,060</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 160,310	\$ 158,685
Variable Administrative Expense	24,096	26,853
Salary and Benefit Expense	79,058	58,430
Prescription Administrative Expense	5,158	6,493
Miscellaneous Expense	28,841	17,643
Professional Fee Expense	68,859	31,918
Total Operating Expenses	<u>\$ 366,322</u>	<u>\$ 300,020</u>
Underwriting Gain (Loss)	(3,764,559)	(3,892,159)
Investment Income	17,318	8,141
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (3,747,241)</u>	<u>\$ (3,884,017)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2018</u>	<u>2017</u>
Unassigned Surplus at Beginning of Year	\$ 5,579,006	\$ 6,062,256
Changes to Unassigned Surplus	(3,747,241)	(3,884,017)
Member Assessments	-	-
Unassigned Surplus	<u>\$ 1,831,765</u>	<u>\$ 2,178,239</u>

**WSHIP 2018
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	FEBRUARY YTD	TOTAL
Enrollment Count	1,427	1,425	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	2,852	17,047
Cash Balance														
BEGINNING OF MONTH	10,516,926	12,655,004	10,595,865	9,123,614	12,892,020	10,875,369	10,020,695	7,240,772	12,558,231	11,993,978	10,432,808	7,493,631		
Receipts														
Premium Receipts	1,332,619	484,426	1,868,094	743,157	507,333	1,799,134	749,543	559,343	1,652,295	736,555	365,649	357,599	1,817,045	11,155,745
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	200,000
Claim Refunds Receipts	35,695	33,990	34,807	33,840	33,651	34,698	35,909	34,265	34,501	35,016	34,221	33,780	69,686	414,373
Assessment Receipts	4,131,528	2,000,000	-	6,400,000	800,000	800,000	-	8,000,000	1,000,000	1,000,000	-	6,000,000	6,131,528	30,131,528
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	200	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	5,499,942	2,518,517	1,953,000	7,177,096	1,341,083	2,683,932	785,552	8,593,708	2,736,895	1,771,670	399,971	6,441,478	8,018,459	41,902,846
Refunds														
Assessment Refunds	-	1,238,834	-	-	-	-	-	-	-	-	-	-	1,238,834	1,238,834
Premium Refunds	59,306	12,111	46,702	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	71,417	304,884
Total Refunds	59,306	1,250,945	46,702	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	1,310,251	1,543,718
Expenses														
Medical Claims	1,928,839	1,999,438	2,047,458	1,990,559	1,979,445	2,041,061	2,112,313	2,015,589	2,029,452	2,059,756	2,013,026	1,987,039	3,928,277	24,203,974
Pharmacy Claims	1,207,747	1,156,955	1,169,031	1,252,631	1,216,972	1,305,070	1,246,530	1,095,919	1,070,347	1,087,264	1,151,857	1,157,980	2,364,702	14,118,303
Fixed (PMPM) Admin	79,539	77,250	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	156,789	925,130
Variable Admin	14,278	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	35,446	180,599
Salary and Benefits	44,812	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	78,471	408,080
Prescription Admin	1,852	1,850	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	3,701	22,104
Miscellaneous	10,625	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	17,150	138,822
Professional Fees	14,867	29,867	27,367	14,867	14,867	14,867	14,867	18,367	24,867	26,867	24,867	15,367	44,733	261,400
Total Expense	3,302,558	3,326,712	3,378,549	3,390,111	3,345,051	3,493,629	3,546,736	3,262,266	3,259,840	3,314,427	3,330,006	3,308,528	6,629,270	40,258,413
Month Ending Cash Balance	\$ 12,655,004	\$ 10,595,865	\$ 9,123,614	\$ 12,892,020	\$ 10,875,369	\$ 10,020,695	\$ 7,240,772	\$ 12,558,231	\$ 11,993,978	\$ 10,432,808	\$ 7,493,631	\$ 10,617,641		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,464	1,410											2,874
Cash Balance													
BEGINNING OF MONTH	5,683,892	8,281,836											
Receipts													
Premium Receipts	2,379,633	463,465											2,843,098
Grant Revenue	-	-											-
Pharmacy Rebate Income	-	117,625											117,625
Claim Refunds Receipts	13,537	5,798											19,335
Assessment Receipts	3,432,332	2,035,100											5,467,432
Investment Income	9,077	8,241											17,318
Other Income	-	-											-
Total Receipts	5,834,579	2,630,229											8,464,807
Refunds													
Assessment Refunds	-	-											-
Premium Refunds	21,207	1,239											22,446
Total Refunds	21,207	1,239											22,446
Expenses													
Medical Claims	2,099,733	1,516,198											3,615,931
Pharmacy Claims	971,875	944,447											1,916,322
Fixed (PMPM) Admin	69,145	79,920											149,065
Variable Admin	16,497	10,456											26,953
Salary and Benefits	45,297	30,624											75,921
Prescription Admin	1,634	1,686											3,320
Miscellaneous	5,278	9,172											14,450
Professional Fees	5,970	20,607											26,577
Total Expense	3,215,428	2,613,110											5,828,539
Available Cash Balance	8,281,836	8,297,715											
Inc(Dec) in Abandoned	-	-											
Property Reserve	-	-											
Month Ending Cash Balance	\$ 8,281,836	\$ 8,297,715											

**WSHIP 2018
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	37	(15)											22
Receipts													
Premium Receipts	1,047,014	(20,961)											1,026,053
Grant Revenue	-	-											-
Pharmacy Rebate Income	-	117,625											117,625
Claim Refunds Receipts	(22,159)	(28,192)											(50,351)
Assessment Receipts	(699,196)	35,100											(664,096)
Investment Income	8,977	8,141											17,118
Other Income	-	-											-
Total Receipts	334,636	111,712											446,348
Refunds													
Assessment Refunds	-	1,238,834											1,238,834
Premium Refunds	38,099	10,872											48,971
Total Refunds	38,099	1,249,706											1,287,805
Expenses													
Medical Claims	(170,894)	483,240											312,346
Pharmacy Claims	235,872	212,508											448,380
Fixed (PMPM) Admin	10,394	(2,670)											7,724
Variable Admin	(2,219)	10,712											8,493
Salary and Benefits	(485)	3,035											2,550
Prescription Admin	218	164											382
Miscellaneous	5,347	(2,647)											2,700
Professional Fees	8,897	9,260											18,157
Total Expense	87,130	713,601											800,731
Available Cash Balance	(4,373,169)	(2,298,150)											
Inc(Dec) in Abandoned	-	-											
Property Reserve	-	-											
Month Ending Cash Balance	(4,373,169)	(2,298,150)											

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 15%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 18% increase. Assumes a Medicare premium rate increase of 0.3% for Basic and 1.5% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$8.0 M), July (\$10.0 M) and November (\$7.5 M) TOTAL \$25.5 M
- (6) 4-Week expense allowance is \$3.2 M based upon the actual data for the 12-month period ending in Dec of 2018.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

WSHIP 2018
Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Medicare													
Enrollment Count	1,113	1,065											2,178
Premiums	750,451	342,924											1,093,375
Medical Claims	747,998	700,875											1,448,873
RX Claims	80,135	84,195											164,330
Total Claims	828,134	785,070	-	-	-	-	-	-	-	-	-	-	1,613,203
Income/Loss	(77,683)	(442,146)	-	-	-	-	-	-	-	-	-	-	(519,828)
Loss Ratio	110%	229%											148%
Claims PMPM	744	737											741
Non Medicare													
Enrollment Count	351	345											696
Premiums	1,629,182	120,541											1,749,723
Medical Claims	1,351,735	815,323											2,167,058
RX Claims	891,739	860,252											1,751,992
Total Claims	2,243,475	1,675,575	-	-	-	-	-	-	-	-	-	-	3,919,050
Income/Loss	(614,293)	(1,555,034)	-	-	-	-	-	-	-	-	-	-	(2,169,327)
Loss Ratio	138%	1390%											224%
Claims PMPM	6,392	4,857											5,631
Combined Medicare/Non Medicare													
Enrollment Count	1,464	1,410	-	-	-	-	-	-	-	-	-	-	2,874
Premiums	2,379,633	463,465	-	-	-	-	-	-	-	-	-	-	2,843,098
Medical Claims	2,099,733	1,516,198	-	-	-	-	-	-	-	-	-	-	3,615,933
RX Claims	971,875	944,447	-	-	-	-	-	-	-	-	-	-	1,916,322
Total Claims	3,071,608	2,460,645	-	-	-	-	-	-	-	-	-	-	5,532,255
Income/Loss	(691,975)	(1,997,180)	-	-	-	-	-	-	-	-	-	-	(2,689,157)
Loss Ratio	129%	531%											195%
Claims PMPM	2,098	1,745											1,925

Notes:

- 1) Premiums, Medical Claims and RX Claims are cash basis figures.
- 2) Premium amounts include premium refunds.
- 3) Medical Claim amounts include claim refunds.

Washington State Health Insurance Pool 2018 Cash Flow Forecast

Forecast - Updated 11/30/2017

	Actual (bold)		Forecast										TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	351	345	337	335	333	331	329	327	325	323	321	319	3,976
Medicare Enrollment (Basic and Basic+)	1,113	1,065	1,087	1,088	1,089	1,090	1,091	1,092	1,093	1,094	1,095	1,096	13,093
Total Enrollment Count	1,464	1,410	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	17,069
Cash Balance													
BEGINNING OF MONTH	5,683,892	8,281,836	8,297,715	4,602,819	8,619,033	6,552,086	5,773,675	3,067,186	8,439,445	8,037,069	6,548,060	3,644,706	
Receipts													
Premium Receipts	2,379,633	463,465	440,786	1,817,831	558,311	1,979,918	824,859	615,548	1,818,323	810,566	402,391	393,532	12,505,162
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	117,625	-	-	-	50,000	-	-	50,000	-	-	-	267,625
Claim Refunds Receipts	13,537	5,798	36,893	33,840	33,651	34,698	35,909	34,265	34,501	35,016	34,221	33,780	366,108
Assessment Receipts	3,432,332	2,035,100	150,248	5,600,000	700,000	700,000	-	8,000,000	1,000,000	1,000,000	-	6,000,000	28,617,680
Investment Income	9,077	8,241	100	100	100	100	100	100	100	100	100	100	18,318
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	5,834,579	2,630,229	628,027	7,451,771	1,292,062	2,764,716	860,868	8,649,913	2,902,923	1,845,682	436,712	6,477,411	41,774,893
Refunds													
Assessment Refunds	-	-	724,986	-	-	-	-	-	-	-	-	-	724,986
Premium Refunds	21,207	1,239	11,020	45,446	13,958	49,498	20,621	15,389	45,458	20,264	10,060	9,838	263,998
Total Refunds	21,207	1,239	736,006	45,446	13,958	49,498	20,621	15,389	45,458	20,264	10,060	9,838	988,984
Expenses													
Medical Claim Expense	2,099,733	1,516,198	2,170,169	1,990,559	1,979,445	2,041,061	2,112,313	2,015,589	2,029,452	2,059,756	2,013,026	1,987,039	24,014,339
Pharmacy Claim Expense	971,875	944,447	1,254,689	1,252,631	1,216,972	1,305,070	1,246,530	1,095,919	1,070,347	1,087,264	1,151,857	1,157,980	13,755,581
PMPM Administrative Expense	69,145	79,920	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	917,406
Variable Administrative Expense	16,497	10,456	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	172,106
Salary and Benefits Expense	45,297	30,624	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	405,530
Prescription Administrative Expense	1,634	1,686	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	21,723
Miscellaneous Expense	5,278	9,172	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	136,122
Professional Fees	5,970	20,607	27,367	14,867	14,867	14,867	34,367	18,367	24,867	26,867	24,867	15,367	243,243
Total Expense	3,215,428	2,613,110	3,586,917	3,390,111	3,345,051	3,493,629	3,546,736	3,262,266	3,259,840	3,314,427	3,330,006	3,308,528	39,666,050
Available Cash Balance	8,281,836	8,297,715	4,602,819	8,619,033	6,552,086	5,773,675	3,067,186	8,439,445	8,037,069	6,548,060	3,644,706	6,803,751	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	
Month Ending Cash Balance	8,281,836	8,297,715	4,602,819	8,619,033	6,552,086	5,773,675	3,067,186	8,439,445	8,037,069	6,548,060	3,644,706	6,803,751	

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 15%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 18% increase. Assumes a Medicare premium rate increase of 0.3% for Basic and 1.5% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$7.0 M), July (\$10.0 M) and November (\$7.5 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2018.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2018 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	342	339	337	335	333	331	329	327	325	323	321	319	3,963
Medicare Basic	904	907	910	913	916	919	922	925	928	931	934	937	11,046
Medicare Basic Plus	181	179	177	175	173	171	169	167	165	163	161	159	2,040
Total Membership	1,427	1,425	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	17,049
PMPM Administrative Expense (2)	79,539	77,250	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	925,130
Variable Administrative Expense (3)	14,278	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	180,599
Salary and Benefits Expense (4)	44,812	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	408,080
RX Benefit Management Fees	1,852	1,850	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	22,104
Miscellaneous Expense (5)	10,625	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	138,822
Professional Fees (6)	14,867	29,867	27,367	14,867	14,867	14,867	34,367	18,367	24,867	26,867	24,867	15,367	261,400
Total Budget Operating Expenses	\$165,972	\$170,319	\$162,059	\$146,921	\$148,634	\$147,497	\$187,893	\$150,757	\$160,041	\$167,407	\$165,124	\$163,510	\$1,936,135

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	351	345											696
Medicare Basic	931	886											1,817
Medicare Basic Plus	182	179											361
Total Membership	1,464	1,410	-	-	-	-	-	-	-	-	-	-	2,874
PMPM Administrative Expense (2)	69,145	79,920											\$149,065
Variable Administrative Expense (3)	16,497	10,456											\$26,953
Salary and Benefits Expense (4)	45,297	30,624											\$75,921
RX Benefit Management Fees	1,634	1,686											\$3,320
Miscellaneous Expense (5)	5,278	9,172											\$14,450
Professional Fees (6)	5,970	20,607											\$26,577
Total Actual Operating Expenses	\$143,820	\$152,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,286

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	9	6											15
Medicare Basic	27	(21)											6
Medicare Basic Plus	1	-											1
Total Membership	37	(15)	-	-	-	-	-	-	-	-	-	-	22
PMPM Administrative Expense (2)	10,394	(2,670)											\$7,724
Variable Administrative Expense (3)	(2,219)	10,712											\$8,493
Salary and Benefits Expense (4)	(485)	3,035											\$2,550
RX Benefit Management Fees	218	164											\$382
Miscellaneous Expense (5)	5,347	(2,647)											\$2,700
Professional Fees (6)	8,897	9,260											\$18,157
Total Variance Expenses	\$22,152	\$17,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,005

Notes:

- (1) Assumes the Non-medicare membership decreases by 2 member per month. Assumes Medicare Basic membership increases by 3 members per month while Medicare Basic Plus decreases by 2 members per month.
- (2) PMPM Administrative Expense includes the combined expenses for Third Party Administration services (including finance and accounting), Provider Network services, and Utilization Management services.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, and miscellaneous administrative expenses such as special mailings.
- (4) Salary and Benefits Expense includes the combined expenses for the Executive Director and staff positions.
- (5) Miscellaneous expense includes:
 - \$37,000 of insurance expenses (D&O, E&O and general liability).
 - \$47,800 for WSHIP Board meeting expenses and travel costs.
 - \$32,600 for bank fees.
 - \$21,300 for phone, conference lines and other office expenses.
- (6) Professional fees includes:
 - \$100,000 of actuarial expenses which covers IBNR calculations, premium rate development, forecast updates and actuarial studies.
 - \$70,000 of legal expenses.
 - \$70,000 of consulting expenses (including IRO).
 - \$22,000 of auditing expenses.

WSHIP Financial Performance

CASH BASIS	Month Ending February 28, 2018			
	Projected	Actual	Variance	% Change
Membership	1,425	1,410	(15)	-1%
Avg Premium Receipt PMPM	\$331	\$328	(\$3)	-1%
Avg Medical Claim Expense PMPM	\$1,379	\$1,071	\$308	22%
Avg Pharmacy Claim Expense PMPM	\$812	\$670	\$142	17%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,860)	(\$1,413)	\$447	24%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,650,500)	(\$1,992,330)	\$658,170	25%
Variance Due to Changes in Membership			\$21,195	
Variance Due to Changes in Claim Expenses			\$636,975	

CASH BASIS	Year-To-Date February 28, 2018			
	Projected	Actual	Variance	% Change
Member Months	2,852	2,874	22	1%
Avg Premium Receipt PMPM	\$612	\$981	\$369	60%
Avg Medical Claim Expense PMPM	\$1,353	\$1,251	(\$102)	-8%
Avg Pharmacy Claim Expense PMPM	\$829	\$667	(\$162)	-20%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,570)	(\$937)	\$633	40%
Avg Premium Receipt Less Avg Claim Expense Total	(\$4,477,640)	(\$2,692,938)	\$1,784,702	40%
Variance Due to Changes in Membership			(\$20,614)	
Variance Due to Changes in Claim Expenses			\$1,805,316	

INCURRED BASIS	Year-To-Date February 28, 2018	Year-To-Date February 28, 2017
	Actual	Actual - Prior Year
Member Months	2,874	2,941
Avg Premium Income PMPM	\$515	\$769
Avg Medical Claim Expense PMPM (1)	\$1,682	\$1,350
Avg Pharmacy Claim Expense PMPM (2)	\$1,005	\$925
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$2,172)	(\$1,506)
Avg Premium Receipt Less Avg Claim Expense Total	(\$6,242,328)	(\$4,429,146)

(1) Incurred medical claims data totals \$4,833,500 which is derived from \$1,077,500 actual paid claims with dates of service between 01-01-18 and 2-28-18 and \$3,756,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$2,887,903 which is derived from \$1,973,903 actual paid claims with dates of service between 01-01-18 and 2-28-18 and \$914,000 IBNR reserve.