

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

1. 2014 Interim III and 2013 Final True-up Assessment Required

An assessment of \$2.0 M is required in order to adequately carry the pool into the next scheduled assessment in March 2015. This assessment was approved by the Board of Directors and generated on November 14, 2014 with invoices due December 14, 2014 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 14, 2015. Looking ahead as of February 28, 2015, \$2.0 M has been collected and the 2013 assessment true-up refunds have been issued thus closing out this assessment.

2. 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.

3. Financial Statements – January 2015

Balance Sheet

Cash on hand decreased by \$7.2 M or 36.5% from December 2014 to January 2015. The current cash position is \$12.5 M which is well above our current three week expense allowance of \$3.4 M. As of the end of January 2015, the entire \$12.5 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 January 2015 is \$6.0 M. This represents an increase of \$29 K or less than one percent as compared to the prior month. Medical IBNR decreased \$258 K or 4.7% and pharmacy IBNR increased \$287 K or 57.5% from December 2014.

As of January 2015, the equity position of WSHIP is a positive \$5.1 M.

Income Statement

Total member months for January 2015 YTD are lower by 861 member months or 34.0% lower than January 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for January 2015 YTD is \$26 K or less than one percent lower than January 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 January 2015 YTD, the medical claims portion is \$1.2

M or 34.4% lower than January 2014 YTD, and the pharmacy claims portion is \$1.2 M or 255.4% higher than January 2014 YTD.

January 2015 YTD administrative expenses are \$14 K or 5.4% lower than the administrative expenses in January 2014 YTD. The ratio of administrative expenses as a percentage of total cost is 6.0% for January 2015 YTD as compared to 6.3% in January of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – January 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 \$12.5 M is \$244 K higher than the budgeted cash balance of \$12.2 M. Total net cash receipts for January 2015 are \$334 K or 12.7% favorable to budget. Total expenses are \$90 K or 2.2% unfavorable to budget. The administrative expenses are \$36 K or 12.8% favorable to budget. Total medical claims expense is \$126 K or 4.9% unfavorable to budget, while total pharmacy claims expense is flat to budget.

5. 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. 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 January 2015. For February 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 \$34.5 M which is a \$11.0 M or 24.2% decrease from the 2014 assessment of \$45.5 M.

6. Administrative Expense Budget

For January 2015, administrative expenses are \$36 K or 12.8% favorable to budget (cash basis).

7. Financial Performance

January 2015 YTD member months are flat compared to the amount projected in the original budget. Through January 2015, average premium receipt PMPM is 18% higher than anticipated. Average medical claims expense PMPM is 4% higher than anticipated and average pharmacy claims expense PMPM is the same as the anticipated amount.

On an incurred basis, the average medical claims expense PMPM is \$1,768 as compared to \$1,533 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$746 as compared to \$794 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of January 31

Total Enrollment: 1,673

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 12,484,611	\$ 30,528,025
Premiums Receivable	547,509	2,357,692
Assessments Receivable	2,485	2,435,799
Grants Receivable	462,976	71,247
Prepaid Expense	-	-
Total Assets	<u>\$ 13,497,581</u>	<u>\$ 35,392,763</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 5,208,000	\$ 8,610,000
Reserve for Unpaid Losses - Pharmacy	786,000	1,721,000
Accrued Loss Adjustment	287,000	419,000
Premiums Received in Advance	1,896,789	4,045,210
Assessments Payable	-	1,436,537
Accrued Expenses	165,954	1,107,026
Abandoned Claim Reserve	29,948	71,331
Total Liabilities	<u>\$ 8,373,690</u>	<u>\$ 17,410,104</u>
Unassigned Surplus	5,123,890	17,982,659
Total Liabilities and Unassigned Surplus	<u>\$ 13,497,581</u>	<u>\$ 35,392,763</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to January 31

	<u>2015</u>	<u>2014</u>
Total Member Months	1,673	2,534
Premium Income Earned	\$ 1,070,881	\$ 1,854,851
Pharmacy Rebate Income	-	-
Grant Income	-	-
Incurred Claim Loss - Medical	2,283,886	3,480,458
Incurred Claim Loss - Pharmacy	1,628,372	458,230
Total Incurred Claim Loss	<u>3,912,257</u>	<u>3,938,688</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 75,702	\$ 126,103
Variable Administrative Expense	20,063	35,478
Salary and Benefit Expense	142,333	54,309
Prescription Administrative Expense	2,051	4,710
Miscellaneous Expense	4,992	22,198
Professional Fee Expense	4,196	20,751
Total Operating Expenses	<u>\$ 249,337</u>	<u>\$ 263,548</u>
Underwriting Gain (Loss)	(3,090,714)	(2,347,385)
Investment Income	168	281
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (3,090,546)</u>	<u>\$ (2,347,104)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(3,090,546)	(2,347,104)
Member Assessments	-	-
Unassigned Surplus	<u>\$ 5,123,890</u>	<u>\$ 17,982,659</u>

**WSHIP 2015
Budgeted Cashflow**

Budget - Updated Jan 2015

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JAN YTD	TOTAL
Enrollment Count	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	1,675	19,808
Cash Balance														
BEGINNING OF MONTH	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		
Receipts														
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	1,926,768	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	114,540	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	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,872,144	578,679	2,106,011	8,077,224	1,423,915	2,914,141	961,596	11,734,349	3,407,565	2,353,402	508,274	11,300,420	2,872,144	48,237,721
Refunds														
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	226,685	1,485,918
Total Refunds	6,108,700	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	6,108,700	7,367,933
Expenses														
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	2,582,871	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	1,328,583	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	74,738	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	27,953	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	143,885	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	3,375	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	9,800	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	18,970	399,340
Total Expense	4,190,175	3,995,055	3,843,522	3,933,379	3,999,264	4,159,126	4,382,728	4,299,402	4,301,255	4,457,303	4,463,413	4,389,487	4,190,175	50,414,109
Month Ending Cash Balance	\$ 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	\$ 10,122,750		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,673												1,673
Cash Balance													
BEGINNING OF MONTH	19,667,071												
Receipts													
Premium Receipts	2,033,165												2,033,165
Grant Revenue	124,489												124,489
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	144,512												144,512
Assessment Receipts	703,762												703,762
Investment Income	168												168
Other Income	-												-
Total Receipts	3,006,095												3,006,095
Refunds													
Assessment Refunds	5,882,015												5,882,015
Premium Refunds	25,776												25,776
Total Refunds	5,907,791												5,907,791
Expenses													
Medical Claims	2,709,187												2,709,187
Pharmacy Claims	1,328,583												1,328,583
Fixed (PMPM) Admin	77,147												77,147
Variable Admin	16,771												16,771
Salary and Benefits	141,590												141,590
Prescription Admin	2,051												2,051
Miscellaneous	3,115												3,115
Professional Fees	2,321												2,321
Total Expense	4,280,764												4,280,764
Available Cash Balance	12,484,611												
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 12,484,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**WSHIP 2015
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(2)												(2)
Receipts													
Premium Receipts	106,397												106,397
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	29,972												29,972
Assessment Receipts	(2,485)												(2,485)
Investment Income	68												68
Other Income	-												-
Total Receipts	133,951												133,951
Refunds													
Assessment Refunds	-												-
Premium Refunds	200,909												200,909
Total Refunds	200,909												200,909
Expenses													
Medical Claims	(126,316)												(126,316)
Pharmacy Claims	0												0
Fixed (PMPM) Admin	(2,409)												(2,409)
Variable Admin	11,182												11,182
Salary and Benefits	2,295												2,295
Prescription Admin	1,324												1,324
Miscellaneous	6,685												6,685
Professional Fees	16,649												16,649
Total Expense	(90,589)												(90,589)
Available Cash Balance	244,271												
Inc(Dec) in Abandoned													
Property Reserve													
Month Ending Cash Balance	244,271												

- (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 02/20/15

	Actual (Bold)	Forecast											TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	615	612	605	599	592	586	580	574	568	562	556	551	7,000
Medicare Enrollment (Basic and Basic+)	1,058	1,058	1,060	1,062	1,064	1,066	1,068	1,070	1,072	1,074	1,076	1,078	12,806
Total Enrollment Count	1,673	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	19,806
Cash Balance													
BEGINNING OF MONTH	19,667,071	12,484,611	9,049,872	7,091,920	11,566,339	8,993,950	7,589,836	4,091,513	11,079,606	9,928,403	7,698,670	3,700,180	
Receipts													
Premium Receipts	2,033,165	401,598	1,977,159	622,690	421,906	1,875,707	692,329	420,241	1,861,220	680,146	388,824	1,952,373	13,327,358
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	107,777	98,752	100,108	101,909	108,334	114,841	114,008	116,245	118,831	119,350	117,946	1,362,615
Assessment Receipts	703,762	2,485	-	7,600,000	950,000	950,000	-	10,800,000	1,350,000	1,350,000	-	9,200,000	32,906,247
Investment Income	168	100	100	100	100	100	100	100	100	100	100	100	1,268
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,006,095	511,960	2,106,011	8,477,224	1,473,915	2,964,141	961,596	11,334,349	3,357,565	2,303,402	508,274	11,300,420	48,304,953
Refunds													
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015
Premium Refunds	25,776	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	1,285,009
Total Refunds	5,907,791	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	7,167,024
Expenses													
Medical Claim Expense	2,709,187	2,549,228	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	31,520,668
Pharmacy Claim Expense	1,328,583	1,173,035	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	16,460,242
PMPM Administrative Expense	77,147	74,429	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,026,154
Variable Administrative Expense	16,771	27,281	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	323,315
Salary and Benefits Expense	141,590	33,965	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	511,005
Prescription Administrative Expense	2,051	3,366	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	38,537
Miscellaneous Expense	3,115	7,150	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	148,955
Professional Fees	2,321	33,470	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	382,690
Total Expense	4,280,764	3,901,924	3,843,522	3,933,379	3,999,264	4,159,126	4,382,727	4,299,402	4,301,254	4,457,303	4,463,413	4,389,487	50,411,565
Available Cash Balance	12,484,611	9,049,872	7,091,920	11,566,339	8,993,950	7,589,836	4,091,513	11,079,606	9,928,403	7,698,670	3,700,180	10,393,435	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	12,484,611	9,049,872	7,091,920	11,566,339	8,993,950	7,589,836	4,091,513	11,079,606	9,928,403	7,698,670	3,700,180	10,393,435	

- (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 (\$9.5 M), July (\$13.5) 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 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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
Total Budget Operating Expenses	\$278,722	\$179,661	\$177,682	\$190,265	\$200,527	\$186,088	\$208,733	\$218,043	\$190,087	\$200,507	\$239,284	\$196,784	\$2,466,382

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership: (1)													
Non-Medicare	615												615
Medicare Basic	792												792
Medicare Basic Plus	266												266
Total Membership	1,673	-	-	-	-	-	-	-	-	-	-	-	1,673
PMPM Administrative Expense (2)	77,147												\$77,147
Variable Administrative Expense (3)	16,771												\$16,771
Salary and Benefits Expense (4)	141,590												\$141,590
RX Benefit Management Fees	2,051												\$2,051
Miscellaneous Expense (5)	3,115												\$3,115
Professional Fees (6)	2,321												\$2,321
Total Actual Operating Expenses	\$242,995	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$242,995

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership: (1)													
Non-Medicare	(4)												(4)
Medicare Basic	2												2
Medicare Basic Plus	-												-
Total Membership	(2)	-	-	-	-	-	-	-	-	-	-	-	(2)
PMPM Administrative Expense (2)	(2,409)												(\$2,409)
Variable Administrative Expense (3)	11,182												\$11,182
Salary and Benefits Expense (4)	2,296												\$2,296
RX Benefit Management Fees	1,324												\$1,324
Miscellaneous Expense (5)	6,685												\$6,685
Professional Fees (6)	16,649												\$16,649
Total Variance Expenses	\$35,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,727

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 January 31, 2015			
	Projected	Actual	Variance	% Change
Membership	1,675	1,673	(2)	0%
Avg Premium Receipt PMPM	\$1,015	\$1,200	\$185	18%
Avg Medical Claim Expense PMPM	\$1,474	\$1,533	(\$59)	-4%
Avg Pharmacy Claim Expense PMPM	\$793	\$794	(\$1)	0%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,252)	(\$1,127)	\$125	10%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,097,100)	(\$1,885,471)	\$211,629	10%
Variance Due to Changes in Membership			\$2,254	
Variance Due to Changes in Claim Expenses			\$209,375	

CASH BASIS	Year-To-Date January 31, 2015			
	Projected	Actual	Variance	% Change
Member Months	1,675	1,673	(2)	0%
Avg Premium Receipt PMPM	\$1,015	\$1,200	\$185	18%
Avg Medical Claim Expense PMPM	\$1,474	\$1,533	(\$59)	-4%
Avg Pharmacy Claim Expense PMPM	\$793	\$794	(\$1)	0%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,252)	(\$1,127)	\$125	10%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,097,100)	(\$1,885,471)	\$211,629	10%
Variance Due to Changes in Membership			\$2,254	
Variance Due to Changes in Claim Expenses			\$209,375	

INCURRED BASIS	Year-To-Date January 31, 2015	Year-To-Date January 31, 2014
	Actual	Actual - Prior Year
Member Months	1,673	2,534
Avg Premium Income PMPM	\$640	\$732
Avg Medical Claim Expense PMPM (1)	\$1,768	\$1,299
Avg Pharmacy Claim Expense PMPM (2)	\$746	\$1,595
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,874)	(\$2,162)
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,135,202)	(\$5,478,508)

(1) Incurred medical claims data totals \$2,957,774 which is derived from \$206,774 actual paid claims with dates of service between 1-1-15 and 1-31-15 and \$2,751,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$1,248,583 which is derived from \$478,583 actual paid claims with dates of service between 1-1-15 and 1-31-15 and \$770,000 IBNR reserve.