

**Washington State Health Insurance Pool
Treasurer's Report
January 2017 Financial Review**

1. 2016 Interim III Assessment Required

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in March 2017. This assessment was approved by the Board of Directors at the November 9, 2016 meeting and generated on November 14, 2016. Invoices are due December 14, 2016 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 14, 2017. As of February 28, 2017, all assessments have been collected thus closing out the assessment.

2. 2017 Interim I Assessment Required

An assessment of \$9.5 M is required to adequately fund the pool until the next scheduled assessment in July 2017.

3. Financial Statements – January 2017

Balance Sheet

Cash on hand decreased by \$1.8 M or 14.3% from December 2016 to January 2017. The current cash position is \$10.8 M which is well above our current 4-week expense allowance of \$3.5 M. As of the end of January 2017, the entire \$10.8 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 2017 is \$5.1 M. This is an increase of \$118K or 2.4% from the prior month. Medical IBNR increased \$97 K or 2.3% and pharmacy IBNR increased \$21 K or 2.6% from December 2016.

As of January 2017, the equity position of WSHIP is a positive \$3.9 M.

Income Statement

Total member months for January 2017 are lower by 24 member months or 1.6% lower than January 2016. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for January 2017 is \$637 K or 16.9% lower than January 2016. 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 2017, the medical claims portion is \$298 K or 13.0% lower than January 2016, and the pharmacy claims portion is \$339 K or 22.9% lower than January 2016.

January 2017 administrative expenses are \$11 K or 6.9% lower than the administrative expenses for January 2016. The ratio of administrative expenses as a percentage of total cost is 4.3% for January 2017 as compared to 3.9% for 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 2017

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2017 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$10.8 M is \$189 K or 1.8% higher than the budgeted cash balance of \$10.6 M. Total net cash receipts for January 2017 are \$113 K or 8.7% favorable to budget. Total expenses are \$76 K or 2.3% favorable to budget. The administrative expenses are \$16 K or 9.8% favorable to budget. Total medical claims expense is \$60 K or 3.0% favorable to budget; while total pharmacy claims expense is flat to budget.

5. Medicare vs. Non-Medicare Cash Flow – January 2017

As of January, the Medicare member months total 1,087 and represents 73% of the combined WSHIP member months. The Non-Medicare member months total 407 and account for 27% of the combined WSHIP member months. The January Medicare Loss Ratio is 136% while the January Non-Medicare Loss Ratio is 152%. On a cash basis, the January Claims PMPM is \$814 for Medicare members and \$5,367 for Non-Medicare members.

6. Cash Flow Forecast – 2017

The 2017 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 January 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 January 2017. For February 2017, preliminary figures for the key financial drivers (Premium Receipts, Grant Revenue, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

To ensure adequate funding the current 2017 forecast is projecting an assessment of \$34.0 M which is a \$1.0 M or 3.0% increase from the 2016 assessment of \$33.0 M.

7. Administrative Expense Budget

For January 2017, administrative expenses are \$16 K or 9.8% favorable to budget (cash basis).

8. Financial Performance

January 2017 member months are 41 member months or 3% higher than projected in the original budget. Through January 2017, average premium receipt PMPM is 2% higher than anticipated. Average medical claims expense PMPM is 6% lower than expected and average pharmacy claims expense PMPM is 3% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,525 as compared to \$1,394 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$898 as compared to \$752 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of January 31

Total Enrollment: 1,494

	<u>2017</u>	<u>2016</u>
Assets:		
Cash	\$ 10,823,097	\$ 14,216,707
Premiums Receivable	196,323	256,290
Assessments Receivable	139	13,247
Grants Receivable	-	45,294
Prepaid Expense	-	-
Total Assets	<u>\$ 11,019,559</u>	<u>\$ 14,531,538</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,246,000	\$ 5,054,000
Reserve for Unpaid Losses - Pharmacy	825,000	867,000
Accrued Loss Adjustment	307,000	311,000
Premiums Received in Advance	1,598,744	1,543,290
Assessments Payable	-	3,255,852
Accrued Expenses	146,408	164,576
Abandoned Claim Reserve	19,897	83,081
Total Liabilities	<u>\$ 7,143,049</u>	<u>\$ 11,278,799</u>
Unassigned Surplus	3,876,510	3,252,739
Total Liabilities and Unassigned Surplus	<u>\$ 11,019,559</u>	<u>\$ 14,531,538</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to January 31

	<u>2017</u>	<u>2016</u>
Total Member Months	1,494	1,518
Premium Income Earned	\$ 1,093,843	\$ 994,484
Pharmacy Rebate Income	-	-
Grant Income	-	-
Incurred Claim Loss - Medical	1,997,161	2,294,798
Incurred Claim Loss - Pharmacy	1,144,542	1,483,650
Total Incurred Claim Loss	<u>3,141,703</u>	<u>3,778,448</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 77,460	\$ 84,299
Variable Administrative Expense	8,620	13,442
Salary and Benefit Expense	30,101	24,998
Prescription Administrative Expense	1,748	1,870
Miscellaneous Expense	13,659	7,782
Professional Fee Expense	10,941	20,672
Total Operating Expenses	<u>\$ 142,529</u>	<u>\$ 153,063</u>
Underwriting Gain (Loss)	(2,190,389)	(2,937,027)
Investment Income	4,644	1,819
Other Income	-	24
Changes to Unassigned Surplus	<u>\$ (2,185,745)</u>	<u>\$ (2,935,184)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2017</u>	<u>2016</u>
Unassigned Surplus at Beginning of Year	\$ 6,062,256	\$ 6,187,923
Changes to Unassigned Surplus	(2,185,745)	(2,935,184)
Member Assessments	-	-
Unassigned Surplus	<u>\$ 3,876,510</u>	<u>\$ 3,252,739</u>

**WSHIP 2017
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	January YTD	TOTAL
Enrollment Count	1,453	1,454	1,455	1,456	1,457	1,458	1,459	1,460	1,461	1,462	1,463	1,464	1,453	17,502
Cash Balance														
BEGINNING OF MONTH	12,629,341	10,634,486	7,302,839	5,337,432	10,168,036	7,580,657	6,578,084	3,654,398	10,198,375	9,390,433	7,407,086	3,942,775		
Receipts														
Premium Receipts	2,039,141	428,310	1,906,142	681,030	320,973	1,833,069	877,574	319,369	1,830,387	733,166	465,502	441,788	2,039,141	11,876,450
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	200,000
Claim Refunds Receipts	34,100	39,292	39,378	37,941	39,435	37,786	36,531	35,852	36,211	38,451	40,129	39,068	34,100	454,173
Assessment Receipts	70,838	139	-	8,000,000	1,000,000	1,000,000	-	10,000,000	1,250,000	1,250,000	-	10,000,000	70,838	32,570,977
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,144,179	467,840	1,995,621	8,719,071	1,360,508	2,920,955	914,205	10,355,321	3,166,698	2,021,717	505,731	10,530,956	2,144,179	45,102,800
Refunds														
Assessment Refunds	797,770	-	-	-	-	-	-	-	-	-	-	-	797,770	797,770
Premium Refunds	50,979	10,708	47,654	17,026	8,024	45,827	21,939	7,984	45,760	18,329	11,638	11,045	50,979	296,911
Total Refunds	848,749	10,708	47,654	17,026	8,024	45,827	21,939	7,984	45,760	18,329	11,638	11,045	848,749	1,094,681
Expenses														
Medical Claims	2,005,884	2,311,268	2,316,360	2,231,806	2,319,730	2,222,702	2,148,868	2,108,946	2,130,053	2,261,814	2,360,506	2,298,114	2,005,884	26,716,052
Pharmacy Claims	1,123,106	1,308,031	1,419,128	1,494,793	1,465,102	1,513,476	1,501,121	1,528,411	1,651,036	1,573,838	1,432,125	1,483,332	1,123,106	17,493,501
Fixed (PMPM) Admin	74,876	75,556	75,585	75,615	75,644	75,674	75,703	75,733	75,762	75,791	75,821	75,850	74,876	907,610
Variable Admin	15,420	22,330	14,840	14,849	14,859	14,869	15,878	14,888	15,897	14,907	21,917	14,925	15,420	195,579
Salary and Benefits	42,523	32,602	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	32,070	42,523	394,130
Prescription Admin	2,259	2,260	2,261	2,262	2,264	2,265	2,266	2,267	2,268	2,269	2,270	2,271	2,259	27,182
Miscellaneous	8,050	5,400	16,650	5,400	8,050	6,000	5,400	26,900	8,650	5,400	8,050	22,964	8,050	126,914
Professional Fees	18,167	31,333	36,667	14,833	22,333	10,833	34,833	14,333	13,333	20,833	25,833	16,233	18,167	259,567
Total Expense	3,290,286	3,788,780	3,913,373	3,871,441	3,939,864	3,877,701	3,815,951	3,803,360	3,928,881	3,986,734	3,958,404	3,945,760	3,290,286	46,120,534
Month Ending Cash Balance	\$ 10,634,486	\$ 7,302,839	\$ 5,337,432	\$ 10,168,036	\$ 7,580,657	\$ 6,578,084	\$ 3,654,398	\$ 10,198,375	\$ 9,390,433	\$ 7,407,086	\$ 3,942,775	\$ 10,516,926		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,494												1,494
Cash Balance													
BEGINNING OF MONTH	12,629,341	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	
Receipts													
Premium Receipts	2,083,674												2,083,674
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	47,102												47,102
Assessment Receipts	70,838												70,838
Investment Income	4,644												4,644
Other Income	-												-
Total Receipts	2,206,257												2,206,257
Refunds													
Assessment Refunds	797,770												797,770
Premium Refunds	496												496
Total Refunds	798,266												798,266
Expenses													
Medical Claims	1,945,700												1,945,700
Pharmacy Claims	1,123,106												1,123,106
Fixed (PMPM) Admin	79,079												79,079
Variable Admin	12,793												12,793
Salary and Benefits	30,101												30,101
Prescription Admin	1,748												1,748
Miscellaneous	8,138												8,138
Professional Fees	13,572												13,572
Total Expense	3,214,236												3,214,236
Available Cash Balance	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,097	10,823,096.76	10,823,097	10,823,097	10,823,097	10,823,097	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	\$ 10,823,097	

**WSHIP 2017
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	41												41
Receipts													
Premium Receipts	44,533												44,533
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	13,002												13,002
Assessment Receipts	-												-
Investment Income	4,544												4,544
Other Income	-												-
Total Receipts	62,079												62,079
Refunds													
Assessment Refunds	-												-
Premium Refunds	50,483												50,483
Total Refunds	50,483												50,483
Expenses													
Medical Claims	60,185												60,185
Pharmacy Claims	-												-
Fixed (PMPM) Admin	(4,203)												(4,203)
Variable Admin	2,627												2,627
Salary and Benefits	12,422												12,422
Prescription Admin	511												511
Miscellaneous	(88)												(88)
Professional Fees	4,595												4,595
Total Expense	76,049												76,049
Available Cash Balance	188,611												
Inc(Dec) in Abandoned													
Property Reserve	-												
Month Ending Cash Balance	188,611												

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 10%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 28%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 2% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 17% increase. Assumes a Medicare premium rate increase of 8% for Basic and 2% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 5 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$10.0 M), July (\$12.5 M) and November (\$12.5 M) TOTAL \$35.0 M
- (6) 4-Week expense allowance is \$3.5 M based upon the actual data for the 12-month period ending in Dec of 2017.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

WSHIP 2017
Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Medicare													
Enrollment Count	1,087												1,087
Premiums	650,072												650,072
Medical Claims	784,011												784,011
RX Claims	100,459												100,459
Total Claims	884,470	-	-	-	-	-	-	-	-	-	-	-	884,470
Income/Loss	(234,398)	-	-	-	-	-	-	-	-	-	-	-	(234,398)
Loss Ratio	136%												136%
Claims PMPM	814												814
Non Medicare													
Enrollment Count	407												407
Premiums	1,433,602												1,433,602
Medical Claims	1,161,689												1,161,689
RX Claims	1,022,647												1,022,647
Total Claims	2,184,336	-	-	-	-	-	-	-	-	-	-	-	2,184,336
Income/Loss	(750,734)	-	-	-	-	-	-	-	-	-	-	-	(750,734)
Loss Ratio	152%												152%
Claims PMPM	5,367												5,367
Combined Medicare/Non Medicare													
Enrollment Count	1,494	-	-	-	-	-	-	-	-	-	-	-	1,494
Premiums	2,083,674	-	-	-	-	-	-	-	-	-	-	-	2,083,674
Medical Claims	1,945,700	-	-	-	-	-	-	-	-	-	-	-	1,945,700
RX Claims	1,123,106	-	-	-	-	-	-	-	-	-	-	-	1,123,106
Total Claims	3,068,806	-	-	-	-	-	-	-	-	-	-	-	3,068,808
Income/Loss	(985,132)	-	-	-	-	-	-	-	-	-	-	-	(985,134)
Loss Ratio	147%												147%
Claims PMPM	2,054												2,054

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 2017 Cash Flow Forecast

Forecast - Updated 01/31/2017

	Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	407	402	401	399	398	397	396	395	394	393	391	390	4,763
Medicare Enrollment (Basic and Basic+)	1,087	1,084	1,085	1,086	1,087	1,088	1,089	1,090	1,091	1,092	1,093	1,094	13,066
Total Enrollment Count	1,494	1,486	1,486	1,485	1,485	1,485	1,485	1,485	1,485	1,485	1,484	1,484	17,829
Cash Balance													
BEGINNING OF MONTH	12,629,341	10,823,097	8,158,292	6,330,784	10,766,846	8,103,635	7,056,140	4,131,566	10,231,202	9,401,936	7,468,567	4,168,581	
Receipts													
Premium Receipts	2,083,674	313,860	1,958,209	699,632	329,740	1,883,139	901,545	328,093	1,880,384	753,192	478,217	453,855	12,063,541
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	200,000
Claim Refunds Receipts	47,102	28,220	37,600	37,800	39,603	38,024	36,395	36,089	37,938	38,289	35,892	38,450	451,403
Assessment Receipts	70,838	139	-	7,600,000	950,000	950,000	-	9,600,000	1,200,000	1,200,000	-	10,000,000	31,570,977
Investment Income	4,644	100	100	100	100	100	100	100	100	100	100	100	5,744
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,206,257	342,319	2,045,909	8,337,533	1,319,443	2,921,263	938,040	9,964,282	3,168,423	1,991,581	514,209	10,542,405	44,291,664
Refunds													
Assessment Refunds	797,770	-	-	-	-	-	-	-	-	-	-	-	797,770
Premium Refunds	496	7,846	48,955	17,491	8,244	47,078	22,539	8,202	47,010	18,830	11,955	11,346	249,993
Total Refunds	798,266	7,846	48,955	17,491	8,244	47,078	22,539	8,202	47,010	18,830	11,955	11,346	1,047,763
Expenses													
Medical Claim Expense	1,945,700	1,660,007	2,211,776	2,223,539	2,329,572	2,236,701	2,140,901	2,122,910	2,231,652	2,252,291	2,111,274	2,261,787	25,728,110
Pharmacy Claim Expense	1,123,106	1,169,789	1,434,801	1,515,600	1,489,806	1,543,456	1,533,213	1,567,531	1,571,234	1,502,747	1,525,193	1,461,557	17,438,034
PMPM Administrative Expense	79,079	75,556	75,585	75,615	75,644	75,674	75,703	75,733	75,762	75,791	75,821	75,850	911,813
Variable Administrative Expense	12,793	22,330	14,840	14,849	14,859	14,869	15,878	14,888	15,897	14,907	21,917	14,925	192,952
Salary and Benefits Expense	30,101	32,602	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	32,070	381,708
Prescription Administrative Expense	1,748	2,260	2,261	2,262	2,264	2,265	2,266	2,267	2,268	2,269	2,270	2,271	26,670
Miscellaneous Expense	8,138	5,400	16,650	5,400	8,050	6,000	5,400	26,900	8,650	5,400	8,050	22,964	127,001
Professional Fees	13,572	31,333	36,667	14,833	22,333	10,833	34,833	14,333	13,333	20,833	25,833	16,233	254,972
Total Expense	3,214,236	2,999,277	3,824,462	3,883,980	3,974,410	3,921,680	3,840,076	3,856,444	3,950,678	3,906,120	3,802,240	3,887,657	45,061,260
Available Cash Balance	10,823,097	8,158,292	6,330,784	10,766,846	8,103,635	7,056,140	4,131,566	10,231,202	9,401,936	7,468,567	4,168,581	10,811,983	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	10,823,097	8,158,292	6,330,784	10,766,846	8,103,635	7,056,140	4,131,566	10,231,202	9,401,936	7,468,567	4,168,581	10,811,983	

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- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2017 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	398	396	394	392	390	388	386	384	382	380	378	376	4,644
Medicare Basic	848	853	858	863	868	873	878	883	888	893	898	903	10,506
Medicare Basic Plus	207	205	203	201	199	197	195	193	191	189	187	185	2,352
Total Membership	1,453	1,454	1,455	1,456	1,457	1,458	1,459	1,460	1,461	1,462	1,463	1,464	17,502
PMPM Administrative Expense (2)	74,876	75,556	75,585	75,615	75,644	75,674	75,703	75,733	75,762	75,791	75,821	75,850	907,610
Variable Administrative Expense (3)	15,420	22,330	14,840	14,849	14,859	14,869	15,878	14,888	15,897	14,907	21,917	14,925	195,579
Salary and Benefits Expense (4)	42,523	32,602	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	32,070	394,130
RX Benefit Management Fees	2,259	2,260	2,261	2,262	2,264	2,265	2,266	2,267	2,268	2,269	2,270	2,271	27,182
Miscellaneous Expense (5)	8,050	5,400	16,650	5,400	8,050	6,000	5,400	26,900	8,650	5,400	8,050	22,964	126,914
Professional Fees (6)	18,167	31,333	36,667	14,833	22,333	10,833	34,833	14,333	13,333	20,833	25,833	16,233	259,567
Total Budget Operating Expenses	\$161,295	\$169,481	\$177,885	\$144,841	\$155,032	\$141,523	\$165,962	\$166,003	\$147,792	\$151,082	\$165,773	\$164,313	\$1,910,981

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	407												407
Medicare Basic	884												884
Medicare Basic Plus	203												203
Total Membership	1,494	-	-	-	-	-	-	-	-	-	-	-	1,494
PMPM Administrative Expense (2)	79,079												\$79,079
Variable Administrative Expense (3)	12,793												\$12,793
Salary and Benefits Expense (4)	30,101												\$30,101
RX Benefit Management Fees	1,748												\$1,748
Miscellaneous Expense (5)	8,138												\$8,138
Professional Fees (6)	13,572												\$13,572
Total Actual Operating Expenses	\$145,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145,430

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	9												9
Medicare Basic	36												36
Medicare Basic Plus	(4)												(4)
Total Membership	41	-	-	-	-	-	-	-	-	-	-	-	41
PMPM Administrative Expense (2)	(4,203)												(\$4,203)
Variable Administrative Expense (3)	2,627												\$2,627
Salary and Benefits Expense (4)	12,422												\$12,422
RX Benefit Management Fees	511												\$511
Miscellaneous Expense (5)	(88)												(\$88)
Professional Fees (6)	4,595												\$4,595
Total Variance Expenses	\$15,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,865

Notes:

- (1) Assumes the Non-medicare membership decreases by 2 members per month. Assumes Medicare Basic membership increases by 5 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:
 - \$38,400 of insurance expenses (D&O, E&O and general liability).
 - \$46,700 for WSHIP Board meeting expenses and travel costs.
 - \$20,000 for bank fees
 - \$21,800 for phone, conference lines and other expenses
- (6) Professional fees includes:
 - \$123,000 of actuarial expenses which covers IBNR calculations, Premium Rate development, Forecast updates and actuarial studies.
 - \$10,000 contingency for actuary expenses for potential legislative study follow up.
 - \$40,000 of legal expenses.
 - \$51,000 of consulting expenses (IRO, Review of PBM Contract, and other consulting expenses).
 - \$35,600 of auditing expenses (Financial audits and PBM audit).

WSHIP Financial Performance

CASH BASIS	Month Ending January 31, 2017			
	Projected	Actual	Variance	% Change
Membership	1,453	1,494	41	3%
Avg Premium Receipt PMPM	\$1,368	\$1,394	\$26	2%
Avg Medical Claim Expense PMPM	\$1,357	\$1,271	\$86	6%
Avg Pharmacy Claim Expense PMPM	\$773	\$752	\$21	3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$762)	(\$629)	\$133	17%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,107,186)	(\$939,726)	\$167,460	15%
Variance Due to Changes in Membership			(\$25,789)	
Variance Due to Changes in Claim Expenses			\$193,249	

CASH BASIS	Year-To-Date January 31, 2017			
	Projected	Actual	Variance	% Change
Member Months	1,453	1,494	41	3%
Avg Premium Receipt PMPM	\$1,368	\$1,394	\$26	2%
Avg Medical Claim Expense PMPM	\$1,357	\$1,271	\$86	6%
Avg Pharmacy Claim Expense PMPM	\$773	\$752	\$21	3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$762)	(\$629)	\$133	17%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,107,186)	(\$939,726)	\$167,460	15%
Variance Due to Changes in Membership			(\$25,789)	
Variance Due to Changes in Claim Expenses			\$193,249	

INCURRED BASIS	Year-To-Date January 31, 2017	Year-To-Date January 31, 2016
	Actual	Actual - Prior Year
Member Months	1,494	1,518
Avg Premium Income PMPM	\$732	\$655
Avg Medical Claim Expense PMPM (1)	\$1,525	\$1,906
Avg Pharmacy Claim Expense PMPM (2)	\$898	\$919
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,691)	(\$2,170)
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,526,354)	(\$3,294,060)

(1) Incurred medical claims data totals \$2,277,927 which is derived from \$193,927 actual paid claims with dates of service between 01-01-17 and 01-31-17 and \$2,084,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$1,341,165 which is derived from \$523,165 actual paid claims with dates of service between 01-01-17 and 01-31-17 and \$818,000 IBNR reserve.