

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

1. 2019 Interim III Assessment

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in March 2020. This assessment was approved by the Board of Directors on November 13, 2019 and generated on November 25, 2019 with invoices due December 27, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 27, 2020. As of January 31, 2020, 7.9 M has been collected.

2. 2020 Interim I Assessment Required

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in July 2020.

3. Financial Statements – January 2020

Balance Sheet

Cash on hand decreased by \$520 K or 8.6% from December 2019 to January 2020. The current cash position is \$5.5 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of January 2020, the entire \$5.5 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 2020 is \$5.3 M. This is a decrease of \$381 K or 6.7% from the prior month. Medical IBNR increased \$105 K or 2.1% and pharmacy IBNR decreased \$486 K or 65.4% from December 2019.

As of January 2020, the equity position of WSHIP is a positive \$2.3 M.

Income Statement

Total member months for January 2020 YTD are higher by 45 member months or 3.2% higher than January 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for January 2020 YTD is \$22 K or 0.7% higher than January 2019 YTD. Incurred claim loss represents the total medical and pharmacy claims expense as well as the change in unpaid losses (IBNR) and accrued loss adjustment for the period. For January 2020 YTD, the medical claims portion is \$644 K or 27.4% lower

than January 2019 YTD, and the pharmacy claims portion is \$666 K or 68% higher than January 2019 YTD.

January 2020 YTD administrative expenses are \$11 K or 8.4% lower than the administrative expenses for January 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 3.6% for January 2020 YTD as compared to 3.9% for January YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

#### 4. Budgeted Cash Flow – January 2020

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2019 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$5.5 M is \$906 K or 14.0% lower than the budgeted cash balance of \$6.5 M. Total net cash receipts for January 2020 YTD are \$675 K or 16.8% unfavorable to budget. Total YTD expenses for January 2020 YTD are \$722 K or 23% unfavorable to budget. The YTD administrative expenses are \$38 K or 23.4% favorable to budget. Total YTD medical claims expense is \$25 K or 1.2% favorable to budget; while total YTD pharmacy claims expense is \$785 K or 90.9% unfavorable to budget.

#### 5. Medicare vs. Non-Medicare Cash Flow – January 2020

As of January, the YTD Medicare member months total 1154 and represent 80% of the combined WSHIP member months. The YTD Non-Medicare member months total 287 and account for 20% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 166% while the YTD Non-Medicare Loss Ratio is 433%. On a cash basis, the YTD Claims PMPM is \$1,029 for Medicare members and \$8,889 for Non-Medicare members.

#### 6. Cash Flow Forecast – 2020

The 2020 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 2019 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 2020. For February 2020, preliminary figures for the key financial drivers (Premium Receipts, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$24.5 M which is a \$3.5 M or 12.5% decrease from the 2019 assessment of \$28 M.

#### 7. Administrative Expense Budget

For January 2020, YTD administrative expenses are \$38 K or 23.4% favorable to budget (cash basis).

#### 8. Financial Performance

January 2020 YTD member months are 6.5% higher than expected, average premium receipt PMPM is 74.4% higher than expected, average medical claims expense PMPM is 5.6% lower than expected and average pharmacy claims expense PMPM is 79.3% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,937 as compared to \$1,451 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$790 as compared to \$1,144 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of January 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Cash	\$ 5,556,104	\$ 7,253,816
Premiums Receivable	1,252,224	265,798
Assessments Receivable	1,293,422	1,970
Grants Receivable	-	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 8,101,751</u>	<u>\$ 7,521,585</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 5,045,000	\$ 4,537,000
Reserve for Unpaid Losses - Pharmacy	257,000	872,000
Accrued Loss Adjustment	292,000	286,000
Premiums Received in Advance	111,545	1,548,597
Assessments Payable	-	-
Accrued Expenses	112,453	120,472
Abandoned Claim Reserve	-	-
<b>Total Liabilities</b>	<u>\$ 5,817,998</u>	<u>\$ 7,364,069</u>
<b>Unassigned Surplus</b>	2,283,753	157,516
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 8,101,751</u>	<u>\$ 7,521,585</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Operations January 1 to January 31

	<u>2020</u>	<u>2019</u>
Total Member Months	1,441	1,396
<b>Premium Income Earned</b>	\$ 2,606,878	\$ 1,235,399
<b>Pharmacy Rebate Income</b>	-	-
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	\$ 1,709,193	2,353,405
<b>Incurred Claim Loss - Pharmacy</b>	1,646,545	980,258
<b>Total Incurred Claim Loss</b>	<u>3,355,738</u>	<u>3,333,663</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 82,563	\$ 80,847
Variable Administrative Expense	6,886	12,816
Salary and Benefit Expense	18,406	30,427
Prescription Administrative Expense	2,027	840
Miscellaneous Expense	8,469	7,524
Professional Fee Expense	5,827	3,177
<b>Total Operating Expenses</b>	<u>\$ 124,179</u>	<u>\$ 135,630</u>
<b>Underwriting Gain (Loss)</b>	(873,039)	(2,233,894)
<b>Investment Income</b>	8,891	13,508
<b>Other Income</b>	-	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (864,147)</u>	<u>\$ (2,220,386)</u>

**WASHINGTON STATE HEALTH INSURANCE POOL**

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

	<b><u>2020</u></b>	<b><u>2019</u></b>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(864,147)	(2,220,386)
Member Assessments	-	-
<b>Unassigned Surplus</b>	<b><u>\$ 2,283,753</u></b>	<b><u>\$ 157,516</u></b>

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

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	January YTD	TOTAL
<b>Budget</b>														
<b>Enrollment Count</b>	1,353	1,354	1,355	1,356	1,357	1,358	1,359	1,360	1,361	1,362	1,363	1,364	1,353	16,302
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	5,585,895	6,462,480	4,575,739	2,494,786	7,275,056	6,161,215	4,983,187	2,875,305	7,942,099	6,527,957	4,987,604	2,789,809		
<b>Receipts</b>														
Premium Receipts	721,491	723,372	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	721,491	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	-	480,000
Claim Refunds Receipts	35,958	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	35,958	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	3,278,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>4,036,131</b>	<b>876,386</b>	<b>759,105</b>	<b>7,559,669</b>	<b>1,733,108</b>	<b>1,614,329</b>	<b>767,929</b>	<b>8,092,920</b>	<b>1,676,206</b>	<b>1,681,298</b>	<b>902,309</b>	<b>6,384,181</b>	<b>4,036,131</b>	<b>36,083,569</b>
<b>Refunds</b>														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	18,037	220,013
<b>Total Refunds</b>	<b>18,037</b>	<b>18,084</b>	<b>18,133</b>	<b>18,184</b>	<b>18,238</b>	<b>18,293</b>	<b>18,351</b>	<b>18,410</b>	<b>18,472</b>	<b>18,536</b>	<b>18,602</b>	<b>18,671</b>	<b>18,037</b>	<b>220,013</b>
<b>Expenses</b>														
Medical Claims	2,115,173	1,936,131	1,980,677	1,893,474	1,970,504	1,912,034	1,988,462	2,141,646	2,189,455	2,338,290	2,241,960	2,191,171	2,115,173	24,898,977
Pharmacy Claims	863,589	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	863,589	8,624,114
Fixed (PMPM) Admin	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	73,460	870,589
Variable Admin	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	8,713	115,310
Salary and Benefits	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	47,806	403,001
Prescription Admin	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	1,734	20,870
Miscellaneous	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	8,525	130,409
Professional Fees	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	22,508	283,300
<b>Total Expense</b>	<b>3,141,509</b>	<b>2,745,042</b>	<b>2,821,925</b>	<b>2,761,214</b>	<b>2,828,711</b>	<b>2,774,063</b>	<b>2,857,460</b>	<b>3,007,715</b>	<b>3,071,876</b>	<b>3,203,115</b>	<b>3,081,501</b>	<b>3,052,437</b>	<b>3,141,509</b>	<b>35,346,570</b>
<b>Month Ending Cash Balance</b>	<b>\$ 6,462,480</b>	<b>\$ 4,575,739</b>	<b>\$ 2,494,786</b>	<b>\$ 7,275,056</b>	<b>\$ 6,161,215</b>	<b>\$ 4,983,187</b>	<b>\$ 2,875,305</b>	<b>\$ 7,942,099</b>	<b>\$ 6,527,957</b>	<b>\$ 4,987,604</b>	<b>\$ 2,789,809</b>	<b>\$ 6,102,882</b>		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
<b>Actual</b>														
<b>Enrollment Count</b>	1,441													1,441
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	6,076,373	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104		
<b>Receipts</b>														
Premium Receipts	1,306,587												1,306,587	
Grant Revenue	-												-	
Pharmacy Rebate Income	-												-	
Claim Refunds Receipts	82												82	
Assessment Receipts	2,234,341												2,234,341	
Investment Income	8,891												8,891	
Other Income	-												-	
<b>Total Receipts</b>	<b>3,549,901</b>												<b>3,549,901</b>	
<b>Refunds</b>														
Assessment Refunds	206,723												206,723	
Premium Refunds	-												-	
<b>Total Refunds</b>	<b>206,723</b>												<b>206,723</b>	
<b>Expenses</b>														
Medical Claims	2,090,275												2,090,275	
Pharmacy Claims	1,648,545												1,648,545	
Fixed (PMPM) Admin	81,954												81,954	
Variable Admin	8,936												8,936	
Salary and Benefits	18,406												18,406	
Prescription Admin	1,024												1,024	
Miscellaneous	3,217												3,217	
Professional Fees	11,089												11,089	
<b>Total Expense</b>	<b>3,863,446</b>												<b>3,863,446</b>	
<b>Available Cash Balance</b>	<b>5,556,104</b>	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104	5,556,104		
<b>Inc(Dec) in Abandoned Property Reserve</b>														
<b>Month Ending Cash Balance</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>	<b>\$ 5,556,104</b>		

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

<b>Variance to Budget</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>	<b>APRIL</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUGUST</b>	<b>SEPTEMBER</b>	<b>OCTOBER</b>	<b>NOVEMBER</b>	<b>DECEMBER</b>	<b>TOTAL YTD</b>
<i>Favorable/(Unfavorable)</i>													
<b>Enrollment Count</b>	<b>88</b>	<b>(1,354)</b>	<b>(1,355)</b>	<b>(1,356)</b>	<b>(1,357)</b>	<b>(1,358)</b>	<b>(1,359)</b>	<b>(1,360)</b>	<b>(1,361)</b>	<b>(1,362)</b>	<b>(1,363)</b>	<b>(1,364)</b>	<b>(14,861)</b>
<b>Receipts</b>													
Premium Receipts	585,096												585,096
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	(35,876)												(35,876)
Assessment Receipts	(1,044,240)												(1,044,240)
Investment Income	8,791												8,791
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>(486,230)</b>												<b>(486,230)</b>
<b>Refunds</b>													
Assessment Refunds	(206,723)	-	-	-	-	-	-	-	-	-	-	-	(206,723)
Premium Refunds	18,037												18,037
<b>Total Refunds</b>	<b>(188,686)</b>												<b>(188,686)</b>
<b>Expenses</b>													
Medical Claims	24,898												24,898
Pharmacy Claims	(784,956)												(784,956)
Fixed (PMPM) Admin	(8,494)												(8,494)
Variable Admin	(224)												(224)
Salary and Benefits	29,400												29,400
Prescription Admin	711												711
Miscellaneous	5,308												5,308
Professional Fees	11,419												11,419
<b>Total Expense</b>	<b>(721,937)</b>												<b>(721,937)</b>
<b>Available Cash Balance</b>	<b>(906,375)</b>												
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>(906,375)</b>	-	-	-	-	-	-	-	-	-	-	-	

**2020 Budgeted Cashflow Notes**

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%.
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.



**Washington State Health Insurance Pool**  
**2020 Medicare vs. Non-Medicare Cash Flow**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2019	2018	2017	
<b>Medicare</b>																	
Enrollment Count	1,154													1,154			
Premiums	717,403													717,403			
Medical Claims	1,063,236													1,063,236			
RX Claims	124,309													124,309			
Total Claims	1,187,545	-	-	-	-	-	-	-	-	-	-	-	-	1,187,545			
Income/Loss	(470,141)	-	-	-	-	-	-	-	-	-	-	-	-	(470,141)			
Loss Ratio	166%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	166%	219%	191%	201%
Claims PMPM	1,029	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1,029	846	815	792
<b>Non Medicare</b>																	
Enrollment Count	287													287			
Premiums	589,184													589,184			
Medical Claims	1,027,039													1,027,039			
RX Claims	1,524,236													1,524,236			
Total Claims	2,551,275	-	-	-	-	-	-	-	-	-	-	-	-	2,551,275			
Income/Loss	(1,962,091)	-	-	-	-	-	-	-	-	-	-	-	-	(1,962,091)			
Loss Ratio	433%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	433%	471%	350%	434%
Claims PMPM	8,889	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8,889	7,398	7,047	6,340
<b>Combined Medicare/Non Medicare</b>																	
Enrollment Count	1,441	-	-	-	-	-	-	-	-	-	-	-	-	1,441			
Premiums	1,306,587	-	-	-	-	-	-	-	-	-	-	-	-	1,306,587			
Medical Claims	2,090,275	-	-	-	-	-	-	-	-	-	-	-	-	2,090,277			
RX Claims	1,648,545	-	-	-	-	-	-	-	-	-	-	-	-	1,648,545			
Total Claims	3,738,820	-	-	-	-	-	-	-	-	-	-	-	-	3,738,822			
Income/Loss	(2,432,233)	-	-	-	-	-	-	-	-	-	-	-	-	(2,432,235)			
Loss Ratio	286%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	286%	351%	285%	333%
Claims PMPM	2,595	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	2,595	2,250	2,277	2,235

**Medicare vs NonMedicare Notes:**

1) Premiums, Medical Claims and RX Claims are cash basis figures.

**Washington State Health Insurance Pool  
2020 Cash Flow Forecast**

Forecast - Updated 12/30/19

	Actual	Forecast											TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Enrollment:</b>													
Non-Medicare Enrollment	317	214	212	210	208	206	204	202	200	198	196	194	2,561
Medicare Enrollment	1,124	1,140	1,143	1,146	1,149	1,152	1,155	1,158	1,161	1,164	1,167	1,170	13,829
<b>Total Enrollment Count</b>	<b>1,441</b>	<b>1,354</b>	<b>1,355</b>	<b>1,356</b>	<b>1,357</b>	<b>1,358</b>	<b>1,359</b>	<b>1,360</b>	<b>1,361</b>	<b>1,362</b>	<b>1,363</b>	<b>1,364</b>	<b>16,390</b>
<b>Cash Balance</b>													
BEGINNING OF MONTH	6,076,373	5,556,104	4,408,398	2,327,445	7,107,715	5,993,874	4,815,846	2,707,964	7,774,758	6,360,616	4,820,263	2,622,468	
<b>Receipts</b>													
Premium Receipts	1,306,587	425,710	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	9,087,939
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000
Claim Refunds Receipts	82	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	387,406
Assessment Receipts	2,234,341	636,845	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	25,971,187
Investment Income	8,891	100	100	100	100	100	100	100	100	100	100	100	9,991
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>3,549,901</b>	<b>1,215,569</b>	<b>759,105</b>	<b>7,559,669</b>	<b>1,733,108</b>	<b>1,614,329</b>	<b>767,929</b>	<b>8,092,920</b>	<b>1,676,206</b>	<b>1,681,298</b>	<b>902,309</b>	<b>6,384,181</b>	<b>35,936,523</b>
<b>Refunds</b>													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	0	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	201,975
<b>Total Refunds</b>	<b>206,723</b>	<b>18,084</b>	<b>18,133</b>	<b>18,184</b>	<b>18,238</b>	<b>18,293</b>	<b>18,351</b>	<b>18,410</b>	<b>18,472</b>	<b>18,536</b>	<b>18,602</b>	<b>18,671</b>	<b>408,698</b>
<b>Expenses</b>													
Medical Claim Expense	2,090,275	1,371,296	1,980,677	1,893,474	1,970,504	1,912,034	1,988,462	2,141,646	2,189,455	2,338,290	2,241,960	2,191,171	24,309,243
Pharmacy Claim Expense	1,648,545	831,353	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	9,574,054
PMPM Administrative Expense	81,954	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	879,083
Variable Administrative Expense	8,936	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	115,534
Salary and Benefits Expense	18,406	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	373,601
Prescription Administrative Expense	1,024	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	20,159
Miscellaneous Expense	3,217	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	125,101
Professional Fees	11,089	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	271,881
<b>Total Expense</b>	<b>3,863,446</b>	<b>2,345,191</b>	<b>2,821,925</b>	<b>2,761,214</b>	<b>2,828,711</b>	<b>2,774,063</b>	<b>2,857,460</b>	<b>3,007,715</b>	<b>3,071,876</b>	<b>3,203,115</b>	<b>3,081,501</b>	<b>3,052,437</b>	<b>35,668,656</b>
Available Cash Balance	5,556,104	4,408,398	2,327,445	7,107,715	5,993,874	4,815,846	2,707,964	7,774,758	6,360,616	4,820,263	2,622,468	5,935,541	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month Ending Cash Balance</b>	<b>5,556,104</b>	<b>4,408,398</b>	<b>2,327,445</b>	<b>7,107,715</b>	<b>5,993,874</b>	<b>4,815,846</b>	<b>2,707,964</b>	<b>7,774,758</b>	<b>6,360,616</b>	<b>4,820,263</b>	<b>2,622,468</b>	<b>5,935,541</b>	

**2020 Cashflow Forecast Notes**

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted

**Washington State Health Insurance Pool  
2020 Administrative Expense  
Budget Variance Analysis**

<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>
Member Months: (1)													
Non-Medicare	216	214	212	210	208	206	204	202	200	198	196	194	2,460
Medical Supplement Plan	10	20	30	40	50	60	70	80	90	100	110	120	780
Medicare Basic	986	981	976	971	966	961	956	951	946	941	936	931	11,502
Medicare Basic Plus	141	139	137	135	133	131	129	127	125	123	121	119	1,560
<b>Total Membership</b>	<b>1,353</b>	<b>1,354</b>	<b>1,355</b>	<b>1,356</b>	<b>1,357</b>	<b>1,358</b>	<b>1,359</b>	<b>1,360</b>	<b>1,361</b>	<b>1,362</b>	<b>1,363</b>	<b>1,364</b>	<b>16,302</b>
PMPM Administrative Expense (2)	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	870,589
Variable Administrative Expense (3)	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	115,310
Salary and Benefits Expense (4)	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	403,001
RX Benefit Management Fees	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	20,870
Miscellaneous Expense (5)	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	130,409
Professional Fees (6)	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	283,300
<b>Total Budget Operating Expenses</b>	<b>\$162,747</b>	<b>\$142,542</b>	<b>\$173,304</b>	<b>\$152,115</b>	<b>\$145,527</b>	<b>\$135,838</b>	<b>\$145,438</b>	<b>\$157,217</b>	<b>\$149,961</b>	<b>\$147,472</b>	<b>\$148,883</b>	<b>\$162,435</b>	<b>\$1,823,479</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>
Member Months: (1)													
Non-Medicare	287												287
Medical Supplement Plan	30												30
Medicare Basic	983												983
Medicare Basic Plus	141												141
<b>Total Membership</b>	<b>1,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,441</b>
PMPM Administrative Expense (2)	81,954												\$81,954
Variable Administrative Expense (3)	8,936												\$8,936
Salary and Benefits Expense (4)	18,406												\$18,406
RX Benefit Management Fees	1,024												\$1,024
Miscellaneous Expense (5)	3,217												\$3,217
Professional Fees (6)	11,089												\$11,089
<b>Total Actual Operating Expenses</b>	<b>\$124,627</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>\$0</b>	<b>\$124,627</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>
Member Months: (1)													
Non-Medicare	71												71
Medical Supplement Plan	20												20
Medicare Basic	(3)												(3)
Medicare Basic Plus	-												-
<b>Total Membership</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>
PMPM Administrative Expense (2)	8,494												\$8,494
Variable Administrative Expense (3)	224												\$224
Salary and Benefits Expense (4)	(29,400)												(\$29,400)
RX Benefit Management Fees	(711)												(\$711)
Miscellaneous Expense (5)	(5,308)												(\$5,308)
Professional Fees (6)	(11,419)												(\$11,419)
<b>Total Variance Expenses</b>	<b>(\$38,120)</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>\$0</b>	<b>(\$38,120)</b>

**Washington State Health Insurance Pool  
2020 Financial Performance**

CASH BASIS	Month Ending January 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,353	1,441	88	6.5%
Avg Premium Receipt PMPM	\$520	\$907	\$387	74.4%
Avg Medical Claim Expense PMPM	\$1,537	\$1,451	\$86	-5.6%
Avg Pharmacy Claim Expense PMPM	\$638	\$1,144	(\$506)	79.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,655)	(\$1,688)	(\$33)	-2.0%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,239,215)	(\$2,432,408)	(\$193,193)	-8.6%
Variance Due to Changes in Membership			(\$148,544)	
Variance Due to Changes in Claim Expenses			(\$44,649)	

CASH BASIS	Year-To-Date January 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	1,353	1,441	88	6.5%
Avg Premium Receipt PMPM	\$520	\$907	\$387	74.4%
Avg Medical Claim Expense PMPM	\$1,537	\$1,451	(\$86)	-5.6%
Avg Pharmacy Claim Expense PMPM	\$638	\$1,144	\$506	79.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,655)	(\$1,688)	(\$33)	-2.0%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,239,215)	(\$2,432,408)	(\$193,193)	-8.6%
Variance Due to Changes in Membership			(\$148,544)	
Variance Due to Changes in Claim Expenses			(\$44,649)	

INCURRED BASIS	Year-To-Date January 31, 2020	Year-To-Date January 31, 2019
	Actual	Actual - Prior Year
Member Months	1,441	1,396
Avg Premium Income PMPM	\$1,809	\$885
Avg Medical Claim Expense PMPM (1)	\$1,937	\$1,951
Avg Pharmacy Claim Expense PMPM (2)	\$790	\$1,209
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$918)	(\$2,275)
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,322,838)	(\$3,175,900)

(1) Incurred medical claims data totals \$2,791,531 which is derived from \$339,531 actual paid claims with dates of service between 01-01-2020 and 01-31-2020 and \$2,452,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$1,138,530 which is derived from \$882,530 actual paid claims with dates of service between 01-01-2020 and 01-31-2020 and \$256,000 IBNR reserve.