

**Washington State Health Insurance Pool  
Treasurer's Report  
July 2019 Financial Review**

1. 2019 Interim II Assessment Required

An assessment of \$10.5 M is required to adequately fund the pool until the next scheduled assessment in November 2019. This assessment was approved by the Board of Directors on May 8, 2019 and generated on July 22, 2019 with invoices due August 22, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 22, 2019. As of August 26, 2019, \$6.5 M of assessment have been collected, leaving \$4 M to be collected.

2. Financial Statements – July 2019

Balance Sheet

Cash on hand decreased by \$2.8 M or 35.5% from June 2019 to July 2019. It is important to note that \$1.3 M of the \$2.8 M is due to a banking error that incurred in June and was reversed in July. The current cash position is \$5.1 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of July 2019, the entire \$5.1 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 July 2019 is \$5.5 M. This is an increase of \$563 K or 11.4% from the prior month. Medical IBNR increased \$433 K or 10.2% and pharmacy IBNR increased \$130 K or 18.8% from June 2019.

As of July 2019, the equity position of WSHIP is a positive \$8.8 M.

Income Statement

Total member months for July 2019 YTD are lower by 316 member months or 3.1% lower than July 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for July 2019 YTD is \$1.6 M or 7.1% lower than July 2018 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 July 2019 YTD, the medical claims portion is \$965 K or 6.5% lower than July 2018 YTD, and the pharmacy claims portion is \$642 K or 8.3% lower than July 2018 YTD.

July 2019 YTD administrative expenses are \$102 K or 9.3% lower than the administrative expenses for July 2018 YTD. The ratio of administrative expenses as

a percentage of total cost is 4.6% for July 2019 YTD as compared to 4.7% for July YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

### 3. Budgeted Cash Flow – July 2019

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

The ending cash balance of \$5.1 M is \$1.7 M or 49.0% higher than the budgeted cash balance of \$3.4 M. Total net cash receipts for July 2019 YTD are (\$416) K or 52.8% unfavorable to budget. Please note this is largely due to a banking error from June 2019 that reversed in July 2019 causing a decrease in the net cash receipts by \$1.3 M. Total YTD expenses for July 2019 YTD are \$1.2 M or 5.3% favorable to budget. The YTD administrative expenses are \$168 K or 14.5% favorable to budget. Total YTD medical claims expense is \$521 K or 3.7% favorable to budget; while total YTD pharmacy claims expense is \$543 K or 7.1% favorable to budget.

### 4. Medicare vs. Non-Medicare Cash Flow – July 2019

As of July, the YTD Medicare member months total 7,604 and represent 78.2% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,124 and account for 21.8% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 204% while the YTD Non-Medicare Loss Ratio is 367%. On a cash basis, the YTD Claims PMPM is \$870 for Medicare members and \$6,695 for Non-Medicare members.

### 5. Cash Flow Forecast – 2019

The 2019 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 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 July 2019. For August 2019, 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 2019 assessment projection. To ensure adequate funding the current 2019 forecast is projecting an assessment of \$27.5 M which is a \$2.0 M or 7.9% increase from the 2018 assessment of \$25.5 M.

## 6. Administrative Expense Budget

For July 2019, YTD administrative expenses are \$168 K or 14.5% favorable to budget (cash basis).

## 7. Financial Performance

July 2019 YTD member months are 3.4% lower than expected, average premium receipt PMPM is 3.5% lower than expected, average medical claims expense PMPM is 0.5% lower than expected and average pharmacy claims expense PMPM is 3.8% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,498 as compared to \$1,382 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$803 as compared to \$731 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of July 31, 2019

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| <b>Assets:</b>                                  |                      |                      |
| Cash  | \$ 5,055,043         | \$ 3,333,486         |
| Premiums Receivable                             | 119,018              | 128,589              |
| Assessments Receivable                          | 9,740,172            | 9,804,722            |
| Grants Receivable                               | -                    | -                    |
| Prepaid Expense                                 | -                    | -                    |
| <b>Total Assets</b>                             | <u>\$ 14,914,233</u> | <u>\$ 13,266,797</u> |
| <br><b>Liabilities and Unassigned Surplus:</b>  |                      |                      |
| Reserve for Unpaid Losses - Medical             | \$ 4,677,000         | \$ 3,805,000         |
| Reserve for Unpaid Losses - Pharmacy            | 822,000              | 788,000              |
| Accrued Loss Adjustment                         | 286,000              | 334,000              |
| Premiums Received in Advance                    | 138,876              | 134,943              |
| Assessments Payable                             | -                    | -                    |
| Accrued Expenses                                | 131,019              | 125,921              |
| Abandoned Claim Reserve                         | -                    | 2,084                |
| <b>Total Liabilities</b>                        | <u>\$ 6,054,895</u>  | <u>\$ 5,189,947</u>  |
| <b>Unassigned Surplus</b>                       | 8,859,338            | 8,076,850            |
| <b>Total Liabilities and Unassigned Surplus</b> | <u>\$ 14,914,233</u> | <u>\$ 13,266,797</u> |

## WASHINGTON STATE HEALTH INSURANCE POOL

### Unaudited Statement of Operations January 1 to July 31

|                                       | <u>2019</u>            | <u>2018</u>            |
|---------------------------------------|------------------------|------------------------|
| Total Member Months                   | 9,728                  | 10,044                 |
| <b>Premium Income Earned</b>          | \$ 8,525,005           | \$ 8,794,940           |
| <b>Pharmacy Rebate Income</b>         | 274,519                | 253,118                |
| <b>Grant Income</b>                   | -                      | -                      |
| <b>Incurred Claim Loss - Medical</b>  | \$ 13,786,037          | 14,750,764             |
| <b>Incurred Claim Loss - Pharmacy</b> | 7,114,153              | 7,755,723              |
| <b>Total Incurred Claim Loss</b>      | <u>20,900,190</u>      | <u>22,506,487</u>      |
| <b>Operating Expenses:</b>            |                        |                        |
| Fixed (PMPM) Administrative Expense   | \$ 562,400             | \$ 566,518             |
| Variable Administrative Expense       | 58,186                 | 87,731                 |
| Salary and Benefit Expense            | 230,861                | 228,727                |
| Prescription Administrative Expense   | 6,713                  | 12,739                 |
| Miscellaneous Expense                 | 39,411                 | 54,092                 |
| Professional Fee Expense              | 102,115                | 152,055                |
| <b>Total Operating Expenses</b>       | <u>\$ 999,685</u>      | <u>\$ 1,101,863</u>    |
| <b>Underwriting Gain (Loss)</b>       | (13,100,351)           | (14,560,292)           |
| <b>Investment Income</b>              | 81,787                 | 58,136                 |
| <b>Other Income</b>                   | -                      | -                      |
| <b>Changes to Unassigned Surplus</b>  | <u>\$ (13,018,564)</u> | <u>\$ (14,502,156)</u> |

# WASHINGTON STATE HEALTH INSURANCE POOL

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

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| Unassigned Surplus at Beginning of Year | \$ 2,377,902        | \$ 5,579,006        |
| Changes to Unassigned Surplus           | (13,018,564)        | (14,502,156)        |
| Member Assessments                      | 19,500,000          | 17,000,000          |
| <b>Unassigned Surplus</b>               | <u>\$ 8,859,338</u> | <u>\$ 8,076,850</u> |

**WSHIP 2019  
Budgeted Cashflow**

|                                  | JANUARY             | FEBRUARY            | MARCH               | APRIL               | MAY                 | JUNE                | JULY                | AUGUST              | SEPTEMBER           | OCTOBER             | NOVEMBER            | DECEMBER            | July YTD          | TOTAL             |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| <b>Budget</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |
| <b>Enrollment Count</b>          | 1,439               | 1,439               | 1,439               | 1,439               | 1,439               | 1,439               | 1,439               | 1,440               | 1,440               | 1,440               | 1,440               | 1,440               | 10,074            | 17,274            |
| <b>Cash Balance</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |
| <b>BEGINNING OF MONTH</b>        | 4,023,437           | 6,757,262           | 4,788,394           | 3,129,444           | 7,881,232           | 6,086,629           | 5,854,659           | 3,393,676           | 7,993,297           | 7,559,803           | 6,055,829           | 3,311,884           |                   |                   |
| <b>Receipts</b>                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |
| Premium Receipts                 | 1,340,183           | 500,663             | 1,930,710           | 768,066             | 524,338             | 1,859,439           | 774,666             | 578,092             | 1,707,677           | 761,243             | 377,905             | 369,585             | 7,698,065         | 11,492,568        |
| Grant Revenue                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 |
| Pharmacy Rebate Income           | -                   | -                   | 100,000             | -                   | -                   | 100,000             | -                   | -                   | 100,000             | -                   | -                   | 100,000             | 200,000           | 400,000           |
| Claim Refunds Receipts           | 33,675              | 34,235              | 40,267              | 34,738              | 35,292              | 31,280              | 32,589              | 33,216              | 33,600              | 33,666              | 31,707              | 30,778              | 242,078           | 405,045           |
| Assessment Receipts              | 4,631,893           | 850,000             | -                   | 7,200,000           | 900,000             | 900,000             | -                   | 7,200,000           | 900,000             | 900,000             | -                   | 6,800,000           | 14,481,893        | 30,281,893        |
| Investment Income                | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 100                 | 700               | 1,200             |
| Other Income                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 |
| <b>Total Receipts</b>            | <b>6,005,851</b>    | <b>1,384,999</b>    | <b>2,071,077</b>    | <b>8,002,904</b>    | <b>1,459,730</b>    | <b>2,890,819</b>    | <b>807,356</b>      | <b>7,811,408</b>    | <b>2,741,378</b>    | <b>1,695,009</b>    | <b>409,712</b>      | <b>7,300,463</b>    | <b>22,622,736</b> | <b>42,580,706</b> |
| <b>Refunds</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |
| Assessment Refunds               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                 | -                 |
| Premium Refunds                  | 33,505              | 12,517              | 48,268              | 19,202              | 13,108              | 46,486              | 19,367              | 14,452              | 42,692              | 19,031              | 9,448               | 9,240               | 192,452           | 287,315           |
| <b>Total Refunds</b>             | <b>33,505</b>       | <b>12,517</b>       | <b>48,268</b>       | <b>19,202</b>       | <b>13,108</b>       | <b>46,486</b>       | <b>19,367</b>       | <b>14,452</b>       | <b>42,692</b>       | <b>19,031</b>       | <b>9,448</b>        | <b>9,240</b>        | <b>192,452</b>    | <b>287,315</b>    |
| <b>Expenses</b>                  |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                   |                   |
| Medical Claims                   | 1,980,871           | 2,013,853           | 2,368,660           | 2,043,424           | 2,076,029           | 1,839,994           | 1,917,029           | 1,953,870           | 1,976,498           | 1,980,357           | 1,865,135           | 1,810,470           | 14,239,859        | 23,826,190        |
| Pharmacy Claims                  | 1,086,330           | 1,178,522           | 1,122,388           | 1,032,745           | 1,006,366           | 1,086,741           | 1,144,090           | 1,091,154           | 993,085             | 1,034,061           | 1,113,650           | 1,035,529           | 7,657,183         | 12,924,662        |
| Fixed (PMPM) Admin               | 78,255              | 77,788              | 77,772              | 77,756              | 77,740              | 77,726              | 77,712              | 77,698              | 77,685              | 77,672              | 77,660              | 77,649              | 544,749           | 933,113           |
| Variable Admin                   | 14,937              | 14,338              | 20,839              | 15,340              | 14,341              | 14,342              | 14,343              | 14,344              | 15,346              | 14,347              | 22,849              | 14,350              | 108,477           | 189,711           |
| Salary and Benefits              | 43,774              | 31,898              | 31,898              | 31,898              | 31,898              | 31,898              | 32,064              | 32,064              | 32,064              | 32,064              | 32,064              | 32,282              | 235,326           | 395,866           |
| Prescription Admin               | 1,862               | 1,861               | 1,861               | 1,861               | 1,861               | 1,861               | 1,860               | 1,860               | 1,860               | 1,860               | 1,860               | 1,859               | 13,027            | 22,326            |
| Miscellaneous                    | 7,775               | 5,875               | 8,425               | 5,875               | 7,775               | 6,525               | 26,657              | 6,629               | 8,425               | 14,875              | 7,775               | 21,993              | 68,907            | 128,604           |
| Professional Fees                | 24,717              | 17,217              | 49,917              | 23,017              | 25,217              | 17,217              | 35,217              | 19,717              | 27,217              | 24,717              | 23,217              | 17,217              | 192,517           | 304,600           |
| <b>Total Expense</b>             | <b>3,238,521</b>    | <b>3,341,351</b>    | <b>3,681,759</b>    | <b>3,231,915</b>    | <b>3,241,225</b>    | <b>3,076,303</b>    | <b>3,248,972</b>    | <b>3,197,335</b>    | <b>3,132,180</b>    | <b>3,179,952</b>    | <b>3,144,209</b>    | <b>3,011,349</b>    | <b>23,060,045</b> | <b>38,725,070</b> |
| <b>Month Ending Cash Balance</b> | <b>\$ 6,757,262</b> | <b>\$ 4,788,394</b> | <b>\$ 3,129,444</b> | <b>\$ 7,881,232</b> | <b>\$ 6,086,629</b> | <b>\$ 5,854,659</b> | <b>\$ 3,393,676</b> | <b>\$ 7,993,297</b> | <b>\$ 7,559,803</b> | <b>\$ 6,055,829</b> | <b>\$ 3,311,884</b> | <b>\$ 7,591,758</b> |                   |                   |

| <b>Actual</b>                    | JANUARY             | FEBRUARY            | MARCH               | APRIL               | MAY                 | JUNE                | JULY                | AUGUST      | SEPTEMBER   | OCTOBER     | NOVEMBER    | DECEMBER    | TOTAL YTD         |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Enrollment Count</b>          | 1,396               | 1,381               | 1,383               | 1,404               | 1,369               | 1,385               | 1,410               |             |             |             |             |             | 9,728             |
| <b>Cash Balance</b>              |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| <b>BEGINNING OF MONTH</b>        | 4,023,437           | 7,253,817           | 4,550,531           | 3,270,972           | 5,767,098           | 7,327,729           | 7,843,187           |             |             |             |             |             |                   |
| <b>Receipts</b>                  |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| Premium Receipts                 | 976,066             | 380,221             | 1,637,297           | 1,072,255           | 371,794             | 1,864,347           | 815,622             |             |             |             |             |             | 7,117,602         |
| Grant Revenue                    | -                   | -                   | -                   | -                   | -                   | -                   | -                   |             |             |             |             |             | -                 |
| Pharmacy Rebate Income           | -                   | 122,239             | -                   | 37,345              | 114,935             | -                   | -                   |             |             |             |             |             | 274,519           |
| Claim Refunds Receipts           | 18,284              | 11,404              | 153,844             | 10,103              | 32,096              | -                   | 49,949              |             |             |             |             |             | 275,679           |
| Assessment Receipts              | 6,460,545           | 1,970               | -                   | 4,474,228           | 3,857,079           | 668,693             | 759,828             |             |             |             |             |             | 16,222,343        |
| Investment Income                | 13,508              | 11,761              | 8,110               | 10,515              | 13,353              | 12,851              | 11,689              |             |             |             |             |             | 81,787            |
| Other Income                     | -                   | -                   | -                   | -                   | -                   | 1,265,134           | (1,265,134)         |             |             |             |             |             | -                 |
| <b>Total Receipts</b>            | <b>7,468,402</b>    | <b>527,595</b>      | <b>1,799,252</b>    | <b>5,604,446</b>    | <b>4,389,256</b>    | <b>3,811,025</b>    | <b>371,953</b>      | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>23,971,930</b> |
| <b>Refunds</b>                   |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| Assessment Refunds               | 990,915             | -                   | -                   | -                   | -                   | -                   | -                   |             |             |             |             |             | 990,915           |
| Premium Refunds                  | 7,150               | 35,474              | 5,953               | 860                 | 34,240              | -                   | 38,346              |             |             |             |             |             | 122,022           |
| <b>Total Refunds</b>             | <b>998,065</b>      | <b>35,474</b>       | <b>5,953</b>        | <b>860</b>          | <b>34,240</b>       | <b>-</b>            | <b>38,346</b>       | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>1,112,937</b>  |
| <b>Expenses</b>                  |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| Medical Claims                   | 2,118,688           | 1,688,206           | 1,988,367           | 1,956,211           | 1,699,515           | 2,339,789           | 1,927,939           |             |             |             |             |             | 13,718,716        |
| Pharmacy Claims                  | 980,258             | 1,357,357           | 921,902             | 1,003,317           | 959,437             | 825,157             | 1,066,724           |             |             |             |             |             | 7,114,153         |
| Fixed (PMPM) Admin               | 83,778              | 80,847              | 83,072              | 81,144              | 77,375              | 83,458              | 78,353              |             |             |             |             |             | 568,026           |
| Variable Admin                   | 8,645               | 12,816              | 14,764              | 4,754               | 7,474               | 3,261               | 7,467               |             |             |             |             |             | 59,179            |
| Salary and Benefits              | 31,061              | 30,788              | 31,254              | 42,994              | 30,868              | 31,221              | 30,699              |             |             |             |             |             | 228,884           |
| Prescription Admin               | 1,178               | 840                 | 1,122               | 1,023               | 1,069               | 645                 | 992                 |             |             |             |             |             | 6,870             |
| Miscellaneous                    | 3,508               | 8,072               | 3,054               | 5,851               | 7,799               | 8,391               | 2,837               |             |             |             |             |             | 39,511            |
| Professional Fees                | 12,841              | 16,481              | 29,323              | 12,166              | 10,850              | 3,646               | 6,741               |             |             |             |             |             | 92,049            |
| <b>Total Expense</b>             | <b>3,239,957</b>    | <b>3,195,407</b>    | <b>3,072,859</b>    | <b>3,107,460</b>    | <b>2,794,386</b>    | <b>3,295,567</b>    | <b>3,121,751</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>21,827,387</b> |
| <b>Available Cash Balance</b>    | <b>7,253,817</b>    | <b>4,550,531</b>    | <b>3,270,972</b>    | <b>5,767,098</b>    | <b>7,327,729</b>    | <b>7,843,187</b>    | <b>5,055,043</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>-</b>    |                   |
| <b>Inc(Dec) in Abandoned</b>     |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| <b>Property Reserve</b>          |                     |                     |                     |                     |                     |                     |                     |             |             |             |             |             |                   |
| <b>Month Ending Cash Balance</b> | <b>\$ 7,253,817</b> | <b>\$ 4,550,531</b> | <b>\$ 3,270,972</b> | <b>\$ 5,767,098</b> | <b>\$ 7,327,729</b> | <b>\$ 7,843,187</b> | <b>\$ 5,055,043</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |                   |

**WSHIP 2019  
Budgeted Cashflow**

| <b>Variance to Budget</b>        | JANUARY          | FEBRUARY         | MARCH            | APRIL              | MAY              | JUNE             | JULY             | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL YTD        |
|----------------------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------|-----------|---------|----------|----------|------------------|
| Favorable/(Unfavorable)          |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| <b>Enrollment Count</b>          | (43)             | (58)             | (56)             | (35)               | (70)             | (54)             | (29)             |        |           |         |          |          | (346)            |
| <b>Receipts</b>                  |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| Premium Receipts                 | (364,117)        | (120,442)        | (293,412)        | 304,189            | (152,544)        | 4,908            | 40,956           |        |           |         |          |          | (580,463)        |
| Grant Revenue                    | -                | -                | -                | -                  | -                | -                | -                |        |           |         |          |          | -                |
| Pharmacy Rebate Income           | -                | 122,239          | (100,000)        | 37,345             | 114,935          | (100,000)        | -                |        |           |         |          |          | 74,519           |
| Claim Refunds Receipts           | (15,391)         | (22,831)         | 113,577          | (24,635)           | (3,197)          | (31,280)         | 17,359           |        |           |         |          |          | 33,601           |
| Assessment Receipts              | 1,828,652        | (848,030)        | -                | (2,725,772)        | 2,957,079        | (231,307)        | 759,828          |        |           |         |          |          | 1,740,450        |
| Investment Income                | 13,408           | 11,661           | 8,010            | 10,415             | 13,253           | 12,751           | 11,589           |        |           |         |          |          | 81,087           |
| Other Income                     | -                | -                | -                | -                  | -                | 1,265,134        | (1,265,134)      |        |           |         |          |          | -                |
| <b>Total Receipts</b>            | <b>1,462,551</b> | <b>(857,404)</b> | <b>(271,825)</b> | <b>(2,398,458)</b> | <b>2,929,526</b> | <b>920,206</b>   | <b>(435,403)</b> |        |           |         |          |          | <b>1,349,194</b> |
| <b>Refunds</b>                   |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| Assessment Refunds               | (990,915)        | -                | -                | -                  | -                | -                | -                |        |           |         |          |          | (990,915)        |
| Premium Refunds                  | 26,355           | (22,957)         | 42,315           | 18,342             | (21,131)         | 46,486           | (18,980)         |        |           |         |          |          | 70,430           |
| <b>Total Refunds</b>             | <b>(964,560)</b> | <b>(22,957)</b>  | <b>42,315</b>    | <b>18,342</b>      | <b>(21,131)</b>  | <b>46,486</b>    | <b>(18,980)</b>  |        |           |         |          |          | <b>(920,485)</b> |
| <b>Expenses</b>                  |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| Medical Claims                   | (137,817)        | 325,647          | 380,292          | 87,213             | 376,514          | (499,795)        | (10,910)         |        |           |         |          |          | 521,144          |
| Pharmacy Claims                  | 106,072          | (178,835)        | 200,486          | 29,428             | 46,929           | 261,584          | 77,366           |        |           |         |          |          | 543,030          |
| Fixed (PMPM) Admin               | (5,523)          | (3,059)          | (5,300)          | (3,388)            | 365              | (5,732)          | (641)            |        |           |         |          |          | (23,277)         |
| Variable Admin                   | 6,292            | 1,522            | 6,075            | 10,586             | 6,867            | 11,081           | 6,876            |        |           |         |          |          | 49,298           |
| Salary and Benefits              | 12,713           | 1,110            | 643              | (11,096)           | 1,030            | 677              | 1,366            |        |           |         |          |          | 6,442            |
| Prescription Admin               | 684              | 1,021            | 739              | 838                | 792              | 1,216            | 868              |        |           |         |          |          | 6,157            |
| Miscellaneous                    | 4,267            | (2,197)          | 5,371            | 24                 | (24)             | (1,866)          | 23,820           |        |           |         |          |          | 29,395           |
| Professional Fees                | 11,876           | 735              | 20,593           | 10,851             | 14,366           | 13,571           | 28,476           |        |           |         |          |          | 100,468          |
| <b>Total Expense</b>             | <b>(1,436)</b>   | <b>145,943</b>   | <b>608,900</b>   | <b>124,455</b>     | <b>446,839</b>   | <b>(219,264)</b> | <b>127,221</b>   |        |           |         |          |          | <b>1,232,657</b> |
| <b>Available Cash Balance</b>    | <b>496,555</b>   | <b>(237,862)</b> | <b>141,528</b>   | <b>(2,114,134)</b> | <b>1,241,101</b> | <b>1,988,528</b> | <b>1,661,367</b> |        |           |         |          |          |                  |
| <b>Inc(Dec) in Abandoned</b>     |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| <b>Property Reserve</b>          |                  |                  |                  |                    |                  |                  |                  |        |           |         |          |          |                  |
| <b>Month Ending Cash Balance</b> | <b>496,555</b>   | <b>(237,862)</b> | <b>141,528</b>   | <b>(2,114,134)</b> | <b>1,241,101</b> | <b>1,988,528</b> | <b>1,661,367</b> |        |           |         |          |          |                  |

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trended with no increase.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 6% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 4 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$9.0 M) and November (\$8.5 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.



## Washington State Health Insurance Pool 2019 Cash Flow Forecast

| Forecast - Updated 01/31/19            | ACTUAL           |                  |                  |                  |                  |                  |                  | Forecast     |              |              |              |              | TOTAL         |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|--------------|--------------|---------------|
|  | JANUARY          | FEBRUARY         | MARCH            | APRIL            | MAY              | JUNE             | JULY             | AUGUST       | SEPTEMBER    | OCTOBER      | NOVEMBER     | DECEMBER     |               |
| <b>Enrollment:</b>                     |                  |                  |                  |                  |                  |                  |                  |              |              |              |              |              |               |
| Non-Medicare Enrollment                | 308              | 304              | 304              | 305              | 300              | 303              | 300              | 302          | 300          | 298          | 296          | 294          | 3,614         |
| Medicare Enrollment (Basic and Basic+) | 1,088            | 1,077            | 1,079            | 1,099            | 1,069            | 1,082            | 1,110            | 1,101        | 1,102        | 1,103        | 1,104        | 1,145        | 13,159        |
| <b>Total Enrollment Count</b>          | <b>1,396</b>     | <b>1,381</b>     | <b>1,383</b>     | <b>1,404</b>     | <b>1,369</b>     | <b>1,385</b>     | <b>1,410</b>     | <b>1,403</b> | <b>1,402</b> | <b>1,401</b> | <b>1,400</b> | <b>1,439</b> | <b>16,773</b> |
| <b>Cash Balance</b>                    |                  |                  |                  |                  |                  |                  |                  |              |              |              |              |              |               |
| <b>BEGINNING OF MONTH</b>              | <b>4,023,437</b> | <b>7,253,817</b> | <b>4,550,531</b> | <b>3,270,972</b> | <b>5,767,098</b> | <b>7,327,729</b> | <b>7,843,187</b> | 5,055,043    | 9,415,171    | 9,497,957    | 7,790,885    | 4,730,726    |               |
| <b>Receipts</b>                        |                  |                  |                  |                  |                  |                  |                  |              |              |              |              |              |               |
| Premium Receipts                       | 976,066          | 380,221          | 1,637,297        | 1,072,255        | 371,794          | 1,864,347        | 815,622          | 432,861      | 1,723,819    | 689,693      | 313,846      | 1,586,238    | 11,864,059    |
| Grant Revenue                          | -                | -                | -                | -                | -                | -                | -                | -            | -            | -            | -            | -            | -             |
| Pharmacy Rebate Income                 | -                | 122,239          | -                | 37,345           | 114,935          | -                | -                | -            | 100,000      | -            | -            | 100,000      | 474,519       |
| Claim Refunds Receipts                 | 18,284           | 11,404           | 153,844          | 10,103           | 32,096           | -                | 49,949           | 32,677       | 41,658       | 38,959       | 37,680       | 36,160       | 462,813       |
| Assessment Receipts                    | 6,460,545        | 1,970            | -                | 4,474,228        | 3,857,079        | 668,693          | 759,828          | 7,528,318    | 1,921,682    | 1,050,000    | -            | 6,400,000    | 33,122,343    |
| Investment Income                      | 13,508           | 11,761           | 8,110            | 10,515           | 13,353           | 12,851           | 11,689           | 100          | 100          | 100          | 100          | 100          | 82,287        |
| Other Income                           | -                | -                | -                | -                | -                | 1,265,134        | (1,265,134)      | -            | -            | -            | -            | -            | -             |
| <b>Total Receipts</b>                  | <b>7,468,402</b> | <b>527,595</b>   | <b>1,799,252</b> | <b>5,604,446</b> | <b>4,389,256</b> | <b>3,811,025</b> | <b>371,953</b>   | 7,993,956    | 3,787,259    | 1,778,752    | 351,626      | 8,122,498    | 46,006,021    |
| <b>Refunds</b>                         |                  |                  |                  |                  |                  |                  |                  |              |              |              |              |              |               |
| Assessment Refunds                     | 990,915          | -                | -                | -                | -                | -                | -                | -            | -            | -            | -            | -            | 990,915       |
| Premium Refunds                        | 7,150            | 35,474           | 5,953            | 860              | 34,240           | 0                | 38,346           | 10,822       | 43,095       | 17,242       | 7,846        | 39,656       | 240,683       |
| <b>Total Refunds</b>                   | <b>998,065</b>   | <b>35,474</b>    | <b>5,953</b>     | <b>860</b>       | <b>34,240</b>    | <b>0</b>         | <b>38,346</b>    | 10,822       | 43,095       | 17,242       | 7,846        | 39,656       | 1,231,598     |
| <b>Expenses</b>                        |                  |                  |                  |                  |                  |                  |                  |              |              |              |              |              |               |
| Medical Claim Expense                  | 2,118,688        | 1,688,206        | 1,988,367        | 1,956,211        | 1,699,515        | 2,339,789        | 1,927,939        | 1,922,181    | 2,450,462    | 2,291,715    | 2,216,489    | 2,127,043    | 24,726,606    |
| Pharmacy Claim Expense                 | 980,258          | 1,357,357        | 921,902          | 1,003,317        | 959,437          | 825,157          | 1,066,724        | 1,548,514    | 1,048,319    | 1,011,332    | 1,022,025    | 1,070,100    | 12,814,444    |
| PMPM Administrative Expense            | 83,778           | 80,847           | 83,072           | 81,144           | 77,375           | 83,458           | 78,353           | 77,698       | 77,685       | 77,672       | 77,660       | 77,649       | 956,390       |
| Variable Administrative Expense        | 8,645            | 12,816           | 14,764           | 4,754            | 7,474            | 3,261            | 7,467            | 14,344       | 15,346       | 14,347       | 22,849       | 14,350       | 140,412       |
| Salary and Benefits Expense            | 31,061           | 30,788           | 31,254           | 42,994           | 30,868           | 31,221           | 30,699           | 32,064       | 32,064       | 32,064       | 32,064       | 32,282       | 389,424       |
| Prescription Administrative Expense    | 1,178            | 840              | 1,122            | 1,023            | 1,069            | 645              | 992              | 1,860        | 1,860        | 1,860        | 1,860        | 1,859        | 16,168        |
| Miscellaneous Expense                  | 3,508            | 8,072            | 3,054            | 5,851            | 7,799            | 8,391            | 2,837            | 6,629        | 8,425        | 14,875       | 7,775        | 21,993       | 99,208        |
| Professional Fees                      | 12,841           | 16,481           | 29,323           | 12,166           | 10,850           | 3,646            | 6,741            | 19,717       | 27,217       | 24,717       | 23,217       | 17,217       | 204,132       |
| <b>Total Expense</b>                   | <b>3,239,957</b> | <b>3,195,407</b> | <b>3,072,859</b> | <b>3,107,460</b> | <b>2,794,386</b> | <b>3,295,567</b> | <b>3,121,751</b> | 3,623,007    | 3,661,377    | 3,468,582    | 3,403,939    | 3,362,493    | 39,346,785    |
| Available Cash Balance                 | 7,253,817        | 4,550,531        | 3,270,972        | 5,767,098        | 7,327,729        | 7,843,187        | 5,055,043        | 9,415,171    | 9,497,957    | 7,790,885    | 4,730,726    | 9,451,075    |               |
| Inc(Dec) in Abandoned Property Reserve | -                | -                | -                | -                | -                | -                | -                | -            | -            | -            | -            | -            | -             |
| <b>Month Ending Cash Balance</b>       | <b>7,253,817</b> | <b>4,550,531</b> | <b>3,270,972</b> | <b>5,767,098</b> | <b>7,327,729</b> | <b>7,843,187</b> | <b>5,055,043</b> | 9,415,171    | 9,497,957    | 7,790,885    | 4,730,726    | 9,451,075    |               |

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes a Medicare medical claim expense trend of 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 3% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 2 members per month, while Medicare Basic+ projected to drop 1 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$10.5 M) and November (\$8.0 M) TOTAL \$27.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**WSHIP 2019**  
**Medicare vs. Non-Medicare Cash Flow**

|                                       | January     | February    | March       | April       | May         | June        | July        | August | September | October | November | December | YTD | Historical Annual |       |       |       |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------|-----------|---------|----------|----------|-----|-------------------|-------|-------|-------|
|                                       |             |             |             |             |             |             |             |        |           |         |          |          |     | 2018              | 2017  | 2016  |       |
| <b>Medicare</b>                       |             |             |             |             |             |             |             |        |           |         |          |          |     |                   |       |       |       |
| Enrollment Count                      | 1,088       | 1,077       | 1,079       | 1,099       | 1,069       | 1,082       | 1,110       |        |           |         |          |          |     | 7,604             |       |       |       |
| Premiums                              | 518,529     | 266,048     | 317,366     | 802,182     | 250,982     | 488,150     | 600,565     |        |           |         |          |          |     | 3,243,821         |       |       |       |
| Medical Claims                        | 931,265     | 769,478     | 775,979     | 853,752     | 951,250     | 841,047     | 951,867     |        |           |         |          |          |     | 6,074,638         |       |       |       |
| RX Claims                             | 83,571      | 141,871     | 70,465      | 64,435      | 60,054      | 53,768      | 64,797      |        |           |         |          |          |     | 538,960           |       |       |       |
| Total Claims                          | 1,014,836   | 911,349     | 846,444     | 918,187     | 1,011,304   | 894,815     | 1,016,664   | -      | -         | -       | -        | -        | -   | 6,613,598         |       |       |       |
| Income/Loss                           | (496,307)   | (645,301)   | (529,078)   | (116,005)   | (760,321)   | (406,665)   | (416,099)   | -      | -         | -       | -        | -        | -   | (3,369,777)       |       |       |       |
| Loss Ratio                            | 196%        | 343%        | 267%        | 114%        | 403%        | 183%        | 169%        |        |           |         |          |          |     | 204%              | 191%  | 201%  | 219%  |
| Claims PMPM                           | 933         | 846         | 784         | 835         | 946         | 827         | 916         |        |           |         |          |          |     | 870               | 815   | 792   | 871   |
| <b>Non Medicare</b>                   |             |             |             |             |             |             |             |        |           |         |          |          |     |                   |       |       |       |
| Enrollment Count                      | 308         | 304         | 304         | 305         | 300         | 303         | 300         |        |           |         |          |          |     | 2,124             |       |       |       |
| Premiums                              | 457,537     | 114,174     | 1,319,931   | 270,073     | 120,812     | 1,376,197   | 215,057     |        |           |         |          |          |     | 3,873,780         |       |       |       |
| Medical Claims                        | 1,187,423   | 918,728     | 1,212,387   | 1,102,459   | 748,265     | 1,498,742   | 976,073     |        |           |         |          |          |     | 7,644,076         |       |       |       |
| RX Claims                             | 896,687     | 1,215,486   | 851,438     | 938,882     | 899,384     | 771,389     | 1,001,927   |        |           |         |          |          |     | 6,575,194         |       |       |       |
| Total Claims                          | 2,084,110   | 2,134,214   | 2,063,825   | 2,041,341   | 1,647,649   | 2,270,131   | 1,978,000   | -      | -         | -       | -        | -        | -   | 14,219,270        |       |       |       |
| Income/Loss                           | (1,626,573) | (2,020,040) | (743,894)   | (1,771,268) | (1,526,837) | (893,934)   | (1,762,943) | -      | -         | -       | -        | -        | -   | (10,345,490)      |       |       |       |
| Loss Ratio                            | 456%        | 1869%       | 156%        | 756%        | 1364%       | 165%        | 920%        |        |           |         |          |          |     | 367%              | 350%  | 434%  | 570%  |
| Claims PMPM                           | 6,767       | 7,020       | 6,789       | 6,693       | 5,492       | 7,492       | 6,593       |        |           |         |          |          |     | 6,695             | 7,047 | 6,340 | 5,907 |
| <b>Combined Medicare/Non Medicare</b> |             |             |             |             |             |             |             |        |           |         |          |          |     |                   |       |       |       |
| Enrollment Count                      | 1,396       | 1,381       | 1,383       | 1,404       | 1,369       | 1,385       | 1,410       | -      | -         | -       | -        | -        | -   | 9,728             |       |       |       |
| Premiums                              | 976,066     | 380,221     | 1,637,297   | 1,072,255   | 371,794     | 1,864,347   | 815,622     | -      | -         | -       | -        | -        | -   | 7,117,601         |       |       |       |
| Medical Claims                        | 2,118,688   | 1,688,206   | 1,988,367   | 1,956,211   | 1,699,515   | 2,339,789   | 1,927,939   | -      | -         | -       | -        | -        | -   | 13,718,716        |       |       |       |
| RX Claims                             | 980,258     | 1,357,357   | 921,902     | 1,003,317   | 959,438     | 825,157     | 1,066,724   | -      | -         | -       | -        | -        | -   | 7,114,154         |       |       |       |
| Total Claims                          | 3,098,946   | 3,045,563   | 2,910,269   | 2,959,528   | 2,658,953   | 3,164,946   | 2,994,663   | -      | -         | -       | -        | -        | -   | 20,832,870        |       |       |       |
| Income/Loss                           | (2,122,880) | (2,665,341) | (1,272,972) | (1,887,273) | (2,287,159) | (1,300,599) | (2,179,042) | -      | -         | -       | -        | -        | -   | (13,715,268)      |       |       |       |
| Loss Ratio                            | 317%        | 801%        | 178%        | 276%        | 715%        | 170%        | 367%        |        |           |         |          |          |     | 293%              | 285%  | 333%  | 402%  |
| Claims PMPM                           | 2,220       | 2,205       | 2,104       | 2,108       | 1,942       | 2,285       | 2,124       |        |           |         |          |          |     | 2,142             | 2,277 | 2,235 | 2,355 |

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

**Washington State Health Insurance Pool  
2019 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                           | 316               | 314              | 312               | 310              | 308               | 306               | 304               | 303              | 301              | 299              | 297              | 295              | 3,666              |
| Medicare Basic                         | 957               | 961              | 965               | 969              | 973               | 977               | 981               | 985              | 989              | 993              | 997              | 1,001            | 11,748             |
| Medicare Basic Plus                    | 166               | 164              | 162               | 160              | 158               | 156               | 154               | 152              | 150              | 148              | 146              | 144              | 1,860              |
| Total Membership                       | 1,439             | 1,439            | 1,439             | 1,439            | 1,439             | 1,439             | 1,439             | 1,440            | 1,440            | 1,440            | 1,440            | 1,440            | 17,274             |
| PMPM Administrative Expense (2)        | 78,255            | 77,788           | 77,772            | 77,756           | 77,740            | 77,726            | 77,712            | 77,698           | 77,685           | 77,672           | 77,660           | 77,649           | 933,113            |
| Variable Administrative Expense (3)    | 14,937            | 14,338           | 20,839            | 15,340           | 14,341            | 14,342            | 14,343            | 14,344           | 15,346           | 14,347           | 22,849           | 14,350           | 189,710            |
| Salary and Benefits Expense (4)        | 43,774            | 31,898           | 31,898            | 31,898           | 31,898            | 31,898            | 32,064            | 32,064           | 32,064           | 32,064           | 32,064           | 32,282           | 395,866            |
| RX Benefit Management Fees             | 1,862             | 1,861            | 1,861             | 1,861            | 1,861             | 1,860             | 1,860             | 1,860            | 1,860            | 1,860            | 1,860            | 1,859            | 22,325             |
| Miscellaneous Expense (5)              | 7,775             | 5,875            | 8,425             | 5,875            | 7,775             | 6,525             | 26,657            | 6,629            | 8,425            | 14,875           | 7,775            | 21,993           | 128,604            |
| Professional Fees (6)                  | 24,717            | 17,217           | 49,917            | 23,017           | 25,217            | 17,217            | 35,217            | 19,717           | 27,217           | 24,717           | 23,217           | 17,217           | 304,600            |
| <b>Total Budget Operating Expenses</b> | <b>\$171,319</b>  | <b>\$148,976</b> | <b>\$190,711</b>  | <b>\$155,746</b> | <b>\$158,830</b>  | <b>\$149,567</b>  | <b>\$187,853</b>  | <b>\$152,311</b> | <b>\$162,596</b> | <b>\$165,534</b> | <b>\$165,424</b> | <b>\$165,350</b> | <b>\$1,974,218</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                           | 308               | 304              | 304               | 305              | 300               | 303               | 300               |                  |                  |                  |                  |                  | 2,124              |
| Medicare Basic                         | 927               | 919              | 921               | 943              | 914               | 929               | 959               |                  |                  |                  |                  |                  | 6,512              |
| Medicare Basic Plus                    | 161               | 158              | 158               | 156              | 155               | 153               | 151               |                  |                  |                  |                  |                  | 1,092              |
| Total Membership                       | 1,396             | 1,381            | 1,383             | 1,404            | 1,369             | 1,385             | 1,410             | -                | -                | -                | -                | -                | 9,728              |
| PMPM Administrative Expense (2)        | 83,778            | 80,847           | 83,072            | 81,144           | 77,375            | 83,458            | 78,152            |                  |                  |                  |                  |                  | \$567,826          |
| Variable Administrative Expense (3)    | 8,645             | 12,816           | 14,764            | 4,754            | 7,474             | 3,261             | 7,651             |                  |                  |                  |                  |                  | \$59,365           |
| Salary and Benefits Expense (4)        | 31,061            | 30,788           | 31,254            | 42,994           | 30,868            | 31,221            | 30,774            |                  |                  |                  |                  |                  | \$228,960          |
| RX Benefit Management Fees             | 1,178             | 840              | 1,122             | 1,023            | 1,069             | 645               | 1,021             |                  |                  |                  |                  |                  | \$6,899            |
| Miscellaneous Expense (5)              | 3,508             | 8,072            | 3,054             | 5,851            | 7,799             | 8,391             | 2,888             |                  |                  |                  |                  |                  | \$39,563           |
| Professional Fees (6)                  | 12,841            | 16,481           | 29,323            | 12,166           | 10,850            | 3,646             | 22,908            |                  |                  |                  |                  |                  | \$108,216          |
| <b>Total Actual Operating Expenses</b> | <b>\$141,011</b>  | <b>\$149,844</b> | <b>\$162,589</b>  | <b>\$147,932</b> | <b>\$135,435</b>  | <b>\$130,622</b>  | <b>\$143,395</b>  | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$1,010,829</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                           | (8)               | (10)             | (8)               | (5)              | (8)               | (3)               | (4)               |                  |                  |                  |                  |                  | (47)               |
| Medicare Basic                         | (30)              | (42)             | (44)              | (26)             | (59)              | (48)              | (22)              |                  |                  |                  |                  |                  | (271)              |
| Medicare Basic Plus                    | (5)               | (6)              | (4)               | (4)              | (3)               | (3)               | (3)               |                  |                  |                  |                  |                  | (28)               |
| Total Membership                       | (43)              | (58)             | (56)              | (35)             | (70)              | (54)              | (29)              | -                | -                | -                | -                | -                | (346)              |
| PMPM Administrative Expense (2)        | 5,523             | 3,059            | 5,300             | 3,388            | (365)             | 5,732             | 440               |                  |                  |                  |                  |                  | \$23,077           |
| Variable Administrative Expense (3)    | (6,292)           | (1,522)          | (6,075)           | (10,586)         | (6,867)           | (11,081)          | (6,691)           |                  |                  |                  |                  |                  | (\$49,112)         |
| Salary and Benefits Expense (4)        | (12,713)          | (1,110)          | (643)             | 11,096           | (1,030)           | (677)             | (1,290)           |                  |                  |                  |                  |                  | (\$6,366)          |
| RX Benefit Management Fees             | (683)             | (1,021)          | (739)             | (838)            | (792)             | (1,215)           | (839)             |                  |                  |                  |                  |                  | (\$6,128)          |
| Miscellaneous Expense (5)              | (4,267)           | 2,197            | (5,371)           | (24)             | 24                | 1,866             | (23,769)          |                  |                  |                  |                  |                  | (\$29,344)         |
| Professional Fees (6)                  | (11,875)          | (735)            | (20,593)          | (10,851)         | (14,367)          | (13,571)          | (12,309)          |                  |                  |                  |                  |                  | (\$84,301)         |
| <b>Total Variance Expenses</b>         | <b>(\$30,308)</b> | <b>\$868</b>     | <b>(\$28,122)</b> | <b>(\$7,814)</b> | <b>(\$23,395)</b> | <b>(\$18,945)</b> | <b>(\$44,458)</b> | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>(\$152,173)</b> |

## WSHIP Financial Performance

| CASH BASIS                                       | Month Ending July 31, 2019 |               |           |          |
|--|----------------------------|---------------|-----------|----------|
|  | Projected                  | Actual        | Variance  | % Change |
| Membership                                       | 1,439                      | 1,410         | (29)      | -2.0%    |
| Avg Premium Receipt PMPM                         | \$525                      | \$551         | \$26      | 5.0%     |
| Avg Medical Claim Expense PMPM                   | \$1,309                    | \$1,332       | (\$23)    | 1.8%     |
| Avg Pharmacy Claim Expense PMPM                  | \$795                      | \$757         | \$38      | -4.8%    |
| Avg Premium Receipt Less Avg Claim Expense PMPM  | (\$1,579)                  | (\$1,538)     | \$41      | 2.6%     |
| Avg Premium Receipt Less Avg Claim Expense Total | (\$2,272,954)              | (\$2,168,580) | \$104,374 | 4.6%     |
| Variance Due to Changes in Membership            |                            |               | \$45,355  |          |
| Variance Due to Changes in Claim Expenses        |                            |               | \$59,019  |          |

| CASH BASIS                                       | Year-To-Date July 31, 2019 |                |           |          |
|--|----------------------------|----------------|-----------|----------|
|  | Projected                  | Actual         | Variance  | % Change |
| Member Months                                    | 10,074                     | 9,728          | (346)     | -3.4%    |
| Avg Premium Receipt PMPM                         | \$745                      | \$719          | (\$26)    | -3.5%    |
| Avg Medical Claim Expense PMPM                   | \$1,389                    | \$1,382        | (\$7)     | -0.5%    |
| Avg Pharmacy Claim Expense PMPM                  | \$760                      | \$731          | (\$29)    | -3.8%    |
| Avg Premium Receipt Less Avg Claim Expense PMPM  | (\$1,404)                  | (\$1,394)      | \$10      | 0.7%     |
| Avg Premium Receipt Less Avg Claim Expense Total | (\$14,144,017)             | (\$13,560,832) | \$583,185 | 4.1%     |
| Variance Due to Changes in Membership            |                            |                | \$482,444 |          |
| Variance Due to Changes in Claim Expenses        |                            |                | \$100,741 |          |

| INCURRED BASIS                                   | Year-To-Date July 31, 2019 | Year-To-Date July 31, 2018 |
|--|----------------------------|----------------------------|
|  | Actual                     | Actual - Prior Year        |
| Member Months                                    | 9,728                      | 10,044                     |
| Avg Premium Income PMPM                          | \$876                      | \$876                      |
| Avg Medical Claim Expense PMPM (1)               | \$1,498                    | \$1,335                    |
| Avg Pharmacy Claim Expense PMPM (2)              | \$803                      | \$670                      |
| Avg Premium Receipt Less Avg Claim Expense PMPM  | (\$1,425)                  | (\$1,129)                  |
| Avg Premium Receipt Less Avg Claim Expense Total | (\$13,862,400)             | (\$11,339,676)             |

(1) Incurred medical claims data totals \$14,574,846 which is derived from \$9,897,846 actual paid claims with dates of service between 01-01-19 and 07-31-19 and \$4,677,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$7,808,500 which is derived from \$6,986,500 actual paid claims with dates of service between 01-01-19 and 07-31-19 and \$822,000 IBNR reserve.