

**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>
 <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	1,439	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	500,863	1,930,710	768,066	524,338	1,859,439	774,666	578,082	1,707,677	761,243	377,905	369,585	7,686,065	11,492,588
Grant Revenue	-	-	-	-	-	100,000	-	-	100,000	-	-	-	200,000	400,000
Pharmacy Rebate Income	33,675	34,235	40,267	34,738	35,292	31,280	32,589	33,216	33,666	33,666	31,707	100,000	242,078	405,045
Claim Refunds Receipts	4,631,893	850,000	100	7,200,000	900,000	900,000	-	7,200,000	900,000	900,000	-	6,800,000	14,481,893	30,281,893
Assessment Receipts	100	100	100	100	100	100	100	100	100	100	100	100	700	1,200
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	6,003,951	1,384,999	2,071,077	8,002,904	1,459,730	2,890,819	807,356	7,811,408	2,741,378	1,695,009	409,712	7,300,463	22,622,736	42,580,706
<b>Refunds</b>														
Assessment/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
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>	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>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	77,648	544,749	933,113
Variable Admin	14,937	14,338	20,639	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	1,860	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	88,907	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
Total Expense	3,238,521	3,341,351	3,681,759	3,231,915	3,241,225	3,076,303	3,248,972	3,197,335	3,132,180	3,179,952	3,144,209	3,011,349	23,060,045	38,725,070
<b>Month Ending Cash Balance</b>	\$ 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	\$ 7,691,758		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Actual</b>													
<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	978,066	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	11,404	153,844	10,103	32,096	-	49,949						274,519
Claim Refunds Receipts	6,460,545	1,970	8,110	10,515	13,353	668,693	759,828						275,679
Assessment Receipts	13,508	11,761	8,110	10,515	13,353	12,851	11,689						16,222,343
Investment Income	-	-	-	-	-	1,265,134	(1,265,134)						81,787
Other Income	-	-	-	-	-	-	-						-
<b>Total Receipts</b>	7,468,402	527,595	1,799,252	5,604,446	4,389,256	3,811,025	371,953						23,971,930
<b>Refunds</b>													
Assessment/Refunds	990,915	35,474	5,953	860	34,240	-	38,346						990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	-	38,346						122,022
<b>Total Refunds</b>	998,065	35,474	5,953	860	34,240	-	38,346						1,112,937
<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						588,026
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	30,788	31,254	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
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386	3,295,567	3,121,751						21,827,387
<b>Available Cash Balance</b>	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043						
<b>Inc(Dec) In Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	\$ 7,253,817	\$ 4,550,531	\$ 3,270,972	\$ 5,767,098	\$ 7,327,729	\$ 7,843,187	\$ 5,055,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**WSHIP 2019  
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Variance to Budget</b>													
Favorable/(Unfavorable)	(43)	(58)	(56)	(35)	(70)	(54)	(29)						(346)
<b>Enrollment Count</b>	(364,117)	(120,442)	(293,412)	304,189	(152,544)	4,908	40,956						(580,463)
<b>Receipts</b>													
Premium Receipts													
Grant Revenue													
Pharmacy Rebate Income													
Claim Refunds Receipts													
Assessment Receipts													
Investment Income													
Other Income													
<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													
Premium Refunds													
<b>Total Refunds</b>	<b>(990,915)</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>(990,915)</b>
<b>Expenses</b>													
Medical Claims													
Pharmacy Claims													
Fixed (PWP/M) Admin													
Variable Admin													
Salary and Benefits													
Prescription Admin													
Miscellaneous													
Professional Fees													
<b>Total Expense</b>	<b>(137,817)</b>	<b>325,647</b>	<b>380,292</b>	<b>87,213</b>	<b>376,514</b>	<b>(499,795)</b>	<b>(10,910)</b>						<b>521,144</b>
	<b>106,072</b>	<b>(178,835)</b>	<b>200,486</b>	<b>29,428</b>	<b>46,929</b>	<b>261,584</b>	<b>77,366</b>						<b>543,030</b>
	<b>(5,523)</b>	<b>(3,059)</b>	<b>(5,300)</b>	<b>(3,388)</b>	<b>365</b>	<b>(5,732)</b>	<b>(641)</b>						<b>(23,277)</b>
	<b>6,292</b>	<b>1,522</b>	<b>6,075</b>	<b>10,586</b>	<b>6,867</b>	<b>11,081</b>	<b>6,876</b>						<b>49,298</b>
	<b>12,713</b>	<b>1,110</b>	<b>643</b>	<b>(11,086)</b>	<b>1,030</b>	<b>677</b>	<b>1,366</b>						<b>6,442</b>
	<b>684</b>	<b>1,021</b>	<b>739</b>	<b>638</b>	<b>792</b>	<b>1,216</b>	<b>868</b>						<b>6,157</b>
	<b>4,267</b>	<b>(2,197)</b>	<b>5,371</b>	<b>24</b>	<b>(24)</b>	<b>(1,866)</b>	<b>23,820</b>						<b>29,395</b>
	<b>11,876</b>	<b>735</b>	<b>20,593</b>	<b>10,851</b>	<b>14,366</b>	<b>13,571</b>	<b>28,476</b>						<b>100,468</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

	Forecast												
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
<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
Total Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,403	1,402	1,401	1,400	1,439	16,773
<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	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	-	-	-	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>	7,468,402	527,595	1,799,252	5,604,446	4,389,256	3,811,025	371,953	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
Total Refunds	998,065	35,474	5,953	860	34,240	0	38,346	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
PHM 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>	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386	3,295,567	3,121,751	3,623,007	3,661,377	3,468,582	3,403,939	3,362,493	39,346,785
<b>Available Cash Balance</b>	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>	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	

- (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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2018	2017	2016
<b>Medicare</b>																
Enrollment Count	1,088	1,077	1,079	1,099	1,069	1,082	1,110									
Premiums	518,529	266,048	317,366	802,182	250,982	488,150	600,565									
Medical Claims	931,265	769,478	775,979	853,752	951,250	841,047	951,867									
RX Claims	83,571	141,871	70,465	64,435	60,054	53,768	64,797									
Total Claims	1,014,836	911,349	846,444	918,187	1,011,304	894,815	1,016,664									
Income/Loss	(496,307)	(645,301)	(529,078)	(116,005)	(760,321)	(406,665)	(416,099)									
Loss Ratio	196%	343%	267%	114%	403%	183%	169%									
Claims PMPM	933	846	784	835	946	827	916							191%	201%	219%
														815	792	871
<b>Non Medicare</b>																
Enrollment Count	308	304	304	305	300	303	300									
Premiums	457,537	114,174	1,319,931	270,073	120,812	1,376,197	215,057									
Medical Claims	1,187,423	918,728	1,212,387	1,102,459	748,265	1,498,742	976,073									
RX Claims	896,687	1,215,486	851,438	938,882	899,384	771,389	1,001,927									
Total Claims	2,084,110	2,134,214	2,063,825	2,041,341	1,647,649	2,270,131	1,978,000									
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	(1,526,837)	(893,934)	(1,762,943)									
Loss Ratio	456%	1869%	156%	756%	1364%	165%	920%									
Claims PMPM	6,767	7,020	6,789	6,693	5,492	7,492	6,593							350%	434%	570%
														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									
Premiums	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622									
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939									
RX Claims	980,258	1,357,357	921,902	1,003,317	959,438	825,157	1,066,724									
Total Claims	3,098,946	3,045,563	2,910,269	2,959,528	2,658,953	3,164,946	2,994,663									
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	(1,887,273)	(2,287,159)	(1,300,599)	(2,179,042)									
Loss Ratio	317%	801%	178%	276%	715%	170%	367%									
Claims PMPM	2,220	2,205	2,104	2,108	1,942	2,285	2,124							2,277	2,235	2,355
														285%	333%	402%
														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

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
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>

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
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>

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
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.