

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

1. 2020 Interim II Assessment Required

An assessment of \$9 M is required to adequately fund the pool until the next scheduled assessment in November 2020. This assessment was approved by the Board of Directors on May 13, 2020 and generated on July 29, 2020 with invoices due August 31, 2020 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 31, 2020. As of August 27, 2020, \$5.4 M of assessments have been collected, leaving \$3.6 M to be collected.

2. Financial Statements – July 2020

Balance Sheet

Cash on hand decreased by \$1.7 M or 21% from June 2020 to July 2020. The current cash position is \$6.3 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of July 2020, the entire \$6.3 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 2020 is \$4.3 M. This is an increase of \$194 K or 4.7% from the prior month. Medical IBNR increased \$221 K or 6.2% and pharmacy IBNR decreased \$27 K or 4.7% from June 2020.

As of July 2020, the equity position of WSHIP is a positive \$11.4 M

Income Statement

Total member months for July 2020 YTD are lower by 611 member months or 6.3% lower than July 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for July 2020 YTD is \$1.0 M 6.1% lower than July 2019 YTD. Incurred claim loss represents the total medical and pharmacy claims expense as well as the change in unpaid losses (IBNR) and accrued loss adjustment for the period. For July 2020 YTD, the medical claims portion is \$3.8 M or 27.9% lower than July 2019 YTD, and the pharmacy claims portion is \$719 K or 10.1% lower than July 2019 YTD.

July 2020 YTD administrative expenses are \$28 K or 2.8% higher than the administrative expenses for July 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 6.0% for July 2020 YTD as compared to 5.5% 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 2020

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

The ending cash balance of \$6.3 M is \$3.5 M or 120% higher than the budgeted cash balance of \$2.8 M. Total net cash receipts for July 2020 are 54 K or 7.2% favorable to budget. Total YTD expenses for July 2020 YTD are \$1.1 M or 5.7% favorable to budget. The YTD administrative expenses are \$52 K or 4.9% favorable to budget. Total YTD medical claims expense is \$2.4 M or 17.5% favorable to budget; while total YTD pharmacy claims expense is \$1.3 M or 26% unfavorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – July 2020

As of July, the YTD Medicare member months total 7,707 and represent 84.5% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,410 and account for 15.5% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 183% while the YTD Non-Medicare Loss Ratio is 594%. On a cash basis, the YTD Claims PMPM is \$874 for Medicare members and \$7,832 for Non-Medicare members.

5. Cash Flow Forecast – 2020

The 2020 cash flow forecast was developed using the assumptions developed by Leif & Associates for membership, premium receipts, pharmacy and medical claim cost projections. The key drivers (membership, premiums, medical claims and pharmacy claims) in the budget portion were updated in March 2020 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 2020. For August 2020, preliminary figures for the key financial drivers (Premium Receipts, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$26.5 M which is a \$1.5 M or 5.4% decrease from the 2019 assessment of \$28 M.

6. Administrative Expense Budget

For July 2020, YTD administrative expenses are \$52 K or 4.9% favorable to budget (cash basis).

7. Financial Performance

July 2020 YTD member months are 4% lower than expected, average premium receipt PMPM is 14.3% higher than expected, average medical claims expense PMPM is 13.1% lower than expected and average pharmacy claims expense PMPM is 31% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,289 as compared to \$1,242 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$706 as compared to \$701 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of July 31, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 6,347,233	\$ 5,055,043
Premiums Receivable	212,716	119,018
Assessments Receivable	9,656,577	9,740,172
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 16,216,527</u>	<u>\$ 14,914,233</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,774,000	\$ 4,677,000
Reserve for Unpaid Losses - Pharmacy	551,000	822,000
Accrued Loss Adjustment	269,000	286,000
Premiums Received in Advance	98,992	138,876
Assessments Payable	-	-
Accrued Expenses	134,789	131,019
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,827,781</u>	<u>\$ 6,054,895</u>
Unassigned Surplus	11,388,746	8,859,338
Total Liabilities and Unassigned Surplus	<u>\$ 16,216,527</u>	<u>\$ 14,914,233</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to July 31

	<u>2020</u>	<u>2019</u>
Total Member Months	9,117	9,728
Premium Income Earned	\$ 5,722,202	\$ 8,525,005
Pharmacy Rebate Income	356,493	274,519
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 9,937,181	13,786,037
Incurred Claim Loss - Pharmacy	6,394,489	7,114,153
Total Incurred Claim Loss	<u>16,331,670</u>	<u>20,900,190</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 543,028	\$ 562,400
Variable Administrative Expense	54,935	58,186
Salary and Benefit Expense	220,224	230,861
Prescription Administrative Expense	7,868	6,713
Miscellaneous Expense	59,351	39,411
Professional Fee Expense	142,258	102,115
Total Operating Expenses	<u>\$ 1,027,664</u>	<u>\$ 999,685</u>
Underwriting Gain (Loss)	(11,280,640)	(13,100,351)
Investment Income	21,485	81,787
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (11,259,154)</u>	<u>\$ (13,018,564)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(11,259,154)	(13,018,564)
Member Assessments	19,500,000	19,500,000
Unassigned Surplus	<u>\$ 11,388,746</u>	<u>\$ 8,859,338</u>

Washington State Health Insurance Pool 2020 Budgeted Cashflow

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	July YTD	TOTAL
Budget														
Enrollment Count	1,353	1,354	1,355	1,356	1,357	1,358	1,359	1,360	1,361	1,362	1,363	1,364	9,492	16,302
Cash Balance														
BEGINNING OF MONTH	5,585,895	6,462,480	4,575,739	2,494,786	7,275,056	6,161,215	4,983,187	2,875,305	7,942,099	6,527,957	4,987,604	2,789,809		
Receipts														
Premium Receipts	721,491	723,372	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	5,092,834	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	240,000	480,000
Claim Refunds Receipts	35,958	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	234,540	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	11,778,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	700	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	4,036,131	876,386	759,105	7,559,669	1,733,108	1,614,329	767,929	8,092,920	1,676,206	1,681,298	902,309	6,384,181	17,346,656	36,083,569
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	127,321	220,013
Total Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	127,321	220,013
Expenses														
Medical Claims	2,115,173	1,936,131	1,980,677	1,893,474	1,970,504	1,912,034	1,988,462	2,141,646	2,189,455	2,338,290	2,241,960	2,191,171	13,796,455	24,898,977
Pharmacy Claims	863,589	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	5,075,959	8,624,114
Fixed (PMPM) Admin	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	507,811	870,589
Variable Admin	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	65,002	115,310
Salary and Benefits	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	241,231	403,001
Prescription Admin	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	12,159	20,870
Miscellaneous	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	49,550	130,409
Professional Fees	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	181,758	283,300
Total Expense	3,141,509	2,745,042	2,821,925	2,761,214	2,828,711	2,774,063	2,857,460	3,007,715	3,071,876	3,203,115	3,081,501	3,052,437	19,929,925	35,346,570
Month Ending Cash Balance	\$ 6,462,480	\$ 4,575,739	\$ 2,494,786	\$ 7,275,056	\$ 6,161,215	\$ 4,983,187	\$ 2,875,305	\$ 7,942,099	\$ 6,527,957	\$ 4,987,604	\$ 2,789,809	\$ 6,102,882		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324						9,117
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	6,347,233	6,347,233	6,347,233	6,347,233	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680						5,543,695
Grant Revenue	-	-	-	-	-	-	-						-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-						356,493
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017						63,750
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-						13,371,187
Investment Income	8,891	6,542	3,096	1,187	783	545	440						21,485
Other Income	-	-	-	-	-	-	-						-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	-	-	-	-	-	19,356,609
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-						206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785						94,828
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	-	-	-	-	-	301,551
Expenses													
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369						11,383,931
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291						6,394,489
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963						551,270
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062						59,761
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995						220,224
Prescription Admin	1,024	1,003	867	894	851	525	1,804						6,968
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920						34,360
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621						133,195
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	-	-	-	-	-	18,784,198
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	6,347,233	6,347,233	6,347,233	6,347,233	6,347,233	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 5,556,104	\$ 4,399,095	\$ 4,209,448	\$ 6,630,315	\$ 7,128,977	\$ 8,032,907	\$ 6,347,233	\$ 6,347,233	\$ 6,347,233	\$ 6,347,233	\$ 6,347,233	\$ 6,347,233	

Washington State Health Insurance Pool 2020 Budgeted Cashflow

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(62)	(60)	(74)	(51)	(40)	(53)	(35)						(375)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655						450,861
Grant Revenue	-	-	-	-	-	-	-						-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)	256,013	-						116,493
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)	(25,936)	5,213						(170,790)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)	1,787,444	1,332,060	-						1,592,605
Investment Income	8,791	6,442	2,996	1,087	683	445	340						20,785
Other Income	-	-	-	-	-	-	-						-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)	1,228,183	1,776,341	41,208						2,009,954
Refunds													
Assessment Refunds	(206,723)	-	-	-	-	-	-						(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919	(4,911)	2,523	12,565						32,493
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565						(174,230)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093						2,412,524
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)						(1,318,530)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)						(43,459)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083						5,241
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359						21,007
Prescription Admin	711	732	870	843	886	1,214	(65)						5,191
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)						15,190
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)						48,564
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435						1,145,727
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928						
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	-	-	-	-	-	

2020 Budgeted Cashflow Notes

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

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

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2019	2018	2017	
Medicare																	
Enrollment Count	1,087	1,091	1,079	1,103	1,116	1,106	1,125							7,707			
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593							3,686,051			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421							6,101,121			
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472							634,795			
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	873,894	-	-	-	-	-	-	6,735,916			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	-	-	-	-	-	-	(3,049,866)			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%							183%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757	777							874	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202	201	199	199							1,410			
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087							1,857,645			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948							5,282,811			
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819							5,759,694			
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	1,424,089	1,499,397	1,461,767	-	-	-	-	-	-	11,042,505			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	(1,388,237)	(1,022,147)	(1,338,680)	-	-	-	-	-	-	(9,184,860)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%							594%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535	7,346							7,832	7,398	7,047	6,340
Combined Medicare/Non Medicare																	
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	-	-	-	-	-	-	9,117			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	-	-	-	-	-	-	5,543,696			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,370	-	-	-	-	-	-	11,383,934			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	-	-	-	-	-	-	6,394,489			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	2,291,769	2,336,767	2,335,661	-	-	-	-	-	-	17,778,423			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	(1,974,302)	(1,391,284)	(1,565,981)	-	-	-	-	-	-	(12,234,727)			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%							321%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791	1,764							1,950	2,250	2,277	2,235

Medicare vs NonMedicare Notes:

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

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

Forecast - Updated 2/28/20

	Actual							Forecast					TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	204	203	202	202	201	199	194	202	200	198	196	194	2,395
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,130	1,181	1,185	1,189	1,193	1,197	13,657
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,383	1,385	1,387	1,389	1,391	16,052
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,192,674	9,545,122	8,076,626	6,142,430	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	329,429	702,120	700,514	698,907	697,301	8,671,966
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	120,000	-	-	120,000	-	596,493
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	36,408	37,221	39,751	38,113	37,250	252,493
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,465,718	2,634,282	900,000	-	5,600,000	27,971,187
Investment Income	8,891	6,542	3,096	1,187	783	545	440	100	100	100	100	100	21,985
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	5,951,655	3,373,723	1,640,364	857,121	6,334,651	37,514,123
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	18,410	18,472	18,536	18,602	18,671	187,520
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	18,410	18,472	18,536	18,602	18,671	394,243
Expenses													
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369	1,756,688	2,126,893	2,229,066	1,935,588	1,974,185	21,406,351
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	725,948	713,787	688,243	721,082	10,417,449
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	77,963	72,496	72,526	72,556	72,585	72,615	914,048
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	7,062	8,151	9,157	8,162	16,668	8,173	110,069
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	31,995	32,354	32,354	32,354	32,354	32,354	381,995
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,804	1,740	1,741	1,742	1,743	1,744	15,678
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,920	24,968	9,175	15,650	8,525	22,541	115,219
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	17,508	25,008	17,008	17,008	25,008	234,736
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	3,087,804	3,002,802	3,090,325	2,772,714	2,857,703	33,595,545
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,192,674	9,545,122	8,076,626	6,142,430	9,600,708	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,192,674	9,545,122	8,076,626	6,142,430	9,600,708	

2020 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%.
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$10.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

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

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	297	295	293	291	289	287	285	283	281	279	277	275	3,432
Medicare Basic	900	904	908	912	916	920	924	928	932	936	940	944	11,063
Medicare Basic Plus	156	154	152	150	148	146	144	142	140	138	136	134	1,741
Total Membership	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	16,236
PMPM Administrative Expense (2)	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	870,589
Variable Administrative Expense (3)	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	115,310
Salary and Benefits Expense (4)	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	403,001
RX Benefit Management Fees	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	20,870
Miscellaneous Expense (5)	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	130,409
Professional Fees (6)	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	283,300
Total Budget Operating Expenses	\$162,747	\$142,542	\$173,304	\$152,115	\$145,527	\$135,838	\$145,438	\$157,217	\$149,961	\$147,472	\$148,883	\$162,435	\$1,823,479

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	204	203	202	202	201	199	199						1,410
Medicare Basic	902	888	866	874	874	859	850						6,113
Medicare Basic Plus	139	139	138	136	135	134	133						954
Medical Supplement	46	64	75	93	107	113	142						640
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	-	-	-	-	-	9,117
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963						\$551,270
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062						\$59,761
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263	31,995						\$220,224
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804						\$6,968
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920						\$34,360
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621						\$133,194
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$0	\$0	\$0	\$0	\$0	\$1,005,777

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(93)	(92)	(91)	(89)	(88)	(88)	(86)						(627)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)						(270)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)	(11)						
Medical Supplement	46	64	75	93	107	113	142						640
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	-	-	-	-	-	(354)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497						\$43,459
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)						(\$5,240)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)						(\$21,007)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65						(\$5,191)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195						(\$15,190)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612						(\$48,564)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$0	\$0	\$0	\$0	\$0	(\$51,733)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending July 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,359	1,324	(35)	-2.6%
Avg Premium Receipt PMPM	\$527	\$577	\$50	9.5%
Avg Medical Claim Expense PMPM	\$1,438	\$1,053	\$385	-26.8%
Avg Pharmacy Claim Expense PMPM	\$532	\$681	(\$149)	28.0%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,443)	(\$1,157)	\$286	19.8%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,961,037)	(\$1,531,868)	\$429,169	21.9%
Variance Due to Changes in Membership			\$40,495	
Variance Due to Changes in Claim Expenses			\$388,674	

CASH BASIS	Year-To-Date July 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	9,492	9,117	(375)	-4.0%
Avg Premium Receipt PMPM	\$523	\$598	\$75	14.3%
Avg Medical Claim Expense PMPM	\$1,429	\$1,242	(\$187)	-13.1%
Avg Pharmacy Claim Expense PMPM	\$535	\$701	\$166	31.0%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,441)	(\$1,345)	\$96	6.7%
Avg Premium Receipt Less Avg Claim Expense Total	(\$13,677,972)	(\$12,262,365)	\$1,415,607	10.3%
Variance Due to Changes in Membership			\$504,375	
Variance Due to Changes in Claim Expenses			\$911,232	

INCURRED BASIS	Year-To-Date July 31, 2020	Year-To-Date July 31, 2019
	Actual	Actual - Prior Year
Member Months	9,117	9,728
Avg Premium Income PMPM	\$628	\$876
Avg Medical Claim Expense PMPM (1)	\$1,289	\$1,498
Avg Pharmacy Claim Expense PMPM (2)	\$706	\$803
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,367)	(\$1,425)
Avg Premium Receipt Less Avg Claim Expense Total	(\$12,462,939)	(\$13,862,400)

(1) Incurred medical claims data totals \$11,750,266 which is derived from \$7,976,266 actual paid claims with dates of service between 01-01-20 and 07-31-20 and \$3,774,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$6,433,514 which is derived from \$5,882,514 actual paid claims with dates of service between 01-01-20 and 07-31-20 and \$551,000 IBNR reserve.