



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

July 2023

**Washington State Health Insurance Pool
Treasurer's Report
July 2023 Financial Review**

1. 2023 Interim I Assessment

An assessment of \$6 M was issued to adequately fund the pool until the next scheduled assessment in July 2023. This assessment was approved by the Board of Directors on March 8, 2023, and generated on March 30, 2023, with invoices due April 30, 2023 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 30, 2023. As of July 31st, \$5.6 M has been collected.

2. 2023 Interim II Assessment

An assessment of \$4 M is required to adequately fund the pool until the next scheduled assessment in November 2023. This assessment was approved by the Board of Directors on May 10, 2023, and generated on July 31st, 2023, with invoices due August 31, 2023, except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 31, 2023.

3. Financial Statements – July 2023

Balance Sheet

Cash on hand decreased by \$1.1 M or 10.4% from June 2023 to July 2023. The current cash position is \$9.7 M, which is above our current 4-week expense allowance of \$2.0 M.

Total IBNR as of July 2023 is \$2.2 M. This is a decrease of \$23k or 1.1% from the prior month. Medical IBNR decreased \$131k or 6.5% and pharmacy IBNR increased by \$108k or 61% from June 2023.

As of July 2023, the equity position of WSHIP is a positive \$12.5 M.

Income Statement

Total member months for July 2023 YTD are lower by 1,397 member months or 20.6% lower than July 2022 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period. The total incurred claim loss for July 2023 YTD is \$4.6 M or 34.7% lower than July 2022 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 2023

YTD, the medical claims portion is \$3.0 M or 36.7% lower than July 2022 YTD, and the pharmacy claims portion is \$1.6 M or 31.4% lower than July 2022 YTD.

July 2023 YTD administrative expenses are \$10.3k or 1.2% lower than the administrative expenses for July 2022 YTD. The ratio of administrative expenses as a percentage of total cost is 9.3% for July 2023 YTD as compared to 6.1% for July 2022 YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – July 2023

The Budgeted Cash Flow document contains the budget (upper portion) as established in later 2022 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$9.7 M is \$3.6 M or 58.8% higher than the budgeted cash balance of \$6.1 M. Total net cash receipts for July 2023 are \$111k or 23.2% unfavorable to budget. Total YTD expenses for June 2023 YTD are \$2.2 M or 16.8% favorable to budget. The YTD administrative expenses are \$18k or 2.0% favorable to budget. Total YTD medical claims expense is \$783k or 11.6% favorable to budget; while total YTD pharmacy claims expense is \$1.4 M or 26.1% favorable to budget.

5. Medicare vs. Non-Medicare Cash Flow – July 2023

As of June 2023, the YTD Medicare member months total 3,694 and represent 79% of the combined WSHIP member months. The YTD Non-Medicare member months total 960 and account for 21% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 233% while the YTD Non-Medicare Loss Ratio is 379%. On a cash basis, the YTD Claims PMPM is \$814 for Medicare members and \$5,685 for non-Medicare members.

6. Cash Flow Forecast – 2023

The 2023 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 2023 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 2023. For

August 2023, 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 2023 assessment projection. To ensure adequate funding the current 2023 forecast is projecting an assessment of \$14 M which is \$1 M lower than the 2022 assessments of \$15 M.

7. Administrative Expense Budget

For July 2023, YTD administrative expenses are \$18k or 2.0% favorable to budget (cash basis).

8. Financial Performance

July 2023 YTD member months are 5.7% lower than expected, average premium receipt PMPM is 6.0% higher than expected, average medical claims expense PMPM is 2.9% lower than expected and average pharmacy claims expense PMPM is 21.6% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,040 as compared to \$1,095 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$708 as compared to \$714 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of July 31, 2023

	<u>2023</u>	<u>2022</u>
Assets:		
Cash	\$ 9,682,378	\$ 8,320,746
Premiums Receivable	424,094	424,173
Assessments Receivable	5,120,315	5,311,388
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 15,226,786</u>	<u>\$ 14,056,307</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 1,871,000	\$ 4,183,000
Reserve for Unpaid Losses - Pharmacy	285,000	236,000
Accrued Loss Adjustment	154,000	192,000
Premiums Received in Advance	201,272	169,188
Assessments Payable	-	-
Accrued Expenses	195,954	119,898
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 2,707,226</u>	<u>\$ 4,900,086</u>
Unassigned Surplus	12,519,560	9,156,222
Total Liabilities and Unassigned Surplus	<u>\$ 15,226,786</u>	<u>\$ 14,056,307</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1st to July 31st

	<u>2023</u>	<u>2022</u>
Total Member Months	5,375	6,772
Premium Income Earned	\$ 3,868,527	\$ 4,510,733
Pharmacy Rebate Income	131,635	127,916
Grant Income	-	-
Claim Loss - Medical	\$ 5,205,495	\$ 8,220,642
Claim Loss - Pharmacy	3,402,079	4,955,960
Total Claim Loss	<u>8,607,574</u>	<u>13,176,602</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 442,330	\$ 435,370
Variable Administrative Expense	34,655	62,469
Salary and Benefit Expense	254,046	244,022
Prescription Administrative Expense	6,054	6,702
Miscellaneous Expense	31,439	43,063
Professional Fee Expense	115,984	82,488
Total Operating Expenses	<u>\$ 884,509</u>	<u>\$ 874,114</u>
Underwriting Gain (Loss)	(5,491,921)	(9,412,068)
Investment Income	271,257	28,196
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (5,220,663)</u>	<u>\$ (9,383,872)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2023</u>		<u>2022</u>
Unassigned Surplus at Beginning of Year	\$ 7,740,224	\$	8,540,094
Changes to Unassigned Surplus	(5,220,663)		(9,383,872)
Member Assessments	10,000,000		10,000,000
Unassigned Surplus	<u>\$ 12,519,560</u>	<u>\$</u>	<u>9,156,222</u>

**Washington State Health Insurance Pool
2023 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	July YTD	TOTAL
Budget														
Enrollment Count	839	831	823	813	805	797	789	779	771	763	755	745	5,697	9,510
Cash Balance														
BEGINNING OF MONTH	9,138,243	7,453,248	6,045,437	4,813,222	8,665,971	8,261,303	7,463,032	6,095,834	7,871,105	7,136,849	6,429,267	8,260,714	51,840,457	
Receipts														
Premium Receipts	501,794	498,014	484,576	478,542	474,894	471,247	467,599	461,565	457,918	454,270	450,623	446,976	3,376,667	5,648,020
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	47,986	-	79,929	-	-	100,000	-	-	100,000	-	127,916	327,916
Claim Refunds Receipts	44,448	10,997	3,814	3,996	247,828	11,447	4,679	36,408	37,221	39,751	38,113	37,250	327,211	515,954
Assessment Receipts	-	-	-	5,000,000	500,000	500,000	-	3,000,000	500,000	500,000	3,000,000	500,000	6,000,000	13,500,000
Investment Income	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	3,290	23,030	39,480
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	549,533	512,301	539,667	5,485,829	1,305,942	985,984	475,568	3,601,263	998,429	997,311	3,592,027	987,516	9,854,824	20,031,370
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	7,527	7,470	7,269	7,178	7,123	7,069	7,014	6,923	6,869	6,814	6,759	6,705	50,650	84,720
Total Refunds	7,527	7,470	7,269	7,178	7,123	7,069	7,014	6,923	6,869	6,814	6,759	6,705	50,650	84,720
Expenses														
Medical Claims	1,227,467	1,117,092	912,630	876,872	885,383	866,144	865,733	861,539	853,620	846,591	839,882	834,082	6,751,322	10,987,035
Pharmacy Claims	860,539	674,703	711,961	614,686	688,794	790,865	849,786	807,239	743,195	701,642	745,107	777,862	5,191,334	8,966,379
Fixed (PMPM) Admin	64,816	64,816	64,816	64,793	64,793	64,793	64,793	64,770	64,770	64,770	64,770	64,747	453,620	777,447
Variable Admin	9,118	8,442	14,867	9,272	8,196	8,121	8,045	7,950	8,875	7,799	16,223	7,628	66,058	114,530
Salary and Benefits	51,624	34,210	34,210	34,210	34,210	34,210	34,350	34,350	34,350	34,350	34,350	34,350	257,023	428,773
Prescription Admin	856	848	840	830	822	814	806	796	788	780	772	761	5,815	9,711
Miscellaneous	2,508	2,458	1,383	1,333	10,383	1,333	1,333	23,592	1,383	10,833	1,383	17,575	20,733	75,500
Professional Fees	10,073	10,073	23,906	23,906	10,906	10,906	10,906	18,835	18,835	31,315	51,335	17,335	100,678	238,333
Total Expense	2,227,001	1,912,642	1,764,613	1,625,901	1,703,487	1,777,186	1,835,752	1,819,069	1,725,815	1,698,079	1,753,821	1,754,341	12,846,583	21,597,708
Month Ending Cash Balance	\$ 7,453,248	\$ 6,045,437	\$ 4,813,222	\$ 8,665,971	\$ 8,261,303	\$ 7,463,032	\$ 6,095,834	\$ 7,871,105	\$ 7,136,849	\$ 6,429,267	\$ 8,260,714	\$ 7,487,185		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
Actual														
Enrollment Count	855	823	764	742	738	732	721						5,375	
Cash Balance														
BEGINNING OF MONTH	9,138,243	9,379,202	8,924,231	8,141,483	10,561,351	11,357,931	10,800,513						68,302,953	
Receipts														
Premium Receipts	685,156	266,074	693,906	392,326	350,797	663,141	315,736						3,367,135	
Grant Revenue	-	-	-	-	-	-	-						-	
Pharmacy Rebate Income	-	60,335	-	-	71,300	-	-						131,635	
Claim Refunds Receipts	27,101	12,008	21,783	1,859	2,643	14,702	3,886						83,982	
Assessment Receipts	1,012,096	852,769	-	3,286,731	1,785,428	589,193	-						7,526,216	
Investment Income	34,317	32,277	32,979	32,952	47,829	45,477	45,426						271,257	
Other Income	-	-	-	-	-	-	-						-	
Total Receipts	1,758,670	1,223,463	748,668	3,713,868	2,257,996	1,312,512	365,048						11,380,226	
Refunds														
Assessment Refunds	-	-	-	-	105,249	-	-						105,249	
Premium Refunds	-	16,058	3,793	1,100	-	8,729	8,607						38,287	
Total Refunds	-	16,058	3,793	1,100	105,249	8,729	8,607						143,536	
Expenses														
Medical Claims	951,675	1,015,800	928,850	717,867	676,343	846,267	831,236						5,968,039	
Pharmacy Claims	440,368	502,294	464,399	463,092	562,593	891,970	513,800						3,838,516	
Fixed (PMPM) Admin	63,928	63,916	63,903	63,966	63,957	63,968	63,972						447,610	
Variable Admin	12,534	9,285	3,355	2,417	6,039	5,085	5,540						44,255	
Salary and Benefits	33,928	47,674	33,605	34,074	34,929	34,928	34,907						254,046	
Prescription Admin	790	818	1,093	394	759	1,518	747						6,120	
Miscellaneous	3,303	4,059	3,654	4,622	3,369	6,429	5,908						31,344	
Professional Fees	11,186	18,530	28,762	6,467	8,176	11,036	18,466						102,624	
Total Expense	1,517,711	1,662,377	1,527,622	1,292,899	1,356,167	1,861,202	1,474,577						10,692,555	
Available Cash Balance	9,379,202	8,924,231	8,141,483	10,561,351	11,357,931	10,800,513	9,682,378							
Inc(Dec) in Abandoned Property Reserve														
Month Ending Cash Balance	\$ 9,379,202	\$ 8,924,231	\$ 8,141,483	\$ 10,561,351	\$ 11,357,931	\$ 10,800,513	\$ 9,682,378	\$ -	\$ -	\$ -	\$ -	\$ -		

**Washington State Health Insurance Pool
2023 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	16	(8)	(59)	(71)	(67)	(65)	(68)						(322)
Receipts													
Premium Receipts	183,362	(231,940)	209,330	(86,216)	(124,098)	191,894	(151,863)						(9,532)
Grant Revenue	-	-	-	-	-	-	-						-
Pharmacy Rebate Income	-	60,335	(47,986)	-	(8,629)	-	-						3,719
Claim Refunds Receipts	(17,347)	1,011	17,969	(2,137)	(245,185)	3,255	(793)						(243,229)
Assessment Receipts	1,012,096	852,769	-	(1,713,269)	1,285,428	89,193	-						1,526,217
Investment Income	31,027	28,987	29,689	29,662	44,539	42,187	42,136						248,227
Other Income	-	-	-	-	-	-	-						-
Total Receipts	1,209,138	711,162	209,001	(1,771,961)	952,054	326,528	(110,520)						1,525,402
Refunds													
Assessment Refunds	-	-	-	-	(105,249)	-	-						(105,249)
Premium Refunds	7,527	(8,588)	3,476	6,078	7,123	(1,660)	(1,593)						12,363
Total Refunds	7,527	(8,588)	3,476	6,078	(98,126)	(1,660)	(1,593)						(92,886)
Expenses													
Medical Claims	275,792	101,292	(16,220)	159,005	209,040	19,877	34,497						783,283
Pharmacy Claims	420,171	172,409	247,562	151,594	126,200	(101,105)	335,986						1,352,817
Fixed (PMPM) Admin	888	900	913	827	836	825	821						6,010
Variable Admin	(3,417)	(843)	11,512	6,855	2,156	3,035	2,504						21,802
Salary and Benefits	17,697	(13,465)	605	136	(719)	(719)	(558)						2,977
Prescription Admin	66	30	(253)	436	63	(705)	59						(305)
Miscellaneous	(794)	(1,601)	(2,271)	(3,288)	7,014	(5,096)	(4,574)						(10,610)
Professional Fees	(1,113)	(8,457)	(4,856)	17,439	2,730	(129)	(7,560)						(1,946)
Total Expense	709,290	250,264	236,991	333,002	347,320	(84,015)	361,176						2,154,029
Available Cash Balance	1,925,955	2,878,794	3,328,261	1,895,379	3,096,628	3,337,480	3,586,544						
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	1,925,955	2,878,794	3,328,261	1,895,379	3,096,628	3,337,480	3,586,544						

2023 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 5%. Assumes a Medicare medical claim expense trend of 5%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 5%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (3) Assumes a Non-medicare premium rate trended at a 1% increase. Assumes a Medicare premium rate increase of 3%.
- (4) Non-medicare enrollment projected to decrease by 1 members per month. Medicare enrollment projected to decrease by 8 members per month.
- (5) Assumes assessments in March (\$6.0 M), July (\$4.0 M) and November (\$4.0 M) TOTAL \$14.0 M
- (6) 4-Week expense allowance is \$2.0 M based upon the projected data for the 12-month period ending in Dec of 2023.

**Washington State Health Insurance Pool
2023 Cash Flow Forecast**

	Actual					Forecast						TOTAL	
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER		DECEMBER
Enrollment:													
Non-Medicare Enrollment	165	162	159	158	158	158	160	158	158	158	158	158	1,910
Medicare Enrollment	690	661	605	584	580	574	621	613	605	597	589	581	7,300
Total Enrollment Count	855	823	764	742	738	732	781	771	763	755	747	739	9,210
Cash Balance													
BEGINNING OF MONTH	9,138,243	9,379,202	8,924,231	8,141,483	10,561,351	11,357,931	10,800,513	9,682,378	9,803,960	9,769,653	8,612,794	10,099,466	
Receipts													
Premium Receipts	685,156	266,074	693,906	392,326	350,797	663,141	315,736	307,505	457,918	454,270	450,623	446,976	5,484,428
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	60,335	-	-	71,300	-	-	63,699	-	-	100,000	-	295,334
Claim Refunds Receipts	27,101	12,008	21,783	1,859	2,643	14,702	3,886	36,408	37,221	39,751	38,113	37,250	272,725
Assessment Receipts	1,012,096	852,769	-	3,286,731	1,785,428	589,193	-	1,843,393	1,656,607	500,000	3,000,000	500,000	15,026,217
Investment Income	34,317	32,277	32,979	32,952	47,829	45,477	45,426	3,290	3,290	3,290	3,290	3,290	287,708
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,758,670	1,223,463	748,667	3,713,868	2,257,996	1,312,512	365,048	2,254,295	2,155,036	997,311	3,592,027	987,516	21,366,410
Refunds													
Assessment Refunds	-	-	-	-	105,249	-	-	-	-	-	-	-	105,249
Premium Refunds	-	16,058	3,793	1,100	-	8,729	8,607	2,045	6,869	6,814	6,759	6,705	67,478
Total Refunds	-	16,058	3,793	1,100	105,249	8,729	8,607	2,045	6,869	6,814	6,759	6,705	172,727
Expenses													
Medical Claim Expense	951,675	1,015,800	928,850	717,867	676,343	846,267	831,236	660,985	853,620	846,591	839,882	834,082	10,003,199
Pharmacy Claim Expense	440,368	502,294	464,399	463,092	562,593	891,970	513,800	530,631	743,195	701,642	745,107	777,862	7,336,953
PMPM Administrative Expense	63,928	63,916	63,903	63,966	63,957	63,968	63,972	64,770	64,770	64,770	64,770	64,747	771,437
Variable Administrative Expense	12,534	9,285	3,355	2,417	6,039	5,085	5,540	7,950	8,875	7,799	16,223	7,628	92,727
Salary and Benefits Expense	33,928	47,674	33,605	34,074	34,929	34,928	34,907	34,350	34,350	34,350	34,350	34,350	425,795
Prescription Administrative Expense	790	818	1,093	394	759	1,518	747	796	788	780	772	761	10,016
Miscellaneous Expense	3,303	4,059	3,654	4,622	3,369	6,429	5,908	23,592	1,383	10,833	1,383	17,575	86,110
Professional Fees	11,186	18,530	28,762	6,467	8,176	11,036	18,466	18,835	18,835	31,315	51,335	17,335	240,279
Total Expense	1,517,711	1,662,377	1,527,622	1,292,899	1,356,167	1,861,202	1,474,577	2,130,669	2,182,474	2,147,356	2,098,595	2,263,339	21,514,989
Available Cash Balance	9,379,203	8,924,231	8,141,483	10,561,351	11,357,931	10,800,513	9,682,378	9,803,960	9,769,653	8,612,794	10,099,466	8,816,938	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	9,379,203	8,924,231	8,141,483	10,561,351	11,357,931	10,800,513	9,682,378	9,803,960	9,769,653	8,612,794	10,099,466	8,816,938	

2023 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 5%. Assumes a Medicare medical claim expense trend of 5%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 5%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (3) Assumes a Non-medicare premium rate trended at a 1% increase. Assumes a Medicare premium rate increase of 3%.
- (4) Non-medicare enrollment projected to decrease by 1 members per month. Medicare enrollment projected to decrease by 8 members per month.
- (5) Assumes assessments in March (\$6.0 M), July (\$4.0 M) and November (\$4.0M) TOTAL \$14.0 M
- (6) 4-Week expense allowance is \$2.0 M based upon the projected data for the 12-month period ending in Dec of 2023.

Washington State Health Insurance Pool
2023 Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2022	2021	2020	
Medicare																	
Enrollment Count	690	661	605	584	580	574	563							4,257			
Premiums	220,274	64,364	208,592	327,547	230,947	236,287	239,726							1,527,736			
Medical Claims	554,497	500,291	455,484	417,784	313,313	422,281	497,111							3,160,761			
RX Claims	95,815	72,839	33,033	52,952	29,882	57,792	36,019							378,333			
Total Claims	650,312	573,130	488,517	470,736	343,195	480,073	533,130							3,539,093			
Income/Loss	(430,038)	(508,766)	(279,925)	(143,190)	(112,248)	(243,786)	(293,404)							(2,011,357)			
Loss Ratio	295%	890%	234%	144%	149%	203%	222%							232%	202%	205%	206%
Claims PMPM	942	867	807	806	592	836	947							831	831	717	833
Non Medicare																	
Enrollment Count	165	162	159	158	158	158	158							1,118			
Premiums	466,811	49,307	424,450	63,636	36,591	400,092	45,108							1,485,995			
Medical Claims	398,179	515,509	473,366	300,083	363,051	423,986	334,125							2,808,299			
RX Claims	344,552	429,455	431,367	410,139	534,153	834,178	477,781							3,461,626			
Total Claims	742,731	944,964	904,733	710,222	897,204	1,258,164	811,906							6,269,924			
Income/Loss	(275,920)	(895,657)	(480,283)	(646,586)	(860,613)	(858,072)	(766,798)							(4,783,929)			
Loss Ratio	159%	1916%	213%	1116%	2452%	314%	1800%							422%	727%	676%	713%
Claims PMPM	4,501	5,833	5,690	4,495	5,679	7,963	5,139							5,608	7,841	6,743	8,004
Combined Medicare/Non Medicare																	
Enrollment Count	855	823	764	742	738	732	721							5,375			
Premiums	687,085	113,671	633,042	391,183	267,538	267,539	267,540							2,627,597			
Medical Claims	952,675	1,015,800	928,850	717,867	676,364	846,267	831,236							5,969,062			
RX Claims	344,552	502,294	464,400	463,092	564,035	891,970	513,800							3,744,143			
Total Claims	1,297,228	1,518,094	1,393,250	1,180,959	1,240,399	1,738,237	1,345,036							9,713,205			
Income/Loss	(610,143)	(1,404,424)	(760,208)	(789,776)	(972,861)	(1,470,698)	(1,077,496)							(7,085,607)			
Loss Ratio	189%	1336%	220%	302%	464%	650%	503%							370%	397%	367%	374%
Claims PMPM	1,517	1,845	1,824	1,592	1,681	2,375	1,866							1,807	2,127	1,653	1,919

Medicare vs NonMedicare Notes:

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

**Washington State Health Insurance Pool
2023 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	170	170	170	168	168	168	168	166	166	166	166	164	2,010
Medicare Basic	388	382	376	370	364	358	352	346	340	334	328	322	4,260
Medicare Basic Plus	99	98	97	96	95	94	93	92	91	90	89	88	1,122
Medicare Supplement	182	181	180	179	178	177	176	175	174	173	172	171	2,118
Total Membership	839	831	823	813	805	797	789	779	771	763	755	745	9,510
PMPM Administrative Expense (2)	64,816	64,816	64,816	64,793	64,793	64,793	64,793	64,770	64,770	64,770	64,770	64,747	777,447
Variable Administrative Expense (3)	9,118	8,442	14,867	9,272	8,196	8,121	8,045	7,950	8,875	7,799	16,223	7,628	114,530
Salary and Benefits Expense (4)	51,624	34,210	34,210	34,210	34,210	34,210	34,350	34,350	34,350	34,350	34,350	34,350	428,773
RX Benefit Management Fees	856	848	840	830	822	814	806	796	788	780	772	761	9,711
Miscellaneous Expense (5)	2,508	2,458	2,508	2,458	11,508	2,458	2,458	24,717	2,508	11,958	2,508	18,700	86,750
Professional Fees (6)	10,073	10,073	23,073	23,073	10,073	10,073	10,073	18,002	18,002	30,482	50,502	16,502	230,000
Total Budget Operating Expenses	\$138,995	\$120,847	\$140,314	\$134,636	\$129,602	\$120,469	\$120,525	\$150,583	\$129,292	\$150,138	\$169,124	\$142,687	\$1,647,211

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	165	162	159	158	158	158	158						1,118
Medicare Basic	406	377	340	328	322	320	310						2,403
Medicare Basic Plus	97	98	96	95	95	94	93						668
Medical Supplement	187	186	169	161	163	160	160						1,186
Total Membership	855	823	764	742	738	732	721	-	-	-	-	-	5,375
PMPM Administrative Expense (2)	63,928	63,916	63,903	63,966	63,957	63,968	63,972						\$447,610
Variable Administrative Expense (3)	12,534	9,285	3,355	2,417	6,039	5,085	5,540						\$44,255
Salary and Benefits Expense (4)	33,928	47,674	33,605	34,074	34,929	34,928	34,907						\$254,046
RX Benefit Management Fees	790	818	1,093	394	759	1,518	747						\$6,120
Miscellaneous Expense (5)	3,303	4,059	3,654	4,622	3,369	6,429	5,908						\$31,344
Professional Fees (6)	11,186	18,530	28,762	6,467	8,176	11,036	18,466						\$102,624
Total Actual Operating Expenses	\$125,668	\$144,283	\$134,372	\$111,940	\$117,229	\$122,964	\$129,541	\$0	\$0	\$0	\$0	\$0	\$885,998

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(5)	(8)	(11)	(10)	(10)	(10)	(10)						(64)
Medicare Basic	18	(5)	(36)	(42)	(42)	(38)	(42)						(187)
Medicare Basic Plus	(2)	-	(1)	(1)	-	-	-						(4)
Medical Supplement	5	5	(11)	(18)	(15)	(17)	(16)						(67)
Total Membership	16	(8)	(59)	(71)	(67)	(65)	(68)	-	-	-	-	-	(322)
PMPM Administrative Expense (2)	(888)	(900)	(913)	(827)	(836)	(825)	(821)						(\$6,010)
Variable Administrative Expense (3)	3,417	843	(11,512)	(6,855)	(2,157)	(3,035)	(2,504)						(\$21,802)
Salary and Benefits Expense (4)	(17,697)	13,465	(605)	(136)	719	719	558						(\$2,977)
RX Benefit Management Fees	(66)	(30)	253	(436)	(63)	705	(59)						\$305
Miscellaneous Expense (5)	794	1,601	1,146	2,163	(8,139)	3,971	3,449						\$4,985
Professional Fees (6)	1,113	8,457	5,689	(16,606)	(1,897)	962	8,393						\$6,112
Total Variance Expenses	(\$13,327)	\$23,436	(\$5,941)	(\$22,695)	(\$12,373)	\$2,496	\$9,016	\$0	\$0	\$0	\$0	\$0	(\$19,388)

Washington State Health Insurance Pool 2023 Financial Performance

CASH BASIS	Month Ending July 31, 2023			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Change</u>
Membership	797	721	(76)	-9.5%
Avg Premium Receipt PMPM	\$582	\$426	(\$156)	-26.8%
Avg Medical Claim Expense PMPM	\$1,072	\$1,148	(\$76)	7.1%
Avg Pharmacy Claim Expense PMPM	\$992	\$713	\$279	-28.1%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,482)	(\$1,435)	\$47	3.2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,181,154)	(\$1,034,635)	\$146,519	12.4%
Variance Due to Changes in Membership			\$109,060	
Variance Due to Changes in Claim Expenses			\$37,459	

CASH BASIS	Year-To-Date July 31, 2023			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>% Change</u>
Member Months	5,697	5,375	(322)	-5.7%
Avg Premium Receipt PMPM	\$584	\$619	\$35	6.0%
Avg Medical Claim Expense PMPM	\$1,128	\$1,095	(\$33)	-2.9%
Avg Pharmacy Claim Expense PMPM	\$911	\$714	(\$197)	-21.6%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,455)	(\$1,190)	\$265	18.2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$8,289,135)	(\$6,396,250)	\$1,892,885	22.8%
Variance Due to Changes in Membership			\$383,180	
Variance Due to Changes in Claim Expenses			\$1,509,705	

INCURRED BASIS	Year-To-Date July 31, 2023	Year-To-Date July 31, 2022
	<u>Actual</u>	<u>Actual - Prior Year</u>
Member Months	5,375	5,869
Avg Premium Income PMPM	\$720	\$587
Avg Medical Claim Expense PMPM (1)	\$1,040	\$1,211
Avg Pharmacy Claim Expense PMPM (2)	\$708	\$664
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,028)	(\$1,288)
Avg Premium Receipt Less Avg Claim Expense Total	(\$5,525,500)	(\$7,559,272)

(1) Incurred medical claims data totals \$5,587,906 which is derived from \$3,716,906 actual paid claims with dates of service between 01-01-23 and 07-31-23 and \$1,871,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$3,805,732 which is derived from \$3,520,732 actual paid claims with dates of service between 01-01-23 and 07-31-2023 and \$285,000 IBNR reserve.