

**Washington State Health Insurance Pool
Treasurer's Report
June 2015 Financial Review**

1. 2015 Interim II Assessment Required

An assessment of \$14.0 M is required in order to adequately carry the pool into the next scheduled assessment in November 2015. This assessment was approved by the Board of Directors and generated on July 9, 2015 with invoices due August 9, 2015 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 9, 2015. Looking ahead as of July 31, 2015, \$2.6 M has been collected leaving \$11.4 M left to collect.

2. Financial Statements – June 2015

Balance Sheet

Cash on hand decreased by \$2.5 M or 25.8% from May 2015 to June 2015. The current cash position is \$7.1 M which is well above our current three week expense allowance of \$2.9 M. As of the end of June 2015, the entire \$7.1 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 June 2015 is \$5.2 M. This represents a decrease of \$736 K or 12.3% as compared to the prior month. Medical IBNR increased \$14 K or less than 1% and pharmacy IBNR decreased \$750 K or 71.2% from May 2015.

As of June 2015, the equity position of WSHIP is a negative \$675 K, however, the equity will return to positive levels in July when the Interim II assessment is recorded.

Income Statement

Total member months for June 2015 YTD are lower by 2,269 member months or 18.9% lower than June 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for June 2015 YTD is \$1.4 M or 5.8% lower than June 2014 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 June 2015 YTD, the medical claims portion is \$1.3 M or 8.2% lower than June 2014 YTD, and the pharmacy claims portion is \$87 K or 1.1% lower than June 2014 YTD.

June 2015 YTD administrative expenses are \$175 K or 14.1% lower than the administrative expenses in June 2014 YTD. The ratio of administrative expenses as

a percentage of total cost is 4.5% for June 2015 YTD as compared to 5.0% in June of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – June 2014

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2015 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$7.1 M is \$259 K higher than the budgeted cash balance of \$6.8 M. Total net cash receipts for June 2015 are \$912 K or 8.2% favorable to budget. Total expenses are \$641 K or 2.7% unfavorable to budget. The administrative expenses are \$205 K or 16.9% favorable to budget. Total medical claims expense is \$1.1 M or 7.6% unfavorable to budget, while total pharmacy claims expense is \$265 K or 3.2% favorable to budget.

4. Cash Flow Forecast – 2015

The 2015 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 July 2015 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 June 2015. For July 2015, preliminary figures for the key financial drivers (Premium Receipts, Grant Revenue, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

Assumptions are noted on this schedule as well as the 2015 assessment projection. To ensure adequate funding, the current 2015 forecast is projecting an assessment of \$35.5 M which is a \$10.0 M or 22.0% decrease from the 2014 assessment of \$45.5 M.

5. Administrative Expense Budget

For June 2015, administrative expenses are \$205 K or 16.9% favorable to budget (cash basis). This is primarily seen in variable admin and professional fees.

6. Financial Performance

June 2015 YTD member months are 237 member months or 2% lower than projected in the original budget. Through June 2015, average premium receipt

PMPM is 12% higher than anticipated. Average medical claims expense PMPM is 12% higher than anticipated and average pharmacy claims expense PMPM is 1% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,597 as compared to \$1,583 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$772 as compared to \$817 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of June 30

Total Enrollment: 1,603

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 7,078,041	\$ 21,258,847
Premiums Receivable	15,852	29,701
Assessments Receivable	172	-
Grants Receivable	383,946	-
Prepaid Expense	-	-
Total Assets	<u>\$ 7,478,011</u>	<u>\$ 21,288,547</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,933,000	\$ 5,330,000
Reserve for Unpaid Losses - Pharmacy	304,000	638,000
Accrued Loss Adjustment	307,000	317,000
Premiums Received in Advance	2,387,455	2,549,117
Assessments Payable	-	-
Accrued Expenses	203,453	204,542
Abandoned Claim Reserve	18,303	71,222
Total Liabilities	\$ 8,153,211	\$ 9,109,881
Unassigned Surplus	(675,200)	12,178,666
Total Liabilities and Unassigned Surplus	<u>\$ 7,478,011</u>	<u>\$ 21,288,547</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to June 30

	<u>2015</u>	<u>2014</u>
Total Member Months	9,742	12,011
Premium Income Earned	\$ 5,167,873	\$ 6,762,320
Pharmacy Rebate Income	171,709	396,991
Grant Income	-	-
Incurred Claim Loss - Medical	14,869,976	16,189,840
Incurred Claim Loss - Pharmacy	7,795,904	7,882,638
Total Incurred Claim Loss	<u>22,665,880</u>	<u>24,072,477</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 484,964	\$ 594,046
Variable Administrative Expense	101,107	227,678
Salary and Benefit Expense	318,283	214,802
Prescription Administrative Expense	12,801	18,451
Miscellaneous Expense	40,426	59,326
Professional Fee Expense	107,164	124,932
Total Operating Expenses	<u>\$ 1,064,744</u>	<u>\$ 1,239,234</u>
Underwriting Gain (Loss)	(18,391,043)	(18,152,400)
Investment Income	561	1,303
Other Income	846	-
Changes to Unassigned Surplus	<u>\$ (18,389,636)</u>	<u>\$ (18,151,097)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Changes in Unassigned Surplus January 1 to June 30

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(18,389,636)	(18,151,097)
Member Assessments	9,500,000	10,000,000
Unassigned Surplus	<u>\$ (675,200)</u>	<u>\$ 12,178,666</u>

**WSHIP 2015
Budgeted Cashflow**

Budget - Updated Jan 2015

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	June YTD	TOTAL
Enrollment Count	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	9,979	19,808
Cash Balance														
BEGINNING OF MONTH	19,667,071	12,240,340	8,779,189	6,821,237	10,895,656	8,273,266	6,819,152	3,320,830	10,708,922	9,607,719	7,427,985	3,429,494		
Receipts														
Premium Receipts	1,926,768	470,802	1,977,159	622,690	421,906	1,875,707	692,329	420,241	1,861,220	680,146	388,824	1,952,373	7,295,032	13,290,165
Grant Revenue	124,489	-	-	154,326	-	-	154,325	-	-	154,325	-	-	278,815	587,465
Pharmacy Rebate Income	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	60,000	120,000
Claim Refunds Receipts	114,540	107,777	98,752	100,108	101,909	108,334	114,841	114,008	116,245	118,831	119,350	117,946	631,421	1,332,643
Assessment Receipts	706,247	-	-	7,200,000	900,000	900,000	-	11,200,000	1,400,000	1,400,000	-	9,200,000	9,706,247	32,906,247
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	600	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,872,144	578,679	2,106,011	8,077,224	1,423,915	2,914,141	961,596	11,734,349	3,407,565	2,353,402	508,274	11,300,420	17,972,115	48,237,721
Refunds														
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015	5,882,015
Premium Refunds	226,685	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	817,497	1,485,918
Total Refunds	6,108,700	44,776	220,441	69,426	47,040	209,130	77,190	46,854	207,515	75,832	43,351	217,678	6,699,512	7,367,933
Expenses														
Medical Claims	2,582,871	2,421,202	2,335,767	2,367,831	2,410,422	2,562,405	2,716,308	2,696,611	2,749,516	2,810,678	2,822,960	2,789,755	14,680,497	31,266,326
Pharmacy Claims	1,328,583	1,394,192	1,330,074	1,375,282	1,388,316	1,410,633	1,457,687	1,384,748	1,361,651	1,446,118	1,401,169	1,402,947	8,227,079	16,681,399
Fixed (PMPM) Admin	74,738	74,429	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	492,844	1,023,745
Variable Admin	27,953	27,281	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	163,578	334,497
Salary and Benefits	143,885	33,965	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	311,853	513,302
Prescription Admin	3,375	3,366	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	20,100	39,861
Miscellaneous	9,800	7,150	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	59,050	155,639
Professional Fees	18,970	33,470	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	165,520	399,340
Total Expense	4,190,175	3,995,055	3,843,522	3,933,379	3,999,264	4,159,126	4,382,728	4,299,402	4,301,255	4,457,303	4,463,413	4,389,487	24,120,522	50,414,109
Month Ending Cash Balance	\$ 12,240,340	\$ 8,779,189	\$ 6,821,237	\$ 10,895,656	\$ 8,273,266	\$ 6,819,152	\$ 3,320,830	\$ 10,708,922	\$ 9,607,719	\$ 7,427,985	\$ 3,429,494	\$ 10,122,750		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,673	1,613	1,612	1,636	1,605	1,603							9,742
Cash Balance													
BEGINNING OF MONTH	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237							
Receipts													
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983	1,817,621							7,223,741
Grant Revenue	124,489	-	-	79,030	-	-							203,519
Pharmacy Rebate Income	-	-	89,099	-	-	82,609							171,709
Claim Refunds Receipts	144,512	30,746	21,343	115,586	45,315	12,582							370,084
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124	406,064							10,206,075
Investment Income	168	104	70	58	90	71							561
Other Income	-	-	846	-	-	-							846
Total Receipts	3,006,095	434,933	1,816,594	6,443,453	4,156,512	2,318,947							18,176,535
Refunds													
Assessment Refunds	5,882,015	-	-	-	-	-							5,882,015
Premium Refunds	25,776	32,158	19,054	10,707	13,536	8,855							110,087
Total Refunds	5,907,791	32,158	19,054	10,707	13,536	8,855							5,992,102
Expenses													
Medical Claims	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139	2,720,984							15,791,441
Pharmacy Claims	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872	1,913,700							7,962,523
Fixed (PMPM) Admin	77,147	75,702	74,439	73,735	86,182	87,474							474,677
Variable Admin	16,771	25,312	15,110	16,559	15,365	12,388							101,505
Salary and Benefits	141,590	43,066	31,909	31,842	32,178	32,080							312,665
Prescription Admin	2,051	2,029	2,094	2,387	2,138	2,101							12,801
Miscellaneous	3,115	5,687	4,211	10,385	7,475	5,658							36,532
Professional Fees	2,321	25,112	17,354	22,984	-	1,904							69,675
Total Expense	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348	4,776,289							24,761,819
Available Cash Balance	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882	7,078,041							
Inc(Dec) in Abandoned Property Reserve					(11,645)								
Month Ending Cash Balance	\$ 12,484,611	\$ 8,988,214	\$ 6,358,557	\$ 8,916,254	\$ 9,544,237	\$ 7,078,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**WSHIP 2015
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(2)	(57)	(53)	(25)	(51)	(49)							(237)
Receipts													
Premium Receipts	106,397	(69,204)	(271,923)	299,448	(77,923)	(58,086)							(71,291)
Grant Revenue	-	-	-	(75,296)	-	-							(75,296)
Pharmacy Rebate Income	-	-	59,099	-	-	52,609							111,709
Claim Refunds Receipts	29,972	(77,032)	(77,409)	15,478	(56,594)	(95,752)							(261,337)
Assessment Receipts	(2,485)	2,485	-	(1,873,359)	2,867,124	(493,936)							499,829
Investment Income	68	4	(30)	(42)	(10)	(29)							(39)
Other Income	-	-	846	-	-	-							846
Total Receipts	133,951	(143,746)	(289,417)	(1,633,771)	2,732,597	(595,194)							204,420
Refunds													
Assessment Refunds	-	-	-	-	-	-							-
Premium Refunds	200,909	12,618	201,387	58,719	33,504	200,274							707,411
Total Refunds	200,909	12,618	201,387	58,719	33,504	200,274							707,411
Expenses													
Medical Claims	(126,316)	(128,026)	(749,257)	(133,050)	184,283	(158,579)							(1,110,944)
Pharmacy Claims	0	221,157	133,014	159,007	254,444	(503,067)							264,556
Fixed (PMPM) Admin	(2,409)	(1,273)	(270)	16,408	3,654	2,055							18,167
Variable Admin	11,182	1,969	12,085	10,563	11,685	14,590							62,073
Salary and Benefits	2,295	(9,101)	1,486	1,694	1,358	1,456							(812)
Prescription Admin	1,324	1,337	1,260	958	1,197	1,224							7,299
Miscellaneous	6,685	1,463	13,189	(3,235)	2,325	2,092							22,518
Professional Fees	16,649	8,358	4,817	5,986	36,970	23,066							95,845
Total Expense	(90,589)	95,884	(583,676)	58,331	495,916	(617,163)							(641,297)
Available Cash Balance	244,271	209,026	(462,680)	(1,979,401)	1,282,616	258,889							
Inc(Dec) in Abandoned					(11,645)	-							
Property Reserve													
Month Ending Cash Balance	244,271	209,026	(462,680)	(1,979,401)	1,270,971	258,889							

- (1) Assumes a Non-medicare medical claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare medical claim expense trend of 12%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 4% for Basic Plus
- (3) Assumes a Non-medicare premium rate trended at a 7.2% increase. Assumes a Medicare premium rate increase of 12% for Basic and 7% for Basic Plus
- (4) Non-medicare enrollment projected to decrease by 7 members per month. All Medicare enrollment projected to increase by 2 members per month.
- (5) Assumes assessments on March (**\$9.0 M**), July (**\$14.0**) and November (**\$11.5 M**) TOTAL **\$34.5 M**.
- (6) 3-Week expense allowance is **\$2.9 M** based upon the actual data for the 12-month period ending in Dec of 2015.
- (7) WSHIP has access to a **\$5 M** line of credit in the event cash on hand is exhausted.

Washington State Health Insurance Pool 2015 Cash Flow Forecast

Forecast - Updated 07/31/15

	Actual (Bold)						Forecast						TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	615	579	564	561	549	544	538	532	526	520	514	509	6,551
Medicare Enrollment (Basic and Basic+)	1,058	1,034	1,048	1,075	1,056	1,059	1,062	1,062	1,062	1,062	1,062	1,062	12,702
Total Enrollment Count	1,673	1,613	1,612	1,636	1,605	1,603	1,600	1,594	1,588	1,582	1,576	1,571	19,253
Cash Balance													
BEGINNING OF MONTH	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	7,078,041	6,699,521	11,459,932	10,428,775	8,420,741	4,544,014	
Receipts													
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983	1,817,621	809,996	351,653	1,758,266	653,564	351,653	1,758,266	12,907,140
Grant Revenue	124,489	-	-	79,030	-	-	141,098	-	-	242,848	-	-	587,465
Pharmacy Rebate Income	-	-	89,099	-	-	82,609	-	-	30,000	-	-	30,000	231,709
Claim Refunds Receipts	144,512	30,746	21,343	115,586	45,315	12,582	51,146	52,654	53,213	53,975	52,840	51,899	685,810
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124	406,064	2,603,293	8,596,707	1,400,000	1,400,000	-	9,600,000	33,806,075
Investment Income	168	104	70	58	90	71	100	100	100	100	100	100	1,161
Other Income	-	-	846	-	-	-	-	-	-	-	-	-	846
Total Receipts	3,006,095	434,933	1,816,594	6,443,453	4,156,512	2,318,947	3,605,633	9,001,115	3,241,579	2,350,487	404,593	11,440,265	48,220,206
Refunds													
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015
Premium Refunds	25,776	32,158	19,054	10,707	13,536	8,855	32,400	14,066	70,331	26,143	14,066	70,331	337,423
Total Refunds	5,907,791	32,158	19,054	10,707	13,536	8,855	32,400	14,066	70,331	26,143	14,066	70,331	6,219,438
Expenses													
Medical Claim Expense	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139	2,720,984	2,557,293	2,632,717	2,660,637	2,698,743	2,641,998	2,594,933	31,577,762
Pharmacy Claim Expense	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872	1,913,700	1,185,727	1,375,878	1,351,681	1,433,129	1,385,972	1,389,508	16,084,418
PMPM Administrative Expense	77,147	75,702	74,439	73,735	86,182	87,474	89,222	88,858	88,608	88,359	88,052	87,802	1,005,578
Variable Administrative Expense	16,771	25,312	15,110	16,559	15,365	12,388	26,891	26,833	26,775	29,203	34,645	26,572	272,424
Salary and Benefits Expense	141,590	43,066	31,909	31,842	32,178	32,080	33,536	33,536	33,536	33,536	33,536	33,769	514,113
Prescription Administrative Expense	2,051	2,029	2,094	2,387	2,138	2,101	3,314	3,306	3,299	3,289	3,281	3,272	32,562
Miscellaneous Expense	3,115	5,687	4,211	10,385	7,475	5,658	9,800	29,040	10,400	7,150	9,800	30,399	133,121
Professional Fees	2,321	25,112	17,354	22,984	-	1,904	45,970	36,470	27,470	38,970	69,970	14,970	303,495
Total Expense	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348	4,776,289	3,951,752	4,226,637	4,202,405	4,332,379	4,267,254	4,181,226	49,923,472
Available Cash Balance	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882	7,078,041	6,699,521	11,459,932	10,428,775	8,420,741	4,544,014	11,732,723	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	(11,645)	-	-	-	-	-	-	-	-
Month Ending Cash Balance	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	7,078,041	6,699,521	11,459,932	10,428,775	8,420,741	4,544,014	11,732,723	

- (1) Assumes a Non-medicare medical claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare medical claim expense trend of 12%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 4% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 7.2% increase. Assumes a Medicare premium rate increase of 12% for Basic and 7% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 6 members per month. All Medicare enrollment projected to remain flat.
- (5) Assumes assessments on March (\$9.5 M), July (\$14.0) and November (\$12.0 M) TOTAL \$35.5 M.
- (6) 3-Week expense allowance is \$2.9 M based upon the actual data for the 12-month period ending in Dec of 2015.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2015 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Membership: (1)													
Non-Medicare	619	612	605	599	592	586	580	574	568	562	556	551	7,004
Medicare Basic	790	795	800	805	810	815	820	825	830	835	840	845	9,810
Medicare Basic Plus	266	263	260	257	254	251	248	245	242	239	236	233	2,994
Total Membership	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	19,808
PMPM Administrative Expense (2)	74,738	74,429	74,169	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,023,745
Variable Administrative Expense (3)	27,953	27,281	27,194	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	334,497
Salary and Benefits Expense (4)	143,885	33,965	33,395	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	513,301
RX Benefit Management Fees	3,375	3,366	3,354	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	39,861
Miscellaneous Expense (5)	9,800	7,150	17,400	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	155,639
Professional Fees (6)	18,970	33,470	22,170	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	399,339
Total Budget Operating Expenses	\$278,722	\$179,661	\$177,682	\$190,265	\$200,527	\$186,088	\$208,733	\$218,043	\$190,087	\$200,507	\$239,284	\$196,784	\$2,466,382

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership: (1)													
Non-Medicare	615	579	564	561	549	544							3,412
Medicare Basic	792	776	789	816	799	804							4,776
Medicare Basic Plus	266	259	259	259	257	255							1,555
Total Membership	1,673	1,614	1,612	1,636	1,605	1,603	-	-	-	-	-	-	9,743
PMPM Administrative Expense (2)	77,147	75,702	74,439	73,735	86,182	87,474							\$474,677
Variable Administrative Expense (3)	16,771	25,312	15,110	16,559	15,365	12,388							\$101,505
Salary and Benefits Expense (4)	141,590	43,066	31,909	31,842	32,178	32,080							\$312,665
RX Benefit Management Fees	2,051	2,029	2,094	2,387	2,138	2,101							\$12,801
Miscellaneous Expense (5)	3,115	5,687	4,211	10,385	7,475	5,658							\$36,532
Professional Fees (6)	2,321	25,112	17,354	22,984	-	1,904.00							\$69,675
Total Actual Operating Expenses	\$242,995	\$176,909	\$145,115	\$157,893	\$143,338	\$141,605	\$0	\$0	\$0	\$0	\$0	\$0	\$1,007,855

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership: (1)													
Non-Medicare	(4)	(33)	(41)	(38)	(43)	(42)							(201)
Medicare Basic	2	(19)	(11)	11	(11)	(11)							(39)
Medicare Basic Plus	-	(4)	(1)	2	3	4							4
Total Membership	(2)	(56)	(53)	(25)	(51)	(49)	-	-	-	-	-	-	(236)
PMPM Administrative Expense (2)	(2,409)	(1,273)	(270)	16,408	3,654	2,055							\$18,167
Variable Administrative Expense (3)	11,182	1,969	12,085	10,563	11,685	14,590							\$62,073
Salary and Benefits Expense (4)	2,296	(9,100)	1,486	1,693	1,358	1,456							(\$812)
RX Benefit Management Fees	1,324	1,336	1,260	958	1,197	1,224							\$7,299
Miscellaneous Expense (5)	6,685	1,463	13,189	(3,235)	2,325	2,092							\$22,518
Professional Fees (6)	16,649	8,358	4,816	5,986	36,970	23,066							\$95,844
Total Variance Expenses	\$35,727	\$2,753	\$32,567	\$32,372	\$57,188	\$44,483	\$0	\$0	\$0	\$0	\$0	\$0	\$205,090

Notes:

- (1) Non-medicare enrollment projected to decrease by 7 members per month. All Medicare enrollment projected to increase by 2 members per month.
- (2) PMPM Administrative Expense reflects contractual fees and performance bonuses per member for TPA, Utilization Management fees and Network services. It is paid a month in arrears.
The PMPM rate varies by plan and enrollment levels. For Jan - Mar, the Medicare plan PMPM = \$38.55 and the Non-Medicare PMPM = \$48.20. For Apr - Dec, the Medicare plan, PMPM = \$47.87 and the Non-Medicare PMPM = \$57.52. Please note that when monthly enrollment falls below 1,750 lives, PMPM administrative expenses will increase according to the agreed upon rate schedule.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, special mailings, misc. system programming, and other miscellaneous.
- (4) Salary and Benefits Expense reflect the combined amounts of the Executive Director, Executive Assistant and Program Coordinator, as well as temporary resources.
PCIP-WA no longer will reimburse WSHIP for any salary and benefit costs as it has over the last few years.
- (5) Miscellaneous expense includes Board expenses, conference travel, insurance, agent commissions, phone/internet charges, and office expenses.
PCIP-WA no longer will reimburse WSHIP for any miscellaneous costs as it has over the last few years.
- (6) Professional fees include legal fees, auditing fees, actuarial fees, and consulting.

WSHIP Financial Performance

CASH BASIS	Month Ending June 30, 2015			
	Projected	Actual	Variance	% Change
Membership	1,652	1,603	(49)	-3%
Avg Premium Receipt PMPM	\$1,009	\$1,128	\$119	12%
Avg Medical Claim Expense PMPM	\$1,486	\$1,690	(\$204)	-14%
Avg Pharmacy Claim Expense PMPM	\$854	\$1,194	(\$340)	-40%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,331)	(\$1,756)	(\$425)	-32%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,198,812)	(\$2,814,868)	(\$616,056)	-28%
Variance Due to Changes in Membership			\$86,044	
Variance Due to Changes in Claim Expenses			(\$702,100)	

CASH BASIS	Year-To-Date June 30, 2015			
	Projected	Actual	Variance	% Change
Member Months	9,979	9,742	(237)	-2%
Avg Premium Receipt PMPM	\$649	\$730	\$81	12%
Avg Medical Claim Expense PMPM	\$1,408	\$1,583	(\$175)	-12%
Avg Pharmacy Claim Expense PMPM	\$824	\$817	\$7	1%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,583)	(\$1,670)	(\$87)	-5%
Avg Premium Receipt Less Avg Claim Expense Total	(\$15,796,757)	(\$16,269,140)	(\$472,383)	-3%
Variance Due to Changes in Membership			\$395,790	
Variance Due to Changes in Claim Expenses			(\$868,173)	

INCURRED BASIS	Year-To-Date June 30, 2015	Year-To-Date June 30, 2014
	Actual	Actual - Prior Year
Member Months	9,742	12,011
Avg Premium Income PMPM	\$530	\$563
Avg Medical Claim Expense PMPM (1)	\$1,597	\$1,388
Avg Pharmacy Claim Expense PMPM (2)	\$772	\$968
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,839)	(\$1,793)
Avg Premium Receipt Less Avg Claim Expense Total	(\$17,915,538)	(\$21,535,723)

(1) Incurred medical claims data totals \$15,561,866 which is derived from \$10,916,866 actual paid claims with dates of service between 1-1-15 and 6-30-15 and \$4,645,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$7,522,064 which is derived from \$7,218,064 actual paid claims with dates of service between 1-1-15 and 6-30-15 and \$304,000 IBNR reserve.