

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

1. 2020 Interim I Assessment

An assessment of \$10.5 M is required to adequately fund the pool until the next scheduled assessment in July 2020. This assessment was approved by the Board of Directors on March 11, 2020 and generated on March 12, 2020 with invoices due April 13, 2020 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 13, 2020. As of June 30, 2020, all \$10.5 M of assessments have been collected.

2. 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.

3. Financial Statements – June 2020

Balance Sheet

Cash on hand increased by \$904 K or 12.7% from May 2020 to June 2020. The current cash position is \$8.0 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of June 2020, the entire \$8.03 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 2020 is \$4.1 M. This is an increase of \$48 K or 1.2% from the prior month. Medical IBNR decreased \$179 K or 4.8% and pharmacy IBNR increased \$227 K or 64.7% from May 2020.

As of June 2020, the equity position of WSHIP is a positive \$3.4 M

Income Statement

Total member months for June 2020 YTD are lower by 525 member months or 6.3% lower than June 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for June 2020 YTD is \$3.5 M or 20.4% lower than June 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 June 2020 YTD, the medical claims portion is \$3.0 M or 26.4% lower than June 2019 YTD, and the pharmacy claims portion is \$555K or 9.2% lower than June 2019 YTD.

June 2020 YTD administrative expenses are \$9.7 K or 1.1% higher than the administrative expenses for June 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 6.0% for June 2020 YTD as compared to 4.8% for June YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – June 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 \$8.0 M is \$3 M or 61.2% higher than the budgeted cash balance of \$4.9 M. Total net cash receipts for June 2020 are 1.8 M or 111.5% favorable to budget. Total YTD expenses for June 2020 YTD are \$777 K or 4.6% favorable to budget. The YTD administrative expenses are \$60 K or 6.5% favorable to budget. Total YTD medical claims expense is \$1.9 M or 15.7% favorable to budget; while total YTD pharmacy claims expense is \$1.1 M or 26.2% unfavorable to budget.

5. Medicare vs. Non-Medicare Cash Flow – June 2020

As of June, the YTD Medicare member months total 6,582 and represent 84.5% of the combined WSHIP member months. The YTD Non-Medicare member months total 1211 and account for 15.5% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 193% while the YTD Non-Medicare Loss Ratio is 552%. On a cash basis, the YTD Claims PMPM is \$891 for Medicare members and \$7,911 for Non-Medicare members.

6. 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 June 2020. For July 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.

7. Administrative Expense Budget

For June 2020, YTD administrative expenses are \$60 K or 6.5% favorable to budget (cash basis).

8. Financial Performance

June 2020 YTD member months are 3.9% lower than expected, average premium receipt PMPM is 35.6% higher than expected, average medical claims expense PMPM is 9.8% lower than expected and average pharmacy claims expense PMPM is 0.4% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1303 as compared to \$1,274 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$686 as compared to \$705 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of June 30, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 8,032,907	\$ 7,843,186
Premiums Receivable	113,213	25,860
Assessments Receivable	656,577	-
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 8,802,698</u>	<u>\$ 7,869,046</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,553,000	\$ 4,244,000
Reserve for Unpaid Losses - Pharmacy	578,000	692,000
Accrued Loss Adjustment	272,000	281,000
Premiums Received in Advance	836,980	1,814,195
Assessments Payable	-	-
Accrued Expenses	126,504	114,712
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 5,366,484</u>	<u>\$ 7,145,907</u>
Unassigned Surplus	3,436,215	723,139
Total Liabilities and Unassigned Surplus	<u>\$ 8,802,698</u>	<u>\$ 7,869,046</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to June 30

	<u>2020</u>	<u>2019</u>
Total Member Months	7,793	8,318
Premium Income Earned	\$ 4,120,817	\$ 5,979,252
Pharmacy Rebate Income	356,493	274,519
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 8,351,829	11,340,046
Incurred Claim Loss - Pharmacy	5,492,198	6,047,429
Total Incurred Claim Loss	<u>13,844,027</u>	<u>17,387,475</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 469,316	\$ 484,248
Variable Administrative Expense	50,825	50,534
Salary and Benefit Expense	188,230	200,087
Prescription Administrative Expense	6,064	5,691
Miscellaneous Expense	29,476	36,523
Professional Fee Expense	122,106	79,207
Total Operating Expenses	<u>\$ 866,014</u>	<u>\$ 856,291</u>
Underwriting Gain (Loss)	(10,232,731)	(11,989,995)
Investment Income	21,046	70,098
Other Income	-	1,265,134
Changes to Unassigned Surplus	<u>\$ (10,211,685)</u>	<u>\$ (10,654,763)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(10,211,685)	(10,654,763)
Member Assessments	10,500,000	9,000,000
Unassigned Surplus	<u>\$ 3,436,215</u>	<u>\$ 723,139</u>

Washington State Health Insurance Pool
2020 Budgeted Cashflow

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	June 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	8,133	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	4,358,810	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	200,736	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	600	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	16,578,727	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	108,970	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	108,970	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	11,807,993	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	4,352,399	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	435,345	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	56,856	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	208,877	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	10,419	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	43,825	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	156,750	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	17,072,465	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							7,793
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	8,032,907	8,032,907	8,032,907	8,032,907	8,032,907	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482							4,774,015
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							24,733
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							21,046
Other Income	-	-	-	-	-	-							-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	-	-	-	-	-	-	18,547,473
Refunds													
Assessment Refunds	206,723	-	-	-	-	-							206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770							89,043
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	-	-	-	-	-	-	295,766
Expenses													
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383							9,950,562
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383							5,492,198
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261							473,307
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185							52,699
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263							188,230
Prescription Admin	1,024	1,003	867	894	851	525							5,164
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837							28,440
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132							104,574
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	-	-	-	-	-	-	16,295,173
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	8,032,907	8,032,907	8,032,907	8,032,907	8,032,907	8,032,907	
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	\$ 8,032,907	\$ 8,032,907	\$ 8,032,907	\$ 8,032,907	\$ 8,032,907	\$ 8,032,907	

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)							(340)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758							415,205
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)							(176,003)
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							20,446
Other Income	-	-	-	-	-	-							-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)	1,228,183	1,776,341							1,968,746
Refunds													
Assessment Refunds	(206,723)	-	-	-	-	-							(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919	(4,911)	2,523							19,928
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523							(186,795)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650							1,857,430
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808							(1,139,798)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)							(37,962)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)							4,157
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)							20,647
Prescription Admin	711	732	870	843	886	1,214							5,256
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463							15,385
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877							52,176
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093							777,292
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720							
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	-	-	-	-	-	-	

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								6,582			
Premiums	717,403	407,849	366,197	798,161	281,616	468,232								3,039,458			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644								5,333,700			
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725								528,323			
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	-	-	-	-	-	-	-	5,862,023			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	-	-	-	-	-	-	-	(2,822,565)			
Loss Ratio	166%	244%	274%	122%	308%	179%								193%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757								891	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202	201	199								1,211			
Premiums	589,184	60,771	481,921	89,580	35,851	477,251								1,734,558			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739								4,616,863			
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658								4,963,875			
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	1,424,089	1,499,397	-	-	-	-	-	-	-	9,580,737			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	(1,388,237)	(1,022,147)	-	-	-	-	-	-	-	(7,846,179)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%								552%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535								7,911	7,398	7,047	6,340
Combined Medicare/Non Medicare																	
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	-	-	-	-	-	-	-	7,793			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	-	-	-	-	-	-	-	4,774,016			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	-	-	-	-	-	-	-	9,950,564			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	-	-	-	-	-	-	-	5,492,198			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	2,291,769	2,336,767	-	-	-	-	-	-	-	15,442,762			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	(1,974,302)	(1,391,284)	-	-	-	-	-	-	-	(10,668,746)			
Loss Ratio	286%	465%	325%	241%	722%	247%								323%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791								1,982	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	204	202	200	198	196	194	2,405
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,177	1,181	1,185	1,189	1,193	1,197	13,704
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,381	1,383	1,385	1,387	1,389	1,391	16,109
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	6,330,041	11,481,186	10,099,352	8,630,856	6,696,660	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	772,324	703,726	702,120	700,514	698,907	697,301	9,048,907
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	33,804	36,408	37,221	39,751	38,113	37,250	247,280
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	7,200,000	900,000	900,000	-	5,600,000	27,971,187
Investment Income	8,891	6,542	3,096	1,187	783	545	100	100	100	100	100	100	21,646
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	806,228	8,060,234	1,639,441	1,640,364	857,121	6,334,651	37,885,512
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	18,351	18,410	18,472	18,536	18,602	18,671	200,085
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	18,351	18,410	18,472	18,536	18,602	18,671	406,808
Expenses													
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,443,014	2,025,483	2,126,893	2,229,066	1,935,588	1,974,185	21,684,792
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	707,978	725,948	713,787	688,243	721,082	9,951,528
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	72,466	72,496	72,526	72,556	72,585	72,615	908,551
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	8,146	8,151	9,157	8,162	16,668	8,173	111,153
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	32,354	32,354	32,354	32,354	32,354	32,354	382,354
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,740	1,740	1,741	1,742	1,743	1,744	15,614
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,725	24,968	9,175	15,650	8,525	22,541	115,024
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	25,008	17,508	25,008	17,008	17,008	25,008	231,124
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,490,744	2,890,679	3,002,802	3,090,325	2,772,714	2,857,703	33,400,139
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,330,041	11,481,186	10,099,352	8,630,856	6,696,660	10,154,937	
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	6,330,041	11,481,186	10,099,352	8,630,856	6,696,660	10,154,937	

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							1,211
Medicare Basic	902	888	866	874	874	859							5,263
Medicare Basic Plus	139	139	138	136	135	134							821
Medical Supplement	46	64	75	93	107	113							498
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	-	-	-	-	-	-	7,793
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261							\$473,307
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185							\$52,699
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263							\$188,230
RX Benefit Management Fees	1,024	1,003	867	894	851	525							\$5,164
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837							\$28,440
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132							\$104,573
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$0	\$0	\$0	\$0	\$0	\$0	\$852,413

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)							(541)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)							(196)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)							
Medical Supplement	46	64	75	93	107	113							498
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	-	-	-	-	-	-	(325)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824							\$37,962
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046							(\$4,157)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49							(\$20,647)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)							(\$5,256)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)							(\$15,385)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)							(\$52,177)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$0	\$0	\$0	\$0	\$0	\$0	(\$59,659)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending June 30, 2020			
	Projected	Actual	Variance	% Change
Membership	1,358	1,305	(53)	-3.9%
Avg Premium Receipt PMPM	\$525	\$712	\$187	35.6%
Avg Medical Claim Expense PMPM	\$1,384	\$1,248	\$136	-9.8%
Avg Pharmacy Claim Expense PMPM	\$535	\$537	(\$2)	0.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,394)	(\$1,073)	\$321	23.0%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,893,052)	(\$1,400,265)	\$492,787	26.0%
Variance Due to Changes in Membership			\$56,869	
Variance Due to Changes in Claim Expenses			\$435,918	

CASH BASIS	Year-To-Date June 30, 2020			
	Projected	Actual	Variance	% Change
Member Months	8,133	7,793	(340)	-4.2%
Avg Premium Receipt PMPM	\$523	\$601	\$78	14.9%
Avg Medical Claim Expense PMPM	\$1,427	\$1,274	(\$153)	-10.7%
Avg Pharmacy Claim Expense PMPM	\$535	\$705	\$170	31.8%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,439)	(\$1,378)	\$61	4.2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$11,703,387)	(\$10,738,754)	\$964,633	8.2%
Variance Due to Changes in Membership			\$468,520	
Variance Due to Changes in Claim Expenses			\$496,113	

INCURRED BASIS	Year-To-Date June 30, 2020	Year-To-Date June 30, 2019
	Actual	Actual - Prior Year
Member Months	7,793	8,318
Avg Premium Income PMPM	\$529	\$719
Avg Medical Claim Expense PMPM (1)	\$1,303	\$1,465
Avg Pharmacy Claim Expense PMPM (2)	\$686	\$742
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,460)	(\$1,488)
Avg Premium Receipt Less Avg Claim Expense Total	(\$11,377,780)	(\$12,377,184)

(1) Incurred medical claims data totals \$10,152,195 which is derived from \$6,599,195 actual paid claims with dates of service between 01-01-20 and 06-30-20 and \$3,553,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$5,344,567 which is derived from \$4,766,567 actual paid claims with dates of service between 01-01-20 and 06-30-20 and \$578,000 IBNR reserve.