

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

1. 2015 Interim I Assessment Required

In March 2015, an assessment of \$9.5 M is required to adequately fund the pool until the next scheduled assessment in July 2015. This assessment was approved by the Board of Directors and generated on March 30, 2015 with invoices due April 30, 2015 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 30, 2015. Looking ahead as of April 30, 2015, \$5.3 M has been collected leaving \$4.2 M to collect.

2. Financial Statements – March 2015

Balance Sheet

Cash on hand decreased by \$2.6 M or 29.3% from February 2015 to March 2015. The current cash position is \$6.4 M which is well above our current three week expense allowance of \$2.9 M. As of the end of March 2015, the entire \$6.4 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 March 2015 is \$5.8 M. This is flat as compared to the prior month. Medical IBNR increased \$83 K or 1.7% and pharmacy IBNR decreased \$79 K or 8.9% from February 2015.

As of March 2015, the equity position of WSHIP is a positive \$8.5 M.

Income Statement

Total member months for March 2015 YTD are lower by 1,669 member months or 25.4% lower than March 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for March 2015 YTD is \$123 K or 1.1% higher than March 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 March 2015 YTD, the medical claims portion is \$784 K or 9.3% lower than March 2014 YTD, and the pharmacy claims portion is \$907 K or 29.1% higher than March 2014 YTD.

March 2015 YTD administrative expenses are \$73 K or 11.0% lower than the administrative expenses in March 2014 YTD. The ratio of administrative expenses as a percentage of total cost is 4.9% for March 2015 YTD as compared to 5.6% in

March of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

### 3. Budgeted Cash Flow – March 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 \$6.4 M is \$463 K lower than the budgeted cash balance of \$6.8 M. Total net cash receipts for March 2015 are \$116 K or 2.3% favorable to budget. Total expenses are \$578 K or 4.8% unfavorable to budget. The administrative expenses are \$71 K or 11.2% favorable to budget. Total medical claims expense is \$1.0 M or 13.7% unfavorable to budget, while total pharmacy claims expense is \$354 K or 8.7% 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 April 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 March 2015. For April 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 March 2015, administrative expenses are \$71 K or 11.2% favorable to budget (cash basis).

### 6. Financial Performance

March 2015 YTD member months are 112 member months or 2% lower than projected in the original budget. Through March 2015, average premium receipt PMPM is 7% higher than anticipated. Average medical claims expense PMPM is

19% higher than anticipated and average pharmacy claims expense PMPM is 7% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,690 as compared to \$1,663 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$746 as compared to \$755 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of March 31

Total Enrollment: 1,612

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash	\$ 6,358,557	\$ 21,247,907
Premiums Receivable	890,042	1,085,383
Assessments Receivable	9,500,000	9,998,888
Grants Receivable	462,976	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 17,211,575</u>	<u>\$ 32,332,178</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 4,985,000	\$ 6,396,000
Reserve for Unpaid Losses - Pharmacy	804,000	888,000
Accrued Loss Adjustment	286,000	368,000
Premiums Received in Advance	2,401,717	171,123
Assessments Payable	-	-
Accrued Expenses	166,422	262,522
Abandoned Claim Reserve	29,948	71,222
<b>Total Liabilities</b>	<u>\$ 8,673,086</u>	<u>\$ 8,156,868</u>
<b>Unassigned Surplus</b>	8,538,489	24,175,310
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 17,211,575</u>	<u>\$ 32,332,178</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Operations January 1 to March 31

	<u>2015</u>	<u>2014</u>
Total Member Months	4,898	6,567
<b>Premium Income Earned</b>	\$ 2,985,559	\$ 5,835,952
<b>Pharmacy Rebate Income</b>	89,099	211,139
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	7,639,962	8,423,948
<b>Incurred Claim Loss - Pharmacy</b>	4,018,552	3,111,541
<b>Total Incurred Claim Loss</b>	<u>11,658,514</u>	<u>11,535,489</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 223,875	\$ 315,735
Variable Administrative Expense	56,396	129,685
Salary and Benefit Expense	220,969	104,955
Prescription Administrative Expense	6,174	13,844
Miscellaneous Expense	20,415	35,776
Professional Fee Expense	65,450	66,778
<b>Total Operating Expenses</b>	<u>\$ 593,281</u>	<u>\$ 666,773</u>
<b>Underwriting Gain (Loss)</b>	(9,177,136)	(6,155,171)
<b>Investment Income</b>	342	718
<b>Other Income</b>	846	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (9,175,948)</u>	<u>\$ (6,154,453)</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Changes in Unassigned Surplus January 1 to March 31

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(9,175,948)	(6,154,453)
Member Assessments	9,500,000	10,000,000
<b>Unassigned Surplus</b>	<u>\$ 8,538,489</u>	<u>\$ 24,175,310</u>

**WSHIP 2015  
Budgeted Cashflow**

**Budget - Updated Jan 2015**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	MAR YTD	TOTAL
<b>Enrollment Count</b>	1,675	1,670	1,665	1,661	1,656	1,652	1,648	1,644	1,640	1,636	1,632	1,629	5,010	19,808
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	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		
<b>Receipts</b>														
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	4,374,729	13,290,165
Grant Revenue	124,489	-	-	154,326	-	-	154,325	-	-	154,325	-	-	124,489	587,465
Pharmacy Rebate Income	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	30,000	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	321,070	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	706,247	32,906,247
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	300	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	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	5,556,834	48,237,721
<b>Refunds</b>														
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	491,902	1,485,918
<b>Total Refunds</b>	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	6,373,917	7,367,933
<b>Expenses</b>														
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	7,339,840	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	4,052,849	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	223,336	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	82,428	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	211,245	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	10,095	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	34,350	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	74,610	399,340
<b>Total Expense</b>	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	12,028,752	50,414,109
<b>Month Ending Cash Balance</b>	\$ 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		

<b>Actual</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Enrollment Count</b>	1,673	1,613	1,612										4,898
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	19,667,071	12,484,611	8,988,214										
<b>Receipts</b>													
Premium Receipts	2,033,165	401,598	1,705,236										4,139,998
Grant Revenue	124,489	-	-										124,489
Pharmacy Rebate Income	-	-	89,099										89,099
Claim Refunds Receipts	144,512	30,746	21,343										196,601
Assessment Receipts	703,762	2,485	-										706,247
Investment Income	168	104	70										342
Other Income	-	-	846										846
<b>Total Receipts</b>	3,006,095	434,933	1,816,594	-	-	-	-	-	-	-	-	-	5,257,623
<b>Refunds</b>													
Assessment Refunds	5,882,015	-	-										5,882,015
Premium Refunds	25,776	32,158	19,054										76,989
<b>Total Refunds</b>	5,907,791	32,158	19,054	-	-	-	-	-	-	-	-	-	5,959,004
<b>Expenses</b>													
Medical Claims	2,709,187	2,549,228	3,085,023										8,343,438
Pharmacy Claims	1,328,583	1,173,035	1,197,059										3,698,676
Fixed (PMPM) Admin	77,147	75,702	74,439										227,287
Variable Admin	16,771	25,312	15,110										57,193
Salary and Benefits	141,590	43,066	31,909										216,564
Prescription Admin	2,051	2,029	2,094										6,174
Miscellaneous	3,115	5,687	4,211										13,013
Professional Fees	2,321	25,112	17,354										44,787
<b>Total Expense</b>	4,280,764	3,899,171	4,427,198	-	-	-	-	-	-	-	-	-	12,607,133
<b>Available Cash Balance</b>	12,484,611	8,988,214	6,358,557	-	-	-	-	-	-	-	-	-	
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	\$ 12,484,611	\$ 8,988,214	\$ 6,358,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**WSHIP 2015  
Budgeted Cashflow**

<b>Variance to Budget</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
<b>Enrollment Count</b>	(2)	(57)	(53)										(112)
<b>Receipts</b>													
Premium Receipts	106,397	(69,204)	(271,923)										(234,730)
Grant Revenue	-	-	-										-
Pharmacy Rebate Income	-	-	59,099										59,099
Claim Refunds Receipts	29,972	(77,032)	(77,409)										(124,469)
Assessment Receipts	(2,485)	2,485	-										-
Investment Income	68	4	(30)										42
Other Income	-	-	846										846
<b>Total Receipts</b>	<b>133,951</b>	<b>(143,746)</b>	<b>(289,417)</b>										<b>(299,212)</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-										-
Premium Refunds	200,909	12,618	201,387										414,913
<b>Total Refunds</b>	<b>200,909</b>	<b>12,618</b>	<b>201,387</b>										<b>414,913</b>
<b>Expenses</b>													
Medical Claims	(126,316)	(128,026)	(749,257)										(1,003,599)
Pharmacy Claims	0	221,157	133,014										354,172
Fixed (PMPM) Admin	(2,409)	(1,273)	(270)										(3,951)
Variable Admin	11,182	1,969	12,085										25,235
Salary and Benefits	2,295	(9,101)	1,486										(5,319)
Prescription Admin	1,324	1,337	1,260										3,921
Miscellaneous	6,685	1,463	13,189										21,337
Professional Fees	16,649	8,358	4,817										29,823
<b>Total Expense</b>	<b>(90,589)</b>	<b>95,884</b>	<b>(583,676)</b>										<b>(578,381)</b>
<b>Available Cash Balance</b>	<b>244,271</b>	<b>209,026</b>	<b>(462,680)</b>										
<b>Inc(Dec) in Abandoned</b>													
<b>Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>244,271</b>	<b>209,026</b>	<b>(462,680)</b>										

- (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 04/30/15

	Actual (Bold)			Forecast										TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
<b>Enrollment:</b>														
Non-Medicare Enrollment	615	579	564	574	566	559	552	545	538	531	524	518	6,665	
Medicare Enrollment (Basic and Basic+)	1,058	1,034	1,048	1,037	1,039	1,040	1,040	1,041	1,042	1,043	1,044	1,045	12,511	
<b>Total Enrollment Count</b>	<b>1,673</b>	<b>1,613</b>	<b>1,612</b>	1,611	1,605	1,599	1,592	1,586	1,580	1,574	1,568	1,563	19,176	
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	<b>19,667,071</b>	<b>12,484,611</b>	<b>8,988,214</b>	6,358,557	8,791,097	8,286,803	6,819,784	3,398,078	10,770,287	9,725,785	7,625,313	3,705,172		
<b>Receipts</b>														
Premium Receipts	2,033,165	401,598	1,705,236	921,014	352,371	1,761,857	666,630	352,371	1,761,857	654,899	352,371	1,761,857	12,725,226	
Grant Revenue	124,489	-	-	79,030	-	-	191,973	-	-	191,973	-	-	587,465	
Pharmacy Rebate Income	-	-	89,099	-	-	30,000	-	-	30,000	-	-	30,000	179,099	
Claim Refunds Receipts	144,512	30,746	21,343	50,018	50,595	51,894	52,834	52,309	53,331	54,564	53,427	52,629	668,203	
Assessment Receipts	703,762	2,485	-	5,326,641	3,223,359	950,000	-	11,200,000	1,400,000	1,400,000	-	9,600,000	33,806,247	
Investment Income	168	104	70	100	100	100	100	100	100	100	100	100	1,242	
Other Income	-	-	846	-	-	-	-	-	-	-	-	-	846	
<b>Total Receipts</b>	<b>3,006,095</b>	<b>434,933</b>	<b>1,816,594</b>	6,376,802	3,626,426	2,793,851	911,537	11,604,781	3,245,288	2,301,536	405,898	11,444,586	47,968,328	
<b>Refunds</b>														
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015	
Premium Refunds	25,776	32,158	19,054	36,841	14,095	70,474	26,665	14,095	70,474	26,196	14,095	70,474	420,398	
<b>Total Refunds</b>	<b>5,907,791</b>	<b>32,158</b>	<b>19,054</b>	36,841	14,095	70,474	26,665	14,095	70,474	26,196	14,095	70,474	6,302,413	
<b>Expenses</b>														
Medical Claim Expense	2,709,187	2,549,228	3,085,023	2,500,880	2,529,750	2,594,718	2,641,698	2,615,470	2,666,574	2,728,213	2,671,346	2,631,466	31,923,552	
Pharmacy Claim Expense	1,328,583	1,173,035	1,197,059	1,216,275	1,386,348	1,409,590	1,456,147	1,384,965	1,362,655	1,447,092	1,401,315	1,408,894	16,171,959	
PMPM Administrative Expense	77,147	75,702	74,439	90,143	89,836	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,027,696	
Variable Administrative Expense	16,771	25,312	15,110	27,122	27,050	26,978	26,891	26,833	26,775	29,203	34,645	26,572	309,262	
Salary and Benefits Expense	141,590	43,066	31,909	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,536	33,769	518,620	
Prescription Administrative Expense	2,051	2,029	2,094	3,345	3,335	3,325	3,314	3,306	3,299	3,289	3,281	3,272	35,940	
Miscellaneous Expense	3,115	5,687	4,211	7,150	9,800	7,750	9,800	29,040	10,400	7,150	9,800	30,399	134,302	
Professional Fees	2,321	25,112	17,354	28,970	36,970	24,970	45,970	36,470	27,470	38,970	69,970	14,970	369,516	
<b>Total Expense</b>	<b>4,280,764</b>	<b>3,899,171</b>	<b>4,427,198</b>	3,907,421	4,116,625	4,190,396	4,306,577	4,218,478	4,219,316	4,375,811	4,311,944	4,237,144	50,490,847	
<b>Available Cash Balance</b>	<b>12,484,611</b>	<b>8,988,214</b>	<b>6,358,557</b>	8,791,097	8,286,803	6,819,784	3,398,078	10,770,287	9,725,785	7,625,313	3,705,172	10,842,140		
<b>Inc(Dec) in Abandoned Property Reserve</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Month Ending Cash Balance</b>	<b>12,484,611</b>	<b>8,988,214</b>	<b>6,358,557</b>	8,791,097	8,286,803	6,819,784	3,398,078	10,770,287	9,725,785	7,625,313	3,705,172	10,842,140		

- (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 5 members per month. All Medicare enrollment projected to decrease by 1 members per month.
- (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**

<b>Budget</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
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
<b>Total Budget Operating Expenses</b>	<b>\$278,722</b>	<b>\$179,661</b>	<b>\$177,682</b>	<b>\$190,265</b>	<b>\$200,527</b>	<b>\$186,088</b>	<b>\$208,733</b>	<b>\$218,043</b>	<b>\$190,087</b>	<b>\$200,507</b>	<b>\$239,284</b>	<b>\$196,784</b>	<b>\$2,466,382</b>

<b>Actual</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Membership: (1)													
Non-Medicare	615	579	564										1,758
Medicare Basic	792	776	789										2,357
Medicare Basic Plus	266	259	259										784
Total Membership	1,673	1,614	1,612	-	-	-	-	-	-	-	-	-	4,899
PMPM Administrative Expense (2)	77,147	75,702	74,439										\$227,287
Variable Administrative Expense (3)	16,771	25,312	15,110										\$57,193
Salary and Benefits Expense (4)	141,590	43,066	31,909										\$216,564
RX Benefit Management Fees	2,051	2,029	2,094										\$6,174
Miscellaneous Expense (5)	3,115	5,687	4,211										\$13,013
Professional Fees (6)	2,321	25,112	17,354										\$44,787
<b>Total Actual Operating Expenses</b>	<b>\$242,995</b>	<b>\$176,909</b>	<b>\$145,115</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$565,019</b>

<b>Variance</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Membership: (1)													
Non-Medicare	(4)	(33)	(41)										(78)
Medicare Basic	2	(19)	(11)										(28)
Medicare Basic Plus	-	(4)	(1)										(5)
Total Membership	(2)	(56)	(53)	-	-	-	-	-	-	-	-	-	(111)
PMPM Administrative Expense (2)	(2,409)	(1,273)	(270)										(\$3,951)
Variable Administrative Expense (3)	11,182	1,969	12,085										\$25,235
Salary and Benefits Expense (4)	2,296	(9,100)	1,486										(\$5,319)
RX Benefit Management Fees	1,324	1,336	1,260										\$3,921
Miscellaneous Expense (5)	6,685	1,463	13,189										\$21,337
Professional Fees (6)	16,649	8,358	4,816										\$29,823
<b>Total Variance Expenses</b>	<b>\$35,727</b>	<b>\$2,753</b>	<b>\$32,567</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,046</b>

**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 March 31, 2015			
	Projected	Actual	Variance	% Change
Membership	1,665	1,612	(53)	-3%
Avg Premium Receipt PMPM	\$1,055	\$1,046	(\$9)	-1%
Avg Medical Claim Expense PMPM	\$1,344	\$1,901	(\$557)	-41%
Avg Pharmacy Claim Expense PMPM	\$799	\$743	\$56	7%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,088)	(\$1,598)	(\$510)	-47%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,811,520)	(\$2,575,976)	(\$764,456)	-42%
Variance Due to Changes in Membership			\$84,694	
Variance Due to Changes in Claim Expenses			(\$849,150)	

CASH BASIS	Year-To-Date March 31, 2015			
	Projected	Actual	Variance	% Change
Member Months	5,010	4,898	(112)	-2%
Avg Premium Receipt PMPM	\$775	\$830	\$55	7%
Avg Medical Claim Expense PMPM	\$1,401	\$1,663	(\$262)	-19%
Avg Pharmacy Claim Expense PMPM	\$809	\$755	\$54	7%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,435)	(\$1,588)	(\$153)	-11%
Avg Premium Receipt Less Avg Claim Expense Total	(\$7,189,350)	(\$7,778,024)	(\$588,674)	-8%
Variance Due to Changes in Membership			\$177,856	
Variance Due to Changes in Claim Expenses			(\$766,530)	

INCURRED BASIS	Year-To-Date March 31, 2015	Year-To-Date March 31, 2014
	Actual	Actual - Prior Year
Member Months	4,898	6,567
Avg Premium Income PMPM	\$610	\$889
Avg Medical Claim Expense PMPM (1)	\$1,690	\$1,333
Avg Pharmacy Claim Expense PMPM (2)	\$746	\$1,041
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,826)	(\$1,485)
Avg Premium Receipt Less Avg Claim Expense Total	(\$8,943,748)	(\$9,751,995)

(1) Incurred medical claims data totals \$8,278,177 which is derived from \$4,100,177 actual paid claims with dates of service between 1-1-15 and 3-31-15 and \$4,178,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$3,652,676 which is derived from \$2,848,676 actual paid claims with dates of service between 1-1-15 and 3-31-15 and \$804,000 IBNR reserve.