

**Washington State Health Insurance Pool
Treasurer's Report
March 2019 Financial Review**

1. 2019 Interim I Assessment Required

An assessment of \$9.0 M was required to adequately fund the pool until the next scheduled assessment in July 2019. This assessment was approved by the Board of Directors on March 13, 2019 and generated on March 22, 2019 with invoices due April 22, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by May 22, 2019.

2. Financial Statements – March 2019

Balance Sheet

Cash on hand decreased by \$1.3 M or 28.1% from February 2019 to March 2019. The current cash position is \$3.3 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of March 2019, the entire \$3.3 M of cash is fully secured either through the FDIC insurance or by collateralized securities pledged by KeyBank. Cash position is discussed further in the Budgeted Cash Flow section below.

Total IBNR as of March 2019 is \$4.4 M. This is a decrease of \$370 K or 7.8% from the prior month. Medical IBNR decreased \$329 K or 7.4% and pharmacy IBNR decreased \$41 K or 12.7% from February 2019.

As of March 2019, the equity position of WSHIP is a positive \$6.1 M.

Income Statement

Total member months for March 2019 YTD are lower by 129 member months or 3.0% lower than March 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for March 2019 YTD is \$1.6 M or 16.7% lower than March 2018 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 2019 YTD, the medical claims portion is \$921 K or 16.0% lower than March 2018 YTD, and the pharmacy claims portion is \$694 K or 17.6% lower than March 2018 YTD.

March 2019 YTD administrative expenses are \$70 K or 13.5% lower than the administrative expenses for March 2018 YTD. The ratio of administrative expenses as a percentage of total cost is 5.3% for March 2019 YTD as compared to 5.1% for

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

3. Budgeted Cash Flow – March 2019

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2018 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$3.3 M is \$142 K or 4.5% higher than the budgeted cash balance of \$3.1 M. Total net cash receipts for March 2019 YTD are \$230 K or 11.3% unfavorable to budget. Total YTD expenses for March 2019 YTD are \$753 K or 7.3% favorable to budget. The YTD administrative expenses are \$58 K or 11.3% favorable to budget. Total YTD medical claims expense is \$568 K or 8.9% favorable to budget; while total YTD pharmacy claims expense is \$128 K or 3.8% favorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – March 2019

As of March, the YTD Medicare member months total 3,244 and represent 78% of the combined WSHIP member months. The YTD Non-Medicare member months total 916 and account for 22% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 252% while the YTD Non-Medicare Loss Ratio is 332%. On a cash basis, the YTD Claims PMPM is \$855 for Medicare members and \$6,858 for Non-Medicare members.

5. Cash Flow Forecast – 2019

The 2019 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 January 2019 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 2019. For April 2019, 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 2019 assessment projection. To ensure adequate funding the current 2019 forecast is projecting an assessment of \$27.5 M which is a \$2.0 M or 7.9% increase from the 2018 assessment of \$25.5 M.

6. Administrative Expense Budget

For March 2019, YTD administrative expenses are \$58 K or 11.3% favorable to budget (cash basis).

7. Financial Performance

March 2019 YTD member months are 3.6% lower than expected, average premium receipt PMPM is 16.9% lower than expected, average medical claims expense PMPM is 6.9% lower than expected and average pharmacy claims expense PMPM is 0.1% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,440 as compared to \$1,349 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$706 as compared to \$784 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of March 31, 2019

Total Enrollment: 1,383

	<u>2019</u>	<u>2018</u>
Assets:		
Cash	\$ 3,270,972	\$ 5,976,023
Premiums Receivable	77,145	74,189
Assessments Receivable	9,000,000	7,150,248
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 12,348,116</u>	<u>\$ 13,200,460</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,093,000	\$ 3,605,000
Reserve for Unpaid Losses - Pharmacy	281,000	1,027,000
Accrued Loss Adjustment	280,000	300,000
Premiums Received in Advance	1,493,704	1,694,073
Assessments Payable	-	724,986
Accrued Expenses	120,625	146,105
Abandoned Claim Reserve	-	2,084
Total Liabilities	<u>\$ 6,268,329</u>	<u>\$ 7,499,247</u>
Unassigned Surplus	6,079,787	5,701,213
Total Liabilities and Unassigned Surplus	<u>\$ 12,348,116</u>	<u>\$ 13,200,460</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to March 31

	<u>2019</u>	<u>2018</u>
Total Member Months	4,160	4,289
Premium Income Earned	\$ 3,077,731	\$ 3,195,003
Pharmacy Rebate Income	122,239	117,625
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 4,823,729	5,744,539
Incurred Claim Loss - Pharmacy	3,259,518	3,953,791
Total Incurred Claim Loss	<u>8,083,247</u>	<u>9,698,330</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 245,063	\$ 244,338
Variable Administrative Expense	32,334	43,400
Salary and Benefit Expense	92,469	109,582
Prescription Administrative Expense	2,985	6,568
Miscellaneous Expense	17,396	30,232
Professional Fee Expense	57,971	83,791
Total Operating Expenses	<u>\$ 448,218</u>	<u>\$ 517,911</u>
Underwriting Gain (Loss)	(5,331,495)	(6,903,612)
Investment Income	33,380	25,819
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (5,298,115)</u>	<u>\$ (6,877,793)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(5,298,115)	(6,877,793)
Member Assessments	9,000,000	7,000,000
Unassigned Surplus	<u>\$ 6,079,787</u>	<u>\$ 5,701,213</u>

**WSHIP 2019
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	MARCH YTD	TOTAL
Budget														
Enrollment Count	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	4,317	17,274
Cash Balance														
BEGINNING OF MONTH	4,023,437	6,757,262	4,788,394	3,129,444	7,881,232	6,086,629	5,854,659	3,393,676	7,993,297	7,559,803	6,055,829	3,311,884		
Receipts														
Premium Receipts	1,340,183	500,663	1,930,710	768,066	524,338	1,859,439	774,666	578,092	1,707,677	761,243	377,905	369,585	3,771,556	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	100,000	400,000
Claim Refunds Receipts	33,675	34,235	40,267	34,738	35,292	31,280	32,589	33,216	33,600	33,666	31,707	30,778	108,178	405,045
Assessment Receipts	4,631,893	850,000	-	7,200,000	900,000	900,000	-	7,200,000	900,000	900,000	-	6,800,000	5,481,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	300	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	6,005,851	1,384,999	2,071,077	8,002,904	1,459,730	2,890,819	807,356	7,811,408	2,741,378	1,695,009	409,712	7,300,463	9,461,927	42,580,706
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	94,289	287,315
Total Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	94,289	287,315
Expenses														
Medical Claims	1,980,871	2,013,853	2,368,660	2,043,424	2,076,029	1,839,994	1,917,029	1,953,870	1,976,498	1,980,357	1,865,135	1,810,470	6,363,383	23,826,190
Pharmacy Claims	1,086,330	1,178,522	1,122,388	1,032,745	1,006,366	1,086,741	1,144,090	1,091,154	993,085	1,034,061	1,113,650	1,035,529	3,387,240	12,924,662
Fixed (PMPM) Admin	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	233,815	933,113
Variable Admin	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	50,113	189,711
Salary and Benefits	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	107,569	395,866
Prescription Admin	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	5,585	22,326
Miscellaneous	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	22,075	128,604
Professional Fees	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	91,850	304,600
Total Expense	3,238,521	3,341,351	3,681,759	3,231,915	3,241,225	3,076,303	3,248,972	3,197,335	3,132,180	3,179,952	3,144,209	3,011,349	10,261,630	38,725,070
Month Ending Cash Balance	\$ 6,757,262	\$ 4,788,394	\$ 3,129,444	\$ 7,881,232	\$ 6,086,629	\$ 5,854,659	\$ 3,393,676	\$ 7,993,297	\$ 7,559,803	\$ 6,055,829	\$ 3,311,884	\$ 7,591,758		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,396	1,381	1,383										4,160
Cash Balance													
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531										
Receipts													
Premium Receipts	976,066	380,221	1,637,297										2,993,585
Grant Revenue	-	-	-										-
Pharmacy Rebate Income	-	122,239	-										122,239
Claim Refunds Receipts	18,284	11,404	153,844										183,532
Assessment Receipts	6,460,545	1,970	-										6,462,515
Investment Income	13,508	11,761	8,110										33,380
Other Income	-	-	-										-
Total Receipts	7,468,402	527,595	1,799,252	-	-	-	-	-	-	-	-	-	9,795,250
Refunds													
Assessment Refunds	990,915	-	-										990,915
Premium Refunds	7,150	35,474	5,953										48,576
Total Refunds	998,065	35,474	5,953	-	-	-	-	-	-	-	-	-	1,039,491
Expenses													
Medical Claims	2,118,688	1,688,206	1,988,367										5,795,261
Pharmacy Claims	980,258	1,357,357	921,902										3,259,518
Fixed (PMPM) Admin	83,778	80,847	83,072										247,697
Variable Admin	8,645	12,816	14,764										36,224
Salary and Benefits	31,061	30,788	31,254										93,103
Prescription Admin	1,178	840	1,122										3,140
Miscellaneous	3,508	8,072	3,054										14,634
Professional Fees	12,841	16,481	29,323										58,646
Total Expense	3,239,957	3,195,407	3,072,859	-	-	-	-	-	-	-	-	-	9,508,224
Available Cash Balance	7,253,817	4,550,531	3,270,972	-	-	-	-	-	-	-	-	-	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 7,253,817	\$ 4,550,531	\$ 3,270,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**WSHIP 2019
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(43)	(58)	(56)										(157)
Receipts													
Premium Receipts	(364,117)	(120,442)	(293,412)										(777,971)
Grant Revenue	-	-	-										-
Pharmacy Rebate Income	-	122,239	(100,000)										22,239
Claim Refunds Receipts	(15,391)	(22,831)	113,577										75,354
Assessment Receipts	1,828,652	(848,030)	-										980,622
Investment Income	13,408	11,661	8,010										33,080
Other Income	-	-	-										-
Total Receipts	1,462,551	(857,404)	(271,825)										333,323
Refunds													
Assessment Refunds	(990,915)	-	-										(990,915)
Premium Refunds	26,355	(22,957)	42,315										45,713
Total Refunds	(964,560)	(22,957)	42,315										(945,202)
Expenses													
Medical Claims	(137,817)	325,647	380,292										568,122
Pharmacy Claims	106,072	(178,835)	200,486										127,722
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)										(13,882)
Variable Admin	6,292	1,522	6,075										13,889
Salary and Benefits	12,713	1,110	643										14,466
Prescription Admin	684	1,021	739										2,444
Miscellaneous	4,267	(2,197)	5,371										7,441
Professional Fees	11,876	735	20,593										33,204
Total Expense	(1,436)	145,943	608,900										753,407
Available Cash Balance	496,555	(237,862)	141,528										
Inc(Dec) in Abandoned													
Property Reserve													
Month Ending Cash Balance	496,555	(237,862)	141,528										

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trended with no increase.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 6% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 4 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$9.0 M) and November (\$8.5 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

WSHIP 2019
Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2018	2017	2016	
Medicare																	
Enrollment Count	1,088	1,077	1,079											3,244			
Premiums	518,529	266,048	317,366											1,101,942			
Medical Claims	931,265	769,478	775,979											2,476,722			
RX Claims	83,571	141,871	70,465											295,907			
Total Claims	1,014,836	911,349	846,444	-	-	-	-	-	-	-	-	-	-	2,772,628			
Income/Loss	(496,307)	(645,301)	(529,078)	-	-	-	-	-	-	-	-	-	-	(1,670,686)			
Loss Ratio	196%	343%	267%											252%	191%	201%	219%
Claims PMPM	933	846	784											855	815	792	871
Non Medicare																	
Enrollment Count	308	304	304											916			
Premiums	457,537	114,174	1,319,931											1,891,641			
Medical Claims	1,187,423	918,728	1,212,387											3,318,538			
RX Claims	896,687	1,215,486	851,438											2,963,611			
Total Claims	2,084,110	2,134,214	2,063,825	-	-	-	-	-	-	-	-	-	-	6,282,149			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	-	-	-	-	-	-	-	-	-	-	(4,390,508)			
Loss Ratio	456%	1869%	156%											332%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789											6,858	7,047	6,340	5,907
Combined Medicare/Non Medicare																	
Enrollment Count	1,396	1,381	1,383	-	-	-	-	-	-	-	-	-	-	4,160			
Premiums	976,066	380,221	1,637,297	-	-	-	-	-	-	-	-	-	-	2,993,584			
Medical Claims	2,118,688	1,688,206	1,988,367	-	-	-	-	-	-	-	-	-	-	5,795,262			
RX Claims	980,258	1,357,357	921,902	-	-	-	-	-	-	-	-	-	-	3,259,517			
Total Claims	3,098,946	3,045,563	2,910,269	-	-	-	-	-	-	-	-	-	-	9,054,779			
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	-	-	-	-	-	-	-	-	-	-	(6,061,196)			
Loss Ratio	317%	801%	178%											302%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104											2,177	2,277	2,235	2,355

Notes:

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

Washington State Health Insurance Pool 2019 Cash Flow Forecast

Forecast - Updated 01/31/19

	ACTUAL			Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER				
Enrollment:																
Non-Medicare Enrollment	308	304	304	310	308	306	304	302	300	298	296	294	3,635			
Medicare Enrollment (Basic and Basic+)	1,088	1,077	1,079	1,097	1,098	1,099	1,100	1,101	1,102	1,103	1,104	1,145	13,193			
Total Enrollment Count	1,396	1,381	1,383	1,407	1,406	1,405	1,404	1,403	1,402	1,401	1,400	1,439	16,828			
Cash Balance																
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972	6,330,323	7,169,407	6,449,088	3,926,331	9,319,933	8,531,037	6,823,965	3,763,806				
Receipts																
Premium Receipts	976,066	380,221	1,637,297	1,103,114	507,904	1,725,230	727,936	419,925	1,723,819	689,693	313,846	1,586,238	11,791,289			
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-			
Pharmacy Rebate Income	-	122,239	-	-	-	100,000	-	-	100,000	-	-	100,000	422,239			
Claim Refunds Receipts	18,284	11,404	153,844	31,308	35,283	30,881	33,140	37,558	41,658	38,959	37,680	36,160	506,160			
Assessment Receipts	6,460,545	1,970	-	4,953,098	3,546,902	500,000	-	8,400,000	1,050,000	1,050,000	-	6,400,000	32,362,515			
Investment Income	13,508	11,761	8,110	100	100	100	100	100	100	100	100	100	34,280			
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Receipts	7,468,402	527,595	1,799,252	6,087,620	4,090,190	2,356,211	761,176	8,857,583	2,915,577	1,778,752	351,626	8,122,498	45,116,482			
Refunds																
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915			
Premium Refunds	7,150	35,474	5,953	27,578	12,698	43,131	18,198	10,498	43,095	17,242	7,846	39,656	268,519			
Total Refunds	998,065	35,474	5,953	27,578	12,698	43,131	18,198	10,498	43,095	17,242	7,846	39,656	1,259,434			
Expenses																
Medical Claim Expense	2,118,688	1,688,206	1,988,367	1,841,628	2,075,494	1,816,540	1,949,417	2,209,305	2,450,462	2,291,715	2,216,489	2,127,043	24,773,354			
Pharmacy Claim Expense	980,258	1,357,357	921,902	1,003,317	1,004,084	1,067,292	1,128,465	1,091,867	1,048,319	1,011,332	1,022,025	1,070,100	12,706,320			
PMPM Administrative Expense	83,778	80,847	83,072	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	946,995			
Variable Administrative Expense	8,645	12,816	14,764	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	175,822			
Salary and Benefits Expense	31,061	30,788	31,254	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	381,400			
Prescription Administrative Expense	1,178	840	1,122	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	19,881			
Miscellaneous Expense	3,508	8,072	3,054	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	121,163			
Professional Fees	12,841	16,481	29,323	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	271,396			
Total Expense	3,239,957	3,195,407	3,072,859	3,000,691	3,238,409	3,033,399	3,265,735	3,453,483	3,661,377	3,468,582	3,403,939	3,362,493	39,396,330			
Available Cash Balance	7,253,817	4,550,531	3,270,972	6,330,323	7,169,407	6,449,088	3,926,331	9,319,933	8,531,037	6,823,965	3,763,806	8,484,155				
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-			
Month Ending Cash Balance	7,253,817	4,550,531	3,270,972	6,330,323	7,169,407	6,449,088	3,926,331	9,319,933	8,531,037	6,823,965	3,763,806	8,484,155				

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trend or 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 3% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 2 members per month, while Medicare Basic+ projected to drop 1 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$10.5 M) and November (\$8.0 M) TOTAL \$27.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2019 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	316	314	312	310	308	306	304	303	301	299	297	295	3,666
Medicare Basic	957	961	965	969	973	977	981	985	989	993	997	1,001	11,748
Medicare Basic Plus	166	164	162	160	158	156	154	152	150	148	146	144	1,860
Total Membership	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	17,274
PMPM Administrative Expense (2)	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	933,113
Variable Administrative Expense (3)	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	189,710
Salary and Benefits Expense (4)	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	395,866
RX Benefit Management Fees	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	22,325
Miscellaneous Expense (5)	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	128,604
Professional Fees (6)	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	304,600
Total Budget Operating Expenses	\$171,319	\$148,976	\$190,711	\$155,746	\$158,830	\$149,567	\$187,853	\$152,311	\$162,596	\$165,534	\$165,424	\$165,350	\$1,974,218

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	308	304	304										916
Medicare Basic	927	919	921										2,767
Medicare Basic Plus	161	158	158										477
Total Membership	1,396	1,381	1,383	-	-	-	-	-	-	-	-	-	4,160
PMPM Administrative Expense (2)	83,778	80,847	83,072										\$247,697
Variable Administrative Expense (3)	8,645	12,816	14,764										\$36,224
Salary and Benefits Expense (4)	31,061	30,788	31,254										\$93,103
RX Benefit Management Fees	1,178	840	1,122										\$3,140
Miscellaneous Expense (5)	3,508	8,072	3,054										\$14,634
Professional Fees (6)	12,841	16,481	29,323										\$58,646
Total Actual Operating Expenses	\$141,011	\$149,844	\$162,589	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$453,445

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)										(26)
Medicare Basic	(30)	(42)	(44)										(116)
Medicare Basic Plus	(5)	(6)	(4)										(15)
Total Membership	(43)	(58)	(56)	-	-	-	-	-	-	-	-	-	(157)
PMPM Administrative Expense (2)	5,523	3,059	5,300										\$13,882
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)										(\$13,888)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)										(\$14,466)
RX Benefit Management Fees	(683)	(1,021)	(739)										(\$2,444)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)										(\$7,441)
Professional Fees (6)	(11,875)	(735)	(20,593)										(\$33,204)
Total Variance Expenses	(\$30,308)	\$868	(\$28,122)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$57,561)

WSHIP Financial Performance

CASH BASIS	Month Ending March 31, 2019			
	Projected	Actual	Variance	% Change
Membership	1,439	1,383	(56)	-3.9%
Avg Premium Receipt PMPM	\$1,308	\$1,180	(\$128)	-9.8%
Avg Medical Claim Expense PMPM	\$1,618	\$1,326	\$292	-18.0%
Avg Pharmacy Claim Expense PMPM	\$780	\$667	\$113	-14.5%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,090)	(\$813)	\$277	25.4%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,568,551)	(\$1,124,379)	\$444,172	28.3%
Variance Due to Changes in Membership			\$45,558	
Variance Due to Changes in Claim Expenses			\$398,613	

CASH BASIS	Year-To-Date March 31, 2019			
	Projected	Actual	Variance	% Change
Member Months	4,317	4,160	(157)	-3.6%
Avg Premium Receipt PMPM	\$852	\$708	(\$144)	-16.9%
Avg Medical Claim Expense PMPM	\$1,449	\$1,349	(\$100)	-6.9%
Avg Pharmacy Claim Expense PMPM	\$785	\$784	(\$1)	-0.1%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,382)	(\$1,425)	(\$43)	-3.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$5,965,887)	(\$5,928,000)	\$37,887	0.6%
Variance Due to Changes in Membership			\$223,511	
Variance Due to Changes in Claim Expenses			(\$185,625)	

INCURRED BASIS	Year-To-Date March 31, 2019	Year-To-Date March 31, 2018
	Actual	Actual - Prior Year
Member Months	4,160	4,289
Avg Premium Income PMPM	\$740	\$746
Avg Medical Claim Expense PMPM (1)	\$1,440	\$1,527
Avg Pharmacy Claim Expense PMPM (2)	\$706	\$984
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,406)	(\$1,765)
Avg Premium Receipt Less Avg Claim Expense Total	(\$5,848,960)	(\$7,570,085)

(1) Incurred medical claims data totals \$5,989,733 which is derived from \$2,553,733 actual paid claims with dates of service between 01-01-19 and 03-31-19 and \$3,436,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$2,936,415 which is derived from \$2,655,415 actual paid claims with dates of service between 01-01-19 and 03-31-19 and \$281,000 IBNR reserve.