

**Washington State Health Insurance Pool
Treasurer's Report
May 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 June 30, 2015, \$9.5 M has been collected thus closing out this assessment.

2. 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.

3. Financial Statements – May 2015

Balance Sheet

Cash on hand increased by \$628 K or 7.0% from April 2015 to May 2015. The current cash position is \$9.5 M which is well above our current three week expense allowance of \$2.9 M. As of the end of May 2015, the entire \$9.5 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 May 2015 is \$6.0 M. This represents an decrease of \$159 K or 2.6% as compared to the prior month. Medical IBNR decreased \$144 K or 2.8% and pharmacy IBNR decreased \$15 K or 1.4% from April 2015.

As of May 2015, the equity position of WSHIP is a positive \$2.9 M.

Income Statement

Total member months for May 2015 YTD are lower by 2,068 member months or 20.3% lower than May 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for May 2015 YTD is \$1.6 M or 8.0% lower than May 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 May 2015 YTD, the medical claims portion is \$1.8 M or 13.0% lower than May 2014 YTD, and the pharmacy claims portion is \$189 K or 2.9% higher than May 2014 YTD.

May 2015 YTD administrative expenses are \$187 K or 17.6% lower than the administrative expenses in May 2014 YTD. The ratio of administrative expenses as a percentage of total cost is 4.5% for May 2015 YTD as compared to 5.0% in May of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – May 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 \$9.5 M is \$1.3 M higher than the budgeted cash balance of \$8.3 M. Total net cash receipts for May 2015 are \$1.3 M or 15.3% favorable to budget. This is primarily due to the timing of assessment receipts. Total expenses are \$24 K or 0.1% unfavorable to budget. The administrative expenses are \$160 K or 15.6% favorable to budget. Total medical claims expense is \$952 K or 7.9% unfavorable to budget, while total pharmacy claims expense is \$768 K or 11.3% favorable to budget.

5. 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 May 2015. For June 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.

6. Administrative Expense Budget

For May 2015, administrative expenses are \$161 K or 15.6% favorable to budget (cash basis). This is primarily seen in variable admin and professional fees.

7. Financial Performance

May 2015 YTD member months are 188 member months or 2% lower than projected in the original budget. Through May 2015, average premium receipt PMPM is 13% higher than anticipated. Average medical claims expense PMPM is 12% higher than anticipated and average pharmacy claims expense PMPM is 9% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,575 as compared to \$1,562 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$870 as compared to \$743 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of May 31

Total Enrollment: 1,605

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 9,544,237	\$ 21,227,587
Premiums Receivable	57,273	108,455
Assessments Receivable	406,236	1,515,800
Grants Receivable	383,946	-
Prepaid Expense	-	-
Total Assets	<u>\$ 10,391,692</u>	<u>\$ 22,851,842</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 4,919,000	\$ 5,395,000
Reserve for Unpaid Losses - Pharmacy	1,054,000	460,000
Accrued Loss Adjustment	299,000	324,000
Premiums Received in Advance	1,009,079	1,144,510
Assessments Payable	-	-
Accrued Expenses	151,909	195,762
Abandoned Claim Reserve	18,303	71,222
Total Liabilities	<u>\$ 7,451,291</u>	<u>\$ 7,590,494</u>
Unassigned Surplus	2,940,402	15,261,347
Total Liabilities and Unassigned Surplus	<u>\$ 10,391,692</u>	<u>\$ 22,851,842</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to May 31

	<u>2015</u>	<u>2014</u>
Total Member Months	8,139	10,207
Premium Income Earned	\$ 4,785,432	\$ 6,187,792
Pharmacy Rebate Income	89,099	211,139
Grant Income	-	-
Incurred Claim Loss - Medical	12,140,039	13,960,781
Incurred Claim Loss - Pharmacy	6,631,740	6,442,336
Total Incurred Claim Loss	<u>18,771,779</u>	<u>20,403,117</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 397,530	\$ 507,365
Variable Administrative Expense	84,734	193,918
Salary and Benefit Expense	285,005	192,522
Prescription Administrative Expense	10,700	18,451
Miscellaneous Expense	32,800	50,087
Professional Fee Expense	67,354	103,009
Total Operating Expenses	<u>\$ 878,123</u>	<u>\$ 1,065,350</u>
Underwriting Gain (Loss)	(14,775,370)	(15,069,536)
Investment Income	490	1,120
Other Income	846	-
Changes to Unassigned Surplus	<u>\$ (14,774,034)</u>	<u>\$ (15,068,416)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(14,774,034)	(15,068,416)
Member Assessments	9,500,000	10,000,000
Unassigned Surplus	<u>\$ 2,940,402</u>	<u>\$ 15,261,347</u>

**WSHIP 2015
Budgeted Cashflow**

Budget - Updated Jan 2015

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	May 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	8,327	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	5,419,325	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	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	523,087	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	8,806,247	32,906,247
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	500	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	15,057,973	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	608,368	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	6,490,383	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	12,118,092	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	6,816,447	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	403,315	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	136,600	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	278,317	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	16,775	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	51,300	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	140,550	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	19,961,396	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								8,139
Cash Balance													
BEGINNING OF MONTH	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254								
Receipts													
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983								5,406,120
Grant Revenue	124,489	-	-	79,030	-								203,519
Pharmacy Rebate Income	-	-	89,099	-	-								89,099
Claim Refunds Receipts	144,512	30,746	21,343	115,586	45,315								357,502
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124								9,800,011
Investment Income	168	104	70	58	90								490
Other Income	-	-	846	-	-								846
Total Receipts	3,006,095	434,933	1,816,594	6,443,453	4,156,512								15,857,588
Refunds													
Assessment Refunds	5,882,015	-	-	-	-								5,882,015
Premium Refunds	25,776	32,158	19,054	10,707	13,536								101,231
Total Refunds	5,907,791	32,158	19,054	10,707	13,536								5,983,246
Expenses													
Medical Claims	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139								13,070,457
Pharmacy Claims	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872								6,048,823
Fixed (PMPM) Admin	77,147	75,702	74,439	73,735	86,182								387,203
Variable Admin	16,771	25,312	15,110	16,559	15,365								89,117
Salary and Benefits	141,590	43,066	31,909	31,842	32,178								280,585
Prescription Admin	2,051	2,029	2,094	2,387	2,138								10,700
Miscellaneous	3,115	5,687	4,211	10,385	7,475								30,874
Professional Fees	2,321	25,112	17,354	22,984	-								67,771
Total Expense	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348								19,985,530
Available Cash Balance	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**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)								(188)
Receipts													
Premium Receipts	106,397	(69,204)	(271,923)	299,448	(77,923)								(13,205)
Grant Revenue	-	-	-	(75,296)	-								(75,296)
Pharmacy Rebate Income	-	-	59,099	-	-								59,099
Claim Refunds Receipts	29,972	(77,032)	(77,409)	15,478	(56,594)								(165,585)
Assessment Receipts	(2,485)	2,485	-	(1,873,359)	2,867,124								993,765
Investment Income	68	4	(30)	(42)	(10)								(10)
Other Income	-	-	846	-	-								846
Total Receipts	133,951	(143,746)	(289,417)	(1,633,771)	2,732,597								799,614
Refunds													
Assessment Refunds	-	-	-	-	-								-
Premium Refunds	200,909	12,618	201,387	58,719	33,504								507,136
Total Refunds	200,909	12,618	201,387	58,719	33,504								507,136
Expenses													
Medical Claims	(126,316)	(128,026)	(749,257)	(133,050)	184,283								(952,365)
Pharmacy Claims	0	221,157	133,014	159,007	254,444								767,623
Fixed (PMPM) Admin	(2,409)	(1,273)	(270)	16,408	3,654								16,112
Variable Admin	11,182	1,969	12,085	10,563	11,685								47,483
Salary and Benefits	2,295	(9,101)	1,486	1,694	1,358								(2,268)
Prescription Admin	1,324	1,337	1,260	958	1,197								6,075
Miscellaneous	6,685	1,463	13,189	(3,235)	2,325								20,426
Professional Fees	16,649	8,358	4,817	5,986	36,970								72,779
Total Expense	(90,589)	95,884	(583,676)	58,331	495,916								(24,134)
Available Cash Balance	244,271	209,026	(462,680)	(1,979,401)	1,282,616								
Inc(Dec) in Abandoned													(11,645)
Property Reserve													
Month Ending Cash Balance	244,271	209,026	(462,680)	(1,979,401)	1,270,971								

- (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	
Enrollment:													
Non-Medicare Enrollment	615	579	564	561	549	559	552	545	538	531	524	518	6,635
Medicare Enrollment (Basic and Basic+)	1,058	1,034	1,048	1,075	1,056	1,040	1,040	1,041	1,042	1,043	1,044	1,045	12,566
Total Enrollment Count	1,673	1,613	1,612	1,636	1,605	1,599	1,592	1,586	1,580	1,574	1,568	1,563	19,201
Cash Balance													
BEGINNING OF MONTH	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	6,958,965	3,537,432	10,909,640	9,865,138	7,764,666	3,844,526	
Receipts													
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983	1,817,621	666,630	352,371	1,761,857	654,899	352,371	1,761,857	12,773,727
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	115,586	45,315	54,420	52,834	52,309	53,331	54,564	53,427	52,629	731,017
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124	406,064	172	11,200,000	1,400,000	1,400,000	-	9,600,000	33,806,247
Investment Income	168	104	70	58	90	100	100	100	100	100	100	100	1,190
Other Income	-	-	846	-	-	-	-	-	-	-	-	-	846
Total Receipts	3,006,095	434,933	1,816,594	6,443,453	4,156,512	2,308,204	911,709	11,604,781	3,245,288	2,301,536	405,898	11,444,586	48,079,591
Refunds													
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015
Premium Refunds	25,776	32,158	19,054	10,707	13,536	72,705	26,665	14,095	70,474	26,196	14,095	70,474	395,936
Total Refunds	5,907,791	32,158	19,054	10,707	13,536	72,705	26,665	14,095	70,474	26,196	14,095	70,474	6,277,951
Expenses													
Medical Claim Expense	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139	2,720,984	2,641,698	2,615,470	2,666,574	2,728,213	2,671,346	2,631,466	31,746,206
Pharmacy Claim Expense	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872	1,913,700	1,456,147	1,384,965	1,362,655	1,447,092	1,401,315	1,408,894	16,423,592
PMPM Administrative Expense	77,147	75,702	74,439	73,735	86,182	89,529	89,222	88,858	88,608	88,359	88,052	87,802	1,007,633
Variable Administrative Expense	16,771	25,312	15,110	16,559	15,365	26,978	26,891	26,833	26,775	29,203	34,645	26,572	287,014
Salary and Benefits Expense	141,590	43,066	31,909	31,842	32,178	33,536	33,536	33,536	33,536	33,536	33,536	33,769	515,569
Prescription Administrative Expense	2,051	2,029	2,094	2,387	2,138	3,325	3,314	3,306	3,299	3,289	3,281	3,272	33,786
Miscellaneous Expense	3,115	5,687	4,211	10,385	7,475	7,750	9,800	29,040	10,400	7,150	9,800	30,399	135,213
Professional Fees	2,321	25,112	17,354	22,984	-	24,970	45,970	36,470	27,470	38,970	69,970	14,970	326,561
Total Expense	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348	4,820,772	4,306,577	4,218,478	4,219,316	4,375,811	4,311,944	4,237,144	50,475,573
Available Cash Balance	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882	6,958,965	3,537,432	10,909,640	9,865,138	7,764,666	3,844,526	10,981,493	
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	6,958,965	3,537,432	10,909,640	9,865,138	7,764,666	3,844,526	10,981,493	

- (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**

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								2,868
Medicare Basic	792	776	789	816	799								3,972
Medicare Basic Plus	266	259	259	259	257								1,300
Total Membership	1,673	1,614	1,612	1,636	1,605	-	-	-	-	-	-	-	8,140
PMPM Administrative Expense (2)	77,147	75,702	74,439	73,735	86,182								\$387,203
Variable Administrative Expense (3)	16,771	25,312	15,110	16,559	15,365								\$89,117
Salary and Benefits Expense (4)	141,590	43,066	31,909	31,842	32,178								\$280,585
RX Benefit Management Fees	2,051	2,029	2,094	2,387	2,138								\$10,700
Miscellaneous Expense (5)	3,115	5,687	4,211	10,385	7,475								\$30,874
Professional Fees (6)	2,321	25,112	17,354	22,984	-								\$67,771
Total Actual Operating Expenses	\$242,995	\$176,909	\$145,115	\$157,893	\$143,338	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$866,250

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Membership: (1)													
Non-Medicare	(4)	(33)	(41)	(38)	(43)								(159)
Medicare Basic	2	(19)	(11)	11	(11)								(28)
Medicare Basic Plus	-	(4)	(1)	2	3								-
Total Membership	(2)	(56)	(53)	(25)	(51)	-	-	-	-	-	-	-	(187)
PMPM Administrative Expense (2)	(2,409)	(1,273)	(270)	16,408	3,654								\$16,112
Variable Administrative Expense (3)	11,182	1,969	12,085	10,563	11,685								\$47,483
Salary and Benefits Expense (4)	2,296	(9,100)	1,486	1,693	1,358								(\$2,267)
RX Benefit Management Fees	1,324	1,336	1,260	958	1,197								\$6,075
Miscellaneous Expense (5)	6,685	1,463	13,189	(3,235)	2,325								\$20,426
Professional Fees (6)	16,649	8,358	4,816	5,986	36,970								\$72,778
Total Variance Expenses	\$35,727	\$2,753	\$32,567	\$32,372	\$57,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,607

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 May 31, 2015			
	Projected	Actual	Variance	% Change
Membership	1,656	1,605	(51)	-3%
Avg Premium Receipt PMPM	\$226	\$206	(\$20)	-9%
Avg Medical Claim Expense PMPM	\$1,394	\$1,359	\$35	3%
Avg Pharmacy Claim Expense PMPM	\$838	\$706	\$132	16%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$2,006)	(\$1,859)	\$147	7%
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,321,936)	(\$2,983,695)	\$338,241	10%
Variance Due to Changes in Membership			\$94,809	
Variance Due to Changes in Claim Expenses			\$243,432	

CASH BASIS	Year-To-Date May 31, 2015			
	Projected	Actual	Variance	% Change
Member Months	8,327	8,139	(188)	-2%
Avg Premium Receipt PMPM	\$578	\$652	\$74	13%
Avg Medical Claim Expense PMPM	\$1,392	\$1,562	(\$170)	-12%
Avg Pharmacy Claim Expense PMPM	\$819	\$743	\$76	9%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,633)	(\$1,653)	(\$20)	-1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$13,597,991)	(\$13,453,767)	\$144,224	1%
Variance Due to Changes in Membership			\$310,764	
Variance Due to Changes in Claim Expenses			(\$166,540)	

INCURRED BASIS	Year-To-Date May 31, 2015	Year-To-Date May 31, 2014
	Actual	Actual - Prior Year
Member Months	8,139	10,207
Avg Premium Income PMPM	\$588	\$606
Avg Medical Claim Expense PMPM (1)	\$1,575	\$1,386
Avg Pharmacy Claim Expense PMPM (2)	\$870	\$998
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,857)	(\$1,778)
Avg Premium Receipt Less Avg Claim Expense Total	(\$15,114,123)	(\$18,148,046)

(1) Incurred medical claims data totals \$12,819,835 which is derived from \$8,292,835 actual paid claims with dates of service between 1-1-15 and 5-31-15 and \$4,527,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$7,081,048 which is derived from \$6,027,048 actual paid claims with dates of service between 1-1-15 and 5-31-15 and \$1,054,000 IBNR reserve.