

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

1. 2015 Interim III Assessment Required

An assessment of \$10.5 M is required in order to adequately carry the pool into the next scheduled assessment in March 2016. This assessment was approved by the Board of Directors and generated on November 23, 2015 with invoices due December 23, 2015 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 23, 2016. Looking ahead as of December 31, 2015, \$7.5 M has been collected leaving \$3.0 M left to collect.

2. Financial Statements – November 2015

Balance Sheet

Cash on hand decreased by \$2.7 M or 31.3% from October 2015 to November 2015. The current cash position is \$5.8 M which is well above our current three week expense allowance of \$2.9 M. As of the end of November 2015, the entire \$5.8 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 November 2015 is \$5.9 M. This represents an increase of \$464 K or 8.5% as compared to the prior month. Medical IBNR decreased \$172 K or 3.5% and pharmacy IBNR increased \$636 K or 115.8% from October 2015.

As of November 2015, the equity position of WSHIP is a positive \$9.2 M.

Income Statement

Total member months for November 2015 YTD are lower by 3,277 member months or 15.7% lower than November 2014 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for November 2015 YTD is \$3.7 M or 8.1% lower than November 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 November 2015 YTD, the medical claims portion is \$2.5 M or 8.5% lower than November 2014 YTD, and the pharmacy claims portion is \$1.1 M or 7.2% lower than November 2014 YTD.

November 2015 YTD administrative expenses are \$201 K or 9.9% lower than the administrative expenses for November 2014 YTD. The ratio of administrative expenses as a percentage of total cost is 4.2% for November 2015 YTD as

compared to 4.3% in November of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

### 3. Budgeted Cash Flow – November 2015

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 \$5.8 M is \$2.4 M higher than the budgeted cash balance of \$3.4 M. Total net cash receipts for November 2015 are \$619 K or 2.1% favorable to budget. Total expenses are \$1.8 M or 3.9% favorable to budget. The administrative expenses are \$436 K or 19.2% favorable to budget. Total medical claims expense is \$43 K or 0.2% unfavorable to budget; while total pharmacy claims expense is \$1.4 M or 9.3% 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 September 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 November 2015. For December 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 \$34.0 M which is an \$11.5 M or 25.3% decrease from the 2014 assessment of \$45.5 M.

### 5. Cash Flow Forecast – 2016

Included in this month's financial packet is a draft of the 2016 cash flow forecast. Assumptions are noted on this schedule as well as the 2016 assessment projection. To ensure adequate funding, the current 2016 forecast is projecting an assessment of \$39.5 M which is a \$5.5 M or 16.2% increase from the 2015 assessment of \$34.0 M.

## 6. Administrative Expense Budget

For November 2015, administrative expenses are \$436 K or 19.2% favorable to budget (cash basis). This is primarily seen in variable admin and professional fees.

## 7. Financial Performance

November 2015 YTD member months are 536 member months or 3% lower than projected in the original budget. Through November 2015, average premium receipt PMPM is 12% higher than anticipated. Average medical claims expense PMPM is 6% higher than anticipated and average pharmacy claims expense PMPM is 2% lower than anticipated.

On an incurred basis, the average medical claims expense PMPM is \$1,586 as compared to \$1,590 on a cash basis. Also on an incurred basis, the average pharmacy claims expense PMPM is \$857 as compared to \$786 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of November 30

Total Enrollment: 1,565

	<u>2015</u>	<u>2014</u>
<b>Assets:</b>		
Cash	\$ 5,846,437	\$ 36,905,349
Premiums Receivable	42,326	350,968
Assessments Receivable	13,755,852	9,009,819
Grants Receivable	141,641	587,465
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 19,786,257</u>	<u>\$ 46,853,601</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 4,709,000	\$ 4,930,000
Reserve for Unpaid Losses - Pharmacy	1,185,000	628,000
Accrued Loss Adjustment	283,000	351,000
Premiums Received in Advance	934,591	1,034,606
Assessments Payable	3,255,852	7,021,100
Due to HBE	-	20,838,000
Accrued Expenses	154,876	165,949
Abandoned Claim Reserve	18,303	-
<b>Total Liabilities</b>	<u>\$ 10,540,622</u>	<u>\$ 34,968,655</u>
<b>Unassigned Surplus</b>	9,245,635	11,884,946
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 19,786,257</u>	<u>\$ 46,853,601</u>

## WASHINGTON STATE HEALTH INSURANCE POOL

### Unaudited Statement of Operations January 1 to November 30

	<u>2015</u>	<u>2014</u>
Total Member Months	17,643	20,920
<b>Premium Income Earned</b>	\$ 10,505,756	\$ 12,801,851
<b>Pharmacy Rebate Income</b>	182,619	503,245
<b>Grant Income</b>	-	1,110,440
<b>Incurred Claim Loss - Medical</b>	27,212,714	29,740,391
<b>Incurred Claim Loss - Pharmacy</b>	14,614,293	15,752,264
<b>Total Incurred Claim Loss</b>	<u>41,827,007</u>	<u>45,492,655</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 909,952	\$ 988,604
Variable Administrative Expense	171,833	354,848
Salary and Benefit Expense	459,366	337,631
Prescription Administrative Expense	22,590	38,206
Miscellaneous Expense	88,434	110,724
Professional Fee Expense	179,651	202,427
<b>Total Operating Expenses</b>	<u>\$ 1,831,826</u>	<u>\$ 2,032,440</u>
<b>Underwriting Gain (Loss)</b>	(32,970,459)	(33,109,558)
<b>Investment Income</b>	985	2,740
<b>Other Income</b>	846	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (32,968,629)</u>	<u>\$ (33,106,818)</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Changes in Unassigned Surplus January 1 to November 30

	<u>2015</u>	<u>2014</u>
Unassigned Surplus at Beginning of Year	\$ 8,214,435	\$ 20,329,763
Changes to Unassigned Surplus	(32,968,629)	(33,106,818)
Member Assessments	33,999,828	45,500,000
HBE Assessment Payment Due	-	(20,838,000)
<b>Unassigned Surplus</b>	<u>\$ 9,245,635</u>	<u>\$ 11,884,946</u>

**WSHIP 2015  
Budgeted Cashflow**

**Budget - Updated Jan 2015**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Nov 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	18,179	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	11,337,792	13,290,165
Grant Revenue	124,489	-	-	154,326	-	-	154,325	-	-	154,325	-	-	587,465	587,465
Pharmacy Rebate Income	-	-	30,000	-	-	30,000	-	-	30,000	-	-	30,000	90,000	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	1,214,697	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	23,706,247	32,906,247
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,100	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	36,937,301	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	1,268,240	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	7,150,255	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	28,476,571	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	15,278,452	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	935,943	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	307,925	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	479,533	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	36,589	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	125,240	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	384,370	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	46,024,623	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	1,636	1,605	1,603	1,594	1,573	1,587	1,582	1,565	-	17,643
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	7,078,041	6,678,593	11,893,137	11,809,165	8,510,561	-	
<b>Receipts</b>													
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983	1,817,621	788,705	328,349	1,724,048	771,840	332,388	-	11,169,071
Grant Revenue	124,489	-	-	79,030	-	-	141,098	-	-	-	101,207	-	445,824
Pharmacy Rebate Income	-	-	89,099	-	-	82,609	-	-	10,910	-	-	-	182,619
Claim Refunds Receipts	144,512	30,746	21,343	115,586	45,315	12,582	10,917	43,862	25,605	6,853	11,194	-	468,515
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124	406,064	2,731,886	8,814,951	1,775,590	677,573	-	-	24,206,075
Investment Income	168	104	70	58	90	71	59	102	102	95	66	-	985
Other Income	-	-	846	-	-	-	-	-	-	-	-	-	846
<b>Total Receipts</b>	3,006,095	434,933	1,816,594	6,443,453	4,156,512	2,318,947	3,672,666	9,187,264	3,536,255	1,456,361	444,855	-	36,473,935
<b>Refunds</b>													
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015
Premium Refunds	25,776	32,158	19,054	10,707	13,536	8,855	15,905	14,625	14,356	21,998	9,368	-	186,339
<b>Total Refunds</b>	5,907,791	32,158	19,054	10,707	13,536	8,855	15,905	14,625	14,356	21,998	9,368	-	6,068,354
<b>Expenses</b>													
Medical Claims	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139	2,720,984	2,663,902	2,654,318	2,274,238	2,810,271	2,325,516	-	28,519,687
Pharmacy Claims	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872	1,913,700	1,185,727	1,135,324	1,166,604	1,779,594	631,064	-	13,860,836
Fixed (PMPM) Admin	77,147	75,702	74,439	73,735	86,182	87,474	87,434	86,764	87,456	84,349	82,625	-	903,306
Variable Admin	16,771	25,312	15,110	16,559	15,365	12,388	16,373	16,553	17,492	15,130	13,074	-	180,125
Salary and Benefits	141,590	43,066	31,909	31,842	32,178	32,080	32,080	32,034	33,584	26,424	26,422	-	463,208
Prescription Admin	2,051	2,029	2,094	2,387	2,138	2,101	2,154	2,024	1,644	3,967	-	-	22,590
Miscellaneous	3,115	5,687	4,211	10,385	7,475	5,658	28,254	3,537	6,173	5,274	4,410	-	84,180
Professional Fees	2,321	25,112	17,354	22,984	-	1,904	40,286	27,542	18,681	7,957	16,499	-	180,640
<b>Total Expense</b>	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348	4,776,289	4,056,208	3,958,095	3,605,871	4,732,967	3,099,610	-	44,214,570
<b>Available Cash Balance</b>	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882	7,078,041	6,678,593	11,893,137	11,809,165	8,510,561	5,846,437	-	
<b>Inc(Dec) in Abandoned Property Reserve</b>					(11,645)								
<b>Month Ending Cash Balance</b>	\$ 12,484,611	\$ 8,988,214	\$ 6,358,557	\$ 8,916,254	\$ 9,544,237	\$ 7,078,041	\$ 6,678,593	\$ 11,893,137	\$ 11,809,165	\$ 8,510,561	\$ 5,846,437	\$ -	

**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)	(25)	(51)	(49)	(54)	(71)	(53)	(54)	(67)		(536)
<b>Receipts</b>													
Premium Receipts	106,397	(69,204)	(271,923)	299,448	(77,923)	(58,086)	96,376	(91,892)	(137,172)	91,694	(56,436)		(168,721)
Grant Revenue	-	-	-	(75,296)	-	-	(13,227)	-	-	(154,325)	101,207		(141,641)
Pharmacy Rebate Income	-	-	59,099	-	-	52,609	-	-	(19,090)	-	-		92,619
Claim Refunds Receipts	29,972	(77,032)	(77,409)	15,478	(56,594)	(95,752)	(103,924)	(70,146)	(90,640)	(111,978)	(108,156)		(746,182)
Assessment Receipts	(2,485)	2,485	-	(1,873,359)	2,867,124	(493,936)	2,731,886	(2,385,049)	375,590	(722,427)	-		499,829
Investment Income	68	4	(30)	(42)	(10)	(29)	(41)	2	2	(5)	(34)		(115)
Other Income	-	-	846	-	-	-	-	-	-	-	-		846
<b>Total Receipts</b>	<b>133,951</b>	<b>(143,746)</b>	<b>(289,417)</b>	<b>(1,633,771)</b>	<b>2,732,597</b>	<b>(595,194)</b>	<b>2,711,070</b>	<b>(2,547,085)</b>	<b>128,690</b>	<b>(897,041)</b>	<b>(63,420)</b>		<b>(463,366)</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-		-
Premium Refunds	200,909	12,618	201,387	58,719	33,504	200,274	61,285	32,229	193,159	53,834	33,983		1,081,901
<b>Total Refunds</b>	<b>200,909</b>	<b>12,618</b>	<b>201,387</b>	<b>58,719</b>	<b>33,504</b>	<b>200,274</b>	<b>61,285</b>	<b>32,229</b>	<b>193,159</b>	<b>53,834</b>	<b>33,983</b>		<b>1,081,901</b>
<b>Expenses</b>													
Medical Claims	(126,316)	(128,026)	(749,257)	(133,050)	184,283	(158,579)	52,405	42,293	475,278	407	497,444		(43,116)
Pharmacy Claims	0	221,157	133,014	159,007	254,444	(503,067)	271,960	249,424	195,047	(333,477)	770,105		1,417,616
Fixed (PMPM) Admin	(2,409)	(1,273)	(270)	16,408	3,654	2,055	1,788	2,094	1,152	4,010	5,427		32,637
Variable Admin	11,182	1,969	12,085	10,563	11,685	14,590	10,519	10,281	9,283	14,073	21,571		127,800
Salary and Benefits	2,295	(9,101)	1,486	1,694	1,358	1,456	1,456	1,502	(48)	7,112	7,114		16,325
Prescription Admin	1,324	1,337	1,260	958	1,197	1,224	1,160	1,282	1,655	(678)	3,281		14,000
Miscellaneous	6,685	1,463	13,189	(3,235)	2,325	2,092	(18,454)	25,503	4,227	1,876	5,390		41,060
Professional Fees	16,649	8,358	4,817	5,986	36,970	23,066	5,684	8,928	8,789	31,013	53,471		203,730
<b>Total Expense</b>	<b>(90,589)</b>	<b>95,884</b>	<b>(583,676)</b>	<b>58,331</b>	<b>495,916</b>	<b>(617,163)</b>	<b>326,519</b>	<b>341,307</b>	<b>695,383</b>	<b>(275,664)</b>	<b>1,363,804</b>		<b>1,810,052</b>
<b>Available Cash Balance</b>	<b>244,271</b>	<b>209,026</b>	<b>(462,680)</b>	<b>(1,979,401)</b>	<b>1,282,616</b>	<b>258,889</b>	<b>3,357,763</b>	<b>1,184,214</b>	<b>2,201,446</b>	<b>1,082,576</b>	<b>2,416,943</b>		
<b>Inc(Dec) in Abandoned</b>					<b>(11,645)</b>								
<b>Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>244,271</b>	<b>209,026</b>	<b>(462,680)</b>	<b>(1,979,401)</b>	<b>1,270,971</b>	<b>258,889</b>	<b>3,357,763</b>	<b>1,184,214</b>	<b>2,201,446</b>	<b>1,082,576</b>	<b>2,416,943</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 09/30/15

	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	561	549	544	535	532	524	518	512	505	6,538	
Medicare Enrollment (Basic and Basic+)	1,058	1,034	1,048	1,075	1,056	1,059	1,059	1,062	1,063	1,064	1,053	1,045	12,676	
Total Enrollment Count	1,673	1,613	1,612	1,636	1,605	1,603	1,594	1,594	1,587	1,582	1,565	1,550	19,214	
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	19,667,071	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	7,078,041	6,678,593	11,893,137	11,809,165	8,510,561	5,846,437		
<b>Receipts</b>														
Premium Receipts	2,033,165	401,598	1,705,236	922,139	343,983	1,817,621	788,705	328,349	1,724,048	771,840	332,388	1,319,758	12,488,829	
Grant Revenue	124,489	-	-	79,030	-	-	141,098	-	-	-	101,207	-	445,824	
Pharmacy Rebate Income	-	-	89,099	-	-	82,609	-	-	10,910	-	-	-	212,619	
Claim Refunds Receipts	144,512	30,746	21,343	115,586	45,315	12,582	10,917	43,862	25,605	6,853	11,194	59,759	528,274	
Assessment Receipts	703,762	2,485	-	5,326,641	3,767,124	406,064	2,731,886	8,814,951	1,775,590	677,573	-	7,487,576	31,693,651	
Investment Income	168	104	70	58	90	71	59	102	102	95	66	100	1,085	
Other Income	-	-	846	-	-	-	-	-	-	-	-	-	846	
Total Receipts	3,006,095	434,933	1,816,594	6,443,453	4,156,512	2,318,947	3,672,666	9,187,264	3,536,255	1,456,361	444,855	8,897,193	45,371,128	
<b>Refunds</b>														
Assessment Refunds	5,882,015	-	-	-	-	-	-	-	-	-	-	-	5,882,015	
Premium Refunds	25,776	32,158	19,054	10,707	13,536	8,855	15,905	14,625	14,356	21,998	9,368	52,790	239,129	
Total Refunds	5,907,791	32,158	19,054	10,707	13,536	8,855	15,905	14,625	14,356	21,998	9,368	52,790	6,121,144	
<b>Expenses</b>														
Medical Claim Expense	2,709,187	2,549,228	3,085,023	2,500,880	2,226,139	2,720,984	2,663,902	2,654,318	2,274,238	2,810,271	2,325,516	2,987,934	31,507,621	
Pharmacy Claim Expense	1,328,583	1,173,035	1,197,059	1,216,275	1,133,872	1,913,700	1,185,727	1,135,324	1,166,604	1,779,594	631,064	1,658,357	15,519,193	
PMPM Administrative Expense	77,147	75,702	74,439	73,735	86,182	87,474	87,434	86,764	87,456	84,349	82,625	87,802	991,108	
Variable Administrative Expense	16,771	25,312	15,110	16,559	15,365	12,388	16,373	16,553	17,492	15,130	13,074	26,572	206,697	
Salary and Benefits Expense	141,590	43,066	31,909	31,842	32,178	32,080	32,080	32,034	33,584	26,424	26,422	33,769	496,978	
Prescription Administrative Expense	2,051	2,029	2,094	2,387	2,138	2,101	2,154	2,024	1,644	3,967	-	3,272	25,861	
Miscellaneous Expense	3,115	5,687	4,211	10,385	7,475	5,658	28,254	3,537	6,173	5,274	4,410	30,399	114,579	
Professional Fees	2,321	25,112	17,354	22,984	-	1,904	40,286	27,542	18,681	7,957	16,499	14,970	195,610	
Total Expense	4,280,764	3,899,171	4,427,198	3,875,049	3,503,348	4,776,289	4,056,208	3,958,095	3,605,871	4,732,967	3,099,610	4,843,075	49,057,646	
<b>Available Cash Balance</b>	12,484,611	8,988,214	6,358,557	8,916,254	9,555,882	7,078,041	6,678,593	11,893,137	11,809,165	8,510,561	5,846,437	9,847,765		
<b>Inc(Dec) in Abandoned Property Reserve</b>	-	-	-	-	(11,645)	-	-	-	-	-	-	-		
<b>Month Ending Cash Balance</b>	12,484,611	8,988,214	6,358,557	8,916,254	9,544,237	7,078,041	6,678,593	11,893,137	11,809,165	8,510,561	5,846,437	9,847,765		

- (1) Assumes a Non-medicare medical claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare medical claim expense trend of 12%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 25% until March 2015 and then a 15% trend thereafter. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 4% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 7.2% increase. Assumes a Medicare premium rate increase of 12% for Basic and 7% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 6 members per month. All Medicare enrollment projected to remain flat.
- (5) Assumes assessments on March (**\$9.5 M**), July (**\$14.0**) and November (**\$10.5 M**) TOTAL **\$34.0 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 2016 Cash Flow Forecast

Forecast - Updated 09/30/15

	Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Enrollment:</b>													
Non-Medicare Enrollment	499	494	488	483	477	472	467	461	456	451	446	441	5,635
Medicare Enrollment (Basic and Basic+)	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	12,540
<b>Total Enrollment Count</b>	<b>1,544</b>	<b>1,539</b>	<b>1,533</b>	<b>1,528</b>	<b>1,522</b>	<b>1,517</b>	<b>1,512</b>	<b>1,506</b>	<b>1,501</b>	<b>1,496</b>	<b>1,491</b>	<b>1,486</b>	<b>18,175</b>
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	<b>9,847,765</b>	<b>8,475,260</b>	<b>6,055,243</b>	<b>3,938,220</b>	<b>10,530,788</b>	<b>8,214,101</b>	<b>7,028,367</b>	<b>3,344,223</b>	<b>10,917,427</b>	<b>9,790,296</b>	<b>7,384,870</b>	<b>3,277,295</b>	
<b>Receipts</b>													
Premium Receipts	822,271	417,717	1,877,329	591,249	400,603	1,780,999	657,373	399,022	1,767,244	645,804	369,192	1,853,795	11,582,597
Grant Revenue	-	141,641	-	-	-	-	-	-	-	-	-	-	141,641
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	200,000
Claim Refunds Receipts	52,212	52,376	51,193	50,588	51,537	54,797	55,053	58,883	57,572	59,175	58,753	57,440	659,578
Assessment Receipts	1,962,424	1,050,000	-	10,000,000	1,250,000	1,250,000	-	11,600,000	1,450,000	1,450,000	-	10,000,000	40,012,424
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>2,837,006</b>	<b>1,661,833</b>	<b>1,978,622</b>	<b>10,641,938</b>	<b>1,702,240</b>	<b>3,135,896</b>	<b>712,526</b>	<b>12,058,005</b>	<b>3,324,916</b>	<b>2,155,078</b>	<b>428,045</b>	<b>11,961,335</b>	<b>52,597,440</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	20,557	10,443	46,933	14,781	10,015	44,525	16,434	9,976	44,181	16,145	9,230	46,345	289,565
<b>Total Refunds</b>	<b>20,557</b>	<b>10,443</b>	<b>46,933</b>	<b>14,781</b>	<b>10,015</b>	<b>44,525</b>	<b>16,434</b>	<b>9,976</b>	<b>44,181</b>	<b>16,145</b>	<b>9,230</b>	<b>46,345</b>	<b>289,565</b>
<b>Expenses</b>													
Medical Claim Expense	2,610,585	2,618,778	2,559,665	2,529,406	2,576,826	2,739,842	2,752,670	2,944,149	2,878,588	2,958,728	2,937,664	2,872,014	32,978,914
Pharmacy Claim Expense	1,395,891	1,278,962	1,310,018	1,349,821	1,266,946	1,386,091	1,450,850	1,356,363	1,374,101	1,426,563	1,379,366	1,382,344	16,357,317
PMPM Administrative Expense	81,399	81,043	80,747	80,392	80,096	79,741	79,445	79,149	78,793	78,497	78,201	77,905	955,408
Variable Administrative Expense	33,006	17,352	17,288	17,234	17,170	17,116	19,562	16,998	16,944	16,891	24,837	16,782	231,180
Salary and Benefits Expense	42,856	32,916	32,196	32,196	32,196	32,196	32,196	32,196	32,196	32,196	32,196	32,378	397,916
Prescription Administrative Expense	2,416	2,407	2,397	2,389	2,378	2,370	2,361	2,351	2,343	2,334	2,326	2,317	28,390
Miscellaneous Expense	8,300	5,650	14,900	5,650	8,300	6,250	5,650	26,620	8,900	5,650	8,300	23,214	127,383
Professional Fees	14,500	34,300	31,500	17,500	25,000	13,500	37,500	17,000	16,000	23,500	63,500	19,500	313,300
<b>Total Expense</b>	<b>4,188,954</b>	<b>4,071,408</b>	<b>4,048,711</b>	<b>4,034,588</b>	<b>4,008,912</b>	<b>4,277,105</b>	<b>4,380,235</b>	<b>4,474,826</b>	<b>4,407,865</b>	<b>4,544,360</b>	<b>4,526,390</b>	<b>4,426,453</b>	<b>51,389,808</b>
<b>Available Cash Balance</b>	<b>8,475,260</b>	<b>6,055,243</b>	<b>3,938,220</b>	<b>10,530,788</b>	<b>8,214,101</b>	<b>7,028,367</b>	<b>3,344,223</b>	<b>10,917,427</b>	<b>9,790,296</b>	<b>7,384,870</b>	<b>3,277,295</b>	<b>10,765,832</b>	
<b>Inc(Dec) in Abandoned Property Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Month Ending Cash Balance</b>	<b>8,475,260</b>	<b>6,055,243</b>	<b>3,938,220</b>	<b>10,530,788</b>	<b>8,214,101</b>	<b>7,028,367</b>	<b>3,344,223</b>	<b>10,917,427</b>	<b>9,790,296</b>	<b>7,384,870</b>	<b>3,277,295</b>	<b>10,765,832</b>	

- (1) Assumes a Non-medicare medical claim expense trend of 25%. Assumes an annual Medicare medical claim expense trend of 7%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 18%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 18% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 12% increase. Assumes a Medicare premium rate increase of 2.4% for Basic and 3% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 1.5% monthly. All Medicare combined enrollment projected to remain the same over time.
- (5) Assumes assessments on March (**\$12.5 M**), July (**\$14.5**) and November (**\$12.5 M**) TOTAL **\$39.5 M**
- (6) 3-Week expense allowance is **\$3.0 M** based upon the actual data for the 12-month period ending in Dec of 2016.
- (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
<b>Total Membership</b>	<b>1,675</b>	<b>1,670</b>	<b>1,665</b>	<b>1,661</b>	<b>1,656</b>	<b>1,652</b>	<b>1,648</b>	<b>1,644</b>	<b>1,640</b>	<b>1,636</b>	<b>1,632</b>	<b>1,629</b>	<b>19,808</b>
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	561	549	544	535	527	524	518	512		6,028
Medicare Basic	792	776	789	816	799	804	805	799	816	821	812		8,829
Medicare Basic Plus	266	259	259	259	257	255	254	247	247	243	241		2,787
<b>Total Membership</b>	<b>1,673</b>	<b>1,614</b>	<b>1,612</b>	<b>1,636</b>	<b>1,605</b>	<b>1,603</b>	<b>1,594</b>	<b>1,573</b>	<b>1,587</b>	<b>1,582</b>	<b>1,565</b>	<b>-</b>	<b>17,644</b>
PMPM Administrative Expense (2)	77,147	75,702	74,439	73,735	86,182	87,474	87,434	86,764	87,456	84,349	\$82,625		\$903,306
Variable Administrative Expense (3)	16,771	25,312	15,110	16,559	15,365	12,388	16,373	16,553	17,492	15,130	\$13,074		\$180,125
Salary and Benefits Expense (4)	141,590	43,066	31,909	31,842	32,178	32,080	32,080	32,034	33,584	26,424	\$26,422		\$463,208
RX Benefit Management Fees	2,051	2,029	2,094	2,387	2,138	2,101	2,154	2,024	1,644	3,967	\$0		\$22,590
Miscellaneous Expense (5)	3,115	5,687	4,211	10,385	7,475	5,658	28,254	3,537	6,173	5,274	\$4,410		\$84,180
Professional Fees (6)	2,321	25,112	17,354	22,984	-	1,904	40,286	27,542	18,681	7,957	\$16,499		\$180,640
<b>Total Actual Operating Expenses</b>	<b>\$242,995</b>	<b>\$176,909</b>	<b>\$145,115</b>	<b>\$157,893</b>	<b>\$143,338</b>	<b>\$141,605</b>	<b>\$206,579</b>	<b>\$168,453</b>	<b>\$165,030</b>	<b>\$143,102</b>	<b>\$143,029</b>	<b>\$0</b>	<b>\$1,834,048</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)	(38)	(43)	(42)	(45)	(47)	(44)	(44)	(44)		(425)
Medicare Basic	2	(19)	(11)	11	(11)	(11)	(15)	(26)	(14)	(14)	(28)		(136)
Medicare Basic Plus	-	(4)	(1)	2	3	4	6	2	5	4	5		26
<b>Total Membership</b>	<b>(2)</b>	<b>(56)</b>	<b>(53)</b>	<b>(25)</b>	<b>(51)</b>	<b>(49)</b>	<b>(54)</b>	<b>(71)</b>	<b>(53)</b>	<b>(54)</b>	<b>(67)</b>	<b>-</b>	<b>(535)</b>
PMPM Administrative Expense (2)	(2,409)	(1,273)	(270)	16,408	3,654	2,055	1,788	2,094	1,152	4,010	5,427		\$32,637
Variable Administrative Expense (3)	11,182	1,969	12,085	10,563	11,685	14,590	10,519	10,281	9,283	14,073	21,571		\$127,800
Salary and Benefits Expense (4)	2,296	(9,100)	1,486	1,693	1,358	1,456	1,456	1,502	(49)	7,111	7,114		\$16,323
RX Benefit Management Fees	1,324	1,336	1,260	958	1,197	1,224	1,160	1,282	1,655	(678)	3,281		\$14,000
Miscellaneous Expense (5)	6,685	1,463	13,189	(3,235)	2,325	2,092	(18,454)	25,503	4,227	1,876	5,390		\$41,060
Professional Fees (6)	16,649	8,358	4,816	5,986	36,970	23,066	5,684	8,928	8,789	31,013	53,471		\$203,729
<b>Total Variance Expenses</b>	<b>\$35,727</b>	<b>\$2,753</b>	<b>\$32,567</b>	<b>\$32,372</b>	<b>\$57,188</b>	<b>\$44,483</b>	<b>\$2,153</b>	<b>\$49,590</b>	<b>\$25,058</b>	<b>\$57,405</b>	<b>\$96,255</b>	<b>\$0</b>	<b>\$435,550</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 November 30, 2015			
	Projected	Actual	Variance	% Change
Membership	1,632	1,565	(67)	-4%
Avg Premium Receipt PMPM	\$212	\$206	(\$6)	-3%
Avg Medical Claim Expense PMPM	\$1,657	\$1,479	\$178	11%
Avg Pharmacy Claim Expense PMPM	\$859	\$403	\$456	53%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$2,304)	(\$1,676)	\$628	27%
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,760,128)	(\$2,622,940)	\$1,137,188	30%
Variance Due to Changes in Membership			\$112,292	
Variance Due to Changes in Claim Expenses			\$1,024,896	

CASH BASIS	Year-To-Date November 30, 2015			
	Projected	Actual	Variance	% Change
Member Months	18,179	17,643	(536)	-3%
Avg Premium Receipt PMPM	\$554	\$622	\$68	12%
Avg Medical Claim Expense PMPM	\$1,500	\$1,590	(\$90)	-6%
Avg Pharmacy Claim Expense PMPM	\$840	\$786	\$54	6%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,786)	(\$1,754)	\$32	2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$32,467,694)	(\$30,945,822)	\$1,521,872	5%
Variance Due to Changes in Membership			\$940,144	
Variance Due to Changes in Claim Expenses			\$581,728	

INCURRED BASIS	Year-To-Date November 30, 2015	Year-To-Date November 30, 2014
	Actual	Actual - Prior Year
Member Months	17,643	20,920
Avg Premium Income PMPM	\$595	\$612
Avg Medical Claim Expense PMPM (1)	\$1,586	\$1,470
Avg Pharmacy Claim Expense PMPM (2)	\$857	\$931
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,848)	(\$1,789)
Avg Premium Receipt Less Avg Claim Expense Total	(\$32,604,264)	(\$37,425,880)

(1) Incurred medical claims data totals \$27,985,250 which is derived from \$23,302,250 actual paid claims with dates of service between 1-1-15 and 11-30-15 and \$4,683,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$15,121,242 which is derived from \$13,936,242 actual paid claims with dates of service between 1-1-15 and 11-30-15 and \$1,185,000 IBNR reserve.