

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

1. 2019 Interim III Assessment Required

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in March 2020. This assessment was approved by the Board of Directors on November 13, 2019 and generated on November 25, 2019 with invoices due December 27, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 27, 2020.

2. Financial Statements – November 2019

Balance Sheet

Cash on hand decreased by \$3.2 M or 54.1% from October 2019 to November 2019. The current cash position is \$3.2 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of November 2019, the entire \$3.2 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 2019 is \$5.9 M. This is an increase of \$88 K or 1.5% from the prior month. Medical IBNR decreased \$49 K or 0.9% and pharmacy IBNR increased \$137 K or 24.5% from October 2019.

As of November 2019, the equity position of WSHIP is a positive \$6 M.

Income Statement

Total member months for November 2019 YTD are lower by 325 member months or 2.1% lower than November 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for November 2019 YTD is \$1.8 M or 5.1% lower than November 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 November 2019 YTD, the medical claims portion is \$1.3 M or 5.4% lower than November 2018 YTD, and the pharmacy claims portion is \$537 K or 4.4% lower than November 2018 YTD.

November 2019 YTD administrative expenses are \$127 K or 7.4% lower than the administrative expenses for November 2018 YTD. The ratio of administrative expenses as a percentage of total cost is 4.5% for November 2019 YTD as

compared to 4.5% for November YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – November 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 \$3.2 M is \$98 K or 3.0% lower than the budgeted cash balance of \$3.3 M. Total net cash receipts for November 2019 YTD are \$15 K or 3.8% unfavorable to budget. Total YTD expenses for November 2019 YTD are \$653 K or 1.8% unfavorable to budget. The YTD administrative expenses are \$219 K or 12.1% favorable to budget. Total YTD medical claims expense is \$1.2 M or 5.6% unfavorable to budget; while total YTD pharmacy claims expense is \$353 K or 3.0% favorable to budget.

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

As of October, the YTD Medicare member months total 12,089 and represent 78.5% of the combined WSHIP member months. The YTD Non-Medicare member months total 3,317 and account for 21.5% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 214% while the YTD Non-Medicare Loss Ratio is 436%. On a cash basis, the YTD Claims PMPM is \$861 for Medicare members and \$7,346 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 September 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 November 2019. For December 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. Cash Flow Forecast – 2020

Included in this month's financial packet is a draft of the 2020 cash flow forecast. Assumptions are noted on this schedule as well as the 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$24.5 M.

7. Administrative Expense Budget

For November 2019, YTD administrative expenses are \$219 K or 12.1% favorable to budget (cash basis).

8. Financial Performance

November 2019 YTD member months are 0.6% lower than expected, average premium receipt PMPM is 24.2% lower than expected, average medical claims expense PMPM is 70.8% higher than expected and average pharmacy claims expense PMPM is 17.9% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,585 as compared to \$1,367 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$759 as compared to \$751 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of November 30, 2019

	<u>2019</u>	<u>2018</u>
Assets:		
Cash	\$ 3,213,540	\$ 2,909,968
Premiums Receivable	81,347	91,503
Assessments Receivable	9,156,577	9,490,915
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 12,451,464</u>	<u>\$ 12,492,386</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 5,171,000	\$ 4,727,000
Reserve for Unpaid Losses - Pharmacy	696,000	499,000
Accrued Loss Adjustment	291,000	293,000
Premiums Received in Advance	132,103	154,468
Assessments Payable	-	990,915
Accrued Expenses	128,412	133,062
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 6,418,514</u>	<u>\$ 6,797,445</u>
Unassigned Surplus	6,032,950	5,694,940
Total Liabilities and Unassigned Surplus	<u>\$ 12,451,464</u>	<u>\$ 12,492,385</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to November 30

	<u>2019</u>	<u>2018</u>
Total Member Months	15,406	15,731
Premium Income Earned	\$ 11,779,624	\$ 12,026,095
Pharmacy Rebate Income	444,012	501,231
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 23,570,753	24,223,488
Incurred Claim Loss - Pharmacy	11,535,661	12,072,596
Total Incurred Claim Loss	<u>35,106,414</u>	<u>36,296,084</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 883,415	\$ 894,169
Variable Administrative Expense	87,048	141,278
Salary and Benefit Expense	351,663	344,488
Prescription Administrative Expense	10,828	19,327
Miscellaneous Expense	91,607	102,975
Professional Fee Expense	167,888	214,720
Total Operating Expenses	<u>\$ 1,592,448</u>	<u>\$ 1,716,958</u>
Underwriting Gain (Loss)	(24,475,226)	(25,485,716)
Investment Income	130,273	101,650
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (24,344,952)</u>	<u>\$ (25,384,066)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(24,344,952)	(25,384,066)
Member Assessments	28,000,000	25,500,000
Unassigned Surplus	<u>\$ 6,032,950</u>	<u>\$ 5,694,940</u>

**Washington State Health Insurance Pool
2019 Budget vs Actual Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	November 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	15,833	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	11,122,983	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	300,000	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	374,267	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	23,481,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,100	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	35,280,243	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	278,075	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	278,075	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	22,015,720	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	11,889,133	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	855,464	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	175,361	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	363,584	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	20,466	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	106,611	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	287,384	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	35,713,721	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	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432		15,406
Cash Balance													
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497		
Receipts													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,801,634	720,243	277,160		10,441,232
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	-	-	79,557	-	-	89,937	-	444,012
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	-	49,949	2,263	8,361	91,212	9,154	-	386,669
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	759,828	7,528,318	820,767	733,792	718	-	25,305,938
Investment Income	13,508	11,761	8,110	10,515	13,353	12,851	11,689	11,710	15,998	12,967	7,811	-	130,273
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
Total Receipts	7,468,402	527,595	1,799,252	5,604,446	4,389,256	3,811,025	371,953	8,146,440	2,646,760	1,558,214	384,780	-	36,708,124
Refunds													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	-	38,346	17,980	-	20,390	(258)	-	160,134
Total Refunds	998,065	35,474	5,953	860	34,240	-	38,346	17,980	-	20,390	(258)	-	1,151,049
Expenses													
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608	2,353,610	2,161,453	3,122,035		23,241,422
Pharmacy Claims	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,066,724	1,548,514	1,008,568	955,645	908,780		11,535,661
Fixed (PMPM) Admin	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	78,711	78,815	80,334		884,038
Variable Admin	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	6,138	7,448	7,847		88,263
Salary and Benefits	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	30,114	30,005	30,005		351,018
Prescription Admin	1,178	840	1,122	1,023	1,069	645	992	2,020	994	1,097	1,026		12,006
Miscellaneous	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	5,870	6,336	12,590		87,277
Professional Fees	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	13,807	10,814	17,376		167,287
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386	3,295,567	3,121,751	3,610,165	3,497,812	3,251,613	4,179,994	-	36,366,972
Available Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497	3,213,540	-	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 7,253,817	\$ 4,550,531	\$ 3,270,972	\$ 5,767,098	\$ 7,327,729	\$ 7,843,187	\$ 5,055,043	\$ 9,573,338	\$ 8,722,285	\$ 7,008,497	\$ 3,213,540	\$ -	

**Washington State Health Insurance Pool
2019 Variance to Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<i>Favorable/(Unfavorable)</i>													
Enrollment Count	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)	(24)	(15)	(8)		(427)
Receipts													
Premium Receipts	(364,117)	(120,442)	(293,412)	304,189	(152,544)	4,908	40,956	(53,499)	93,956	(41,000)	(100,745)		(681,751)
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	(100,000)	37,345	114,935	(100,000)	-	79,557	(100,000)	-	89,937		144,012
Claim Refunds Receipts	(15,391)	(22,831)	113,577	(24,635)	(3,197)	(31,280)	17,359	(30,952)	(25,239)	57,546	(22,554)		12,402
Assessment Receipts	1,828,652	(848,030)	-	(2,725,772)	2,957,079	(231,307)	759,828	328,318	(79,233)	(166,208)	718		1,824,045
Investment Income	13,408	11,661	8,010	10,415	13,253	12,751	11,589	11,610	15,898	12,867	7,711		129,173
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
Total Receipts	1,462,551	(857,404)	(271,825)	(2,398,458)	2,929,526	920,206	(435,403)	335,033	(94,618)	(136,795)	(24,933)		1,427,881
Refunds													
Assessment Refunds	(990,915)	-	-	-	-	-	-	-	-	-	-	-	(990,915)
Premium Refunds	26,355	(22,957)	42,315	18,342	(21,131)	46,486	(18,980)	(3,528)	42,692	(1,359)	9,706		117,941
Total Refunds	(964,560)	(22,957)	42,315	18,342	(21,131)	46,486	(18,980)	(3,528)	42,692	(1,359)	9,706		(872,974)
Expenses													
Medical Claims	(137,817)	325,647	380,292	87,213	376,514	(499,795)	(10,910)	68,262	(377,112)	(181,095)	(1,256,900)		(1,225,702)
Pharmacy Claims	106,072	(178,835)	200,486	29,428	46,929	261,584	77,366	(457,361)	(15,483)	78,415	204,870		353,471
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)	(3,388)	365	(5,732)	(641)	(454)	(1,026)	(1,143)	(2,674)		(28,574)
Variable Admin	6,292	1,522	6,075	10,586	6,867	11,081	6,876	6,692	9,208	6,899	15,002		87,098
Salary and Benefits	12,713	1,110	643	(11,096)	1,030	677	1,366	55	1,950	2,059	2,059		12,566
Prescription Admin	684	1,021	739	838	792	1,216	868	(160)	866	763	834		8,460
Miscellaneous	4,267	(2,197)	5,371	24	(24)	(1,866)	23,820	(16,341)	2,555	8,539	(4,815)		19,333
Professional Fees	11,876	735	20,593	10,851	14,366	13,571	28,476	(13,524)	13,409	13,903	5,840		120,097
Total Expense	(1,436)	145,943	608,900	124,455	446,839	(219,264)	127,221	(412,830)	(365,632)	(71,661)	(1,035,785)		(653,251)
Available Cash Balance	496,555	(237,862)	141,528	(2,114,134)	1,241,101	1,988,528	1,661,367	1,580,041	1,162,483	952,668	(98,344)		
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	496,555	(237,862)	141,528	(2,114,134)	1,241,101	1,988,528	1,661,367	1,580,041	1,162,483	952,668	(98,344)		

2019 Budgeted Cashflow Notes

- (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.

Washington State Health Insurance Pool
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	1,099	1,069	1,082	1,110	1,107	1,116	1,127	1,135			12,089			
Premiums	518,529	266,048	317,366	802,182	250,982	488,150	600,565	375,893	435,684	587,336	211,527			4,854,261			
Medical Claims	931,265	769,478	775,979	853,752	951,250	841,047	951,867	872,293	730,475	1,051,822	916,189			9,645,417			
RX Claims	83,571	141,871	70,465	64,435	60,054	53,768	64,797	75,804	55,127	49,363	45,285			764,540			
Total Claims	1,014,836	911,349	846,444	918,187	1,011,304	894,815	1,016,664	948,098	785,603	1,101,185	961,474	-		10,409,957			
Income/Loss	(496,307)	(645,301)	(529,078)	(116,005)	(760,321)	(406,665)	(416,099)	(572,205)	(349,919)	(513,849)	(749,947)	-		(5,555,696)			
Loss Ratio	196%	343%	267%	114%	403%	183%	169%	252%	180%	187%	455%			214%	191%	201%	219%
Claims PMPM	933	846	784	835	946	827	916	856	704	977	847			861	815	792	871
Non Medicare																	
Enrollment Count	308	304	304	305	300	303	300	298	300	298	297			3,317			
Premiums	457,537	114,174	1,319,931	270,073	120,812	1,376,197	215,057	148,699	1,365,950	132,907	65,633			5,586,970			
Medical Claims	1,187,423	918,728	1,212,387	1,102,459	748,265	1,498,742	976,073	1,013,314	1,623,135	1,109,631	2,205,846			13,596,003			
RX Claims	896,687	1,215,486	851,438	938,882	899,384	771,389	1,001,927	1,472,710	953,441	906,282	863,496			10,771,122			
Total Claims	2,084,110	2,134,214	2,063,825	2,041,341	1,647,649	2,270,131	1,978,000	2,486,024	2,576,576	2,015,913	3,069,342	-		24,367,125			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	(1,526,837)	(893,934)	(1,762,943)	(2,337,325)	(1,210,626)	(1,883,006)	(3,003,709)	-		(18,780,155)			
Loss Ratio	456%	1869%	156%	756%	1364%	165%	920%	1672%	189%	1517%	4677%			436%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789	6,693	5,492	7,492	6,593	8,342	8,589	6,765	10,334			7,346	7,047	6,340	5,907
Combined Medicare/Non Medicare																	
Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	-		15,406			
Premiums	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,801,634	720,243	277,160	-		10,441,231			
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608	2,353,610	2,161,453	3,122,035	-		23,241,422			
RX Claims	980,258	1,357,357	921,902	1,003,317	959,438	825,157	1,066,724	1,548,514	1,008,568	955,645	908,780	-		11,535,662			
Total Claims	3,098,946	3,045,563	2,910,269	2,959,528	2,658,953	3,164,946	2,994,663	3,434,122	3,362,178	3,117,098	4,030,816	-		34,777,084			
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	(1,887,273)	(2,287,159)	(1,300,599)	(2,179,042)	(2,909,530)	(1,560,545)	(2,396,855)	(3,753,655)	-		(24,335,853)			
Loss Ratio	317%	801%	178%	276%	715%	170%	367%	655%	187%	433%	1454%			333%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104	2,108	1,942	2,285	2,124	2,444	2,374	2,187	2,815			2,257	2,277	2,235	2,355

Medicare vs NonMedicare Notes:

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

**Washington State Health Insurance Pool
2019 Cash Flow Forecast**

Forecast - Updated 09/30/19

	ACTUAL											Forecast	TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	308	304	304	305	300	303	300	298	300	298	297	294	3,611
Medicare Enrollment (Basic and Basic+)	1,088	1,077	1,079	1,099	1,069	1,082	1,110	1,107	1,116	1,127	1,135	1,134	13,223
Total Enrollment Count	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	1,428	16,834
Cash Balance													
BEGINNING OF MONTH	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497	3,213,540	
Receipts													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,864,347	815,622	524,592	1,801,634	720,243	277,160	374,258	10,815,490
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	-	-	79,557	-	-	89,937	-	444,012
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	-	49,949	2,263	8,361	91,212	9,154	9,201	395,870
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	759,828	7,528,318	820,767	733,792	718	5,221,418	30,527,356
Investment Income	13,508	11,761	8,110	10,515	13,353	12,851	11,689	11,710	15,998	12,967	7,811	100	130,373
Other Income	-	-	-	-	-	1,265,134	(1,265,134)	-	-	-	-	-	-
Total Receipts	7,468,402	527,595	1,799,252	5,604,446	4,389,256	3,811,025	371,953	8,146,440	2,646,760	1,558,214	384,780	5,604,977	42,313,101
Refunds													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	0	38,346	17,980	0	20,390	(258)	13,377	173,511
Total Refunds	998,065	35,474	5,953	860	34,240	0	38,346	17,980	0	20,390	(258)	13,377	1,164,426
Expenses													
Medical Claim Expense	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,339,789	1,927,939	1,885,608	2,353,610	2,161,453	3,122,035	2,035,135	25,276,557
Pharmacy Claim Expense	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,066,724	1,548,514	1,008,568	955,645	908,780	1,020,682	12,556,343
PMPM Administrative Expense	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	78,711	78,815	80,334	83,154	967,192
Variable Administrative Expense	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	6,138	7,448	7,847	7,430	95,692
Salary and Benefits Expense	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	30,114	30,005	30,005	33,491	384,509
Prescription Administrative Expense	1,178	840	1,122	1,023	1,069	645	992	2,020	994	1,097	1,026	1,099	13,105
Miscellaneous Expense	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	5,870	6,336	12,590	30,522	117,799
Professional Fees	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	13,807	10,814	17,376	24,733	192,020
Total Expense	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386	3,295,567	3,121,751	3,610,165	3,497,812	3,251,613	4,179,994	3,236,246	39,603,218
Available Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497	3,213,540	5,568,895	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729	7,843,187	5,055,043	9,573,338	8,722,285	7,008,497	3,213,540	5,568,895	

2019 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes a Medicare medical claim expense trend of 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a 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 (\$8.5 M) TOTAL \$28 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
2020 Cash Flow Forecast**

Forecast - Updated 12/30/19

	Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	216	214	212	210	208	206	204	202	200	198	196	194	2,460
Medicare Enrollment	1,137	1,140	1,143	1,146	1,149	1,152	1,155	1,158	1,161	1,164	1,167	1,170	13,842
Total Enrollment Count	1,353	1,354	1,355	1,356	1,357	1,358	1,359	1,360	1,361	1,362	1,363	1,364	16,302
Cash Balance													
BEGINNING OF MONTH	5,568,895	6,445,480	4,558,739	2,477,786	7,258,056	6,144,215	4,966,187	2,858,305	7,925,099	6,510,957	4,970,604	2,772,809	
Receipts													
Premium Receipts	721,491	723,372	725,334	727,379	729,509	731,724	734,025	736,412	738,886	741,447	744,095	746,831	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000
Claim Refunds Receipts	35,958	32,914	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	4,036,131	876,386	759,105	7,559,669	1,733,108	1,614,329	767,929	8,092,920	1,676,206	1,681,298	902,309	6,384,181	36,083,569
Refunds													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	220,013
Total Refunds	18,037	18,084	18,133	18,184	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	220,013
Expenses													
Medical Claim Expense	2,115,173	1,936,131	1,980,677	1,893,474	1,970,504	1,912,034	1,988,462	2,141,646	2,189,455	2,338,290	2,241,960	2,191,171	24,898,977
Pharmacy Claim Expense	863,589	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	8,624,114
PMPM Administrative Expense	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	870,589
Variable Administrative Expense	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	115,310
Salary and Benefits Expense	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	403,001
Prescription Administrative Expense	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	20,870
Miscellaneous Expense	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	130,409
Professional Fees	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	283,300
Total Expense	3,141,509	2,745,042	2,821,925	2,761,214	2,828,711	2,774,063	2,857,460	3,007,715	3,071,876	3,203,115	3,081,501	3,052,437	35,346,570
Available Cash Balance	6,445,480	4,558,739	2,477,786	7,258,056	6,144,215	4,966,187	2,858,305	7,925,099	6,510,957	4,970,604	2,772,809	6,085,882	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	6,445,480	4,558,739	2,477,786	7,258,056	6,144,215	4,966,187	2,858,305	7,925,099	6,510,957	4,970,604	2,772,809	6,085,882	

2020 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%.
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month.
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
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	305	300	303	300	298	300	298	297		3,317
Medicare Basic	927	919	921	943	914	929	959	957	967	981	992		10,409
Medicare Basic Plus	161	158	158	156	155	153	151	150	149	146	143		1,680
Total Membership	1,396	1,381	1,383	1,404	1,369	1,385	1,410	1,405	1,416	1,425	1,432	-	15,406
PMPM Administrative Expense (2)	83,778	80,847	83,072	81,144	77,375	83,458	78,353	78,152	78,711	\$78,815	\$80,334		\$884,038
Variable Administrative Expense (3)	8,645	12,816	14,764	4,754	7,474	3,261	7,467	7,651	6,138	\$7,448	\$7,847		\$88,263
Salary and Benefits Expense (4)	31,061	30,788	31,254	42,994	30,868	31,221	30,699	32,009	30,114	\$30,005	\$30,005		\$351,018
RX Benefit Management Fees	1,178	840	1,122	1,023	645	992	992	2,020	994	\$1,097	\$1,026		\$12,006
Miscellaneous Expense (5)	3,508	8,072	3,054	5,851	7,799	8,391	2,837	22,970	5,870	\$6,336	\$12,590		\$87,277
Professional Fees (6)	12,841	16,481	29,323	12,166	10,850	3,646	6,741	33,241	13,807	\$10,814	\$17,376		\$167,287
Total Actual Operating Expenses	\$141,011	\$149,844	\$162,589	\$147,932	\$135,434	\$130,621	\$127,087	\$176,043	\$135,634	\$134,515	\$149,179	\$0	\$1,589,889

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)	(5)	(8)	(3)	(4)	(5)	(1)	(1)	(0)		(53)
Medicare Basic	(30)	(42)	(44)	(26)	(59)	(48)	(22)	(28)	(22)	(12)	(5)		(338)
Medicare Basic Plus	(5)	(6)	(4)	(4)	(3)	(3)	(3)	(2)	(1)	(2)	(3)		(36)
Total Membership	(43)	(58)	(56)	(35)	(70)	(54)	(29)	(35)	(24)	(15)	(8)	-	(427)
PMPM Administrative Expense (2)	5,523	3,059	5,300	3,388	(365)	5,732	641	454	1,026	1,143	2,674		\$28,574
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)	(10,586)	(6,867)	(11,081)	(6,876)	(6,692)	(9,208)	(6,899)	(15,002)		(\$87,098)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)	11,096	(1,030)	(677)	(1,366)	(55)	(1,950)	(2,059)	(2,059)		(\$12,566)
RX Benefit Management Fees	(683)	(1,021)	(739)	(838)	(792)	(1,216)	(868)	160	(866)	(763)	(834)		(\$8,460)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)	(24)	24	1,866	(23,820)	16,341	(2,555)	(8,539)	4,815		(\$19,333)
Professional Fees (6)	(11,875)	(735)	(20,593)	(10,851)	(14,366)	(13,571)	(28,476)	13,524	(13,409)	(13,903)	(5,840)		(\$120,096)
Total Variance Expenses	(\$30,308)	\$868	(\$28,122)	(\$7,814)	(\$23,396)	(\$18,947)	(\$60,765)	\$23,731	(\$26,963)	(\$31,019)	(\$16,245)	\$0	(\$218,979)

**Washington State Health Insurance Pool
2019 Financial Performance**

CASH BASIS	Month Ending November 30, 2019			
	Projected	Actual	Variance	% Change
Membership	1,440	1,432	(8)	-0.6%
Avg Premium Receipt PMPM	\$256	\$194	(\$62)	-24.2%
Avg Medical Claim Expense PMPM	\$1,273	\$2,174	(\$901)	70.8%
Avg Pharmacy Claim Expense PMPM	\$773	\$635	\$138	-17.9%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,790)	(\$2,615)	(\$825)	-46.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,577,746)	(\$3,744,680)	(\$1,166,934)	-45.3%
Variance Due to Changes in Membership			\$21,133	
Variance Due to Changes in Claim Expenses			(\$1,188,067)	

CASH BASIS	Year-To-Date November 30, 2019			
	Projected	Actual	Variance	% Change
Member Months	15,833	15,406	(427)	-2.7%
Avg Premium Receipt PMPM	\$685	\$667	(\$18)	-2.6%
Avg Medical Claim Expense PMPM	\$1,367	\$1,483	\$116	8.5%
Avg Pharmacy Claim Expense PMPM	\$751	\$749	(\$2)	-0.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,433)	(\$1,565)	(\$132)	-9.2%
Avg Premium Receipt Less Avg Claim Expense Total	(\$22,689,379)	(\$24,110,390)	(\$1,421,011)	-6.3%
Variance Due to Changes in Membership			\$669,009	
Variance Due to Changes in Claim Expenses			(\$2,090,020)	

INCURRED BASIS	Year-To-Date November 30, 2019	Year-To-Date November 30, 2018
	Actual	Actual - Prior Year
Member Months	15,406	15,731
Avg Premium Income PMPM	\$765	\$764
Avg Medical Claim Expense PMPM (1)	\$1,585	\$1,572
Avg Pharmacy Claim Expense PMPM (2)	\$759	\$776
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,579)	(\$1,584)
Avg Premium Receipt Less Avg Claim Expense Total	(\$24,326,074)	(\$24,917,904)

(1) Incurred medical claims data totals \$24,415,591 which is derived from \$19,244,591 actual paid claims with dates of service between 01-01-19 and 11-30-19 and \$5,171,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$11,685,873 which is derived from \$10,989,873 actual paid claims with dates of service between 01-01-19 and 11-30-19 and \$696,000 IBNR reserve.