



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

November 2020

**Washington State Health Insurance Pool
Treasurer's Report
November 2020 Financial Review**

1. 2020 Interim III Assessment Required

An assessment of \$5M is required to adequately fund the pool until the next scheduled assessment in March 2021. This assessment was approved by the Board of Directors on November 10, 2020, and generated on November 23, 2020 with invoices due December 23, 2020; except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 23, 2021.

2. Financial Statements – November 2020

Balance Sheet

Cash on hand decreased by \$2.2M or 24.1% from October 2020 to November 2020. The current cash position is \$6.9M, which is above our current 4-week expense allowance of \$2.7M. As of the end of November 2020, the entire \$6.9M 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 2020 is \$4M. This is an increase of \$241K or 6.4% from the prior month. Medical IBNR increased \$95K or 2.8% and pharmacy IBNR increased \$146K or 38.8% from October 2020.

As of November 2020, the equity position of WSHIP is a positive \$8.3M.

Income Statement

Total member months for November 2020 YTD are lower by 931 member months or 6% lower than November 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for November 2020 YTD is \$8.9M or 25.4% lower than November 2019 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 2020 YTD, the medical claims portion is \$7.4M or 31.5% lower than November 2019 YTD, and the pharmacy claims portion is \$1.5M or 13% lower than November 2019 YTD.

November 2020 YTD administrative expenses are \$7K or 0.4% lower than the administrative expenses for November 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 5.8% for November 2020 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 2020

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2019 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$6.9M is \$4.1M or 146.8% higher than the budgeted cash balance of \$2.8M. Total net cash receipts for November 2020 are \$646K or 73.1% unfavorable to budget. Total YTD expenses for November 2020 YTD are \$2.8M or 8.6% favorable to budget. The YTD administrative expenses are \$66K or 4% favorable to budget. Total YTD medical claims expense is \$4.8M or 21.2% favorable to budget; while total YTD pharmacy claims expense is \$2.1M or 26.6% unfavorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – November 2020

As of November, the YTD Medicare member months total 12,276 and represent 84.8% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,199 and account for 15.2% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 200% while the YTD Non-Medicare Loss Ratio is 680%. On a cash basis, the YTD Claims PMPM is \$838 for Medicare members and \$8,026 for Non-Medicare members.

5. Cash Flow Forecast – 2020

The 2020 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 2020 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 2020. For December 2020, 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 2020 assessment projection. To ensure adequate funding the current 2020 forecast is projecting an assessment of \$24.5M which is a \$3.5M or 12.5% decrease from the 2019 assessment of \$28M.

6. Cash Flow Forecast – 2021

Included in the month's financial packets is a draft of the 2021 cash flow forecast. Assumptions are noted on this schedule as well as the 2021 assessment projection. To ensure adequate funding the current 2021 forecast is projecting an assessment of \$24.5M which matches the 2020 assessment of \$24.5M

7. Administrative Expense Budget

For November 2020, YTD administrative expenses are \$66K or 4% favorable to budget (cash basis).

8. Financial Performance

November 2020 YTD member months are 3.1% lower than expected, average premium receipt PMPM is 0.4% higher than expected, average medical claims expense PMPM is 17.6% lower than expected and average pharmacy claims expense PMPM is 30.5% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,233 as compared to \$1,231 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$661 as compared to \$693 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of November 30, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 6,884,579	\$ 3,213,540
Premiums Receivable	311,555	81,347
Assessments Receivable	5,654,014	9,156,577
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 12,850,148</u>	<u>\$ 12,451,464</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,510,000	\$ 5,171,000
Reserve for Unpaid Losses - Pharmacy	522,000	696,000
Accrued Loss Adjustment	271,000	291,000
Premiums Received in Advance	122,100	132,103
Assessments Payable	-	-
Accrued Expenses	117,365	128,412
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,542,465</u>	<u>\$ 6,418,514</u>
Unassigned Surplus	8,307,683	6,032,950
Total Liabilities and Unassigned Surplus	<u>\$ 12,850,148</u>	<u>\$ 12,451,464</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to November 30

	<u>2020</u>	<u>2019</u>
Total Member Months	14,475	15,406
Premium Income Earned	\$ 7,992,296	\$ 11,779,624
Pharmacy Rebate Income	422,347	444,012
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 16,144,414	23,570,753
Incurred Claim Loss - Pharmacy	10,033,159	11,535,661
Total Incurred Claim Loss	<u>26,177,573</u>	<u>35,106,414</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 836,180	\$ 883,415
Variable Administrative Expense	79,660	87,048
Salary and Benefit Expense	344,088	351,663
Prescription Administrative Expense	11,676	10,828
Miscellaneous Expense	78,919	91,607
Professional Fee Expense	248,748	167,888
Total Operating Expenses	<u>\$ 1,599,271</u>	<u>\$ 1,592,448</u>
Underwriting Gain (Loss)	(19,362,202)	(24,475,226)
Investment Income	21,986	130,273
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (19,340,216)</u>	<u>\$ (24,344,952)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(19,340,216)	(24,344,952)
Member Assessments	24,500,000	28,000,000
Unassigned Surplus	<u>\$ 8,307,683</u>	<u>\$ 6,032,950</u>

**Washington State Health Insurance Pool
2020 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	November YTD	TOTAL
Budget														
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	14,938	16,302
Cash Balance														
BEGINNING OF MONTH	5,585,895	6,462,480	4,575,739	2,494,786	7,275,056	6,161,215	4,983,187	2,875,305	7,942,099	6,527,957	4,987,604	2,789,809		
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	8,053,674	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000	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	386,033	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	20,778,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,100	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	29,699,388	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	201,342	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	201,342	220,013
Expenses														
Medical Claims	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	22,707,806	24,898,977
Pharmacy Claims	863,589	666,368	667,944	715,626	712,680	726,192	723,560	708,852	732,460	717,353	690,658	698,831	7,925,282	8,624,114
Fixed (PMPM) Admin	73,460	72,317	72,347	72,377	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	797,974	870,589
Variable Admin	8,713	8,118	14,624	9,129	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	107,138	115,310
Salary and Benefits	47,806	32,214	32,214	32,214	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	370,647	403,001
Prescription Admin	1,734	1,735	1,736	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	19,126	20,870
Miscellaneous	8,525	5,650	9,175	5,650	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	107,868	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	258,292	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	32,294,132	35,346,570
Month Ending Cash Balance	\$ 6,462,480	\$ 4,575,739	\$ 2,494,786	\$ 7,275,056	\$ 6,161,215	\$ 4,983,187	\$ 2,875,305	\$ 7,942,099	\$ 6,527,957	\$ 4,987,604	\$ 2,789,809	\$ 6,102,882		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,337		14,475	
Cash Balance														
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	10,123,520	9,067,865	6,884,579		
Receipts														
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	824,518	252,578		7,786,890	
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854	-	-	-	-	422,347	
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674	7,305	5,078	3,809		82,615	
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,493,240	2,717,165	791,061	1,097		22,373,750	
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	86	70		21,986	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	5,874,118	3,578,563	1,620,743	257,554	-	30,687,587	
Refunds														
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723	
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665		143,661	
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665	-	350,384	
Expenses														
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369	1,756,688	1,553,155	1,697,691	1,509,565		17,901,029	
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	763,528		10,033,159	
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	72,074		845,598	
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	4,911		81,089	
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	31,061		344,088	
Prescription Admin	1,024	1,003	867	894	851	525	1,804	901	934	952	975		10,731	
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	5,517		76,639	
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	33,544		236,664	
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	3,097,934	2,561,127	2,664,564	2,421,174	-	29,528,997	
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	10,123,520	9,067,865	6,884,579	6,884,579		
Inc(Dec) in Abandoned Property Reserve														
Month Ending Cash Balance	\$ 5,556,104	\$ 4,399,095	\$ 4,209,448	\$ 6,630,315	\$ 7,128,977	\$ 8,032,907	\$ 6,347,233	\$ 9,115,085	\$ 10,123,520	\$ 9,067,865	\$ 6,884,579	\$ 6,884,579		

**Washington State Health Insurance Pool
2020 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(62)	(60)	(74)	(51)	(40)	(53)	(35)	(24)	(20)	(18)	(26)		(463)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655	(424,306)	115,107	83,071	(491,517)		(266,785)
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-		-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)	256,013	-	(54,146)	-	-	(120,000)		(57,653)
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)	(25,936)	5,213	(33,734)	(29,916)	(34,673)	(34,305)		(303,418)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)	1,787,444	1,332,060	-	(1,706,760)	1,817,165	(108,939)	1,097		1,595,168
Investment Income	8,791	6,442	2,996	1,087	683	445	340	145	0	(14)	(30)		20,886
Other Income	-	-	-	-	-	-	-	-	-	-	-		-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)	1,228,183	1,776,341	41,208	(2,218,801)	1,902,356	(60,555)	(644,755)		988,198
Refunds													
Assessment Refunds	(206,723)	-	-	-	-	-	-	-	-	-	-		(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078	9,471	6,702	(1,062)		57,681
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078	9,471	6,702	(1,062)		(149,042)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093	384,959	636,301	640,599	732,396		4,806,777
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)	(465,047)	(151,804)	(99,626)	(72,870)		(2,107,877)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)	(1,217)	(1,187)	(2,272)	511		(47,624)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083	4,041	2,695	2,316	11,757		26,049
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359	1,285	1,293	1,682	1,293		26,559
Prescription Admin	711	732	870	843	886	1,214	(65)	839	807	790	768		8,395
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)	(2,433)	4,629	10,835	3,008		31,229
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)	(12,644)	18,016	(15,772)	(16,535)		21,628
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435	(90,219)	510,749	538,551	660,327		2,765,136
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986	3,595,563	4,080,261	4,094,770		
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986	3,595,563	4,080,261	4,094,770		

2020 Budgeted Cashflow 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
2020 Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual		
														2019	2018	2017
Medicare																
Enrollment Count	1,087	1,091	1,079	1,103	1,116	1,106	1,125	1,137	1,142	1,148	1,142					
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593	237,046	363,241	672,543	193,601					
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421	705,216	1,007,458	816,232	777,338					
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472	67,758	54,901	61,746	59,528					
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	873,894	772,974	1,062,358	877,979	836,866	-	10,286,094			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	(535,929)	(699,117)	(205,436)	(643,265)	-	(5,133,613)			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%	326%	292%	131%	432%		200%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757	777	680	930	765	733		838	846	815	792
Non Medicare																
Enrollment Count	204	203	202	202	201	199	199	199	199	196	195					
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087	75,060	452,753	151,975	58,977					
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948	1,051,472	545,697	881,459	732,227					
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819	1,106,141	829,363	755,233	704,000					
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	1,424,089	1,499,397	1,461,767	2,157,613	1,375,060	1,636,692	1,436,226	-	17,648,096			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	(1,388,237)	(1,022,147)	(1,338,680)	(2,082,553)	(922,307)	(1,484,717)	(1,377,249)	-	(15,051,685)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%	2875%	304%	1077%	2435%		680%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535	7,346	10,842	6,910	8,350	7,365		8,026	7,398	7,047	6,340
Combined Medicare/Non Medicare																
Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,337	-	14,475			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	815,994	824,518	252,578	-	7,748,891			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,370	1,756,688	1,553,155	1,697,691	1,509,565	-	17,901,032			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	763,528	-	10,033,159			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	2,291,769	2,336,767	2,335,661	2,930,587	2,437,418	2,514,670	2,273,093	-	27,934,192			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	(1,974,302)	(1,391,284)	(1,565,981)	(2,618,482)	(1,621,424)	(1,690,153)	(2,020,515)	-	(20,185,300)			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%	939%	299%	305%	900%		360%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791	1,764	2,194	1,818	1,871	1,700		1,930	2,250	2,277	2,235

Medicare vs NonMedicare Notes:

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

**Washington State Health Insurance Pool
2020 Cash Flow Forecast**

Forecast - Updated 9/30/20

	Actual												Forecast	TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
Enrollment:														
Non-Medicare Enrollment	204	203	202	202	201	199	194	199	199	196	195	195	195	2,389
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,130	1,137	1,142	1,148	1,142	1,142	1,166	13,447
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,337	1,361		15,836
Cash Balance														
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	8,032,907	6,347,233	9,115,085	10,123,520	9,067,865	6,884,579		
Receipts														
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	824,518	252,578	358,993		8,145,883
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-		-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854	-	-	-	-		422,347
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674	7,305	5,078	3,809	37,250		119,865
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	5,493,240	2,717,165	791,061	1,097	4,368,331		26,742,081
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	86	70	100		22,086
Other Income	-	-	-	-	-	-	-	-	-	-	-	-		-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	3,390,670	809,136	5,874,118	3,578,563	1,620,743	257,554	4,764,674		35,452,261
Refunds														
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-		206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665	5,385		149,046
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	19,665	5,385		355,769
Expenses														
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,635,383	1,433,369	1,756,688	1,553,155	1,697,691	1,509,565	1,308,943		19,209,972
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	763,528	774,884		10,808,044
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	72,074	72,615		918,213
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	4,911	8,173		89,261
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	31,061	32,354		376,442
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,804	901	934	952	975	1,744		12,474
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	5,517	22,541		99,180
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	33,544	25,008		261,672
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,470,970	2,489,025	3,097,934	2,561,127	2,664,564	2,421,174	2,246,262		31,775,259
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,115,085	10,123,520	9,067,865	6,884,579	9,397,607		
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-		-
Month Ending Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	8,032,907	6,347,233	9,115,085	10,123,520	9,067,865	6,884,579	9,397,607		

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 (\$10.5 M), July (\$9.0 M) and November (\$5.0 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 2021 Cash Flow Forecast

Forecast - Updated 11/5/20

	Forecast													
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL	
Enrollment:														
Non-Medicare Enrollment	176	175	174	173	172	171	170	169	168	167	166	165	2,046	
Medicare Enrollment	1,173	1,180	1,187	1,194	1,201	1,208	1,215	1,222	1,229	1,236	1,243	1,250	14,538	
Total Enrollment Count	1,349	1,355	1,361	1,367	1,373	1,379	1,385	1,391	1,397	1,403	1,409	1,415	16,584	
Cash Balance														
BEGINNING OF MONTH	9,397,607	7,505,402	5,299,983	3,842,413	8,812,892	7,469,268	7,188,676	5,177,281	10,137,863	9,578,647	8,066,966	5,605,847		
Receipts														
Premium Receipts	771,575	300,563	1,294,275	847,612	293,901	1,473,756	644,745	414,688	1,424,182	569,348	219,094	286,681	8,540,419	
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	480,000	
Claim Refunds Receipts	82	5,755	33,672	32,189	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	360,247	
Assessment Receipts	-	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	-	5,600,000	23,100,000
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Receipts	771,756	426,418	1,328,046	7,679,901	1,297,499	2,356,361	678,649	7,771,195	2,361,503	1,509,199	377,307	5,924,031	32,481,866	
Refunds														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium Refunds	11,574	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	128,106	
Total Refunds	11,574	4,508	19,414	12,714	4,409	22,106	9,671	6,220	21,363	8,540	3,286	4,300	128,106	
Expenses														
Medical Claim Expense	1,648,813	1,736,791	1,768,354	1,738,815	1,721,942	1,617,275	1,643,868	1,778,510	1,891,000	2,028,713	1,877,632	1,985,359	21,437,073	
Pharmacy Claim Expense	839,518	745,018	823,999	802,164	768,067	857,485	885,492	857,276	854,686	829,378	801,529	844,117	9,908,729	
PMPM Administrative Expense	77,133	75,243	75,557	75,871	76,185	76,500	76,814	77,128	77,442	77,757	78,071	78,385	922,084	
Variable Administrative Expense	8,564	7,996	14,529	9,062	8,094	8,127	8,159	8,192	9,224	8,257	16,790	8,322	115,310	
Salary and Benefits Expense	49,188	33,228	33,228	33,228	33,228	33,228	33,374	33,374	33,374	33,374	33,374	33,374	415,572	
Prescription Administrative Expense	1,721	1,728	1,736	1,743	1,750	1,758	1,765	1,772	1,780	1,787	1,794	1,801	21,136	
Miscellaneous Expense	3,692	3,567	4,342	3,567	3,692	4,217	4,642	29,383	5,592	14,817	7,692	21,797	107,000	
Professional Fees	23,758	23,758	44,458	32,258	23,758	16,258	26,258	18,758	26,258	18,258	18,258	26,258	298,300	
Total Expense	2,652,387	2,627,329	2,766,203	2,696,707	2,636,715	2,614,847	2,680,372	2,804,393	2,899,356	3,012,341	2,835,139	2,999,413	33,225,202	
Available Cash Balance	7,505,402	5,299,983	3,842,413	8,812,892	7,469,268	7,188,676	5,177,281	10,137,863	9,578,647	8,066,966	5,605,847	8,526,164		
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
Month Ending Cash Balance	7,505,402	5,299,983	3,842,413	8,812,892	7,469,268	7,188,676	5,177,281	10,137,863	9,578,647	8,066,966	5,605,847	8,526,164		

2021 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
2020 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	297	295	293	291	289	287	285	283	281	279	277	275	3,432
Medicare Basic	900	904	908	912	916	920	924	928	932	936	940	944	11,063
Medicare Basic Plus	156	154	152	150	148	146	144	142	140	138	136	134	1,741
Total Membership	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	1,353	16,236
PMPM Administrative Expense (2)	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 (3)	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 (4)	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
RX Benefit Management Fees	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 (5)	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 (6)	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 Budget Operating Expenses	\$162,747	\$142,542	\$173,304	\$152,115	\$145,527	\$135,838	\$145,438	\$157,217	\$149,961	\$147,472	\$148,883	\$162,435	\$1,823,479

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	204	203	202	202	201	199	199	199	199	196	195		2,199
Medicare Basic	902	888	866	874	874	859	850	842	837	822	810		9,424
Medicare Basic Plus	139	139	138	136	135	134	133	134	133	133	131		1,485
Medical Supplement	46	64	75	93	107	113	142	161	172	193	201		1,367
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,337	-	14,475
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	\$72,074		\$845,598
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	\$4,911		\$81,089
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	\$31,061		\$344,088
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804	901	934	952	\$975		\$10,731
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	\$5,517		\$76,639
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	\$33,544		\$236,664
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$167,347	\$123,709	\$149,893	\$148,082	\$0	\$1,594,808

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(93)	(92)	(91)	(89)	(88)	(88)	(86)	(84)	(82)	(83)	(82)		(958)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)	(86)	(95)	(114)	(130)		(695)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)	(11)	(8)	(7)	(5)	(5)		
Medical Supplement	46	64	75	93	107	113	142	161	172	193	201		1,367
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	(17)	(12)	(9)	(16)	-	(408)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497	1,217	1,187	2,272	(511)		\$47,624
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)	(4,041)	(2,695)	(2,316)	(11,757)		(\$26,048)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)	(1,285)	(1,293)	(1,682)	(1,293)		(\$26,559)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65	(839)	(807)	(790)	(768)		(\$8,395)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195	2,433	(4,629)	(10,835)	(3,008)		(\$31,229)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612	12,644	(18,016)	15,772	16,535		(\$21,628)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$10,130	(\$26,252)	\$2,421	(\$801)	\$0	(\$66,235)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending November 30, 2020			
	Projected	Actual	Variance	% Change
Membership	1,363	1,337	(26)	-1.9%
Avg Premium Receipt PMPM	\$532	\$174	(\$358)	-67.3%
Avg Medical Claim Expense PMPM	\$1,645	\$1,126	\$519	-31.6%
Avg Pharmacy Claim Expense PMPM	\$507	\$571	(\$64)	12.6%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,620)	(\$1,523)	\$97	6.0%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,208,060)	(\$2,036,251)	\$171,809	7.8%
Variance Due to Changes in Membership			\$39,598	
Variance Due to Changes in Claim Expenses			\$132,211	

CASH BASIS	Year-To-Date November 30, 2020			
	Projected	Actual	Variance	% Change
Member Months	14,938	14,475	(463)	-3.1%
Avg Premium Receipt PMPM	\$526	\$528	\$2	0.4%
Avg Medical Claim Expense PMPM	\$1,494	\$1,231	(\$263)	-17.6%
Avg Pharmacy Claim Expense PMPM	\$531	\$693	\$162	30.5%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,499)	(\$1,396)	\$103	6.9%
Avg Premium Receipt Less Avg Claim Expense Total	(\$22,392,062)	(\$20,207,100)	\$2,184,962	9.8%
Variance Due to Changes in Membership			\$646,348	
Variance Due to Changes in Claim Expenses			\$1,538,614	

INCURRED BASIS	Year-To-Date November 30, 2020	Year-To-Date November 30, 2019
	Actual	Actual - Prior Year
Member Months	14,475	15,406
Avg Premium Income PMPM	\$552	\$765
Avg Medical Claim Expense PMPM (1)	\$1,233	\$1,585
Avg Pharmacy Claim Expense PMPM (2)	\$661	\$759
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,342)	(\$1,579)
Avg Premium Receipt Less Avg Claim Expense Total	(\$19,425,450)	(\$24,326,074)

(1) Incurred medical claims data totals \$17,840,910 which is derived from \$14,330,910 actual paid claims with dates of service between 01-01-20 and 11-30-20 and \$3,510,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$9,565,274 which is derived from \$9,043,274 actual paid claims with dates of service between 01-01-20 and 11-30-20 and \$522,000 IBNR reserve.