



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

November 2021

**Washington State Health Insurance Pool
Treasurer's Report
November 2021 Financial Review**

1. 2021 Interim III Assessment Required

An assessment of \$5M is required to adequately fund the pool until the next scheduled assessment in March 2022. This assessment was approved by the Board of Directors on November 10, 2021 and generated on November 30, 2021 with invoices due December 31, 2021 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 28, 2022.

2. Financial Statements – November 2021

Balance Sheet

Cash on hand decreased by \$1.4 M or 12.3% from October 2021 to November 2021. The current cash position is \$10.3 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of November 2021, the entire \$10.3 M of cash is fully secured either through the FDIC insurance or by collateralized securities pledged by KeyBank. Cash position is discussed further in the Budgeted Cash Flow section below.

Total IBNR as of November 2021 is \$5.9 M. This is an increase of \$500 K or 9.2% from the prior month. Medical IBNR increased 488 K or 10% and pharmacy IBNR increased \$10 K or 1.9% from October 2021.

As of November 2021, the equity position of WSHIP is a positive \$5.5 M

Income Statement

Total member months for November 2021 YTD are lower by 1,157 member months or 8% lower than November 2020 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for November 2021 YTD is \$2.5 M or 9.4% lower than November 2020 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 2021 YTD, the medical claims portion is \$1.2K or 7.4% lower than November 2020 YTD, and the pharmacy claims portion is \$1.3 M or 12.8% lower than November 2020 YTD.

November 2021 YTD administrative expenses are \$125 K or 7.8% lower than the administrative expenses for November 2020 YTD. The ratio of administrative expenses as a percentage of total cost is 5.9% for November 2021 YTD as

compared to 5.8% 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 2021

The Budgeted Cash Flow document contains the budget (upper portion) as established in late 2020 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$10.3 M is \$3.6 or 53.1% higher than the budgeted cash balance of \$6.7 M. Total net cash receipts for November 2021 are 5.6 K or 1.5% unfavorable to budget. Total YTD expenses for November 2021 YTD are \$6.8 M or 22.7% favorable to budget. The YTD administrative expenses are \$236 K or 13.9% favorable to budget. Total YTD medical claims expense is \$5.6 M or 28.7% favorable to budget; while total YTD pharmacy claims expense is \$1 M or 11.4% favorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – November 2021

As of November, the YTD Medicare member months total 11,265 and represent 84.6% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,053 and account for 15.4% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 199% while the YTD Non-Medicare Loss Ratio is 622%. On a cash basis, the YTD Claims PMPM is \$710 for Medicare members and \$6,780 for Non-Medicare members.

5. Cash Flow Forecast – 2021

The 2021 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 March 2021 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 2021. For December 2021, 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 2021 assessment projection. To ensure adequate funding the current 2021 forecast is projecting an assessment of \$22.5 M which is \$2M lower than the 2020 assessment of \$24.5 M.

6. Cash Flow Forecast – 2022

Included in the month's financial packets is a draft of the 2022 cash flow forecast. Assumptions are noted on this schedule as well as the 2022 assessment projection. To ensure adequate funding the current 2022 forecast is projecting an assessment of \$17M.

7. Administrative Expense Budget

For November 2021, YTD administrative expenses are \$236 K or 13.9% favorable to budget (cash basis).

8. Financial Performance

November 2021 YTD member months are 12.2% lower than expected, average premium receipt PMPM is 9.4% lower than expected, average medical claims expense PMPM is 18.4% lower than expected and average pharmacy claims expense PMPM is 0.8% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,139 as compared to \$1,029 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$624 as compared to \$603 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of November 30, 2021

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 10,312,838	\$ 6,884,579
Premiums Receivable	208,203	311,555
Assessments Receivable	1,378,276	5,654,014
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 11,899,317</u>	<u>\$ 12,850,148</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 5,368,000	\$ 3,510,000
Reserve for Unpaid Losses - Pharmacy	548,000	522,000
Accrued Loss Adjustment	225,000	271,000
Premiums Received in Advance	128,515	122,100
Assessments Payable	10,000	-
Accrued Expenses	122,202	117,365
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 6,401,717</u>	<u>\$ 4,542,465</u>
Unassigned Surplus	5,497,600	8,307,683
Total Liabilities and Unassigned Surplus	<u>\$ 11,899,317</u>	<u>\$ 12,850,148</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to November 30

	<u>2021</u>	<u>2020</u>
Total Member Months	13,318	14,475
Premium Income Earned	\$ 6,784,756	\$ 7,992,296
Pharmacy Rebate Income	342,565	422,347
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 14,951,447	\$ 16,144,414
Incurred Claim Loss - Pharmacy	8,752,924	10,033,159
Total Incurred Claim Loss	<u>23,704,370</u>	<u>26,177,573</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 791,573	\$ 836,180
Variable Administrative Expense	89,344	79,660
Salary and Benefit Expense	369,335	344,088
Prescription Administrative Expense	11,662	11,676
Miscellaneous Expense	84,183	78,919
Professional Fee Expense	128,331	248,748
Total Operating Expenses	<u>\$ 1,474,427</u>	<u>\$ 1,599,271</u>
Underwriting Gain (Loss)	(18,051,476)	(19,362,202)
Investment Income	2,751	21,986
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (18,048,725)</u>	<u>\$ (19,340,216)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2021</u>	<u>2020</u>
Unassigned Surplus at Beginning of Year	\$ 6,046,325	\$ 3,147,900
Changes to Unassigned Surplus	(18,048,725)	(19,340,216)
Member Assessments	17,500,000	24,500,000
Unassigned Surplus	<u>\$ 5,497,600</u>	<u>\$ 8,307,683</u>

**Washington State Health Insurance Pool
2021 Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(38)	(46)	(76)	(99)	(126)	(140)	(161)	(218)	(254)	(341)	(352)	-	(1,851)
Receipts													
Premium Receipts	19,578	107,495	(549,597)	(22,543)	(38,009)	(632,576)	62,858	(141,528)	(699,893)	159,668	5,338	-	(1,729,209)
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	(59,533)	-	-	65,757	-	-	(69,644)	-	-	(74,015)	-	6,224
Claim Refunds Receipts	2,793	5,121	(31,335)	(29,245)	(29,315)	45,965	(32,310)	5,228	(32,097)	(24,180)	(27,895)	-	(147,269)
Assessment Receipts	-	387,747	1,612,260	(1,803,583)	376,036	(189,566)	-	(3,081,978)	1,117,889	602,802	90,821	-	(887,572)
Investment Income	(16)	(33)	121	255	227	185	168	171	194	200	180	-	1,651
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	22,355	440,796	1,031,449	(1,855,116)	374,696	(775,992)	30,716	(3,287,751)	386,093	738,490	(5,570)	-	(2,899,833)
Refunds													
Assessment Refunds	-	-	(221,604)	-	-	-	-	-	-	-	-	-	(221,604)
Premium Refunds	16,012	(8,861)	19,414	4,290	(10,675)	1,147	1,988	5,832	8,108	(2,398)	(23,735)	-	11,122
Total Refunds	16,012	(8,861)	(202,190)	4,290	(10,675)	1,147	1,988	5,832	8,108	(2,398)	(23,735)	-	(210,482)
Expenses													
Medical Claims	(11,893)	627,003	960,144	818,881	650,744	(326,902)	266,371	(204,079)	923,217	945,417	927,993	-	5,576,897
Pharmacy Claims	110,679	111,928	246,137	167,961	(71,557)	167,654	(165,155)	150,589	129,162	103,474	85,147	-	1,036,020
Fixed (PMPM) Admin	3,587	1,199	2,159	4,172	481	9,087	(1,940)	3,490	5,801	7,417	8,273	-	43,725
Variable Admin	1,676	164	8,200	88	2,362	1,821	(824)	2,540	(201)	(2,070)	7,985	-	21,741
Salary and Benefits	6,115	206	(1,256)	181	201	201	764	16,060	(12,848)	1,786	1,453	-	12,863
Prescription Admin	785	738	557	794	1,246	793	(102)	816	834	681	838	-	7,979
Miscellaneous	(1,016)	(996)	958	(1,287)	(4,121)	(1,745)	(6,494)	3,978	(2,862)	10,260	4,481	-	1,157
Professional Fees	15,661	16,416	31,377	21,314	8,078	10,125	20,685	3,788	14,499	3,063	4,258	-	149,264
Total Expense	125,594	756,657	1,248,276	1,012,104	587,435	(138,967)	113,305	(22,818)	1,057,601	1,070,030	1,040,429	-	6,849,647
Available Cash Balance	163,961	1,188,592	3,266,127	2,427,404	3,378,860	2,465,049	2,611,058	(693,679)	758,124	2,564,246	3,575,370	-	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	163,961	1,188,592	3,266,127	2,427,404	3,378,860	2,465,049	2,611,058	(693,679)	758,124	2,564,246	3,575,370	-	

2021 Budgeted Cashflow Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 8%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (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 2021.

Washington State Health Insurance Pool
2021 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	1,119	1,117	1,095	1,078	1,059	1,051	1,037	986	964	882	877		11,265			
Premiums	332,499	354,155	296,326	723,315	199,386	467,152	419,023	197,618	276,563	599,427	153,647		4,019,111			
Medical Claims	763,340	633,291	340,357	554,329	630,311	926,160	832,108	1,212,029	568,990	538,594	413,026		7,412,535			
RX Claims	105,228	48,297	61,902	51,617	55,339	43,665	68,315	38,839	30,888	42,204	33,735		580,029			
Total Claims	868,567	681,587	402,259	605,946	685,650	969,825	900,424	1,250,868	599,878	580,798	446,761	-	7,992,564			
Income/Loss	(536,068)	(327,433)	(105,933)	117,370	(486,265)	(502,674)	(481,401)	(1,053,250)	(323,315)	18,629	(293,114)	-	(3,973,453)			
Loss Ratio	261%	192%	136%	84%	344%	208%	215%	633%	217%	97%	291%		199%	219%	191%	201%
Claims PMPM	776	610	367	562	647	923	868	1,269	622	659	509		710	846	815	792
Non Medicare																
Enrollment Count	192	192	190	190	188	188	187	187	179	180	180		2,053			
Premiums	478,301	42,193	417,571	101,754	42,076	462,631	64,712	66,170	435,873	86,164	41,876		2,239,321			
Medical Claims	897,366	476,498	476,853	365,605	440,887	1,018,017	545,389	770,561	398,793	544,702	536,613		6,471,283			
RX Claims	623,611	584,793	515,961	582,586	784,284	646,166	982,331	667,847	694,636	683,700	682,647		7,448,562			
Total Claims	1,520,977	1,061,291	992,814	948,191	1,225,171	1,664,183	1,527,720	1,438,408	1,093,429	1,228,402	1,219,260	-	13,919,845			
Income/Loss	(1,042,676)	(1,019,098)	(575,243)	(846,437)	(1,183,095)	(1,201,552)	(1,463,008)	(1,372,238)	(657,556)	(1,142,238)	(1,177,384)	-	(11,680,524)			
Loss Ratio	318%	2515%	238%	932%	2912%	360%	2361%	2174%	251%	1426%	2912%		622%	471%	350%	434%
Claims PMPM	7,922	5,528	5,225	4,990	6,517	8,852	8,170	7,692	6,109	6,824	6,774		6,780	7,398	7,047	6,340
Combined Medicare/Non Medicare																
Enrollment Count	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	1,143	1,062	1,057	-	13,318			
Premiums	810,800	396,348	713,897	825,069	241,462	929,782	483,735	263,788	712,436	685,591	195,523	-	6,258,432			
Medical Claims	1,660,706	1,109,788	817,210	919,933	1,071,198	1,944,177	1,377,497	1,982,590	967,783	1,083,296	949,639	-	13,883,820			
RX Claims	728,839	633,090	577,863	634,203	839,623	689,831	1,050,647	706,686	725,524	725,904	716,382	-	8,028,591			
Total Claims	2,389,545	1,742,879	1,395,073	1,554,136	1,910,822	2,634,008	2,428,144	2,689,276	1,693,307	1,809,200	1,666,021	-	21,912,411			
Income/Loss	(1,578,744)	(1,346,531)	(681,176)	(729,067)	(1,669,360)	(1,704,226)	(1,944,409)	(2,425,488)	(980,871)	(1,123,609)	(1,470,497)	-	(15,653,979)			
Loss Ratio	295%	440%	195%	188%	791%	283%	502%	1019%	238%	264%	852%		350%	351%	285%	333%
Claims PMPM	1,823	1,331	1,086	1,226	1,532	2,126	1,984	2,293	1,481	1,704	1,576		1,645	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
2021 Cash Flow Forecast**

	Actual											Forecast	TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	192	192	190	190	188	188	187	187	179	180	180	183	2,236
Medicare Enrollment	1,119	1,117	1,095	1,078	1,059	1,051	1,037	986	964	882	877	962	12,227
Total Enrollment Count	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	1,143	1,062	1,057	1,145	14,463
Cash Balance													
BEGINNING OF MONTH	9,501,959	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,468,393	11,762,833	10,312,838	
Receipts													
Premium Receipts	1,087,037	408,058	744,678	825,069	255,892	841,180	707,603	273,160	724,289	729,016	224,432	350,161	7,170,575
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	60,467	-	-	185,757	-	-	50,356	-	-	45,985	-	342,565
Claim Refunds Receipts	2,875	10,876	2,336	2,944	4,184	78,470	1,493	41,636	5,124	15,571	10,219	37,250	212,978
Assessment Receipts	564,858	387,747	1,612,260	4,996,417	1,226,036	660,434	-	4,118,022	2,017,889	1,502,802	90,821	3,834,453	21,011,741
Investment Income	84	67	221	355	327	285	268	271	294	300	280	100	2,850
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,654,854	867,214	2,359,495	5,824,785	1,672,196	1,580,369	709,364	4,483,444	2,747,596	2,247,689	371,738	4,221,964	28,740,709
Refunds													
Assessment Refunds	-	-	221,604	-	-	-	-	-	-	-	-	-	221,604
Premium Refunds	0	13,370	0	8,424	15,083	20,959	7,683	388	13,254	10,939	27,022	5,252	122,375
Total Refunds	0	13,370	221,604	8,424	15,083	20,959	7,683	388	13,254	10,939	27,022	5,252	343,979
Expenses													
Medical Claim Expense	1,660,706	1,109,788	808,210	919,933	1,071,198	1,944,177	1,377,497	1,982,589	967,783	1,083,296	949,639	996,445	14,871,262
Pharmacy Claim Expense	728,839	633,090	577,863	634,203	839,623	689,831	1,050,647	706,687	725,524	725,903	716,382	849,216	8,877,807
PMPM Administrative Expense	72,108	74,044	73,398	71,699	75,704	67,413	78,754	73,638	71,641	70,340	69,797	78,385	876,920
Variable Administrative Expense	6,888	7,832	6,329	8,973	5,731	6,305	8,983	5,651	9,425	10,326	8,805	8,322	93,568
Salary and Benefits Expense	43,072	33,022	34,483	33,047	33,027	33,027	32,611	17,314	46,223	31,589	31,921	33,374	402,710
Prescription Administrative Expense	937	991	1,179	949	504	965	1,867	956	946	1,105	956	1,801	13,157
Miscellaneous Expense	4,708	4,563	3,384	4,854	7,813	5,962	11,136	25,404	8,454	4,557	3,211	21,797	105,843
Professional Fees	2,532	7,342	13,081	10,945	15,680	6,134	5,574	14,971	11,760	15,195	14,000	26,258	143,472
Total Expense	2,519,789	1,870,671	1,517,927	1,684,603	2,049,281	2,753,814	2,567,068	2,827,211	1,841,754	1,942,311	1,794,711	2,015,598	25,384,737
Available Cash Balance	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,468,393	11,762,833	10,312,838	12,513,952	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	8,637,023	7,620,197	8,240,161	12,371,918	11,979,750	10,785,346	8,919,960	10,575,806	11,468,393	11,762,833	10,312,838	12,513,952	

2021 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 8%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 8%.
- (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 (\$5.0 M) TOTAL \$22.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2021.

Washington State Health Insurance Pool 2022 Cash Flow Forecast

	Forecast												
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Enrollment:													
Non-Medicare Enrollment	178	177	176	175	174	173	172	171	170	169	168	167	2,070
Medicare Enrollment	933	927	921	915	909	903	897	891	885	879	873	867	10,800
Total Enrollment Count	1,111	1,104	1,097	1,090	1,083	1,076	1,069	1,062	1,055	1,048	1,041	1,034	12,870
Cash Balance													
BEGINNING OF MONTH	12,513,952	11,781,978	10,787,484	9,176,996	11,454,903	10,368,309	9,258,699	7,570,543	11,485,065	10,509,002	9,457,818	7,632,160	
Receipts													
Premium Receipts	622,528	619,362	613,976	610,815	605,426	602,270	596,877	593,727	588,330	585,185	579,785	576,645	7,194,925
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	-	400,000
Claim Refunds Receipts	2,875	10,876	2,336	2,944	4,184	78,470	1,493	36,408	37,221	39,751	38,113	37,250	291,921
Assessment Receipts	1,000,000	400,000	-	4,000,000	500,000	500,000	-	5,500,000	750,000	750,000	-	3,600,000	17,000,000
Investment Income	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	1,625,653	1,130,487	616,562	4,614,008	1,209,860	1,180,990	598,620	6,230,385	1,375,801	1,375,186	718,148	4,214,145	24,889,846
Refunds													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	9,338	9,290	9,210	9,162	9,081	9,034	8,953	8,906	8,825	8,778	8,697	8,650	107,924
Total Refunds	9,338	9,290	9,210	9,162	9,081	9,034	8,953	8,906	8,825	8,778	8,697	8,650	107,924
Expenses													
Medical Claim Expense	1,466,102	1,330,289	1,343,159	1,415,825	1,379,163	1,325,833	1,386,920	1,377,659	1,367,464	1,368,768	1,470,439	1,457,922	16,689,541
Pharmacy Claim Expense	735,794	658,168	728,620	769,880	782,549	830,501	766,110	783,037	845,658	893,812	885,256	882,256	9,561,641
PMPM Administrative Expense	71,815	71,427	70,910	70,522	70,005	69,617	69,100	68,712	68,195	67,807	67,290	66,902	832,302
Variable Administrative Expense	7,712	7,077	13,531	7,996	6,949	6,914	6,868	6,833	7,786	6,751	15,205	6,670	100,286
Salary and Benefits Expense	50,137	33,131	33,131	33,131	33,131	33,131	33,262	33,262	33,262	33,262	33,262	33,262	415,362
Prescription Administrative Expense	1,129	1,123	1,115	1,109	1,100	1,094	1,086	1,080	1,072	1,066	1,058	1,052	13,084
Miscellaneous Expense	7,792	6,667	6,667	6,667	6,667	6,667	6,667	28,564	11,792	12,917	10,792	23,769	135,625
Professional Fees	7,810	7,810	20,710	21,810	7,810	7,810	7,810	7,810	7,810	33,210	51,810	22,810	205,020
Total Expense	2,348,290	2,115,690	2,217,841	2,326,939	2,287,373	2,281,566	2,277,823	2,306,957	2,343,039	2,417,592	2,535,110	2,494,642	27,952,861
Available Cash Balance	11,781,978	10,787,484	9,176,996	11,454,903	10,368,309	9,258,699	7,570,543	11,485,065	10,509,002	9,457,818	7,632,160	9,343,013	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	11,781,978	10,787,484	9,176,996	11,454,903	10,368,309	9,258,699	7,570,543	11,485,065	10,509,002	9,457,818	7,632,160	9,343,013	

2022 Cashflow Forecast Notes

- (1) Assumes a Non-medicare medical claim expense trend of 5%. Assumes a Medicare medical claim expense trend of 5%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 9%. Assumes a Medicare pharmacy claim expense trend of 9%.
- (3) Assumes a Non-medicare premium rate trended at a .3% increase per month . Assumes a Medicare premium rate increase of 5%.
- (4) Non-medicare enrollment projected to decrease by 1 members per month. Medicare enrollment projected to decrease by 6 members per month.
- (5) Assumes assessments in March (\$5.0 M), July (\$7.0 M) and November (\$5.0 M) TOTAL \$17.0 M
- (6) 4-Week expense allowance is \$2.3 M based upon the projected data for the 12-month period ending in Dec of 2022.

**Washington State Health Insurance Pool
2021 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)	75,695	75,243	75,557	75,871	76,185	76,500	76,814	77,128	77,442	77,757	78,071	78,385	920,646
Variable Administrative Expense (3)	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 (4)	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
RX Benefit Management Fees	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 (5)	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 (6)	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 Budget Operating Expenses	\$162,618	\$145,520	\$173,849	\$155,728	\$146,707	\$140,087	\$151,012	\$168,607	\$153,670	\$154,250	\$155,979	\$169,937	\$1,877,963

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	192	192	190	190	188	188	187	187	179	180	180		2,053
Medicare Basic	772	771	753	736	713	702	691	643	621	559	553		7,514
Medicare Basic Plus	126	125	121	121	121	118	117	117	116	116	116		1,314
Medical Supplement	221	221	221	221	225	231	229	226	227	207	208		2,437
Total Membership	1,311	1,309	1,285	1,268	1,247	1,239	1,224	1,173	1,143	1,062	1,057	-	13,318
PMPM Administrative Expense (2)	72,108	74,044	73,398	71,699	75,704	67,413	78,754	73,638	71,641	70,340	\$69,797		\$798,536
Variable Administrative Expense (3)	6,888	7,832	6,329	8,973	5,731	6,305	8,983	5,651	9,425	10,326	\$8,805		\$85,247
Salary and Benefits Expense (4)	43,072	33,022	34,483	33,047	33,027	33,027	32,611	17,314	46,223	31,589	\$31,921		\$369,335
RX Benefit Management Fees	937	991	1,179	949	504	965	1,867	956	946	1,105	\$956		\$11,355
Miscellaneous Expense (5)	4,708	4,563	3,384	4,854	7,813	5,962	11,136	25,404	8,454	4,557	\$3,211		\$84,045
Professional Fees (6)	2,532	7,342	13,081	10,945	15,680	6,134	5,574	14,971	11,760	15,195	\$14,000		\$117,213
Total Actual Operating Expenses	\$130,245	\$127,793	\$131,854	\$130,467	\$138,459	\$119,806	\$138,924	\$137,935	\$148,447	\$133,112	\$128,690	\$0	\$1,465,731

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(105)	(103)	(103)	(101)	(101)	(99)	(98)	(96)	(102)	(99)	(97)		(1,104)
Medicare Basic	(128)	(133)	(155)	(176)	(203)	(218)	(233)	(285)	(311)	(377)	(387)		(2,605)
Medicare Basic Plus	(30)	(29)	(31)	(29)	(27)	(28)	(27)	(25)	(24)	(22)	(20)		(799)
Medical Supplement	221	221	221	221	225	231	229	226	227	207	208		2,437
Total Membership	(42)	(44)	(68)	(85)	(106)	(114)	(129)	(180)	(210)	(291)	(296)	-	(1,565)
PMPM Administrative Expense (2)	(3,587)	(1,199)	(2,159)	(4,172)	(481)	(9,087)	1,940	(3,490)	(5,801)	(7,417)	(8,273)		(\$43,725)
Variable Administrative Expense (3)	(1,676)	(164)	(8,200)	(88)	(2,362)	(1,821)	824	(2,540)	201	2,070	(7,985)		(\$21,741)
Salary and Benefits Expense (4)	(6,115)	(206)	1,256	(181)	(201)	(201)	(764)	(16,060)	12,848	(1,786)	(1,453)		(\$12,863)
RX Benefit Management Fees	(785)	(738)	(557)	(794)	(1,246)	(793)	102	(816)	(834)	(681)	(838)		(\$7,979)
Miscellaneous Expense (5)	1,016	996	(958)	1,287	4,121	1,745	6,494	(3,978)	2,862	(10,260)	(4,481)		(\$1,157)
Professional Fees (6)	(21,226)	(16,416)	(31,377)	(21,314)	(8,078)	(10,125)	(20,685)	(3,788)	(14,499)	(3,063)	(4,258)		(\$154,829)
Total Variance Expenses	(\$32,373)	(\$17,727)	(\$41,995)	(\$25,261)	(\$8,248)	(\$20,281)	(\$12,088)	(\$30,672)	(\$5,222)	(\$21,138)	(\$27,289)	\$0	(\$242,295)

Washington State Health Insurance Pool 2021 Financial Performance

CASH BASIS	Month Ending November 30, 2021			
	Projected	Actual	Variance	% Change
Membership	1,409	1,057	(352)	-25.0%
Avg Premium Receipt PMPM	\$153	\$187	\$34	22.2%
Avg Medical Claim Expense PMPM	\$1,333	\$889	\$444	-33.3%
Avg Pharmacy Claim Expense PMPM	\$569	\$678	(\$109)	19.2%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,749)	(\$1,380)	\$369	21.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,464,341)	(\$1,458,660)	\$1,005,681	40.8%
Variance Due to Changes in Membership			\$485,760	
Variance Due to Changes in Claim Expenses			\$519,921	

CASH BASIS	Year-To-Date November 30, 2021			
	Projected	Actual	Variance	% Change
Member Months	15,169	13,318	(1,851)	-12.2%
Avg Premium Receipt PMPM	\$555	\$503	(\$52)	-9.4%
Avg Medical Claim Expense PMPM	\$1,261	\$1,029	(\$232)	-18.4%
Avg Pharmacy Claim Expense PMPM	\$598	\$603	\$5	0.8%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,304)	(\$1,129)	\$175	13.4%
Avg Premium Receipt Less Avg Claim Expense Total	(\$19,780,376)	(\$15,036,022)	\$4,744,354	24.0%
Variance Due to Changes in Membership			\$2,089,779	
Variance Due to Changes in Claim Expenses			\$2,654,575	

INCURRED BASIS	Year-To-Date November 30, 2021	Year-To-Date November 30, 2020
	Actual	Actual - Prior Year
Member Months	13,318	14,475
Avg Premium Income PMPM	\$509	\$552
Avg Medical Claim Expense PMPM (1)	\$1,139	\$1,233
Avg Pharmacy Claim Expense PMPM (2)	\$624	\$661
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,254)	(\$1,342)
Avg Premium Receipt Less Avg Claim Expense Total	(\$16,700,772)	(\$19,425,450)

(1) Incurred medical claims data totals \$15,173,822 which is derived from \$9,805,822 actual paid claims with dates of service between 01-01-21 and 11-30-2021 and \$5,368,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$8,312,168 which is derived from \$7,764,168 actual paid claims with dates of service between 01-01-21 and 11-30-2021 and \$548,000 IBNR reserve.