

**Washington State Health Insurance Pool  
Treasurer's Report  
October 2017 Financial Review**

1. 2017 Interim II Assessment Required

An assessment of \$8.0 M was required to adequately fund the pool until the next scheduled assessment in November 2017. This assessment was approved by the Board of Directors and generated on July 31, 2017 with invoices due August 31, 2017 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 31, 2017. As of November 30, 2017, all \$8.0 M of assessments have been collected thus closing out the assessment.

2. 2017 Interim III Assessment Required

An assessment of \$8.5 M is required to adequately fund the pool until the next scheduled assessment in March 2018. This assessment was approved by the Board of Directors on November 8, 2017 and invoices were generated on November 28, 2017 with invoices due December 28, 2017 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 28, 2018.

3. Financial Statements – October 2017

Balance Sheet

Cash on hand decreased by \$2.1 M or 22.5% from September 2017 to October 2017. The current cash position is \$7.1 M, which is well above our current 4-week expense allowance of \$3.3 M. As of the end of October 2017, the entire \$7.1 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 October 2017 is \$4.3 M. This is a decrease of \$998 K or 18.8% from the prior month. Medical IBNR decreased \$285 K or 6.8% and pharmacy IBNR decreased \$713 K or 65.5% from September 2017.

As of October 2017, the equity position of WSHIP is a positive \$1.0 M.

Income Statement

Total member months for October 2017 YTD are lower by 97 member months or less than 1% lower than October 2016 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for October 2017 YTD is \$2.1 M or 5.9% lower than October 2016 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 October 2017 YTD, the medical claims portion is \$538 K or 2.5% less than October 2016 YTD, and the pharmacy claims portion is \$1.5 M or 11.5% lower than October 2016 YTD.

October 2017 YTD administrative expenses are \$23 K or 1.5% lower than the administrative expenses for October 2016 YTD. The ratio of administrative expenses as a percentage of total cost is 4.4% for October 2017 YTD as compared to 4.2% for October YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

#### 4. Budgeted Cash Flow – October 2017

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2017 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$7.1 M is \$258 K or 3.5% lower than the budgeted cash balance of \$7.4 M. Total net cash receipts for October 2017 YTD are \$3.5 M or 10.4% unfavorable to budget. Total YTD expenses are \$3.2 M or 8.5% favorable to budget. The YTD administrative expenses are \$106 K or 6.7% favorable to budget. Total YTD medical claims expense is \$628 K or 2.8% favorable to budget; while total YTD pharmacy claims expense is \$2.5 M or 17.2% favorable to budget.

#### 5. Medicare vs. Non-Medicare Cash Flow – October 2017

As of October, the YTD Medicare member months total 10,774 and represent 74% of the combined WSHIP member months. The YTD Non-Medicare member months total 3,830 and account for 26% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 189% while the YTD Non-Medicare Loss Ratio is 385%. On a cash basis, the YTD Claims PMPM is \$805 for Medicare members and \$6,480 for Non-Medicare members.

#### 6. Cash Flow Forecast – 2017

The 2017 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 August 2017 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 October 2017. For November 2017, preliminary figures for the key financial drivers (Premium

Receipts, Grant Revenue, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

To ensure adequate funding, the current 2017 forecast is projecting an assessment of \$26.0 M which is a \$7.0 M or 21.2% decrease from the 2016 assessment of \$33.0 M.

#### 7. Cash Flow Forecast – 2018

Included in this month's financial packet is a draft of the 2018 cash flow forecast. Assumptions are noted on this schedule as well as the 2018 assessment projection. To ensure adequate funding the current 2018 forecast is projecting an assessment of \$28.0 M which is a \$2.0 M or 7.7% increase from the 2017 assessment of \$26.0 M.

#### 8. Administrative Expense Budget

For October 2017, YTD administrative expenses are \$106 K or 6.7% favorable to budget (cash basis).

#### 9. Financial Performance

October 2017 YTD member months are 29 member months or less than 1% higher than projected in the original budget. Through October 2017, average premium receipt PMPM is 1% higher than anticipated, average medical claims expense PMPM is 3% lower than expected and average pharmacy claims expense PMPM is 17% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,481 as compared to \$1,440 on a cash basis. Also on an incurred basis, the average YTD pharmacy claims expense PMPM is \$816 as compared to \$826 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of October 31

Total Enrollment: 1,464

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Cash	\$ 7,149,013	\$ 9,084,805
Premiums Receivable	140,591	66,413
Assessments Receivable	38	-
Grants Receivable	-	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 7,289,642</u>	<u>\$ 9,151,218</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 3,925,000	\$ 4,058,000
Reserve for Unpaid Losses - Pharmacy	375,000	576,000
Accrued Loss Adjustment	334,000	308,000
Premiums Received in Advance	1,457,882	1,339,274
Assessments Payable	-	-
Accrued Expenses	149,007	151,652
Abandoned Claim Reserve	19,897	20,774
<b>Total Liabilities</b>	<u>\$ 6,260,786</u>	<u>\$ 6,453,700</u>
<b>Unassigned Surplus</b>	1,028,856	2,697,519
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 7,289,642</u>	<u>\$ 9,151,218</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Operations January 1 to October 31

	<u>2017</u>	<u>2016</u>
Total Member Months	14,604	14,701
<b>Premium Income Earned</b>	\$ 9,995,834	\$ 9,353,803
<b>Pharmacy Rebate Income</b>	236,465	290,488
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	20,855,570	21,393,412
<b>Incurred Claim Loss - Pharmacy</b>	11,614,056	13,126,869
<b>Total Incurred Claim Loss</b>	<u>32,469,626</u>	<u>34,520,281</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 786,627	\$ 818,837
Variable Administrative Expense	125,251	153,424
Salary and Benefit Expense	289,838	300,320
Prescription Administrative Expense	20,413	20,666
Miscellaneous Expense	93,415	80,161
Professional Fee Expense	172,978	137,895
<b>Total Operating Expenses</b>	<u>\$ 1,488,522</u>	<u>\$ 1,511,303</u>
<b>Underwriting Gain (Loss)</b>	(23,725,849)	(26,387,293)
<b>Investment Income</b>	55,097	16,900
<b>Other Income</b>	-	26,489
<b>Changes to Unassigned Surplus</b>	<u>\$ (23,670,752)</u>	<u>\$ (26,343,904)</u>

## WASHINGTON STATE HEALTH INSURANCE POOL

### Unaudited Statement of Changes in Unassigned Surplus January 1 to October 31

	<u>2017</u>	<u>2016</u>
Unassigned Surplus at Beginning of Year	\$ 6,062,256	\$ 6,187,923
Changes to Unassigned Surplus	(23,670,752)	(26,343,904)
Member Assessments	18,637,353	22,853,500
<b>Unassigned Surplus</b>	<u>\$ 1,028,856</u>	<u>\$ 2,697,519</u>

**WSHIP 2017  
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	OCTOBER YTD	TOTAL
<b>Enrollment Count</b>	1,453	1,454	1,455	1,456	1,457	1,458	1,459	1,460	1,461	1,462	1,463	1,464	14,575	17,502
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	12,629,341	10,634,486	7,302,839	5,337,432	10,168,036	7,580,657	6,578,084	3,654,398	10,198,375	9,390,433	7,407,086	3,942,775		
<b>Receipts</b>														
Premium Receipts	2,039,141	428,310	1,906,142	681,030	320,973	1,833,069	877,574	319,369	1,830,387	733,166	465,502	441,788	10,969,161	11,876,450
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	150,000	200,000
Claim Refunds Receipts	34,100	39,292	39,378	37,941	39,435	37,786	36,531	35,852	36,211	38,451	40,129	39,068	374,976	454,173
Assessment Receipts	70,838	139	-	8,000,000	1,000,000	1,000,000	-	10,000,000	1,250,000	1,250,000	-	10,000,000	22,570,977	32,570,977
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,000	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	2,144,179	467,840	1,995,621	8,719,071	1,360,508	2,920,955	914,205	10,355,321	3,166,698	2,021,717	505,731	10,530,956	34,066,114	45,102,800
<b>Refunds</b>														
Assessment Refunds	797,770	-	-	-	-	-	-	-	-	-	-	-	797,770	797,770
Premium Refunds	50,979	10,708	47,654	17,026	8,024	45,827	21,939	7,984	45,760	18,329	11,638	11,045	274,229	296,911
<b>Total Refunds</b>	848,749	10,708	47,654	17,026	8,024	45,827	21,939	7,984	45,760	18,329	11,638	11,045	1,071,999	1,094,681
<b>Expenses</b>														
Medical Claims	2,005,884	2,311,268	2,316,360	2,231,806	2,319,730	2,222,702	2,148,868	2,108,946	2,130,053	2,261,814	2,360,506	2,298,114	22,057,432	26,716,052
Pharmacy Claims	1,123,106	1,308,031	1,419,128	1,494,793	1,465,102	1,513,476	1,501,121	1,528,411	1,651,036	1,573,838	1,432,125	1,483,332	14,578,044	17,493,501
Fixed (PMPM) Admin	74,876	75,556	75,585	75,615	75,644	75,674	75,703	75,733	75,762	75,791	75,821	75,850	755,939	907,610
Variable Admin	15,420	22,330	14,840	14,849	14,859	14,869	15,878	14,888	15,897	14,907	21,917	14,925	158,737	195,579
Salary and Benefits	42,523	32,602	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	32,070	330,179	394,130
Prescription Admin	2,259	2,260	2,261	2,262	2,264	2,265	2,266	2,267	2,268	2,269	2,270	2,271	22,641	27,182
Miscellaneous	8,050	5,400	16,650	5,400	8,050	6,000	5,400	26,900	8,650	5,400	8,050	22,964	95,900	126,914
Professional Fees	18,167	31,333	36,667	14,833	22,333	10,833	34,833	14,333	13,333	20,833	25,833	16,233	217,500	259,567
<b>Total Expense</b>	3,290,286	3,788,780	3,913,373	3,871,441	3,939,864	3,877,701	3,815,951	3,803,360	3,928,881	3,986,734	3,958,404	3,945,760	38,216,370	46,120,534
<b>Month Ending Cash Balance</b>	\$ 10,634,486	\$ 7,302,839	\$ 5,337,432	\$ 10,168,036	\$ 7,580,657	\$ 6,578,084	\$ 3,654,398	\$ 10,198,375	\$ 9,390,433	\$ 7,407,086	\$ 3,942,775	\$ 10,516,926		

<b>Actual</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Enrollment Count</b>	1,494	1,447	1,450	1,477	1,448	1,457	1,468	1,441	1,458	1,464			14,604
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	12,629,341	10,823,097	8,345,429	6,933,338	10,466,790	10,192,648	9,154,086	6,643,448	9,567,404	9,222,471			
<b>Receipts</b>													
Premium Receipts	2,083,674	476,316	1,836,818	730,715	498,839	1,769,014	736,994	549,979	1,624,632	724,223			11,031,205
Grant Revenue	-	-	-	-	-	-	-	-	-	-			-
Pharmacy Rebate Income	-	15,401	-	-	93,683	-	-	127,381	-	-			236,465
Claim Refunds Receipts	47,102	11,429	222,339	4,222	8,354	6,753	10,328	69,714	7,038	11,471			398,750
Assessment Receipts	70,838	-	561,202	5,911,866	2,755,833	720,573	-	5,688,844	2,410,667	588,469			18,708,292
Investment Income	4,644	3,498	3,331	4,838	6,598	6,104	6,207	5,618	7,424	6,835			55,097
Other Income	-	-	-	-	-	-	-	-	-	-			-
<b>Total Receipts</b>	2,206,257	506,644	2,623,690	6,651,641	3,363,307	2,502,444	753,530	6,441,535	4,049,762	1,330,998			30,429,809
<b>Refunds</b>													
Assessment Refunds	797,770	-	-	-	-	-	-	-	-	-			797,770
Premium Refunds	496	13,994	17,987	-	27,694	10,112	-	45,698	8,030	21,149			145,161
<b>Total Refunds</b>	798,266	13,994	17,987	-	27,694	10,112	-	45,698	8,030	21,149			942,931
<b>Expenses</b>													
Medical Claims	1,945,700	1,659,997	2,169,194	1,902,067	2,383,801	2,244,510	1,963,482	2,223,784	2,758,115	2,178,289			21,428,938
Pharmacy Claims	1,123,106	1,169,789	1,689,151	1,081,201	1,084,415	1,146,225	1,133,425	1,105,643	1,487,111	1,043,370			12,063,438
Fixed (PMPM) Admin	79,079	79,010	79,674	73,977	77,160	79,925	80,542	79,104	77,811	81,260			787,542
Variable Admin	12,793	7,866	18,987	15,223	6,787	11,779	17,090	14,172	12,531	11,436			128,664
Salary and Benefits	30,101	37,423	27,678	27,693	31,139	30,558	29,904	28,878	30,847	28,455			302,677
Prescription Admin	1,748	-	4,745	1,878	1,901	1,575	1,460	1,827	1,752	3,527			20,413
Miscellaneous	8,138	8,482	6,661	8,833	4,917	4,207	25,842	3,897	3,955	8,631			83,565
Professional Fees	13,572	7,749	21,704	7,315	19,635	12,114	12,422	14,575	14,544	28,339			151,969
<b>Total Expense</b>	3,214,236	2,970,317	4,017,794	3,118,189	3,609,756	3,530,893	3,264,168	3,471,882	4,386,665	3,383,307			34,967,206
<b>Available Cash Balance</b>	10,823,097	8,345,429	6,933,338	10,466,790	10,192,648	9,154,086	6,643,448	9,567,404	9,222,471	7,149,013			
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	\$ 10,823,097	\$ 8,345,429	\$ 6,933,338	\$ 10,466,790	\$ 10,192,648	\$ 9,154,086	\$ 6,643,448	\$ 9,567,404	\$ 9,222,471	\$ 7,149,013	\$ -	\$ -	

**WSHIP 2017  
Budgeted Cashflow**

<b>Variance to Budget</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
<b>Enrollment Count</b>	41	(7)	(5)	21	(9)	(1)	9	(19)	(3)	2			29
<b>Receipts</b>													
Premium Receipts	44,533	48,006	(69,324)	49,685	177,866	(64,055)	(140,580)	230,610	(205,755)	(8,942)			62,044
Grant Revenue	-	-	-	-	-	-	-	-	-	-			-
Pharmacy Rebate Income	-	15,401	(50,000)	-	93,683	(50,000)	-	127,381	(50,000)	-			86,465
Claim Refunds Receipts	13,002	(27,862)	182,960	(33,719)	(31,081)	(31,033)	(26,202)	33,862	(29,173)	(26,980)			23,774
Assessment Receipts	-	(139)	561,202	(2,088,134)	1,755,833	(279,427)	-	(4,311,156)	1,160,667	(661,531)			(3,862,685)
Investment Income	4,544	3,398	3,231	4,738	6,498	6,004	6,107	5,518	7,324	6,735			54,097
Other Income	-	-	-	-	-	-	-	-	-	-			-
<b>Total Receipts</b>	<b>62,079</b>	<b>38,804</b>	<b>628,069</b>	<b>(2,067,429)</b>	<b>2,002,799</b>	<b>(418,511)</b>	<b>(160,675)</b>	<b>(3,913,786)</b>	<b>883,064</b>	<b>(690,718)</b>			<b>(3,636,305)</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-			-
Premium Refunds	50,483	(3,286)	29,666	17,026	(19,670)	35,714	21,939	(37,714)	37,730	(2,820)			129,068
<b>Total Refunds</b>	<b>50,483</b>	<b>(3,286)</b>	<b>29,666</b>	<b>17,026</b>	<b>(19,670)</b>	<b>35,714</b>	<b>21,939</b>	<b>(37,714)</b>	<b>37,730</b>	<b>(2,820)</b>			<b>129,068</b>
<b>Expenses</b>													
Medical Claims	60,185	651,271	147,166	329,739	(64,071)	(21,808)	185,386	(114,838)	(628,061)	83,525			628,494
Pharmacy Claims	-	138,242	(270,023)	413,592	380,687	367,252	367,696	422,768	163,925	530,467			2,514,606
Fixed (PMPM) Admin	(4,203)	(3,454)	(4,089)	1,638	(1,516)	(4,251)	(4,839)	(3,371)	(2,049)	(5,469)			(31,603)
Variable Admin	2,627	14,464	(4,147)	(374)	8,072	3,090	(1,212)	716	3,366	3,471			30,073
Salary and Benefits	12,422	(4,822)	4,204	4,188	742	1,324	1,977	3,004	1,035	3,427			27,501
Prescription Admin	511	2,260	(2,484)	384	362	689	806	439	516	(1,258)			2,227
Miscellaneous	(88)	(3,082)	9,989	(3,433)	3,133	1,793	(20,442)	23,003	4,695	(3,231)			12,335
Professional Fees	4,595	23,584	14,962	7,518	2,699	(1,281)	22,412	(242)	(1,211)	(7,506)			65,531
<b>Total Expense</b>	<b>76,049</b>	<b>818,462</b>	<b>(104,421)</b>	<b>753,252</b>	<b>330,108</b>	<b>346,808</b>	<b>551,783</b>	<b>331,478</b>	<b>(457,784)</b>	<b>603,427</b>			<b>3,249,164</b>
<b>Available Cash Balance</b>	<b>188,611</b>	<b>1,042,591</b>	<b>1,595,905</b>	<b>298,754</b>	<b>2,611,991</b>	<b>2,576,003</b>	<b>2,989,050</b>	<b>(630,971)</b>	<b>(167,961)</b>	<b>(258,073)</b>			
<b>Inc(Dec) in Abandoned</b>													
<b>Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>188,611</b>	<b>1,042,591</b>	<b>1,595,905</b>	<b>298,754</b>	<b>2,611,991</b>	<b>2,576,003</b>	<b>2,989,050</b>	<b>(630,971)</b>	<b>(167,961)</b>	<b>(258,073)</b>			

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 10%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 28%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 2% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 17% increase. Assumes a Medicare premium rate increase of 8% for Basic and 2% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 5 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$10.0 M), July (\$12.5 M) and November (\$12.5 M) TOTAL \$35.0 M
- (6) 4-Week expense allowance is \$3.5 M based upon the actual data for the 12-month period ending in Dec of 2017.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.



**WSHIP 2017**  
**Medicare vs. Non-Medicare Cash Flow**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
<b>Medicare</b>													
Enrollment Count	1,087	1,057	1,063	1,088	1,064	1,075	1,090	1,069	1,086	1,095			10,774
Premiums	650,072	313,866	409,825	588,563	375,543	394,855	570,997	377,464	342,666	562,865			4,586,716
Medical Claims	784,011	749,578	887,496	682,388	795,364	877,799	717,951	815,946	707,749	774,268			7,792,550
RX Claims	100,459	114,202	128,598	79,414	77,012	76,119	68,789	73,499	108,033	55,534			881,657
Total Claims	884,470	863,780	1,016,093	761,801	872,376	953,918	786,740	889,445	815,782	829,802	-	-	8,674,207
Income/Loss	(234,398)	(549,914)	(606,268)	(173,239)	(496,833)	(559,063)	(215,743)	(511,980)	(473,116)	(266,937)	-	-	(4,087,491)
Loss Ratio	136%	275%	248%	129%	232%	242%	138%	236%	238%	147%			189%
Claims PMPM	814	817	956	700	820	887	722	832	751	758			805
<b>Non Medicare</b>													
Enrollment Count	407	390	387	389	384	382	378	372	372	369			3,830
Premiums	1,433,602	162,450	1,426,993	142,152	123,296	1,374,159	165,997	172,515	1,281,966	161,358			6,444,488
Medical Claims	1,161,689	910,419	1,281,698	1,219,679	1,588,436	1,366,711	1,245,531	1,407,838	2,050,365	1,404,020			13,636,387
RX Claims	1,022,647	1,055,587	1,560,553	1,001,788	1,007,403	1,070,105	1,064,636	1,032,144	1,379,079	987,837			11,181,780
Total Claims	2,184,336	1,966,007	2,842,251	2,221,467	2,595,840	2,436,816	2,310,167	2,439,983	3,429,444	2,391,857	-	-	24,818,167
Income/Loss	(750,734)	(1,803,557)	(1,415,258)	(2,079,315)	(2,472,543)	(1,062,657)	(2,144,170)	(2,267,468)	(2,147,478)	(2,230,499)	-	-	(18,373,680)
Loss Ratio	152%	1210%	199%	1563%	2105%	177%	1392%	1414%	268%	1482%			385%
Claims PMPM	5,367	5,041	7,344	5,711	6,760	6,379	6,112	6,559	9,219	6,482			6,480
<b>Combined Medicare/Non Medicare</b>													
Enrollment Count	1,494	1,447	1,450	1,477	1,448	1,457	1,468	1,441	1,458	1,464	-	-	14,604
Premiums	2,083,674	476,316	1,836,818	730,715	498,839	1,769,014	736,994	549,979	1,624,633	724,223	-	-	11,031,203
Medical Claims	1,945,700	1,659,997	2,169,194	1,902,067	2,383,801	2,244,510	1,963,482	2,223,784	2,758,115	2,178,289	-	-	21,428,939
RX Claims	1,123,106	1,169,789	1,689,151	1,081,201	1,084,415	1,146,225	1,133,425	1,105,643	1,487,111	1,043,370	-	-	12,063,438
Total Claims	3,068,806	2,829,786	3,858,344	2,983,268	3,468,216	3,390,734	3,096,908	3,329,428	4,245,226	3,221,659	-	-	33,492,376
Income/Loss	(985,132)	(2,353,471)	(2,021,526)	(2,252,553)	(2,969,377)	(1,621,721)	(2,359,914)	(2,779,449)	(2,620,593)	(2,497,436)	-	-	(22,461,173)
Loss Ratio	147%	594%	210%	408%	695%	192%	420%	605%	261%	445%			304%
Claims PMPM	2,054	1,956	2,661	2,020	2,395	2,327	2,110	2,310	2,912	2,201			2,293

**Notes:**

- 1) Premiums, Medical Claims and RX Claims are cash basis figures.
- 2) Premium amounts include premium refunds.
- 3) Medical Claim amounts include claim refunds.

## Washington State Health Insurance Pool 2017 Cash Flow Forecast

Forecast - Updated 08/31/2017

	Actual (Bold)											Forecast		TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER		
<b>Enrollment:</b>														
Non-Medicare Enrollment	407	390	387	389	384	382	378	372	372	369	366	364	4,560	
Medicare Enrollment (Basic and Basic+)	1,087	1,057	1,063	1,088	1,064	1,075	1,090	1,069	1,086	1,095	1,073	1,074	12,921	
<b>Total Enrollment Count</b>	<b>1,494</b>	<b>1,447</b>	<b>1,450</b>	<b>1,477</b>	<b>1,448</b>	<b>1,457</b>	<b>1,468</b>	<b>1,441</b>	<b>1,458</b>	<b>1,464</b>	<b>1,439</b>	<b>1,438</b>	<b>17,481</b>	
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	<b>12,629,341</b>	<b>10,823,097</b>	<b>8,345,429</b>	<b>6,933,338</b>	<b>10,466,790</b>	<b>10,192,648</b>	<b>9,154,086</b>	<b>6,643,448</b>	<b>9,567,404</b>	<b>9,222,471</b>	7,149,013	4,432,939		
<b>Receipts</b>														
Premium Receipts	2,083,674	476,316	1,836,818	730,715	498,839	1,769,014	736,994	549,979	1,624,632	724,223	369,303	430,411	11,830,918	
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pharmacy Rebate Income	-	15,401	-	-	93,683	-	-	127,381	-	-	-	50,000	286,465	
Claim Refunds Receipts	47,102	11,429	222,339	4,222	8,354	6,753	10,328	69,714	7,038	11,471	32,427	34,078	465,256	
Assessment Receipts	70,838	-	561,202	5,911,866	2,755,833	720,573	-	5,688,844	2,410,667	588,469	-	6,800,000	25,508,292	
Investment Income	4,644	3,498	3,331	4,838	6,598	6,104	6,207	5,618	7,424	6,835	100	100	55,297	
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Receipts</b>	<b>2,206,257</b>	<b>506,644</b>	<b>2,623,690</b>	<b>6,651,641</b>	<b>3,363,307</b>	<b>2,502,444</b>	<b>753,530</b>	<b>6,441,535</b>	<b>4,049,762</b>	<b>1,330,998</b>	401,830	7,314,588	38,146,228	
<b>Refunds</b>														
Assessment Refunds	797,770	-	-	-	-	-	-	-	-	-	-	-	797,770	
Premium Refunds	496	13,994	17,987	-	27,694	10,112	-	45,698	8,030	21,149	9,233	10,760	165,153	
<b>Total Refunds</b>	<b>798,266</b>	<b>13,994</b>	<b>17,987</b>	<b>-</b>	<b>27,694</b>	<b>10,112</b>	<b>-</b>	<b>45,698</b>	<b>8,030</b>	<b>21,149</b>	<b>9,233</b>	<b>10,760</b>	<b>962,923</b>	
<b>Expenses</b>														
Medical Claim Expense	1,945,700	1,659,997	2,169,194	1,902,067	2,383,801	2,244,510	1,963,482	2,223,784	2,758,115	2,178,289	1,907,483	2,004,574	25,340,995	
Pharmacy Claim Expense	1,123,106	1,169,789	1,689,151	1,081,201	1,084,415	1,146,225	1,133,425	1,105,643	1,487,111	1,043,370	1,035,415	1,226,374	14,325,226	
PMPM Administrative Expense	79,079	79,010	79,674	73,977	77,160	79,925	80,542	79,104	77,811	81,260	75,821	75,850	939,213	
Variable Administrative Expense	12,793	7,866	18,987	15,223	6,787	11,779	17,090	14,172	12,531	11,436	21,917	14,925	165,507	
Salary and Benefits Expense	30,101	37,423	27,678	27,693	31,139	30,558	29,904	28,878	30,847	28,455	31,882	32,070	366,628	
Prescription Administrative Expense	1,748	-	4,745	1,878	1,901	1,575	1,460	1,827	1,752	3,527	2,270	2,271	24,955	
Miscellaneous Expense	8,138	8,482	6,661	8,833	4,917	4,207	25,842	3,897	3,955	8,631	8,050	22,964	114,578	
Professional Fees	13,572	7,749	21,704	7,315	19,635	12,114	12,422	14,575	14,544	28,339	25,833	16,233	194,037	
<b>Total Expense</b>	<b>3,214,236</b>	<b>2,970,317</b>	<b>4,017,794</b>	<b>3,118,189</b>	<b>3,609,756</b>	<b>3,530,893</b>	<b>3,264,168</b>	<b>3,471,882</b>	<b>4,386,665</b>	<b>3,383,307</b>	3,108,671	3,395,261	41,471,139	
<b>Available Cash Balance</b>	<b>10,823,097</b>	<b>8,345,429</b>	<b>6,933,338</b>	<b>10,466,790</b>	<b>10,192,648</b>	<b>9,154,086</b>	<b>6,643,448</b>	<b>9,567,404</b>	<b>9,222,471</b>	<b>7,149,013</b>	4,432,939	8,341,506		
<b>Inc(Dec) in Abandoned Property Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Month Ending Cash Balance</b>	<b>10,823,097</b>	<b>8,345,429</b>	<b>6,933,338</b>	<b>10,466,790</b>	<b>10,192,648</b>	<b>9,154,086</b>	<b>6,643,448</b>	<b>9,567,404</b>	<b>9,222,471</b>	<b>7,149,013</b>	4,432,939	8,341,506		

- (1) Assumes a Non-medicare medical claim expense trend of 3%. Assumes an annual Medicare medical claim expense trend of 3%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 14%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 2% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 17% increase. Assumes a Medicare premium rate increase of 8% for Basic and 2% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.5 M), July (\$8.0 M) and November (\$8.5 M) TOTAL \$26.0 M
- (6) 4-Week expense allowance is \$3.3 M based upon the actual data for the 12-month period ending in Dec of 2017.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

## Washington State Health Insurance Pool 2018 Cash Flow Forecast

Forecast - Updated 08/31/2017

	Forecast												TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Enrollment:</b>													
Non-Medicare Enrollment	344	342	340	338	336	333	331	329	327	325	323	321	3,989
Medicare Enrollment (Basic and Basic+)	1,075	1,076	1,077	1,078	1,079	1,080	1,081	1,082	1,083	1,084	1,085	1,086	12,966
<b>Total Enrollment Count</b>	<b>1,419</b>	<b>1,418</b>	<b>1,417</b>	<b>1,416</b>	<b>1,415</b>	<b>1,413</b>	<b>1,412</b>	<b>1,411</b>	<b>1,410</b>	<b>1,409</b>	<b>1,408</b>	<b>1,407</b>	<b>16,955</b>
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	<b>8,341,506</b>	<b>7,224,295</b>	<b>5,353,031</b>	<b>4,147,789</b>	<b>9,100,044</b>	<b>7,039,420</b>	<b>6,470,513</b>	<b>3,817,655</b>	<b>8,771,208</b>	<b>8,278,237</b>	<b>6,594,816</b>	<b>3,707,912</b>	
<b>Receipts</b>													
Premium Receipts	1,312,080	465,667	2,072,399	740,430	348,969	1,992,951	954,117	347,225	1,990,036	797,113	506,104	480,321	12,007,412
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	200,000
Claim Refunds Receipts	31,885	31,679	33,332	33,730	34,005	35,219	36,241	35,151	35,962	34,537	32,933	33,795	408,468
Assessment Receipts	850,000	850,000	-	7,600,000	950,000	950,000	-	8,000,000	1,000,000	1,000,000	-	6,800,000	28,000,000
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>2,194,065</b>	<b>1,347,446</b>	<b>2,155,831</b>	<b>8,374,260</b>	<b>1,333,073</b>	<b>3,028,271</b>	<b>990,458</b>	<b>8,382,476</b>	<b>3,076,098</b>	<b>1,831,751</b>	<b>539,136</b>	<b>7,364,216</b>	<b>40,617,080</b>
<b>Refunds</b>													
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	32,802	11,642	51,810	18,511	8,724	49,824	23,853	8,681	49,751	19,928	12,653	12,008	300,185
<b>Total Refunds</b>	<b>32,802</b>	<b>11,642</b>	<b>51,810</b>	<b>18,511</b>	<b>8,724</b>	<b>49,824</b>	<b>23,853</b>	<b>8,681</b>	<b>49,751</b>	<b>19,928</b>	<b>12,653</b>	<b>12,008</b>	<b>300,185</b>
<b>Expenses</b>													
Medical Claim Expense	1,875,570	1,863,457	1,960,728	1,984,115	2,000,289	2,071,728	2,131,796	2,067,696	2,115,383	2,031,603	1,937,213	1,987,935	24,027,513
Pharmacy Claim Expense	1,244,552	1,181,184	1,194,364	1,280,343	1,243,932	1,336,009	1,307,649	1,209,662	1,251,764	1,304,101	1,318,914	1,258,035	15,130,509
PMPM Administrative Expense	76,011	73,451	73,377	73,303	73,230	73,157	73,085	73,014	72,943	72,873	72,804	72,735	879,983
Variable Administrative Expense	14,278	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	180,599
Salary and Benefits Expense	44,812	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	408,080
Prescription Administrative Expense	1,842	1,840	1,839	1,837	1,835	1,834	1,832	1,830	1,829	1,827	1,825	1,824	21,994
Miscellaneous Expense	10,625	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	22,780	138,519
Professional Fees	10,783	25,783	23,283	10,783	10,783	10,783	30,283	14,283	20,783	22,783	20,783	11,283	212,400
<b>Total Expense</b>	<b>3,278,473</b>	<b>3,207,069</b>	<b>3,309,264</b>	<b>3,403,494</b>	<b>3,384,973</b>	<b>3,547,355</b>	<b>3,619,462</b>	<b>3,420,243</b>	<b>3,519,318</b>	<b>3,495,244</b>	<b>3,413,387</b>	<b>3,401,316</b>	<b>40,999,597</b>
<b>Available Cash Balance</b>	<b>7,224,295</b>	<b>5,353,031</b>	<b>4,147,789</b>	<b>9,100,044</b>	<b>7,039,420</b>	<b>6,470,513</b>	<b>3,817,655</b>	<b>8,771,208</b>	<b>8,278,237</b>	<b>6,594,816</b>	<b>3,707,912</b>	<b>7,658,803</b>	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month Ending Cash Balance</b>	<b>7,224,295</b>	<b>5,353,031</b>	<b>4,147,789</b>	<b>9,100,044</b>	<b>7,039,420</b>	<b>6,470,513</b>	<b>3,817,655</b>	<b>8,771,208</b>	<b>8,278,237</b>	<b>6,594,816</b>	<b>3,707,912</b>	<b>7,658,803</b>	

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 17%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and 2% for Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 15% increase. Assumes a Medicare premium rate increase of 0.3% for Basic and 1.5% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.5 M), July (\$10.0 M) and November (\$8.5 M) TOTAL \$28.0 M
- (6) 4-Week expense allowance is \$3.2 M based upon the actual data for the 12-month period ending in Dec of 2018.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool  
2017 Administrative Expense  
Budget Variance Analysis**

<b>Budget</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Member Months: (1)													
Non-Medicare	398	396	394	392	390	388	386	384	382	380	378	376	4,644
Medicare Basic	848	853	858	863	868	873	878	883	888	893	898	903	10,506
Medicare Basic Plus	207	205	203	201	199	197	195	193	191	189	187	185	2,352
<b>Total Membership</b>	<b>1,453</b>	<b>1,454</b>	<b>1,455</b>	<b>1,456</b>	<b>1,457</b>	<b>1,458</b>	<b>1,459</b>	<b>1,460</b>	<b>1,461</b>	<b>1,462</b>	<b>1,463</b>	<b>1,464</b>	<b>17,502</b>
PMPM Administrative Expense (2)	74,876	75,556	75,585	75,615	75,644	75,674	75,703	75,733	75,762	75,791	75,821	75,850	907,610
Variable Administrative Expense (3)	15,420	22,330	14,840	14,849	14,859	14,869	15,878	14,888	15,897	14,907	21,917	14,925	195,579
Salary and Benefits Expense (4)	42,523	32,602	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	31,882	32,070	394,130
RX Benefit Management Fees	2,259	2,260	2,261	2,262	2,264	2,265	2,266	2,267	2,268	2,269	2,270	2,271	27,182
Miscellaneous Expense (5)	8,050	5,400	16,650	5,400	8,050	6,000	5,400	26,900	8,650	5,400	8,050	22,964	126,914
Professional Fees (6)	18,167	31,333	36,667	14,833	22,333	10,833	34,833	14,333	13,333	20,833	25,833	16,233	259,567
<b>Total Budget Operating Expenses</b>	<b>\$161,295</b>	<b>\$169,481</b>	<b>\$177,885</b>	<b>\$144,841</b>	<b>\$155,032</b>	<b>\$141,523</b>	<b>\$165,962</b>	<b>\$166,003</b>	<b>\$147,792</b>	<b>\$151,082</b>	<b>\$165,773</b>	<b>\$164,313</b>	<b>\$1,910,981</b>
<b>Actual</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	407	390	387	389	384	382	378	372	372	369			3,830
Medicare Basic	884	858	866	893	872	885	900	883	900	909			8,850
Medicare Basic Plus	203	199	197	195	192	190	190	186	186	186			1,924
<b>Total Membership</b>	<b>1,494</b>	<b>1,447</b>	<b>1,450</b>	<b>1,477</b>	<b>1,448</b>	<b>1,457</b>	<b>1,468</b>	<b>1,441</b>	<b>1,458</b>	<b>1,464</b>			<b>14,604</b>
PMPM Administrative Expense (2)	79,079	79,010	79,674	73,977	77,160	79,925	80,542	79,104	77,811	81,260			\$787,542
Variable Administrative Expense (3)	12,793	7,866	18,987	15,223	6,787	11,779	17,090	14,172	12,531	11,436			\$128,664
Salary and Benefits Expense (4)	30,101	37,423	27,678	27,693	31,139	30,558	29,904	28,878	30,847	28,455			\$302,677
RX Benefit Management Fees	1,748	-	4,745	1,878	1,901	1,575	1,460	1,827	1,752	3,527			\$20,413
Miscellaneous Expense (5)	8,138	8,482	6,661	8,833	4,917	4,207	25,842	3,897	3,955	8,631			\$83,565
Professional Fees (6)	13,572	7,749	21,704	7,315	19,635	12,114	12,422	14,575	14,544	28,339			\$151,969
<b>Total Actual Operating Expenses</b>	<b>\$145,430</b>	<b>\$140,531</b>	<b>\$159,449</b>	<b>\$134,920</b>	<b>\$141,540</b>	<b>\$140,158</b>	<b>\$167,260</b>	<b>\$142,454</b>	<b>\$141,439</b>	<b>\$161,648</b>			<b>\$1,474,830</b>
<b>Variance</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	9	(6)	(7)	(3)	(6)	(6)	(8)	(12)	(10)	(11)			(60)
Medicare Basic	36	5	8	30	4	12	22	-	12	16			145
Medicare Basic Plus	(4)	(6)	(6)	(6)	(7)	(7)	(5)	(7)	(5)	(3)			(56)
<b>Total Membership</b>	<b>41</b>	<b>(7)</b>	<b>(5)</b>	<b>21</b>	<b>(9)</b>	<b>(1)</b>	<b>9</b>	<b>(19)</b>	<b>(3)</b>	<b>2</b>			<b>29</b>
PMPM Administrative Expense (2)	(4,203)	(3,454)	(4,089)	1,638	(1,516)	(4,251)	(4,839)	(3,371)	(2,049)	(5,469)			(\$31,603)
Variable Administrative Expense (3)	2,627	14,464	(4,147)	(374)	8,072	3,090	(1,212)	716	3,366	3,471			\$30,073
Salary and Benefits Expense (4)	12,422	(4,822)	4,204	4,188	742	1,324	1,977	3,004	1,035	3,427			\$27,501
RX Benefit Management Fees	511	2,260	(2,484)	384	362	689	806	439	516	(1,258)			\$2,227
Miscellaneous Expense (5)	(88)	(3,082)	9,989	(3,433)	3,133	1,793	(20,442)	23,003	4,695	(3,231)			\$12,335
Professional Fees (6)	4,595	23,584	14,962	7,518	2,699	(1,281)	22,412	(242)	(1,211)	(7,506)			\$65,531
<b>Total Variance Expenses</b>	<b>\$15,865</b>	<b>\$28,950</b>	<b>\$18,435</b>	<b>\$9,921</b>	<b>\$13,492</b>	<b>\$1,364</b>	<b>(\$1,298)</b>	<b>\$23,549</b>	<b>\$6,353</b>	<b>(\$10,566)</b>			<b>\$106,064</b>

**Notes:**

- (1) Assumes the Non-medicare membership decreases by 2 members per month. Assumes Medicare Basic membership increases by 5 members per month while Medicare Basic Plus decreases by 2 members per month.
- (2) PMPM Administrative Expense includes the combined expenses for Third Party Administration services (including finance and accounting), Provider Network services, and Utilization Management services.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, and miscellaneous administrative expenses such as special mailings.
- (4) Salary and Benefits Expense includes the combined expenses for the Executive Director and staff positions.
- (5) Miscellaneous expense includes:
  - \$38,400 of insurance expenses (D&O, E&O and general liability).
  - \$46,700 for WSHIP Board meeting expenses and travel costs.
  - \$20,000 for bank fees
  - \$21,800 for phone, conference lines and other expenses
- (6) Professional fees includes:
  - \$123,000 of actuarial expenses which covers IBNR calculations, Premium Rate development, Forecast updates and actuarial studies.
  - \$10,000 contingency for actuary expenses for potential legislative study follow up.
  - \$40,000 of legal expenses.
  - \$51,000 of consulting expenses (IRO, Review of PBM Contract, and other consulting expenses).
  - \$35,600 of auditing expenses (Financial audits and PBM audit).

## WSHIP Financial Performance

CASH BASIS	Month Ending October 31, 2017			
	Projected	Actual	Variance	% Change
Membership	1,462	1,464	2	0%
Avg Premium Receipt PMPM	\$489	\$480	(\$9)	-2%
Avg Medical Claim Expense PMPM	\$1,521	\$1,480	\$41	3%
Avg Pharmacy Claim Expense PMPM	\$1,076	\$713	\$363	34%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$2,108)	(\$1,713)	\$395	19%
Avg Premium Receipt Less Avg Claim Expense Total	(\$3,081,896)	(\$2,507,832)	\$574,064	19%
Variance Due to Changes in Membership			(\$3,426)	
Variance Due to Changes in Claim Expenses			\$577,490	

CASH BASIS	Year-To-Date October 31, 2017			
	Projected	Actual	Variance	% Change
Member Months	14,575	14,604	29	0%
Avg Premium Receipt PMPM	\$734	\$745	\$11	1%
Avg Medical Claim Expense PMPM	\$1,488	\$1,440	(\$48)	-3%
Avg Pharmacy Claim Expense PMPM	\$1,000	\$826	(\$174)	-17%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,754)	(\$1,521)	\$233	13%
Avg Premium Receipt Less Avg Claim Expense Total	(\$25,564,550)	(\$22,212,684)	\$3,351,866	13%
Variance Due to Changes in Membership			(\$44,109)	
Variance Due to Changes in Claim Expenses			\$3,395,975	

INCURRED BASIS	Year-To-Date October 31, 2017	Year-To-Date October 31, 2016
	Actual	Actual - Prior Year
Member Months	14,604	14,701
Avg Premium Income PMPM	\$684	\$636
Avg Medical Claim Expense PMPM (1)	\$1,481	\$1,544
Avg Pharmacy Claim Expense PMPM (2)	\$816	\$895
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,613)	(\$1,803)
Avg Premium Receipt Less Avg Claim Expense Total	(\$23,556,252)	(\$26,505,903)

(1) Incurred medical claims data totals \$21,630,211 which is derived from \$17,714,211 actual paid claims with dates of service between 01-01-17 and 10-31-17 and \$3,916,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$11,922,434 which is derived from \$11,547,434 actual paid claims with dates of service between 01-01-17 and 10-31-17 and \$375,000 IBNR reserve.