



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

October 2020

**Washington State Health Insurance Pool
Treasurer's Report
October 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, 2020.

2. Financial Statements – October 2020

Balance Sheet

Cash on hand decreased by \$1M or 10.4% from September 2020 to October 2020. The current cash position is \$9.1M, which is above our current 4-week expense allowance of \$2.7M. As of the end of October 2020, the entire \$9.1M 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 2020 is \$3.8M. This is a decrease of \$91K or 2.3% from the prior month. Medical IBNR decreased \$124K or 3.5% and pharmacy IBNR increased \$33K or 9.6% from September 2020.

As of October 2020, the equity position of WSHIP is a positive \$5.8M.

Income Statement

Total member months for October 2020 YTD are lower by 836 member months or 6% lower than October 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for October 2020 YTD is \$7.3M or 23.6% lower than October 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 October 2020 YTD, the medical claims portion is \$6M or 29.3% lower than October 2019 YTD, and the pharmacy claims portion is \$1.4M or 12.8% lower than October 2019 YTD.

October 2020 YTD administrative expenses are \$1.5K or 0.1% lower than the administrative expenses for October 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 5.9% for October 2020 YTD as compared to 4.5% for

October YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – October 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 \$9.1M is \$4.1M or 81.8% higher than the budgeted cash balance of \$5M. Total net cash receipts for October 2020 are \$67K or 4.0% favorable to budget. Total YTD expenses for October 2020 YTD are \$2.1M or 7.2% favorable to budget. The YTD administrative expenses are \$65K or 4.3% favorable to budget. Total YTD medical claims expense is \$4.1M or 19.9% favorable to budget; while total YTD pharmacy claims expense is \$2M or 28.1% unfavorable to budget.

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

As of October, the YTD Medicare member months total 11,134 and represent 84.8% of the combined WSHIP member months. The YTD Non-Medicare member months total 2,004 and account for 15.2% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 191% while the YTD Non-Medicare Loss Ratio is 639%. On a cash basis, the YTD Claims PMPM is \$849 for Medicare members and \$8,090 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 October 2020. For November 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 October 2020, YTD administrative expenses are \$65K or 4.3% favorable to budget (cash basis).

8. Financial Performance

October 2020 YTD member months are 3.2% lower than expected, average premium receipt PMPM is 7.4% higher than expected, average medical claims expense PMPM is 16.2% lower than expected and average pharmacy claims expense PMPM is 32.5% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,237 as compared to \$1,242 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$662 as compared to \$706 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of October 31, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 9,067,865	\$ 7,008,496
Premiums Receivable	352,151	141,575
Assessments Receivable	655,111	657,295
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 10,075,127</u>	<u>\$ 7,807,367</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,415,000	\$ 5,220,000
Reserve for Unpaid Losses - Pharmacy	376,000	559,000
Accrued Loss Adjustment	273,000	289,000
Premiums Received in Advance	129,009	162,373
Assessments Payable	-	-
Accrued Expenses	126,618	144,050
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,319,627</u>	<u>\$ 6,374,423</u>
Unassigned Surplus	5,755,500	1,432,944
Total Liabilities and Unassigned Surplus	<u>\$ 10,075,127</u>	<u>\$ 7,807,367</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to October 31

	<u>2020</u>	<u>2019</u>
Total Member Months	13,138	13,974
Premium Income Earned	\$ 7,793,070	\$ 11,532,164
Pharmacy Rebate Income	422,347	354,076
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 14,399,658	20,367,871
Incurred Claim Loss - Pharmacy	9,269,631	10,626,881
Total Incurred Claim Loss	<u>23,669,290</u>	<u>30,994,752</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 763,643	\$ 800,260
Variable Administrative Expense	72,152	79,618
Salary and Benefit Expense	313,026	322,754
Prescription Administrative Expense	9,756	9,802
Miscellaneous Expense	74,480	81,960
Professional Fee Expense	227,385	164,513
Total Operating Expenses	<u>\$ 1,460,443</u>	<u>\$ 1,458,908</u>
Underwriting Gain (Loss)	(16,914,316)	(20,567,420)
Investment Income	21,916	122,462
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (16,892,400)</u>	<u>\$ (20,444,958)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(16,892,400)	(20,444,958)
Member Assessments	19,500,000	19,500,000
Unassigned Surplus	<u>\$ 5,755,500</u>	<u>\$ 1,432,944</u>

Washington State Health Insurance Pool 2020 Budgeted Cashflow

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	October 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	13,575	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	7,309,579	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	360,000	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	347,919	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	1,000	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	28,797,080	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	182,739	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	182,739	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	20,465,846	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	7,234,624	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	725,389	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	90,470	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	338,293	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	17,383	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	99,343	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	241,283	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	29,212,631	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			13,138	
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	9,067,865		
Receipts														
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	824,518			7,534,312	
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			78,806	
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			22,372,653	
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	86			21,916	
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			30,430,033	
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			123,996	
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834			330,719	
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			16,391,465	
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979			9,269,631	
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828			773,524	
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845			76,178	
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672			313,026	
Prescription Admin	1,024	1,003	867	894	851	525	1,804	901	934	952			9,756	
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815			71,122	
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781			203,120	
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			27,107,822	
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	9,067,865	9,067,865		
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	\$ 9,067,865	\$ 9,067,865		

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)			(437)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655	(424,306)	115,107	83,071			224,733
Grant Revenue	-	-	-	-	-	-	-	-	-	-			-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)	256,013	-	(54,146)	-	-			62,347
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)	(25,936)	5,213	(33,734)	(29,916)	(34,673)			(269,113)
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)			1,594,071
Investment Income	8,791	6,442	2,996	1,087	683	445	340	145	0	(14)			20,916
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)			1,632,954
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			58,744
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078	9,471	6,702			(147,979)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093	384,959	636,301	640,599			4,074,381
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)	(465,047)	(151,804)	(99,626)			(2,035,007)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)	(1,217)	(1,187)	(2,272)			(48,135)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083	4,041	2,695	2,316			14,292
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359	1,285	1,293	1,682			25,267
Prescription Admin	711	732	870	843	886	1,214	(65)	839	807	790			7,627
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)	(2,433)	4,629	10,835			28,221
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)	(12,644)	18,016	(15,772)			38,163
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435	(90,219)	510,749	538,551			2,104,809
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			
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	-	-	

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				11,134			
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593	237,046	363,241	672,543				4,958,880			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421	705,216	1,007,458	816,232				8,630,027			
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472	67,758	54,901	61,746				819,201			
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	-	-	-	9,449,228			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	(535,929)	(699,117)	(205,436)	-	-	-	(4,490,348)			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%	326%	292%	131%				191%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757	777	680	930	765				849	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202	201	199	199	199	199	196				2,004			
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087	75,060	452,753	151,975				2,537,433			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948	1,051,472	545,697	881,459				7,761,439			
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819	1,106,141	829,363	755,233				8,450,431			
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	-	-	-	16,211,869			
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)	-	-	-	(13,674,436)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%	2875%	304%	1077%				639%	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				8,090	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	-	-	-	13,138			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	815,994	824,518	-	-	-	7,496,313			
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	-	-	-	16,391,468			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	816,979	-	-	-	9,269,631			
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	-	-	-	25,661,099			
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)	-	-	-	(18,164,786)			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%	939%	299%	305%				342%	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				1,953	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	196	195	2,390
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,130	1,137	1,142	1,148	1,159	1,166	13,464
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	1,355	1,361	15,854
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	6,957,112	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	824,518	252,577	690,654	8,477,543
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854	-	-	53,898	-	476,245
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674	7,305	5,078	38,113	37,250	154,170
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	-	5,000,000	27,372,653
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	100	86	100	100	22,116
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	344,689	5,728,004	36,502,726
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	3,789	10,360	138,144
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,834	3,789	10,360	344,867
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	1,485,343	1,878,302	19,755,110
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	817,426	864,261	10,951,319
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828	72,585	72,615	918,724
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845	16,668	8,173	101,018
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	30,672	32,354	32,354	377,735
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,804	901	934	952	1,743	1,744	13,242
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815	8,525	22,541	102,188
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781	17,008	25,008	245,137
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	2,451,653	2,904,998	32,464,473
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	6,957,112	9,769,758	
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	6,957,112	9,769,758	

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	9,769,758	7,877,553	5,672,135	4,214,564	9,185,044	7,841,420	7,560,827	5,549,432	10,510,015	9,950,799	8,439,117	5,977,998		
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	7,877,553	5,672,135	4,214,564	9,185,044	7,841,420	7,560,827	5,549,432	10,510,015	9,950,799	8,439,117	5,977,998	8,898,315		
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
Month Ending Cash Balance	7,877,553	5,672,135	4,214,564	9,185,044	7,841,420	7,560,827	5,549,432	10,510,015	9,950,799	8,439,117	5,977,998	8,898,315		

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			2,004
Medicare Basic	902	888	866	874	874	859	850	842	837	822			8,614
Medicare Basic Plus	139	139	138	136	135	134	133	134	133	133			1,354
Medical Supplement	46	64	75	93	107	113	142	161	172	193			1,166
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,344	-	-	13,138
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	74,828			\$773,524
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	5,845			\$76,178
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			\$313,026
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804	901	934	952			\$9,755
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	4,815			\$71,122
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	32,781			\$203,120
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$167,347	\$123,709	\$149,893	\$0	\$0	\$1,446,726

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)			(876)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)	(86)	(95)	(114)			(565)
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			1,166
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	(17)	(12)	(9)	-	-	(392)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497	1,217	1,187	2,272			\$48,135
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)	(4,041)	(2,695)	(2,316)			(\$14,292)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)	(1,285)	(1,293)	(1,682)			(\$25,267)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65	(839)	(807)	(790)			(\$7,627)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195	2,433	(4,629)	(10,835)			(\$28,221)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612	12,644	(18,016)	15,772			(\$38,163)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$10,130	(\$26,252)	\$2,421	\$0	\$0	(\$65,434)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending October 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,362	1,344	(18)	-1.3%
Avg Premium Receipt PMPM	\$531	\$605	\$74	13.9%
Avg Medical Claim Expense PMPM	\$1,717	\$1,259	\$458	-26.7%
Avg Pharmacy Claim Expense PMPM	\$527	\$608	(\$81)	15.4%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,713)	(\$1,262)	\$451	26.3%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,333,106)	(\$1,696,128)	\$636,978	27.3%
Variance Due to Changes in Membership			\$22,716	
Variance Due to Changes in Claim Expenses			\$614,262	

CASH BASIS	Year-To-Date October 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	13,575	13,138	(437)	-3.2%
Avg Premium Receipt PMPM	\$525	\$564	\$39	7.4%
Avg Medical Claim Expense PMPM	\$1,482	\$1,242	(\$240)	-16.2%
Avg Pharmacy Claim Expense PMPM	\$533	\$706	\$173	32.5%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,490)	(\$1,384)	\$106	7.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$20,226,750)	(\$18,182,992)	\$2,043,758	10.1%
Variance Due to Changes in Membership			\$604,808	
Variance Due to Changes in Claim Expenses			\$1,438,950	

INCURRED BASIS	Year-To-Date October 31, 2020	Year-To-Date October 31, 2019
	Actual	Actual - Prior Year
Member Months	13,138	13,974
Avg Premium Income PMPM	\$593	\$825
Avg Medical Claim Expense PMPM (1)	\$1,237	\$1,528
Avg Pharmacy Claim Expense PMPM (2)	\$662	\$761
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,306)	(\$1,464)
Avg Premium Receipt Less Avg Claim Expense Total	(\$17,158,228)	(\$20,457,936)

(1) Incurred medical claims data totals \$16,253,501 which is derived from \$12,838,501 actual paid claims with dates of service between 01-01-20 and 10-31-20 and \$3,415,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$8,690,864 which is derived from \$8,314,864 actual paid claims with dates of service between 01-01-20 and 10-31-20 and \$376,000 IBNR reserve.