



WASHINGTON STATE HEALTH
INSURANCE POOL

Monthly Financial Report

September 2020

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

1. 2020 Interim II Assessment Required

An assessment of \$9M is required to adequately fund the pool until the next scheduled assessment in November 2020. This assessment was approved by the Board of Directors on May 13, 2020 and generated on July 29, 2020 with invoices due August 31, 2020 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by October 31, 2020. As of September 30, 2020, \$8.2M of assessments have been collected, leaving \$800K to be collected.

2. Financial Statements – September 2020

Balance Sheet

Cash on hand increased by \$1M or 11.1% from August 2020 to September 2020. The current cash position is \$10.1M, which is above our current 4-week expense allowance of \$2.7M. As of the end of September 2020, the entire \$10.1M 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 September 2020 is \$3.9M. This is an increase of \$106K or 2.8% from the prior month. Medical IBNR increased \$131K or 3.8% and pharmacy IBNR decreased \$25K or 6.8% from August 2020.

As of September 2020, the equity position of WSHIP is a positive \$6.7M.

Income Statement

Total member months for September 2020 YTD are lower by 755 member months or 6.0% lower than September 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for September 2020 YTD is \$6.3M or 23% lower than September 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 September 2020 YTD, the medical claims portion is \$5.1M or 28.6% lower than September 2019 YTD, and the pharmacy claims portion is \$1.2M or 12.6% lower than September 2019 YTD.

September 2020 YTD administrative expenses are \$168K or 11.5% lower than the administrative expenses for September 2019 YTD. The ratio of administrative

expenses as a percentage of total cost is 5.8% for September 2020 YTD as compared to 5.1% for September YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – September 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 \$10.1M is \$3.6M or 55.1% higher than the budgeted cash balance of \$6.5M. Total net cash receipts for September 2020 are \$1.9M or 114.2% favorable to budget. Total YTD expenses for September 2020 YTD are \$1.6M or 6.0% favorable to budget. The YTD administrative expenses are \$68K or 5.0% favorable to budget. Total YTD medical claims expense is \$3.4M or 18.9% favorable to budget; while total YTD pharmacy claims expense is \$1.9M or 29.7% unfavorable to budget.

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

As of September, the YTD Medicare member months total 9,986 and represent 84.7% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,808 and account for 15.3% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 200% while the YTD Non-Medicare Loss Ratio is 601%. On a cash basis, the YTD Claims PMPM is \$858 for Medicare members and \$8,061 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 September 2020. For October 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 \$26.5M which is a \$1.5M or 5.4% 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 is a \$2M or 7.5% decrease from the 2020 assessment of \$26.5M

7. Administrative Expense Budget

For August 2020, YTD administrative expenses are \$68K or 5.0% favorable to budget (cash basis).

8. Financial Performance

September 2020 YTD member months are 1.5% lower than expected, average premium receipt PMPM is 19.1% higher than expected, average medical claims expense PMPM is 28.3% lower than expected and average pharmacy claims expense PMPM is 22.5% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,247 as compared to \$1,240 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$671 as compared to \$717 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of September 30, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 10,123,420	\$ 8,722,285
Premiums Receivable	179,643	34,211
Assessments Receivable	1,446,172	1,391,087
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 11,749,235</u>	<u>\$ 10,147,583</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,539,000	\$ 5,082,000
Reserve for Unpaid Losses - Pharmacy	343,000	324,000
Accrued Loss Adjustment	272,000	287,000
Premiums Received in Advance	780,501	1,902,268
Assessments Payable	-	-
Accrued Expenses	106,768	119,091
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 5,041,268</u>	<u>\$ 7,714,359</u>
Unassigned Surplus	6,707,967	2,433,225
Total Liabilities and Unassigned Surplus	<u>\$ 11,749,235</u>	<u>\$ 10,147,583</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to September 30

	<u>2020</u>	<u>2019</u>
Total Member Months	11,794	12,549
Premium Income Earned	\$ 6,156,387	\$ 8,985,052
Pharmacy Rebate Income	422,347	354,076
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 12,797,045	17,922,630
Incurred Claim Loss - Pharmacy	8,452,652	9,671,235
Total Incurred Claim Loss	<u>21,249,697</u>	<u>27,593,866</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 691,570	\$ 719,926
Variable Administrative Expense	67,242	72,642
Salary and Benefit Expense	282,355	293,293
Prescription Administrative Expense	9,703	8,705
Miscellaneous Expense	67,236	67,798
Professional Fee Expense	172,593	137,069
Total Operating Expenses	<u>\$ 1,290,699</u>	<u>\$ 1,299,434</u>
Underwriting Gain (Loss)	(15,961,663)	(19,554,172)
Investment Income	21,730	109,495
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (15,939,933)</u>	<u>\$ (19,444,677)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(15,939,933)	(19,444,677)
Member Assessments	19,500,000	19,500,000
Unassigned Surplus	<u>\$ 6,707,967</u>	<u>\$ 2,433,225</u>

Washington State Health Insurance Pool 2020 Budgeted Cashflow

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	September 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	12,213	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	6,568,132	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	308,168	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	19,878,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	900	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	27,115,782	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	164,203	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	164,203	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	18,127,556	24,988,977
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	6,517,271	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	652,833	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	82,309	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	305,939	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	15,641	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	83,693	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	224,275	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	26,009,516	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				11,794
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	10,123,420	10,123,420	10,123,420	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993				6,709,793
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				73,729
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				21,581,592
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	-				21,730
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	3,578,463	-	-	-	28,809,191
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				112,161
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	-	-	-	318,884
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				14,693,774
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263				8,452,652
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713				698,696
Variable Admin	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462				70,333
Salary and Benefits	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061				282,355
Prescription Admin	1,024	1,003	867	894	851	525	1,804	901	934				8,803
Miscellaneous	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546				66,307
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993				170,340
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	-	-	-	24,443,259
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	10,123,420	10,123,420	10,123,420	10,123,420	
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	\$ 10,123,420	\$ 10,123,420	\$ 10,123,420	\$ 10,123,420	

**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)				(419)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)	213,758	35,655	(424,306)	115,107				141,662
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)				(234,440)
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				1,703,010
Investment Income	8,791	6,442	2,996	1,087	683	445	340	145	(100)				20,830
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)	1,902,256				1,693,409
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				52,042
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)	2,523	12,565	10,078	9,471				(154,681)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054	276,650	555,093	384,959	636,301				3,433,783
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)	24,808	(178,732)	(465,047)	(151,804)				(1,935,381)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084	(5,824)	(5,497)	(1,217)	(1,187)				(45,863)
Variable Admin	(224)	1,532	3,004	438	453	(1,046)	1,083	4,041	2,695				11,976
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)	(49)	359	1,285	1,293				23,584
Prescription Admin	711	732	870	843	886	1,214	(65)	839	807				6,837
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120	2,463	(195)	(2,433)	4,629				17,386
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)	4,877	(3,612)	(12,644)	18,016				53,935
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231	303,093	368,435	(90,219)	510,749				1,566,258
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	3,049,720	3,471,928	1,172,986	3,595,463				
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	3,595,463	-	-	-	

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					9,986			
Premiums	717,403	407,849	366,197	798,161	281,616	468,232	646,593	237,046	363,241					4,286,337			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043	765,644	767,421	705,216	1,007,458					7,813,795			
RX Claims	124,309	87,038	83,490	71,123	90,638	71,725	106,472	67,758	54,901					757,454			
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	837,369	873,894	772,974	1,062,358	-	-	-	-	8,571,249			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	(369,138)	(227,301)	(535,929)	(699,117)	-	-	-	-	(4,284,912)			
Loss Ratio	166%	244%	274%	122%	308%	179%	135%	326%	292%					200%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777	757	777	680	930					858	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202	201	199	199	199	199					1,808			
Premiums	589,184	60,771	481,921	89,580	35,851	477,251	123,087	75,060	490,752					2,423,457			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407	869,739	665,948	1,051,472	545,697					6,879,980			
RX Claims	1,524,236	744,315	788,403	607,581	669,681	629,658	795,819	1,106,141	829,363					7,695,198			
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	-	-	-	-	14,575,178			
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)	(884,308)	-	-	-	-	(12,151,721)			
Loss Ratio	433%	1950%	364%	1302%	3972%	314%	1188%	2875%	280%					601%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085	7,535	7,346	10,842	6,910					8,061	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	-	-	-	-	11,794			
Premiums	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	-	-	-	-	6,709,795			
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	-	-	-	-	14,693,777			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	701,383	902,291	1,173,900	884,263	-	-	-	-	8,452,652			
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	-	-	-	-	23,146,429			
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)	(1,583,425)	-	-	-	-	(16,436,634)			
Loss Ratio	286%	465%	325%	241%	722%	247%	303%	939%	285%					345%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740	1,791	1,764	2,194	1,818					1,963	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	197	196	195	2,391
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,106	1,130	1,137	1,142	1,152	1,159	1,166	13,468
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	1,349	1,355	1,361	15,859
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	10,123,420	9,094,346	7,230,434	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	945,482	769,680	312,106	853,993	776,430	690,298	690,654	8,867,176
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	90,479	-	10,000	-	256,013	-	65,854	-	-	120,000	-	542,347
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597	6,569	39,017	2,674	7,305	39,751	38,113	37,250	188,843
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	-	5,600,000	27,972,653
Investment Income	8,891	6,542	3,096	1,187	783	545	440	245	-	100	100	100	22,030
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	3,578,463	1,607,342	848,511	6,328,004	37,593,048
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	11,646	10,354	10,360	144,522
Total Refunds	206,723	40,799	5,060	4,266	23,149	15,770	5,785	8,332	9,001	11,646	10,354	10,360	351,245
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	1,660,318	1,733,471	1,878,302	19,965,864
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	819,715	864,261	10,953,607
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713	72,556	72,585	72,615	916,452
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462	8,162	16,668	8,173	103,334
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061	32,354	32,354	32,354	379,417
Prescription Administrative Expense	1,024	1,003	867	894	851	525	1,804	901	934	1,742	1,743	1,744	14,032
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546	15,650	8,525	22,541	113,023
Professional Fees	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993	17,008	17,008	25,008	229,365
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	2,624,769	2,702,069	2,904,998	32,675,095
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	10,123,420	9,094,346	7,230,434	10,643,081	
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	10,123,420	9,094,346	7,230,434	10,643,081	

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 (\$7.0 M) TOTAL \$26.5 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 10/7/20

	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	10,643,081	10,984,384	9,414,978	7,956,575	12,926,221	11,581,764	11,300,338	9,289,110	14,255,317	13,696,518	12,185,253	9,724,551	
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	2,234,341	636,845	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	25,971,187
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,006,098	1,063,263	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	35,353,053
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	5,775	5,650	6,425	5,650	5,775	6,300	5,725	25,009	6,425	15,650	8,525	22,541	119,450
Professional Fees	22,508	22,508	43,208	31,008	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	283,300
Total Expense	2,653,220	2,628,162	2,767,036	2,697,540	2,637,548	2,615,680	2,680,205	2,798,769	2,898,939	3,011,924	2,834,722	2,998,908	33,222,653
Available Cash Balance	10,984,384	9,414,978	7,956,575	12,926,221	11,581,764	11,300,338	9,289,110	14,255,317	13,696,518	12,185,253	9,724,551	12,645,374	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	10,984,384	9,414,978	7,956,575	12,926,221	11,581,764	11,300,338	9,289,110	14,255,317	13,696,518	12,185,253	9,724,551	12,645,374	

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				1,808
Medicare Basic	902	888	866	874	874	859	850	842	837				7,792
Medicare Basic Plus	139	139	138	136	135	134	133	134	133				1,221
Medical Supplement	46	64	75	93	107	113	142	161	172				973
Total Membership	1,291	1,294	1,281	1,305	1,317	1,305	1,324	1,336	1,341	-	-	-	11,794
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323	78,261	77,963	73,713	73,713				\$698,696
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681	9,185	7,062	4,110	6,462				\$70,333
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263	32,263	31,995	31,069	31,061				\$282,355
RX Benefit Management Fees	1,024	1,003	867	894	851	525	1,804	901	934				\$8,803
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405	3,837	5,920	27,401	4,546				\$66,307
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187	10,132	28,621	30,153	6,993				\$170,339
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$134,203	\$153,364	\$167,347	\$123,709	\$0	\$0	\$0	\$1,296,833

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)				(793)
Medicare Basic	2	(16)	(42)	(38)	(42)	(61)	(74)	(86)	(95)				(451)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)	(12)	(11)	(8)	(7)				
Medical Supplement	46	64	75	93	107	113	142	161	172				973
Total Membership	(62)	(59)	(72)	(48)	(36)	(48)	(29)	(17)	(12)	-	-	-	(383)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)	5,824	5,497	1,217	1,187				\$45,863
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)	1,046	(1,083)	(4,041)	(2,695)				(\$11,975)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49	49	(359)	(1,285)	(1,293)				(\$23,584)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)	(1,214)	65	(839)	(807)				(\$6,837)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)	(2,463)	195	2,433	(4,629)				(\$17,386)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679	(4,877)	3,612	12,644	(18,016)				(\$53,936)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	(\$1,635)	\$7,926	\$10,130	(\$26,252)	\$0	\$0	\$0	(\$67,856)

Washington State Health Insurance Pool 2020 Financial Performance

CASH BASIS	Month Ending September 30, 2020			
	Projected	Actual	Variance	% Change
Membership	1,361	1,341	(20)	-1.5%
Avg Premium Receipt PMPM	\$529	\$630	\$101	19.1%
Avg Medical Claim Expense PMPM	\$1,609	\$1,153	\$456	-28.3%
Avg Pharmacy Claim Expense PMPM	\$538	\$659	(\$121)	22.5%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,618)	(\$1,182)	\$436	26.9%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,202,098)	(\$1,585,062)	\$617,036	28.0%
Variance Due to Changes in Membership			\$23,640	
Variance Due to Changes in Claim Expenses			\$593,396	

CASH BASIS	Year-To-Date September 30, 2020			
	Projected	Actual	Variance	% Change
Member Months	12,213	11,794	(419)	-3.4%
Avg Premium Receipt PMPM	\$524	\$559	\$35	6.7%
Avg Medical Claim Expense PMPM	\$1,459	\$1,240	(\$219)	-15.0%
Avg Pharmacy Claim Expense PMPM	\$534	\$717	\$183	34.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,469)	(\$1,398)	\$71	4.8%
Avg Premium Receipt Less Avg Claim Expense Total	(\$17,940,897)	(\$16,488,012)	\$1,452,885	8.1%
Variance Due to Changes in Membership			\$585,762	
Variance Due to Changes in Claim Expenses			\$867,123	

INCURRED BASIS	Year-To-Date September 30, 2020	Year-To-Date September 30, 2019
	Actual	Actual - Prior Year
Member Months	11,794	12,549
Avg Premium Income PMPM	\$522	\$716
Avg Medical Claim Expense PMPM (1)	\$1,247	\$1,527
Avg Pharmacy Claim Expense PMPM (2)	\$671	\$752
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,396)	(\$1,563)
Avg Premium Receipt Less Avg Claim Expense Total	(\$16,464,424)	(\$19,614,087)

(1) Incurred medical claims data totals \$14,701,311 which is derived from \$11,162,311 actual paid claims with dates of service between 01-01-20 and 09-30-20 and \$3,539,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$7,914,645 which is derived from \$7,571,645 actual paid claims with dates of service between 01-01-20 and 09-30-20 and \$343,000 IBNR reserve.