WSHIP
ADMINISTRATOR'S REPORT
January – December 2014

An Executive Summary of Administrator's Yearly Operating Report and Pool Activities

YEARLY ENROLLMENT SUMMARY

Total Enrollment as of 12/31/14: 1,737 Non-Medicare: 39% Medicare: 61%

Number/percentage sponsored by Third Party: 884 (51%)
Percentage of sponsored enrollees from EHIP: 34%
Percentage of sponsored enrollees from other: 66%

Enrollment YTD: 228 **Terminations YTD: 1,813**

Plan Selection:
Non-Medicare: PPO – 33%, Standard – 4%, HSA – 2%, Limited A - < 1%, Limited B - 0%
Medicare: Basic – 45%, Basic Plus – 16%

Pre-ex Enrollment Information: *(Medicare policies are subject to a pre-existing condition limitation although a waiver may be credited dependent on previous coverage)*
Number/percentage of enrollees subject to pre-ex waiting period: 7 (3%)

Age & Gender: Average age: 57 Gender: Female– 39%, Male– 61%

Annual Enrollment Activity *(Non-Medicare enrollment is closed)*:
Number of applications received: 283
Number of applications approved: 255
Number of applications pended: 224
Number of applications denied: 47
Primary denial reason: *Lack of response to request for missing information*

Percent of applications submitted by agents: 6%
Percent of applications submitted by Third Party: 72% *(Kidney Centers only)*

Terminations in the reporting year: *(54% of terminations were due to obtaining other coverage)*
Medicare Terminations: 318
Non-Medicare Terminations: 1,495

YEARLY CLAIMS EXPENSE

Medical Claims Paid: $38,495,038
Pharmacy Claims Paid: $21,273,406
Claim Refunds: ($1,627,509)
Total Claims Paid: $58,140,935

OTHER YEARLY ACTIVITY

Claims Activity:

Number of claims received: 97,621

Customer Service Telephone Calls and Website Visitors:

Average calls per day: 69

Average website visitors per day: 40

Appeals:

Number of appeals received related to eligibility: 138

First Level (Administrator) 136; Second Level (Grievance Committee) 2

Number of appeals received related to other: 60

First Level (Administrator) 58; Second Level (Grievance Committee) 2

Number of appeals adjudicated in favor of applicant/enrollee: 103

Number of appeals adjudicated and denied: 95

OIC Complaints:

Number of complaints received: 3

WSHIP

WASHINGTON STATE HEALTH INSURANCE POOL

2014 Yearly Operating Report

BMI Benefit Management Inc.

Enrollment Data

Total Enrollment by Calendar Year
1997 - 2014

NOTE: This chart depicts total enrollment within WSHIP at year end. The percent of growth over the previous calendar year is represented here as well. In 2014 enrollment decreased 56.8% from 2013. Enrollment increased in 1999 when individual insurance products were no longer available in most Washington counties, and legislation allowed access to the Pool. The Standard Health Questionnaire was utilized from 2000-2013 to determine a threshold for coverage by carriers. The substantial decrease in WSHIP enrollment is due to increased access made available by the Affordable Care Act and the Washington Health Benefit Exchange.

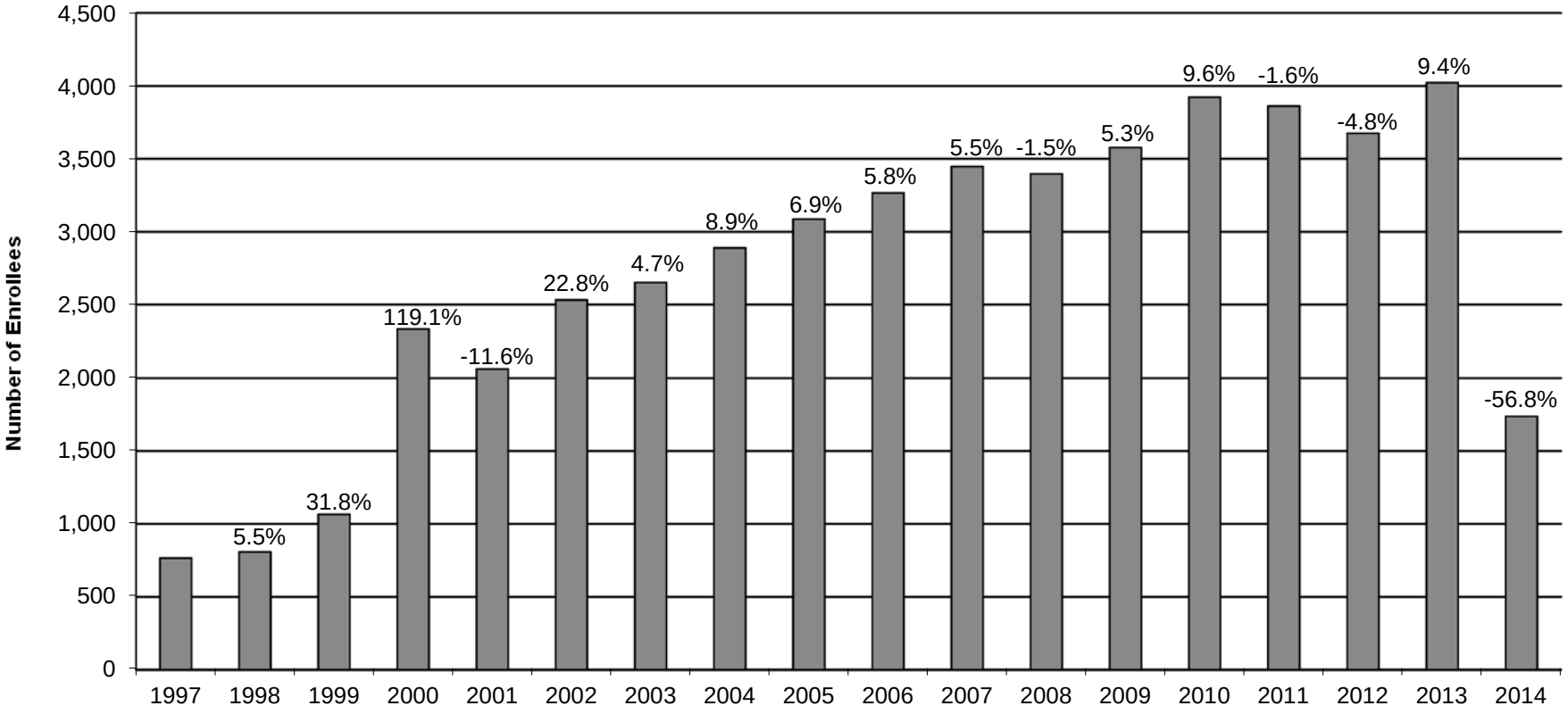
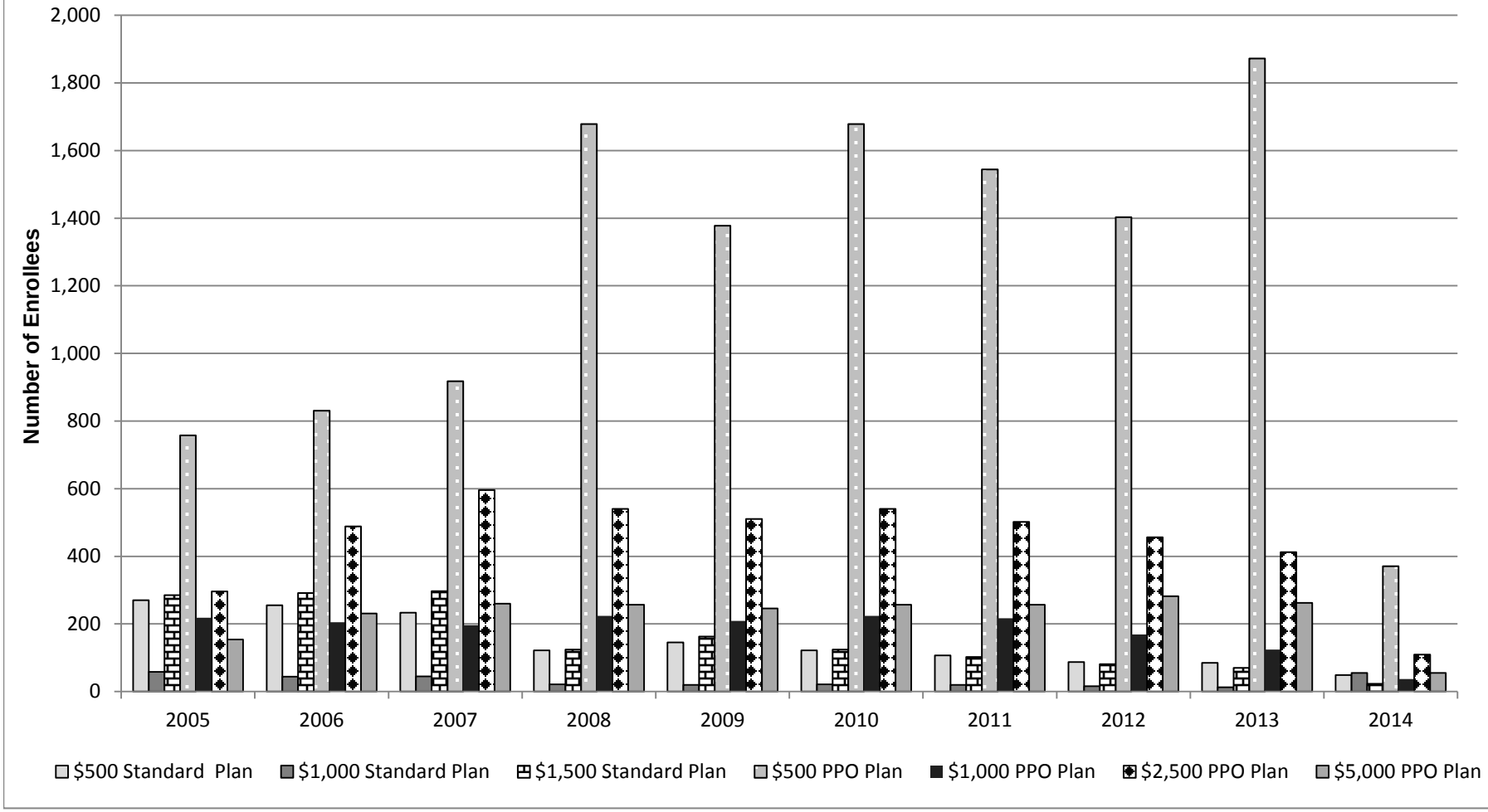


Chart 1

Non-Medicare Policies in Force
2005- 2014

NOTE: This chart depicts the change in enrollment by plans. The HSA Qualified PPO Plan and Limited PPO Plans A and B were added in January of 2008 and are not included in this chart. Beginning in 2014, Non-Medicare plans are no longer open to new enrollment.



Medicare Policies in Force
2005 - 2014

NOTE: This chart depicts the change in enrollment by Medicare plans. Medicare Part D was introduced in 2006 causing a sharp decrease in WSHIP enrollment in Plan 2 as enrollees switched to either the Basic or Basic Plus plan options which were added in January of 2006. Effective January 2008, Plan 2 enrollees were required to switch to either Basic or Basic Plus plan options. Basic Plus was closed to new enrollment Dec. 31, 2008

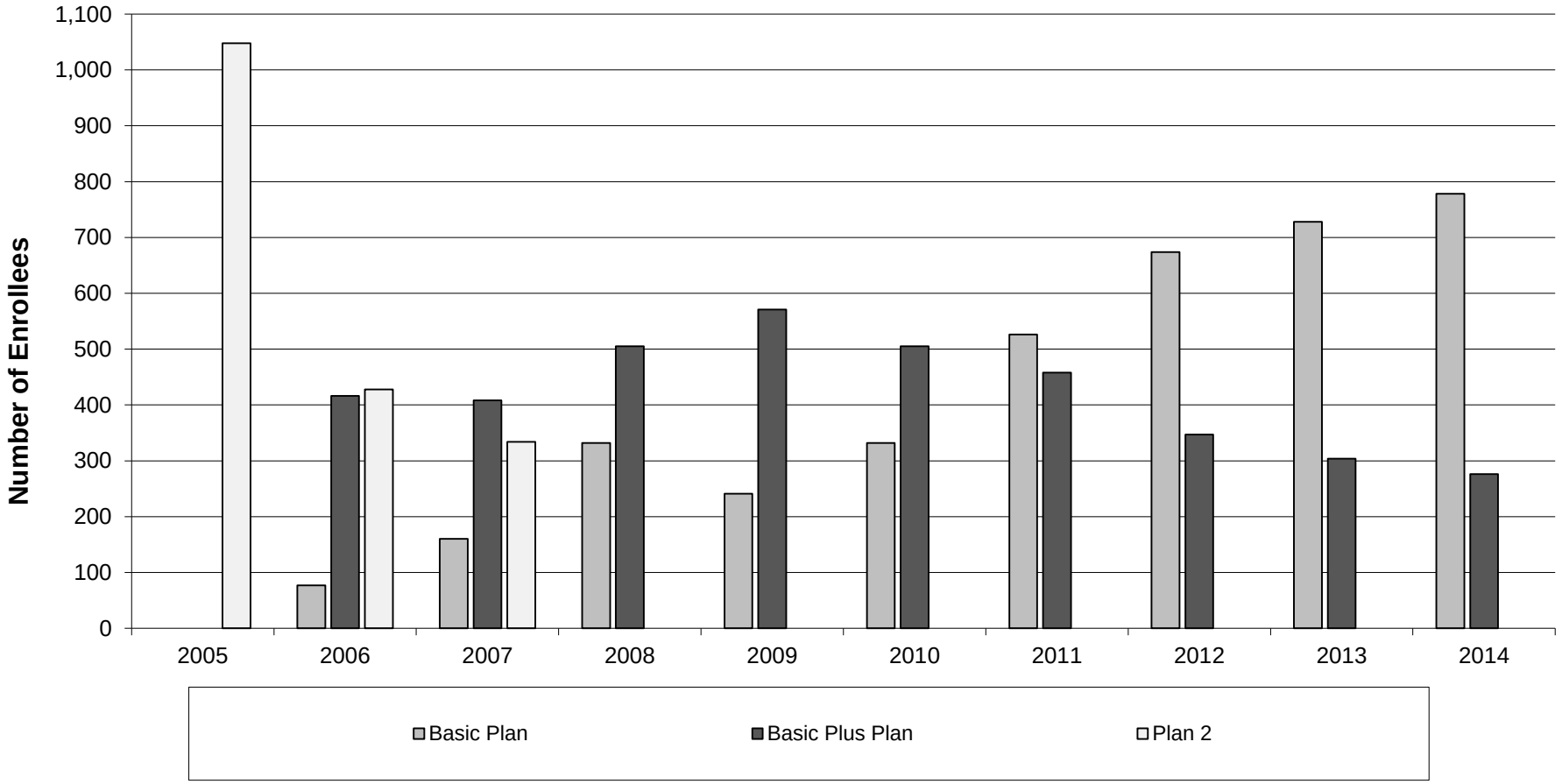
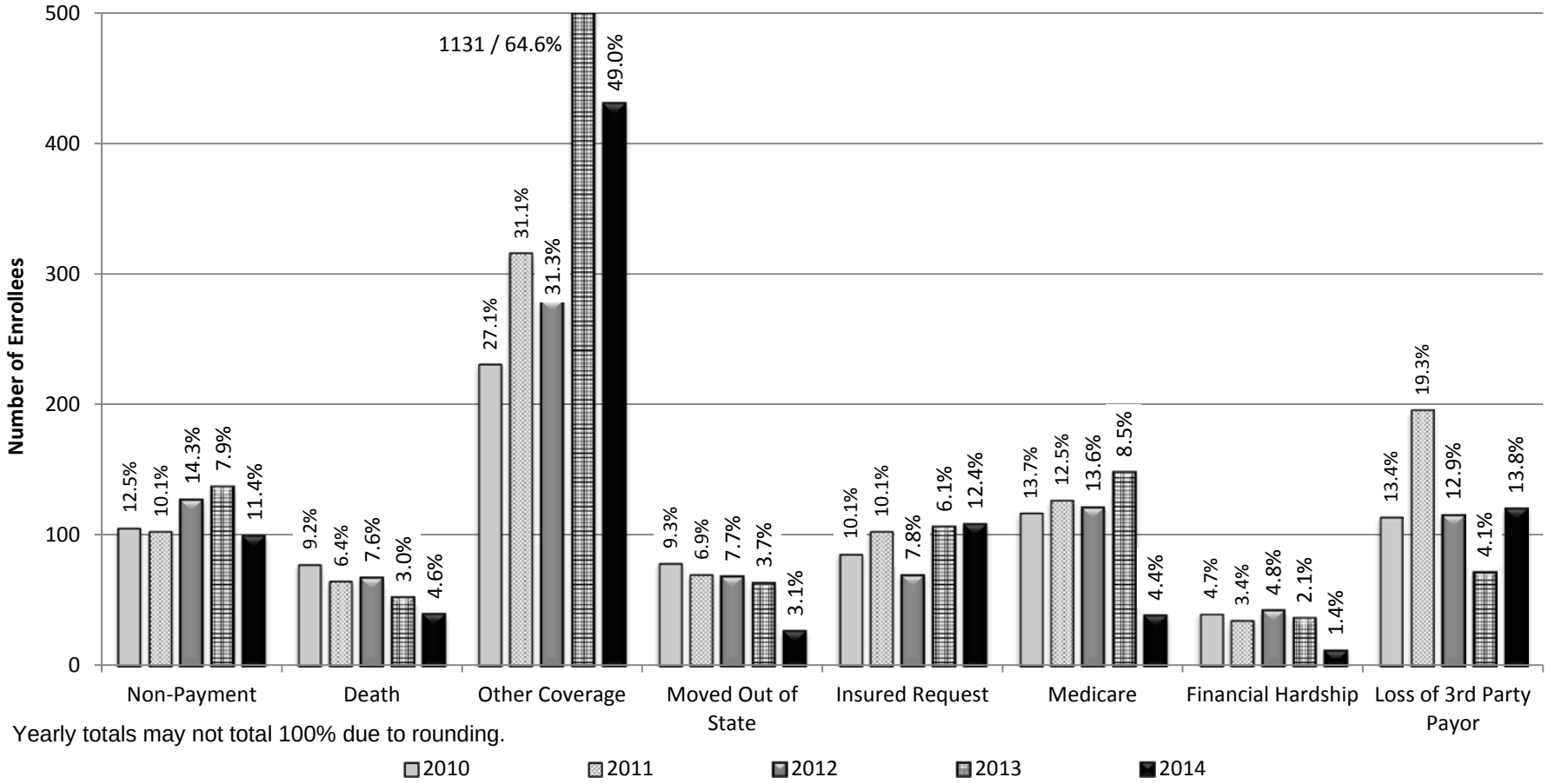


Chart 3

Terminations by Reason
(for all 2010 - 2014 terminations)

NOTE: This chart depicts the reasons coverage was terminated for enrollees. "Insured Request" indicates those who did not state a reason for terminating. "Non-Payment" reflects enrollees who did not respond to queries regarding reasons for non-pay.



Yearly totals may not total 100% due to rounding.

Plan & Age Distribution Summary as of December 31, 2014

NOTE: This chart depicts the enrollment of WSHIP by plan within each of the illustrated age bands. The Limited PPO Plan B was closed in May 2014

	Standard Plan		
Age	$500	$1,000	$1,500
0-18	4	0	1
19-29	7	0	3
30-34	6	1	0
35-39	5	0	1
40-44	5	0	1
45-49	8	3	3
50-54	7	0	4
55-59	1	1	4
60-64	2	0	5
65-69	1	0	1
70-74	3	0	0
75-79	0	0	0
80-84	0	0	0
85+	0	0	0
Total	49	5	23
Total STD Plan Enrollment= 77			

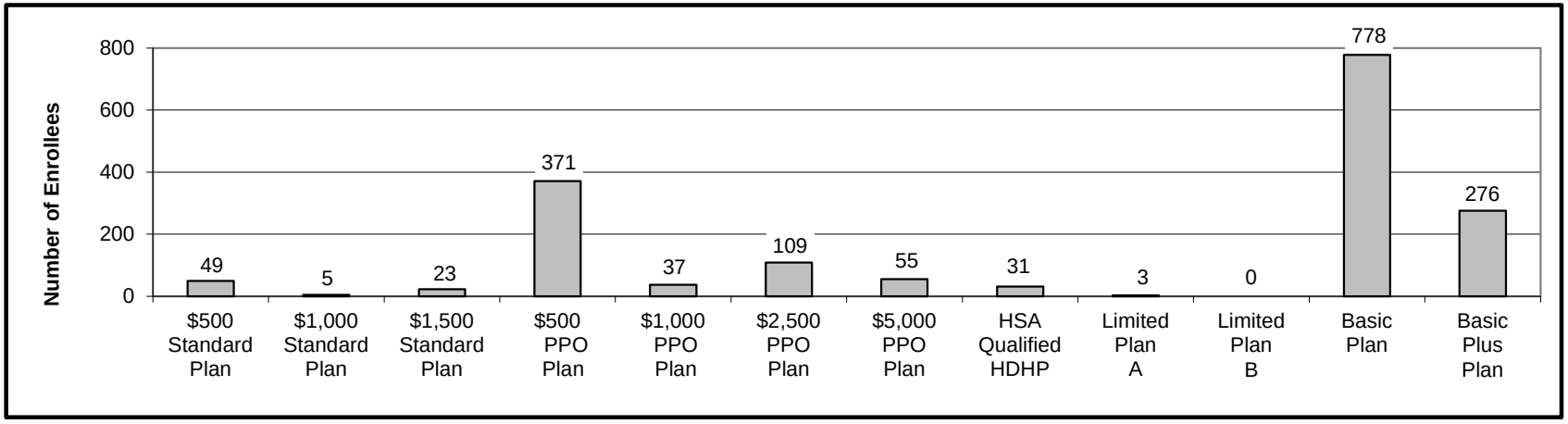
	PPO Plan			
Age	$500	$1,000	$2,500	$5,000
0-18	20	4	3	1
19-29	26	4	7	0
30-34	46	7	6	0
35-39	78	4	3	2
40-44	69	2	9	7
45-49	53	4	13	6
50-54	40	3	14	6
55-59	21	3	23	10
60-64	11	6	29	23
65-69	5	0	0	0
70-74	1	0	0	0
75-79	0	0	1	0
80-84	0	0	0	0
85+	1	0	1	0
Total	371	37	109	55
Total PPO Plan Enrollment = 606				

	HSA Qual PPO Plan	Limited PPO A	Limited PPO B
Age	$3,000*	$1,500*	$1,500*
0-18	1	0	0
19-29	0	0	0
30-34	1	2	0
35-39	3	0	0
40-44	3	1	0
45-49	1	0	0
50-54	1	0	0
55-59	12	0	0
60-64	9	0	0
65-69	0	0	0
70-74	0	0	0
75-79	0	0	0
80-84	0	0	0
85+	0	0	0
Total	31	3	0

	Basic Plan	Basic Plus Plan
Age		
0-18	0	0
19-29	9	0
30-34	27	1
35-39	31	3
40-44	58	4
45-49	75	14
50-54	101	24
55-59	130	47
60-64	131	62
65-69	101	37
70-74	59	40
75-79	27	31
80-84	15	10
85+	14	3
Total	778	276
Total Medicare Enrollment = 1,054		

Total Non-Medicare Enrollment = 683

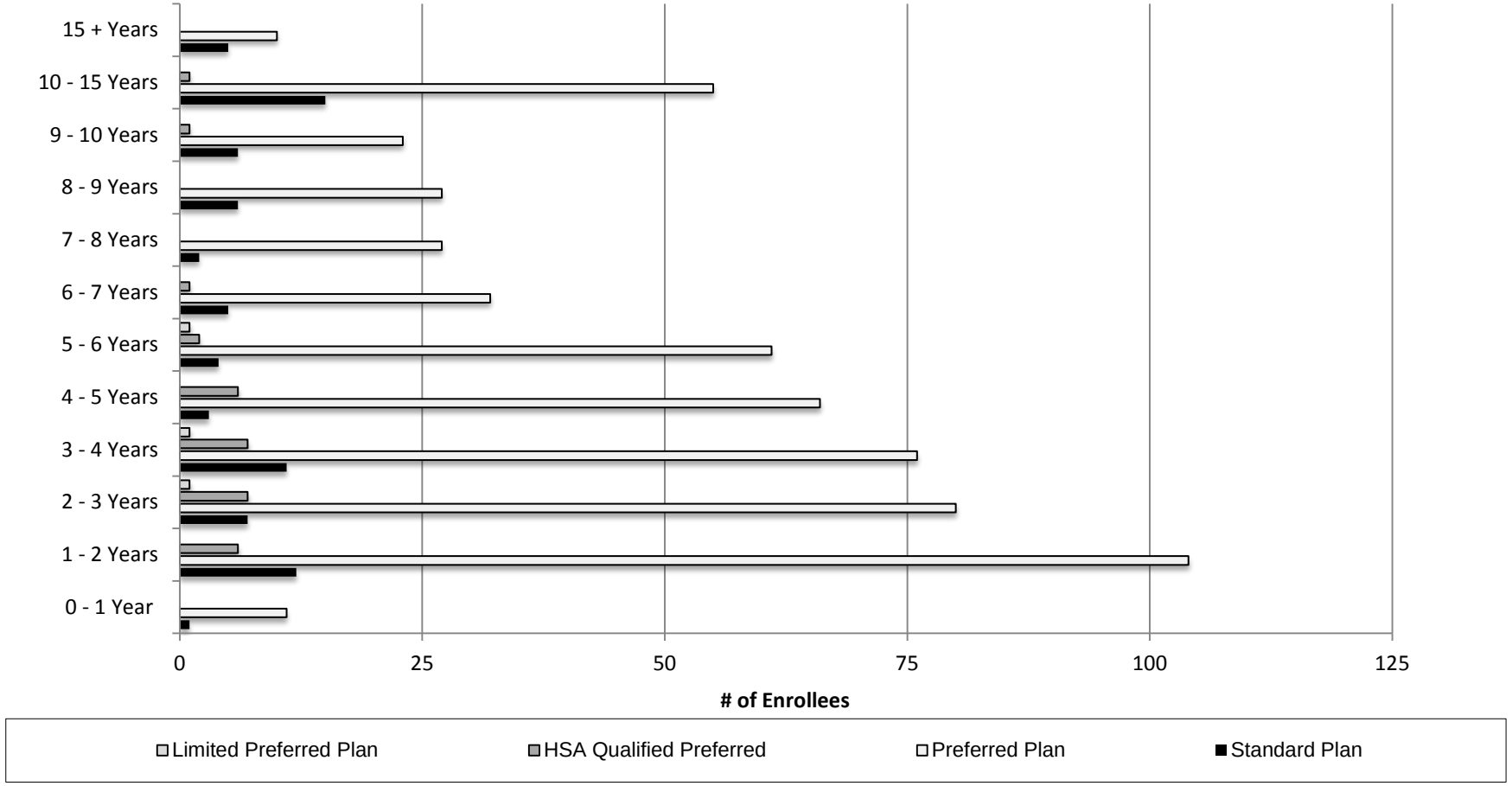
TOTAL ENROLLMENT: 1,737



* Began enrolling on January 1, 2008.

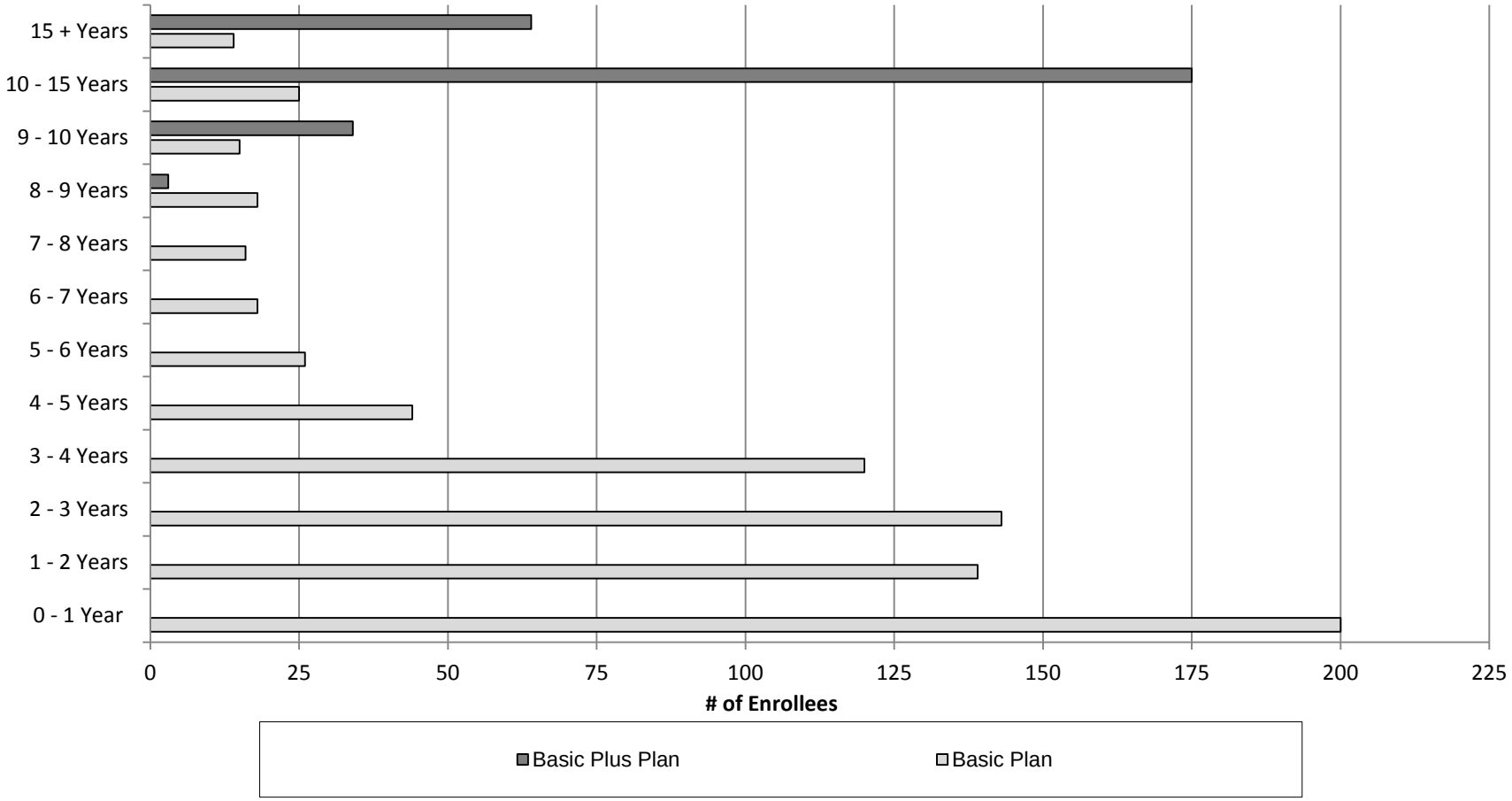
Time Enrolled in WSHIP
Non-Medicare Policies

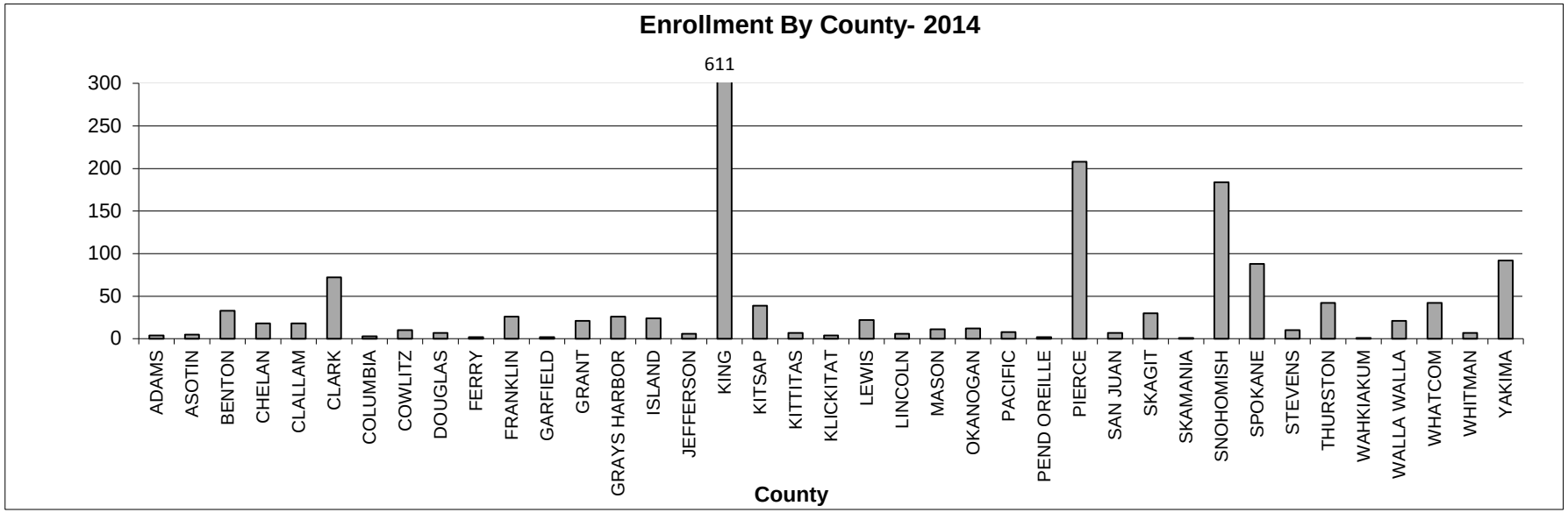
NOTE: This chart depicts the duration of time enrollees with non-Medicare polices are enrolled with WSHIP as of December 31, 2014. The HSA Qualified Plan and the Limited Preferred Plans have been available since January 2008. Any activity in the newer plans before those dates reflects enrollees who at one point had Standard Plan coverage and then changed to the newer plans.

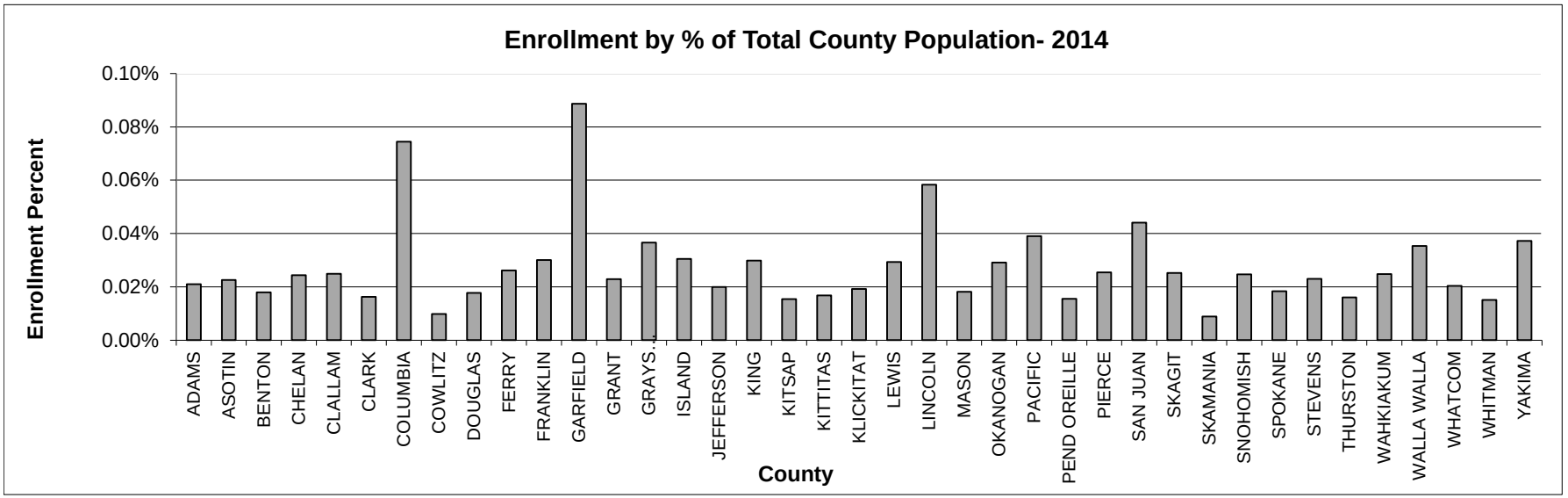


Time Enrolled in WSHIP
Medicare Policies

NOTE: This chart depicts the duration of time enrollees with Medicare policies were enrolled with WSHIP as of December 31, 2014. Basic and Basic Plus plans have been available for eight years. However, the activity beyond eight years illustrates enrollees who at one point had Plan 2 coverage and then changed to either the Basic or the Basic Plus plans. As of January 2008, all Plan 2 enrollees were required to either terminate coverage or move to the Basic or the Basic Plus plans.



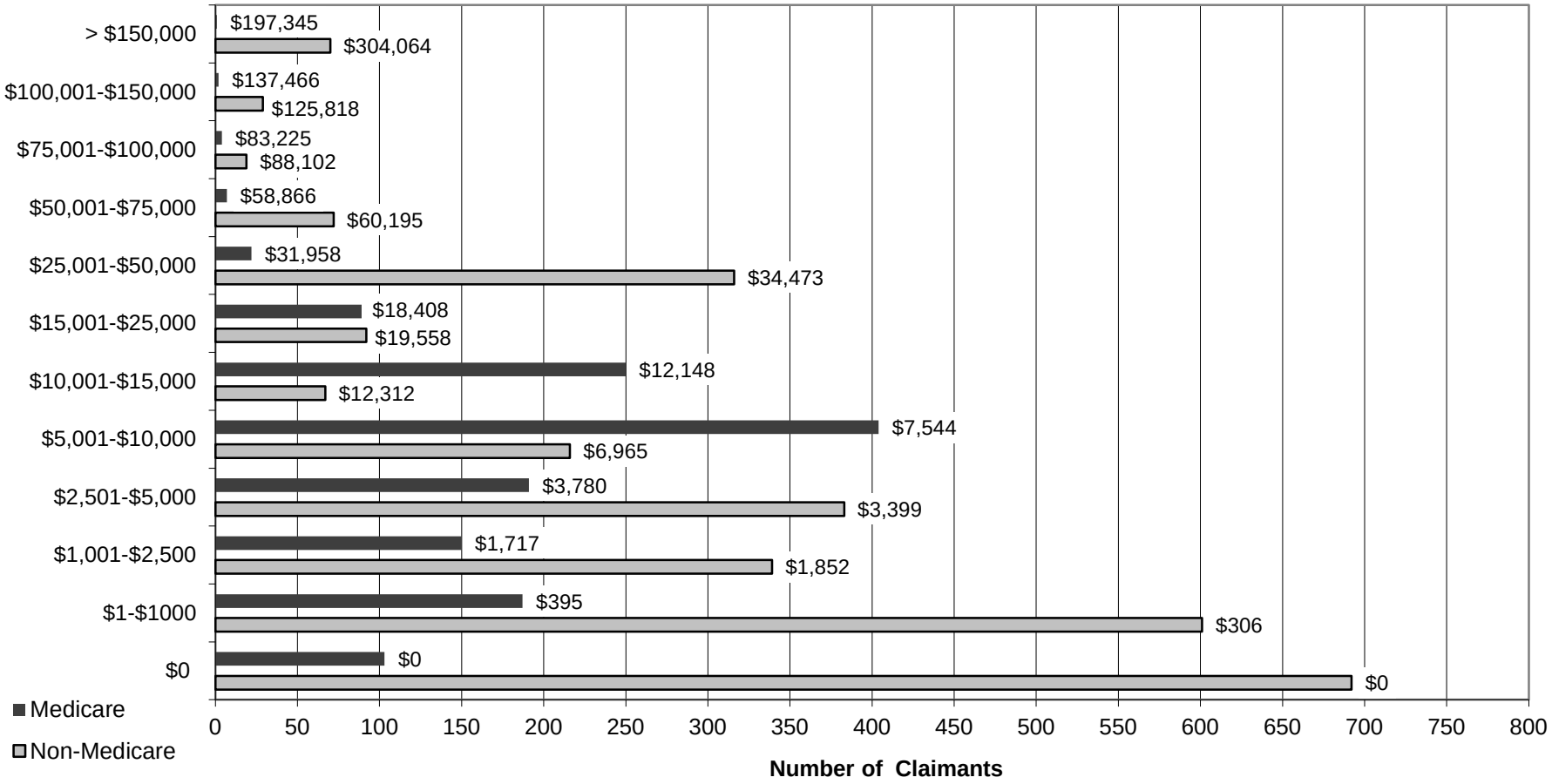

Enrollment By County- 2014
611
300
250
200
150
100
50
0
ADAMS
ASOTIN
BENTON
CHELAN
CLALLAM
CLARK
COLUMBIA
COWLITZ
DOUGLAS
FERRY
FRANKLIN
GARFIELD
GRANT
GRAYS HARBOR
ISLAND
JEFFERSON
KING
KITSAP
KITTITAS
KLICKITAT
LEWIS
LINCOLN
MASON
OKANOGAN
PACIFIC
PEND OREILLE
PIERCE
SAN JUAN
SKAGIT
SKAMANIA
SNOHOMISH
SPOKANE
STEVENS
THURSTON
WAHKIAKUM
WALLA WALLA
WHATCOM
WHITMAN
YAKIMA
County


Enrollment by % of Total County Population- 2014
Enrollment Percent
0.10%
0.08%
0.06%
0.04%
0.02%
0.00%
ADAMS
ASOTIN
BENTON
CHELAN
CLALLAM
CLARK
COLUMBIA
COWLITZ
DOUGLAS
FERRY
FRANKLIN
GARFIELD
GRANT
GRAYS...
ISLAND
JEFFERSON
KING
KITSAP
KITTITAS
KLICKITAT
LEWIS
LINCOLN
MASON
OKANOGAN
PACIFIC
PEND OREILLE
PIERCE
SAN JUAN
SKAGIT
SKAMANIA
SNOHOMISH
SPOKANE
STEVENS
THURSTON
WAHKIAKUM
WALLA WALLA
WHATCOM
WHITMAN
YAKIMA
County

Claims Data

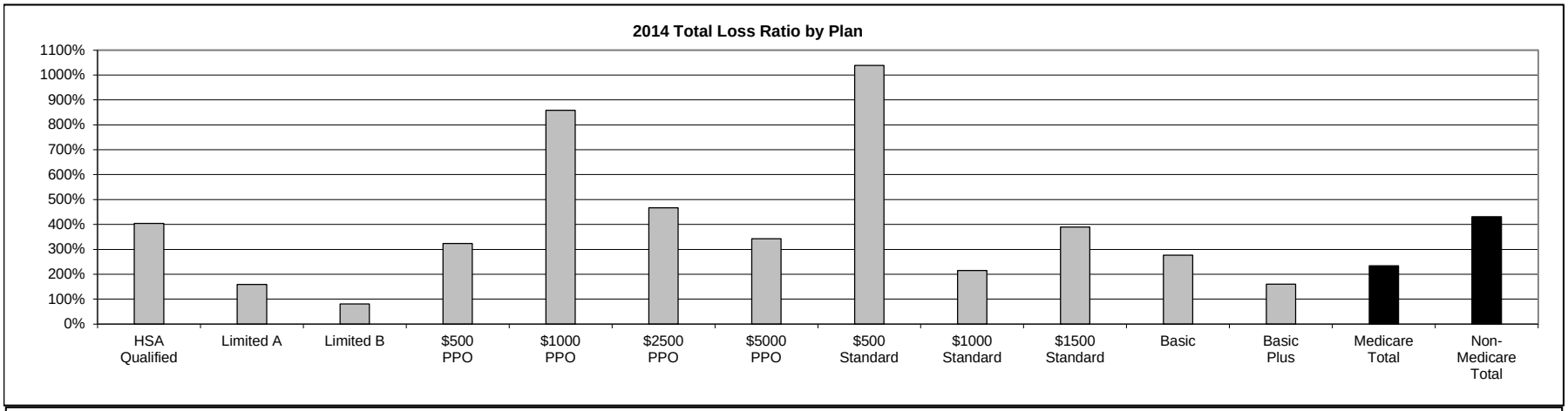
Distribution of Total Allowed* Medical and Pharmacy Claims

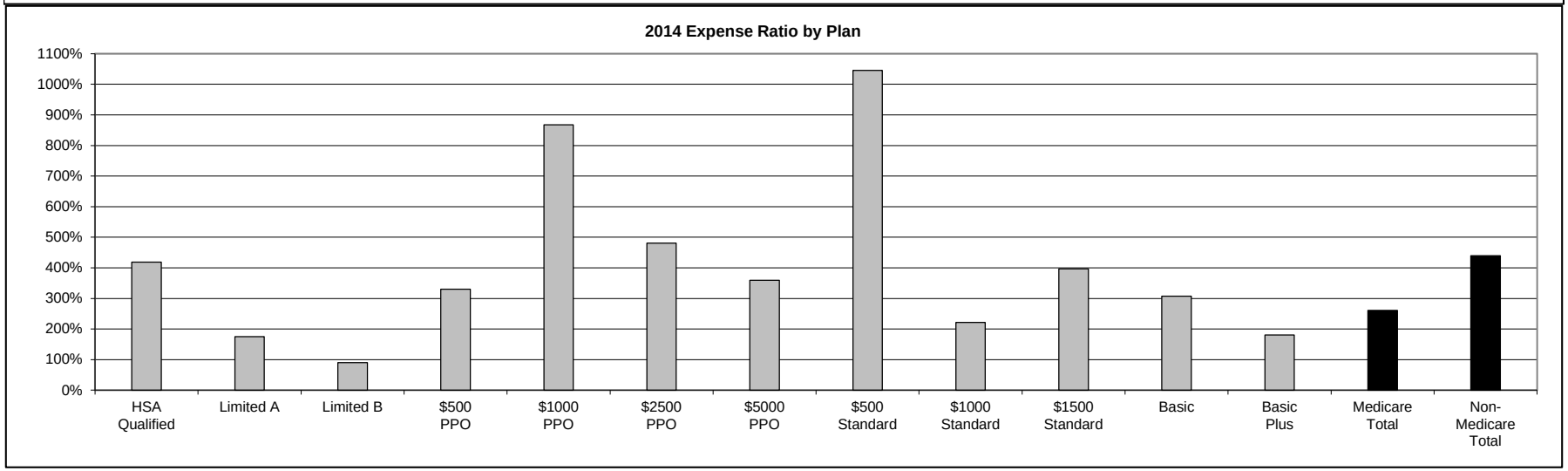
NOTE: This chart depicts the total allowable charges for all medical and pharmacy claims processed in 2014 for all enrollees. There were 4,306 claimants. The allowable claim costs have been banded as illustrated below. The average allowed medical and pharmacy cost per member per year (PMPY) is $13,464. At the end of each bar is the total average PMPY cost for the corresponding dollar band. 3.0% of the Non-Medicare claimants drove 50% of total Non-Medicare costs. 18.4% of the Medicare claimants drove 50% of total Medicare costs.



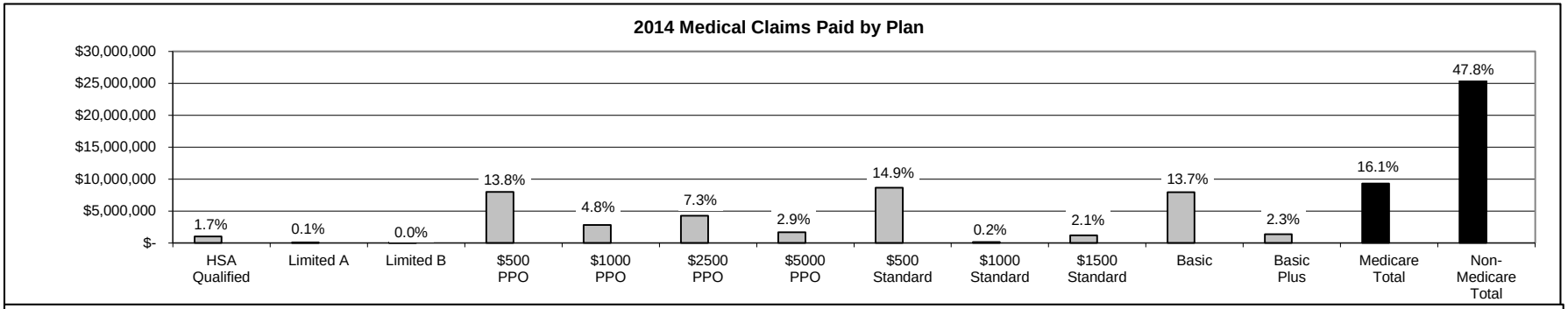
* Allowed: The total amount that the enrollee and WSHIP will pay for the covered service. Network providers have agreed to accept this amount as payment in full.

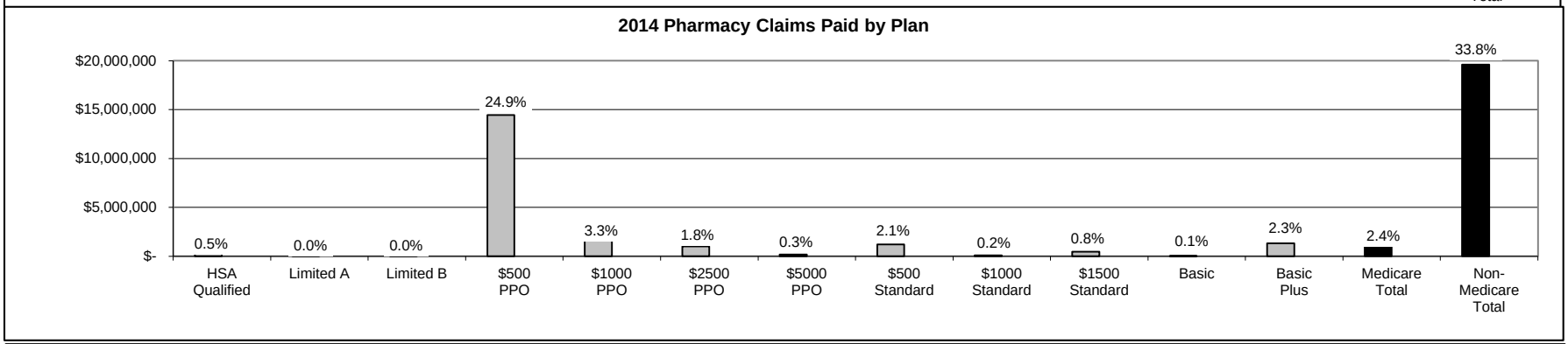
Note: This chart illustrates the loss ratio and expense ratio for the calendar year for all WSHIP plans. Medicare and Non-Medicare totals are reflected in the black bars at the right side of each chart.

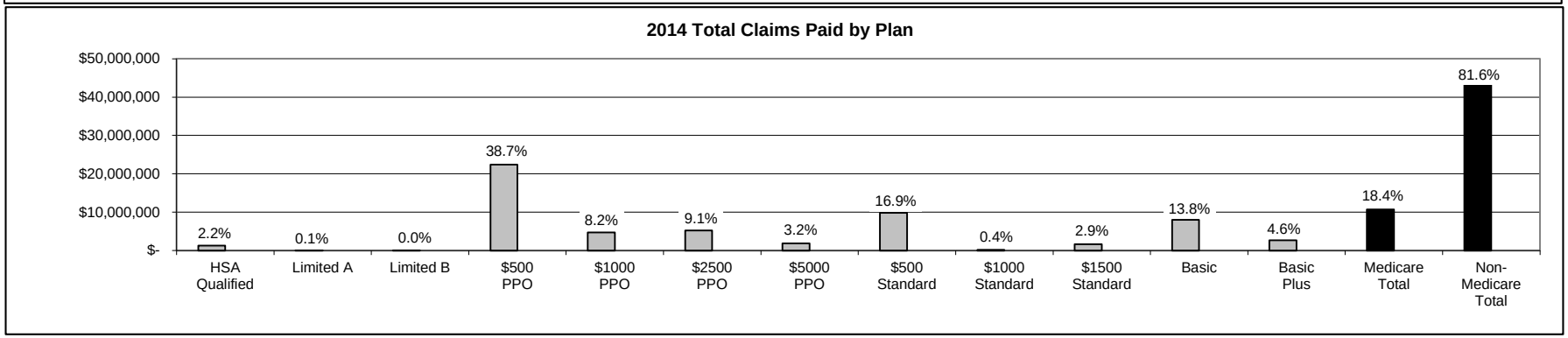


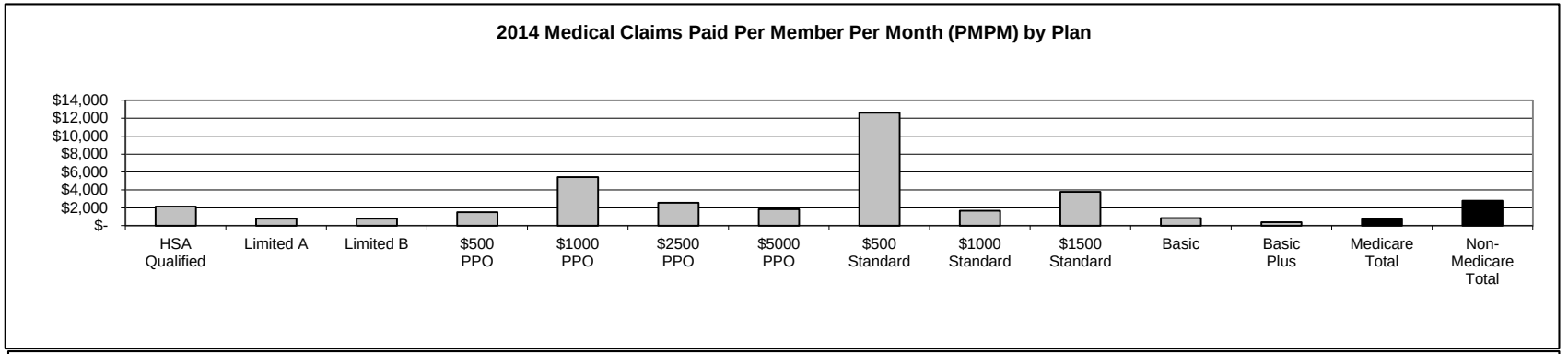


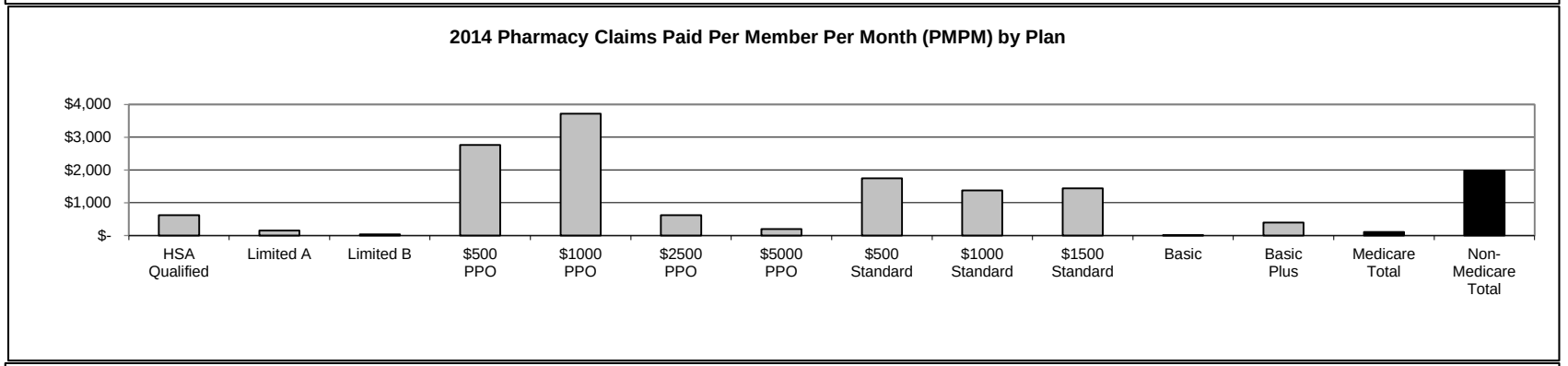
NOTE: This chart illustrates medical, pharmacy and total claims paid by plan. Medicare and Non-Medicare totals are reflected in the black bars at the right side of each chart. In 2014, WSHIP paid $36,995,194 in medical claims and $20,982,549 in pharmacy claims, for a total of $57,977,744.

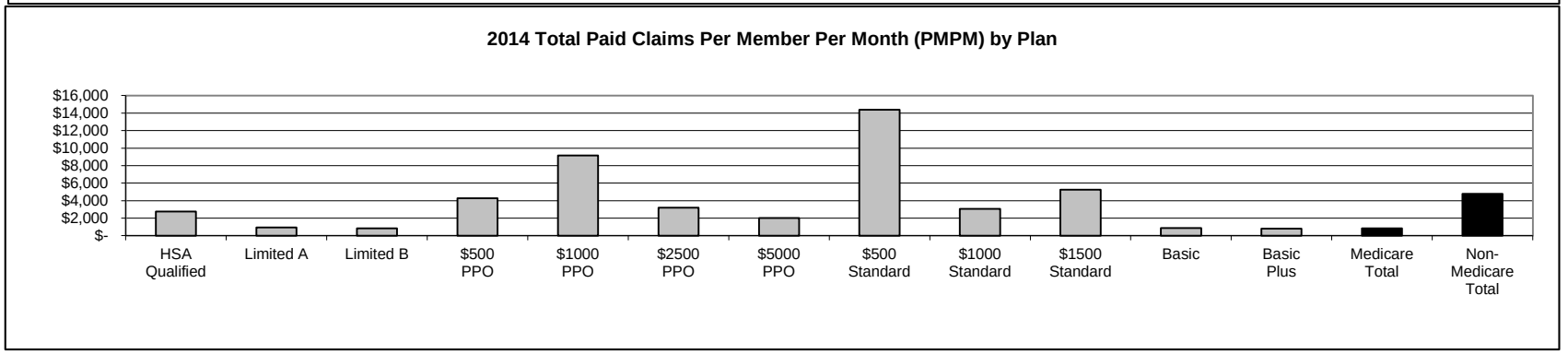







2014 Medical Claims Paid Per Member Per Month (PMPM) by Plan
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$-
HSA Qualified
Limited A
Limited B
$500 PPO
$1000 PPO
$2500 PPO
$5000 PPO
$500 Standard
$1000 Standard
$1500 Standard
Basic
Basic Plus
Medicare Total
Non-Medicare Total


2014 Pharmacy Claims Paid Per Member Per Month (PMPM) by Plan
$4,000
$3,000
$2,000
$1,000
$-
HSA Qualified
Limited A
Limited B
$500 PPO
$1000 PPO
$2500 PPO
$5000 PPO
$500 Standard
$1000 Standard
$1500 Standard
Basic
Basic Plus
Medicare Total
Non-Medicare Total


2014 Total Paid Claims Per Member Per Month (PMPM) by Plan
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$-
HSA Qualified
Limited A
Limited B
$500 PPO
$1000 PPO
$2500 PPO
$5000 PPO
$500 Standard
$1000 Standard
$1500 Standard
Basic
Basic Plus
Medicare Total
Non-Medicare Total

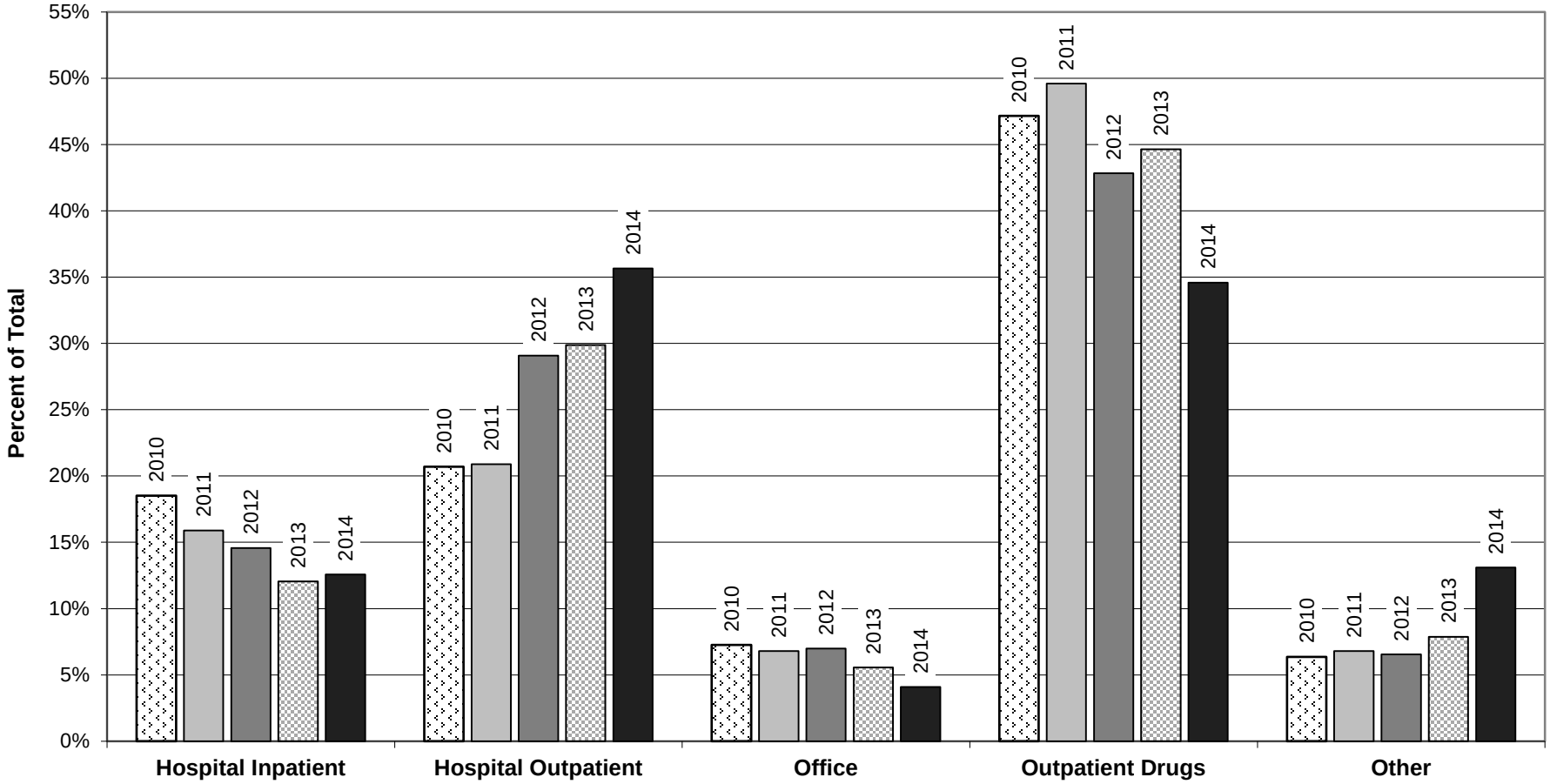
2014 Cost Sharing on a Per Member Per Month (PMPM) Basis

NOTE: This chart illustrates the cost sharing on a per member per month (PMPM) basis. Enrollees' totals include all out-of-pocket related health plan costs (co-pays, deductibles, coinsurance) in addition to the annual premium.

	Annual Totals				PMPM	
	Enrollment	Member Costs		Plan Costs		
	Members Months	Total Premiums	Total Out-of-Pocket	Total Plan Paid	Member Costs	Plan Costs
Standard Plans	1,074	$ 1,476,441	$ 107,991	$ 11,704,980	1,475	$ 10,898
Preferred Provider Plan	8,310	$ 9,153,715	$ 1,360,028	$ 34,274,139	$ 1,265	$ 4,124
HSA Qualified Plan	461	$ 315,684	$ 155,587	$ 1,277,096	$ 1,022	$ 2,770
Limited Plans	46	$ 30,235	$ 14,257	$ 42,488	$ 967	$ 924
Total Non-Medicare	**9,891**	**10,976,075**	**1,637,864**	**47,298,702**	**$ 1,275**	**$ 4,782**
Basic Plus	3,393	$ 1,673,308	$ 9,087	$ 2,688,114	$ 496	$ 792
Basic	9,301	$ 2,886,171	$ 30,713	$ 7,990,928	$ 314	$ 859
Total Medicare	**12,694**	**4,559,478**	**39,800**	**10,679,041**	**$ 362**	**$ 841**
Total All Plans	**22,585**	**15,535,554**	**1,677,664**	**57,977,744**	**$ 762**	**$ 2,567**

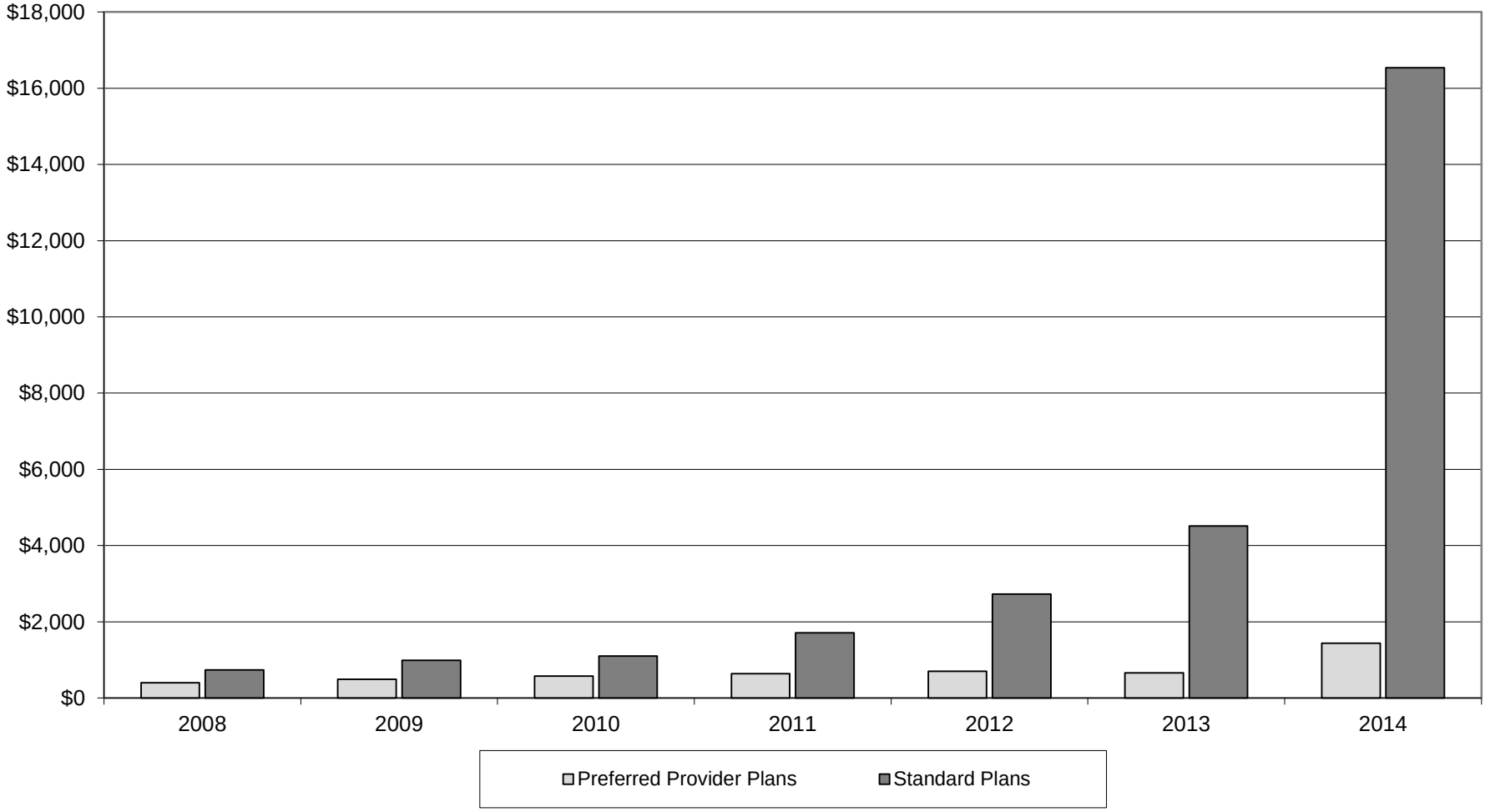
Distribution of Claim Payments by Place of Service 2010 - 2014

NOTE: This chart depicts the annual paid medical and pharmacy claims cost for each place of service as a percent of the total annual cost. "Other" is a total of services not within the defined labels below, such as Ambulance, Community Mental Health Center, Home Health / Hospice, and Substance Abuse Treatment Center.



Network Savings on a Per Member Per Month (PMPM) Paid Basis for 2008 - 2014

NOTE: This chart depicts network discounts for both the Standard and Preferred Provider Plans on a PMPM basis for 2008 through 2014. In 2014, the network savings as a percent of total in-network charges for Standard Plans was 58% and for Preferred Provider Plans was 35%. The total combined network savings was 45%.



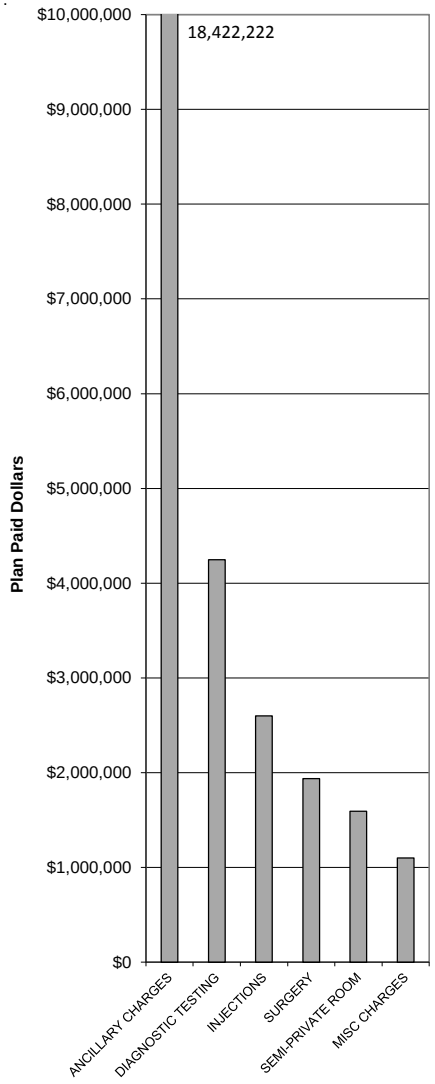
In-Network versus Out-of Network Utilization - 2014

NOTE: This chart illustrates the utilization of in-network providers versus out-of-network providers. For enrollees within the Preferred Provider Plans, 92% of the time they were utilizing an in-network provider which resulted in 97% of the total dollars paid. For enrollees within the Standard plans, 84% of the time they were utlizing an in-network provider which resulted in 97% of the total dollars paid.

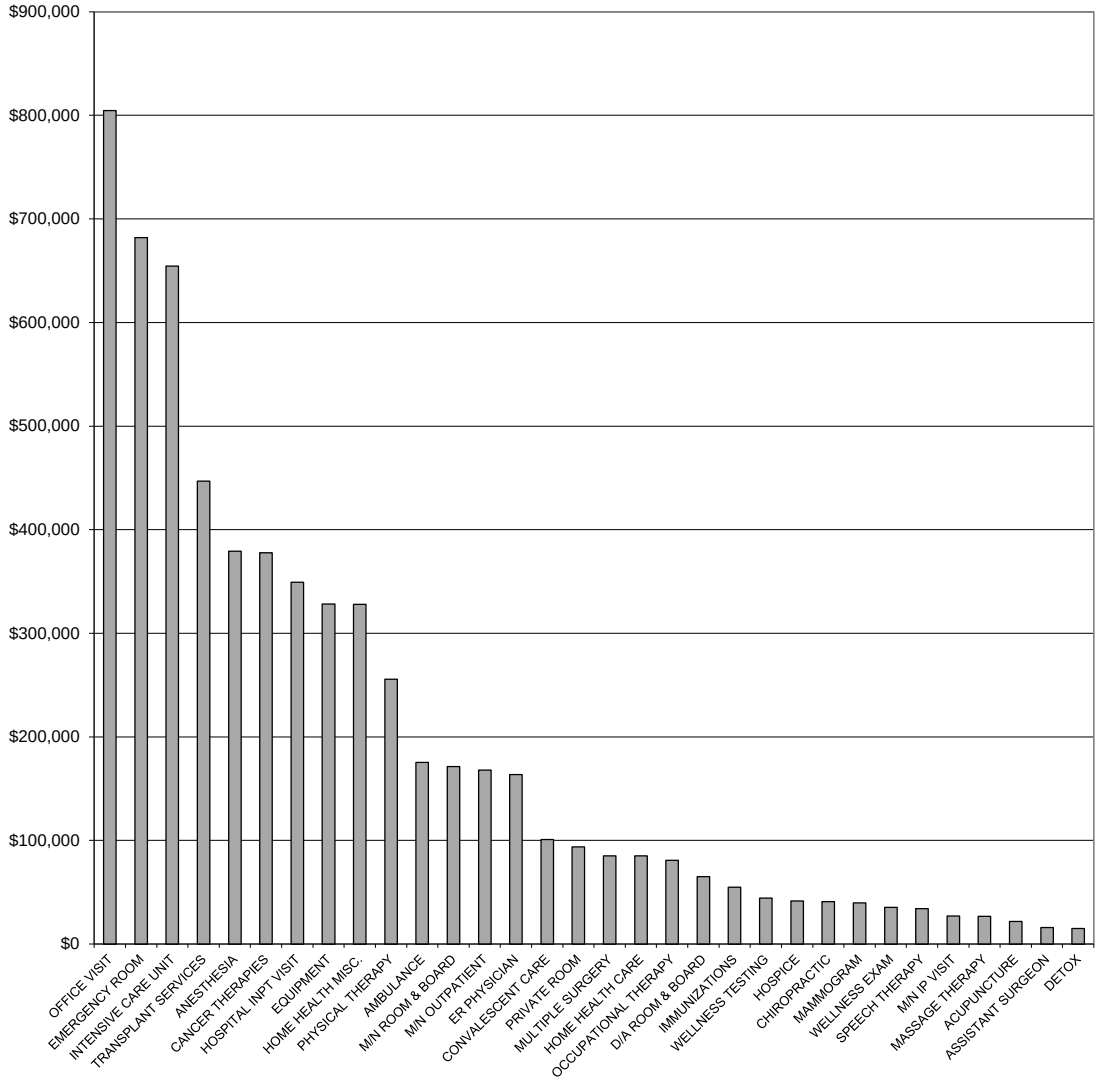
	Percent of Claims		Dollars Paid		Percent of Dollars Paid	
	In-Net	Out-of-Net	In-Net	Out-of-Net	In-Net	Out-of-Net
PPO Plans	92%	8%	$ 17,014,472	$ 596,569	97%	3%
STD Plans	84%	16%	$ 9,648,630	$ 329,278	97%	3%

Service Code Analysis 2014 Paid Medical Claims

NOTE: This chart depicts the total paid medical claims per each service code or benefit category with total charges greater than $1,000,000.

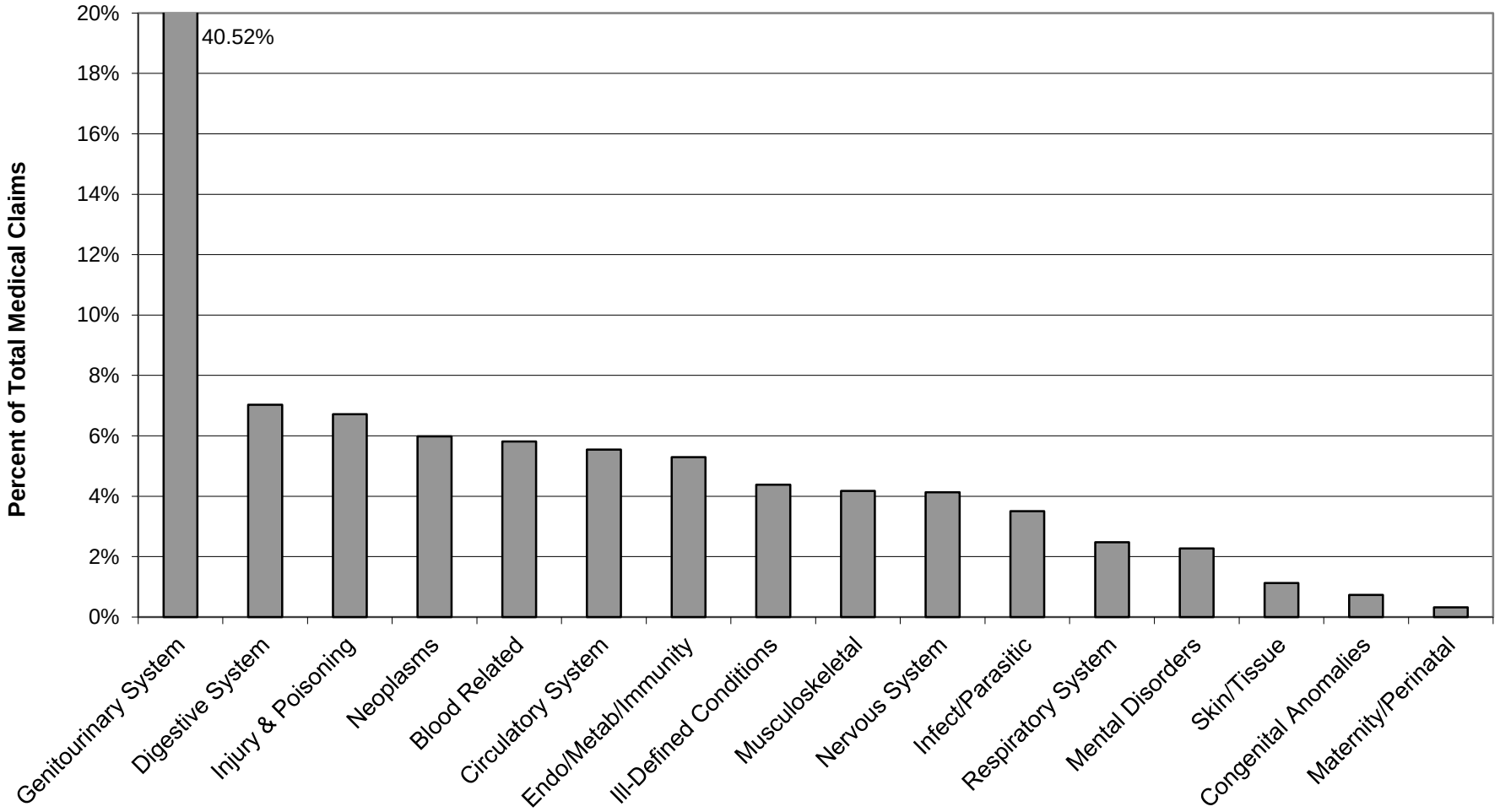


NOTE: This chart depicts the total paid medical claims per each service code or benefit category with total charges less than $1,000,000.



Major Diagnostic Categories by % of Total Medical Claims Paid in 2014

NOTE: This chart depicts the paid medical claims based upon Major Diagnosis Categories for all plans. The Major Diagnosis Categories are developed from ranges of diagnoses.



Top 25 Providers by 2014 Medical Claims Paid

NOTE: This chart depicts the top 25 providers in 2014 by medical claims paid. The top 25 providers account for approximately 70% of claim dollars paid in 2014.

Provider Name	Paid Amount	Percent of Total Medical Claims Paid	FCHN Provider?
TOTAL RENAL CARE INC	4,413,767.80	12.3%	Yes
NORTHWEST BETHANY	3,062,592.04	8.5%	Yes
HARBORVIEW MEDICAL CENTER PHYSICIANS	1,647,726.11	4.6%	Yes
NORTHWEST KIDNEY CENTERS	1,562,885.03	4.3%	Yes
UNIVERSITY OF WASHINGTON	1,503,756.48	4.2%	Yes
SWEDISH HEALTH SERVICES	1,457,827.54	4.1%	Yes
PROVIDENCE HEALTH & SERVICES WASHINGTON	1,749,736.28	4.9%	Yes
VIRGINIA MASON CLINIC	880,722.74	2.4%	Yes
PACIFIC NORTHWEST RENAL SERVICES	770,092.34	2.1%	Yes
SEATTLE CHILDRENS HOSPITAL	698,439.88	1.9%	Yes
SHARP MEMORIAL HOSPITAL	660,962.15	1.8%	No
CORAM ALTERNATE SITE SERVICES	658,929.65	1.8%	Yes
ST JOSEPH MEDICAL CENTER	590,957.04	1.6%	Yes
YAKIMA VALLEY MEMORIAL HOSPITAL	588,322.00	1.6%	Yes
CENTRAL DES MOINES DIALYSIS	530,031.30	1.5%	Yes
SEATTLE CANCER CARE ALLIANCE	524,900.33	1.5%	Yes
PUGET SOUND KIDNEY CENTERS	522,621.75	1.5%	No
VGM GROUP INC	495,033.38	1.4%	Yes
PUGET SOUND BLOOD CENTER	466,596.06	1.3%	No
KENNEWICK PUBLIC HOSPITAL DISTRICT	465,638.53	1.3%	Yes
ASSOCIATION OF UNIVERSITY PHYSICIANS	452,756.61	1.3%	Yes
OPTION CARE ENTERPRISES INC	447,565.24	1.2%	Yes
SKAGIT VALLEY HOSPITAL	423,376.85	1.2%	Yes
YAKIMA HMA INC	397,307.50	1.1%	Yes
SOUTHWEST WASHINGTON MEDICAL CENTER	289,171.77	0.8%	Yes
Total of all other providers	**$ 10,979,717**	**30.5%**	

* Puget Sound Centers do not contract with any private payors.

Enrollment and Claims Summary Detail for 3rd Party Payors (EHIP, Kidney, DSHS)

Third Party Payors Members Plan & Age Distribution Summary as of December 31, 2014

NOTE: Third party payors accounted for 50.9% of the total WSHIP population. At the end of 2014, EHIP had 298 enrollees, DSHS had 9, and Kidney Centers had 577.

	Standard Plan		
Age	$500	$1,000	$1,500
0-18	1	0	0
19-29	5	0	0
30-34	5	0	0
35-39	4	0	0
40-44	2	0	0
45-49	2	0	0
50-54	5	0	0
55-59	0	0	0
60-64	0	0	0
65-69	1	0	0
70-74	3	0	0
75-79	0	0	0
80-84	0	0	0
85+	0	0	0
Total	28	0	0
Total STD Plan Enrollment = 28			

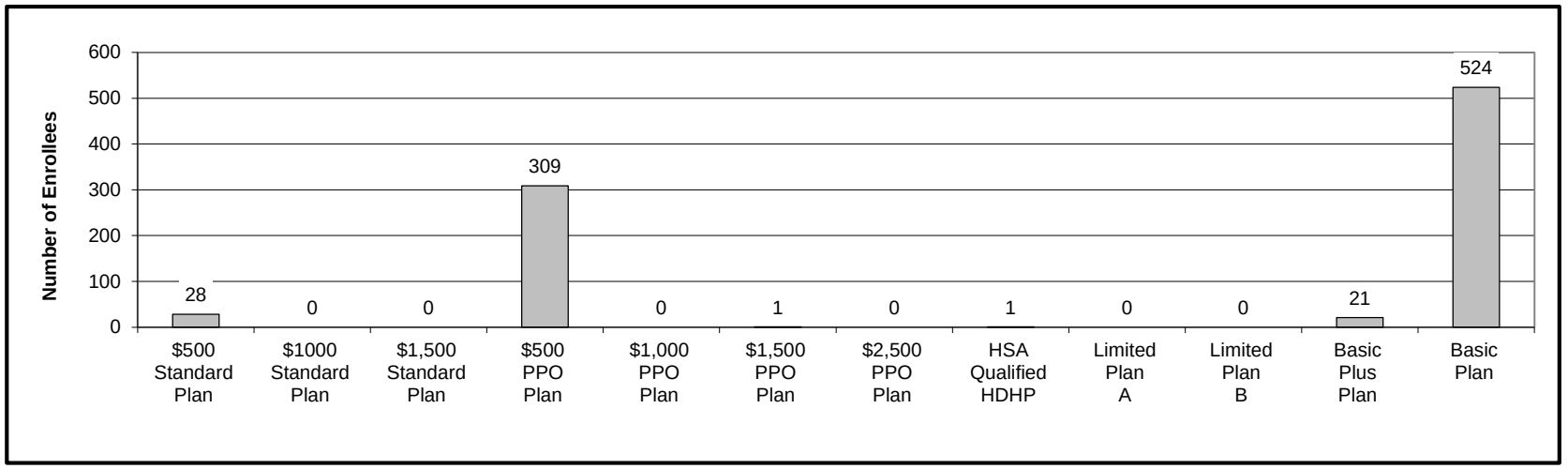
	PPO Plan			
Age	$500	$1,000	$2,500	$5,000
0-18	0	0	0	0
19-29	19	0	0	0
30-34	39	0	0	0
35-39	74	0	0	0
40-44	64	0	0	0
45-49	51	0	0	0
50-54	33	0	1	0
55-59	17	0	0	0
60-64	6	0	0	0
65-69	5	0	0	0
70-74	1	0	0	0
75-79	0	0	0	0
80-84	0	0	0	0
85+	0	0	0	0
Total	309	0	1	0
Total PPO Plan Enrollment = 311				

	HSA Qual	Limited PPO A	Limited PPO B
Age	$3,000	$1,500	$1,500
0-18	0	0	0
19-29	0	0	0
30-34	0	0	0
35-39	0	0	0
40-44	0	0	0
45-49	0	0	0
50-54	0	0	0
55-59	1	0	0
60-64	0	0	0
65-69	0	0	0
70-74	0	0	0
75-79	0	0	0
80-84	0	0	0
85+	0	0	0
Total	1	0	0

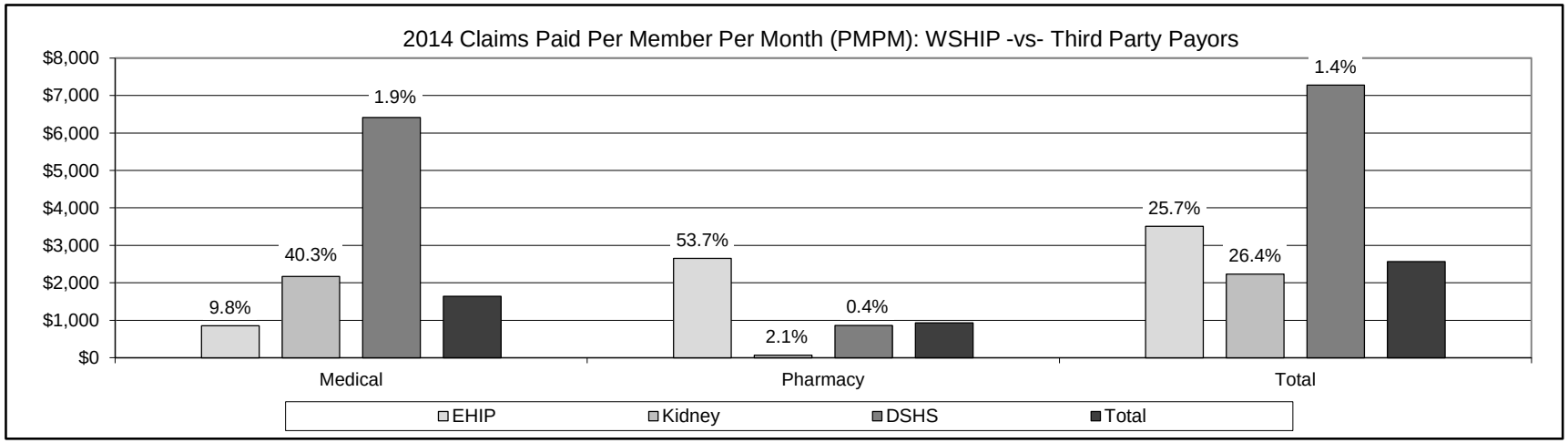
	Basic Plus Plan	Basic Plan
Age		
0-18	0	0
19-29	0	8
30-34	0	22
35-39	0	25
40-44	1	45
45-49	2	64
50-54	5	77
55-59	3	85
60-64	6	84
65-69	1	53
70-74	2	33
75-79	1	12
80-84	0	9
85+	0	7
Total	21	524
Total Medicare Enrollment = 545		

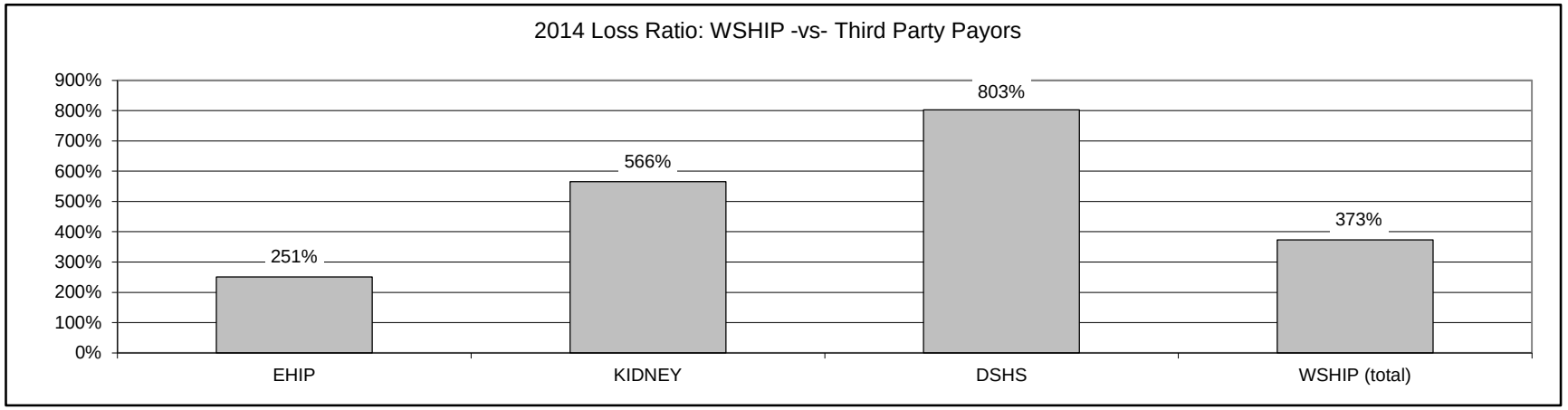
Total Non-Medicare Enrollment = 339

TOTAL ENROLLMENT: 884



NOTE: This chart depicts the paid medical and pharmacy claims on a per member per month (PMPM) basis for each of the three primary third party payors and how each compares to WSHIP in total. The percentages on each bar graph represent the medical and pharmacy costs of each primary third party payor as a percentage of the total WSHIP medical and pharmacy costs. In 2014, third party payor claims represent 53% of the total annual claim costs for WSHIP.





Web Site Activity

WSHIP Web Site Statistics
www.wship.org
2012 through 2014 Comparison

Interesting Facts			
2012	2013	2014	
46,222	37,734	9,560	Total number of unique visitors
127	103	26	Average daily number of unique visitors
4,345	4,401	3,256	Number of times that WSHIP users logged onto the enrollee secure site
146,495	104,158	46,279	Total number of documents downloaded/viewed.

2014 Top 10 Downloads	
Times Downloaded	Form Name/Content
3,687	Non-Medicare Comparision Chart
2,322	2014 Medicare Basic Plan Application
2,196	2014 Medicare enrollment Packet
2,125	Non-Medicare Premium Rates
1,939	Medicare Premium Rates
1,411	WSHIP Designated Network of Dialysis Providers
1,357	Agent Directory
903	Medicare Benefits
785	Plan Policies
384	Tobacco Use Affidavit form