

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

1. 2020 Interim I Assessment

An assessment of \$10.5 M is required to adequately fund the pool until the next scheduled assessment in July 2020. This assessment was approved by the Board of Directors on March 11, 2020 and generated on March 12, 2020 with invoices due April 13, 2020 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 13, 2020. As of May 29, 2020, \$8.3 M of assessments have been collected, leaving \$2.2 M to be collected.

2. 2020 Interim II Assessment Required

An assessment of \$9 M 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 to be generated in July 2020.

3. Financial Statements – April 2020

Balance Sheet

Cash on hand decreased by \$2.4 M or 57.5% from March 2020 to April 2020. The current cash position is \$6.6 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of April 2020, the entire \$6.6 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 April 2020 is \$4.4 M. This is an increase of \$165 K or 3.9% from the prior month. Medical IBNR increased \$21 K or 0.5% and pharmacy IBNR increased \$144 K or 55.4% from March 2020.

As of April 2020, the equity position of WSHIP is a positive \$7.3 M

Income Statement

Total member months for April 2020 YTD are lower by 393 member months or 7.1% lower than April 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for April 2020 YTD is \$2.6 M or 21.4% lower than April 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

April 2020 YTD, the medical claims portion is \$2.3 M or 30.2% lower than April 2019 YTD, and the pharmacy claims portion is \$232 K or 5.5% lower than April 2019 YTD.

April 2020 YTD administrative expenses are \$22 K or 3.7% lower than the administrative expenses for April 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 5.7% for April 2020 YTD as compared to 4.8% for April YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

4. Budgeted Cash Flow – April 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 \$6.6 M is \$644 K or 8.9% lower than the budgeted cash balance of \$7.3 M. Total net cash receipts for April 2020 are 2.8 M or 37.4% unfavorable to budget. Total YTD expenses for April 2020 YTD are \$85 K or 0.7% favorable to budget. The YTD administrative expenses are \$60 K or 9.5% favorable to budget. Total YTD medical claims expense is \$1.1 M or 14.4% favorable to budget; while total YTD pharmacy claims expense is \$1.1 M or 38.3% unfavorable to budget.

5. Medicare vs. Non-Medicare Cash Flow – April 2020

As of April, the YTD Medicare member months total 4,360 and represent 84.3% of the combined WSHIP member months. The YTD Non-Medicare member months total 811 and account for 15.7% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 182% while the YTD Non-Medicare Loss Ratio is 545%. On a cash basis, the YTD Claims PMPM is \$953 for Medicare members and \$8,209 for Non-Medicare members.

6. 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 March 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 April 2020. For May 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 \$26.5 M which is a \$1.5 M or 5.4% decrease from the 2019 assessment of \$28 M.

7. Administrative Expense Budget

For April 2020, YTD administrative expenses are \$60 K or 9.5% favorable to budget (cash basis).

8. Financial Performance

April 2020 YTD member months are 3.8% lower than expected, average premium receipt PMPM is 29.4% higher than expected, average medical claims expense PMPM is 18.6% lower than expected and average pharmacy claims expense PMPM is 1.5% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,463 as compared to \$1,309 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$713 as compared to \$779 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of April 30, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 6,630,315	\$ 5,767,098
Premiums Receivable	172,928	143,743
Assessments Receivable	5,476,081	4,525,772
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 12,279,324</u>	<u>\$ 10,436,613</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,948,000	\$ 4,240,000
Reserve for Unpaid Losses - Pharmacy	404,000	307,000
Accrued Loss Adjustment	265,000	285,000
Premiums Received in Advance	191,837	200,241
Assessments Payable	-	-
Accrued Expenses	121,396	112,174
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,930,232</u>	<u>\$ 5,144,415</u>
Unassigned Surplus	7,349,093	5,292,198
Total Liabilities and Unassigned Surplus	<u>\$ 12,279,324</u>	<u>\$ 10,436,613</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to April 30

	<u>2020</u>	<u>2019</u>
Total Member Months	5,171	5,564
Premium Income Earned	\$ 3,601,645	\$ 5,509,188
Pharmacy Rebate Income	100,479	159,584
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 5,411,161	6,947,838
Incurred Claim Loss - Pharmacy	4,030,495	4,262,835
Total Incurred Claim Loss	<u>9,441,656</u>	<u>11,210,673</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 311,786	\$ 322,438
Variable Administrative Expense	34,577	39,807
Salary and Benefit Expense	123,704	135,462
Prescription Administrative Expense	4,639	4,009
Miscellaneous Expense	20,934	23,123
Professional Fee Expense	83,353	62,860
Total Operating Expenses	<u>\$ 578,992</u>	<u>\$ 587,698</u>
Underwriting Gain (Loss)	(6,318,524)	(6,129,599)
Investment Income	19,717	43,895
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (6,298,807)</u>	<u>\$ (6,085,704)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(6,298,807)	(6,085,704)
Member Assessments	10,500,000	9,000,000
Unassigned Surplus	<u>\$ 7,349,093</u>	<u>\$ 5,292,198</u>

**Washington State Health Insurance Pool
2020 Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	April 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	5,418	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	2,897,576	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	120,000	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	134,733	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	10,078,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	400	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	13,231,291	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	72,439	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	72,439	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	7,925,455	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	2,913,527	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	290,501	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	40,582	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	144,449	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	6,943	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	29,000	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	119,233	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	11,469,690	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		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Actual													
Enrollment Count	1,291	1,294	1,281	1,305									5,171
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741									3,511,065
Grant Revenue	-	-	-	-									-
Pharmacy Rebate Income	-	90,479	-	10,000									100,479
Claim Refunds Receipts	82	5,755	4,777	1,954									12,568
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486									8,551,683
Investment Income	8,891	6,542	3,096	1,187									19,717
Other Income	-	-	-	-									-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	-	-	-	-	-	-	-	-	12,195,512
Refunds													
Assessment Refunds	206,723	-	-	-									206,723
Premium Refunds	-	40,799	5,060	4,266									50,124
Total Refunds	206,723	40,799	5,060	4,266	-	-	-	-	-	-	-	-	256,847
Expenses													
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217									6,783,729
Pharmacy Claims	1,648,545	831,353	871,893	678,704									4,030,495
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523									324,723
Variable Admin	8,936	6,586	11,619	8,691									35,832
Salary and Benefits	18,406	40,760	32,274	32,263									123,704
Prescription Admin	1,024	1,003	867	894									3,788
Miscellaneous	3,217	7,662	4,155	4,163									19,197
Professional Fees	11,089	8,047	9,337	34,781									63,255
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	-	-	-	-	-	-	-	-	11,384,723
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	6,630,315	
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	\$ 5,556,104	\$ 4,399,095	\$ 4,209,448	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	\$ 6,630,315	

**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)									(247)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361									613,489
Grant Revenue	-	-	-	-									-
Pharmacy Rebate Income	-	(29,521)	-	10,000									(19,521)
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)									(122,165)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)									(1,526,899)
Investment Income	8,791	6,442	2,996	1,087									19,317
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)									(1,035,778)
Refunds													
Assessment Refunds	(206,723)	-	-	-	-	-	-	-	-	-	-	-	(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919									22,315
Total Refunds	(188,686)	(22,715)	13,074										(198,327)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257									1,141,726
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922									(1,116,968)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)									(34,222)
Variable Admin	(224)	1,532	3,004	438									4,750
Salary and Benefits	29,400	(8,546)	(60)	(49)									20,745
Prescription Admin	711	732	870	843									3,155
Miscellaneous	5,308	(2,012)	5,020	1,487									9,803
Professional Fees	11,419	14,461	33,871	(3,773)									55,978
Total Expense	(721,937)	420,589	(77,663)	463,978									84,968
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)									
Inc(Dec) in Abandoned Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	-	-	-	-	-	-	-	-	

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										4,360			
Premiums	717,403	407,849	366,197	798,161										2,289,610			
Medical Claims	1,063,236	907,653	919,558	900,566										3,791,013			
RX Claims	124,309	87,038	83,490	71,123										365,960			
Total Claims	1,187,545	994,691	1,003,048	971,689	-	-	-	-	-	-	-	-	-	4,156,973			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	-	-	-	-	-	-	-	-	-	(1,867,362)			
Loss Ratio	166%	244%	274%	122%										182%	219%	191%	201%
Claims PMPM	1,092	912	930	881										953	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202										811			
Premiums	589,184	60,771	481,921	89,580										1,221,456			
Medical Claims	1,027,039	440,548	966,477	558,651										2,992,716			
RX Claims	1,524,236	744,315	788,403	607,581										3,664,535			
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	-	-	-	-	-	-	-	-	-	6,657,251			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	-	-	-	-	-	-	-	-	-	(5,435,795)			
Loss Ratio	433%	1950%	364%	1302%										545%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773										8,209	7,398	7,047	6,340
Combined Medicare/Non Medicare																	
Enrollment Count	1,291	1,294	1,281	1,305	-	-	-	-	-	-	-	-	-	5,171			
Premiums	1,306,587	468,620	848,118	887,741	-	-	-	-	-	-	-	-	-	3,511,066			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	-	-	-	-	-	-	-	-	-	6,783,731			
RX Claims	1,648,545	831,353	871,893	678,704	-	-	-	-	-	-	-	-	-	4,030,495			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	-	-	-	-	-	-	-	-	-	10,814,226			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	-	-	-	-	-	-	-	-	-	(7,303,160)			
Loss Ratio	286%	465%	325%	241%										308%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638										2,091	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 2/28/20

	Actual				Forecast								TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	204	203	202	202	208	206	204	202	200	198	196	194	2,419
Medicare Enrollment	1,087	1,091	1,079	1,103	1,169	1,173	1,177	1,181	1,185	1,189	1,193	1,197	13,824
Total Enrollment Count	1,291	1,294	1,281	1,305	1,377	1,379	1,381	1,383	1,385	1,387	1,389	1,391	16,243
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,314	7,099,066	7,501,059	5,462,319	10,613,464	9,231,631	7,763,135	5,828,939	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,587	706,939	705,332	703,726	702,120	700,514	698,907	697,301	8,743,492
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	90,479	-	10,000	-	120,000	-	120,000	-	-	120,000	-	460,479
Claim Refunds Receipts	82	5,755	4,777	1,954	33,499	32,505	33,804	36,408	37,221	39,751	38,113	37,250	301,117
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,572,100	2,266,600	-	7,200,000	900,000	900,000	-	5,600,000	27,990,383
Investment Income	8,891	6,542	3,096	1,187	100	100	100	100	100	100	100	100	20,517
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,923,286	3,126,143	739,236	8,060,234	1,639,441	1,640,364	857,121	6,334,651	37,515,988
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	-	40,799	5,060	4,266	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	197,698
Total Refunds	206,723	40,799	5,060	4,266	18,238	18,293	18,351	18,410	18,472	18,536	18,602	18,671	404,421
Expenses													
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,530,450	1,849,038	1,889,007	2,025,483	2,126,893	2,229,066	1,935,588	1,974,185	22,343,440
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	720,982	725,179	707,978	725,948	713,787	688,243	721,082	9,794,014
PMPM Administrative Expense	81,954	80,839	83,407	78,523	72,407	72,437	72,466	72,496	72,526	72,556	72,585	72,615	904,811
Variable Administrative Expense	8,936	6,586	11,619	8,691	8,135	8,140	8,146	8,151	9,157	8,162	16,668	8,173	110,560
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,214	32,214	32,354	32,354	32,354	32,354	32,354	32,354	382,256
Prescription Administrative Expense	1,024	1,003	867	894	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	17,714
Miscellaneous Expense	3,217	7,662	4,155	4,163	8,525	6,300	5,725	24,968	9,175	15,650	8,525	22,541	120,606
Professional Fees	11,089	8,047	9,337	34,781	22,508	15,008	25,008	17,508	25,008	17,008	17,008	25,008	227,322
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,436,296	2,705,858	2,759,625	2,890,679	3,002,802	3,090,325	2,772,714	2,857,703	33,900,724
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,099,066	7,501,059	5,462,319	10,613,464	9,231,631	7,763,135	5,828,939	9,287,216	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,099,066	7,501,059	5,462,319	10,613,464	9,231,631	7,763,135	5,828,939	9,287,216	

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
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									811
Medicare Basic	902	888	866	874									3,530
Medicare Basic Plus	139	139	138	136									552
Medical Supplement	46	64	75	93									278
Total Membership	1,291	1,294	1,281	1,305	-	-	-	-	-	-	-	-	5,171
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523									\$324,724
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691									\$35,832
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263									\$123,704
RX Benefit Management Fees	1,024	1,003	867	894									\$3,788
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163									\$19,197
Professional Fees (6)	11,089	8,047	9,337	34,781									\$63,255
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$570,499

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(93)	(92)	(91)	(89)									(365)
Medicare Basic	2	(16)	(42)	(38)									(94)
Medicare Basic Plus	(17)	(15)	(14)	(14)									(278)
Medical Supplement	46	64	75	93									278
Total Membership	(62)	(59)	(72)	(48)	-	-	-	-	-	-	-	-	(241)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146									\$34,223
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)									(\$4,750)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49									(\$20,745)
RX Benefit Management Fees	(711)	(732)	(870)	(843)									(\$3,155)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)									(\$9,803)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773									(\$55,979)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$60,209)

**Washington State Health Insurance Pool
2020 Financial Performance**

CASH BASIS	Month Ending April 30, 2020			
	Projected	Actual	Variance	% Change
Membership	1,356	1,305	(51)	-3.8%
Avg Premium Receipt PMPM	\$523	\$677	\$154	29.4%
Avg Medical Claim Expense PMPM	\$1,373	\$1,117	\$256	-18.6%
Avg Pharmacy Claim Expense PMPM	\$528	\$520	\$8	-1.5%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,378)	(\$960)	\$418	30.3%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,868,568)	(\$1,252,800)	\$615,768	33.0%
Variance Due to Changes in Membership			\$48,960	
Variance Due to Changes in Claim Expenses			\$566,808	

CASH BASIS	Year-To-Date April 30, 2020			
	Projected	Actual	Variance	% Change
Member Months	5,418	5,171	(247)	-4.6%
Avg Premium Receipt PMPM	\$521	\$669	\$148	28.4%
Avg Medical Claim Expense PMPM	\$1,438	\$1,309	(\$129)	-9.0%
Avg Pharmacy Claim Expense PMPM	\$538	\$779	\$241	44.8%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,455)	(\$1,419)	\$36	2.5%
Avg Premium Receipt Less Avg Claim Expense Total	(\$7,883,190)	(\$7,337,649)	\$545,541	6.9%
Variance Due to Changes in Membership			\$350,493	
Variance Due to Changes in Claim Expenses			\$195,048	

INCURRED BASIS	Year-To-Date April 30, 2020	Year-To-Date April 30, 2019
	Actual	Actual - Prior Year
Member Months	5,171	5,564
Avg Premium Income PMPM	\$697	\$990
Avg Medical Claim Expense PMPM (1)	\$1,463	\$1,446
Avg Pharmacy Claim Expense PMPM (2)	\$713	\$714
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,479)	(\$1,170)
Avg Premium Receipt Less Avg Claim Expense Total	(\$7,647,909)	(\$6,509,880)

(1) Incurred medical claims data totals \$7,567,464 which is derived from \$3,619,464 actual paid claims with dates of service between 01-01-20 and 04-30-20 and \$3,948,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$3,685,028 which is derived from \$3,281,028 actual paid claims with dates of service between 01-01-20 and 04-30-20 and \$404,000 IBNR reserve.