

**Washington State Health Insurance Pool
Treasurer's Report
January 2018 Financial Review**

1. 2017 Interim III Assessment Required

An assessment of \$8.5 M was required to adequately fund the pool until the next scheduled assessment in March 2018. This assessment was approved by the Board of Directors on November 8, 2017 and invoices were generated on November 28, 2017 with invoices due December 28, 2017 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by February 28, 2018. As of February 28, 2018, \$9.0 M of assessments have been collected, leaving \$664 K to be collected before \$1.2 M is distributed for assessment true-up refunds.

2. Financial Statements – January 2018

Balance Sheet

Cash on hand increased by \$2.6 M or 45.7% from December 2017 to January 2018. The current cash position is \$8.3 M, which is well above our current 4-week expense allowance of \$3.0 M. As of the end of January 2018, the entire \$8.3 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 January 2018 is \$4.3 M. This is a decrease of \$55 K or 1.3% from the prior month. Medical IBNR decreased \$116 K or 3.2% and pharmacy IBNR increased \$61 K or 8.5% from December 2017.

As of January 2018, the equity position of WSHIP is a positive \$3.6 M.

Income Statement

Total member months for January 2018 YTD are lower by 30 member months or 2% lower than January 2017 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for January 2018 YTD is \$131 K or 4.2% lower than January 2018 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 January 2018 YTD, the medical claims portion is \$25 K or 1.3% less than January 2017 YTD, and the pharmacy claims portion is \$105 K or 9.2% lower than January 2017 YTD.

January 2018 YTD administrative expenses are \$2 K or 1.1% lower than the administrative expenses for January 2017 YTD. The ratio of administrative expenses

as a percentage of total cost is 4.6% for January 2018 YTD as compared to 4.4% for January YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

3. Budgeted Cash Flow – January 2018

The Budgeted Cash Flow document contains the budget (upper portion) as established in early 2018 and the actual (lower portion) cash flow results year-to-date.

The ending cash balance of \$8.3 M is \$4.7 M or 34.6% lower than the budgeted cash balance of \$12.7 M. Total net cash receipts for January 2018 YTD are \$373 K or 6.9% favorable to budget. Total YTD expenses are \$87 K or 2.6% favorable to budget. The YTD administrative expenses are \$22 K or 13.3% favorable to budget. Total YTD medical claims expense is \$171 K or 8.9% unfavorable to budget; while total YTD pharmacy claims expense is \$236 K or 19.5% favorable to budget.

4. Medicare vs. Non-Medicare Cash Flow – January 2018

As of January, the YTD Medicare member months total 1,113 and represent 76% of the combined WSHIP member months. The YTD Non-Medicare member months total 351 and account for 24% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 110% while the YTD Non-Medicare Loss Ratio is 138%. On a cash basis, the YTD Claims PMPM is \$744 for Medicare members and \$6,392 for Non-Medicare members.

5. Cash Flow Forecast – 2018

The 2017 cash flow forecast was developed using the assumptions developed by Leif & Associates for membership, premium receipts, pharmacy and medical claim cost projections. The key drivers (membership, premiums, medical claims and pharmacy claims) in the budget portion were updated in December 2017 to reflect new projections from Liz Leif. All other projections were trended from previous years with the best information available as of current.

The cash flow re-forecast is a dynamic document and changes are made as better financial information is obtained. Actual results are illustrated through January 2018. For February 2018, preliminary figures for the key financial drivers (Premium Receipts, Assessment Receipts and Refunds, Medical Claims and Pharmacy Claims Expenses) are reported.

To ensure adequate funding, the current 2018 forecast is projecting an assessment of \$24.5 M which is a \$1.5 M or 5.8% decrease from the 2017 assessment of \$26.0 M.

6. Administrative Expense Budget

For January 2018, YTD administrative expenses are \$22 K or 13.3% favorable to budget (cash basis).

7. Financial Performance

January 2018 YTD member months are 3% higher than expected, average premium receipt PMPM is 81% higher than expected, average medical claims expense PMPM is 7% higher than expected and average pharmacy claims expense PMPM is 22% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$2,619 as compared to \$1,425 on a cash basis. Also on an incurred basis, the average YTD pharmacy claims expense PMPM is \$1,182 as compared to \$664 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of January 31

Total Enrollment: 1,464

	<u>2018</u>	<u>2017</u>
Assets:		
Cash	\$ 8,281,836	\$ 10,823,097
Premiums Receivable	239,896	196,323
Assessments Receivable	2,699,196	139
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 11,220,927</u>	<u>\$ 11,019,559</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,555,000	\$ 4,246,000
Reserve for Unpaid Losses - Pharmacy	780,000	825,000
Accrued Loss Adjustment	303,000	307,000
Premiums Received in Advance	1,646,207	1,598,744
Assessments Payable	1,238,834	-
Accrued Expenses	136,894	146,408
Abandoned Claim Reserve	2,084	19,897
Total Liabilities	<u>\$ 7,662,019</u>	<u>\$ 7,143,049</u>
Unassigned Surplus	3,558,908	3,876,511
Total Liabilities and Unassigned Surplus	<u>\$ 11,220,927</u>	<u>\$ 11,019,559</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to January 31

	<u>2018</u>	<u>2017</u>
Total Member Months	1,464	1,494
Premium Income Earned	\$ 1,162,270	\$ 1,093,843
Pharmacy Rebate Income	-	-
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 1,971,993	1,997,161
Incurred Claim Loss - Pharmacy	1,039,078	1,144,542
Total Incurred Claim Loss	<u>3,011,072</u>	<u>3,141,703</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 79,920	\$ 77,460
Variable Administrative Expense	10,456	8,620
Salary and Benefit Expense	45,297	30,101
Prescription Administrative Expense	3,320	1,748
Miscellaneous Expense	21,493	13,659
Professional Fee Expense	19,887	10,941
Total Operating Expenses	<u>\$ 180,372</u>	<u>\$ 142,529</u>
Underwriting Gain (Loss)	(2,029,175)	(2,190,389)
Investment Income	9,077	4,644
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (2,020,098)</u>	<u>\$ (2,185,745)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2018</u>	<u>2017</u>
Unassigned Surplus at Beginning of Year	\$ 5,579,006	\$ 6,062,256
Changes to Unassigned Surplus	(2,020,098)	(2,185,745)
Member Assessments	-	-
Unassigned Surplus	<u>\$ 3,558,908</u>	<u>\$ 3,876,511</u>

**WSHIP 2018
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY YTD	TOTAL
Enrollment Count	1,427	1,425	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	1,427	17,047
Cash Balance														
BEGINNING OF MONTH	10,516,926	12,655,004	10,595,865	9,123,614	12,892,020	10,875,369	10,020,695	7,240,772	12,558,231	11,993,978	10,432,808	7,493,631		
Receipts														
Premium Receipts	1,332,619	484,426	1,868,094	743,157	507,333	1,799,134	749,543	559,343	1,652,295	736,555	365,649	357,599	1,332,619	11,155,745
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	200,000
Claim Refunds Receipts	35,695	33,990	34,807	33,840	33,651	34,698	35,909	34,265	34,501	35,016	34,221	33,780	35,695	414,373
Assessment Receipts	4,131,528	2,000,000	-	6,400,000	800,000	800,000	-	8,000,000	1,000,000	1,000,000	-	6,000,000	4,131,528	30,131,528
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	5,499,942	2,518,517	1,953,000	7,177,096	1,341,083	2,683,932	785,552	8,593,708	2,736,895	1,771,670	399,971	6,441,478	5,499,942	41,902,846
Refunds														
Assessment Refunds	-	1,238,834	-	-	-	-	-	-	-	-	-	-	-	1,238,834
Premium Refunds	59,306	12,111	46,702	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	59,306	304,884
Total Refunds	59,306	1,250,945	46,702	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	59,306	1,543,718
Expenses														
Medical Claims	1,928,839	1,999,438	2,047,458	1,990,559	1,979,445	2,041,061	2,112,313	2,015,589	2,029,452	2,059,756	2,013,026	1,987,039	1,928,839	24,203,974
Pharmacy Claims	1,207,747	1,156,955	1,169,031	1,252,631	1,216,972	1,305,070	1,246,530	1,095,919	1,070,347	1,087,264	1,151,857	1,157,980	1,207,747	14,118,303
Fixed (PMPM) Admin	79,539	77,250	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	79,539	925,130
Variable Admin	14,278	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	14,278	180,599
Salary and Benefits	44,812	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	44,812	408,080
Prescription Admin	1,852	1,850	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	1,852	22,104
Miscellaneous	10,625	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	10,625	138,822
Professional Fees	14,867	29,867	27,367	14,867	14,867	14,867	34,367	18,367	24,867	26,867	24,867	15,367	14,867	261,400
Total Expense	3,302,558	3,326,712	3,378,549	3,390,111	3,345,051	3,493,629	3,546,736	3,262,266	3,259,840	3,314,427	3,330,006	3,308,528	3,302,558	40,258,413
Month Ending Cash Balance	\$ 12,655,004	\$ 10,595,865	\$ 9,123,614	\$ 12,892,020	\$ 10,875,369	\$ 10,020,695	\$ 7,240,772	\$ 12,558,231	\$ 11,993,978	\$ 10,432,808	\$ 7,493,631	\$ 10,617,641		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Enrollment Count	1,464												1,464
Cash Balance													
BEGINNING OF MONTH	5,683,892												
Receipts													
Premium Receipts	2,379,633												2,379,633
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	13,537												13,537
Assessment Receipts	3,432,332												3,432,332
Investment Income	9,077												9,077
Other Income	-												-
Total Receipts	5,834,579												5,834,579
Refunds													
Assessment Refunds	-												-
Premium Refunds	21,207												21,207
Total Refunds	21,207												21,207
Expenses													
Medical Claims	2,099,733												2,099,733
Pharmacy Claims	971,875												971,875
Fixed (PMPM) Admin	69,145												69,145
Variable Admin	16,497												16,497
Salary and Benefits	45,297												45,297
Prescription Admin	1,634												1,634
Miscellaneous	5,278												5,278
Professional Fees	5,970												5,970
Total Expense	3,215,428												3,215,428
Available Cash Balance	8,281,836												
Inc(Dec) in Abandoned	-												
Property Reserve	-												
Month Ending Cash Balance	\$ 8,281,836												

**WSHIP 2018
Budgeted Cashflow**

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	37												37
Receipts													
Premium Receipts	1,047,014												1,047,014
Grant Revenue	-												-
Pharmacy Rebate Income	-												-
Claim Refunds Receipts	(22,159)												(22,159)
Assessment Receipts	(699,196)												(699,196)
Investment Income	8,977												8,977
Other Income	-												-
Total Receipts	334,636												334,636
Refunds													
Assessment Refunds	-												-
Premium Refunds	38,099												38,099
Total Refunds	38,099												38,099
Expenses													
Medical Claims	(170,894)												(170,894)
Pharmacy Claims	235,872												235,872
Fixed (PMPM) Admin	10,394												10,394
Variable Admin	(2,219)												(2,219)
Salary and Benefits	(485)												(485)
Prescription Admin	218												218
Miscellaneous	5,347												5,347
Professional Fees	8,897												8,897
Total Expense	87,130												87,130
Available Cash Balance	(4,373,169)												
Inc(Dec) in Abandoned	-												
Property Reserve	-												
Month Ending Cash Balance	(4,373,169)												

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 15%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 18% increase. Assumes a Medicare premium rate increase of 0.3% for Basic and 1.5% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$8.0 M), July (\$10.0 M) and November (\$7.5 M) TOTAL \$25.5 M
- (6) 4-Week expense allowance is \$3.2 M based upon the actual data for the 12-month period ending in Dec of 2018.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

WSHIP 2018
Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Medicare													
Enrollment Count	1,113												1,113
Premiums	750,451												750,451
Medical Claims	747,998												747,998
RX Claims	80,135												80,135
Total Claims	828,134	-	-	-	-	-	-	-	-	-	-	-	828,134
Income/Loss	(77,683)	-	-	-	-	-	-	-	-	-	-	-	(77,683)
Loss Ratio	110%												110%
Claims PMPM	744												744
Non Medicare													
Enrollment Count	351												351
Premiums	1,629,182												1,629,182
Medical Claims	1,351,735												1,351,735
RX Claims	891,739												891,739
Total Claims	2,243,475	-	-	-	-	-	-	-	-	-	-	-	2,243,475
Income/Loss	(614,293)	-	-	-	-	-	-	-	-	-	-	-	(614,293)
Loss Ratio	138%												138%
Claims PMPM	6,392												6,392
Combined Medicare/Non Medicare													
Enrollment Count	1,464	-	-	-	-	-	-	-	-	-	-	-	1,464
Premiums	2,379,633	-	-	-	-	-	-	-	-	-	-	-	2,379,633
Medical Claims	2,099,733	-	-	-	-	-	-	-	-	-	-	-	2,099,733
RX Claims	971,875	-	-	-	-	-	-	-	-	-	-	-	971,875
Total Claims	3,071,608	-	-	-	-	-	-	-	-	-	-	-	3,071,610
Income/Loss	(691,975)	-	-	-	-	-	-	-	-	-	-	-	(691,977)
Loss Ratio	129%												129%
Claims PMPM	2,098												2,098

Notes:

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

Washington State Health Insurance Pool 2018 Cash Flow Forecast

Forecast - Updated 11/30/2017

	Actual (bold)	Forecast											TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
Enrollment:													
Non-Medicare Enrollment	351	339	337	335	333	331	329	327	325	323	321	319	3,970
Medicare Enrollment (Basic and Basic+)	1,113	1,086	1,087	1,088	1,089	1,090	1,091	1,092	1,093	1,094	1,095	1,096	13,114
Total Enrollment Count	1,464	1,425	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	17,084
Cash Balance													
BEGINNING OF MONTH	5,683,892	8,281,836	8,169,420	6,122,432	9,090,838	6,974,187	6,019,512	3,239,590	8,557,049	7,992,796	6,431,625	3,492,448	
Receipts													
Premium Receipts	2,379,633	467,584	1,868,094	743,157	507,333	1,799,134	749,543	559,343	1,652,295	736,555	365,649	357,599	12,185,917
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	200,000
Claim Refunds Receipts	13,537	25,775	34,807	33,840	33,651	34,698	35,909	34,265	34,501	35,016	34,221	33,780	383,999
Assessment Receipts	3,432,332	2,035,100	664,096	5,600,000	700,000	700,000	-	8,000,000	1,000,000	1,000,000	-	6,000,000	29,131,528
Investment Income	9,077	100	100	100	100	100	100	100	100	100	100	100	10,177
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	5,834,579	2,528,559	2,617,096	6,377,096	1,241,083	2,583,932	785,552	8,593,708	2,736,895	1,771,670	399,971	6,441,478	41,911,621
Refunds													
Assessment Refunds	-	-	1,238,834	-	-	-	-	-	-	-	-	-	1,238,834
Premium Refunds	21,207	11,690	46,702	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	266,364
Total Refunds	21,207	11,690	1,285,536	18,579	12,683	44,978	18,739	13,984	41,307	18,414	9,141	8,940	1,505,198
Expenses													
Medical Claim Expense	2,099,733	1,516,198	2,047,458	1,990,559	1,979,445	2,041,061	2,112,313	2,015,589	2,029,452	2,059,756	2,013,026	1,987,039	23,891,628
Pharmacy Claim Expense	971,875	942,768	1,169,031	1,252,631	1,216,972	1,305,070	1,246,530	1,095,919	1,070,347	1,087,264	1,151,857	1,157,980	13,668,244
PMPM Administrative Expense	69,145	77,250	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	914,736
Variable Administrative Expense	16,497	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	182,818
Salary and Benefits Expense	45,297	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	408,565
Prescription Administrative Expense	1,634	1,850	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	21,887
Miscellaneous Expense	5,278	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	133,474
Professional Fees	5,970	29,867	27,367	14,867	14,867	14,867	34,367	18,367	24,867	26,867	24,867	15,367	252,503
Total Expense	3,215,428	2,629,285	3,378,549	3,390,111	3,345,051	3,493,629	3,546,736	3,262,266	3,259,840	3,314,427	3,330,006	3,308,528	39,473,856
Available Cash Balance	8,281,836	8,169,420	6,122,432	9,090,838	6,974,187	6,019,512	3,239,590	8,557,049	7,992,796	6,431,625	3,492,448	6,616,459	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	8,281,836	8,169,420	6,122,432	9,090,838	6,974,187	6,019,512	3,239,590	8,557,049	7,992,796	6,431,625	3,492,448	6,616,459	

- (1) Assumes a Non-medicare medical claim expense trend of 6%. Assumes an annual Medicare medical claim expense trend of 6%.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 15%. Assumes an annual Medicare pharmacy claim expense trend of 0% for Basic and Basic Plus.
- (3) Assumes a Non-medicare premium rate trended at a 18% increase. Assumes a Medicare premium rate increase of 0.3% for Basic and 1.5% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 3 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$7.0 M), July (\$10.0 M) and November (\$7.5 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2018.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool
2018 Administrative Expense
Budget Variance Analysis**

Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Member Months: (1)													
Non-Medicare	342	339	337	335	333	331	329	327	325	323	321	319	3,963
Medicare Basic	904	907	910	913	916	919	922	925	928	931	934	937	11,046
Medicare Basic Plus	181	179	177	175	173	171	169	167	165	163	161	159	2,040
Total Membership	1,427	1,425	1,424	1,423	1,422	1,421	1,420	1,419	1,418	1,417	1,416	1,415	17,049
PMPM Administrative Expense (2)	79,539	77,250	77,172	77,095	77,019	76,944	76,869	76,794	76,721	76,648	76,575	76,504	925,130
Variable Administrative Expense (3)	14,278	21,168	13,658	13,648	13,639	13,629	14,620	13,610	14,601	13,592	20,583	13,573	180,599
Salary and Benefits Expense (4)	44,812	33,660	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	32,940	33,151	408,080
RX Benefit Management Fees	1,852	1,850	1,848	1,846	1,845	1,843	1,841	1,839	1,838	1,836	1,834	1,833	22,104
Miscellaneous Expense (5)	10,625	6,525	9,075	6,525	8,325	7,275	27,257	7,208	9,075	15,525	8,325	23,082	138,822
Professional Fees (6)	14,867	29,867	27,367	14,867	14,867	14,867	34,367	18,367	24,867	26,867	24,867	15,367	261,400
Total Budget Operating Expenses	\$165,972	\$170,319	\$162,059	\$146,921	\$148,634	\$147,497	\$187,893	\$150,757	\$160,041	\$167,407	\$165,124	\$163,510	\$1,936,135

Actual	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	351												351
Medicare Basic	931												931
Medicare Basic Plus	182												182
Total Membership	1,464	-	-	-	-	-	-	-	-	-	-	-	1,464
PMPM Administrative Expense (2)	69,145												\$69,145
Variable Administrative Expense (3)	16,497												\$16,497
Salary and Benefits Expense (4)	45,297												\$45,297
RX Benefit Management Fees	1,634												\$1,634
Miscellaneous Expense (5)	5,278												\$5,278
Professional Fees (6)	5,970												\$5,970
Total Actual Operating Expenses	\$143,820	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$143,820

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	9												9
Medicare Basic	27												27
Medicare Basic Plus	1												1
Total Membership	37	-	-	-	-	-	-	-	-	-	-	-	37
PMPM Administrative Expense (2)	10,394												\$10,394
Variable Administrative Expense (3)	(2,219)												(\$2,219)
Salary and Benefits Expense (4)	(485)												(\$485)
RX Benefit Management Fees	218												\$218
Miscellaneous Expense (5)	5,347												\$5,347
Professional Fees (6)	8,897												\$8,897
Total Variance Expenses	\$22,152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,152

Notes:

- (1) Assumes the Non-medicare membership decreases by 2 member per month. Assumes Medicare Basic membership increases by 3 members per month while Medicare Basic Plus decreases by 2 members per month.
- (2) PMPM Administrative Expense includes the combined expenses for Third Party Administration services (including finance and accounting), Provider Network services, and Utilization Management services.
- (3) Variable Administrative Expense includes Case Management & Care Coaching, and miscellaneous administrative expenses such as special mailings.
- (4) Salary and Benefits Expense includes the combined expenses for the Executive Director and staff positions.
- (5) Miscellaneous expense includes:
 - \$37,000 of insurance expenses (D&O, E&O and general liability).
 - \$47,800 for WSHIP Board meeting expenses and travel costs.
 - \$32,600 for bank fees.
 - \$21,300 for phone, conference lines and other office expenses.
- (6) Professional fees includes:
 - \$100,000 of actuarial expenses which covers IBNR calculations, premium rate development, forecast updates and actuarial studies.
 - \$70,000 of legal expenses.
 - \$70,000 of consulting expenses (including IRO).
 - \$22,000 of auditing expenses.

WSHIP Financial Performance

CASH BASIS	Month Ending January 31, 2018			
	Projected	Actual	Variance	% Change
Membership	1,427	1,464	37	3%
Avg Premium Receipt PMPM	\$892	\$1,611	\$719	81%
Avg Medical Claim Expense PMPM	\$1,327	\$1,425	(\$98)	-7%
Avg Pharmacy Claim Expense PMPM	\$846	\$664	\$182	22%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,281)	(\$478)	\$803	63%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,827,987)	(\$699,792)	\$1,128,195	62%
Variance Due to Changes in Membership			(\$17,686)	
Variance Due to Changes in Claim Expenses			\$1,145,881	

CASH BASIS	Year-To-Date January 31, 2018			
	Projected	Actual	Variance	% Change
Member Months	1,427	1,464	37	3%
Avg Premium Receipt PMPM	\$892	\$1,611	\$719	81%
Avg Medical Claim Expense PMPM	\$1,327	\$1,425	\$98	7%
Avg Pharmacy Claim Expense PMPM	\$846	\$664	(\$182)	-22%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,281)	(\$478)	\$803	63%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,827,987)	(\$699,792)	\$1,128,195	62%
Variance Due to Changes in Membership			(\$17,686)	
Variance Due to Changes in Claim Expenses			\$1,145,881	

INCURRED BASIS	Year-To-Date January 31, 2018	Year-To-Date January 31, 2017
	Actual	Actual - Prior Year
Member Months	1,464	1,494
Avg Premium Income PMPM	\$794	\$732
Avg Medical Claim Expense PMPM (1)	\$2,619	\$1,525
Avg Pharmacy Claim Expense PMPM (2)	\$1,182	\$898
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$3,007)	(\$1,691)
Avg Premium Receipt Less Avg Claim Expense Total	(\$4,402,248)	(\$2,526,354)

(1) Incurred medical claims data totals \$3,834,800 which is derived from \$279,800 actual paid claims with dates of service between 01-01-18 and 1-31-18 and \$3,555,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$1,731,023 which is derived from \$951,023 actual paid claims with dates of service between 01-01-18 and 1-31-18 and \$780,000 IBNR reserve.