

**Washington State Health Insurance Pool  
Treasurer's Report  
May 2019 Financial Review**

1. 2019 Interim I Assessment Required

An assessment of \$9.0 M was required to adequately fund the pool until the next scheduled assessment in July 2019. This assessment was approved by the Board of Directors on March 13, 2019 and generated on March 22, 2019 with invoices due April 22, 2019 except for the carriers who have installment payment arrangements, at which point the invoices are due in total by June 22, 2019. As of June 26, 2019, all assessments have been collected.

2. 2019 Interim II Assessment Required

An assessment of \$10.5 M is required to adequately fund the pool until the next scheduled assessment in November 2019. This assessment was approved by the Board of Directors on May 8, 2019 to be generated in July 2019.

3. Financial Statements – May 2019

Balance Sheet

Cash on hand increased by \$1.6 M or 27.1% from April 2019 to May 2019. The current cash position is \$7.3 M, which is above our current 4-week expense allowance of \$3.0 M. As of the end of May 2019, the entire \$7.3 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 May 2019 is \$5.0 M. This is a increase of \$481 K or 10.6% from the prior month. Medical IBNR increased \$273 K or 6.4% and pharmacy IBNR increased \$208 K or 67.8% from April 2019.

As of May 2019, the equity position of WSHIP is a positive \$2.4 M.

Income Statement

Total member months for May 2019 YTD are lower by 230 member months or 3.2% lower than May 2018 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for May 2019 YTD is \$2.3 M or 13.9% lower than May 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 May 2019

YTD, the medical claims portion is \$2.1 M or 18.5% lower than May 2018 YTD, and the pharmacy claims portion is \$248 K or 4.5% lower than May 2018 YTD.

May 2019 YTD administrative expenses are \$49 K or 6.3% lower than the administrative expenses for May 2018 YTD. The ratio of administrative expenses as a percentage of total cost is 4.9% for May 2019 YTD as compared to 4.5% for May YTD of the prior year. Total cost is calculated as total incurred claim loss less pharmacy rebates plus administrative expenses.

#### 4. Budgeted Cash Flow – May 2019

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

The ending cash balance of \$7.3 M is \$1.2 M or 20.4% higher than the budgeted cash balance of \$6.1 M. Total net cash receipts for May 2019 YTD are \$2.9 M or 201.0% favorable to budget. Total YTD expenses for May 2019 YTD are \$1.3 M or 7.9% favorable to budget. The YTD administrative expenses are \$89 K or 10.8% favorable to budget. Total YTD medical claims expense is \$1 M or 9.8% favorable to budget; while total YTD pharmacy claims expense is \$204 K or 3.8% favorable to budget.

#### 5. Medicare vs. Non-Medicare Cash Flow – May 2019

As of May, the YTD Medicare member months total 5,412 and represent 78% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,521 and account for 22% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 218% while the YTD Non-Medicare Loss Ratio is 437%. On a cash basis, the YTD Claims PMPM is \$869 for Medicare members and \$6,556 for Non-Medicare members.

#### 6. Cash Flow Forecast – 2019

The 2019 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 January 2019 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 May 2019. For June 2019, 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 2019 assessment projection. To ensure adequate funding the current 2019 forecast is projecting an assessment of \$27.5 M which is a \$2.0 M or 7.9% increase from the 2018 assessment of \$25.5 M.

#### 7. Administrative Expense Budget

For May 2019, YTD administrative expenses are \$88 K or 10.8% favorable to budget (cash basis).

#### 8. Financial Performance

May 2019 YTD member months are 3.6% lower than expected, average premium receipt PMPM is 8.5% lower than expected, average medical claims expense PMPM is 7.1% lower than expected and average pharmacy claims expense PMPM is 0.1% lower than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,492 as compared to \$1,331 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$745 as compared to \$753 on a cash basis.

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Balance Sheet as of May 31, 2019

	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Cash	\$ 7,327,729	\$ 5,518,029
Premiums Receivable	76,034	65,926
Assessments Receivable	668,693	1,070,318
Grants Receivable	-	-
Prepaid Expense	-	-
<b>Total Assets</b>	<u>\$ 8,072,456</u>	<u>\$ 6,654,273</u>
 <b>Liabilities and Unassigned Surplus:</b>		
Reserve for Unpaid Losses - Medical	\$ 4,513,000	\$ 3,907,000
Reserve for Unpaid Losses - Pharmacy	515,000	578,000
Accrued Loss Adjustment	278,000	321,000
Premiums Received in Advance	201,143	802,492
Assessments Payable	-	-
Accrued Expenses	117,557	151,330
Abandoned Claim Reserve	-	2,084
<b>Total Liabilities</b>	<u>\$ 5,624,700</u>	<u>\$ 5,761,906</u>
<b>Unassigned Surplus</b>	2,447,756	892,367
<b>Total Liabilities and Unassigned Surplus</b>	<u>\$ 8,072,456</u>	<u>\$ 6,654,273</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

## Unaudited Statement of Operations January 1 to May 31

	<u>2019</u>	<u>2018</u>
Total Member Months	6,933	7,163
<b>Premium Income Earned</b>	\$ 5,778,131	\$ 5,486,701
<b>Pharmacy Rebate Income</b>	274,519	231,634
<b>Grant Income</b>	-	-
<b>Incurred Claim Loss - Medical</b>	\$ 9,089,257	11,149,152
<b>Incurred Claim Loss - Pharmacy</b>	5,222,271	5,470,682
<b>Total Incurred Claim Loss</b>	<u>14,311,529</u>	<u>16,619,834</u>
<b>Operating Expenses:</b>		
Fixed (PMPM) Administrative Expense	\$ 405,896	\$ 407,653
Variable Administrative Expense	43,068	72,373
Salary and Benefit Expense	168,866	170,655
Prescription Administrative Expense	4,699	9,751
Miscellaneous Expense	33,519	45,965
Professional Fee Expense	72,467	122,047
<b>Total Operating Expenses</b>	<u>\$ 728,515</u>	<u>\$ 828,445</u>
<b>Underwriting Gain (Loss)</b>	(8,987,393)	(11,729,943)
<b>Investment Income</b>	57,248	43,304
<b>Other Income</b>	-	-
<b>Changes to Unassigned Surplus</b>	<u>\$ (8,930,146)</u>	<u>\$ (11,686,639)</u>

# WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2019</u>	<u>2018</u>
Unassigned Surplus at Beginning of Year	\$ 2,377,902	\$ 5,579,006
Changes to Unassigned Surplus	(8,930,146)	(11,686,639)
Member Assessments	9,000,000	7,000,000
<b>Unassigned Surplus</b>	<u>\$ 2,447,756</u>	<u>\$ 892,367</u>

**WSHIP 2019  
Budgeted Cashflow**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	MAY YTD	TOTAL
<b>Budget</b>														
<b>Enrollment Count</b>	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	7,195	17,274
<b>Cash Balance</b>														
<b>BEGINNING OF MONTH</b>	4,023,437	6,757,262	4,788,394	3,129,444	7,881,232	6,086,629	5,854,659	3,393,676	7,993,297	7,559,803	6,055,829	3,311,884		
<b>Receipts</b>														
Premium Receipts	1,340,183	500,663	1,930,710	768,066	524,338	1,859,439	774,666	578,092	1,707,677	761,243	377,905	369,585	5,063,960	11,492,568
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	-	100,000	-	-	100,000	-	-	100,000	-	-	100,000	100,000	400,000
Claim Refunds Receipts	33,675	34,235	40,267	34,738	35,292	31,280	32,589	33,216	33,600	33,666	31,707	30,778	178,208	405,045
Assessment Receipts	4,631,893	850,000	-	7,200,000	900,000	900,000	-	7,200,000	900,000	900,000	-	6,800,000	13,581,893	30,281,893
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	500	1,200
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	6,005,851	1,384,999	2,071,077	8,002,904	1,459,730	2,890,819	807,356	7,811,408	2,741,378	1,695,009	409,712	7,300,463	18,924,561	42,580,706
<b>Refunds</b>														
Assessment Refunds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Refunds	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	126,599	287,315
<b>Total Refunds</b>	33,505	12,517	48,268	19,202	13,108	46,486	19,367	14,452	42,692	19,031	9,448	9,240	126,599	287,315
<b>Expenses</b>														
Medical Claims	1,980,871	2,013,853	2,368,660	2,043,424	2,076,029	1,839,994	1,917,029	1,953,870	1,976,498	1,980,357	1,865,135	1,810,470	10,482,836	23,826,190
Pharmacy Claims	1,086,330	1,178,522	1,122,388	1,032,745	1,006,366	1,086,741	1,144,090	1,091,154	993,085	1,034,061	1,113,650	1,035,529	5,426,351	12,924,662
Fixed (PMPM) Admin	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	389,311	933,113
Variable Admin	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	79,793	189,711
Salary and Benefits	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	171,364	395,866
Prescription Admin	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	9,306	22,326
Miscellaneous	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	35,725	128,604
Professional Fees	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	140,084	304,600
<b>Total Expense</b>	3,238,521	3,341,351	3,681,759	3,231,915	3,241,225	3,076,303	3,248,972	3,197,335	3,132,180	3,179,952	3,144,209	3,011,349	16,734,770	38,725,070
<b>Month Ending Cash Balance</b>	\$ 6,757,262	\$ 4,788,394	\$ 3,129,444	\$ 7,881,232	\$ 6,086,629	\$ 5,854,659	\$ 3,393,676	\$ 7,993,297	\$ 7,559,803	\$ 6,055,829	\$ 3,311,884	\$ 7,591,758		

<b>Actual</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
<b>Enrollment Count</b>	1,396	1,381	1,383	1,404	1,369								6,933
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	4,023,437	7,253,817	4,550,531	3,270,972	5,767,098								
<b>Receipts</b>													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794								4,437,633
Grant Revenue	-	-	-	-	-								-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935								274,519
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096								225,730
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079								14,793,822
Investment Income	13,508	11,761	8,110	10,515	13,353								57,248
Other Income	-	-	-	-	-								-
<b>Total Receipts</b>	7,468,402	527,595	1,799,252	5,604,446	4,389,256								19,788,952
<b>Refunds</b>													
Assessment Refunds	990,915	-	-	-	-								990,915
Premium Refunds	7,150	35,474	5,953	860	34,240								83,676
<b>Total Refunds</b>	998,065	35,474	5,953	860	34,240								1,074,591
<b>Expenses</b>													
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515								9,450,987
Pharmacy Claims	980,258	1,357,357	921,902	1,003,317	959,437								5,222,271
Fixed (PMPM) Admin	83,778	80,847	83,072	81,144	77,375								406,216
Variable Admin	8,645	12,816	14,764	4,754	7,474								48,452
Salary and Benefits	31,061	30,788	31,254	42,994	30,868								166,965
Prescription Admin	1,178	840	1,122	1,023	1,069								5,233
Miscellaneous	3,508	8,072	3,054	5,851	7,799								28,284
Professional Fees	12,841	16,481	29,323	12,166	10,850								81,662
<b>Total Expense</b>	3,239,957	3,195,407	3,072,859	3,107,460	2,794,386								15,410,070
<b>Available Cash Balance</b>	7,253,817	4,550,531	3,270,972	5,767,098	7,327,729								
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	\$ 7,253,817	\$ 4,550,531	\$ 3,270,972	\$ 5,767,098	\$ 7,327,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**WSHIP 2019  
Budgeted Cashflow**

<b>Variance to Budget</b>	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
<b>Enrollment Count</b>	(43)	(58)	(56)	(35)	(70)								(262)
<b>Receipts</b>													
Premium Receipts	(364,117)	(120,442)	(293,412)	304,189	(152,544)								(626,327)
Grant Revenue	-	-	-	-	-								-
Pharmacy Rebate Income	-	122,239	(100,000)	37,345	114,935								174,519
Claim Refunds Receipts	(15,391)	(22,831)	113,577	(24,635)	(3,197)								47,522
Assessment Receipts	1,828,652	(848,030)	-	(2,725,772)	2,957,079								1,211,929
Investment Income	13,408	11,661	8,010	10,415	13,253								56,748
Other Income	-	-	-	-	-								-
<b>Total Receipts</b>	<b>1,462,551</b>	<b>(857,404)</b>	<b>(271,825)</b>	<b>(2,398,458)</b>	<b>2,929,526</b>								<b>864,391</b>
<b>Refunds</b>													
Assessment Refunds	(990,915)	-	-	-	-								(990,915)
Premium Refunds	26,355	(22,957)	42,315	18,342	(21,131)								42,924
<b>Total Refunds</b>	<b>(964,560)</b>	<b>(22,957)</b>	<b>42,315</b>	<b>18,342</b>	<b>(21,131)</b>								<b>(947,991)</b>
<b>Expenses</b>													
Medical Claims	(137,817)	325,647	380,292	87,213	376,514								1,031,848
Pharmacy Claims	106,072	(178,835)	200,486	29,428	46,929								204,080
Fixed (PMPM) Admin	(5,523)	(3,059)	(5,300)	(3,388)	365								(16,905)
Variable Admin	6,292	1,522	6,075	10,586	6,867								31,341
Salary and Benefits	12,713	1,110	643	(11,096)	1,030								4,399
Prescription Admin	684	1,021	739	838	792								4,074
Miscellaneous	4,267	(2,197)	5,371	24	(24)								7,441
Professional Fees	11,876	735	20,593	10,851	14,366								58,421
<b>Total Expense</b>	<b>(1,436)</b>	<b>145,943</b>	<b>608,900</b>	<b>124,455</b>	<b>446,839</b>								<b>1,324,701</b>
<b>Available Cash Balance</b>	<b>496,555</b>	<b>(237,862)</b>	<b>141,528</b>	<b>(2,114,134)</b>	<b>1,241,101</b>								
<b>Inc(Dec) in Abandoned Property Reserve</b>													
<b>Month Ending Cash Balance</b>	<b>496,555</b>	<b>(237,862)</b>	<b>141,528</b>	<b>(2,114,134)</b>	<b>1,241,101</b>								

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes annual Medicare medical claim expense trended with no increase.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes an annual Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 6% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 4 members per month, while Medicare Basic+ projected to drop 2 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$9.0 M) and November (\$8.5 M) TOTAL \$26.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.



**WSHIP 2019**  
**Medicare vs. Non-Medicare Cash Flow**

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2018	2017	2016	
<b>Medicare</b>																	
Enrollment Count	1,088	1,077	1,079	1,099	1,069									5,412			
Premiums	518,529	266,048	317,366	802,182	250,982									2,155,106			
Medical Claims	931,265	769,478	775,979	853,752	951,250									4,281,724			
RX Claims	83,571	141,871	70,465	64,435	60,054									420,395			
Total Claims	1,014,836	911,349	846,444	918,187	1,011,304	-	-	-	-	-	-	-	-	4,702,119			
Income/Loss	(496,307)	(645,301)	(529,078)	(116,005)	(760,321)	-	-	-	-	-	-	-	-	(2,547,012)			
Loss Ratio	196%	343%	267%	114%	403%									218%	191%	201%	219%
Claims PMPM	933	846	784	835	946									869	815	792	871
<b>Non Medicare</b>																	
Enrollment Count	308	304	304	305	300									1,521			
Premiums	457,537	114,174	1,319,931	270,073	120,812									2,282,526			
Medical Claims	1,187,423	918,728	1,212,387	1,102,459	748,265									5,169,262			
RX Claims	896,687	1,215,486	851,438	938,882	899,384									4,801,877			
Total Claims	2,084,110	2,134,214	2,063,825	2,041,341	1,647,649	-	-	-	-	-	-	-	-	9,971,139			
Income/Loss	(1,626,573)	(2,020,040)	(743,894)	(1,771,268)	(1,526,837)	-	-	-	-	-	-	-	-	(7,688,613)			
Loss Ratio	456%	1869%	156%	756%	1364%									437%	350%	434%	570%
Claims PMPM	6,767	7,020	6,789	6,693	5,492									6,556	7,047	6,340	5,907
<b>Combined Medicare/Non Medicare</b>																	
Enrollment Count	1,396	1,381	1,383	1,404	1,369	-	-	-	-	-	-	-	-	6,933			
Premiums	976,066	380,221	1,637,297	1,072,255	371,794	-	-	-	-	-	-	-	-	4,437,633			
Medical Claims	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	-	-	-	-	-	-	-	-	9,450,988			
RX Claims	980,258	1,357,357	921,902	1,003,317	959,438	-	-	-	-	-	-	-	-	5,222,272			
Total Claims	3,098,946	3,045,563	2,910,269	2,959,528	2,658,953	-	-	-	-	-	-	-	-	14,673,260			
Income/Loss	(2,122,880)	(2,665,341)	(1,272,972)	(1,887,273)	(2,287,159)	-	-	-	-	-	-	-	-	(10,235,627)			
Loss Ratio	317%	801%	178%	276%	715%									331%	285%	333%	402%
Claims PMPM	2,220	2,205	2,104	2,108	1,942									2,116	2,277	2,235	2,355

**Notes:**  
1) Premiums, Medical Claims and RX Claims are cash basis figures.

## Washington State Health Insurance Pool 2019 Cash Flow Forecast

Forecast - Updated 01/31/19	ACTUAL					Forecast							TOTAL
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	
<b>Enrollment:</b>													
Non-Medicare Enrollment	308	304	304	305	300	306	304	302	300	298	296	294	3,622
Medicare Enrollment (Basic and Basic+)	1,088	1,077	1,079	1,099	1,069	1,099	1,100	1,101	1,102	1,103	1,104	1,145	13,166
<b>Total Enrollment Count</b>	<b>1,396</b>	<b>1,381</b>	<b>1,383</b>	<b>1,404</b>	<b>1,369</b>	<b>1,405</b>	<b>1,404</b>	<b>1,403</b>	<b>1,402</b>	<b>1,401</b>	<b>1,400</b>	<b>1,439</b>	<b>16,788</b>
<b>Cash Balance</b>													
<b>BEGINNING OF MONTH</b>	<b>4,023,437</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	6,641,248	4,118,491	9,512,093	8,723,197	7,016,125	3,955,967	
<b>Receipts</b>													
Premium Receipts	976,066	380,221	1,637,297	1,072,255	371,794	1,868,383	727,936	419,925	1,723,819	689,693	313,846	1,586,238	11,767,473
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	122,239	-	37,345	114,935	100,000	-	-	100,000	-	-	100,000	574,519
Claim Refunds Receipts	18,284	11,404	153,844	10,103	32,096	39,815	33,140	37,558	41,658	38,959	37,680	36,160	490,700
Assessment Receipts	6,460,545	1,970	-	4,474,228	3,857,079	668,693	-	8,400,000	1,050,000	1,050,000	-	6,400,000	32,362,515
Investment Income	13,508	11,761	8,110	10,515	13,353	100	100	100	100	100	100	100	57,948
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>7,468,402</b>	<b>527,595</b>	<b>1,799,252</b>	<b>5,604,446</b>	<b>4,389,256</b>	2,676,991	761,176	8,857,583	2,915,577	1,778,752	351,626	8,122,498	45,253,155
<b>Refunds</b>													
Assessment Refunds	990,915	-	-	-	-	-	-	-	-	-	-	-	990,915
Premium Refunds	7,150	35,474	5,953	860	34,240	46,710	18,198	10,498	43,095	17,242	7,846	39,656	266,922
<b>Total Refunds</b>	<b>998,065</b>	<b>35,474</b>	<b>5,953</b>	<b>860</b>	<b>34,240</b>	46,710	18,198	10,498	43,095	17,242	7,846	39,656	1,257,837
<b>Expenses</b>													
Medical Claim Expense	2,118,688	1,688,206	1,988,367	1,956,211	1,699,515	2,342,037	1,949,417	2,209,305	2,450,462	2,291,715	2,216,489	2,127,043	25,037,456
Pharmacy Claim Expense	980,258	1,357,357	921,902	1,003,317	959,437	825,157	1,128,465	1,091,867	1,048,319	1,011,332	1,022,025	1,070,100	12,419,538
PMPM Administrative Expense	83,778	80,847	83,072	81,144	77,375	77,726	77,712	77,698	77,685	77,672	77,660	77,649	950,018
Variable Administrative Expense	8,645	12,816	14,764	4,754	7,474	14,342	14,343	14,344	15,346	14,347	22,849	14,350	158,369
Salary and Benefits Expense	31,061	30,788	31,254	42,994	30,868	31,898	32,064	32,064	32,064	32,064	32,064	32,282	391,466
Prescription Administrative Expense	1,178	840	1,122	1,023	1,069	1,860	1,860	1,860	1,860	1,860	1,860	1,859	18,252
Miscellaneous Expense	3,508	8,072	3,054	5,851	7,799	6,525	26,657	6,629	8,425	14,875	7,775	21,993	121,163
Professional Fees	12,841	16,481	29,323	12,166	10,850	17,217	35,217	19,717	27,217	24,717	23,217	17,217	246,179
<b>Total Expense</b>	<b>3,239,957</b>	<b>3,195,407</b>	<b>3,072,859</b>	<b>3,107,460</b>	<b>2,794,386</b>	3,316,762	3,265,735	3,453,483	3,661,377	3,468,582	3,403,939	3,362,493	39,342,440
<b>Available Cash Balance</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	6,641,248	4,118,491	9,512,093	8,723,197	7,016,125	3,955,967	8,676,315	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Month Ending Cash Balance</b>	<b>7,253,817</b>	<b>4,550,531</b>	<b>3,270,972</b>	<b>5,767,098</b>	<b>7,327,729</b>	6,641,248	4,118,491	9,512,093	8,723,197	7,016,125	3,955,967	8,676,315	

- (1) Assumes a Non-medicare medical claim expense trend of 6.5%. Assumes a Medicare medical claim expense trend of 1% for both Basic and Basic Plus.
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trended with no increase.
- (3) Assumes a Non-medicare premium rate trended at a 3% increase. Assumes a Medicare premium rate increase of 3% for Basic and 4% for Basic Plus.
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare Basic enrollment projected to increase 2 members per month, while Medicare Basic+ projected to drop 1 members per month.
- (5) Assumes assessments on March (\$9.0 M), July (\$10.5 M) and November (\$8.0 M) TOTAL \$27.5 M
- (6) 4-Week expense allowance is \$3.0 M based upon the actual data for the 12-month period ending in Dec of 2019.
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted.

**Washington State Health Insurance Pool  
2019 Administrative Expense  
Budget Variance Analysis**

<b>Budget</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
Member Months: (1)													
Non-Medicare	316	314	312	310	308	306	304	303	301	299	297	295	3,666
Medicare Basic	957	961	965	969	973	977	981	985	989	993	997	1,001	11,748
Medicare Basic Plus	166	164	162	160	158	156	154	152	150	148	146	144	1,860
Total Membership	1,439	1,439	1,439	1,439	1,439	1,439	1,439	1,440	1,440	1,440	1,440	1,440	17,274
PMPM Administrative Expense (2)	78,255	77,788	77,772	77,756	77,740	77,726	77,712	77,698	77,685	77,672	77,660	77,649	933,113
Variable Administrative Expense (3)	14,937	14,338	20,839	15,340	14,341	14,342	14,343	14,344	15,346	14,347	22,849	14,350	189,710
Salary and Benefits Expense (4)	43,774	31,898	31,898	31,898	31,898	31,898	32,064	32,064	32,064	32,064	32,064	32,282	395,866
RX Benefit Management Fees	1,862	1,861	1,861	1,861	1,861	1,860	1,860	1,860	1,860	1,860	1,860	1,859	22,325
Miscellaneous Expense (5)	7,775	5,875	8,425	5,875	7,775	6,525	26,657	6,629	8,425	14,875	7,775	21,993	128,604
Professional Fees (6)	24,717	17,217	49,917	23,017	25,217	17,217	35,217	19,717	27,217	24,717	23,217	17,217	304,600
<b>Total Budget Operating Expenses</b>	<b>\$171,319</b>	<b>\$148,976</b>	<b>\$190,711</b>	<b>\$155,746</b>	<b>\$158,830</b>	<b>\$149,567</b>	<b>\$187,853</b>	<b>\$152,311</b>	<b>\$162,596</b>	<b>\$165,534</b>	<b>\$165,424</b>	<b>\$165,350</b>	<b>\$1,974,218</b>
<b>Actual</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	308	304	304	305	300								1,521
Medicare Basic	927	919	921	943	914								4,624
Medicare Basic Plus	161	158	158	156	155								788
Total Membership	1,396	1,381	1,383	1,404	1,369	-	-	-	-	-	-	-	6,933
PMPM Administrative Expense (2)	83,778	80,847	83,072	81,144	77,375								\$406,216
Variable Administrative Expense (3)	8,645	12,816	14,764	4,754	7,474								\$48,452
Salary and Benefits Expense (4)	31,061	30,788	31,254	42,994	30,868								\$166,965
RX Benefit Management Fees	1,178	840	1,122	1,023	1,069								\$5,233
Miscellaneous Expense (5)	3,508	8,072	3,054	5,851	7,799								\$28,284
Professional Fees (6)	12,841	16,481	29,323	12,166	10,850								\$81,662
<b>Total Actual Operating Expenses</b>	<b>\$141,011</b>	<b>\$149,844</b>	<b>\$162,589</b>	<b>\$147,932</b>	<b>\$135,435</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$736,812</b>
<b>Variance</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>YTD Total</b>
Member Months: (1)													
Non-Medicare	(8)	(10)	(8)	(5)	(8)								(39)
Medicare Basic	(30)	(42)	(44)	(26)	(59)								(201)
Medicare Basic Plus	(5)	(6)	(4)	(4)	(3)								(22)
Total Membership	(43)	(58)	(56)	(35)	(70)	-	-	-	-	-	-	-	(262)
PMPM Administrative Expense (2)	5,523	3,059	5,300	3,388	(365)								\$16,905
Variable Administrative Expense (3)	(6,292)	(1,522)	(6,075)	(10,586)	(6,867)								(\$31,340)
Salary and Benefits Expense (4)	(12,713)	(1,110)	(643)	11,096	(1,030)								(\$4,399)
RX Benefit Management Fees	(683)	(1,021)	(739)	(838)	(792)								(\$4,073)
Miscellaneous Expense (5)	(4,267)	2,197	(5,371)	(24)	24								(\$7,441)
Professional Fees (6)	(11,875)	(735)	(20,593)	(10,851)	(14,367)								(\$58,421)
<b>Total Variance Expenses</b>	<b>(\$30,308)</b>	<b>\$868</b>	<b>(\$28,122)</b>	<b>(\$7,814)</b>	<b>(\$23,395)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$88,770)</b>

## WSHIP Financial Performance

CASH BASIS	Month Ending May 31, 2019			
	Projected	Actual	Variance	% Change
Membership	1,439	1,369	(70)	-4.9%
Avg Premium Receipt PMPM	\$355	\$247	(\$108)	-30.4%
Avg Medical Claim Expense PMPM	\$1,418	\$1,218	\$200	-14.1%
Avg Pharmacy Claim Expense PMPM	\$699	\$701	(\$2)	0.3%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,762)	(\$1,672)	\$90	5.1%
Avg Premium Receipt Less Avg Claim Expense Total	(\$2,535,951)	(\$2,288,968)	\$246,983	9.7%
Variance Due to Changes in Membership			\$117,451	
Variance Due to Changes in Claim Expenses			\$129,532	

CASH BASIS	Year-To-Date May 31, 2019			
	Projected	Actual	Variance	% Change
Member Months	7,195	6,933	(262)	-3.6%
Avg Premium Receipt PMPM	\$686	\$628	(\$58)	-8.5%
Avg Medical Claim Expense PMPM	\$1,432	\$1,331	(\$101)	-7.1%
Avg Pharmacy Claim Expense PMPM	\$754	\$753	(\$1)	-0.1%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,500)	(\$1,456)	\$44	2.9%
Avg Premium Receipt Less Avg Claim Expense Total	(\$10,792,850)	(\$10,094,448)	\$698,402	6.5%
Variance Due to Changes in Membership			\$381,811	
Variance Due to Changes in Claim Expenses			\$316,590	

INCURRED BASIS	Year-To-Date May 31, 2019	Year-To-Date May 31, 2018
	Actual	Actual - Prior Year
Member Months	6,933	5,737
Avg Premium Income PMPM	\$833	\$743
Avg Medical Claim Expense PMPM (1)	\$1,492	\$1,491
Avg Pharmacy Claim Expense PMPM (2)	\$745	\$834
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,404)	(\$1,582)
Avg Premium Receipt Less Avg Claim Expense Total	(\$9,733,932)	(\$9,075,934)

(1) Incurred medical claims data totals \$10,343,166 which is derived from \$5,830,166 actual paid claims with dates of service between 01-01-19 and 05-31-19 and \$4,513,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$5,161,936 which is derived from \$4,646,936 actual paid claims with dates of service between 01-01-19 and 04-31-19 and \$515,000 IBNR reserve.