

**Washington State Health Insurance Pool
Treasurer's Report
May 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 June 30, 2020, all \$10.5 M of assessments have been 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 – May 2020

Balance Sheet

Cash on hand increased by \$499 K or 7.5% from April 2020 to May 2020. The current cash position is \$7.1 M, which is above our current 4-week expense allowance of \$2.7 M. As of the end of May 2020, the entire \$7.1 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 2020 is \$4.1 M. This is a decrease of \$269 K or 6.2% from the prior month. Medical IBNR decreased \$216 K or 5.5% and pharmacy IBNR decreased \$53 K or 13.1% from April 2020.

As of May 2020, the equity position of WSHIP is a positive \$5.5 M

Income Statement

Total member months for May 2020 YTD are lower by 445 member months or 6.4% lower than May 2019 YTD. Member months are measured as the cumulative monthly member count (PMPM) over a period of time. The total incurred claim loss for May 2020 YTD is \$2.9 M or 19.9% lower than May 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 May 2020

YTD, the medical claims portion is \$2.4 M or 26.6% lower than May 2019 YTD, and the pharmacy claims portion is \$431 K or 8.3% lower than May 2019 YTD.

May 2020 YTD administrative expenses are \$12 K or 1.6% lower than the administrative expenses for May 2019 YTD. The ratio of administrative expenses as a percentage of total cost is 5.9% for May 2020 YTD as compared to 4.9% 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 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 \$7.1 M is \$968 K or 15.7% higher than the budgeted cash balance of \$6.2 M. Total net cash receipts for May 2020 are 1.2 M or 71.3% favorable to budget. Total YTD expenses for May 2020 YTD are \$474 K or 3.3% favorable to budget. The YTD administrative expenses are \$58 K or 7.5% favorable to budget. Total YTD medical claims expense is \$1.6 M or 16.0% favorable to budget; while total YTD pharmacy claims expense is \$1.2 M or 32.1% unfavorable to budget.

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

As of May, the YTD Medicare member months total 5,476 and represent 84.4% of the combined WSHIP member months. The YTD Non-Medicare member months total 1,012 and account for 15.6% of the combined WSHIP member months. The YTD Medicare Loss Ratio is 195% while the YTD Non-Medicare Loss Ratio is 643%. On a cash basis, the YTD Claims PMPM is \$918 for Medicare members and \$7,986 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 May 2020. For June 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 May 2020, YTD administrative expenses are \$58 K or 7.5% favorable to budget (cash basis).

8. Financial Performance

May 2020 YTD member months are 2.9% lower than expected, average premium receipt PMPM is 57.4% lower than expected, average medical claims expense PMPM is 18.8% lower than expected and average pharmacy claims expense PMPM is 9.9% higher than anticipated.

On an incurred basis, the average YTD medical claims expense PMPM is \$1,354 as compared to \$1,279 on a cash basis. Also, on an incurred basis, the average YTD pharmacy claims expense PMPM is \$679 as compared to \$738 on a cash basis.

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Balance Sheet as of May 31, 2020

	<u>2020</u>	<u>2019</u>
Assets:		
Cash	\$ 7,128,977	\$ 7,327,729
Premiums Receivable	158,627	76,034
Assessments Receivable	2,838,637	668,693
Grants Receivable	-	-
Prepaid Expense	-	-
Total Assets	<u>\$ 10,126,241</u>	<u>\$ 8,072,456</u>
 Liabilities and Unassigned Surplus:		
Reserve for Unpaid Losses - Medical	\$ 3,732,000	\$ 4,513,000
Reserve for Unpaid Losses - Pharmacy	351,000	515,000
Accrued Loss Adjustment	267,000	278,000
Premiums Received in Advance	181,033	201,143
Assessments Payable	-	-
Accrued Expenses	111,623	117,557
Abandoned Claim Reserve	-	-
Total Liabilities	<u>\$ 4,642,655</u>	<u>\$ 5,624,700</u>
Unassigned Surplus	5,483,587	2,447,756
Total Liabilities and Unassigned Surplus	<u>\$ 10,126,241</u>	<u>\$ 8,072,456</u>

WASHINGTON STATE HEALTH INSURANCE POOL

Unaudited Statement of Operations January 1 to May 31

	<u>2020</u>	<u>2019</u>
Total Member Months	6,488	6,933
Premium Income Earned	\$ 3,892,465	\$ 5,778,131
Pharmacy Rebate Income	100,479	274,519
Grant Income	-	-
Incurred Claim Loss - Medical	\$ 6,670,015	9,089,257
Incurred Claim Loss - Pharmacy	4,790,814	5,222,271
Total Incurred Claim Loss	<u>11,460,829</u>	<u>14,311,529</u>
Operating Expenses:		
Fixed (PMPM) Administrative Expense	\$ 391,352	\$ 405,896
Variable Administrative Expense	43,762	43,068
Salary and Benefit Expense	155,967	168,866
Prescription Administrative Expense	5,539	4,699
Miscellaneous Expense	26,825	33,519
Professional Fee Expense	93,485	72,467
Total Operating Expenses	<u>\$ 716,930</u>	<u>\$ 728,515</u>
Underwriting Gain (Loss)	(8,184,814)	(8,987,393)
Investment Income	20,501	57,248
Other Income	-	-
Changes to Unassigned Surplus	<u>\$ (8,164,313)</u>	<u>\$ (8,930,146)</u>

WASHINGTON STATE HEALTH INSURANCE POOL

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

	<u>2020</u>	<u>2019</u>
Unassigned Surplus at Beginning of Year	\$ 3,147,900	\$ 2,377,902
Changes to Unassigned Surplus	(8,164,313)	(8,930,146)
Member Assessments	10,500,000	9,000,000
Unassigned Surplus	<u>\$ 5,483,587</u>	<u>\$ 2,447,756</u>

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

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	May 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	6,775	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	3,627,086	8,800,505
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy Rebate Income	-	120,000	-	-	120,000	-	-	120,000	-	-	120,000	-	240,000	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	168,231	423,283
Assessment Receipts	3,278,582	-	-	6,800,000	850,000	850,000	-	7,200,000	900,000	900,000	-	5,600,000	10,928,582	26,378,582
Investment Income	100	100	100	100	100	100	100	100	100	100	100	100	500	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	14,964,399	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	90,677	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	90,677	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	9,895,959	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	3,626,208	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	362,908	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	48,717	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	176,663	403,001
Prescription Admin	1,734	1,735	1,735	1,737	1,738	1,739	1,740	1,740	1,741	1,742	1,743	1,744	8,681	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	37,525	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	141,742	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	14,298,402	35,346,570
Month Ending Cash Balance	\$ 6,462,480	\$ 4,575,739	\$ 2,494,786	\$ 7,275,056	\$ 6,161,215	\$ 4,983,187	\$ 2,875,305	\$ 7,942,099	\$ 6,527,957	\$ 4,987,604	\$ 2,789,809	\$ 6,102,882		

Actual	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD	
Enrollment Count	1,291	1,294	1,281	1,305	1,317								6,488	
Cash Balance														
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977		
Receipts														
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467								3,828,533	
Grant Revenue	-	-	-	-	-								-	
Pharmacy Rebate Income	-	90,479	-	10,000	-								100,479	
Claim Refunds Receipts	82	5,755	4,777	1,954	5,597								18,164	
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444								11,189,127	
Investment Income	8,891	6,542	3,096	1,187	783								20,501	
Other Income	-	-	-	-	-								-	
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291								15,156,804	
Refunds														
Assessment Refunds	206,723	-	-	-	-								206,723	
Premium Refunds	-	40,799	5,060	4,266	23,149								73,273	
Total Refunds	206,723	40,799	5,060	4,266	23,149								279,996	
Expenses														
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450								8,315,179	
Pharmacy Claims	1,648,545	831,353	871,893	678,704	760,319								4,790,814	
Fixed (PMPM) Admin	81,954	80,839	83,407	78,523	70,323								395,046	
Variable Admin	8,936	6,586	11,619	8,691	7,681								43,513	
Salary and Benefits	18,406	40,760	32,274	32,263	32,263								155,967	
Prescription Admin	1,024	1,003	867	894	851								4,639	
Miscellaneous	3,217	7,662	4,155	4,163	5,405								24,603	
Professional Fees	11,089	8,047	9,337	34,781	31,187								94,442	
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480								13,824,203	
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977	7,128,977		
Inc(Dec) in Abandoned Property Reserve														
Month Ending Cash Balance	\$ 5,556,104	\$ 4,399,095	\$ 4,209,448	\$ 6,630,315	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977	\$ 7,128,977		

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

Variance to Budget	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL YTD
Favorable/(Unfavorable)													
Enrollment Count	(62)	(60)	(74)	(51)	(40)								(287)
Receipts													
Premium Receipts	585,096	(254,752)	122,784	160,361	(412,042)								201,447
Grant Revenue	-	-	-	-	-								-
Pharmacy Rebate Income	-	(29,521)	-	10,000	(120,000)								(139,521)
Claim Refunds Receipts	(35,876)	(27,159)	(28,895)	(30,235)	(27,902)								(150,067)
Assessment Receipts	(1,044,240)	636,845	1,859,010	(2,978,514)	1,787,444								260,545
Investment Income	8,791	6,442	2,996	1,087	683								20,001
Other Income	-	-	-	-	-								-
Total Receipts	(486,230)	331,856	1,955,895	(2,837,300)	1,228,183								192,405
Refunds													
Assessment Refunds	(206,723)	-	-	-	-								(206,723)
Premium Refunds	18,037	(22,715)	13,074	13,919	(4,911)								17,404
Total Refunds	(188,686)	(22,715)	13,074	13,919	(4,911)								(189,319)
Expenses													
Medical Claims	24,898	587,930	94,641	434,257	439,054								1,580,780
Pharmacy Claims	(784,956)	(164,985)	(203,949)	36,922	(47,639)								(1,164,607)
Fixed (PMPM) Admin	(8,494)	(8,522)	(11,060)	(6,146)	2,084								(32,138)
Variable Admin	(224)	1,532	3,004	438	453								5,203
Salary and Benefits	29,400	(8,546)	(60)	(49)	(49)								20,696
Prescription Admin	711	732	870	843	886								4,042
Miscellaneous	5,308	(2,012)	5,020	1,487	3,120								12,922
Professional Fees	11,419	14,461	33,871	(3,773)	(8,679)								47,299
Total Expense	(721,937)	420,589	(77,663)	463,978	389,231								474,198
Available Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762								
Inc(Dec) in Abandoned													
Property Reserve													
Month Ending Cash Balance	(906,375)	(176,644)	1,714,662	(644,741)	967,762	-	-	-	-	-	-	-	

2020 Budgeted Cashflow Notes

- (1) Assumes a Non-medicare medical claim expense trend of 8%. Assumes a Medicare medical claim expense trend of 6%
- (2) Assumes a Non-medicare pharmacy claim expense trend of 8%. Assumes a Medicare pharmacy claim expense trend of 1%
- (3) Assumes a Non-medicare premium rate trended at a 41.4% decrease. Assumes a Medicare premium rate increase of 5%
- (4) Non-medicare enrollment projected to decrease by 2 members per month. Medicare enrollment projected to increase by 3 members per month
- (5) Assumes assessments in March (\$8.5 M), July (\$9.0 M) and November (\$7.0 M) TOTAL \$24.5 M
- (6) 4-Week expense allowance is \$2.7 M based upon the projected data for the 12-month period ending in Dec of 2020
- (7) WSHIP has access to a \$5 M line of credit in the event cash on hand is exhausted

Washington State Health Insurance Pool
2020 Medicare vs. Non-Medicare Cash Flow

	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Historical Annual			
														2019	2018	2017	
Medicare																	
Enrollment Count	1,087	1,091	1,079	1,103	1,116									5,476			
Premiums	717,403	407,849	366,197	798,161	281,616									2,571,226			
Medical Claims	1,063,236	907,653	919,558	900,566	777,043									4,568,056			
RX Claims	124,309	87,038	83,490	71,123	90,638									456,598			
Total Claims	1,187,545	994,691	1,003,048	971,689	867,681	-	-	-	-	-	-	-	-	5,024,653			
Income/Loss	(470,141)	(586,842)	(636,851)	(173,528)	(586,065)	-	-	-	-	-	-	-	-	(2,453,427)			
Loss Ratio	166%	244%	274%	122%	308%									195%	219%	191%	201%
Claims PMPM	1,092	912	930	881	777									918	846	815	792
Non Medicare																	
Enrollment Count	204	203	202	202	201									1,012			
Premiums	589,184	60,771	481,921	89,580	35,851									1,257,307			
Medical Claims	1,027,039	440,548	966,477	558,651	754,407									3,747,123			
RX Claims	1,524,236	744,315	788,403	607,581	669,681									4,334,217			
Total Claims	2,551,275	1,184,864	1,754,880	1,166,232	1,424,089	-	-	-	-	-	-	-	-	8,081,340			
Income/Loss	(1,962,091)	(1,124,093)	(1,272,960)	(1,076,652)	(1,388,237)	-	-	-	-	-	-	-	-	(6,824,033)			
Loss Ratio	433%	1950%	364%	1302%	3972%									643%	471%	350%	434%
Claims PMPM	12,506	5,837	8,688	5,773	7,085									7,986	7,398	7,047	6,340
Combined Medicare/Non Medicare																	
Enrollment Count	1,291	1,294	1,281	1,305	1,317	-	-	-	-	-	-	-	-	6,488			
Premiums	1,306,587	468,620	848,118	887,741	317,467	-	-	-	-	-	-	-	-	3,828,534			
Medical Claims	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	-	-	-	-	-	-	-	-	8,315,181			
RX Claims	1,648,545	831,353	871,893	678,704	760,319	-	-	-	-	-	-	-	-	4,790,814			
Total Claims	3,738,820	2,179,554	2,757,929	2,137,921	2,291,769	-	-	-	-	-	-	-	-	13,105,995			
Income/Loss	(2,432,233)	(1,710,934)	(1,909,811)	(1,250,180)	(1,974,302)	-	-	-	-	-	-	-	-	(9,277,462)			
Loss Ratio	286%	465%	325%	241%	722%									342%	351%	285%	333%
Claims PMPM	2,896	1,684	2,153	1,638	1,740									2,020	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	201	206	204	202	200	198	196	194	2,412
Medicare Enrollment	1,087	1,091	1,079	1,103	1,116	1,173	1,177	1,181	1,185	1,189	1,193	1,197	13,771
Total Enrollment Count	1,291	1,294	1,281	1,305	1,317	1,379	1,381	1,383	1,385	1,387	1,389	1,391	16,183
Cash Balance													
BEGINNING OF MONTH	6,076,373	5,556,104	4,399,095	4,209,448	6,630,315	7,128,977	7,626,264	5,587,524	10,738,670	9,356,836	7,888,340	5,954,144	
Receipts													
Premium Receipts	1,306,587	468,620	848,118	887,741	317,467	557,572	705,332	703,726	702,120	700,514	698,907	697,301	8,594,005
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	5,597	32,505	33,804	36,408	37,221	39,751	38,113	37,250	273,215
Assessment Receipts	2,234,341	636,845	1,859,010	3,821,486	2,637,444	2,182,060	-	7,200,000	900,000	900,000	-	5,600,000	27,971,187
Investment Income	8,891	6,542	3,096	1,187	783	100	100	100	100	100	100	100	21,201
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	3,549,901	1,208,242	2,715,001	4,722,368	2,961,291	2,892,237	739,236	8,060,234	1,639,441	1,640,364	857,121	6,334,651	37,320,087
Refunds													
Assessment Refunds	206,723	-	-	-	-	-	-	-	-	-	-	-	206,723
Premium Refunds	-	40,799	5,060	4,266	23,149	18,293	18,351	18,410	18,472	18,536	18,602	18,671	202,609
Total Refunds	206,723	40,799	5,060	4,266	23,149	18,293	18,351	18,410	18,472	18,536	18,602	18,671	409,332
Expenses													
Medical Claim Expense	2,090,275	1,348,201	1,886,035	1,459,217	1,531,450	1,545,480	1,889,007	2,025,483	2,126,893	2,229,066	1,935,588	1,974,185	22,040,882
Pharmacy Claim Expense	1,648,545	831,353	871,893	678,704	760,319	695,339	725,179	707,978	725,948	713,787	688,243	721,082	9,768,372
PMPM Administrative Expense	81,954	80,839	83,407	78,523	70,323	72,437	72,466	72,496	72,526	72,556	72,585	72,615	902,727
Variable Administrative Expense	8,936	6,586	11,619	8,691	7,681	8,140	8,146	8,151	9,157	8,162	16,668	8,173	110,107
Salary and Benefits Expense	18,406	40,760	32,274	32,263	32,263	32,214	32,354	32,354	32,354	32,354	32,354	32,354	382,305
Prescription Administrative Expense	1,024	1,003	867	894	851	1,739	1,740	1,740	1,741	1,742	1,743	1,744	16,828
Miscellaneous Expense	3,217	7,662	4,155	4,163	5,405	6,300	5,725	24,968	9,175	15,650	8,525	22,541	117,487
Professional Fees	11,089	8,047	9,337	34,781	31,187	15,008	25,008	17,508	25,008	17,008	17,008	25,008	236,001
Total Expense	3,863,446	2,324,453	2,899,588	2,297,236	2,439,480	2,376,657	2,759,625	2,890,679	3,002,802	3,090,325	2,772,714	2,857,703	33,574,707
Available Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	7,626,264	5,587,524	10,738,670	9,356,836	7,888,340	5,954,144	9,412,421	
Inc(Dec) in Abandoned Property Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Month Ending Cash Balance	5,556,104	4,399,095	4,209,448	6,630,314	7,128,977	7,626,264	5,587,524	10,738,670	9,356,836	7,888,340	5,954,144	9,412,421	

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	201								1,012
Medicare Basic	902	888	866	874	874								4,404
Medicare Basic Plus	139	139	138	136	135								687
Medical Supplement	46	64	75	93	107								385
Total Membership	1,291	1,294	1,281	1,305	1,317	-	-	-	-	-	-	-	6,488
PMPM Administrative Expense (2)	81,954	80,839	83,407	78,523	70,323								\$395,046
Variable Administrative Expense (3)	8,936	6,586	11,619	8,691	7,681								\$43,514
Salary and Benefits Expense (4)	18,406	40,760	32,274	32,263	32,263								\$155,967
RX Benefit Management Fees	1,024	1,003	867	894	851								\$4,639
Miscellaneous Expense (5)	3,217	7,662	4,155	4,163	5,405								\$24,603
Professional Fees (6)	11,089	8,047	9,337	34,781	31,187								\$94,442
Total Actual Operating Expenses	\$124,627	\$144,898	\$141,659	\$159,315	\$147,711	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$718,210

Variance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Member Months: (1)													
Non-Medicare	(93)	(92)	(91)	(89)	(88)								(453)
Medicare Basic	2	(16)	(42)	(38)	(42)								(135)
Medicare Basic Plus	(17)	(15)	(14)	(14)	(13)								
Medical Supplement	46	64	75	93	107								385
Total Membership	(62)	(59)	(72)	(48)	(36)	-	-	-	-	-	-	-	(277)
PMPM Administrative Expense (2)	8,494	8,522	11,060	6,146	(2,084)								\$32,138
Variable Administrative Expense (3)	224	(1,532)	(3,004)	(438)	(453)								(\$5,203)
Salary and Benefits Expense (4)	(29,400)	8,546	60	49	49								(\$20,696)
RX Benefit Management Fees	(711)	(732)	(870)	(843)	(886)								(\$4,042)
Miscellaneous Expense (5)	(5,308)	2,012	(5,020)	(1,487)	(3,120)								(\$12,922)
Professional Fees (6)	(11,419)	(14,461)	(33,871)	3,773	8,679								(\$47,300)
Total Variance Expenses	(\$38,120)	\$2,356	(\$31,645)	\$7,200	\$2,184	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$58,025)

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

CASH BASIS	Month Ending May 31, 2020			
	Projected	Actual	Variance	% Change
Membership	1,357	1,317	(40)	-2.9%
Avg Premium Receipt PMPM	\$524	\$223	(\$301)	-57.4%
Avg Medical Claim Expense PMPM	\$1,427	\$1,159	\$268	-18.8%
Avg Pharmacy Claim Expense PMPM	\$525	\$577	(\$52)	9.9%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,428)	(\$1,513)	(\$85)	-6.0%
Avg Premium Receipt Less Avg Claim Expense Total	(\$1,937,796)	(\$1,992,621)	(\$54,825)	-2.8%
Variance Due to Changes in Membership			\$60,520	
Variance Due to Changes in Claim Expenses			(\$115,345)	

CASH BASIS	Year-To-Date May 31, 2020			
	Projected	Actual	Variance	% Change
Member Months	6,775	6,488	(287)	-4.2%
Avg Premium Receipt PMPM	\$522	\$579	\$57	10.9%
Avg Medical Claim Expense PMPM	\$1,436	\$1,279	(\$157)	-10.9%
Avg Pharmacy Claim Expense PMPM	\$535	\$738	\$203	37.9%
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,449)	(\$1,438)	\$11	0.8%
Avg Premium Receipt Less Avg Claim Expense Total	(\$9,816,975)	(\$9,329,744)	\$487,231	5.0%
Variance Due to Changes in Membership			\$412,706	
Variance Due to Changes in Claim Expenses			\$74,525	

INCURRED BASIS	Year-To-Date May 31, 2020	Year-To-Date May 31, 2019
	Actual	Actual - Prior Year
Member Months	6,488	6,933
Avg Premium Income PMPM	\$600	\$833
Avg Medical Claim Expense PMPM (1)	\$1,354	\$1,492
Avg Pharmacy Claim Expense PMPM (2)	\$679	\$745
Avg Premium Receipt Less Avg Claim Expense PMPM	(\$1,433)	(\$1,404)
Avg Premium Receipt Less Avg Claim Expense Total	(\$9,297,304)	(\$9,733,932)

(1) Incurred medical claims data totals \$8,784,817 which is derived from \$5,052,817 actual paid claims with dates of service between 01-01-20 and 05-31-20 and \$3,732,000 IBNR reserve.

(2) Incurred pharmacy claims data totals \$4,404,291 which is derived from \$4,053,291 actual paid claims with dates of service between 01-01-20 and 05-31-20 and \$351,000 IBNR reserve.