



Washington Health Benefit Exchange Quarterly Update to the Legislature (June 2017)

STATUTORY REQUIREMENT

Statute Summary

The Exchange is required to establish five-year benchmarks for spending reductions, monitor ongoing progress toward achieving those benchmarks, post progress to date toward achieving the benchmarks on the Exchanges' public corporate web site, and submit quarterly updates to relevant legislative committees and the board as appropriate

Relevant Text of Second Engrossed Senate Bill 6089, Chapter 33, Laws of 2015::

(8) By January 1, 2016, the exchange must develop metrics, with actuarial support and input from the health care authority, office of insurance commissioner, office of financial management, and other relevant agencies, that capture current spending levels that include a per member per month metric; establish five-year benchmarks for spending reductions; monitor ongoing progress toward achieving those benchmarks; and post progress to date toward achieving the established benchmark on the exchange public corporate web site. Quarterly updates must be provided to relevant legislative committees and the board.

(9) For biennia following 2015-2017, the exchange must include additional detail capturing the annual cost of operating the exchange, per qualified health plan enrollee and apple health enrollee per month, as calculated by dividing funds allocated for the exchange over the 2015-2017 biennium by the number of enrollees in both qualified health plans and apple health during the year. The data must be tracked and reported to the legislature and the board on an annual basis.

This report reflects the per member per month (PMPM) as of June 2017, using the June Medicaid Forecast (which is unchanged from February) and the April qualified health plan forecast. The expenditures for 2017 reflect the proposed House and Senate budgets.

CALCULATION OF PER MEMBER PER MONTH VALUES

This quarterly update provides a calculation of "per member per month" (PMPM) expenditures that reflects the organization's total costs divided by total enrollment along with PMPM calculations for Medicaid enrollees and QHP enrollees. Table 1 reflects the March budget information and enrollment projection. Table 2 represents the updated caseloads for June as described above.

The QHP PMPM changed slightly from March due to the increased enrollment.

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TABLE 2: MARCH 2017 CALCULATION OF PMPM

| | State Fiscal Year 2016 | State Fiscal Year 2017* |
|-------------------------------------|-------------------------------|--------------------------------|
| Total Budget | \$56,740,000 | \$55,108,000 |
| QHP Budget | \$27,348,680 | \$18,888,829 |
| Average Monthly QHP Enrollment | 157,927 | 165,126 |
| Average Monthly Medicaid Enrollment | 1,573,407 | 1,603,388 |
| QHP PMPM | \$14.33 | \$9.53 |
| WAH PMPM | \$1.56 | \$1.88 |
| Combined PMPM | \$2.73 | \$2.60 |

*February 2017 Medicaid and QHP Forecasts

TABLE 2: JUNE 2017 CALCULATION OF PMPM

| | State Fiscal Year 2016 | State Fiscal Year 2017* |
|-------------------------------------|-------------------------------|--------------------------------|
| Total Budget | \$56,740,000 | \$55,108,000 |
| QHP Budget | \$27,348,680 | \$18,888,829 |
| Average Monthly QHP Enrollment | 157,927 | 168,684 |
| Average Monthly Medicaid Enrollment | 1,573,407 | 1,603,388 |
| QHP PMPM | \$14.33 | \$9.33 |
| WAH PMPM | \$1.56 | \$1.88 |
| Combined PMPM | \$2.73 | \$2.59 |

*April QHP Forecast and June 2017 Medicaid Forecast

All quarterly updates are available online at: <http://www.wahbexchange.org/about-the-exchange/exchange-reports-data/presentations-reports/>.