



Washington Health Benefit Exchange

Monthly Financial Report

March 24, 2016
Carole Holland, CFO

FINANCE OPERATIONAL UPDATE

ITEM	UPDATE	NEXT STEPS
Financial system implementation	<ul style="list-style-type: none"> Negotiated contract with the Resources Group to implement the Intact financial system Completed re-coding of expenditures to accurately reflect fund source and Medicaid reimbursement 	<ul style="list-style-type: none"> Design phase underway Go-live planned for 7/1/2016
Improve accuracy of financial information	<ul style="list-style-type: none"> Re-coding of expenditures resulted in a significant shift from grant budget to appropriated budget, primarily for cost allocated items Updated allotments to redistribute salary increase funding and to adjust benefits 	<ul style="list-style-type: none"> Continue to accurately code at time invoice is paid Assess need for additional data clean up for system transition
Update accounting policies & procedures	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> Continue to review and revise accounting policies and procedures in conjunction with financial system implementation Train managers and staff on contracts policy by 4/30/2016



FINANCE OPERATIONAL UPDATE (CONT.)

ITEM	UPDATE	NEXT STEPS
Revenue cycle, cash flow and no operating cash reserves	<ul style="list-style-type: none"> Continued improvement in cycle time of reimbursement processing with HCA OAPD and IAPD applications pending CMS approval Received 1 month extension to close Level 1B and Level 2 grants to accommodate IAPD approval Carriers billed for 2015 SHOP assessment 	<ul style="list-style-type: none"> Establish updated cash flow projections Develop revenue projection model linked with effectuation data Bill carriers for Q1 2016 plan year Develop carrier assessment rates for 2017
Audit findings	<ul style="list-style-type: none"> SAO field work essentially complete 	<ul style="list-style-type: none"> Continue to respond to SAO requests as needed
Staffing	<ul style="list-style-type: none"> Hired 2 temporary staff to assist with implementation of financial system (to backfill Subject Matter Expert resources) Extend contract for financial system consultant to assist with HPF clean-up 	<ul style="list-style-type: none"> Recruiting for budget analyst and accountant positions





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Monthly Financial Report –
February 2016

FINANCE UPDATE

- The Exchange has begun the first stage of fund source reconciliation, as part of the work being completed to implement the new financial system.
- The fund source reconciliation identified \$7.7 million in expenditures from July through February that were categorized as non-appropriated funds.
- Total expenditure amount has not changed, only the color of money.

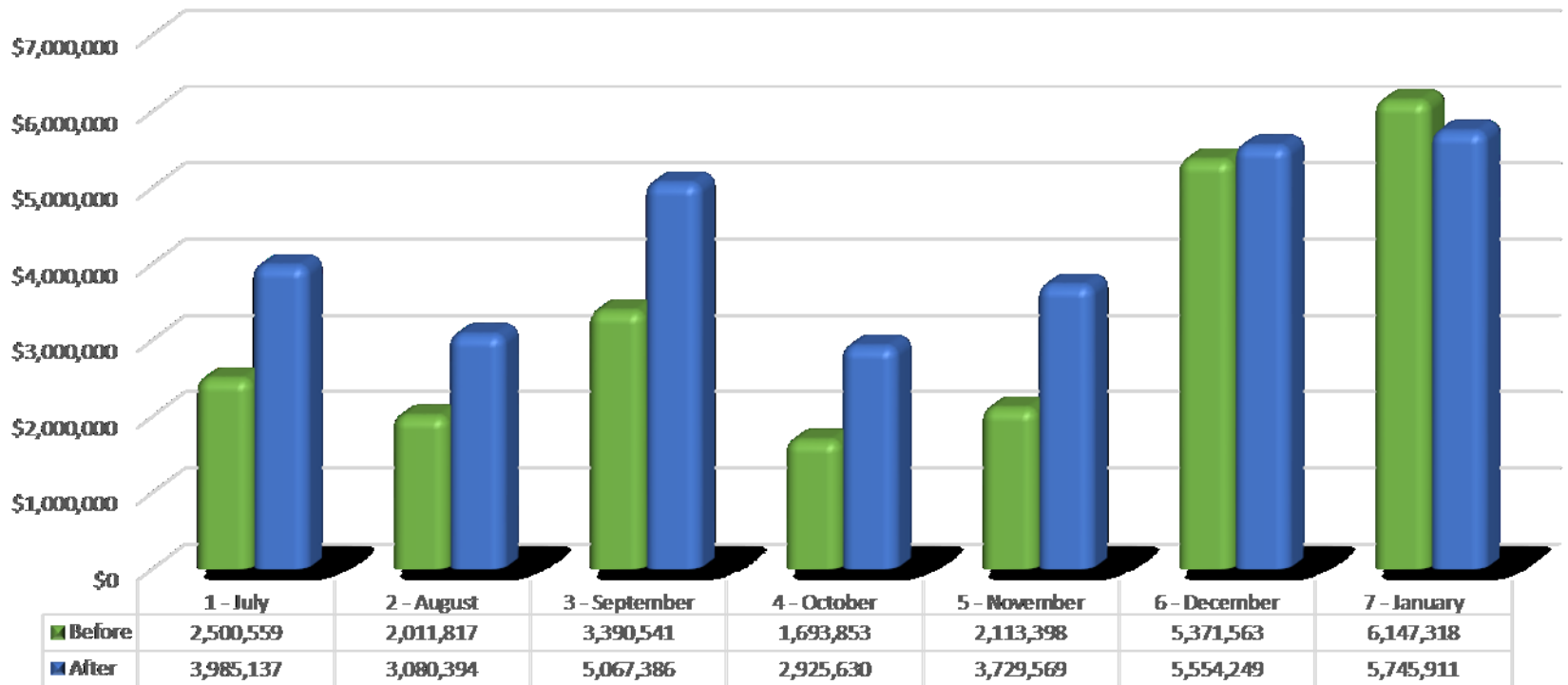


CHANGE IN APPROPRIATED FUNDS FOLLOWING RECONCILIATION

Total **appropriated expenditures** before the coding correction was:
\$23,229,000

Total **appropriated expenditures** after the correction is:
\$30,088,000

Total amount shifted to **appropriated funds** is:
\$6,859,000



WHAT DOES THIS MEAN?

- The Exchange has never tracked spending by specific fund source (GF-S, Medicaid, Premium Tax, Grant) until December, 2015. This adjustment is needed but will cause changes in the budget data we have reported to date.
- The fund source reconciliation work means that some items in the HBE budget that were showing an under expenditure in the appropriated budget are now at or above the expenditure limit.
- Vendor Deloitte was identified as the major cost driver in this fund shift. Further research is being performed in order to confirm the totals.



WHAT COMES NEXT?

- In April, the Exchange will be closing two grants, leaving only one active grant.
- Further reconciliation work will be completed as part of the data transfer to the new financial system.
- Chart of accounts that align with statewide accounting will be implemented by July so that budgets can better track activities across departments, provide accurate budget reporting, and fund source accounting.





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**Monthly Financial Report –
Contracts Update As of February 2016**

CONTRACTS UPDATE

Contract #	Company	Type	start	end	Contract Owner	Description	Additional Monies	Total contract value	Changes Through February 2016
HBE-163	Altriva	IT	8/7/14	12/31/16	Vincent Barrailler	CRM development and support	\$14,060	\$70,750	New SOW and additional \$14,060
HBE-167	Atmosera	IT	12/29/14	2/29/16	Vincent Barrailler	1 st level response/triage services in support of Oracle environment	\$0	\$145,000	Terminate contract
HBE-171	TEK Systems	IT	1/1/15	12/31/16	Vincent Barrailler	Optional use contract for technical staffing	\$0	\$4,000,000	Three work orders for IT infrastructure support (2 extensions and 2 new additions)
HBE-180	Integrated Solutions Group, LLC (ISG)	Consulting	9/24/15	5/31/16	Pam MacEwan	Consulting services	\$0	\$625,360	Amendment to change name from IRM to ISG and to add add
HBE-195	Pierce County Security	Service Agreement	12/12/13		Carole Holland	Building security staff	\$0	~ \$7200/ Month	Terminate contract
HBE-214	Oracle	IT			Vincent Barrailler	Support for servers and software license updates	\$12,579		New Oracle Linux MLA and Associated order





Washington Health Benefit Exchange

Legislative Budget Update

LEGISLATIVE BUDGET UPDATE

- Dental bill fully funded- \$605k (H/S)
- CSO funding included in budget – approach to receiving funds different between House and Senate – bottom line - we will be able to get paid - \$376k
- Cost allocation funded - \$11.6 m (H); \$11.1 m (S)
- Finance system funded – \$500k (H), \$422k (S)

