



Washington Health Benefit Exchange

Financial Report

Financial Report to the Board

July 21, 2016

Carole Holland, CFO

Finance Update

- Financial System
- No-cost extension – Level 1C
- Advanced planning documents
 - Submitted update June 21, 2016 to amend contracts
 - Will submit revised methodology by August 1st
- Annual fiscal close
- Financial audit
- Budget development





Washington Health Benefit Exchange

Monthly Financial Report –As of June 2016

Finance Update

- Revenues – to be updated for report to be submitted to legislature 7/29/2016
- Expenditures
 - Currently in stage of “soft close”
 - Additional adjustments are being made before auditors are on site week of July 25th
 - Underlying fund source (Medicaid versus 17T) may be slightly out of alignment (Note: over appropriated Medicaid and under appropriated 17T)
 - Proposal is to fix this in SFY 17 as part of the cost allocation update



Appropriated Budget

Expenditures	Current Month: June 2016 Preliminary			SFY2016 End of Year (Projected)		
	Actual	Budget	Variance	Actual	Budget	Variance
FTE - Appropriated	111.0	125.0	14.0	111.0	125.0	
Staffing	\$ 984,952	\$ 1,101,738	\$ 116,785	\$ 11,996,488	\$ 13,541,542	\$ 1,545,053
Salaries	\$ 750,034	\$ 840,691	\$ 90,657	\$ 9,198,469	\$ 10,368,910	\$ 1,170,440
Benefits	\$ 241,302	\$ 261,047	\$ 19,745	\$ 2,905,019	\$ 3,172,632	\$ 267,613
ESA Reimbursement for HBE Staff	\$ (6,383)	\$ -	\$ 6,383	\$ (107,000)	\$ -	\$ 107,000
Administrative	\$ 134,365	\$ 332,804	\$ 198,438	\$ 2,071,577	\$ 3,342,572	\$ 1,270,995
General & Administrative	\$ 92,482	\$ 225,016	\$ 132,533	\$ 1,053,513	\$ 2,049,109	\$ 995,596
Facility & Related	\$ 41,883	\$ 107,788	\$ 65,905	\$ 1,018,064	\$ 1,293,463	\$ 275,399
Operational	\$ 1,556,655	\$ 2,417,307	\$ 860,652	\$ 39,012,905	\$ 35,480,588	\$ (3,532,318)
Call Center	\$ 541,918	\$ 760,357	\$ 218,439	\$ 11,946,407	\$ 11,411,873	\$ (534,534)
Printing & Postage	\$ 137,150	\$ 153,510	\$ 16,360	\$ 3,236,214	\$ 1,751,858	\$ (1,484,356)
Translation	\$ 2,367	\$ 2,857	\$ 490	\$ 32,549	\$ 80,000	\$ 47,451
Marketing & Outreach	\$ 10,307	\$ 51,000	\$ 40,693	\$ 911,871	\$ 1,575,000	\$ 663,129
Document Imaging	\$ (2,601)	\$ 39,455	\$ 42,056	\$ 529,421	\$ 590,494	\$ 61,073
IPA/Navigators	\$ 243,272	\$ 239,500	\$ (3,772)	\$ 3,103,000	\$ 3,103,000	\$ -
HealthPlanFinder M&O - Deloitte	\$ 586,165	\$ 594,522	\$ 8,357	\$ 8,863,808	\$ 7,134,264	\$ (1,729,544)
Licenses Fees and Software	\$ 243,074	\$ 122,693	\$ (120,381)	\$ 2,316,367	\$ 2,693,570	\$ 377,203
Eligibility System - DSHS	\$ 52,961	\$ -	\$ (52,961)	\$ 709,518	\$ 1,300,000	\$ 590,482
Health Plan Management - eHealth	\$ (209,040)	\$ -	\$ 209,040	\$ 177,247	\$ 836,160	\$ 658,913
DDI Deloitte	\$ (241,857)	\$ 453,413	\$ 695,270	\$ 4,890,708	\$ 4,829,000	\$ (61,708)
Contractors and Consultants-Staffing	\$ 192,938	\$ -	\$ (192,938)	\$ 2,295,795	\$ 175,369	\$ (2,120,426)
Professional Services	\$ 107,695	\$ 279,716	\$ 172,021	\$ 1,118,622	\$ 3,674,665	\$ 2,556,043
Actuarial	\$ 6,871	\$ -	\$ (6,871)	\$ 18,245	\$ 110,000	\$ 91,755
Financial Consulting & Audits	\$ 54,035	\$ 135,121	\$ 81,086	\$ 701,605	\$ 1,797,927	\$ 1,096,323
Legal/Administrative Hearings	\$ 7,828	\$ 9,470	\$ 1,642	\$ 70,310	\$ 145,238	\$ 74,928
Other Consulting	\$ 18,805	\$ 135,125	\$ 116,320	\$ 206,343	\$ 1,621,500	\$ 1,415,157
Temporary Contracted Staff	\$ 20,155	\$ -	\$ (20,155)	\$ 122,120	\$ -	\$ (122,120)
Total Expenditures	\$ 2,783,668	\$ 4,131,564	\$ 1,347,896	\$ 54,199,593	\$ 56,740,000	\$ 2,540,407

Preliminary fiscal year close indicates that, while the overall budget is under its appropriation, the Health Benefit Exchange account is overspent by about \$550,000 and Medicaid is underspent by \$2,900,000, due largely to a discrepancy in the cost allocation match rate for FY 16. The budget has been adjusted to reflect the 2016 Supplemental Legislative budget for 2016 and 2017, adding \$1,027,000 in funding for the new financial system and for the Qualified Dental Plan program (SFY 2017). Printing costs exceeded FY 16 budget assumptions, largely due to the significant amount of required mailings from CMS to Medicaid recipients. Fanueil, the call center vendor was directed to reduce May and June costs by a total of \$50,000 per month. May and June overall expenditures are lower due to actions taken to reduce expenditures.





Washington Health Benefit Exchange

**Monthly Financial Report –
Contracts Update As of June 30, 2016**

Contracts Update

Contract #	Company	Type	start	end	Contract Owner	Description	Additional value	Total contract value	Changes Through April 2016
HBE-027	Deloitte	Contract	4/19/12	6/30/20	Vincent Barrailler	Integration Contractor	\$20,904,030	\$171,383,486	Amendment for additional funding to extend Maintenance & Operations term for 42 months
HBE-028	Faneuil	Contract	2/23/13	12/31/16	Beth Walter	Call center operations	\$11,607,840	\$61,819,630	Amendment to increase contract value
HBE-039	GMMB	Contract	3/12/13	6/30/17	Michael Marchand	Advertising Activities	\$1,000,000	\$16,562,077	Amendment to extend term for year and add funds
HBE-048	KP LLC	Contract	4/12/13	8/31/13	Beth Walter	Printing services	\$4,000,000	\$8,000,000	Amendment to increase contract value
HBE-086	Milestone	Contract	2/20/13	12/31/16	Vincent Barrailler	IT Services	\$0	2,200,000	Extended term, reduced rates and amended work order SOW's
HBE-098	Mary Benckert Reis, LLC	Contract	7/2/13	9/30/16	Carole Holland	Abila and financial consultant	\$0	\$622,444	Amendment to extend contract end date
HBE-116	Akamai	Contract	8/22/13	9/30/16	Vincent Barrailler	Solution to address evolving complexities of application acceleration in the cloud	\$0	\$672,990	Amendment to Add Ongoing Tech Support from Previous Agreement



Contracts Update

Contract #	Company	Type	start	end	Contract Owner	Description	Additional value	Total contract value	Changes Through April 2016
HBE-119	Gail Maurer	Contract	10/18/13	12/31/16	Brian Peyton	Presiding officer services	\$15,000	\$35,000	Increased contact value
HBE-173	Cognizant	Contract	1/1/15	12/31/13	Vincent Barrailler	HPF architecture CheckMarx Report validation	\$0	\$4,000,000	Amendment to include Federally required contract language around IT and PII data
HBE-187	Wakely	Contract	5/20/16	6/30/17	Carole Holland	Enrollment Projection Services	\$110,000	\$220,000	Amendment to add funds and extend term for one year
HBE-197	Sitecrafting	Contract	7/6/15	7/31/16	Michael Marchand	Corporate Website Development	\$14,200	\$114,200	New SOW – Corporate Web Redesign
HBE-217	Resource Group	Contract	3/11/16	12/31/17	Carole Holland	Implementation of new Financial System	\$37,400	\$387,954	Amendment to change SOW and add funds for extended implementation services





Washington Health Benefit Exchange

**Monthly Financial Report –
Staff and Contractor FTEs –June 2016**

Staff Update

Department	May 2016			June 2016		
	FTE (bodies)	Contractor	TOTAL	FTE (bodies)	Contractor	TOTAL
Regular Employees						
Executive/PMO	6	3	9	6	3	9
Policy	6	0	6	6	0	6
Legal	8	0	8	8	0	8
Communications	17	0	17	17	0	17
Finance & Administration	18	1	19	18	1	19
Operations	31	2	33	32	2	34
IT	25	18	43	26	18	44
SUBTOTAL	111	24	135	113	24	137
Temporary & Project Employees						
Finance - Financial System Implementation	3		3	3		3
TOTAL	114	24	138	116	24	140

