



Washington Health Benefit Exchange

Operations Committee Financial Report

June 15, 2017
Carole Holland, CFO

June finance highlights

- Legislature and Governor appear optimistic about enacting budget prior to June 30, 2017 at 11:59 pm
- HBE notified vendors and staff of potential shutdown- consistent with state agencies
- Assuming Legislature enacts budget in time, HBE will continue to try to pay for any allowable expenses using 2017 funds
- Adjustments in supplemental budget are still needed for printing costs and the cost allocation fund shift
- 2018 allotments are also pending final 2017-19 budget



June finance highlights

- Carrier assessment for 4th quarter SFY 2017 appears to be about \$210,000 higher than originally projected
- Year-end projection grew slightly again in May, due to staff vacancies
- Level 1 C grant is expected to close with about \$1.5 million in unspent funds
- Development of consolidated Advanced Planning Document for Medicaid funds continues to be priority for HCA, DSHS and HBE
- Auditor (BerryDunn) began data collection for SFY 2017 programmatic and financial audits



May expenditure report by fund source

May 2017

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 441,534	\$ (88,143)	\$ 529,676	120.0%
GF-Federal	\$ 1,949,899	\$ 1,650,948	\$ 298,950	15.3%
17T	\$ 2,105,824	\$ 1,966,989	\$ 138,835	6.6%
Grants	\$ 824,530	\$ 683,558	\$ 140,972	17.1%
Total	\$ 5,321,786	\$ 4,213,353	\$ 1,108,433	20.8%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 4,744,081	\$ 5,439,098	\$ (695,017)	-14.7%
\$ 19,773,083	\$ 20,742,143	\$ (969,060)	-4.9%
\$ 25,940,385	\$ 20,612,271	\$ 5,328,114	20.5%
\$ 8,191,444	\$ 8,013,361	\$ 178,083	2.2%
\$ 58,648,993	\$ 54,806,873	\$ 3,842,120	6.6%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,183,912	\$ 5,183,913	\$ (0)	0.0%
a) GF-Federal	\$ 21,305,184	\$ 23,359,315	\$ (2,054,131)	-9.6%
a) 17T	\$ 27,809,900	\$ 24,104,906	\$ 3,704,994	13.3%
b) Grants	\$ 8,679,777	\$ 8,990,044	\$ (310,267)	-3.6%
Total	\$ 62,978,773	\$ 61,638,178	\$ 1,340,596	2.1%

- a) The proposed legislative supplemental budgets adjust the funding sources to address over/under expenditures
- b) Additional grant funds are available through the end of SFY 2017, but were not included in the original budget estimates
These grant funds are not appropriated. The Level 1C grant is expected to have a final positive variance of \$1.5M.



May expenditure report by object

May 2017

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 836,430	\$ 815,595	\$ 20,836	2.5%
Benefits	\$ 263,127	\$ 270,888	\$ (7,761)	-2.9%
Contracts	\$ 3,581,533	\$ 2,867,500	\$ 714,033	19.9%
Goods and Services	\$ 626,319	\$ 244,958	\$ 381,361	60.9%
Travel	\$ 14,376	\$ 14,412	\$ (35)	-0.2%
Total	\$ 5,321,786	\$ 4,213,353	\$ 1,108,433	20.8%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 9,013,069	\$ 8,674,235	\$ 338,834	3.8%
\$ 2,802,478	\$ 2,836,986	\$ (34,509)	-1.2%
\$ 39,491,193	\$ 38,511,232	\$ 979,961	2.5%
\$ 7,184,110	\$ 4,686,437	\$ 2,497,673	34.8%
\$ 158,143	\$ 97,983	\$ 60,161	38.0%
\$ 58,648,993	\$ 54,806,873	\$ 3,842,120	6.6%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 9,849,525	\$ 9,510,691	\$ 338,834	3.4%
a) Benefits	\$ 3,065,631	\$ 3,100,140	\$ (34,509)	-1.1%
b) Contracts	\$ 42,088,225	\$ 43,609,788	\$ (1,521,563)	-3.6%
c) Goods and Services	\$ 7,802,868	\$ 5,305,195	\$ 2,497,673	32.0%
Travel	\$ 172,524	\$ 111,050	\$ 61,474	35.6%
d) Total	\$ 62,978,773	\$ 61,636,865	\$ 1,341,909	2.1%

- a) The proposed legislative budgets add funding for increased benefit costs
- b) The reason for overexpenditures in contracts include:
 - 1) Additional funding for printing costs in legislative budgets not reflected
 - 2) Design work for 5.0 will be paid in SFY 2017
- c) Goods and services include agency unallotted funds which were used to offset overexpenditures in contracts
- d) Variance does not reflect that ~\$557,000 in 17T of 2017 allotment was spent in SFY 2016



May expenditure report by department

May 2017

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 587,727	\$ 438,461	\$ 149,267	25.4%
Executive	\$ 142,740	\$ 120,203	\$ 22,537	15.8%
Finance	\$ 392,852	\$ 234,484	\$ 158,368	40.3%
IT	\$ 2,558,312	\$ 2,086,793	\$ 471,520	18.4%
Legal	\$ 125,111	\$ 124,948	\$ 163	0.1%
Operations	\$ 1,285,884	\$ 1,130,220	\$ 155,664	12.1%
Policy	\$ 84,405	\$ 78,244	\$ 6,161	7.3%
Unalloted	\$ 144,754	\$ -	\$ 144,754	100.0%
Total	\$ 5,321,786	\$ 4,213,353	\$ 1,108,433	20.8%

Year to Date

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 6,693,604	\$ 5,665,640	\$ 1,027,964	15.4%
Executive	\$ 1,682,648	\$ 1,090,930	\$ 591,718	35.2%
Finance	\$ 4,514,764	\$ 3,351,736	\$ 1,163,028	25.8%
IT	\$ 25,216,523	\$ 25,621,684	\$ (405,161)	-1.6%
Legal	\$ 1,248,906	\$ 1,156,488	\$ 92,418	7.4%
Operations	\$ 16,766,965	\$ 17,026,227	\$ (259,262)	-1.5%
Policy	\$ 935,519	\$ 894,167	\$ 41,352	4.4%
Unalloted	\$ 1,590,063	\$ -	\$ 1,590,063	100.0%
Total	\$ 58,648,993	\$ 54,806,873	\$ 3,842,120	6.6%

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,281,331	\$ 6,253,367	\$ 1,027,964	14.1%
Executive	\$ 1,825,388	\$ 1,233,670	\$ 591,718	32.4%
Finance	\$ 4,907,616	\$ 3,744,588	\$ 1,163,028	23.7%
a) IT	\$ 26,790,593	\$ 29,470,571	\$ (2,679,979)	-10.0%
Legal	\$ 1,374,018	\$ 1,281,599	\$ 92,418	6.7%
b) Operations	\$ 18,045,022	\$ 18,530,991	\$ (485,969)	-2.7%
Policy	\$ 1,019,988	\$ 978,636	\$ 41,352	4.1%
Unalloted	\$ 1,734,818	\$ 144,754	\$ 1,590,063	91.7%
Total	\$ 62,978,773	\$ 61,638,178	\$ 1,340,596	2.1%

- a) Overexpenditures due to additional funding by non-appropriated federal L1C grants and design costs related to Release 5.0
 b) Overage is due to printing costs and do not reflect funding provided in legislative budgets



FTEs by department

May 2017					Year to Date			
	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	16.5	16.5	0.0	0.0%	16.7	16.4	0.4	2.2%
Executive	8.5	8.5	0.0	0.0%	7.9	7.9	0.0	0.0%
Finance	15.5	14.5	1.0	6.5%	16.5	16.4	0.2	1.1%
IT	31.5	26.5	5.0	15.9%	31.5	27.4	4.1	13.1%
Legal	14.5	12.5	2.0	13.8%	14.5	11.5	3.0	20.4%
Operations	36.0	34.0	2.0	5.6%	36.0	33.5	2.5	7.1%
Policy	8.0	8.0	0.0	0.0%	8.0	7.6	0.4	4.5%
Total	130.5	120.5	10.0	7.7%	131.2	120.6	10.5	8.0%





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