



Washington Health Benefit Exchange

Financial Report

Exchange Board Meeting
September 14, 2017

Carole Holland, CFO

Financial Update

Finance and legislative report update

- August close scheduled for 9/15/2017
- Financial reports for July
 - Expenditures on track with allotments with a few exceptions
 - KP bill higher in July due to supply purchases
 - Slight variance in salaries and benefits due to vacancies
- Financial audit finalized mid-September; Uniform guidance audit finalized in October
- Legislative reports
 - September annual report on salaries, contracts and HR policies
 - Quarterly financial and PMPM reports will be sent to Legislature in October



July expenditure report by fund source

July 2017

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 458,900	\$ 478,165	\$ (19,265)	-4.2%
GF-Federal	\$ 1,897,500	\$ 1,819,832	\$ 77,668	4.1%
17T	\$ 1,799,800	\$ 1,744,448	\$ 55,352	3.1%
Total	\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 458,900	\$ 478,165	\$ (19,265)	-4.2%
\$ 1,897,500	\$ 1,819,832	\$ 77,668	4.1%
\$ 1,799,800	\$ 1,744,448	\$ 55,352	3.1%
\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,184,000	\$ 5,170,744	\$ 13,256	0.3%
GF-Federal	\$ 25,715,800	\$ 25,596,087	\$ 119,713	0.5%
17T	\$ 27,597,800	\$ 27,535,990	\$ 61,810	0.2%
Total	\$ 58,497,600	\$ 58,302,821	\$ 194,779	0.3%



July expenditure report by object

July 2017

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 873,800	\$ 821,944	\$ 51,856	5.9%
Benefits	\$ 309,900	\$ 283,836	\$ 26,064	8.4%
Contracts	\$ 2,557,000	\$ 2,547,441	\$ 9,559	0.4%
Goods and Services	\$ 403,300	\$ 383,351	\$ 19,949	4.9%
Travel	\$ 12,200	\$ 5,872	\$ 6,328	51.9%
Total	\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

Year to Date

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 873,800	\$ 821,944	\$ 51,856	5.9%
Benefits	\$ 309,900	\$ 283,836	\$ 26,064	8.4%
Contracts	\$ 2,557,000	\$ 2,547,441	\$ 9,559	0.4%
Goods and Services	\$ 403,300	\$ 383,351	\$ 19,949	4.9%
Travel	\$ 12,200	\$ 5,872	\$ 6,328	51.9%
Total	\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 10,670,200	\$ 10,618,344	\$ 51,856	0.5%
Benefits	\$ 3,874,800	\$ 3,848,736	\$ 26,064	0.7%
Contracts	\$ 37,506,500	\$ 37,399,234	\$ 107,266	0.3%
Goods and Services	\$ 6,264,800	\$ 6,243,861	\$ 20,939	0.3%
Travel	\$ 181,300	\$ 174,972	\$ 6,328	3.5%
Total	\$ 58,497,600	\$ 58,285,148	\$ 212,452	0.4%



July expenditure report by department

July 2017

Year to Date

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 460,900	\$ 415,767	\$ 45,133	9.8%
Executive	\$ 131,100	\$ 119,406	\$ 11,694	8.9%
Finance	\$ 285,800	\$ 209,362	\$ 76,438	26.7%
IT	\$ 1,915,000	\$ 1,873,629	\$ 41,371	2.2%
Legal	\$ 104,700	\$ 90,984	\$ 13,716	13.1%
a Operations	\$ 1,168,000	\$ 1,249,024	\$ (81,024)	-6.9%
Policy	\$ 90,700	\$ 84,272	\$ 6,428	7.1%
Unallotted	\$ -	\$ -	\$ -	0.0%
Total	\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

Budget	Expenditures	Variance under/(over)	Variance %
\$ 460,900	\$ 415,767	\$ 45,133	9.8%
\$ 131,100	\$ 119,406	\$ 11,694	8.9%
\$ 285,800	\$ 209,362	\$ 76,438	26.7%
\$ 1,915,000	\$ 1,873,629	\$ 41,371	2.2%
\$ 104,700	\$ 90,984	\$ 13,716	13.1%
\$ 1,168,000	\$ 1,249,024	\$ (81,024)	-6.9%
\$ 90,700	\$ 84,272	\$ 6,428	7.1%
\$ -	\$ -	\$ -	0.0%
\$ 4,156,200	\$ 4,042,445	\$ 113,755	2.7%

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,280,800	\$ 7,235,667	\$ 45,133	0.6%
Executive	\$ 2,017,100	\$ 2,005,406	\$ 11,694	0.6%
Finance	\$ 4,123,700	\$ 4,047,262	\$ 76,438	1.9%
IT	\$ 20,946,600	\$ 20,905,229	\$ 41,371	0.2%
Legal	\$ 1,266,900	\$ 1,253,184	\$ 13,716	1.1%
Operations	\$ 18,760,800	\$ 18,760,800	\$ -	0.0%
Policy	\$ 1,136,900	\$ 1,130,472	\$ 6,428	0.6%
Unallotted	\$ 2,964,800	\$ 2,964,800	\$ -	0.0%
Total	\$ 58,497,600	\$ 58,302,821	\$ 194,779	0.3%

- a July allotments did not account for the twice annual purchase of envelopes in July; end of year variance is not expected to be negative



August contracts update

Contract #	Company	Type	start	end	Contract Owner	Description	Additional value	Total contract value	Changes Through August 2017
HBE-039	GMMB	Contract	3/12/13	7/31/18	Michael Marchand	Marketing and outreach	\$1,550,000	\$19,277,077	Extension of contract through July 31, 2018 a new statement of work and associated funding
IAA-066-F	Right Systems	DES Contract			Vincent Barrailler	Optional use contract for IT infrastructure staffing	\$30,000	\$30,000	Technical staffing contract for systems services network support
SLA-116	Akamai	Service Level Agreement	8/22/13	9/30/18	Vincent Barrailler	Solution to address evolving complexities of application acceleration in the cloud.	\$177,720		Annual service order renewal
SLA-116	Akamai	Service Level Agreement	8/22/13	9/30/18	Vincent Barrailler	Solution to address evolving complexities of application acceleration in the cloud.	\$10,000		Statement of work to add 2 existing policies into DENY
SLA-221	Anitian	Service Level Agreement	4/29/15	12/31/30	Vincent Barrailler	IT consulting services	\$44,500		Security risk assessment



Decision Packages

Goals for 2018 supplemental budget

- Continue to build sustainability
- Improve efficiency
- Enhance customer experience
- Continue innovation
- Keep carrier assessment at current level



Technical decision package

- Cost Allocation
 - Annual update to funding sources based on the advanced planning document (October 1, 2018) (cost neutral; Health Benefit Exchange Account/Medicaid)



Policy decision packages

- Call center and system integrator procurement
 - Competitive procurement required per Federal Uniform Guidance requirements
 - One-time funding authority to cover the additional costs of transitioning customer service center vendor (depends on apparently successful vendor)
 - Technical assistance to re-procure system integrator (2019-21 biennium RFP)
 - \$3.4 million - Health Benefit Exchange Account/Medicaid (no GF- State)
- Implement cloud solution
 - Exchange given increased authority for \$4.3 million in 2017-2019 biennium to replace servers
 - Cloud solution requires shifting funding from year two to year one and increasing the total expenditure authority by \$546,000 to upgrade all software products and enhance security
 - Total estimated seven year cost avoidance of \$4.2 million by moving to the cloud
 - \$546,000 - Health Benefit Exchange Account/Medicaid (no GF-State)



2017-19 Supplemental Budget Process

- *June*
 - Board strategic planning
- August
 - Board review decision package (DP) concepts
- September
 - Board votes on budget
 - HBE transmits budget request to HCA for submittal to OFM
- October
 - Board engagement with key stakeholders



August Enrollment Forecast

Wakely enrollment forecast

- Wakely forecast continues to be somewhat optimistic
- Two scenarios prepared – one with CSRs and one without
- Forecast will be updated again in October

Enrollment summary

SFY	Monthly Average		Highest Month		Lowest Month	
	w/ CSR	w/o CSR	w/ CSR	w/o CSR	w/ CSR	w/o CSR
SFY 17	170,462	170,462	189,507	189,507	147,171	147,171
SFY 18	169,957	160,825	181,294	179,014	157,117	143,539
SFY 19	160,104	143,074	182,976	163,326	136,800	122,813



Wakely enrollment forecast - revenues

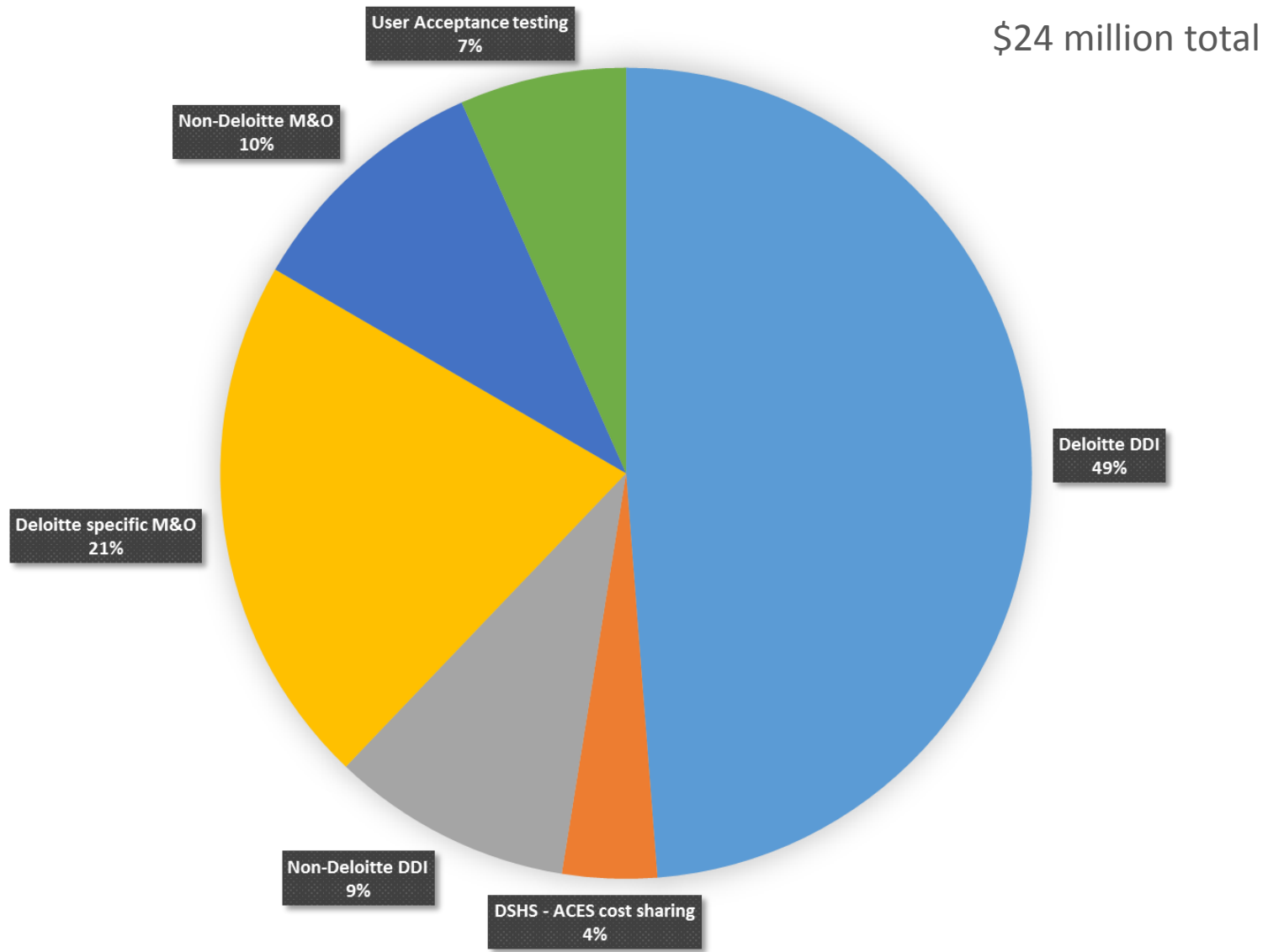
	\$ w/CSRs	w/o CSRs	Difference
SFY 17	\$30,905,985	\$30,905,985	\$0
SFY 18	\$32,500,125	\$30,676,132	(\$1,823,993)
SFY 19	\$32,328,896	\$28,887,289	(\$3,441,697)
Total			(\$5,265,600)

Note: Wakely assumptions were made before plan filing information available; will be updated in October with actual information



Appendix

Breakdown of 2017 IT contract expenditures





washington
healthplanfinder

powered by the **Washington Health Benefit Exchange**