



Washington Health Benefit Exchange

Financial Report

Exchange Board Meeting
May 17, 2018

Carole Holland, CFO

Financial Update

Finance update

- Expenditures remain on track for SFY 2018
- End of year projection is approximately the same as the previous report - from \$837,969 to \$883,900
- Accounting has begun end of year close activities
- Draft decision package concepts have been developed and shared with OFM, HCA and DSHS



Expenditure report by fund source

April 2018

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 386,200	\$ 413,649	\$ (27,449)	-7.1%
GF-Federal	\$ 2,394,200	\$ 1,809,638	\$ 584,562	24.4%
17T	\$ 2,471,900	\$ 1,998,682	\$ 473,218	19.1%
Total	\$ 5,252,300	\$ 4,221,969	\$ 1,030,331	19.6%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 5,184,000	\$ 5,028,555	\$ 155,445	3.0%
\$ 19,885,800	\$ 18,591,683	\$ 1,294,117	6.5%
\$ 22,825,400	\$ 20,585,063	\$ 2,240,337	9.8%
\$ 47,895,200	\$ 44,205,300	\$ 3,689,900	7.7%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,184,000	\$ 5,151,555	\$ 32,445	0.6%
GF-Federal	\$ 24,888,000	\$ 24,661,183	\$ 226,817	0.9%
17T	\$ 28,971,000	\$ 28,346,363	\$ 624,637	2.2%
Total	\$ 59,043,000	\$ 58,159,100	\$ 883,900	1.5%



Expenditure report by object

April 2018

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 870,800	\$ 822,455	\$ 48,345	5.6%
Benefits	\$ 336,500	\$ 302,651	\$ 33,849	10.1%
Contracts	\$ 3,601,100	\$ 2,646,510	\$ 954,590	26.5%
Goods and Services	\$ 430,500	\$ 440,035	\$ (9,535)	-2.2%
Travel	\$ 13,400	\$ 10,318	\$ 3,082	23.0%
Total	\$ 5,252,300	\$ 4,221,969	\$ 1,030,331	19.6%

Year to Date

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 8,657,000	\$ 8,237,031	\$ 419,969	4.9%
Benefits	\$ 3,179,000	\$ 2,907,125	\$ 271,875	8.6%
Contracts	\$ 31,396,500	\$ 29,497,712	\$ 1,898,788	6.0%
Goods and Services	\$ 4,507,300	\$ 3,441,641	\$ 1,065,659	23.6%
Travel	\$ 155,400	\$ 121,791	\$ 33,609	21.6%
Total	\$ 47,895,200	\$ 44,205,300	\$ 3,689,900	7.7%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 10,398,600	\$ 10,076,631	\$ 321,969	3.1%
Benefits	\$ 3,852,000	\$ 3,620,125	\$ 231,875	6.0%
Contracts	\$ 39,239,600	\$ 39,102,212	\$ 137,388	0.4%
Goods and Services	\$ 5,370,600	\$ 5,195,541	\$ 175,059	3.3%
Travel	\$ 182,200	\$ 164,591	\$ 17,609	9.7%
Total	\$ 59,043,000	\$ 58,159,100	\$ 883,900	1.5%

The under expenditure for contracts for April is primarily due to the timing of billings for Deloitte, Microsoft and Oracle for the security upgrade and transition to the cloud



Expenditure report by department

April 2018

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 470,900	\$ 386,204	\$ 84,696	18.0%
Executive	\$ 178,500	\$ 117,706	\$ 60,794	34.1%
Finance	\$ 331,300	\$ 199,383	\$ 131,917	39.8%
IT	\$ 2,458,300	\$ 2,080,873	\$ 377,427	15.4%
Legal	\$ 111,100	\$ 92,756	\$ 18,344	16.5%
Operations	\$ 1,267,600	\$ 1,265,323	\$ 2,277	0.2%
Policy	\$ 101,000	\$ 79,725	\$ 21,275	21.1%
Unallotted	\$ 333,600	\$ -	\$ 333,600	0.0%
Total	\$ 5,252,300	\$ 4,221,969	\$ 1,030,331	19.6%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 6,161,700	\$ 5,698,949	\$ 462,751	7.5%
\$ 1,635,500	\$ 1,359,450	\$ 276,050	16.9%
\$ 3,410,200	\$ 2,452,337	\$ 957,863	28.1%
\$ 18,393,600	\$ 17,952,513	\$ 441,087	2.4%
\$ 1,085,500	\$ 961,844	\$ 123,656	11.4%
\$ 15,829,400	\$ 14,977,957	\$ 851,443	5.4%
\$ 943,000	\$ 802,249	\$ 140,751	14.9%
\$ 436,300	\$ -	\$ 436,300	0.0%
\$ 47,895,200	\$ 44,205,300	\$ 3,689,900	7.7%

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 6,983,600	\$ 6,935,849	\$ 47,751	0.7%
Executive	\$ 1,962,500	\$ 1,886,450	\$ 76,050	3.9%
Finance	\$ 4,203,700	\$ 3,860,837	\$ 342,863	8.2%
IT	\$ 21,944,900	\$ 21,891,813	\$ 53,087	0.2%
Legal	\$ 1,307,700	\$ 1,226,044	\$ 81,656	6.2%
Operations	\$ 18,461,500	\$ 18,270,057	\$ 191,443	1.0%
Policy	\$ 1,130,300	\$ 1,039,549	\$ 90,751	8.0%
Unallotted	\$ 3,048,800	\$ 3,048,500	\$ 300	0.0%
Total	\$ 59,043,000	\$ 58,159,100	\$ 883,900	1.5%



FTE's by Department

April 2018

	Contractor FTEs	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	0.0	16.5	17.5	-1.0	-6.1%
Executive	0.0	9.5	8.5	1.0	10.5%
Finance	0.0	15.5	14.5	1.0	6.5%
IT	8.0	33.5	32.5	1.0	3.0%
Legal	0.0	11.5	10.5	1.0	8.7%
Operations	0.0	35.0	34.0	1.0	2.9%
Policy	0.0	8.0	7.0	1.0	12.5%
Total	8.0	129.5	124.5	5.0	3.9%

Year to Date

	Contractor FTEs	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	0.0	16.5	16.6	-0.1	-0.6%
Executive	0.0	10.3	9.7	0.6	5.4%
Finance	0.0	15.8	14.5	1.3	7.9%
IT	9.7	32.8	31.3	1.5	4.4%
Legal	0.0	11.5	10.7	0.8	7.0%
Operations	0.0	34.8	33.0	1.8	5.2%
Policy	0.0	8.0	7.3	0.7	8.8%
Total	9.7	129.5	123.1	6.5	5.0%



Expenditures for major contracts

April 2018

Contractor	Current Month Budget	Current Month Expenditures	Annual Budget	YTD Expenditures	Projected End of Year	End of Year \$ Variance	End of Year % Variance
Faneuil	\$ 766,774	\$ 779,965	\$ 11,189,001	\$ 8,788,155	\$ 11,159,228	\$ 29,772	0.3%
Deloitte- M&O	\$ 413,171	\$ 413,763	\$ 5,384,025	\$ 4,141,634	\$ 5,381,991	\$ 2,034	0.0%
Deloitte- DDI	\$ 585,600	\$ 293,768	\$ 4,098,373	\$ 3,470,706	\$ 4,098,373	\$ 0	0.0%
KP	\$ 204,318	\$ 180,680	\$ 3,306,386	\$ 2,385,694	\$ 3,041,277	\$ 265,109	8.0%
Navigators	\$ 203,000	\$ 216,804	\$ 2,691,686	\$ 2,126,507	\$ 2,749,311	\$ (57,624)	-2.1%
GMMB	\$ 51,667	\$ 7,177	\$ 1,550,000	\$ 1,517,053	\$ 1,524,230	\$ 25,770	1.7%
Total	\$ 2,224,529	\$ 1,892,157	\$ 28,219,471	\$ 22,429,748	\$ 27,954,409	\$ 265,061	0.9%



Revenue

Revenue Source	YTD Projected	YTD Actuals	Variance	Original Forecast	Updated Annual Projection	Variance
17T- QHP Medical	\$ 20,930,827	\$ 24,691,889	\$ 3,761,062	\$ 31,885,354	\$ 35,774,596	\$ 3,889,242
17T- QHP Family Dental	\$ 362,612	\$ 561,280	\$ 198,668	\$ 474,003	\$ 672,671	\$ 198,668
17T- QHP Pediatric Dental	\$ 54,883	\$ 37,503	\$ (17,380)	\$ 71,672	\$ 54,292	\$ (17,380)
Total	\$ 21,348,322	\$ 25,290,672	\$ 3,942,350	\$ 32,431,029	\$ 36,501,559	\$ 4,070,530



April Contracts Update

April contract updates

Contract #	Company	start	end	Description	Additional value	Total contract value	Changes Through April 2018
MLA-334	Microsoft Corporation	2/1/17	1/31/19	Premier support services	\$224,750	\$607,126	Microsoft Consulting Services
HBE-220	BerryDunn	5/2/16	6/30/19	Audit services	\$88,000	\$365,500	Perform programmatic and financial audit services
HBE-380	AIHC	4/25/18	6/30/19	Outreach services	N/A	\$4,550	Collaboration through an Insurance Carriers Fair and Round Table
HBE-027	Deloitte	4/19/12	6/30/20	Systems Integration contractor	\$4,362,730	\$185,210,124	Design, develop, test and implement modifications and enhancements to HPF
HBE-381	Clean-Rite Janitorial Services, Inc	4/30/18	6/30/20	Janitorial services	N/A	\$100,000	New contract for janitorial services procured via RFQQ 18-001
HBE-338	BetterDoctor	5/10/17	6/30/19	Provider Directory	\$29,000	\$610,890	Enhancements to the API
HBE-335	Ruxed, LLC	3/7/17	10/31/18	HBE's SharePoint/Intranet	\$50,000	\$156,000	Add funds and SOW for backlogged projects
HBE-337	GetInsured	5/12/17	6/30/19	Consumer decision support tool for QHP shopping on HPF	\$131,520	\$910,320	Add funds and additional features to the Consumer Decision Support Tool functionality



Draft Decision Package Concepts

Draft Decision Package Concepts

Maintenance Level Placeholders:

Cost Allocation

A net-zero adjustment in funding sources for the 2019 Supplemental and 2019-21 Biennial budgets to reflect the beneficiaries of services provided and to align funding levels with the CMS advanced planning document. (Medicaid and Health Benefit Exchange Account)

Benefit Rate Changes

Funding authority to cover potential increases for state benefit rates for fiscal years 2020 and 2021. HBE is not part of the state benefit allocation for Employees and Retirees Benefits (formerly PEB) or the Department of Retirement Systems and needs additional expenditure authority to cover increased costs. (Medicaid and Health Benefit Exchange Account)



Draft Decision Package Concepts

2019-21 Policy Level Placeholders:

Federal Requirements IV&V & MELC

Funding to establish support to meet ongoing federal requirements to receive enhanced federal funding by supporting an enterprise-wide independent validation and verification (IV&V) for IT development activities and to meeting Medicaid Enterprise Life Cycle (MELC) certification checklists. (Medicaid and Health Benefit Exchange Account)

System Integrator Reprocurement

Funding is needed for the projected costs associated with implementing a new System Integrator vendor to host the Healthplanfinder. (Medicaid and Health Benefit Exchange Account, approximately \$3 million)

PEB Pay1 Replacement

The Health Benefit Exchange is collaborating with the Health Care Authority to determine if it is a feasible option to use the Healthplanfinder platform in replacing the 40-year-old Pay1 system. Funding would be needed for both HCA and HBE to cover the project costs associated with configuring the Healthplanfinder to meet the needs of the Public Employee Benefits program.



Draft Decision Package Concepts

Additional Decision Package Concepts:

Affordability

HBE is working closely with the Governor's Office, Office of the Insurance Commissioner and HCA to develop options for affordability. Potential funding may be needed by HBE to implement an identified solution.

Oracle platform to Open Source Solution

HBE may need additional funding to cover the costs associated with transitioning Healthplanfinder from an Oracle based platform to an open source solution. This item will likely be deferred until the 2020 supplemental.

BITT Project

HBE may need to pay for a portion of the costs related to the Department of Social and Health Services' (DSHS) replacement of their 20+ year old mainframe system, referred to as ACES (Automated Client Eligibility System). This replacement is known as Business IT Transformation (BITT) project. DSHS may not request funding for this until the 2020 supplemental.





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