



Washington Health Benefit Exchange

Financial Report

Operations Committee Meeting

June 14, 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 \$883,900 to \$936,088
- Accounting continues end of year close activities
- Refining decision package submittals; discussed with legislative fiscal staff and OFM
- Finalizing HBE's Advanced Planning Document submittal with HCA and DSHS; anticipating going to CMS on July 1, 2018



Expenditure report by fund source

May 2018

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ -	\$ 155,445	\$ (155,445)	0.0%
GF-Federal	\$ 1,911,700	\$ 2,079,735	\$ (168,035)	-8.8%
17T	\$ 2,435,200	\$ 2,684,432	\$ (249,232)	-10.2%
Total	\$ 4,346,900	\$ 4,919,612	\$ (572,712)	-13.2%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 5,184,000	\$ 5,184,000	\$ -	0.0%
\$ 21,797,500	\$ 20,671,417	\$ 1,126,083	5.2%
\$ 25,260,600	\$ 23,269,495	\$ 1,991,105	7.9%
\$ 52,242,100	\$ 49,124,912	\$ 3,117,188	6.0%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,184,000	\$ 5,184,000	\$ -	0.0%
GF-Federal	\$ 24,888,000	\$ 24,770,417	\$ 117,583	0.5%
17T	\$ 28,971,000	\$ 28,152,495	\$ 818,505	2.8%
Total	\$ 59,043,000	\$ 58,106,912	\$ 936,088	1.6%



Expenditure report by object

May 2018

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 870,800	\$ 846,313	\$ 24,487	2.8%
Benefits	\$ 336,500	\$ 306,714	\$ 29,786	8.9%
Contracts	\$ 2,791,700	\$ 3,078,129	\$ (286,429)	-10.3%
Goods and Services	\$ 334,500	\$ 675,789	\$ (341,289)	-102.0%
Travel	\$ 13,400	\$ 12,667	\$ 733	5.5%
Total	\$ 4,346,900	\$ 4,919,612	\$ (572,712)	-13.2%

Year to Date

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 9,527,800	\$ 9,083,344	\$ 444,456	4.7%
Benefits	\$ 3,515,500	\$ 3,213,839	\$ 301,661	8.6%
Contracts	\$ 34,188,200	\$ 32,575,841	\$ 1,612,359	4.7%
Goods and Services	\$ 4,841,800	\$ 4,117,431	\$ 724,369	15.0%
Travel	\$ 168,800	\$ 134,458	\$ 34,342	20.3%
Total	\$ 52,242,100	\$ 49,124,912	\$ 3,117,188	6.0%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 10,398,600	\$ 10,064,144	\$ 334,456	3.2%
Benefits	\$ 3,852,000	\$ 3,570,339	\$ 281,661	7.3%
Contracts	\$ 39,239,600	\$ 39,238,341	\$ 1,259	0.0%
Goods and Services	\$ 5,370,600	\$ 5,086,231	\$ 284,369	5.3%
Travel	\$ 182,200	\$ 147,858	\$ 34,342	18.8%
Total	\$ 59,043,000	\$ 58,106,912	\$ 936,088	1.6%



Expenditure report by department

May 2018

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 408,900	\$ 404,749	\$ 4,151	1.0%
Executive	\$ 163,500	\$ 110,067	\$ 53,433	32.7%
Finance	\$ 334,300	\$ 210,348	\$ 123,952	37.1%
IT	\$ 1,585,500	\$ 2,795,619	\$ (1,210,119)	-76.3%
Legal	\$ 111,100	\$ 88,571	\$ 22,529	20.3%
Operations	\$ 1,320,000	\$ 1,227,208	\$ 92,792	7.0%
Policy	\$ 90,000	\$ 83,049	\$ 6,951	7.7%
Unallotted	\$ 333,600	\$ -	\$ 333,600	0.0%
Total	\$ 4,346,900	\$ 4,919,612	\$ (572,712)	-13.2%

Year to Date

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 6,570,600	\$ 6,103,698	\$ 466,902	7.1%
Executive	\$ 1,799,000	\$ 1,469,518	\$ 329,482	18.3%
Finance	\$ 3,744,500	\$ 2,662,685	\$ 1,081,815	28.9%
IT	\$ 19,979,100	\$ 20,748,133	\$ (769,033)	-3.8%
Legal	\$ 1,196,600	\$ 1,050,416	\$ 146,184	12.2%
Operations	\$ 17,149,400	\$ 16,205,165	\$ 944,235	5.5%
Policy	\$ 1,033,000	\$ 885,298	\$ 147,702	14.3%
Unallotted	\$ 769,900	\$ -	\$ 769,900	0.0%
Total	\$ 52,242,100	\$ 49,124,912	\$ 3,117,188	6.0%

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 6,983,600	\$ 6,601,698	\$ 381,902	5.5%
Executive	\$ 1,962,500	\$ 1,680,018	\$ 282,482	14.4%
Finance	\$ 4,203,700	\$ 3,346,885	\$ 856,815	20.4%
IT	\$ 21,944,900	\$ 26,613,933	\$ (4,669,033)	-21.3%
Legal	\$ 1,307,700	\$ 1,178,516	\$ 129,184	9.9%
Operations	\$ 18,461,500	\$ 17,647,265	\$ 814,235	4.4%
Policy	\$ 1,130,300	\$ 1,038,598	\$ 91,702	8.1%
Unallotted	\$ 3,048,800	\$ -	\$ 3,048,800	100.0%
Total	\$ 59,043,000	\$ 58,106,912	\$ 936,088	1.6%



FTE's by Department

May 2018

	Contractor FTEs	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	0.0	16.5	16.5	0.0	0.0%
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	33.5	0.0	0.0%
Legal	0.0	11.5	9.5	2.0	17.4%
Operations	0.0	35.0	33.0	2.0	5.7%
Policy	0.0	8.0	7.0	1.0	12.5%
Total	8.0	129.5	122.5	7.0	5.4%

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	10.0	9.6	0.5	4.5%
Finance	0.0	15.8	14.5	1.3	7.9%
IT	9.7	32.8	31.5	1.3	3.8%
Legal	0.0	11.5	10.6	0.9	7.9%
Operations	0.0	34.8	33.0	1.8	5.2%
Policy	0.0	8.0	7.3	0.7	9.1%
Total	9.7	129.3	123.0	6.3	4.9%

Note: the 5% vacancy rate for fiscal year generated more than 50% of the under expenditures (salary and benefit savings)



Expenditures for major contracts

May 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	\$ 805,354	\$ 759,051	\$ 11,189,001	\$ 10,327,171	\$ 11,112,925	\$ 76,075	0.7%
Deloitte- M&O	\$ 413,297	\$ 442,833	\$ 5,384,025	\$ 4,998,230	\$ 5,411,527	\$ (27,502)	-0.5%
Deloitte- DDI	\$ -	\$ 330,418	\$ 4,098,373	\$ 4,094,892	\$ 6,259,892	\$ (2,161,519)	-52.7%
KP	\$ 181,681	\$ 166,521	\$ 3,306,386	\$ 2,732,895	\$ 3,026,118	\$ 280,268	8.5%
Navigators	\$ 203,000	\$ 204,344	\$ 2,691,686	\$ 2,547,655	\$ 2,750,655	\$ (58,968)	-2.2%
GMMB	\$ 38,750	\$ (1,738)	\$ 1,550,000	\$ 1,522,492	\$ 1,522,492	\$ 27,508	1.8%
Total	\$ 1,642,082	\$ 1,901,429	\$ 28,219,471	\$ 26,223,334	\$ 30,083,608	\$ (1,864,137)	-6.6%

Note: Deloitte DDI overspent for design activities for Release 6.0



Revenue

Revenue Source	YTD Projected	YTD Actuals	Variance	Original Forecast	Updated Annual Projection	Variance
17T- QHP Medical	\$ 20,930,827	\$ 23,299,533	\$ 2,368,706	\$ 31,885,354	\$ 34,382,240	\$ 2,496,886
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	\$ 23,898,316	\$ 2,549,994	\$ 32,431,029	\$ 35,109,203	\$ 2,678,174

Note: Total revenue reduced from last month's projection by \$1.4 million following additional reconciliation by OIC; from \$4.1 million to \$2.7



May Contracts Update

May contract updates

Contract #	Company	start	end	Description	Additional value	Total contract value	Changes Through May 2018
HBE-381	Clean-Rite Janitorial Services	4/30/18	6/30/20	Janitorial Services	N/A	\$100,000	Add a cleaning service to the daily/weekly service schedule
MLA-179	Edifecs	3/13/15	3/17/19	Health Insurance Exchange (HIX)	\$35,904	\$2,660,628	Add new SOW to fix defects, install new release, and train staff
MLA-330	Samanage	6/18/13	6/17/18	IT Ticketing System	\$20,367.36	\$91,569	ITHelp Ticket System annual renewal – asset management licenses and service agent user
HBE-028	Faneuil, Inc.	2/23/13	6/30/19	Call Center Operations	\$80,000	\$86,080,000	SOW/Change Order for CSA Tool
HBE-086	Milestone Technology	9/21/15	6/30/19	Resource Staffing	\$0.00	\$3,500,000	Add contractor to the Contractor Authorized Hourly Price List (transferred from Ciber)
HBE-384	BerryDunn	5/16/18	6/30/19	System Integrator Re-Procurement Planning Services	N/A	\$397,222	System Integrator Re-Procurement Planning Services
SLA-156	Immersion Technical Services	4/18/14	6/30/18	Professional Consulting Services	\$26,150	\$260,450	Moving to LMS365 cloud



May contract updates

Contract #	Company	start	end	Description	Additional value	Total contract value	Changes Through May 2018
HBE-385	Accenture	5/21/18	6/30/18	Agile Training	N/A	\$50,550	Agile Team Accelerator and Agile Workflow Coach
HBE-086-H	Milestone Technology	7/1/18	6/30/19	Resource Staffing	N/A	\$3,500,000	Work Order for Contractor – systems analysis and testing services
HBE-187	Wakely Consulting Group	5/20/15	6/30/19	Actuary; Enrollment Projections	\$100,000	\$320,000	Evaluate standard plans and other individual ACA market strategies
HBE-027	Deloitte	4/19/12	6/30/20	Systems Integration Contractor	\$1,458,578	\$186,668,702	Enhancements for release 5.1



Draft Decision Package Concepts

2019-21 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 documents. (GF-Federal 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. (GF-Federal and Health Benefit Exchange Account)

Software Compliance Costs

Funding authority for the increased costs of integrating software upgrades into Healthplanfinder. As a result of moving to the cloud, HBE will keep software current to ensure security of the Healthplanfinder is maintained. Expected additional costs of around \$600,000 per year (GF-Federal and Health Benefit Exchange Account)



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. (GF-Federal and Health Benefit Exchange Account)

System Integrator Reprourement

Funding is needed for the projected costs associated with implementing a new System Integrator vendor to host the Healthplanfinder. If the existing vendor is selected, funding would be used to migrate away from the Oracle based platform to maximize future cost efficiencies. (GF-Federal 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.



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.

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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