



Washington Health Benefit Exchange

Financial Report
February 2, 2018
Carole Holland, CFO

Financial Update

Finance update

- Number of fiscal notes completed increased this year from 5 to 12
- Continue to work collaboratively with HCA and DSHS on APD issues
 - IV&V - Independent Verification and Validation of development activities – enterprise approach involving all three Medicaid agencies
 - Update on technical assistance meeting with CMS
- Completed LEAN project on monthly close – goal to reduce expenditure close by 2 business days (from 6 to 4) and full close by business day 16 – achieved this in first month- staff now working on individual improvements



Expenditure report by fund source

December 2017

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 619,248	\$ 555,672	\$ 63,576	10.3%
GF-Federal	\$ 2,564,446	\$ 2,395,117	\$ 169,328	6.6%
17T	\$ 2,975,627	\$ 3,106,538	\$ (130,910)	-4.4%
Total	\$ 6,159,321	\$ 6,057,327	\$ 101,994	1.7%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 3,271,166	\$ 3,248,113	\$ 23,052	0.7%
\$ 12,011,376	\$ 11,439,437	\$ 571,939	4.8%
\$ 13,230,598	\$ 12,340,125	\$ 890,472	6.7%
\$ 28,513,140	\$ 27,027,676	\$ 1,485,464	5.2%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,111,091	\$ 5,111,039	\$ 52	0.0%
GF-Federal	\$ 24,311,615	\$ 24,081,996	\$ 229,619	0.9%
17T	\$ 28,994,055	\$ 28,790,262	\$ 203,792	0.7%
Total	\$ 58,416,761	\$ 57,983,297	\$ 433,464	0.7%

Note: End of year variance is due primarily to vacancy savings to date (\$~377,000)



Expenditure report by object

December 2017

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 875,656	\$ 835,139	\$ 40,517	4.6%
Benefits	\$ 309,879	\$ 279,081	\$ 30,798	9.9%
Contracts	\$ 4,546,565	\$ 4,667,004	\$ (120,439)	-2.6%
Goods and Services	\$ 410,113	\$ 269,783	\$ 140,330	34.2%
Travel	\$ 17,108	\$ 6,320	\$ 10,788	63.1%
Total	\$ 6,159,321	\$ 6,057,327	\$ 101,994	1.7%

Year to Date

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 5,175,487	\$ 4,940,355	\$ 235,132	4.5%
Benefits	\$ 1,831,944	\$ 1,694,094	\$ 137,850	7.5%
Contracts	\$ 18,744,624	\$ 18,384,019	\$ 360,605	1.9%
Goods and Services	\$ 2,668,435	\$ 1,932,182	\$ 736,253	27.6%
Travel	\$ 92,650	\$ 77,027	\$ 15,623	16.9%
Total	\$ 28,513,140	\$ 27,027,676	\$ 1,485,464	5.2%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 10,577,017	\$ 10,341,885	\$ 235,132	2.2%
Benefits	\$ 3,849,201	\$ 3,711,350	\$ 137,850	3.6%
Contracts	\$ 38,444,395	\$ 38,414,791	\$ 29,605	0.1%
Goods and Services	\$ 5,366,848	\$ 5,344,195	\$ 22,653	0.4%
Travel	\$ 179,300	\$ 171,077	\$ 8,223	4.6%
Total	\$ 58,416,761	\$ 57,983,298	\$ 433,464	0.7%

Variance in December contract expenditures in December is due to variance in timing of communications costs

Variance in goods and services year-to date expenditures due to timing of software renewals



Expenditure report by department

December 2017

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 771,636	\$ 1,036,873	\$ (265,238)	-34.4%
Executive	\$ 186,233	\$ 155,219	\$ 31,014	16.7%
Finance	\$ 303,951	\$ 201,839	\$ 102,111	33.6%
IT	\$ 2,500,900	\$ 2,464,179	\$ 36,721	1.5%
Legal	\$ 107,951	\$ 89,835	\$ 18,116	16.8%
Operations	\$ 2,191,178	\$ 2,033,454	\$ 157,724	7.2%
Policy	\$ 97,473	\$ 75,928	\$ 21,545	22.1%
Unallotted	\$ -	\$ -	\$ -	0.0%
Total	\$ 6,159,321	\$ 6,057,327	\$ 101,994	1.7%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 3,752,592	\$ 3,646,981	\$ 105,611	2.8%
\$ 945,433	\$ 825,254	\$ 120,179	12.7%
\$ 1,797,330	\$ 1,335,309	\$ 462,021	25.7%
\$ 11,388,651	\$ 10,905,656	\$ 482,994	4.2%
\$ 640,598	\$ 557,513	\$ 83,085	13.0%
\$ 9,425,805	\$ 9,266,773	\$ 159,032	1.7%
\$ 562,730	\$ 490,189	\$ 72,541	12.9%
\$ -	\$ -	\$ -	0.0%
\$ 28,513,140	\$ 27,027,676	\$ 1,485,464	5.2%

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,020,943	\$ 7,005,332	\$ 15,611	0.2%
Executive	\$ 1,960,187	\$ 1,945,008	\$ 15,179	0.8%
Finance	\$ 4,198,900	\$ 4,092,879	\$ 106,021	2.5%
IT	\$ 21,888,809	\$ 21,771,815	\$ 116,994	0.5%
Legal	\$ 1,306,302	\$ 1,273,217	\$ 33,085	2.5%
Operations	\$ 18,500,951	\$ 18,381,919	\$ 119,032	0.6%
Policy	\$ 1,129,669	\$ 1,102,128	\$ 27,541	2.4%
Unallotted	\$ 2,411,000	\$ 2,411,000	\$ -	0.0%
Total	\$ 58,416,761	\$ 57,983,297	\$ 433,464	0.7%



FTE's by Department

December 2017

	Contractor FTEs	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	0.0	16.5	16.5	0.0	0.0%
Executive	0.0	10.5	10.5	0.0	0.0%
Finance	0.0	15.5	14.5	1.0	6.5%
IT	10.0	32.5	32.5	0.0	0.0%
Legal	0.0	11.5	10.5	1.0	8.7%
Operations	0.0	35.0	32.0	3.0	8.6%
Policy	0.0	8.0	7.0	1.0	12.5%
Total	10.0	129.5	123.5	6.0	4.6%

Year to Date

	Contractor FTEs	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	0.0	16.5	16.5	0.0	0.0%
Executive	0.0	10.5	10.5	0.0	0.0%
Finance	0.0	15.9	14.5	1.4	8.8%
IT	10.0	32.5	30.7	1.8	5.6%
Legal	0.0	11.5	10.7	0.8	7.2%
Operations	0.0	34.6	32.3	2.4	6.8%
Policy	0.0	8.0	7.5	0.5	6.3%
Total	10.0	129.5	122.6	6.9	5.3%



Expenditures for major contracts

December 2017

Contractor	Current Month Budget	Current Month Expenditures	Annual Budget	YTD Expenditures	Projected End of Year	End of Year \$ Variance	End of Year % Variance
Faneuil	\$ 1,405,285	\$ 1,381,827	\$ 11,189,001	\$ 5,861,167	\$ 11,188,542	\$ 458	0.0%
Deloitte- M&O	\$ 413,170	\$ 413,763	\$ 5,384,025	\$ 2,900,345	\$ 5,379,620	\$ 4,405	0.1%
Deloitte- DDI	\$ 1,195,254	\$ 1,171,200	\$ 4,098,373	\$ 2,883,110	\$ 4,094,310	\$ 4,063	0.1%
KP	\$ 455,269	\$ 378,614	\$ 3,306,386	\$ 1,755,836	\$ 3,305,976	\$ 409	0.0%
Navigators	\$ 187,500	\$ 224,301	\$ 2,691,732	\$ 1,285,541	\$ 2,691,586	\$ 146	0.0%
GMMB	\$ 302,083	\$ 659,981	\$ 1,549,857	\$ 1,194,499	\$ 1,530,082	\$ 19,775	1.3%
Total	\$ 3,958,561	\$ 4,229,686	\$ 28,219,373	\$ 15,880,497	\$ 28,190,117	\$ 29,257	0.1%



Revenue update

Revenue Source	Q1 Projected	Q1 Actual	Q2 Projected	Q2 Actual	YTD Variance	FY18 Projected	Estimated FY18 Actual
17T- QHP Medical	\$7,424,711	\$7,642,681	\$7,160,664	\$7,737,161	\$794,467	\$31,885,354	\$33,146,435
17T- QHP Family Dental	\$138,384	\$138,384	\$113,681	\$135,337	\$21,656	\$474,003	\$547,442
17T- QHP Pediatric Dental	\$12,819	\$12,819	\$17,437	\$12,927	(\$4,510)	\$71,672	\$51,492
Total	\$7,575,914	\$7,793,884	\$7,291,782	\$7,885,425	\$811,613	\$32,431,029	\$33,745,369



Statement of net position

ASSETS	<u>As of 12/31/2017</u>	<u>As of 06/30/2017</u>
<u>Current Assets</u>		
Cash and Cash Equivalents (1)	\$ 5,696,140	\$ 4,422,726
Receivables and Other Current Assets (2)	\$ 10,380,153	\$ 7,447,083
Total Current Assets	<u>\$ 16,076,293</u>	<u>\$ 11,869,809</u>
<u>Long-Term Assets and Deferred Outflows</u>		
Total Capital Assets, Net of Depreciation (3)	7,316,209	4,019,120
Other Long Term Assets	409,167	543,429
Deferred Outflow of Resources-Pensions	<u>\$ 2,376,312</u>	<u>\$ 2,376,312</u>
Total Assets and Deferred Outflows	<u>\$ 26,177,981</u>	<u>\$ 18,808,670</u>
LIABILITIES		
<u>Current Liabilities</u>		
Accounts Payable and Other Liabilities (4)	\$ 16,125,028	\$ 12,001,581
<u>Long-Term Liabilities and Deferred Inflows</u>		
Pension-related Liabilities and Deferred Inflows	\$ 9,957,996	\$ 9,957,996
Net Position	<u>\$ 94,957</u>	<u>\$ (3,150,907)</u>
Total Liabilities and Net Position	<u>\$ 26,177,981</u>	<u>\$ 18,808,670</u>

- (1) Variance in expenditures to date and more timely Medicaid reimbursements increased cash available.
- (2) 2nd quarter carrier assessments received after 12/31/2017.
- (3) Increase in capitalized software (HPF) due to change in Finance policy.
- (4) Expedited payments in June to capture all fiscal year expenditures.
- (5) Government Accounting Standards (GASB 68) require agencies that participate in defined pension plans to recognize their share of overall pension liabilities.



December Contracts Update

December contract updates

Contract #	Company	start	end	Description	Additional value	Total contract value	Changes Through December 2017
HBE-028	Faneuil	2/23/13	6/30/19	Call center operations	\$11,000,000	\$88,000,000	Renegotiated costs and extend end date
HBE-108	KJS	10/10/12	6/30/23	810 Jefferson Street lease	(\$64,800)	\$5,580,917	Removing parking lots from main lease and add them to SLA-213
HBE-163	Altriva	8/7/14	12/31/18	CRM development and support	\$360	\$160,000	Extend M&O to 12/31/18
HBE-173	Cognizant	1/15/15	6/30/18	Functional and system analysis and project management	\$90,720	\$453,600	Extend Work Order for contractor and addition of associated funds
HBE-198	Portland WebWorks	11/19/15	6/30/19	Web content management system (CMS)	\$0	\$365,684	Extend contract to 12/31/18
HBE-378	Secure -24	11/1/17	6/30/20	HPF hosting services	\$111,184	\$2,966,932	Two amendments to add new virtual servers
MLA-334	Microsoft	2/1/17	1/31/18	Premier support services	\$98,962	\$218,161	Add Azure consulting services
SLA-137	Vertical Solutions <i>(formerly Legal Track)</i>	8/28/16	12/31/30	Use of Legal Track	\$1,440/yr	\$4,884/yr	Price increase for services to \$119 per license per month (3 each)
SLA-213	KJS	1/1/16	6/10/18	Off-site parking lease	\$37,120	\$66,960	Removing parking lots from main lease and add them to this SLA





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