



Washington Health Benefit Exchange

Exchange Board Meeting
Financial Report
August 23, 2018
Carole Holland, CFO

Financial Update

SFY18 Finance recap

- End-of-year balance of \$2.8 million increased from prior month; with an overall 4.8% variance
- The primary reasons for the end of year variance include:
 - Salaries and benefits due to a 5% vacancy rate (25%)
 - Contract savings including lower costs in imaging, printing, call center and a few deliverables not received by the end of the fiscal year (50%)
 - Goods and services savings including reduced insurance costs, efficiencies in software purchasing, savings from reprocurring internal copiers, and transition of some contractors to staff (24%)
- Total spending on DDI enhancements was \$2.1 million more than originally allotted due to use of contingency funds



FY2018 Actuals and FY2019 Budget

SFY18 Actual Spend

Category	Salaries	Benefits	Contracts	Goods and Services	Travel	Capitalized Assets	Grand Total
Communications	1,329,022	481,665	4,748,115	(9,483)	47,322	-	6,596,641
Finance	1,163,676	439,316	227,741	1,261,337	1,158	-	3,093,228
Health Benefits Exchange	-	-	-	-	-	-	-
IT	2,843,554	967,615	18,220,744	3,195,924	13,442	-	25,241,279
Operations	2,349,305	861,188	14,239,565	22,582	64,526	-	17,537,166
Policy	681,361	225,595	12,705	42,435	15,366	-	977,462
Executive/PMO/HR	942,902	293,123	291,022	62,527	6,491	-	1,596,065
Legal	759,553	274,831	75,344	71,776	-	-	1,181,504
Total	10,069,373	3,543,333	37,815,236	4,647,098	148,305	-	56,223,345

SFY19 Appropriated Budget

Category	Salaries	Benefits	Contracts	Goods and Services	Travel	Capitalized Assets	Grand Total
Communications	1,441,138	527,956	5,519,623	65,005	50,000	-	7,603,722
Finance	1,272,590	482,631	550,000	1,536,714	30,000	120,000	3,991,936
Health Benefits Exchange	587,531	-	5,150,000	-	-	-	5,737,531
IT	3,553,699	1,224,366	16,740,326	3,186,125	18,000	250,000	24,972,517
Operations	3,168,084	1,200,923	14,566,316	156,000	90,000	-	19,181,323
Policy	852,608	272,466	55,000	75,333	20,000	-	1,275,407
Executive/PMO/HR	969,983	316,324	445,000	134,600	30,000	-	1,895,906
Legal	198,150	42,509	150,000	10,000	10,000	-	410,659
Total	12,043,783	4,067,176	43,176,264	5,163,778	248,000	370,000	65,069,000



July Finance update

- July month end variance of \$879k or 18%
- The primary reasons for the variance include:
 - Cloud Proof of Concept deliverable (Deloitte) delayed from July to August (\$400k)
 - Absence of planned annual envelope purchases by printing and postage vendor (\$175k)
 - Timing of software purchases (\$145k)
 - Increased vacancy rate, due mostly to newly established positions for SFY19 (Managed Services team and Health Equity Program Manager)
- HCA submitted consolidated APDs (Advanced Planning Documents) on July 31, 2018 for HBE to receive enhanced Medicaid funding
- CMS approved HBE's Call Center request for proposal



SFY 2019 Expenditure report by fund source

July 2018

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 568,520	\$ 404,068	\$ 164,452	28.9%
GF-Federal	\$ 2,056,650	\$ 1,764,949	\$ 291,701	14.2%
17T	\$ 2,367,560	\$ 1,944,425	\$ 423,135	17.9%
Total	\$ 4,992,730	\$ 4,113,441	\$ 879,289	17.6%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 568,520	\$ 404,068	\$ 164,452	28.9%
\$ 2,056,650	\$ 1,764,949	\$ 291,701	14.2%
\$ 2,367,560	\$ 1,944,425	\$ 423,135	17.9%
\$ 4,992,730	\$ 4,113,441	\$ 879,289	17.6%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,651,000	\$ 5,486,548	\$ 164,452	2.9%
GF-Federal	\$ 27,182,480	\$ 26,890,779	\$ 291,701	1.1%
17T	\$ 32,235,520	\$ 31,812,385	\$ 423,135	1.3%
Total	\$ 65,069,000	\$ 64,189,711	\$ 879,289	1.4%



SFY 2019 Expenditure report by object

July 2018

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 929,470	\$ 868,685	\$ 60,785	6.5%
Benefits	\$ 323,780	\$ 302,852	\$ 20,928	6.5%
Contracts	\$ 3,089,210	\$ 2,499,665	\$ 589,545	19.1%
Goods and Services	\$ 629,590	\$ 435,910	\$ 193,680	30.8%
Travel	\$ 20,680	\$ 6,329	\$ 14,351	69.4%
Total	\$ 4,992,730	\$ 4,113,442	\$ 879,288	17.6%

Year to Date

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Goods and Services	\$ 629,590	\$ 435,910	\$ 193,680	30.8%
Travel	\$ 20,680	\$ 6,329	\$ 14,351	69.4%
Total	\$ 4,992,730	\$ 4,113,442	\$ 879,288	17.6%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 11,935,710	\$ 11,874,925	\$ 60,785	0.5%
Benefits	\$ 4,066,700	\$ 4,045,772	\$ 20,928	0.5%
Contracts	\$ 43,284,020	\$ 42,694,475	\$ 589,545	1.4%
Goods and Services	\$ 5,534,140	\$ 5,340,460	\$ 193,680	3.5%
Travel	\$ 248,430	\$ 234,079	\$ 14,351	5.8%
Total	\$ 65,069,000	\$ 64,189,712	\$ 879,288	1.4%



SFY 2019 Expenditure report by department

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,603,900	\$ 7,546,962	\$ 56,938	0.7%
Executive	\$ 1,871,070	\$ 1,831,883	\$ 39,187	2.1%
Finance	\$ 3,991,910	\$ 3,944,805	\$ 47,105	1.2%
IT	\$ 25,057,640	\$ 24,424,457	\$ 633,183	2.5%
Legal	\$ 410,750	\$ 418,852	\$ (8,102)	-2.0%
Operations	\$ 19,181,150	\$ 19,069,562	\$ 111,588	0.6%
Policy	\$ 1,322,850	\$ 1,323,460	\$ (610)	0.0%
Unallotted	\$ 5,629,730	\$ 5,629,730	\$ -	0.0%
Total	\$ 65,069,000	\$ 64,189,711	\$ 879,289	1.4%



SFY 2019 FTE's by department

July 2018

	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	17.5	16.5	1.0	5.7%
Executive	10.5	9.5	1.0	9.5%
Finance	15.5	13.5	2.0	12.9%
IT	38.5	32.5	6.0	15.6%
Legal	1.5	1.5	0.0	0.0%
Operations	45.0	43.0	2.0	4.4%
Policy	9.0	8.0	1.0	11.1%
Total	137.5	124.5	13.0	9.5%

Year to Date

	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	17.5	16.5	1.0	5.7%
Executive	10.5	9.5	1.0	9.5%
Finance	15.5	13.5	2.0	12.9%
IT	38.5	32.5	6.0	15.6%
Legal	1.5	1.5	0.0	0.0%
Operations	45.0	43.0	2.0	4.4%
Policy	9.0	8.0	1.0	11.1%
Total	137.5	124.5	13.0	9.5%



SFY 2019 Expenditures for major contracts

July 2018

Fund	Current Month Budget	Current Month Expenditures	Annual Budget	YTD Expenditures	Projected End of Year	End of Year \$ Variance	End of Year % Variance
Faneuil	\$ 726,444	\$ 717,888	\$ 11,350,544	\$ 717,888	\$ 11,341,988	\$ 8,556	0.1%
Deloitte- M&O	\$ 413,763	\$ 413,763	\$ 4,965,156	\$ 413,763	\$ 4,965,156	\$ -	0.0%
Deloitte- DDI	\$ 301,226	\$ 301,226	\$ 3,621,103	\$ 301,226	\$ 3,621,103	\$ -	0.0%
KP	\$ 273,507	\$ 98,280	\$ 2,925,772	\$ 98,280	\$ 2,750,545	\$ 175,227	6.0%
Navigators	\$ 209,139	\$ 217,077	\$ 2,774,420	\$ 217,077	\$ 2,782,358	\$ (7,938)	-0.3%
Total	\$ 1,924,078	\$ 1,748,234	\$ 25,636,994	\$ 1,748,234	\$ 25,461,150	\$ 175,844	0.7%



SFY 2019 Revenue

State Fiscal Year 2019 Revenue Projections

Revenue Source	July Actuals	July Plan	Variance	SFY19 Projection
17T- QHP Medical	0	0	0	\$ 38,928,439
17T- QHP Family Dental	0	0	0	\$ 764,209
17T- QHP Pediatric Dental	0	0	0	\$ 58,333
Total	0	0	0	\$ 39,750,981

Both the carrier assessment and premium tax are billed and collected quarterly, in the third month of the quarter (September, December, March and June)



July Contracts Update

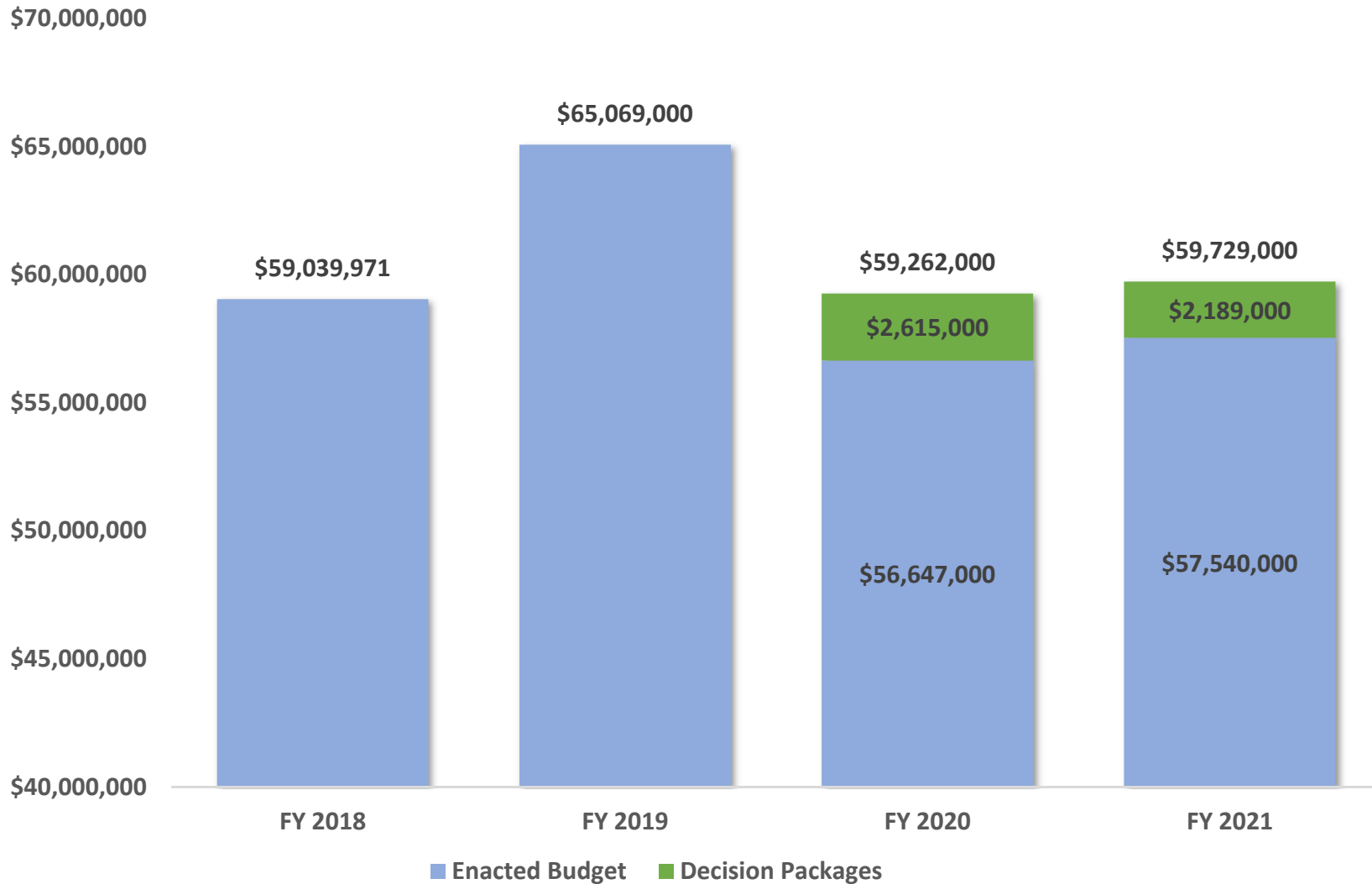
July 2018 contract updates

Contract #	Company	start	end	Description	Additional value	Total contract value	Changes Through July 2018
HBE-384	BerryDunn	5/16/18	6/30/19	System Integrator re-procurement planning services	\$0.00	\$397,222	Amend Statement of Work section 8 language; incorporated Change Request Form
HBE-391	Accenture	7/9/18	10/31/18	Agile training and coaching services for Executive Leadership Team	N/A	\$35,500	Agile training and Coaching services for Executive Leadership Team
IAA-066-C	Granicus	8/30/17	8/29/19	Platform for email marketing and outreach efforts	\$45,260	\$120,238	Annual communications Cloud renewal
MLA-334	Microsoft	2/1/17	6/30/19	Premier support services	\$500,185	\$1,185,071	Premier support services
SLA-226	ZenDesk	7/26/16	7/25/19	Support ticketing software agreement	\$146,192	\$495,179	Amendment to support ticketing software agreement
HBE-171	TEKSystems	9/21/15	12/31/19	Optional use contract for technical staffing	\$0.00	\$4,000,000	Extend IT Contractor Work Order
MLA-363	Atlassian	8/1/17	8/1/19	JIRA software (Cloud) + JIRA software (Server) annual licensing	\$7,634	\$12,541	2018 renewal of JIRA software (Cloud) 100 users and JIRA software (Server) 10 users



Decision Packages

Enacted budgets plus 2019-21 biennial decision package requests



Goals for 2019 supplemental and 2019-21 biennial budget requests

- Continue to build sustainability
- Improve efficiency
- Enhance customer experience
- Continue innovation
- Maintain the reduced carrier assessment rate at \$3.36



2019 supplemental and 2019-21 biennial budget requests

- **Cost Allocation (Supplemental and Biennial Request)**
 - Annual update to funding sources based on the advanced planning documents (October 1, 2019)
 - Cost neutral; Health Benefit Exchange Account and GF-Federal
- **Cloud Platform Costs**
 - Funding authority for the additional costs associated with modifying the Healthplanfinder and other significant Exchange applications, including maintaining current software products.
 - \$650,000 per fiscal year; Health Benefit Exchange Account and GF-Federal



Biennial policy level requests

- **System Integrator Procurement**

- Competitive procurement required per Federal Uniform Guidance requirements
- One-time funding authority to cover the additional costs of transitioning system integrator vendor (depends on apparently successful vendor)
- If the apparently successful vendor is different than the current vendor, funding will be needed to ensure a smooth transition of Healthplanfinder's maintenance and operations as well as development activities. \$3,000,000; Health Benefit Exchange Account and GF-Federal

- **Federal Requirements IV&V & MELC/MEET**

- Addition of two resources to the Exchange to support the enterprise-wide IV&V processes and independent contractor quality and risk mitigation services. \$279,000 per fiscal year; Health Benefit Exchange Account and GF-Federal





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