



# Washington Health Benefit Exchange

## Financial Report

Operations Committee Meeting  
February 21, 2019

Carole Holland, CFO

# Financial Update

# January Finance update

- January month end variance of \$900k or 16.3%
- The primary reasons for the variance include:
  - Marketing spend was \$400k below budget as we continue to learn and adjust to budgeting for a shortened open enrollment period
  - Navigator QHP enrollment bonus payments were \$115k (36%) below budget
  - HBE insurance premiums for 2019 are \$160k under budget
  - Timing of software renewals
- WA Medicaid Enterprise hosted CMS on February 20<sup>th</sup> and 21<sup>st</sup> with the goal of creating a shared understanding of how WA Medicaid operates as well as of CMS' oversight role as it pertains to the WA Medicaid Enterprise
- Review of internal controls began in February



# SFY 2019 Expenditure report by fund source

January 2019

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 486,910	\$ 467,312	\$ 19,598	4.0%
GF-Federal	\$ 2,159,638	\$ 2,062,123	\$ 97,515	4.5%
17T	\$ 2,865,323	\$ 2,083,342	\$ 781,981	27.3%
<b>Total</b>	<b>\$ 5,511,871</b>	<b>\$ 4,612,777</b>	<b>\$ 899,094</b>	<b>16.3%</b>

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 4,158,800	\$ 3,561,264	\$ 597,536	14.4%
\$ 15,631,517	\$ 14,535,309	\$ 1,096,208	7.0%
\$ 17,590,420	\$ 15,113,077	\$ 2,477,343	14.1%
<b>\$ 37,380,737</b>	<b>\$ 33,209,650</b>	<b>\$ 4,171,087</b>	<b>11.2%</b>

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,651,000	\$ 5,520,464	\$ 130,536	2.3%
GF-Federal	\$ 27,176,114	\$ 26,812,777	\$ 363,337	1.3%
17T	\$ 32,241,646	\$ 30,610,156	\$ 1,631,490	5.1%
<b>Total</b>	<b>\$ 65,068,760</b>	<b>\$ 62,943,397</b>	<b>\$ 2,125,363</b>	<b>3.3%</b>



# SFY 2019 Expenditure report by object

January 2019

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 961,500	\$ 901,615	\$ 59,885	6.2%
Benefits	\$ 345,471	\$ 341,396	\$ 4,075	1.2%
Contracts	\$ 3,379,290	\$ 2,887,948	\$ 491,342	14.5%
Goods and Services	\$ 804,900	\$ 476,539	\$ 328,361	40.8%
Travel	\$ 20,710	\$ 5,278	\$ 15,432	74.5%
<b>Total</b>	<b>\$ 5,511,871</b>	<b>\$ 4,612,777</b>	<b>\$ 899,094</b>	<b>16.3%</b>

Year to Date

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 6,698,420	\$ 6,217,218	\$ 481,202	7.2%
Benefits	\$ 2,365,087	\$ 2,191,682	\$ 173,405	7.3%
Contracts	\$ 24,834,000	\$ 21,978,405	\$ 2,855,595	11.5%
Goods and Services	\$ 3,338,350	\$ 2,737,614	\$ 600,736	18.0%
Travel	\$ 144,880	\$ 84,731	\$ 60,149	41.5%
<b>Total</b>	<b>\$ 37,380,737</b>	<b>\$ 33,209,650</b>	<b>\$ 4,171,087</b>	<b>11.2%</b>

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 11,943,628	\$ 11,742,426	\$ 201,202	1.7%
Benefits	\$ 4,092,442	\$ 4,012,287	\$ 80,155	2.0%
Contracts	\$ 43,250,120	\$ 42,069,999	\$ 1,180,121	2.7%
Goods and Services	\$ 5,534,140	\$ 4,933,404	\$ 600,736	10.9%
Travel	\$ 248,430	\$ 185,281	\$ 63,149	25.4%
<b>Total</b>	<b>\$ 65,068,760</b>	<b>\$ 62,943,397</b>	<b>\$ 2,125,363</b>	<b>3.3%</b>



# SFY 2019 Expenditure report by department

January 2019

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 1,039,040	\$ 606,604	\$ 432,436	41.6%
Executive	\$ 158,610	\$ 120,189	\$ 38,421	24.2%
Finance	\$ 653,030	\$ 427,271	\$ 225,759	34.6%
IT	\$ 1,828,880	\$ 1,670,798	\$ 158,082	8.6%
Legal	\$ 34,641	\$ 30,122	\$ 4,519	13.0%
Operations	\$ 1,691,860	\$ 1,675,726	\$ 16,134	1.0%
Policy	\$ 105,810	\$ 82,066	\$ 23,744	22.4%
Unallotted	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 5,511,871</b>	<b>\$ 4,612,777</b>	<b>\$ 899,094</b>	<b>16.3%</b>

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 5,189,660	\$ 4,654,977	\$ 534,683	10.3%
\$ 1,137,690	\$ 862,844	\$ 274,846	24.2%
\$ 2,276,760	\$ 1,768,491	\$ 508,269	22.3%
\$ 15,548,900	\$ 13,922,631	\$ 1,626,269	10.5%
\$ 253,517	\$ 207,386	\$ 46,131	18.2%
\$ 12,199,750	\$ 11,071,533	\$ 1,128,217	9.2%
\$ 774,460	\$ 721,790	\$ 52,670	6.8%
\$ -	\$ -	\$ -	0.0%
<b>\$ 37,380,737</b>	<b>\$ 33,209,650</b>	<b>\$ 4,171,087</b>	<b>11.2%</b>

End of Year Projection- Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,547,650	\$ 7,009,967	\$ 537,683	7.1%
Executive	\$ 1,927,000	\$ 1,652,154	\$ 274,846	14.3%
Finance	\$ 3,991,910	\$ 3,883,641	\$ 108,269	2.7%
IT	\$ 25,079,990	\$ 24,817,415	\$ 262,575	1.0%
Legal	\$ 426,722	\$ 380,591	\$ 46,131	10.8%
Operations	\$ 19,181,150	\$ 18,492,933	\$ 688,217	3.6%
Policy	\$ 1,322,850	\$ 1,305,210	\$ 17,640	1.3%
Unallotted	\$ 5,591,488	\$ 5,401,488	\$ 190,000	3.4%
<b>Total</b>	<b>\$ 65,068,760</b>	<b>\$ 62,943,397</b>	<b>\$ 2,125,363</b>	<b>3.3%</b>



# SFY 2019 Expenditures for major contracts

January 2019

Fund	Current Month Budget	Current Month Expenditures	YTD Expenditures	Annual Budget	Projected End of Year	End of Year \$ Variance	End of Year % Variance
Faneuil	\$ 946,685	\$ 1,012,702	\$ 6,714,346	\$ 11,350,544	\$ 10,985,688	\$ 364,856	3.2%
Deloitte- M&O	\$ 413,763	\$ 413,763	\$ 2,896,341	\$ 4,965,156	\$ 4,965,156	\$ -	0.0%
Deloitte- DDI	\$ 191,200	\$ 183,024	\$ 2,587,608	\$ 3,621,103	\$ 3,610,108	\$ 10,995	0.3%
KP	\$ 333,314	\$ 233,905	\$ 1,586,581	\$ 2,925,772	\$ 2,437,387	\$ 488,385	16.7%
Navigators	\$ 505,485	\$ 361,084	\$ 1,727,508	\$ 3,125,000	\$ 2,917,883	\$ 207,117	6.6%
<b>Total</b>	<b>\$ 2,390,447</b>	<b>\$ 2,204,478</b>	<b>\$ 15,512,384</b>	<b>\$ 25,987,575</b>	<b>\$ 24,916,222</b>	<b>\$ 1,071,353</b>	<b>4.1%</b>



# SFY 2019 FTE's by department

January 2019

	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	17.5	17.5	0.0	0.0%
Executive	9.5	9.5	0.0	0.0%
Finance	15.5	14.5	1.0	6.5%
IT	37.5	35.5	2.0	5.3%
Legal	1.5	1.5	0.0	0.0%
Operations	45.0	43.0	2.0	4.4%
Policy	9.0	9.0	0.0	0.0%
<b>Total</b>	<b>135.5</b>	<b>130.5</b>	<b>5.0</b>	<b>3.7%</b>

Year to Date

	Budgeted FTEs	Actual FTEs	Variance under/(over)	Variance %
Communications	17.5	17.4	0.1	0.8%
Executive	9.5	9.1	0.4	3.8%
Finance	15.5	14.4	1.1	7.4%
IT	37.5	33.8	3.7	9.9%
Legal	1.5	1.5	0.0	0.0%
Operations	45.0	42.3	2.7	6.0%
Policy	9.0	8.3	0.7	7.9%
<b>Total</b>	<b>135.5</b>	<b>126.7</b>	<b>8.8</b>	<b>6.5%</b>





# SFY19 Q2 Revenue update

Revenue Source	SFY19 Quarter 2 Plan	SFY19 Quarter 2 Actual	Variance	SFY19 Plan	SFY19 Updated Projection
17T- QHP Medical	\$ 8,187,283	\$ 8,454,371	\$ 267,088	\$ 37,405,213	\$ 39,069,199
17T- QHP Family Dental	\$ 192,740	\$ 284,251	\$ 91,511	\$ 764,209	\$ 1,102,138
17T- QHP Pediatric Dental	\$ 30,151	\$ 11,568	\$ (18,583)	\$ 58,333	\$ 49,705
<b>Total</b>	<b>\$ 8,410,174</b>	<b>\$ 8,750,190</b>	<b>\$ 340,016</b>	<b>\$ 38,227,755</b>	<b>\$ 40,221,042</b>



# February Contracts Update

# January contract updates

Contract #	Company	Start	End	Description	Additional Value	Total Contract Value	Changes Through January 2019
HBE-169	Coolsoft	9/21/15	12/31/19	Optional use contract for technical staffing	\$0	\$4,000,000	Add Software QA/Testing - Expert work order
HBE-408	Connvertex	1/7/19	12/31/19	IT Professional Services		\$90,000	New contract
HBE-027	Deloitte	4/19/12	6/30/20	Systems Integration Contractor	\$465,386	\$189,583,362	Amend Exhibits A and B
HBE-383	Cline Consulting	4/1/18	6/30/19	Leadership Team Development	\$16,000	\$51,000	Add new statement of work for IT management team development
HBE-171	TEKSystems	9/21/15	12/31/19	Optional use contract for technical staffing	\$0	\$4,000,000	Add Software QA/Testing - Expert work order
HBE-171	TEKSystems	9/21/15	12/31/19	Optional use contract for technical staffing	\$0	\$4,000,000	Add Systems Administrator - Journey work order





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