



Washington Health Benefit Exchange

Exchange Board Meeting

Financial Report
August 15, 2019
Jim Crawford, CFO

Financial Update

SFY19 Fiscal Close

- SFY19 year end variance of \$1,461,000 or 2.2% under budget
 - Lower than anticipated transition costs at the call center is the primary reason for the underspend
- SFY19 Financial Audit is underway
- System Integrator RFP released on July 1st



SFY 2019 Expenditure report by fund source

End of Year - Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,651,000	\$ 5,596,340	\$ 54,660	1.0%
GF-Federal	\$ 27,182,000	\$ 27,843,869	\$ (661,869)*	-2.4%
17T	\$ 32,236,000	\$ 30,167,655	\$ 2,068,345	6.4%
Total	\$ 65,069,000	\$ 63,607,865	\$ 1,461,135	2.2%

* GF-Federal is a biennial appropriation; therefore we are able to utilize our SFY18 underspend in SFY19. The net impact for the biennium is a GF-Federal underspend of approximately \$129,000 (0.2%)



SFY 2019 Expenditure report by object

End of Year - Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 11,277,510	\$ 10,881,789	\$ 395,721	3.5%
Benefits	\$ 4,092,442	\$ 3,902,956	\$ 189,486	4.6%
Contracts	\$ 42,055,768	\$ 41,254,703	\$ 801,065	1.9%
Goods and Services	\$ 7,394,850	\$ 7,417,424	\$ (22,574)	-0.3%
Travel	\$ 248,430	\$ 150,993	\$ 97,437	39.2%
Total	\$ 65,069,000	\$ 63,607,865	\$ 1,461,135	2.2%



SFY 2019 Expenditure report by department

End of Year - Enacted Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 7,347,920	\$ 6,955,895	\$ 392,025	5.3%
Executive	\$ 1,927,000	\$ 1,727,927	\$ 199,073	10.3%
Finance	\$ 4,985,710	\$ 4,974,556	\$ 11,154	0.2%
IT	\$ 26,676,920	\$ 26,340,620	\$ 336,300	1.3%
Legal	\$ 486,722	\$ 450,444	\$ 36,278	7.5%
Operations	\$ 22,321,878	\$ 21,926,558	\$ 395,320	1.8%
Policy	\$ 1,322,850	\$ 1,231,865	\$ 90,984	6.9%
Unallotted	\$ -	\$ -	\$ -	0.0%
Total	\$ 65,069,000	\$ 63,607,865	\$ 1,461,135	2.2%



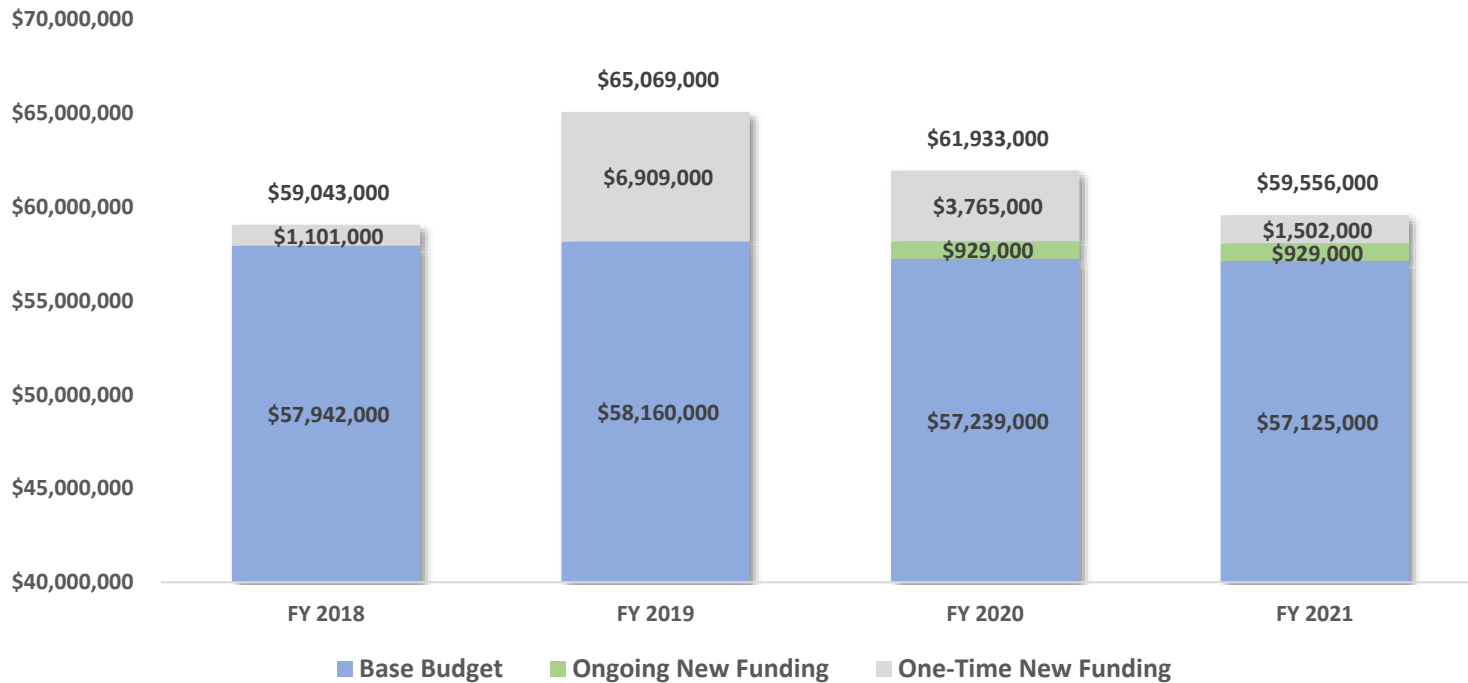
2020 Supplemental Budget Request

Supplemental Budget Context

- **2019-21 biennial budget fully funded HBE Requests**
 - Annual Cost Allocation requests
 - Cloud Platform costs to maintain software updates
 - System Integrator Procurement/Transition costs
 - Federal Independent Verification and Validation (IV&V) requirements support
 - COFA Dental implementation costs
 - Cascade Care implementation costs
- **All HBE projects are resourced and underway**
 - We will allocate budgeted resources to emerging priorities as we learn more, particularly on Cascade Care
 - Resource levels are adequate to meet needs for current biennium
- **The 2020 Legislative Session will be short and difficult in budget terms**



2019-21 biennial budget



- Beginning in SFY20, HBE received additional ongoing funding for continued software upgrades necessary to remain on the cloud and for ongoing IV&V support costs
- HBE also received one-time funding for implementation costs for Cascade Care and COFA Dental as well as transition costs related to the system integrator procurement



2020 Supplemental Budget Request

- **The 2020 request is a keep-it-simple maintenance level budget request**
- **Emphasis is on delivering on our commitments last year, especially on Cascade Care**
- **Seeking Board approval to submit supplemental budget request for our annual Cost Allocation Budget Adjustment**
 - Annual update to funding sources based on approved advanced planning documents for the next federal fiscal year (begins October 1, 2019)
 - Cost neutral; Health Benefit Exchange Account and GF-Federal





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