



Washington State Health Benefit Exchange

Report to the Legislature

November 2016

Report to the Legislature

The Exchange is required to submit a financial report on a monthly basis to the Legislature and Health Care Authority (2ESHB 2376). **This report includes:**

- A report of all expenses;
- Beginning and ending fund balances by fund source;
- Any contracts or contract amendments signed by the Exchange; and
- An accounting of staff required to operate the Exchange broken out by full time equivalent positions, contracted employees, temporary staff, and any other relevant designation that indicates the staffing level of the Exchange.

The monthly report reflects the financial information, staffing levels and all changes to contracts as of October 2016. The monthly report reflects total funding, including both appropriated and non-appropriated funds.

The current end-of-year projection identifies over expenditures in contracts, primarily due to mandatory printing costs. The report also identifies that there is a significant over expenditure of Medicaid funds and an under expenditure of Health Benefit Exchange Account (17T) expenditures. The Exchange submitted its supplemental budget request for two maintenance-level decision packages (DPs) to address these issues. The first DP requests additional Medicaid and Health Benefit Account appropriation authority to cover the additional printing costs related to caseloads. The second DP adjusts fund sources to reflect the approved Medicaid Advanced Planning Document, which increases the amount of federal Medicaid funding and reduces Health Benefit Exchange Account authority. Consistent with the State Auditor's 2016 Performance Audit, the Exchange is now able to recover federal reimbursement for staff activities performed on behalf of Medicaid clients.

Revenue

State Fiscal Year 2017

| State Fiscal Year 2017 Enrollment - August 2016 Forecast | | | | | |
|--|----------------|----------------|----------------|----------------|------------------|
| Enrollment | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
| QHP Medical | 500,670 | 482,071 | 502,604 | 515,674 | 2,001,019 |
| QHP Pediatric Dental | 19,694 | 17,787 | 19,851 | 20,676 | 78,008 |
| QHP Family Dental | 0 | 0 | 89,930 | 93,669 | 183,599 |
| Total | 520,364 | 499,858 | 612,384 | 630,020 | 2,262,626 |

| State Fiscal Year 2017 Projections | | | | | |
|------------------------------------|--------------------------------|--------------------|--------------------|---------------------|---------------------|
| 17T- QHP Medical | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,734,999 | \$3,596,251 | \$3,749,423 | \$3,846,929 | \$14,927,601 |
| Premium Tax | \$3,310,866 | \$3,310,866 | \$648,342 | \$6,672,912 | \$13,942,986 |
| Subtotal | \$7,045,865 | \$6,907,117 | \$4,397,765 | \$10,519,841 | \$28,870,587 |
| State Fiscal Year 2017 | | | | | |
| 17T- QHP Family Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | Family Dental program does not | | \$230,221 | \$239,793 | \$470,014 |
| Premium Tax | begin until January 2017. | | \$44,335 | \$46,579 | \$90,914 |
| Subtotal | \$0 | \$0 | \$274,556 | \$286,372 | \$560,929 |
| 17T- QHP Pediatric Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$11,423 | \$10,316 | \$11,513 | \$11,992 | \$45,245 |
| Premium Tax | \$10,400 | \$9,699 | \$10,772 | \$11,173 | \$42,044 |
| Subtotal | \$21,823 | \$20,016 | \$22,285 | \$23,166 | \$87,289 |
| State Fiscal Year 2017 | | | | | |
| Total 17T | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue |
| Carrier Assessment | \$3,746,421 | \$3,606,567 | \$3,991,157 | \$4,098,715 | \$15,442,860 |
| Premium Tax | \$3,321,266 | \$3,320,565 | \$703,449 | \$6,730,664 | \$14,075,944 |
| Total | \$7,067,687 | \$6,927,132 | \$4,694,606 | \$10,829,379 | \$29,518,805 |

Revenue

State Fiscal Year 2017

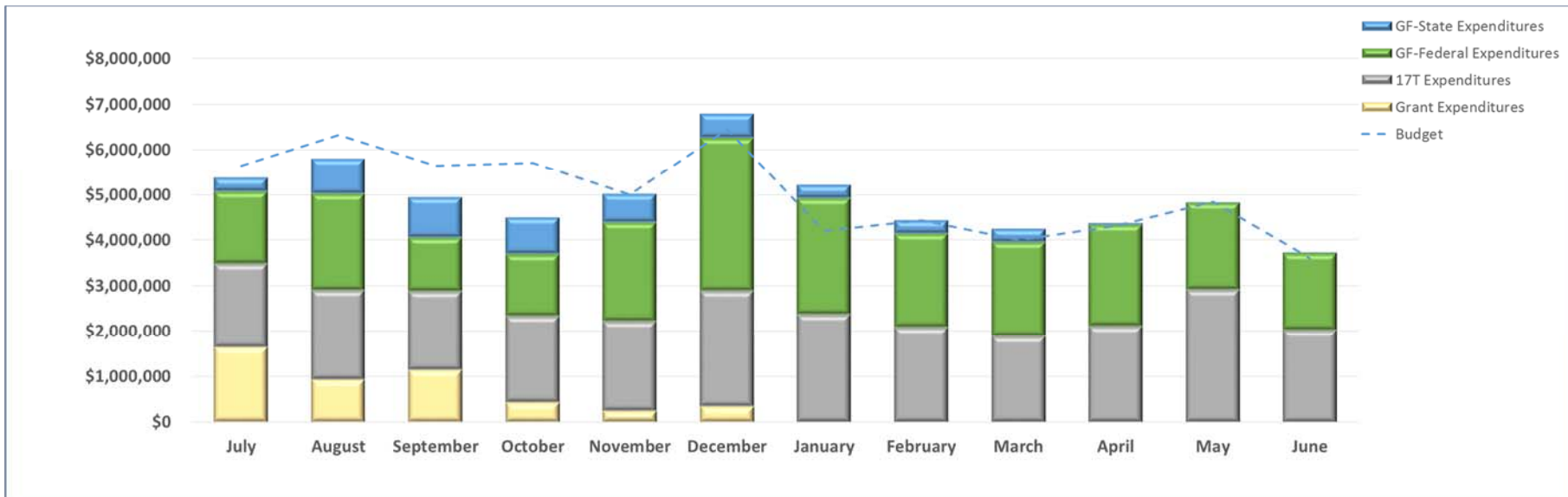
| State Fiscal Year 2017 Actuals | | | | | | |
|--------------------------------|--------------------|------------------|------------|------------|--------------------|--|
| 17T- QHP Medical | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue | |
| Carrier Assessment | \$3,969,796 | \$0 | \$0 | \$0 | \$3,969,796 | |
| Premium Tax | \$3,298,496 | \$581,926 | \$0 | \$0 | \$3,880,422 | |
| Subtotal | \$7,268,292 | \$581,926 | \$0 | \$0 | \$7,850,218 | |
| State Fiscal Year 2017 | | | | | | |
| 17T- QHP Family Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue | |
| Carrier Assessment | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Premium Tax | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 17T- QHP Pediatric Dental | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue | |
| Carrier Assessment | \$12,370 | \$0 | \$0 | \$0 | \$12,370 | |
| Premium Tax | \$8,945 | \$0 | \$0 | \$0 | \$8,945 | |
| Subtotal | \$21,315 | \$0 | \$0 | \$0 | \$21,315 | |
| State Fiscal Year 2017 | | | | | | |
| Total 17T | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue | |
| Carrier Assessment | \$3,982,166 | \$0 | \$0 | \$0 | \$3,982,166 | |
| Premium Tax | \$3,307,441 | \$581,926 | \$0 | \$0 | \$3,889,367 | |
| Total | \$7,289,607 | \$581,926 | \$0 | \$0 | \$7,871,533 | |

| 17 T Variance | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Revenue | |
|--------------------|------------------|------------|------------|------------|------------------|--|
| Carrier Assessment | \$235,745 | \$0 | \$0 | \$0 | \$235,745 | |
| Premium Tax | -\$13,825 | \$0 | \$0 | \$0 | -\$13,825 | |
| Total | \$221,920 | \$0 | \$0 | \$0 | \$221,920 | |

Budgeted to Actual Expenditures - By Fund Source

State Fiscal Year 2017

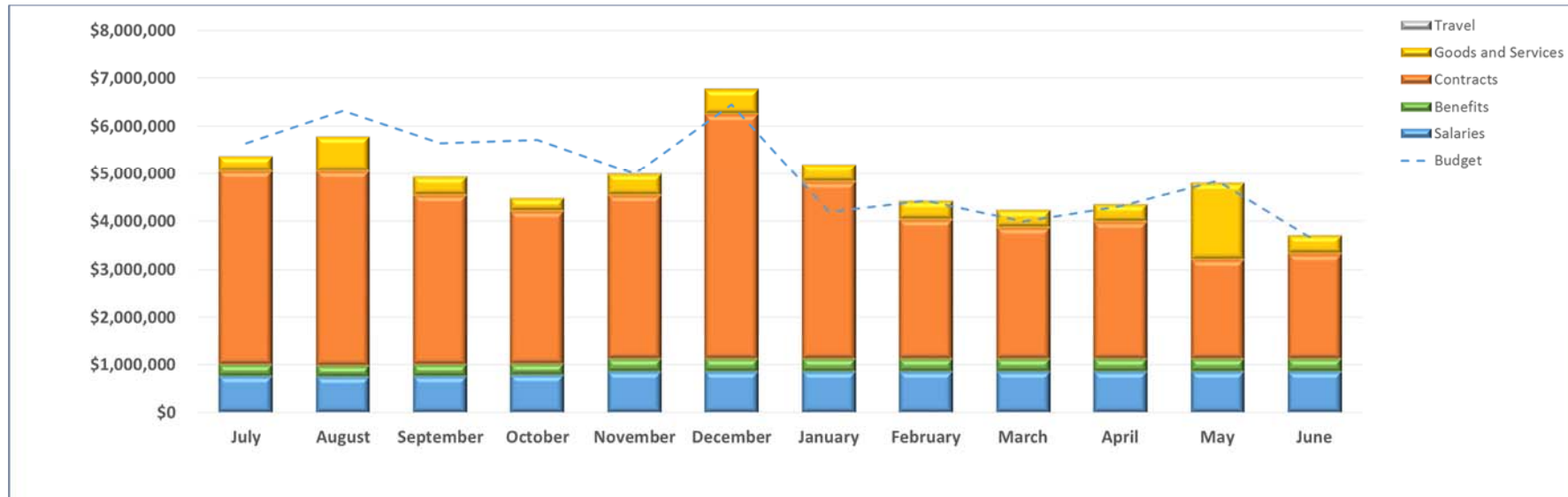
| All Departments | July | August | September | October | November | December | January | February | March | April | May | June | FYTD 2017 | FY 2017 |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Budgeted | \$5,647,817 | \$6,322,617 | \$5,648,299 | \$5,707,761 | \$4,999,290 | \$6,454,158 | \$4,196,989 | \$4,427,152 | \$3,994,303 | \$4,312,351 | \$4,841,565 | \$3,603,635 | \$23,326,493 | \$60,155,935 |
| GF State | \$364,540 | \$394,505 | \$432,147 | \$462,790 | \$531,303 | \$537,846 | \$352,020 | \$333,146 | \$312,601 | \$312,562 | \$456,846 | \$295,614 | \$1,653,982 | \$4,785,921 |
| GF-Federal | \$1,207,655 | \$1,600,113 | \$1,553,954 | \$1,605,332 | \$1,610,518 | \$2,197,445 | \$1,353,560 | \$1,456,823 | \$1,328,259 | \$1,475,924 | \$1,627,507 | \$1,142,997 | \$5,967,053 | \$18,160,086 |
| 17T | \$2,780,354 | \$2,451,795 | \$2,489,475 | \$2,416,916 | \$2,441,245 | \$2,787,628 | \$2,491,408 | \$2,637,182 | \$2,353,443 | \$2,523,865 | \$2,757,212 | \$2,165,024 | \$10,138,540 | \$30,295,547 |
| Grants | \$1,295,268 | \$1,876,204 | \$1,172,723 | \$1,222,723 | \$416,223 | \$931,240 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,566,919 | \$6,914,382 |
| Expenditures | \$5,376,974 | \$5,797,746 | \$4,942,512 | \$4,490,052 | \$5,012,474 | \$6,783,792 | \$5,209,347 | \$4,437,175 | \$4,250,255 | \$4,368,635 | \$4,815,777 | \$3,718,335 | \$20,607,285 | \$59,203,075 |
| GF State | \$309,692 | \$778,275 | \$892,544 | \$796,530 | \$632,387 | \$535,097 | \$295,440 | \$306,799 | \$296,558 | \$38,372 | \$593 | \$593 | \$2,777,042 | \$4,882,879 |
| GF-Federal | \$1,591,585 | \$2,118,683 | \$1,173,419 | \$1,361,178 | \$2,164,122 | \$3,358,067 | \$2,555,136 | \$2,044,482 | \$2,065,690 | \$2,224,776 | \$1,911,278 | \$1,697,028 | \$6,244,865 | \$24,265,445 |
| 17T | \$1,845,022 | \$1,967,598 | \$1,733,275 | \$1,894,687 | \$1,966,690 | \$2,546,256 | \$2,358,771 | \$2,085,895 | \$1,888,007 | \$2,105,487 | \$2,903,906 | \$2,020,714 | \$7,440,580 | \$25,316,306 |
| Grants | \$1,630,676 | \$933,190 | \$1,143,274 | \$437,657 | \$249,275 | \$344,372 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,144,798 | \$4,738,445 |
| Variance | \$270,842 | \$524,870 | \$705,786 | \$1,217,709 | (\$13,185) | (\$329,633) | (\$1,012,359) | (\$10,023) | (\$255,952) | (\$56,283) | \$25,788 | (\$114,700) | \$2,719,208 | \$952,860 |
| GF State | \$54,849 | (\$383,771) | (\$460,398) | (\$333,740) | (\$101,084) | \$2,749 | \$56,580 | \$26,348 | \$16,043 | \$274,190 | \$456,253 | \$295,021 | (\$1,123,059) | (\$96,958) |
| GF-Federal | (\$383,930) | (\$518,570) | \$380,535 | \$244,154 | (\$553,604) | (\$1,160,622) | (\$1,201,576) | (\$587,659) | (\$737,432) | (\$748,852) | (\$283,771) | (\$554,032) | (\$277,812) | (\$6,105,360) |
| 17T | \$935,332 | \$484,198 | \$756,200 | \$522,229 | \$474,555 | \$241,372 | \$132,637 | \$551,288 | \$465,436 | \$418,378 | (\$146,694) | \$144,311 | \$2,697,959 | \$4,979,241 |
| Grants | (\$335,408) | \$943,013 | \$29,449 | \$785,066 | \$166,948 | \$586,868 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,422,121 | \$2,175,936 |



Budgeted to Actual Expenditures - By Object

State Fiscal Year 2017

| All Departments | July | August | September | October | November | December | January | February | March | April | May | June | FYTD 2017 | FY 2017 |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Budgeted | \$5,647,817 | \$6,322,617 | \$5,648,299 | \$5,707,761 | \$4,999,290 | \$6,454,158 | \$4,196,989 | \$4,427,152 | \$3,994,303 | \$4,312,351 | \$4,841,565 | \$3,603,635 | \$23,326,493 | \$60,155,935 |
| Salaries | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,961 | \$855,977 | \$3,423,844 | \$10,271,548 |
| Benefits | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,718 | \$272,734 | \$1,090,872 | \$3,272,632 |
| Contracts | \$4,116,006 | \$4,644,890 | \$3,810,708 | \$4,146,199 | \$3,392,889 | \$4,786,721 | \$2,658,858 | \$2,905,589 | \$2,471,109 | \$2,785,480 | \$2,096,161 | \$2,077,030 | \$16,717,802 | \$39,891,641 |
| Goods and Services | \$388,754 | \$534,669 | \$694,534 | \$418,506 | \$463,343 | \$524,380 | \$395,073 | \$378,506 | \$380,136 | \$383,814 | \$1,602,347 | \$383,512 | \$2,036,463 | \$6,547,574 |
| Travel | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,378 | \$14,382 | \$57,512 | \$172,540 |
| Expenditures | \$5,376,974 | \$5,797,746 | \$4,942,512 | \$4,490,052 | \$5,012,474 | \$6,783,792 | \$5,209,348 | \$4,437,175 | \$4,250,255 | \$4,368,840 | \$4,815,777 | \$3,718,335 | \$20,607,285 | \$59,203,281 |
| Salaries | \$761,914 | \$745,794 | \$761,691 | \$779,738 | \$851,836 | \$851,836 | \$851,836 | \$851,836 | \$851,836 | \$851,836 | \$851,836 | \$851,836 | \$3,049,138 | \$9,863,826 |
| Benefits | \$241,130 | \$236,880 | \$240,754 | \$244,865 | \$272,708 | \$272,708 | \$272,708 | \$272,708 | \$272,708 | \$272,708 | \$272,708 | \$272,708 | \$963,628 | \$3,145,292 |
| Contracts | \$4,054,383 | \$4,066,673 | \$3,541,919 | \$3,195,157 | \$3,425,905 | \$5,136,497 | \$3,707,771 | \$2,919,108 | \$2,747,086 | \$2,862,013 | \$2,090,408 | \$2,211,811 | \$14,858,132 | \$39,958,733 |
| Goods and Services | \$313,455 | \$738,594 | \$393,170 | \$267,071 | \$448,090 | \$509,105 | \$363,242 | \$379,805 | \$364,870 | \$368,547 | \$1,587,080 | \$368,239 | \$1,712,290 | \$6,101,268 |
| Travel | \$6,092 | \$9,805 | \$4,979 | \$3,221 | \$13,935 | \$13,646 | \$13,790 | \$13,718 | \$13,754 | \$13,736 | \$13,745 | \$13,741 | \$24,097 | \$134,163 |
| Variance | \$270,842 | \$524,870 | \$705,786 | \$1,217,709 | (\$13,185) | (\$329,634) | (\$1,012,359) | (\$10,023) | (\$255,952) | (\$56,488) | \$25,788 | (\$114,700) | \$2,719,208 | \$952,654 |
| Salaries | \$94,047 | \$110,167 | \$94,270 | \$76,223 | \$4,125 | \$4,125 | \$4,125 | \$4,125 | \$4,125 | \$4,125 | \$4,125 | \$4,141 | \$374,706 | \$407,722 |
| Benefits | \$31,588 | \$35,838 | \$31,964 | \$27,853 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$26 | \$127,244 | \$127,340 |
| Contracts | \$61,622 | \$578,217 | \$268,789 | \$951,042 | (\$33,016) | (\$349,776) | (\$1,048,913) | (\$13,519) | (\$275,977) | (\$76,532) | \$5,753 | (\$134,781) | \$1,859,670 | (\$67,092) |
| Goods and Services | \$75,299 | (\$203,924) | \$301,364 | \$151,435 | \$15,254 | \$15,275 | \$31,831 | (\$1,299) | \$15,266 | \$15,267 | \$15,267 | \$15,273 | \$324,173 | \$446,307 |
| Travel | \$8,286 | \$4,573 | \$9,399 | \$11,157 | \$443 | \$732 | \$588 | \$660 | \$624 | \$642 | \$633 | \$641 | \$33,415 | \$38,377 |



| All Departments | July | August | September | October | November | December | January | February | March | April | May | June | FYTD 2017 | FY 2017 |
|-----------------|-------|--------|-----------|---------|----------|----------|---------|----------|-------|-------|-------|-------|-----------|---------|
| Budgeted FTEs | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 |
| Actual FTEs | 114.0 | 115.0 | 118.0 | 120.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 116.8 | 116.8 |
| Variance | 14.0 | 13.0 | 10.0 | 8.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 128.0 | 11.3 | 11.3 |

CONTRACTS

| Contract # | Company | Type | start | end | Contract Owner | Description | Additional value | Total contract value | Changes Through October 2016 |
|-------------------|------------------------|-------------------------|--------------|------------|-----------------------|--|-------------------------|-----------------------------|---|
| HBE-169 | Coolsoft | Contract | 9/21/15 | 12/31/19 | Vincent Barrailler | Optional use contract for technical staffing | \$0 | \$4,000,000 | Extend Work Order for contractor |
| HBE-170 | Ciber | Contract | 2/1/15 | 13/31/19 | Vincent Barrailler | Optional use contract for technical staffing | \$0 | \$4,000,000 | Extend Work Orders for four contractors |
| HBE-171 | TekSystems | Contract | 1/1/15 | 12/31/19 | Vincent Barrailler | Optional use contract for technical staffing | \$0 | \$4,000,000 | Extend Work Orders for two contractors |
| HBE-180 | ISG | Contract | 3/1/13 | 12/31/18 | Pam MacEwan | Consulting services to Project Management Office | \$0 | \$589,000 | New Statement of Work for Call Center quality assurance committee establishment |
| HBE-228 | Applied Team | Contract | 10/27/16 | 2/15/17 | Michael Marchand | OE-4 Enrollment Center pilot- Vancouver | | \$9,100 | New contract for enrollment center |
| HBE-229 | Wakley | Contract | 10/26/16 | 12/1/16 | Molly Voris | Marketing survey services | | \$95,000 | New contract for market analysis services |
| MLA-063 | Software One | Master Level Agreement | 11/1/16 | 10/31/19 | Vincent Barrailler | Microsoft product purchase agreement | | \$167,000 | New agreement under DES contract for Microsoft licenses |
| SLA-116 | Akamai | Service Level Agreement | 8/22/13 | 10/1/17 | Vincent Barrailler | Solution to address evolving complexities of application acceleration in the cloud | \$166,320 | \$166,320 | New Statement of Work for ongoing support and licensing |
| HBE-227 | Better Health Together | Contract | 10/13/16 | 2/15/17 | Michael Marchand | OE-4 Enrollment Center pilot- Spokane | | \$48,480 | New contract for enrollment center |

STAFFING

| Department | September 2016 | | | October 2016 | | |
|---|----------------|--------------|---------------|--------------|--------------|---------------|
| | FTE (bodies) | Contractor | TOTAL | FTE (bodies) | Contractor | TOTAL |
| Regular Employees | | | | | | |
| Executive/PMO | 7 | 0.45 | 7.45 | 7 | 0.45 | 7.45 |
| Policy | 7 | 0 | 7 | 7 | 0 | 7 |
| Legal | 11.5 | 0 | 11.5 | 11.5 | 0 | 11.5 |
| Communications | 16 | 0 | 16 | 16 | 0 | 16 |
| Finance & Administration | 18 | 1 | 19 | 18 | 1 | 19 |
| Operations | 32 | 2 | 34 | 32 | 2 | 34 |
| IT | 26.5 | 14 | 40.5 | 28.5 | 14 | 42.5 |
| SUBTOTAL | 118 | 17.45 | 135.45 | 120 | 17.45 | 137.45 |
| Temporary & Project Employees | | | | | | |
| Finance - Financial System Implementation | 2 | | 2 | 0 | | 0 |
| TOTAL | 120 | 17.45 | 137.45 | 120 | 17.45 | 137.45 |