



**Washington Health Benefit Exchange
Quarterly Update to the Legislature (June 2016)**

STATUTORY REQUIREMENT

Second Engrossed Senate Bill 6089, Chapter 33, Laws of 2015 requires that the Washington Health Benefit Exchange (Exchange) develop metrics that capture current spending levels, including a per member per month (PMPM) metric, and establish five-year benchmarks for spending reductions. These metrics were included in the five-year spending plan the Exchange submitted to the legislature on January 1, 2016 and are available online.¹

The Exchange is also required to monitor ongoing progress toward achieving the five-year benchmarks, post progress to date toward achieving the benchmarks on the Exchanges’ public corporate web site, and submit quarterly updates to relevant legislative committees and the board as appropriate.

CALCULATION OF PER MEMBER PER MONTH VALUES

This initial quarterly update provides a calculation of “per member per month” (PMPM) expenditures that reflects the organization’s total costs divided by total enrollment. Table 1 reflects the original budget information and enrollment projection. Table 2 represents the enacted supplemental budget and May 2016 enrollment information.

TABLE 1: CALCULATION OF PMPM

	State Fiscal Year 2016	State Fiscal Year 2017*
Total Budget	\$56,882,000	\$53,132,000
Average Monthly QHP Enrollment	145,207	153,616
Average Monthly Medicaid Enrollment	1,560,842	1,705,100
Per member per month	\$2.78	\$2.52

*Uses June 2015 Caseload Forecast Council Forecast

¹ All reports submitted to the legislature are available online at: <http://www.wahbexchange.org/about-the-exchange/exchange-reports-data/presentations-reports/>.

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TABLE 2: REVISED PMPM ESTIMATE

	State Fiscal Year 2016	State Fiscal Year 2017*
Total Budget	\$56,740,000	\$54,299,000
Average Monthly QHP Enrollment	155,618	157,566
Average Monthly Medicaid Enrollment	1,571,095	1,771,291
Per member per month	\$2.74	\$2.55

*Uses June 2016 Caseload Forecast Council proposed forecast

The reduction in PMPM costs for state fiscal year 2016 is due to an increase in enrollment for both QHP and Washington Apple Health (Medicaid), in addition to a reduction in the total budget funding level.

For 2017, the PMPM decrease is less than previously anticipated. The new offering of family dental through *Healthplanfinder* in 2017 is the primary driver for this change.

Beginning in the fall, the Exchange anticipates identifying these expenditures by Qualified Health Plan (QHP) and Washington Apple Health (Medicaid) services rather than at the aggregate level.

This update will be made available online at: <http://www.wahbexchange.org/about-the-exchange/exchange-reports-data/presentations-reports/>.