

Introduction & Notes re: WAPAL Fund Assessment Setting Workbook

Assessment Calculations for WAPAL Fund's second year of operations (12 months ending June 30, 2024)

01. This workbook follows the naming conventions of having each sheet begin with a letter (i.e., "a." through "c."), and each cell within each sheet be identified by row number (e.g., "01.") and column letter (e.g., "A"). So, to facilitate reference while collaborating via conference phone, users can refer to any single number, for example the new assessment rate for each covered life, by a combination of the above. For that key number, for example, the reference is "a.39.B".
02. The primary spreadsheet for the work is the assessment calculation worksheet, worksheet a. The other sheets are intended to be reference or to develop background data in specific areas for the work. Key numbers from a subsidiary sheet rolled into the main assessment sheet generally are shaded in yellow.
03. Key control points expected to be subject to policy decisions are coded in green. On the protected version of the sheets, cells not shaded green may be locked out to reduce the likelihood of user error. The password used is "WAPALfund" -- this is not a matter of confidentiality, but rather to reduce error. Users who want to unlock the sheets for any reason are welcome to do so.
04. Those cells in which entries normally would be made are shaded in green. They are unprotected to allow data entry.
05. The Washington state health care authority (HCA) reserves the right to adjust the assumptions which guide the assessment level. HCA may also determine to adjust the assessment setting process itself or this workbook structure at any time. It is anticipated going forward that new assessment rates will become effective on July 1 each year. WAPAL FUND seeks to complete the calculations for each new state fiscal year before the end of the month of June immediately preceding the start of each fiscal year.
06. The new assessment will become effective for the first payment due in the next fiscal year, i.e. on or before August 15. This payment will be based upon covered lives counts filed with WAPAL Fund, for the measuring months of April through June at the close of the current state fiscal year.
07. See RCW 71.24.064 and Chapter 182-110 WAC.

Washington Provider Access Lines (PAL) Fund (WAPALfund) Assessment Calculation Worksheet

Column →	A	B	C	D
Line ↓	FY23	FY24	Comments	
A. Preliminary Program Cost Estimates				
01.	\$ 3,443,683	\$ 3,607,330	¹ Program benefit costs to be remitted to HCA	
02.	-	-	² Program administrative costs recovered by assessments	
03.	-	-	General Reserve to Assure Statutory Remittance Compliance	0.00%
04.	<u>\$ 3,443,683</u>	<u>\$ 3,607,330</u>	Total funds requested by HCA	
B. Assessable Covered Lives Estimates				
05.	4,252,441	4,265,595	Self-Reported Covered Lives (sheet b.)	
06.	<u>0</u>	<u>0</u>	³ Leakage (unknown insurer, out of reach entity, etc.)	0.00%
07.	<u>4,252,441</u>	<u>4,265,595</u>	Assessable lives actually paying	
C. Assessment Calculation				
08.	\$ 3,443,683	\$ 3,607,330	Costs to be raised	
09.	<u>-531,999</u>	<u>-297,976</u>	⁴ WAPAL Fund reserve buildup (release)	
10.	<u>\$ 2,911,684</u>	<u>\$ 3,309,355</u>	Total Assessment Billed	
D. Per Assessable Covered Life Assessment				
11.	\$ 0.69	\$ 0.78	12-month Assessment per covered life	
12.	\$ 0.06	\$ 0.07	Monthly Assessment per covered life calculated	
13.	\$ 0.06	\$ 0.07	Monthly Assessment per covered life set	

Notes:

- ¹ Amount required to be transferred to HCA with respect to this fiscal year's program expenses.
- ² HCA administrative costs to be covered by assessments.
Set at zero by RCW 71.24.064 (1)(d).
- ³ KidsVax® programs in other states generally manage this number to near zero.
- ⁴ Carryforward cash amounts, if any, will be applied to reduce subsequent years' assessments (see line 22).
This number is drawn from the sheet labeled "c. Financing Considerations"



Estimated Covered Lives

Column →	A	B	C	D	E
Line ↓	Assessment Quarter	Membership Period	Total Covered Lives	Excluded Covered Lives	Assessable Covered Lives
A. Covered Lives¹					
01.	FY21Q4	04/2021 - 06/2021	4,190,260		4,190,260 ²
02.	FY22Q1	07/2021 - 09/2021	4,221,001		4,221,001
03.	FY22Q2	10/2021 - 12/2021	4,293,540		4,293,540
04.	FY22Q3	01/2022 - 03/2022	4,355,334		4,355,334
05.	FY22Q4	04/2022 - 06/2022	4,329,802		4,329,802
06.	FY23Q1	07/2022 - 09/2022	4,250,508		4,250,508
07.	FY23Q2	10/2022 - 12/2022	4,280,681		4,280,681
08.	FY23Q3	01/2023 - 03/2023	4,265,595		4,265,595 ³
09.	FY23Q4	04/2023 - 06/2023	4,265,595		4,265,595 ³
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.	subtotal		38,452,316		38,452,316
18.	Average Life of Program (Line 17 divided by 5)		4,272,479		4,272,479
19.	Average 4 most recent quarters		4,265,595		4,265,595

Notes:

¹ See RCW 71.24.064 and Chapter 182-110 WAC

² This is based upon covered lives reports as of 9/29/2021.

³ Based on the average of the first two completed fiscal quarters - FY23 Q1 and FY22 Q2.

Financing Considerations
(Development of Amount for Reserve Increase or Release)

Column →	A	B	C
Line ↓			
01. ¹	Carryforward Cash Balance estimate	31-Mar-2023	861,950
02.			
03.			
09.	Total		861,950
Estimated Revenues			
11.	Increment from remaining assessments to year end		1,455,842
12.			
13.			
19.	Total		1,455,842
Expenditures / Allowances			
21.	Remaining costs projected through end of year		1,721,841
22.			
23.			
24.			
29.	Total		1,721,841
31.	Estimated Starting Balance July 1		595,951
32.	Target months cash reserve ²	0.00	-
34.	Cash in excess of reserve		595,951
35.	Deferral amount ³	50.00%	(297,975)
99.	Cash release to next year's assessment		297,976

Notes:

¹ From working KidsVax® (KV) estimate of overfunding amounts from program's inception. Note: will be subject to review & audit.

² It is typical of other KV-administered quarterly funding programs to hold a working capital reserve of one quarter's funding target.

³ To dampen assessment volatility it generally is deemed prudent to cap the amount of any excess cash reserve released to a given