Maintenance Level

Agency:
107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:
M2-H2 HBE COST ALLOCATION UPDATE

Agency RecSum:
A net-zero adjustment in Health Benefit Exchange (Exchange) funding sources for the 2019-21 Biennium is needed to reflect the beneficiaries of services provided and to align funding levels with the appropriate fund source. This request reflects the updated Advanced Planning Documents (APD) for federal fiscal year (FFY) 2019.

Fiscal detail:

Operating Expenditures	FY 2019	FY 2020	FY 2021	FY 2022
001-1 GF-State	$0	$0	$0	$0
17T-1 Health Benefit Exchange Account	$1,822,000	$0	$0	$0
001-C GF-Federal	($1,822,000)	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**
Biennial Totals	**$0**		**$0**	
Staffing	FY 2019	FY 2020	FY 2021	FY 2022
FTEs	0	0	0	0
Average Annual	**0**		**0**	
Object of Expenditure	FY 2019	FY 2020	FY 2021	FY 2022
Obj. C	$0	$0	$0	$0
Revenue	FY 2019	FY 2020	FY 2021	FY 2022
17T-1 Health Benefit Exchange Account	$1,822,000	$0	$0	$0
001-C GF-Federal	($1,822,000)	$0	$0	$0
Total Revenue	**$0**	**$0**	**$0**	**$0**
Biennial Totals	**$0**		**$0**	

Package Description

What is the problem, opportunity or priority you are addressing with the request?
In 2014, the Exchange began making eligibility determinations for Medicaid clients using the modified adjusted gross income (MAGI)-based rules. Currently, over 1.6 million Medicaid and CHIP clients have their eligibility records maintained through the Exchange Healthplanfinder (HPF) website. Approximately 200,000 Qualified Health Plan (QHP) clients are also served per month. The ratio of Medicaid clients to QHP clients is approximately 89.3%. The Exchange is reimbursed for operational activities which are done on behalf of the Medicaid program.

In addition to serving as the portal for eligibility determination, existing clients continue to access HPF to update their client records when needed, receive HPF-generated notices and other required

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correspondence, and access customer support services provided by the Exchange Call Center and Navigator program.

The most recent proposed APD for federal fiscal year 2019 reflects adjustments made to enrollment and services provided by the Exchange and is consistent with previously approved APDs.

What is your proposed solution?
This request is to align funding sources to reflect changes in populations served through HPF. This request does not expand or alter current programs or services and there is a net zero financial impact.

What are you purchasing and how does it solve the problem?
The appropriation level does not change. This decision package only corrects the funding source to reflect expected Medicaid reimbursements provided in the Advanced Planning Documents submitted to CMS in July 2018.

What alternatives did you explore and why was this option chosen?
None. It is necessary to align revenue sources to expenditures.

Assumptions and Calculations
Expansion or alteration of a current program or service
None.

Detailed assumptions and calculations
This decision package changes the source of funding for Medicaid services as follows:
- The proportion of QHP only enrollees versus Medicaid Enrollees is adjusted to reflect a higher increase in the QHP population than in the Medicaid population.

Population Served (CFC Forecast & Wakely Group)				Medicaid %	QHP %
Fiscal Year	Medicaid	QHP	Total		
FFY2017	1,613,725	157,566	1,771,291	91.1%	8.9%
FFY2018	1,627,810	174,290	1,802,101	90.3%	9.7%
FFY2019	1,559,553	187,778	1,747,331	89.3%	10.7%

- Current year appropriated funds are aligned with anticipated spending levels for IT related activities including funding for HPF releases (6.0 and 6.1) with the populations affected by the system enhancements.
- Changes in the utilization of system generated correspondences and call center services provided to QHP and Medicaid enrollees by the Exchange.

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FY2019	Total	001-1	001-C	17T00
FY2019 Enacted Appropriation	$65,069	$5,651	$29,004	$30,414
FY2019 Adjustments	$0	$0	-$1,822	$1,822
Cost Allocation FFY2018 Update	$0	$0	-$483	$483
Utilization changes in services provided by the Exchange	$0	$0	-$250	$250
Aligning funds with IT projects and HPF releases	$0	$0	-$1,089	$1,089
FY2019 Proposed Appropriation	$65,069	$5,651	$27,182	$32,236

Strategic and Performance Outcomes

Strategic framework
Improved fiscal accountability for using fund sources that reflect the beneficiaries of services. Enhanced sustainability by maintaining or reducing carrier assessment rates.

This decision package supports the Governor's goal of healthy and safe communities by benefiting over 1 in 4 Washington residents served through the Exchange, including over 1.6 million Medicaid enrollees and around 200,000 Qualified Health Plan enrollees.

Performance outcomes
Improved sustainability for the Exchange. The Exchange is seeking cost reimbursement for services provided on behalf of Medicaid enrollees, which represent about 89.3% of total enrollees.

Other supporting materials
Copies of the APD have been previously provided to HCA, OFM, the House and Senate.

Other Collateral Connections

Intergovernmental
None.

Legal or administrative mandates
None.

Changes from current law
None.

State workforce impacts
None.

State facilities impacts
None.

Puget Sound recovery
None.

Other supporting materials
Copies of the APD have been provided to HCA, OFM, the House and Senate.

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Stakeholder response
None.

Information technology (IT)
ABS will pose the question below for *each* DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

Information Technology
Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

◉ No

○ Yes

Please download the IT-addendum and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.

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