

Maintenance Level

Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

ML-HC 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) 2021.

Fiscal detail:

Operating Expenditures	FY 2021	FY 2022	FY 2023	FY 2024
17T-1 Health Benefit Exchange Account	\$3,325,000	\$2,500,000	\$2,500,000	\$2,500,000
001-C GF-Federal	(\$3,325,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Total Expenditures	\$0	\$0	\$0	\$0
Biennial Totals		\$0		\$0
Staffing	FY 2021	FY 2022	FY 2023	FY 2024
FTEs	0	0	0	0
Average Annual		0		0
Object of Expenditure	FY 2021	FY 2022	FY 2023	FY 2024
Obj. C	\$0	\$0	\$0	\$0
Revenue	FY 2021	FY 2022	FY 2023	FY 2024
17T-1 Health Benefit Exchange Account	\$3,325,000	\$2,500,000	\$2,500,000	\$2,500,000
001-C GF-Federal	(\$3,325,000)	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
Total Revenue		\$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 Children's Health Insurance Program (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 88.5%. 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 correspondence, and access customer support services provided by the Exchange Call Center and Navigator program.

For additional information contact:

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The most recent proposed APDs for federal fiscal year 2021 reflects adjustments made to enrollment and services provided by the Exchange and is consistent with previously approved Advanced Planning Documents.

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.

How is your proposal impacting equity in the state?

Equity is a fundamental pillar to the society we seek to build. The process of advancing toward equity will be disruptive and demands vigilance, dismantling deeply entrenched systems of privilege and oppression. We must focus our efforts on people and places where needs are greatest, especially communities of color and go beyond remedying a particular inequity to address all determinates of health.

Maintenance level adjustments are the foundation where equity is maintained. Our goal at the Exchange is all Washingtonians have full and equal access to opportunities, power, and resources to achieve their full potential. Funding this request will enable the Exchange to continue to support the residents of Washington at a time when they need it most.

What are you purchasing and how does it solve the problem?

The appropriation level does not change. This decision package only adjusts the funding sources to reflect expected Medicaid reimbursements provided in the Advanced Planning Documents submitted to the Centers for Medicaid and Medicare Services (CMS) for FFY2021.

What alternatives did you explore and why was this option chosen?

None. This request 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

Based on current enrollment levels and premium data, the Exchange assumes no changes to the Carrier Assessment will be needed to fund this request.

This decision package changes the source of funding for Medicaid services as follows:

- During the SFY19-21 legislative session, the Exchange received \$2,946,000 in one-time expenditure authority for the additional costs of transitioning to a new system integrator vendor to support the Healthplanfinder maintenance and operations (M&O) activities and enhancement services. Through the competitive procurement process, the incumbent vendor was determined to be the apparently successful vendor (ASV), therefore reducing the need for redundant M&O expenses originally anticipated. As such, the Exchange is utilizing this funding to focus on HPF System Enhancements that are increasingly responsive to ever evolving customer, marketplace, and regulatory needs. These activities require a different Federal Financial Participation (FFP) than anticipated in the original decision package submission and the Exchange is requesting a net-zero adjustment in System Integrator Reprocurement funding sources for the 2019-21 Biennium to reflect the services provided and to align funding levels with the appropriate fund source.

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EA Code	Fund Source	Program	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
HBE Operational Costs							
NA	17T-1 Health Benefit Exchange Account	300	\$ 2,750,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
YV	001-2 Federal	300	\$ (2,750,000)	\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)	\$ (2,500,000)
Total			\$ -	\$ -	\$ -	\$ -	\$ -
System Integrator Reprocurement							
ND	17T-1 Health Benefit Exchange Account	300	\$ 575,000	\$ -	\$ -	\$ -	\$ -
YS	001-2 Federal	300	\$ (575,000)	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

- 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	91.10%	8.90%
FFY2018	1,627,810	174,290	1,802,101	90.30%	9.70%
FFY2019	1,559,553	187,778	1,747,331	89.30%	10.70%
FFY2020	1,541,202	173,803	1,711,853	89.80%	10.20%
FFY2021	1,491,585	194,478	1,686,063	88.47%	11.53%

- Current year appropriated funds are aligned with anticipated spending levels for IT related activities including funding for HPF enhancement activities 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.

FY2021	Total	001-1	001-C	17T00
FY2021 Carry Forward Level	\$60,305,000	\$5,659,000	\$25,465,000	\$29,181,000
FY2021 Adjustments	\$0	\$0	-\$3,325,000	\$3,325,000
Cost Allocation FFY2021 Update	\$0	\$0	-\$2,750,000	\$2,750,000
System Integrator Reprocurement	\$0	\$0	-\$575,000	\$575,000
FY2021 Proposed Appropriation	\$60,305,000	\$5,659,000	\$22,140,000	\$32,506,000

FY2022	Total	001-1	001-C	17T00
FY2022 Carry Forward Level	\$58,360,000	\$5,184,000	\$25,075,000	\$28,101,000
FY2022 Adjustments	\$0	\$0	-\$2,500,000	\$2,500,000
Cost Allocation FFY2021 Update	\$0	\$0	-\$2,500,000	\$2,500,000
FY2022 Proposed Carry Forward Level	\$58,360,000	\$5,184,000	\$22,575,000	\$30,601,000

FY2023	Total	001-1	001-C	17T00
FY2023 Carry Forward Level	\$58,246,000	\$5,184,000	\$25,075,000	\$27,987,000
FY2023 Adjustments	\$0	\$0	-\$2,500,000	\$2,500,000
Cost Allocation FFY2021 Update	\$0	\$0	-\$2,500,000	\$2,500,000
FY2023 Proposed Carry Forward Level	\$58,246,000	\$5,184,000	\$22,575,000	\$30,487,000

FY2024	Total	001-1	001-C	17T00
FY2024 Carry Forward Level	\$58,360,000	\$5,184,000	\$25,075,000	\$28,101,000
FY2024 Adjustments	\$0	\$0	-\$2,500,000	\$2,500,000
Cost Allocation FFY2021 Update	\$0	\$0	-\$2,500,000	\$2,500,000
FY2024 Proposed Carry Forward Level	\$58,360,000	\$5,184,000	\$22,575,000	\$30,601,000

Workforce assumptions

No changes in FTEs are requested with this decision package.

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.

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Performance outcomes

Improved sustainability for the Exchange. The Exchange is seeking cost reimbursement for services provided on behalf of Medicaid enrollees, which represent about 88.5% 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.

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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