



# Washington State Health Benefit Exchange

## Report to the Legislature

September 30, 2016

## Report to the Legislature

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Second Engrossed Senate Bill 6052 (2ESB 6052) directed the Washington State Health Benefit Exchange (HBE or Exchange) to submit a detailed report to the Washington State Health Care Authority (HCA) and the House Appropriations and Senate Ways and Means Committees by September 30, 2015. This report represents the second report due by September 30, 2016.

The previous report provided information on the salaries of Exchange current employees from the inception of the Exchange through August 31, 2015. Appendix A of this report provides information from 9/1/2015 through 8/31/2016, including salaries as of 9/1/2015, the starting salary for employees hired after 9/1/2015 and any increases received, along with the basis for each increase. Appendix B provides the most recent salary, overtime and compensation policies for staff of the Exchange.

This report also incorporates the monthly financial reporting, required in 2ESB 6052, which has been submitted to the Legislature since September 2015. The monthly report reflects the financial information for August 2016 (Appendix C). This report also includes a list of all contracts in effect as of September 1, 2016.

Second Engrossed Senate Bill 6089 directed HBE to 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 which the Exchange submitted to the legislature on January 1, 2016. The Exchange is required to monitor ongoing progress toward achieving the five-year benchmarks and submit quarterly updates. The first quarterly update was submitted in June 2016. This report includes the September 2016 quarterly update (Appendix D).

## Background

The Exchange is governed by an 11-member bipartisan Board comprised of a Chair and eight voting members appointed by the Governor. Board members are nominated by the Republican and Democratic caucuses in both the State House and State Senate. The Exchange Board must have expertise in a variety of health care areas including employee benefits, health economics, consumer advocacy, individual insurance, small group insurance, and health plan administration. The Director of the Health Care Authority and Insurance Commissioner are ex-officio, non-voting Board members. There are currently 10 stakeholder committees, technical advisory committees or workgroups associated with the Board, including the Advisory Committee as well as a Technical Advisory Committees for key program areas including the navigator program, agents and brokers, health equity and outreach. There are three workgroups that address plan management, consumers and tribal issues.

Current board members include:

Chair: Ron Sims, retired Deputy Secretary for the U.S. Department of Housing and Urban Development

Don Conant, General Manager at Valley Nut and Bolt and Assistant Professor in the School of Business at St. Martin's University

Melissa Cunningham, JD, Attorney, Carney Badley Spellman

Ben Danielson, Medical Director at Odessa Brown Children's Clinic

Phil Dyer, Senior Vice President at Kibble & Prentice/USI and former state legislator

Bill Hinkle, Public Affairs Consultant and former state legislator

Hiroshi Nakano, Director of Managed Care at Valley Medical Center

Mark Stensager, Retired Health System Administrator

Diane Zahn, Retired Secretary-Treasurer of United Food and Commercial Workers Local 21

Ex-Officio: Mike Kreidler, Washington State Insurance Commissioner

Ex-Officio: Dorothy Teeter, Director of the Health Care Authority

In the 2015-17 budget, the Legislature directed the Exchange to increase its financial transparency and enhance fiscal accountability. Since September 2015, the Exchange has continued to review and refine its administrative policies and procedures to ensure adequate financial and operational controls are in place. These improvements are consistent with the Exchange's goals associated with transitioning from a start-up enterprise to a more mature, sustainable organization.

## Financial System

To increase financial accuracy and transparency, the legislature provided funding for a new financial system. The new system will go live in October 2016. Beginning July 1, 2016, the Exchange transitioned from a calendar year to a state fiscal year to better align with state financial reporting. The Exchange also modified its chart of accounts to more closely resemble those of the state. Appendix C reflects the new reporting format.

## Employee Salaries

The Exchange uses salary surveys to benchmark its salaries. Salary information for the Exchange is provided in Appendix A for those staff on the Exchange payroll September 1, 2016. This information only reflects the staff that are employed by the Exchange directly and does not reflect temporary employees hired through employment agencies or staff resources provided by consultants. Each month, as part of the monthly financial report, the Exchange includes an accounting of all staff required to operate the organization which includes full time equivalent positions, temporary staff and contractors.

In August 2015, the Exchange had a total of 251 equivalent FTEs including 144 staff and 107 contractors. As of September 1, 2016, there were a total of 134.4 equivalent FTEs, including 116 staff and 18.4 contractors.

### HBE STAFFING PLAN

Department	August 2015			August 2016		
	FTE (bodies)	Contractor	TOTAL	FTE (bodies)	Contractor	TOTAL
<b>Regular Employees</b>						
Executive/PMO	8	6	<b>14</b>	7	0.35	<b>7.35</b>
Policy	10	0	<b>10</b>	7	0	<b>7</b>
Legal	9	0	<b>9</b>	8.5	0	<b>8.5</b>
Communications	16	0	<b>16</b>	16	0	<b>16</b>
Finance & Administration	18	3	<b>21</b>	18	1	<b>19</b>
Operations	42	6	<b>48</b>	32	2	<b>34</b>
IT	27	29	<b>56</b>	25.5	15	<b>40.5</b>
<b>SUBTOTAL</b>	<b>130</b>	<b>44</b>	<b>174</b>	<b>114</b>	<b>18.35</b>	<b>132.4</b>
<b>Temporary &amp; Project Employees</b>						
Finance	4			2		2
Invoices	5					
Eligibility	5					
Outreach	2					
Enrollment	9					
Reconciliation	23					
Level 2 Triage	3					
Carrier Support						
Post Validation/Data Analyst						
<b>SUBTOTAL</b>	<b>47</b>			<b>2</b>		
<b>TOTAL</b>	<b>177</b>	<b>44</b>	<b>221</b>	<b>116</b>	<b>18.35</b>	<b>134.4</b>

### Salary Changes

The following definitions describe the basis for salary increases made from September 1, 2015 to September 1, 2016.

- Adjustment**                      An adjustment to an employee's salary based on internal equity (comparable position duties and skills and experience); or retention or other factor
  
- Base Rate**                        Employee salary level effective 9/1/2015
  
- Cost of Living**                    Salary adjustment made across-board (consistent with State employee raises).
  
- New Hire**                         Starting salary of newly hired employee

<b>Reclassification</b>	Changes made to the job classification which merit a change in salary range, either higher or lower.
<b>Performance</b>	Salary increase based on high performance of job duties with no change in the scope of the job description or change in title.
<b>Promotion</b>	New position with a higher salary range than previous.
<b>Rehire</b>	Previous Exchange employee who left in good standing, hired into open an open position.
<b>Temp Supervisor Stipend</b>	Non-permanent salary increase to reflect temporary supervisory duties.
<b>Transfer</b>	New position with the same salary range, or same position in a new department.

## Total Compensation

Exchange employees have a different leave schedule than state employees, which should be considered when making comparisons of total compensation. As identified in last year’s report, the Exchange continues to have access to much lower paid time off benefits.

State employees receive vacation leave (based on number of years of service), sick leave and state holiday leave. Exchange employees receive paid time off (PTO). The chart below identifies the differences between the two leave accrual rates.

**Comparison of Leave Accruals- Exchange versus State**

Year	Exchange-PTO	Exchange Holidays	Total	State Vacation	State Sick Leave	State Holiday	Total
1	15	10	25	12	12	11	35
2	20	10	30	13	12	11	36
3-4	25	10	35	14	12	11	37
5-7	25	10	35	15	12	11	38
8-10	25	10	35	16	12	11	39
11	25	10	35	17	12	11	40
12	25	10	35	18	12	11	41
13	25	10	35	19	12	11	42
14	25	10	35	20	12	11	43
15	25	10	35	21	12	11	44
16	25	10	35	22	12	11	45

## Exchange Salary and Benefit Policies

The section of the Washington State Health Benefit Exchange’s Employee Handbook outlining its salary and benefit policies is attached in Appendix B.

## Exchange Monthly Reporting

The information in Appendix C has been provided to the Legislature on a monthly basis since September 2015. Since the initial report, the Exchange has made continued improvement in the accuracy and usability of the information. Effective the beginning of state fiscal year 2017 (SFY 17), the Exchange transitioned to a chart of accounts that better aligns with statewide accounting.

**Appendix A**  
**HBE Report on Current Employee's Annual Salary**  
**September 1, 2015 to September 1, 2016**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Budget Analyst	12/1/2015	New Hire	82,999.92
	7/1/2016	Cost of Living	84,493.92
Legislative External Affairs Manager	9/1/2015	Base Rate	98,365.20
	7/1/2016	Cost of Living	100,135.68
	8/1/2016	Promotion	104,854.08
Change Control Coordinator	9/1/2015	Base Rate	74,675.04
	7/1/2016	Cost of Living	76,019.28
SHOP Program Manager	4/1/2016	New Hire	82,500.00
	7/1/2016	Cost of Living	83,985.12
Business Systems Analyst II	11/1/2015	New Hire	85,000.08
	7/1/2016	Cost of Living	86,530.08
Chief Information Officer	1/19/2016	New Hire	136,500.00
	7/1/2016	Cost of Living	138,957.12
Facilities Assistant	5/2/2016	New Hire	34,320.00
	7/1/2016	Cost of Living	34,937.76
Correspondence Development Manager	9/1/2015	Base Rate	68,958.48
	1/1/2016	Adjustment	78,855.12
	7/1/2016	Cost of Living	80,274.48
Software Test Analyst Lead	9/1/2015	Base Rate	74,983.92
	4/1/2016	Reclassification	87,000.00
	7/1/2016	Cost of Living	88,566.00
Reconciliation Analyst	9/1/2015	Base Rate	66,949.92
	7/1/2016	Cost of Living	68,154.96
Infrastructure Services Technician	9/1/2015	Base Rate	53,045.04
	7/1/2016	Cost of Living	53,999.76

**Appendix A – Exchange Salaries**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Associate Director - Outreach	9/1/2015	Base Rate	101,466.48
	7/1/2016	Cost of Living	103,292.88
Policy Analyst	6/27/2016	New Hire	61,999.92
	7/1/2016	Cost of Living	63,115.92
Navigation Manager	9/1/2015	Base Rate	81,112.56
	7/1/2016	Cost of Living	82,572.48
Senior HR Generalist	9/1/2015	Reclassification	79,999.92
	7/1/2016	Cost of Living	81,439.92
Business Intelligence Lead	9/1/2015	Base Rate	118,450.08
Senior Program Specialist	9/1/2015	Base Rate	59,482.56
	7/1/2016	Cost of Living	60,553.20
Senior Program Specialist	4/11/2016	New Hire	50,500.08
	7/1/2016	Cost of Living	51,409.20
Senior Administrative Assistant	9/1/2015	Base Rate	60,615.36
	7/1/2016	Cost of Living	61,706.40
	9/1/2016	Adjustment	70,000.08
Senior Administrative Assistant	9/1/2015	Base Rate	51,499.92
	5/1/2016	Adjustment	60,615.12
	7/1/2016	Cost of Living	61,706.16
Senior Communications Specialist	9/1/2015	Base Rate	89,919.12
	7/1/2016	Cost of Living	91,537.68
Infrastructure Engineer	9/1/2015	Base Rate	76,219.92
	3/1/2016	Promotion	83,842.08
	7/1/2016	Cost of Living	85,351.20
Process and Document Analyst	9/1/2015	Base Rate	87,550.08
	7/1/2016	Cost of Living	89,125.92
Associate Director Budget & Grants	10/1/2015	New Hire	105,000.00
	7/1/2016	Cost of Living	106,890.00



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<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
UAT Analyst	8/1/2016	New Hire	73,000.08
Senior Accountant	1/1/2016	New Hire	58,000.08
	7/1/2016	Promotion	63,880.08
Appeals Specialist	9/1/2015	Base Rate	53,560.08
	7/1/2016	Cost of Living	54,524.16
	9/1/2016	Reclassification	60,138.96
IT Manager Enterprise Security & QA	9/1/2015	Base Rate	118,656.00
	7/1/2016	Cost of Living	120,791.76
Associate Director of Operations	9/1/2015	Base Rate	103,000.08
	7/1/2016	Cost of Living	104,854.08
Appeals Claim Manager	9/1/2015	Base Rate	85,696.08
	7/1/2016	Cost of Living	87,238.56
Business Systems Analysts Manager	9/1/2015	Promotion	91,999.92
	7/1/2016	Cost of Living	93,655.92
Senior Administrative Assistant	9/1/2015	Base Rate	56,650.08
	7/1/2016	Cost of Living	57,669.84
Senior Administrative Assistant	9/1/2015	Base Rate	51,500.16
	5/1/2016	Adjustment	60,615.12
	7/1/2016	Cost of Living	61,706.16
Associate Director Policy	9/1/2015	Base Rate	103,000.08
	7/1/2016	Cost of Living	104,854.08
Business Client Specialist	9/1/2015	Base Rate	56,650.08
	7/1/2016	Cost of Living	57,669.84
Operations Analyst	9/1/2015	Base Rate	64,497.60
	1/1/2016	Temporary Supervisor Stipend	70,947.45
	3/1/2016	Remove Temporary Supervisory Stipend	64,497.60
	7/1/2016	Cost of Living	65,658.48

**Appendix A – Exchange Salaries**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Reconciliation Analyst	9/1/2015	Base Rate	54,590.16
	12/1/2015	Reclassification	56,650.08
	7/1/2016	Cost of Living	57,669.84
Budget Analyst	4/11/2016	New Hire	82,999.92
	7/1/2016	Cost of Living	84,493.92
Accounting Specialist	9/1/2015	Base Rate	32,959.92
	1/1/2016	Reclassification	50,500.08
	7/1/2016	Cost of Living	51,409.20
Software Quality Manager	9/1/2015	Base Rate	118,450.08
	7/1/2016	Cost of Living	120,582.24
Data & Reporting Manager	9/1/2015	Base Rate	97,849.92
	7/1/2016	Cost of Living	99,611.28
Contracts and Finance Projects Manager	2/16/2016	New Hire	93,000.00
	7/1/2016	Cost of Living	94,674.00
Staff Accountant	11/16/2015	New Hire	52,000.08
	7/1/2016	Cost of Living	52,936.08
Chief Financial Officer	9/1/2015	Base Rate	149,350.08
	7/1/2016	Cost of Living	152,038.32
Senior Administrative Assistant	9/1/2015	Base Rate	69,628.08
	7/1/2016	Cost of Living	70,881.36
Business Systems Analyst	4/1/2016	Promotion	55,999.92
	7/1/2016	Cost of Living	57,007.92
Small Business Agent Rep	9/1/2015	Base Rate	87,418.08
	7/1/2016	Cost of Living	88,991.52
Senior Data Analyst	9/1/2015	Base Rate	77,250.00
	7/1/2016	Cost of Living	78,640.56
	7/16/2016	Reclassification	86,504.64
Associate Director of IT	9/1/2015	Base Rate	133,900.08
	7/1/2016	Cost of Living	136,310.40

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<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Reconciliation Analyst	9/1/2015	Base Rate	53,560.08
	12/1/2015	Reclassification	56,650.08
	7/1/2016	Cost of Living	57,669.84
Executive Assistant	9/1/2015	Base Rate	86,252.40
	7/1/2016	Cost of Living	87,804.96
Associate Director - PMO	9/1/2015	Base Rate	123,600.00
	7/1/2016	Cost of Living	125,824.80
Communications Manager	9/1/2015	Base Rate	68,091.36
	9/16/2015	Promotion	76,374.96
	7/1/2016	Cost of Living	77,749.92
Reconciliation Analyst	9/1/2015	Base Rate	56,650.08
	7/1/2016	Cost of Living	57,669.84
	9/1/2016	Promotion	60,648.00
Senior Program Specialist	9/1/2015	Base Rate	63,267.84
	7/1/2016	Cost of Living	64,406.64
Administrative Assistant	9/1/2015	Base Rate	54,589.92
	12/1/2015	Promotion	50,500.08
	7/1/2016	Cost of Living	51,409.20
Infrastructure Manager	6/13/2016	New Hire	103,000.08
	7/1/2016	Cost of Living	104,854.08
Small Business Agent Manager	9/1/2015	Base Rate	92,700.00
	7/1/2016	Cost of Living	94,368.72
Reconciliation Analyst	9/1/2015	Base Rate	53,560.08
	12/1/2015	Reclassification	56,650.08
	7/1/2016	Cost of Living	57,669.84
Senior Systems Engineer	1/19/2016	New Hire	94,000.08
	7/1/2016	Cost of Living	95,692.08
Business Client Specialist	9/1/2015	Base Rate	56,650.08
	7/1/2016	Cost of Living	57,669.84

**Appendix A – Exchange Salaries**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Accounting Clerk	9/1/2015	Base Rate	36,049.92
	7/1/2016	Cost of Living	36,698.88
Reconciliation Analyst	8/22/2016	New Hire	51,409.92
Operations Analyst	8/15/2016	New Hire	51,409.92
Senior Program Specialist - Communications	11/9/2015	New Hire	50,500.08
	7/1/2016	Cost of Living	51,409.92
Chief Executive Officer	9/1/2015	Base Rate	167,632.56
	7/1/2016	Cost of Living	170,649.84
Senior Program Specialist	9/1/2015	Base Rate	63,859.92
	7/1/2016	Cost of Living	65,009.52
Appeals Specialist	8/15/2016	New Hire	51,409.92
Operations Analyst	5/31/2016	New Hire	50,500.08
	7/1/2016	Cost of Living	51,409.92
Director of Communications	9/1/2015	Base Rate	137,566.80
	7/1/2016	Cost of Living	140,043.12
Account Support Rep	12/1/2015	New Hire	32,500.08
	7/1/2016	Cost of Living	33,085.20
Senior System Developer	1/1/2016	New Hire	94,000.08
	7/1/2016	Cost of Living	95,692.08
Staff Accountant	6/1/2016	New Hire	60,000.00
	7/1/2016	Cost of Living	61,080.00
Business Process Analyst	9/1/2015	Base Rate	60,049.20
	7/1/2016	Cost of Living	61,130.16
Accounting Supervisor	9/1/2015	Base Rate	67,980.00
	7/1/2016	Reclassification	76,374.96
Operations Analyst	11/2/2015	New Hire	50,500.08
	7/1/2016	Cost of Living	51,409.92

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<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Financial Accounting Supervisor	9/1/2015	Base Rate	84,460.08
	7/1/2016	Cost of Living	85,980.48
Senior Program Specialist - Navigator	9/1/2015	Base Rate	65,920.08
	7/1/2016	Cost of Living	67,106.64
Security Analyst	10/1/2015	New Hire	62,749.92
	7/1/2016	Cost of Living	63,880.08
Senior System Developer	9/1/2015	Base Rate	91,669.92
	7/1/2016	Cost of Living	93,319.92
Business Analyst	9/1/2015	Base Rate	61,800.00
	7/5/2016	Rehire	62,912.40
Senior System Developer	9/1/2015	Base Rate	102,175.92
Enterprise Project Manager II	9/1/2015	Base Rate	72,100.08
	4/1/2016	Promotion	82,300.08
	7/1/2016	Cost of Living	83,781.60
Senior System Developer	9/1/2015	Base Rate	95,007.12
	7/1/2016	Cost of Living	96,717.36
Account Support Representative	5/2/2016	New Hire	32,500.08
	7/1/2016	Cost of Living	33,085.20
Operations Analyst	9/1/2015	Base Rate	58,915.92
	7/1/2016	Cost of Living	59,976.48
	9/1/2016	Promotion	60,648.00
Business Systems Analyst	5/2/2016	New Hire	55,999.92
	7/1/2016	Cost of Living	57,007.92
IT Coordinator	9/1/2015	Base Rate	43,260.00
	7/1/2016	Cost of Living	44,038.80
	7/1/2016	Reclassification	52,849.92
Director of Legal Services	9/1/2015	Base Rate	134,971.20
	7/1/2016	Cost of Living	137,400.72

**Appendix A – Exchange Salaries**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Business Systems Analyst	9/1/2015	Reclassification	56,650.08
	7/1/2016	Cost of Living	57,669.84
Product Deliverables Manager	9/1/2015	Base Rate	105,575.04
	7/1/2016	Cost of Living	107,475.36
Budget Analyst	9/1/2015	Reclassification	64,999.92
	11/1/2015	Promotion	68,250.00
	7/1/2016	Cost of Living	69,478.56
Associate Director Call Center	9/1/2015	Base Rate	97,849.92
	7/1/2016	Cost of Living	99,611.28
Problem Management Analyst	9/1/2015	Base Rate	70,900.08
	7/1/2016	Cost of Living	72,176.40
Business Systems Analyst II	9/1/2015	Base Rate	74,675.04
	7/1/2016	Adjustment	84,000.00
Tribal Liaison	9/28/2015	New Hire	79,999.92
	7/1/2016	Cost of Living	81,439.92
Communications Associate	11/9/2015	New Hire	67,000.08
	7/1/2016	Cost of Living	68,206.08
Senior Program Specialist	10/16/2015	Promotion	50,500.08
	7/1/2016	Cost of Living	51,409.92
Associate Director Human Resources	9/1/2015	Base Rate	106,090.08
	7/1/2016	Cost of Living	107,999.76
Facilities Coordinator	9/1/2015	Base Rate	38,563.20
	3/1/2016	Reclassification	50,500.08
	7/1/2016	Cost of Living	51,409.92
Receptionist	9/1/2015	Base Rate	36,049.92
	7/1/2016	Cost of Living	36,698.88
Senior Program Specialist	9/1/2015	Base Rate	61,800.00
	7/1/2016	Cost of Living	62,912.40

**Appendix A – Exchange Salaries**

<b>Job Title</b>	<b>Salary History Date</b>	<b>Salary History Increase Type</b>	<b>Annual Amount</b>
Director of Policy	9/1/2015	Base Rate	136,269.12
	7/1/2016	Cost of Living	138,721.92
Senior Systems Architect	9/1/2015	Base Rate	113,299.92
Director of Operations	9/1/2015	Base Rate	136,917.84
	7/1/2016	Cost of Living	139,382.40
Eligibility Specialist	8/15/2016	New Hire	51,409.92
Access & Education Specialist	9/1/2015	Base Rate	64,890.00
	7/1/2016	Cost of Living	66,058.08
Enterprise Project Manager II	9/1/2015	Base Rate	97,849.92
	7/1/2016	Cost of Living	99,611.28
Digital Communications Specialist	9/1/2015	Base Rate	41,200.08
	7/1/2016	Cost of Living	41,941.68
Associate Director Finance	11/30/2015	New Hire	109,999.92
	7/1/2016	Cost of Living	111,979.92
Consumer Relations, Senior Manager	9/1/2015	Base Rate	92,700.00
	7/1/2016	Cost of Living	94,368.72
Senior Interface Specialist	9/1/2015	Base Rate	83,430.00
	7/1/2016	Cost of Living	84,931.68
Senior Business Process & Plan Manager	10/26/2015	New Hire	90,000.00
	7/1/2016	Cost of Living	91,620.00
Enterprise Project Manager II	7/11/2016	New Hire	79,999.92
Appeals Specialist	9/1/2015	Base Rate	54,589.92
	7/1/2016	Cost of Living	55,572.48
	9/1/2016	Promotion	67,705.92
<b>Total</b>			<b>18,917,020.65</b>

**Appendix B  
Exchange Salary and Compensation Policies**

**COMPENSATION/PAYROLL (Revised August 2016)**

**COMPENSATION POLICY**

The goal of WAHBE's Compensation Policy is to attract, motivate and retain the best and brightest employees with skills needed to achieve WAHBE's mission. This compensation program will strive to:

- Be competitive within relevant labor markets;
- Reward contribution and excellence using multiple recognition strategies;
- Maintain internal equity;
- Be fiscally responsible; and
- Facilitate career development.

**Compensation Committee**

The Compensation Committee, comprised of the CEO, CFO, Director of Legal Services and the Associate Director Human Resources, will develop compensation guidelines, and approve any exceptions to those guidelines to ensure organization-wide equity and consistency in the application of our compensation policies and practices.

**New Hire Offers – Placement on Salary Range**

An offer will typically be extended at or below 25<sup>th</sup> percentile of the salary range for candidates who meet the minimum qualifications for the positions. Those with additional experience, certifications, education or other qualifying criteria will be typically hired at or below the 75<sup>th</sup> percentile of the salary range. All such offers should be reviewed for internal equity. *Any offers in excess of the 75<sup>th</sup> percentile must be approved by the Leadership's Compensation Committee in advance of the offer being extended.*

**Determining Annual Merit/Cost of Living Adjustment (Cola) Increases**

The Annual Salary Increase process is an opportunity for managers to review employees' salaries in context to this philosophy, ensure increase dollars are allocated effectively to reward employee performance and contributions and to address compelling market issues.

Each year the Board approves the budget for annual merit and/or COLA increases (if any), expressed as a percentage of current compensation.

COLA increases are calculated as a percentage of current salary and concurrently increase the current salary range structure.

Merit Increases are determined by department directors and are expected to be consistent with the overall budgeted percentage increase. Human Resources staff are available to discuss options for meeting those objectives.

Employees meeting performance expectations and who satisfied the basic requirements of their role should be recognized appropriately. However, we encourage rewarding employees who have had the greatest impact and contribution, above and beyond established expectations of performance, and sought out new opportunities to contribute to the success of the department/organization at the highest levels.



## **Appendix B – Exchange Salary and Compensation Policies**

Merit increases should be consistent with the employee's latest performance appraisal and contribution to the organization. Employees whose overall performance rating was “Needs Improvement” will not receive a merit increase.

Factors to consider in determining individual merit increase amounts include the employee's:

- Type, complexity and level of work;
- Individual performance and effectiveness in working with others;
- Contribution to the organization;
- Salary in relation to peers performing similar work;
- Salary in relation to external market.

An employee's base salary should be equal to at least the minimum of the employee's salary range for their classification grade and should not exceed the salary range maximum.

### **Reclassifications**

Reclassification is a change from one job position/title and duties to another that typically results in an increase in pay. Reclassification usually occurs as a result of one of the following:

- A vacant position exists that a supervisor wants to change to a different position to better meet the needs of the department.
- An employee's job duties have changed to the extent that he/she is performing duties of a higher level position at least 50% of the time. (If this change is temporary, a temporary increase of 10% is awarded for the particular duration of the extra higher level duties, subject to Compensation Committee approval.)

### **Market Adjustments**

The Associate Director Human Resources will propose changes to job classifications and salary ranges based on published market survey data. Market adjustments are used to address compelling internal and/or external market and retention issues. Market adjustment requests must be brought before the Compensation Committee for review and are generally effective on the same date as the annual merit/COLA increase.

The Human Resources department, with the oversight of Compensation Committee, is solely responsible for conducting market analysis to identify prevailing rates in the labor markets within which the Exchange competes for talent by using publishing labor market data and salary surveys. Please contact Human Resources if you have any questions or concerns regarding internal or external market information.

### **Transfers**

When an employee is transferred to a new position within the same salary range, no salary increase is given.

When an employee is transferred to a new position with a higher salary range (promotion), the employee's salary is increased 10% or to the 25<sup>th</sup> percentile of the new range, whichever is higher.

When an employee is transferred to a new position with a lower salary range (voluntary or involuntary demotion), the employee's salary is reduced to the maximum of that salary range (if necessary) and “red-circled.”

### **Red-Circled**

Employees “red-circled” are being paid at the maximum of their salary range and are not eligible for further increases to their base salaries. If a COLA is approved, red-circled employees will be

## **Appendix B – Exchange Salary and Compensation Policies**

paid a COLA Lump Sum in the amount of the approved COLA percentage increase for staff on the first paycheck following the effective date of the COLA approval.

### **Executive Compensation**

All compensation (starting salaries or salary increases) for these Leadership positions require prior Board Approval by the Board Chair and the Chair of the Operations Committee: Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Director of Communications & Outreach, Director of Legal Services, Director of Operations and Director of Policy.

### **PAY DAYS**

The Exchange employees receive two paychecks each month: on the 15<sup>th</sup> for time worked the 1<sup>st</sup> through the 15<sup>th</sup>; and on the last day of each month for time worked the 16<sup>th</sup> through the end of the month. If a payday falls on a Saturday, Sunday, or holiday, you will be paid on the preceding business day. Please contact the Accounting Supervisor if you have any questions about your paycheck. (Temporary employees and Interns are paid in arrears for actual hours worked; hours worked 1<sup>st</sup> through 15<sup>th</sup> is paid on the end of the month payroll.)

### **WORK SCHEDULES AND HOURS**

The normal Exchange workday will consist of eight hours with an unpaid meal period. Workday hours will vary between departments and will be assigned by the department manager based on business needs.

Because of the nature of our business, it is important that employee hours are scheduled in a manner as to provide for efficient and uninterrupted service. And while the Exchange recognizes that the importance of providing employees with a stable work schedule, our ability to do so depends on our business needs and conditions. Consequently, we reserve the right to modify schedules and hours of all or any part of our work force. All requests for variations to your schedule should be submitted to your department manager.

This Handbook is not intended to be a guarantee of employment for a specified number of hours per day, week, or month. It may be the case that employee hours may be reduced if management believes it is necessary due to lack of work, interruptions in workflow, or other business reasons.

### **FLEXIBLE WORK SCHEDULES AND TELECOMMUTING (NEW December 2015)**

#### **Standard Business Hours**

Standard business hours at the Exchange are 8:00 a.m. to 5:00 p.m., Monday through Friday, except for specified legal holidays. Full-time employees will work those standard business hours of the Exchange unless an alternate work schedule is approved in writing by the supervisor.

Non-exempt employees will:

- Work no more than 40 hours in a work week without advance permission from their supervisor;
- Take up to 60 minutes (but no less than 30 minutes) unpaid meal break each day;
- Take a paid rest period of 15 minutes for each four hours of working time.

Those overtime, meal and rest break requirements do not apply to exempt employees.

## **Appendix B – Exchange Salary and Compensation Policies**

### **Flexible Work Schedules**

An employee may work a fixed work schedule outside of the Exchange's Standard Business Hours, with prior written approval by his or her supervisor. The starting time may be no earlier than 6:00 a.m., and the ending time no later than 6:00 p.m.

### **Telecommuting**

WAHBE recognizes that there may be circumstances when staff may wish to work from home. Serious consideration will be given to any such requests and a decision regarding the suitability of working at home will take into account all relevant circumstances. The supervisor must approve any telecommuting arrangement and complete a Telecommuting agreement. When completed, the supervisor will provide a copy to HR. The decision of the supervisor is final.

### **Eligibility for Telecommuting**

When determining if a position is eligible for telecommuting, the supervisor and Human Resources must jointly review the essential functions of the job.

- Not Eligible — Positions which require the employee's presence in the workplace will not be suitable for telecommuting arrangements.
- Limited — Other positions, may be restricted to occasional or infrequent telecommuting.
- Eligible — Suitable for short-term or intermittent telecommuting arrangements. Due to the collaborative, time sensitive, work environment of the Exchange, no position is eligible to telecommute on a full-time basis for an extended period of time (over 90 days) without a review of the telecommuting arrangement by the supervisor and HR.

### **Qualifying Conditions**

A telecommuting arrangement is subject to the following criteria:

- Prior agreement from the supervisor indicating approved day or dates, and work hours;
- The employee must have demonstrated competency in his or her position, not require direct supervision, and have a record of being reliable and self-directed.
- The absence from the office will not be detrimental to productivity of the employee's work unit or undermine customer service.
- A telecommuting agreement is signed by both the employee and the supervisor; which will include the employee's work schedule, effective dates of the agreement, and any other job related expectations.
- Employee has a contact telephone number and stable internet connection available during the designated work hours, provided and paid for by the employee.

## **Appendix B – Exchange Salary and Compensation Policies**

### **Working Arrangements**

- Employees authorized to telecommute may be issued a laptop and other related equipment.
- The employee is required to take reasonable care of all equipment, to keep it secure and to use it in accordance with operating instructions, and all IT Security policies. Equipment must NOT be left unattended in any vehicle at any time.
- Equipment should only be accessible to the employee and safeguarded from access by other members of the household and visitors.
- IT staff will have unrestricted access to all WAHBE equipment for audits, updates or other business needs.
- Telecommuting employees will be available by phone or email during work hours.
- The employee has an obligation to maintain a safe and secure work space at the remote location.
- Telecommuting is *not* designed to be a replacement for appropriate child care. Although an individual employee's schedule may be modified to accommodate child care needs, the focus of the arrangement must remain on job performance and meeting business demands. Prospective telecommuters are encouraged to discuss expectations of telecommuting with family members prior to entering into a trial period.

### **Injuries Sustained While Telecommuting**

Injuries sustained by the employee while at a remote work location and in conjunction with regular work duties are normally covered by the Exchange's workers' compensation policy. Telecommuting employees are responsible for notifying the supervisor of such injuries in accordance with Exchange's Safety Policy. The employee is liable for any injuries sustained by visitors to his or her worksite.

### **Revocation of Telecommuting**

The availability of telecommuting as a flexible work arrangement may be discontinued at any time at the discretion of the supervisor. The Exchange reserves the right to withdraw their approval for telecommuting if it is determined that:

- The employee's performance is not meeting expectations;
- The employee is not available to the supervisor, co-workers or customers during the agreed upon scheduled hours;
- The business requirements of the work unit no longer allow for telecommuting or any other reasonable needs of the employer to carry out its business.

### **LUNCH (MEAL PERIOD) AND REST PERIODS**

The granting and entitlement to scheduled lunch and rest periods for non-exempt employees is required and protected under state and federal labor laws. To ensure compliance with these laws, non-exempt employees are expected to follow these guidelines or be subject to disciplinary action, up to and including termination. (While exempt employees are expected to take meal and rest breaks, they are not subject to state or federal regulatory oversight.)

#### **Lunch (Meal Period)**

Employees are entitled to unpaid meal periods of not less than 30 minutes, if they work shifts of six hours or more. Non-exempt employees must record the length of their meal period each day. Employees only working five-hour shifts are not required to take a meal period.

## **Appendix B – Exchange Salary and Compensation Policies**

### **Rest Periods**

Rest Periods are considered time worked and should adhere to the following guidelines:

- Employees are required to take a rest period of 15 minutes (paid time) for every segment of four hours-worked.
- Rest breaks generally can be taken on an informal basis throughout the day, although they may at times need to be scheduled due to the nature of the job.

### **REPORTING HOURS WORKED**

The workweek is defined as 12:01 a.m. Sunday to 12:00 p.m. Saturday. Not reporting time worked or the falsifying of any time record is prohibited and may be grounds for disciplinary action, up to and including immediate termination.

### **Non-Exempt Reporting**

Non-exempt employees are expected to report to the Accounting Supervisor hours worked for each semi-monthly pay period using the most current Finance time and attendance form. This reporting is required to satisfy state and federal laws, as well as to compute payroll information. Rest periods are considered time worked and should not be recorded.

Non-exempt employee wages will be based upon hours worked. Failure to report all hours worked may result in reduced pay for that pay period. Work time does not include meal periods. Any time not worked should be reported. Scheduled hours must be accounted for on the time and attendance form, with absences identified as either PTO, LWOP, Jury Duty, or Bereavement. All absences must match leave requested through the Employee Self Service leave system.

### **Exempt Reporting**

Exempt employees are expected to request PTO, LWOP, Jury Duty, or Bereavement leave through the Employee Self Service leave system.

The Exchange has established a Time Certification process in support of federal regulation policies that require all staff working 100% of their time on a specific federal grant to “certify” their time. Exchange staff complete a Time Certification form, obtain supervisor/manager approval, and submit to the Controller on a quarterly bases.

### **OVERTIME PAY**

Non-exempt employees are compensated for overtime in accordance with Federal and State regulations and are paid at the rate of one and one-half times their normal hourly rate of pay for any hours worked more than forty (40) hours in a workweek.

Non-exempt employees are required to seek pre-approval of all overtime hours. Employees are encouraged to review their timesheet periodically during the week and to let their manager know if they may incur overtime. Pay for holidays, vacations, and other time not worked will not count as “hours worked” for computing overtime.

Employee attendance at lectures, meetings, and internal training programs will be considered hours of work if management requires such attendance. *Voluntary* attendance at any training paid for by the Exchange is not paid time if taken outside of regular work hours.

We do not track hours for exempt employees, per the Fair Labor Standards Act (FLSA) they are paid for work performed. As an exempt employee, you may be expected to work more than your scheduled hours to fulfill your responsibilities. This includes working different hours or days than scheduled or working additional hours. Exempt employees are not eligible for overtime pay or compensatory time off.

## **Appendix B – Exchange Salary and Compensation Policies**

### **CORRECTIONS TO PAY CHECK**

If you have questions, or feel your paycheck is not accurate, promptly notify the Accounting Supervisor. By bringing corrections in payment of your wages to our attention as soon as possible, you will help us make sure you are promptly paid for all the work you perform.

### **DIRECT DEPOSIT**

Employees are required to have payroll directly deposited to a financial institution. The first payroll after hire and the first payroll after a change of bank account will be by check while the bank information is verified. You may select multiple accounts of any combination of checking and savings accounts.

### **EMPLOYEE SELF SERVICE SYSTEM**

We use the Employee Self Service system to enable employees to manage their personal information, payroll preferences and leave requests. You may change addresses and other contact information, emergency notification information, tax withholding allowances, and bank accounts, among others. You may monitor your PTO accruals, rate of pay, and print out your earnings statements through this system.

### **PAYROLL DEDUCTIONS**

On each payday, your earnings statement showing gross pay, deductions, and net pay will be available to you electronically on Employee Self Service. Local, State, Federal, Social Security and Medicare taxes will be deducted automatically. No other deductions will be made unless required or allowed by law, contract, or your written authorization. You may elect to have additional voluntary deductions taken from your pay only if you authorize the deductions in writing or electronically.

It is your responsibility to review this data for accuracy and to report errors to the Accounting Supervisor as soon as practical. The Exchange reserves the right to retro-actively correct errors upon discovery.

At the end of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form. This statement summarizes your income and deductions for the year. If you have any questions regarding these deductions, please contact the Accounting Supervisor.

### **GARNISHMENTS AND LEVIES**

As provided by state and federal law, the Exchange is required to make deductions from your salary should a wage garnishment or levy be ordered against you by a court or governmental agency.

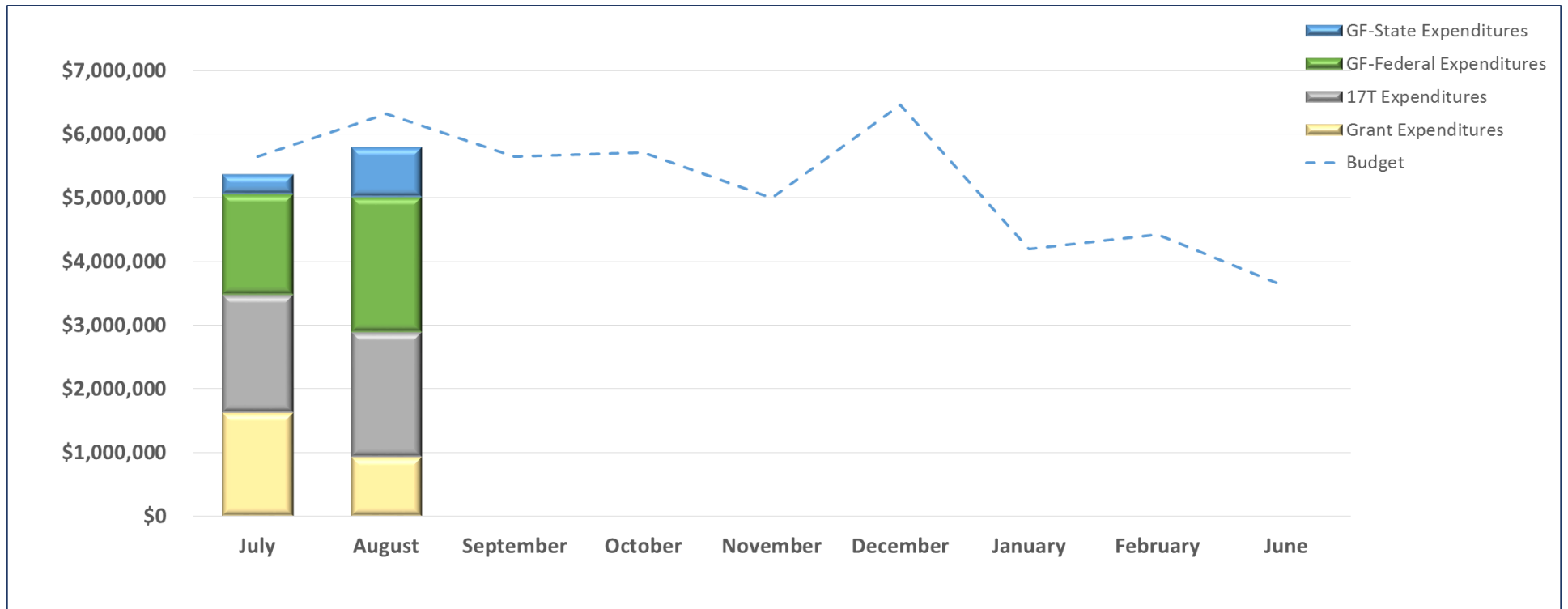
Please notify Human Resources if you become aware of a pending garnishment. No employee will be terminated because of the fact that his/her earnings have been subject to garnishments or levies for indebtedness.

**Appendix C – September Monthly Financial Report**

**Appendix C  
SEPTEMBER MONTHLY FINANCIAL REPORT**

All Departments	July	August	September	October	November	December	January	February	June	FYTD 2017	FY 2017
<b>Budgeted</b>	<b>\$5,647,817</b>	<b>\$6,322,617</b>	<b>\$5,648,299</b>	<b>\$5,707,761</b>	<b>\$4,999,290</b>	<b>\$6,454,158</b>	<b>\$4,196,989</b>	<b>\$4,427,152</b>	<b>\$3,603,635</b>	<b>\$11,970,433</b>	<b>\$60,155,935</b>
GF State	\$364,540	\$394,505	\$432,147	\$462,790	\$531,303	\$537,846	\$352,020	\$333,146	\$295,614	\$759,045	\$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	\$1,142,997	\$2,807,767	\$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	\$2,165,024	\$5,232,149	\$30,295,547
Grants	\$1,295,268	\$1,876,204	\$1,172,723	\$1,222,723	\$416,223	\$931,240	\$0	\$0	\$0	\$3,171,472	\$6,914,382
<b>Expenditures</b>	<b>\$5,376,974</b>	<b>\$5,797,746</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,174,721</b>	<b>\$11,174,721</b>
GF State	\$309,692	\$778,275	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,087,967	\$1,087,967
GF-Federal	\$1,591,585	\$2,118,683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,710,268	\$3,710,268
17T	\$1,845,022	\$1,967,598	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,812,619	\$3,812,619
Grants	\$1,630,676	\$933,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,563,866	\$2,563,866
<b>Variance</b>	<b>\$270,842</b>	<b>\$524,870</b>	<b>\$5,648,299</b>	<b>\$5,707,761</b>	<b>\$4,999,290</b>	<b>\$6,454,158</b>	<b>\$4,196,989</b>	<b>\$4,427,152</b>	<b>\$3,603,635</b>	<b>\$795,713</b>	<b>\$48,981,215</b>
GF State	\$54,849	(\$383,771)	\$432,147	\$462,790	\$531,303	\$537,846	\$352,020	\$333,146	\$295,614	(\$328,922)	\$3,697,953
GF-Federal	(\$383,930)	(\$518,570)	\$1,553,954	\$1,605,332	\$1,610,518	\$2,197,445	\$1,353,560	\$1,456,823	\$1,142,997	(\$902,501)	\$14,449,818
17T	\$935,332	\$484,198	\$2,489,475	\$2,416,916	\$2,441,245	\$2,787,628	\$2,491,408	\$2,637,182	\$2,165,024	\$1,419,530	\$26,482,928
Grants	(\$335,408)	\$943,013	\$1,172,723	\$1,222,723	\$416,223	\$931,240	\$0	\$0	\$0	\$607,605	\$4,350,515

## Appendix C – September Monthly Financial Report

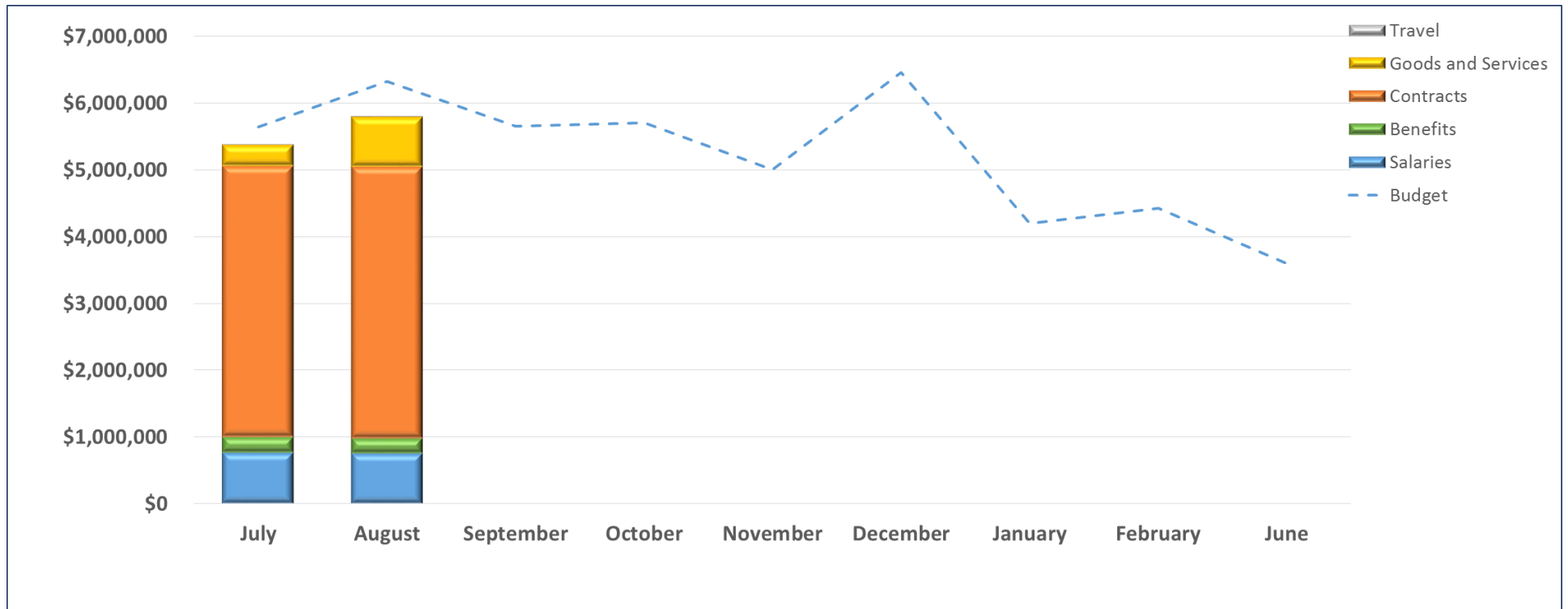




**Appendix C – September Monthly Financial Report**

All Departments	July	August	September	October	November	December	January	February	June	FYTD 2017	FY 2017
<b>Budgeted</b>	<b>\$5,647,817</b>	<b>\$6,322,617</b>	<b>\$5,648,299</b>	<b>\$5,707,761</b>	<b>\$4,999,290</b>	<b>\$6,454,158</b>	<b>\$4,196,989</b>	<b>\$4,427,152</b>	<b>\$3,603,635</b>	<b>\$11,970,433</b>	<b>\$60,155,935</b>
Salaries	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,977	\$1,711,922	\$10,271,548
Benefits	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,734	\$545,436	\$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	\$2,077,030	\$8,760,896	\$39,891,641
Goods & Services	\$388,754	\$534,669	\$694,534	\$418,506	\$463,343	\$524,380	\$395,073	\$378,506	\$383,512	\$923,423	\$6,547,574
Travel	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,382	\$28,756	\$172,540
<b>Expenditures</b>	<b>\$5,376,974</b>	<b>\$5,797,746</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,174,721</b>	<b>\$11,174,721</b>
Salaries	\$761,914	\$745,794	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,507,708	\$1,507,708
Benefits	\$241,130	\$236,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$478,010	\$478,010
Contracts	\$4,054,383	\$4,066,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,121,057	\$8,121,057
Goods & Services	\$313,455	\$738,594	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,052,049	\$1,052,049
Travel	\$6,092	\$9,805	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,898	\$15,898
<b>Variance</b>	<b>\$270,842</b>	<b>\$524,870</b>	<b>\$5,648,299</b>	<b>\$5,707,761</b>	<b>\$4,999,290</b>	<b>\$6,454,158</b>	<b>\$4,196,989</b>	<b>\$4,427,152</b>	<b>\$3,603,635</b>	<b>\$795,713</b>	<b>\$48,981,215</b>
Salaries	\$94,047	\$110,167	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,961	\$855,977	\$204,214	\$8,763,840
Benefits	\$31,588	\$35,838	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,718	\$272,734	\$67,426	\$2,794,622
Contracts	\$61,622	\$578,217	\$3,810,708	\$4,146,199	\$3,392,889	\$4,786,721	\$2,658,858	\$2,905,589	\$2,077,030	\$639,839	\$31,770,584
Goods & Services	\$75,299	(\$203,924)	\$694,534	\$418,506	\$463,343	\$524,380	\$395,073	\$378,506	\$383,512	-\$128,625	\$5,495,526
Travel	\$8,286	\$4,573	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,378	\$14,382	\$12,858	\$156,642

## Appendix C – September Monthly Financial Report



**Appendix D  
Exchange Contracts**

	<b>Contract Number</b>	<b>Vendor Name</b>	<b>Contract Manager</b>	<b>Contract Type</b>	<b>Start</b>	<b>Current Term End</b>	<b>Description</b>	<b>Initial Value</b>	<b>Current Contract Max \$</b>	<b>No. of Amend.</b>
1	HBE-001	Health Care Authority	Pam MacEwan	Inter-Agency Agreement	1/12/2015	12/31/2015	Imaging Services Agreement	N/A	N/A	7
2	HBE-003	Clark Nuber	Carole Holland	Contract	4/20/2012	12/31/2016	CPA firm - Financial Management and Accounting Services	\$278,000.00	\$989,900.00	30
3	HBE-008	CITRIX	Vincent Barrailler	Master Level Agreement	5/4/2015	Auto	Teleconferencing/Webinar Services	N/A	N/A	13
4	HBE-011	Application Software, Inc.	Brian Peyton	Service Level Agreement	7/1/2015	Auto	Flexible health care spending accounts for staff	N/A	N/A	9
5	HBE-027	Deloitte	Vincent Barrailler	Contract	4/19/2012	12/31/2016	Healthplanfinder Integration Contractor	\$63,079,517.00	\$171,383,486.05	1
6	HBE-028	Faneuil	Carole Holland	Contract	2/23/2013	12/31/2016	Call Center Operations	\$11,684,606.00	\$75,000,000.00	4
7	HBE-029	ADP Inc.	Brian Peyton	Service Level Agreement	7/1/2015	Auto	License for Payroll and Hiring Application	N/A	N/A	3
8	HBE-030	Alliance 2020	Brian Peyton	Service Level Agreement	11/5/2015	Auto	Employment screening and reporting services	N/A	N/A	4
9	HBE-039	GMMB	Michael Marchand	Contract	3/12/2013	6/30/2017	Marketing and Outreach Firm	\$7,867,851.00	\$16,562,077.00	7
10	HBE-042	Oracle	Vincent Barrailler	Master Level Agreement	5/30/2012	5/31/2016	Software for various HPF and HBE applications	\$826,301.00	\$1,221,253.27	2
11	HBE-043	Rich Wyde	Brian Peyton	Contract	9/24/2012	12/31/2016	Legal Assistance	\$180,000.00	\$180,000.00	3
12	HBE-048	KP LLC	Beth Walter	Contract	4/12/2013	12/31/2016	Printing Services	\$4,000,000.00	\$10,000,000.00	7
13	HBE-049	CMS (BlueCrane)	Vincent Barrailler	Inter-Agency Agreement	6/19/2013	Auto	Security agreement for access to CMS data services hub	N/A	N/A	1
14	HBE-050	Outsolve LLC	Brian Peyton	Contract	1/10/2013	12/31/2016	Affirmative Action Consultation	\$1,900.00	\$6,604.00	3
15	HBE-054	Consolidated Technology Services	Brian Peyton	Inter-Agency Agreement	2/1/2013	Auto	Optional use - IT Services	N/A	N/A	2

**Appendix D – Exchange Contracts**

	<b>Contract Number</b>	<b>Vendor Name</b>	<b>Contract Manager</b>	<b>Contract Type</b>	<b>Start</b>	<b>Current Term End</b>	<b>Description</b>	<b>Initial Value</b>	<b>Current Contract Max \$</b>	<b>No. of Amend.</b>
16	HBE-055	Office of Insurance Commissioner	Brian Peyton	Inter-Agency Agreement	6/1/2013	Auto	Service Memorandum of Understanding	N/A	N/A	3
17	HBE-056	Custom Security Systems (ACI)	Carole Holland	Service Level Agreement	2/7/2013	Auto	Security System Monitoring	N/A	N/A	12
18	HBE-057	DSHS Datashare ACES Access	Vincent Barrailler	Inter-Agency Agreement	12/18/2015	Auto	Medicaid eligibility implementation and processes agreement	N/A	N/A	1
19	HBE-062	KeyBank	Carole Holland	Service Level Agreement	6/1/2013	Auto	Master Agreements, KeyPay, Positive Pay, SLA	N/A	N/A	2
20	HBE-063	Microsoft	Vincent Barrailler	Master Level Agreement	4/10/2008	Auto	Product Purchase Agreement	N/A	N/A	0
21	HBE-066	WA State D.E.S.	Pam MacEwan	Inter-Agency Agreement	1/1/2013	Auto	State Contract Usage Agreement	N/A	N/A	0
22	HBE-067	Comcast	Vincent Barrailler	Service Level Agreement	4/18/2013	4/18/2018	Communication services (Internet)	N/A	N/A	1
23	HBE-068	Milliman	Carole Holland	Contract	8/22/2013	12/31/2016	General actuarial and quantitative and or/qualitative analysis services	\$530,000.00	\$1,062,364.00	4
24	HBE-071	First Choice Health Assistance	Brian Peyton	Service Level Agreement	7/1/2013	Auto	EAP, MAP or PAP Services	N/A	N/A	1
25	HBE-072	Moss Adams	Carole Holland	Contract	6/15/2013	8/31/2016	External CPA auditor	\$400,000.00	\$400,000.00	3
26	HBE-085	J.D. Flanagan	Carole Holland	Contract	6/26/2012	12/31/2016	Contract Administration Services	\$250,000.00	\$350,000.00	0
27	HBE-086	Milestone	Vincent Barrailler	Contract	2/20/2013	12/31/2016	IT Services	\$2,200,000.00	\$2,200,000.00	2
28	HBE-088	Sumbridge	Brian Peyton	Service Level Agreement	6/10/2013	Auto	Clerical, financial staffing agency	N/A	N/A	2
29	HBE-092	Professional Temp Staffing Agency	Brian Peyton	Service Level Agreement	7/2/2013	N/A	Human resources/clerical staffing	N/A	N/A	2
30	HBE-093	Aramark	Carole Holland	Service Level Agreement	2/25/2013	N/A	Carpet cleaning service	N/A	N/A	2

**Appendix D – Exchange Contracts**

	<b>Contract Number</b>	<b>Vendor Name</b>	<b>Contract Manager</b>	<b>Contract Type</b>	<b>Start</b>	<b>Current Term End</b>	<b>Description</b>	<b>Initial Value</b>	<b>Current Contract Max \$</b>	<b>No. of Amend.</b>
31	HBE-098	Mary Benckert Reis, LLC	Carole Holland	Contract	7/25/2013	11/15/2016	Abila expert and financial consultant	\$145,000.00	\$592,444.83	2
32	HBE-098	Premier Global Services (PGI)	Vincent Barrailler	Service Level Agreement	6/12/2013	9/8/2017	Teleconferencing/Webinar Lines	N/A	N/A	2
33	HBE-100	ABS Copier Lease	Carole Holland	Service Level Agreement	11/13/2012	5/1/2017	Copier Lease	N/A	N/A	1
34	HBE-101	Hasler Portable Meter	Carole Holland	Service Level Agreement	11/18/2015	11/18/2018	Postage meter rental	N/A	N/A	2
35	HBE-108	KJS Company LLC	Carole Holland	Contract	10/10/2012	6/10/2018	810 Jefferson Street lease	\$536,883.00	\$2,719,812.60	2
36	HBE-116	Akamai	Vincent Barrailler	Service Level Agreement	8/22/2013	Auto	Solution to address evolving complexities of application acceleration in the cloud.	\$91,500.00	\$91,500.00	2
37	HBE-117	Abila (Sage)	Carole Holland	Service Level Agreement	5/15/2012	Auto	Financial System	N/A	N/A	2
38	HBE-118	CMS Document Files	Pam MacEwan	Inter-Agency Agreement	6/19/2013	Auto	Agreement to connect to CMS data services	N/A	N/A	2
39	HBE-119	Gail Maurer	Brian Peyton	Contract	10/18/2013	12/31/2016	Presiding officer services	\$50,000.00	\$50,000.00	0
40	HBE-121	Lauren Erickson	Brian Peyton	Contract	10/25/2013	12/31/2016	Presiding officer services	\$50,000.00	\$50,000.00	6
41	HBE-122	Kelly Reese Harmon	Brian Peyton	Contract	11/13/2013	12/31/2016	Presiding officer services	\$50,000.00	\$20,000.00	2
42	HBE-132	HBE Trading Partner Agreements	Molly Voris	Inter-Agency Agreement	Various	Auto	Trading partner agreements	N/A	N/A	0
43	HBE-136	Dakota Data Works	Vincent Barrailler	Service Level Agreement	11/14/2013	Auto	IT consulting	\$600.00	\$600.00	0
44	HBE-137	Legal Track/Vertical Solutions	Brian Peyton	Service Level Agreement	8/28/2013	Auto	Access to database for legal research	N/A	N/A	0
45	HBE-139	RICOH	Carole Holland	Master Level Agreement	11/19/2013	Auto	Lockbox and Imaging Services	N/A	N/A	N/A
46	HBE-140	DocuSign	Vincent Barrailler	Service Level Agreement	1/1/2014	1/1/2017	Digital signature software license	N/A	N/A	N/A

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47	HBE-156	Immersion Consulting	Vincent Barrailler	Master Level Agreement	4/18/2014	Auto	SharePoint services, consulting and software license	\$1,713.00	\$168,000.00	N/A
48	HBE-159	CenturyLink	Vincent Barrailler	Service Level Agreement	10/29/2013	10/28/2018	VPN, IP addresses, etc.	N/A	N/A	N/A
49	HBE-163	Altriva LLC	Vincent Barrailler	Contract	8/7/2014	12/31/2016	Customer Relations Management (CRM) tool development and support	\$19,800.00	\$130,965.00	N/A
50	HBE-164	GBS (SHOP)	Michael Marchand	Service Level Agreement	7/29/2014	12/31/2016	SHOP online software for generating insurance quotes	\$149,999.00	\$185,625.00	N/A
51	HBE-165	Optuminsight, Inc.	Vincent Barrailler	Service Level Agreement	6/25/2014	Auto	IT testing services	N/A	N/A	N/A
52	HBE-168	Iron Mountain	Carole Holland	Service Level Agreement	9/26/2014	Auto	Record/document storage	N/A	N/A	N/A
53	HBE-169	Coolsoft	Vincent Barrailler	Contract	9/21/2015	12/31/2016	Optional use contract for technical staffing	\$4,000,000.00	\$4,000,000.00	N/A
54	HBE-170	Ciber	Vincent Barrailler	Contract	2/1/2015	12/31/2016	Optional use contract for technical staffing	\$4,000,000.00	\$4,000,000.00	N/A
55	HBE-171	TEKSystems	Vincent Barrailler	Contract	1/1/2015	12/31/2016	Optional use contract for technical staffing	\$4,000,000.00	\$4,000,000.00	N/A
56	HBE-172	PCG	Vincent Barrailler	Contract	1/7/2015	12/31/2016	Optional use contract for technical staffing	\$4,000,000.00	\$4,000,000.00	N/A
57	HBE-173	Cognizant	Vincent Barrailler	Contract	1/1/2015	12/31/2016	HPF architecture and CheckMarx Report validation	\$4,000,000.00	\$4,000,000.00	N/A
58	HBE-174	Agility Recovery Solutions Inc.	Carole Holland	Service Level Agreement	12/11/2014	Auto	Disaster recovery assistance	N/A	N/A	N/A
59	HBE-179	Edifecs	Vincent Barrailler	Master Level Agreement	3/17/2015	3/16/2017	Edifecs System Installation and Support Services	\$708,446.00	\$758,563.00	N/A
60	HBE-180	ISG (IRM Services Group LLC)	Pam MacEwan	Contract	3/1/2013	12/31/2016	Consulting services to Project Management Office	\$589,000.00	\$589,000.00	N/A
61	HBE-186	Green Clean Systems	Carole Holland	Service Level Agreement	6/27/2013	6/27/2016	Cleaning service	\$33,600.00	\$33,600.00	N/A

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62	HBE-187	Wakely	Carole Holland	Contract	5/20/2015	6/30/2017	Actuary - Enrollment projections services.	\$110,000.00	\$220,000.00	N/A
63	HBE-188	Unisys (WSCA Master Agreement)	Vincent Barrailler	Master Level Agreement	7/5/2015	7/31/2017	iCloud Services via WSCA agreement	N/A	N/A	N/A
64	HBE-191	Guidance Corp.	Brian Peyton	Service Level Agreement	6/13/2014	Auto	Human resources/clerical staffing	N/A	N/A	N/A
65	HBE-192	Kelly Services	Brian Peyton	Service Level Agreement	12/3/2014	Auto	Human resources/clerical staffing	N/A	N/A	N/A
66	HBE-193	Matrix Finance and Accounting	Brian Peyton	Service Level Agreement	10/21/2014	Auto	Human resources/clerical staffing	N/A	N/A	N/A
67	HBE-194	Smart Talent	Brian Peyton	Service Level Agreement	9/3/2014	Auto	Human resources/clerical staffing	N/A	N/A	N/A
68	HBE-196	Office Team of Robert Half	Brian Peyton	Service Level Agreement	12/15/2014	Auto	Human resources/clerical staffing	N/A	N/A	N/A
69	HBE-197	Sitecrafting	Michael Marchand	Contract	7/6/2015	6/30/2017	Corporate website development	\$85,350.00	\$114,200.00	N/A
70	HBE-198	Portland Webworks Inc.	Michael Marchand	Contract	10/16/2015	12/31/2017	Web content management system (CMS)	\$332,000.00	\$339,200.00	N/A
71	HBE-201	Better Health Together	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$309,870.00	\$512,170.00	N/A
72	HBE-202	Choice Regional	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$327,140.00	\$448,520.00	N/A
73	HBE-203	Kitsap Public Health District	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$143,755.00	\$224,675.00	N/A
74	HBE-204	Korean Womens Association	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$66,599.00	\$117,174.00	N/A
75	HBE-205	Public Health Seattle & King County	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$722,067.00	\$1,227,817.00	N/A
76	HBE-206	SeaMar Community Health Centers	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services - Awarded Tacoma area per RFQQ 16-003	\$338,005.00	\$681,915.00	N/A
77	HBE-207	Tacoma Pierce County Health Department	Michael Marchand	Contract	10/1/2015	9/30/2016	Navigator Services - Not extending	\$303,799.00	\$303,799.00	N/A

**Appendix D – Exchange Contracts**

	<b>Contract Number</b>	<b>Vendor Name</b>	<b>Contract Manager</b>	<b>Contract Type</b>	<b>Start</b>	<b>Current Term End</b>	<b>Description</b>	<b>Initial Value</b>	<b>Current Contract Max \$</b>	<b>No. of Amend.</b>
78	HBE-208	WHATCOM Alliance for Healthcare Access	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$452,656.00	\$624,611.00	N/A
79	HBE-209	Yakima Neighborhood Health Services	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$199,700.00	\$331,195.00	N/A
80	HBE-211	Tri-Cities Community Health	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$170,700.00	\$314,333.00	N/A
81	HBE-212	Wenatchee Valley Hospital	Michael Marchand	Contract	10/1/2015	6/30/2017	Navigator Services	\$165,620.00	\$276,885.00	N/A
82	HBE-213	KJS Company LLC	Carole Holland	Service Level Agreement	1/1/2016	6/1/2018	8th Avenue parking lot lease	\$37,120.00	\$37,120.00	N/A
83	HBE-214	Oracle	Vincent Barrailler	Master Level Agreement	1/21/2016	1/20/2017	Oracle Linux Licenses	N/A	N/A	N/A
84	HBE-215	AIHC	Molly Voris	Contract	4/22/2016	5/31/2016	Tribal Outreach Services	\$10,000.00	\$10,000.00	N/A
85	HBE-216	CHPD/NASHP	Pam MacEwan	Contract	3/1/2016	2/28/2017	Professional Organization - Center for Health Policy Development dba. National Academy for State Health Policy	\$22,323.00	\$22,323.00	N/A
86	HBE-217	Resource Group	Carole Holland	Contract	3/11/2016	12/31/2017	Financial System - Replacing Abila	\$316,812.00	\$370,694.00	N/A
87	HBE-218	eHealth - SAAS	Vincent Barrailler	Contract	4/1/2016	3/31/2017	Management of HPF provider file directory	\$1,200,000.00	\$1,200,000.00	N/A
88	HBE-219	Oracle	Vincent Barrailler	Master Level Agreement	3/30/2016	3/29/2021	Technical Support Services Agreement	N/A	N/A	N/A
89	HBE-220	BerryDunn	Carole Holland	Contract	5/1/2016	6/30/2017	Financial and Programmatic Audit Services	\$179,000.00	\$179,000.00	N/A
90	HBE-221	Anitian	Vincent Barrailler	Service Level Agreement	4/29/2016	6/30/2017	Independent IT Risk Assessment	\$44,500.00	\$44,500.00	N/A
91	HBE-222	Chad Smith	Brian Peyton	Service Level Agreement	8/9/2012	6/30/2018	Trademark Legal Advisor	\$15,000.00	\$15,000.00	N/A
92	HBE-223	DES - Leased Facilities	Carole Holland	Inter-Agency Agreement	5/1/2016	6/30/2016	Lease Renewal Consultation	\$1,400.00	\$1,404.00	N/A



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93	HBE-224	BerryDunn	Carole Holland	Contract	7/1/2016	6/30/2017	Advanced Planning Document Consultation and Assistance	\$16,100.00	\$50,000.00	N/A
94	HBE-225	AIHC	Molly Voris	Contract	Pending	6/30/2017	Tribal Outreach Services	\$3,000.00	\$3,000.00	N/A
95	HBE-226	Zendesk	Vincent Barrailler	Service Level Agreement	7/26/2016	7/25/2017	Legacy Enterprise Subscription Plan	\$166,320.00	\$166,320.00	N/A

**Appendix E  
September Quarterly Update - PMPM Report**

**STATUTORY REQUIREMENT**

Second Engrossed Senate Bill 6089, Chapter 33, Laws of 2015 requires that:

*(8) By January 1, 2016, the exchange must develop metrics, with actuarial support and input from the health care authority, office of insurance commissioner, office of financial management, and other relevant agencies, that capture current spending levels that include a per member per month metric; establish five-year benchmarks for spending reductions; monitor ongoing progress toward achieving those benchmarks; and post progress to date toward achieving the established benchmark on the exchange public corporate web site. Quarterly updates must be provided to relevant legislative committees and the board.*

*(9) For biennia following 2015-2017, the exchange must include additional detail capturing the annual cost of operating the exchange, per qualified health plan enrollee and apple health enrollee per month, as calculated by dividing funds allocated for the exchange over the 2015-2017 biennium by the number of enrollees in both qualified health plans and apple health during the year. The data must be tracked and reported to the legislature and the board on an annual basis.*

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 quarterly update provides a calculation of "per member per month" (PMPM) expenditures that reflects the organization's total costs divided by total enrollment along with PMPM calculations for Medicaid enrollees and QHP enrollees. Table 1 reflects the original budget information and enrollment projection. Table 2 represents the enacted supplemental budget and June 2016 enrollment information. Table 3 represents updated caseloads for QHP enrollees as of August 2016. As a result of revising the Exchange's Chart of Accounts, this report now identifies the breakout by Medicaid and QHP populations. While the costs are lower for QHP, the distribution by enrollment causes the per member per month to be higher.

The QHP budget as the proportional share of the total drops from SFY 16 to SFY 17 because of the revised Medicaid cost allocation methodology anticipated to begin October 1, 2016 (the start of Federal Fiscal Year 2017). The new cost allocation correctly delineates between shared costs and QHP only costs. This change will result in a significant decrease in QHP per member per month costs if approved by the Centers for Medicare and Medicaid Services.

**TABLE 1: INITIAL CALCULATION OF PMPM**

	State Fiscal Year 2016	State Fiscal Year 2017*
Total Budget	\$56,882,000	\$53,132,000
QHP Budget	\$27,417,124	\$10,417,916
Average Monthly QHP Enrollment	145,207	153,616
Average Monthly Medicaid Enrollment	1,560,842	1,705,100
QHP PMPM	\$15.73	\$5.65
WAH PMPM	\$1.57	\$2.09
Combined PMPM	\$2.78	\$2.52

\*Uses June 2015 Caseload Forecast Council Forecast

**TABLE 2: REVISED PMPM ESTIMATE – JUNE 2016**

	State Fiscal Year 2016	State Fiscal Year 2017*
Total Budget	\$56,882,000	\$54,299,000
QHP Budget	\$27,417,124	\$10,417,916
Average Monthly QHP Enrollment	155,618	157,566
Average Monthly Medicaid Enrollment	1,571,095	1,771,291
QHP PMPM	\$14.68	\$5.51
WAH PMPM	\$1.56	\$2.06
Combined PMPM	\$2.75	\$2.35

\*Uses June 2016 Caseload Forecast Council forecast and May Wakely Forecast

**TABLE 3: REVISED PMPM ESTIMATE – SEPTEMBER 2016**

	State Fiscal Year 2016	State Fiscal Year 2017*
Total Budget	\$56,882,000	\$54,299,000
QHP Budget	\$27,417,124	\$10,417,916
Average Monthly QHP Enrollment	157,782	165,022
Average Monthly Medicaid Enrollment	1,571,095	1,771,291
QHP PMPM	\$14.48	\$5.26
WAH PMPM	\$1.56	\$2.06
Combined PMPM	\$2.74	\$2.34

\*Uses August 2016 QHP enrollment and June 2016 Caseload Forecast Council Medicaid forecast