



Washington Health Benefit Exchange

Exchange Budget Update

Exchange Board Meeting
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Washington Health Benefit Exchange Governor's Budget by Funding Source SFY2016/2017 Biennium

Funding Proposal (\$Millions)	Total Budget	Premium Tax	Carrier Assessment	Medicaid Share
Board Approved Budget	\$147	\$53.9	\$29.6	\$53.1
Governor's Book 2 Proposal	\$127	\$56.8	\$29.6	\$40.7(A)

Notes:

(A) This includes \$60.9M of initial funding and a reduction of \$20.2M for the Governor's Eligibility proposal to move Medicaid-related eligibility work to DSHS. WAHBE management is reviewing this study and its potential impact to the organization.

WAHBE estimates that approximately \$10M from the Level 2 and Level 1B no-cost extensions may be used for operations in the beginning of SFY 2016.



Governor's Budget Impact

The Governor's budget continues to support Exchange operations by providing the following:

- \$86 million: Full funding of projected revenue from issuer premium tax and assessment collections
- \$40.7 million: State and federal Medicaid funding through a cost allocation for services HBE provides to Medicaid consumers
 - - \$20 million: Medicaid reimbursement is lower. \$20 million goes to DSHS to fund Medicaid eligibility and enrollment through CSOs based on OFM Eligibility Study findings



Updated Revenue Forecast

Exchange has updated revenue projections:

- Based on 2014 experience, revenue from 2014 premium tax is \$10.8 million (vs. earlier projection of \$11.6 million)
- Based on Milliman projections that decreased enrollment for 2015, revenue is generated on 213,000 enrollment (vs. earlier projection of 233,000)
 - New 2015 premium tax projection: \$16.6 million (vs. earlier projection of \$20 million)
 - New 2015 carrier assessment projection: \$9.5 million (vs. earlier projection of \$11.4 million)
- \$10 million in grant funds can be carried over through Dec. 2015 to assist with operations



Appendix



Operations Costs Paid by Federal Grant No-Cost Extensions: SFY2016/2017 Biennium

\$10M in federal grant funding requests recently approved may support operating costs in first half of SFY 2016 (July 1 – December 31, 2015) as follows:

- Call Center - \$2.8M
 - July and August 2015 to support call center cost related to ongoing special enrollments and clean up from OE2.
- Printing and Postage - \$2M
 - July through December to pay for printing and postage expenditures related to the 2015 plan year.
 - Any expenditures related to OE3 are not allowable under the WAHBE grants.
- Bank Fees - \$2M
 - July through December to pay for bank fee expenditures related to the 2015 plan year.
- IPA - \$700K
 - July and August 2015 to support IPA costs related to ongoing special enrollment and clean up from OE2.
- Misc. Expenses - \$2M
 - July through December to pay for appeals, client account reconciliation and issue resolution, and various other expenditures related to the 2015 plan year.



SFY 2016-2017 HBE Budget Overview (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
System Enhancements			<u>\$45,968</u>
- Healthplanfinder	\$36,995	Deloitte	
- Eligibility Services	2,718	DSHS/ESA	
- Other O&M License Fees	6,255	Various	
Call Center and Other Operational Services			<u>\$41,255</u>
- Customer Service Center	\$30,624	Faneuil	
- Print Services	8,442	KP Corp	
- Other Operational & Consulting Services	2,189	Various	
Marketing, Outreach and IPAs		Various	<u>\$12,686</u>
SHOP Services		Various	<u>\$459</u>
Financial, Policy, Exec and Legal Consulting			<u>\$3,904</u>
- Auditing/Accounting Services/Other	\$3,014	Various	
- Executive and Policy Services	469	Various	
- Legal Services	420		
Other Costs			<u>\$42,669</u>
- Salaries and Benefits (145 FTE)	\$31,920		
- Rent, Utilities, etc.	2,275		
- Equipment, Travel, etc.	8,474		
Total Request			<u>\$146,941</u>



SFY 2016-2017 IT Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
IT Operations and Enhancements			<u>\$45,968</u>
- Operations and Maintenance	\$14,636	Deloitte	
- HPF Support License Fee	3,195	Deloitte	
- HPF Releases/Enhancements	19,163	Deloitte	
- Eligibility License Fee	2,718	DSHS/ESA	
- Waiting Room Page	201	Akamai Tech	
- Plan Management/Provider Directory License Fee	3,437	eHealth	
- HPF Platform License Fee	2,300	Oracle	
- Professional Services/Support License Fee	317	Microsoft	
Other Costs			<u>\$12,171</u>
- Salaries and Benefits (43 FTE)	\$10,777		
- Rent, Utilities, etc.	670		
- Equipment, Travel, etc.	724		
		Total	<u><u>\$58,139</u></u>



SFY 2016-2017 Operations Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Call Center and Other Operational Services			<u>\$41,255</u>
- Customer Service Center	\$30,624	Faneuil	
- Print Services	8,442	KP Corp	
- Document Management System	1,612	HCA	
- Translation	577	LinguaLinx, Inc	
Other Costs			<u>\$7,407</u>
- Salaries and Benefits (34 FTE)	\$6,304		
- Rent, Utilities, etc.	530		
- Equipment, Travel, etc.	573		
		Total	<u>\$48,662</u>



SFY 2016-2017 Communications Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Marketing and Outreach			
- Media Buy - Exchange Marketing		GMMB	<u>\$6,304</u>
Contracts			
- IPA/Navigators		Various	<u>\$6,382</u>
Other Costs			<u>\$3,872</u>
- Salaries and Benefits (17 FTE)	\$3,322		
- Rent, Utilities, etc.	265		
- Equipment, Travel, etc.	285		
		Total	<u>\$16,558</u>



SFY 2016-2017 Finance & Admin Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Financial and Audit Services			<u>\$3,014</u>
- External Audit - A-133	\$627	Moss Adams	
- Carrier Assessment Invoicing	209	BMI	
- Legislative Mandated Performance Audit	1,537	State Auditor's Office	
- Financial System O&M	418	TBD	
- Other	223		
Other Costs			<u>\$10,961</u>
- Salaries and Benefits (22 FTE)	\$4,231		
- Rent, Utilities, etc.	343		
- Equipment, Travel, etc.	6,387		
		Total	<u>\$13,975</u>



SFY 2016-2017 Policy Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Consulting			<u>\$330</u>
- Actuarial	\$105	Milliman	
- Consumer Rating System	105	TBD	
- Quality Rating System	14	NCQA	
- Consumer Survey	105	TBD	
Other Costs			<u>\$2,615</u>
- Salaries and Benefits (10 FTE)	\$2,291		
- Rent, Utilities, etc.	155		
- Equipment, Travel, etc.	169		
		Total	<u><u>\$2,945</u></u>



SFY 2016-2017 SHOP Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Consulting			<u>\$459</u>
- Agent/Broker CSR	\$306	Ciber	
- Agent/Broker CSR	153	Teksystems	
Other Costs			<u>\$2,417</u>
- Salaries and Benefits (9 FTE)	\$2,126		
- Rent, Utilities, etc.	140		
- Equipment, Travel, etc.	151		
		Total	<u><u>\$2,876</u></u>



SFY 2016-2017 Legal Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Legal Services			<u>\$420</u>
- Presiding Officers (4)	\$211	Various	
- Attorney General's Office	105	AGO	
- Outside Legal Counsel	105	TBD	
Other Costs			<u>\$1,631</u>
- Salaries and Benefits (7 FTE)	\$1,404		
- Rent, Utilities, etc.	109		
- Equipment, Travel, etc.	118		
		Total	<u>\$2,051</u>



SFY 2016-2017 Executive Office Budget Detail (\$000's)

Deliverable Types	Breakout	Contractor	SFY 2016-2017
Consulting			
- Executive Consulting	\$139	TBD	<u>\$139</u>
Other Costs			<u>\$1,595</u>
- Salaries and Benefits (4 FTE)	\$1,465		
- Rent, Utilities, etc.	63		
- Equipment, Travel, etc.	67		
		Total	<u>\$1,734</u>





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