MAINTENANCE LEVEL 2

M2-MO Health Benefit Exchange Cost Allocation PLACEHOLDER

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) requests net-zero adjustments in the 2016 Supplemental due to changes in costs allocated to Medicaid and Children's Health Insurance Program (CHIP) for operational expenses incurred by the Washington State Health Benefit Exchange (HBE). This placeholder request is needed to adjust funding levels stemming from updates to factors used in determining HCA and HBE shares of these costs.

PACKAGE DESCRIPTION

In 2014, the state implemented the Affordable Care Act, which introduced modified adjusted gross income (MAGI)-based rules for Medicaid eligibility determinations through the HBE Healthplanfinder (HPF) website. Currently, over 1.4 million Medicaid and CHIP clients now have their eligibility records maintained through the HPF website and other related systems. On an ongoing basis, existing clients access the HPF to update their client records when needed, receive HPF-generated notices and other required correspondence, and access customer support services provided by the HBE operated Call Center and Navigator program.

The HBE incurs expenses for operational activities for which a portion is the responsibility of the Medicaid program. These costs are allocated using a methodology that reflects the proportion of Medicaid and CHIP clients using the HPF system and other services relative to usage by Qualified Health Plan (QHP) applicants and enrollees. Specific costs allocated to the HCA include:

- HPF Operations and Maintenance (O&M) costs (contractor activities, certain HBE staff, and software licensing fees);
- Operating costs for the HBE Call Center;
- Print Services (contractor managed correspondence services shared between the HBE and the HCA);
- Imaging Services; and
- Certain In-Person Assistor/Navigator costs for support and enrollment assistance provided to applicants.

Cost Allocation Methodology

The modular architecture of the HPF provides the starting point for determining the share of O&M costs charged to the Medicaid and CHIP programs. The initial HPF design was based on seven system modules - three modules benefited both QHP and Medicaid/CHIP eligibility and enrollment for consumers using the system. Thus, initially the Medicaid share of allocated HPF O&M costs was based on applying a factor of 42.8 percent (three divided by seven) to total HPF O&M costs.

System usage is the basis for the second step in the allocation process, and this measure relies on reported enrollment data for the Medicaid, CHIP and QHP programs. Total costs for HPF M&O are

multiplied by the factors produced in the module usage analysis described above and the resulting dollar amounts attributed to "shared" system usage are multiplied by percentages taken from comparing MAGI-Medicaid versus HBE QHP enrollment for a given period. Enrollment reported for both MAGI-based Apple Health clients compared with QHP enrollment for July 2014 indicated that 88 percent of shared costs described above were attributable to the Medicaid/CHIP programs with the balance (12 percent) attributed to the HBE QHP enrollee activity.

Changes Affecting Cost Allocation Calculations

With implementation of Medicaid Plan Selection, Medicaid clients began using the Individual Enrollment module of the HPF system, shifting the module-based "shared" system allocation factor from 42.8 percent to 57.2 percent, based on the initial system design. However, once the HBE completed the removal of premium aggregation functionality in September 2015, the basic HPF system architecture changed and the number of HPF modules was reduced from seven, to six. This change in architecture prompted the HBE and the HCA to re-examine how system costs would be allocated, going forward. This joint review is examining methods used in other jurisdictions, evaluating transaction-based options, and comparing these with simply maintaining the current method of using a simple count of modules by benefiting program. One of the primary goals in this evaluation effort is to assure maximized federal funding for HPF M&O activities into the future. The HBE and the HCA plan to reach agreement on this aspect of operations cost allocation by November 2015 and this request will be updated at that time.

Enrollment Changes

In developing future enrollment estimates for calculating the enrollment-based distributions, the HCA relied on available Caseload Forecast Council projections and the HBE on projections produced by Milliman, one of the HBE's contractors. For the 2015-2017 biennium budget, the Legislature assumed an 85 percent factor for MAGI Medicaid enrollment and a 15 percent factor for HBE QHP enrollment for both state fiscal years. Actual enrollment for MAGI-Medicaid and QHP populations have varied considerably from the earlier estimates used in developing the biennial budget. The table below summarizes these variances using reported actual values for both QHP and MAGI-Medicaid enrollees through June 2015. With the updated distributions, the QHP share shifted from just under 15 percent to about 9 percent while the Medicaid/CHIP portion increased from 85 percent to 91 percent.

	SFY 2015		SFY 2016		SFY 2017	
	QHP	Medicaid	QHP	Medicaid	QHP	Medicaid
Assumed in Approved Budget	12.4%	87.6%	14.8%	85.2%	14.9%	85.1%
June 2015 CFC Forecast	8.7%	91.3%	8.7%	91.3%	9.0%	91.0%
Actual Distributions (to date)	8.8%	91.2%	-	-	-	-

Actuals versus Estimates for Other Activity Measures

The approved 2015-2017 biennium budget for the HBE cost allocated expenses is based on initial estimates for determining the shares to be paid by Medicaid/CHIP for the HBE operated call center and for correspondence services (printing, postage, and translations). Original projections for allocating call center expenses used data from the period of initial HPF and call center operations which were not representative of "steady state" operations. Likewise, the correspondence services cost shares used

document mailing counts from that same "start up" period. With actual data available from a longer operating period, the assumed shares to be paid by Medicaid/CHIP for these two activities have shifted considerably. In the budgeted allocation, the Medicaid/CHIP share of call center operations cost had been estimated at approximately 77 percent of the total. Recent "actuals" sourced from call center billings over the last year show that the Medicaid/CHIP share of these costs are closer to 70 percent of the total. Conversely, actual statistics from correspondence services billings indicate that the Medicaid/CHIP share for these expenses is closer to 66 percent as opposed to the 62 percent share assumed in the biennial budget.

Status of Health Benefit Exchange Grant Funded Activities

Design, development, and implementation (DDI) work to operationalize the Healthplanfinder system has been largely funded through grants awarded by the Centers for Consumer Information and Insurance Oversight (CCIIO), and since the integrated system design operationalized the ACA required single, streamlined eligibility application and the MAGI-Medicaid eligibility rules, a share of these DDI costs have been allocated to the Medicaid and CHIP programs. Washington received four grant awards including a Planning Grant, three Level One Establishment Grants and a Level Two Establishment Grant for a total of $266,000,000. This funding was scheduled to end December 31, 2014 however changes in federal policy has extended the availability of grant funds for certain DDI work to further stabilize the HPF system. Due to HPF system changes stipulated by the HBE Board and the Legislature that resulted in the removal of premium aggregation, a portion of the remaining DDI work was rescheduled, supported by a limited extension of Level One Establishment (Level 1C) grant funding available now through August 2016. The DDI work planned by the HBE includes two HPF system releases with elements that will benefit Medicaid. This request includes DDI-related cost allocation amounts associated with the extended grant funding supporting these planned releases.

In addition, $4,500,000 of non-grant funding was provided by the Legislature in the 2015-2017 biennium budget. This funding is adjusted due to the updates in the cost allocation agreement.

In summary, this update reflects higher Medicaid enrollment versus lower than estimated HBE Qualified Health Plan enrollment, the impacts from changes in HPF system architecture due to the removal of premium aggregation, the extension of grant-funded DDI work and the changes resulting from more recent call center and correspondence services performance data . All of these changes impact the amount of costs allocated to the Medicaid and CHIP programs. The HCA is working with the HBE to finalize a new

Steve Cole, Financial Services: 360-725-1473 or steven.cole@hca.wa.gov
Danielle Cruver, HBE Budget and Grants Manager: 360-688-7740 or danielle.cruver@wahbexchange.org

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	FY 2016	FY 2017	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	$ -	$ -	$ -
Fund 001-C GF-Federal Medicaid Title XIX	$ -	$ -	$ -
Fund 17T-1 Health Benefit Exchange	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

	FY 2016	FY 2017	Total
2. Staffing:			
Total FTEs	-	-	-

	FY 2016	FY 2017	Total
3. Objects of Expenditure:			
A - Salaries And Wages	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -
C - Personal Service Contracts	$ -	$ -	$ -
E - Goods And Services	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -
J - Capital Outlays	$ -	$ -	$ -
N - Grants, Benefits & Client Services	$ -	$ -	$ -
Other (specify) -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

	FY 2016	FY 2017	Total
4. Revenue:			
Fund 001-2 GF-Federal	$ -	$ -	$ -
Fund 001-C GF-Federal Medicaid Title XIX	$ -	$ -	$ -
Fund 17T-1 Health Benefit Exchange	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

Through this request, the HCA expects to remain in compliance with the federal cost allocation plan.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H015 Payments to Other Entities related to Medicaid Administrative Costs and other costs paid by the Health Care Authority

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Yes, request supports an Increase the number of Insured and Access to Affordable Coverage

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes. This request supports Governor Inslee's Goal 4: Health and safe communities, Goal 1.3 Decrease the rate of uninsured in state from 15 percent to 6 percent by 2017.

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

None

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

None

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Without this request, the methodology that is used to allocate HBE operating costs to the HCA will not be updated to accurately reflect actual usage.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

None

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

See backup, HBE Budget - Final Conference 6-29-15 (HCA Supplemental 2016 Update Version).xlsx

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

See backup, HBE Budget - Final Conference 6-29-15 (HCA Supplemental 2016 Update Version).xlsx

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

Adjustments will be made annually in accordance with updated caseload and federal funding data.

BUDGET IMPACTS IN FUTURE BIENNIA:

Similar adjustments will be needed in future biennia.

MAINTENANCE LEVEL 2

M2-MP HBE Financial Systems Improvement PLACEHOLDER

RECOMMENDATION SUMMARY TEXT

On behalf of the Washington State Health Benefit Exchange (HBE), the Health Care Authority (HCA) submits a request in the 2016 Supplemental to develop and implement new financial software to improve fiscal reporting efficiency, responsiveness and accountability. This request is submitted as a placeholder so that HBE can continue to have discussions with the Office of Financial Management (OFM) and HCA regarding potential financial software options.

PACKAGE DESCRIPTION

The HBE was created in 2011 by the Legislature as a self-sustaining public-private partnership. Initially the HBE was funded primarily by federal grant funds, which were directed at developing the HBE, with limited funds available for operations. In the 2015-2017 biennium budget, the remaining one-time grant funds will be spent and the HBE will primarily be funded by the Health Benefit Exchange Account and Medicaid reimbursement.

When the HBE was established, a decision was made to utilize a low-cost, accounting software product that was typical of a non-profit entity. The system selected was Abila.

In the 2015 legislative session, the HBE was directed by Engrossed Senate Bill 6052 and Second Engrossed Senate Bill 6089 to increase financial reporting and accountability. The current financial software is not designed to provide the mandated information efficiently or effectively. In addition, with the transfer of premium aggregation from the HBE to carriers, the accounting responsibility for premium collection was moved from the HBE to carriers, which provides an opportunity to revisit the financial software used by the HBE.

This request is submitted as a placeholder so that HBE can continue to have discussions with the Office of Financial Management (OFM) and HCA regarding potential financial software options, including evaluating the pros and cons of moving the financial recording and reporting functions of HBE to the state Accounting and Financial Reporting System (AFRS).

Steve Cole, Financial Services: 360-725-1473 or steven.cole@hca.wa.gov
Danielle Cruver, HBE Budget and Grants Manager: 360-688-7740 or danielle.cruver@wahbexchange.org

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	FY 2016	FY 2017	Total
1. Operating Expenditures:			
Fund 17T-1 Health Benefit Exchange	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

	FY 2016	FY 2017	Total
2. Staffing:			
Total FTEs	-	-	-

	FY 2016	FY 2017	Total
3. Objects of Expenditure:			
A - Salaries And Wages	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -
C - Personal Service Contracts	$ -	$ -	$ -
E - Goods And Services	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -
J - Capital Outlays	$ -	$ -	$ -
N - Grants, Benefits & Client Services	$ -	$ -	$ -
Other (specify) -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

	FY 2016	FY 2017	Total
4. Revenue:			
Fund 17T-1 Health Benefit Exchange	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

The HBE expects a vast improvement in its fiscal accountability and responsiveness with this request. The HBE's current financial system and chart of accounts was not developed to support state and federal reporting requirements.

Specific outcomes include:

- Reduced processing time for accounts payable and accounts receivable;
- Reduced cycle time for Medicaid reimbursement;
- Improve fiscal reporting efficiency, responsiveness and accountability; and
- Improved financial management capacity.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H015 Payments to Other Entities related to Medicaid Administrative Costs and other costs paid by the Health Care Authority

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Yes. The HBE strives to be fiscally sustainable and a good steward of State funds. This request will allow the HBE to implement these strategic initiatives. In addition, this request supports the HCA's mission of creating a healthier Washington.

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes. This request supports Governor Inslee's Result's Washington Goal 5: for transparency and accountability. This request also supports efficiency in meeting the legislature's mandated reporting requirements.

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

The HBE budget receives its funding through the HCA, which is the state's Medicaid agency. The HBE has not been able to provide the HCA with timely information on costs to be billed to Medicaid. In addition, due to the accounting system, the information is not readily available. Similarly, providing information to the State Auditor, the State Legislature and the OFM has been difficult. The goal of this change is to facilitate improved accuracy and greater transparency in financial information.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

The HBE has reviewed its current system to ensure the HBE is fully utilizing the systems capabilities. The system is not adequate to meet the future needs of the organization. For example, the current system does not allow for seamless entry of revenue detail in the same manner in which state agencies record revenues. The current system requires double entry of each transaction to record both revenue and expenditure detail. In addition to replacing the current financial software, the HBE plans to revise its chart of accounts and accounting processes to improve the HBE's financial management capacity.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Without this request, the HBE could be at risk of not meeting the legislatively mandated reporting and failing to be a sustainable exchange that can efficiently and effectively process Accounts Payable and Accounts Receivable invoices, monitor financial status, and provide timely and accurate reports to the Health Benefit Exchange Board, Legislature, Governor and Federal government.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

The current financial system contract would be terminated.

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

The HBE assumes that the funding for this request would be allocated between the Health Benefit Exchange Account and Medicaid based on the approved cost allocation methodology.

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

Expenditures reflect staff and contractor resources needed by the HBE to successfully implement the transition to a new financial accounting system.

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

Costs estimates are still under development.

BUDGET IMPACTS IN FUTURE BIENNIA:

Costs estimates are still under development.

MAINTENANCE LEVEL 2

M2-MQ Health Benefit Exchange Operational Costs for Eligibility System

RECOMMENDATION SUMMARY TEXT

On behalf of the Health Benefit Exchange (HBE), the Health Care Authority (HCA) requests $376,000 in the 2016 Supplemental to provide the staff of the Community Services Division (CSD) in the Economic Services Administration (ESA) as part of the Department of Social and Health Services (DSHS) with access to the Washington Healthplanfinder (HPF). The HBE will contract with the ESA to perform the requirements identified in the 2015-2017 biennium budget.

PACKAGE DESCRIPTION

The Office of Financial Management (OFM) contracted with the Pubic Consulting Group (PCG) to complete the *Washington State Medical and Public Assistance Eligibility Study: Alternative Options and Recommendations Report*. This report, which was completed in September 2014, made several recommendations one of which was adopted in the 2015-2017 biennial budget to expand access to the HPF to CSD staff. Funding was not provided to implement this requirement. This request reflects the total costs to the HBE to provide this access, which will be funded by the ESA.

The goal of this requirement is to improve the ability of CSD staff to assist families who are applying for both Medicaid and DSHS services (e.g. cash assistance, food and child care). An added benefit of providing this additional level of access to CSD staff is that the DSHS will be able to allocate additional administrative costs to Medicaid.

Implementing this requirement will require both one-time and ongoing costs for both the HBE and DSHS ESA. Costs were estimated by the Exchange based on data and utilization patterns of existing HPF users with privileged access.

To support the additional 1,900 CSD staff estimated to need access to the HPF, the Exchange identified costs of $376,000 in the 2015-2017 biennium (fiscal year 2016: $193,000; fiscal; year 2017: $183,000). The addition of these new privileged users will increase the total number of privileged users with access to the HPF system by about 37 percent. These additional CSD users will be performing data searches and other duties which increases the HPF load per user. Deloitte (the consultant that administers the HPF) has recommended that capacity be added to the HPF database servers (RAM addition) as well as storage space (SAN addition) to account for the additional consumption of data that will be occurring with the additional CSD users. Without the additional capacity in place, the HPF will be at risk for system incidents and failure due to peak capacity.

The HBE will also need additional staff to support the CSD users, including:

- 1.0 FTE to provide account support. Based on experience, the HBE estimates that an additional 12,000 account support requests will be generated from the addition of the CSD users. This support includes assisting users with the addition of new users (one hour/instance), account password resets and troubleshooting locked accounts. The HBE currently has 2.0 FTEs to support the current users. Each FTE handles approximately 5,000 requests per year. The increase of usage by 37 percent by the new CSD users to the system demands the need for an additional FTE of support;
- 1.0 FTE will provide technical help desk support for application malfunctions and unexpected results. Based on experience, the HBE estimates that each user will require one hour of support each year. This person would analyze any HPF system issues that are experienced by HPF users, including those that will be potentially experienced by DSHS CSD staff. As the HPF is fairly new system, issues are not always apparent and may require an in-depth analysis. New issues may also require analyst to reproduce scenarios in the test environment and/or talk to subject matter experts (SMEs) in the HBE or the System integrator side. The analyst is then expected to track the items and perform post-validation and verification of each resolution;
- 0.5 FTE to provide Security analysis of the system which includes actively monitoring account activity, access changes, usage patterns, compliance with security regulations and investigating potential deviations. The HBE currently has 1.0 FTE to handle security monitoring of the HPF. The 37 percent usage increase to the system by the additional CSD users demands the need for an additional FTE of support. Federal regulations require the Exchange to perform continuous monitoring of the HPF system. Monitoring of user privileged users accounts is part of such monitoring and is a manual function. This FTE will identify, analyze, log, track, and coordinate a security related audit trail, as well as monitor user activities, user issues, and interact with various stakeholders to identify, understand, and document any security/compliance problems.

All CSD users of the HPF system must have a background check completed with the Washington State Patrol. This request assumes that these costs are paid by DSHS directly. In addition, DSHS would be required to transfer funds to support the one-time and on-going maintenance costs to the HBE for the infrastructure necessary to expand to CSD users. This proposal requests the authority to receive these additional funds from DSHS and to cover costs specific to the HBE.

Steve Cole, HCA Financial Services: 360-725-1473 or steven.cole@hca.wa.gov
Danielle Cruver, HBE Budget and Grants Manager: 360-688-7740 or danielle.cruver@wahbexchange.org

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	FY 2016	FY 2017	Total
1. Operating Expenditures:			
Fund 17T-1 Health Benefit Exchange Account	$ 193,000	$ 183,000	$ 376,000
Total	**$ 193,000**	**$ 183,000**	**$ 376,000**

	FY 2016	FY 2017	Total
2. Staffing:			
FTE Total	-	-	-

	FY 2016	FY 2017	Total
3. Objects of Expenditure:			
A - Salaries And Wages	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -
C - Personal Service Contracts	$ -	$ -	$ -
E - Goods And Services	$ 193,000	$ 183,000	$ 376,000
G - Travel	$ -	$ -	$ -
J - Capital Outlays	$ -	$ -	$ -
N - Grants, Benefits & Client Services	$ -	$ -	$ -
Total	**$ 193,000**	**$ 183,000**	**$ 376,000**

	FY 2016	FY 2017	Total
4. Revenue:			
Fund 17T-1 Health Benefit Exchange Account	$ 193,000	$ 183,000	$ 376,000
Total	**$ 193,000**	**$ 183,000**	**$ 376,000**

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

The HBE and the HCA expect that this request will allow Washington families to apply for both Medicaid and DSHS services more efficiently. Providing CSD staff with access the HPF will also allow the DSHS to allocate additional administrative costs to Medicaid.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H015 Payments to Other Entities related to Medicaid Administrative Costs and other costs paid by the Health Care Authority

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY'S STRATEGIC PLAN?

Yes. It will increase the number of Insured and Access to Affordable Coverage. In addition, improving access to medical care also supports the HCA's mission for a healthier Washington.

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

Yes. This request support Governor Inslee's Goal 4: Healthy and safe communities and Goal 1.3: Decrease the rate of uninsured in state from 15 percent to 6 percent by 2017.

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

Medicaid clients will be able to receive assistance enrolling in healthcare at their local CSD office at the same time they may be accessing other DSHS services. Currently, to get assistance from a trained consumer assister, clients have to call the HBE call center or work with a Navigator, even if they are already at the CSO enrolling in other services. This would help expedite the enrollment process for consumers receiving services from CSD staff.

In the 2014 open enrollment, the first year of renewals, approximately 70 percent of Medicaid clients automatically renewed. We expect that in the next open enrollment the number of automatic renewals will increase and the numbers of enrollees needing assistance with enrollment will decrease over time.

Agency Risks:
There is a risk to HPF functionality due to the increased usage/overload of current HPF infrastructure and insufficient resources to manage CSD user issues.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

The Legislature directed the HBE, the HCA and the DSHS to work together to implement the PCG recommendations to expand access to the HPF to ESA CSD staff. The HBE provided several options including phasing in the number of CSD staff licenses and having fewer total CSD staff with licenses than original estimate of around 2,000. This request reflects the service level agreement made by the three agencies to implement the legislative requirement.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Without this proposal, the ESA will not have the ability to assist families who are applying for both Medicaid and DSHS services (e.g. cash assistance, food and child care). In addition, the DSHS will not be able to allocate additional administrative costs to Medicaid.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

None

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

See backup document

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

See backup document

	FY 2016	FY 2017	Total
HBE Staffing Detail			
Security Analyst	0.4	0.5	0.4
Account Management Analyst	0.8	1.0	0.9
Application Support Analyst	0.8	1.0	0.9
Total FTE	**1.9**	**2.5**	**2.2**

	FY 2016	FY 2017	Total
HBE Objects of Expenditure:			
A - Salaries And Wages	$ 99,000	$ 147,000	$ 246,000
B - Employee Benefits	$ 17,000	$ 31,000	$ 48,000
C - Personal Service Contracts	$ 57,000	$ 2,000	$ 59,000
E - Goods And Services	$ 2,000	$ 3,000	$ 5,000
G - Travel	$ -	$ -	$ -
J - Capital Outlays	$ 18,000	$ -	$ 18,000
N - Grants, Benefits & Client Services	$ -	$ -	$ -
Total	**$ 193,000**	**$ 183,000**	**$ 376,000**

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

Ongoing costs of approximately $206,000 per year.

BUDGET IMPACTS IN FUTURE BIENNIA:

This request will impact future biennia.