

Policy Level

Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

PL-MG HBE General Wage Increase

Agency RecSum:

Funding for wage increases for Health Benefit Exchange (Exchange) employees. Annual increases are effective July 1, 2025 and July 1, 2026. Wage increase amounts are to be determined in the state budget process.

Fiscal detail:

placeholder request, amounts to be determined.

Package Description

What is the problem, opportunity or priority you are addressing with the request?

To attract and retain its workforce, the Exchange is requesting continuation of the state practice during the 2023-25 biennium of providing annual general wage increases in amounts commensurate with those provided for general wage increases for unrepresented employees of state agencies and other entities.

What is your proposal?

The Exchange requests funding for wage increases for the Exchange's employees in amounts sufficient for general wage increases aligned with general wage increases for other unrepresented employees of state agencies and other state-funded entities. Annual increases are effective July 1, 2025 and July 1, 2026. Wage increase amounts are to be determined in the state budget process.

The Exchange was created in statute as a public-private partnership. Since its inception, all funding for the Exchange staff salaries have been through appropriations from the state operating budget or initial Federal establishment grants. As Exchange employees are unrepresented, the Exchange requests funding for general wage increases in the percentages granted in the final 2025-27 state operating budget for other unrepresented employees.

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

To help retain and recruit employees, the Exchange intends to provide general wage increases in parity with other unrepresented state employees.

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

If no funding is provided for general wage increases, the Exchange would be forced to absorb such costs from the carry forward Level base funding to provide services and programs for the 1.8 million Washington Apple Health and Qualified Health Plan and Qualified Dental Plan customers it serves.

Notably, the Exchange is not requesting other wage increases (such as step increases, stipends, incentives, or classification changes) that may be provided for state employees.

What resources does the agency already have that are dedicated to this purpose?

In the 2024 legislative session the enacted budget funded a general wage increase of four percent, effective July 1, 2023; and a general wage increase of three percent, effective July 1, 2024. This increase was aligned with the increase the state provided to non-represented state employees for the 2023-25 biennium.

In the 2024 legislative session, the Exchange also received additional funding to support seven new FTEs.

How is your proposal impacting equity in the state?

Please describe in detail how this proposal is likely to benefit communities and populations who have historically been excluded by governmental decisions. Include both demographic and geographic information about communities.

General wage increases benefit all Exchange employees, providing increased economic security. Competitive wages attract a diverse pool of candidates and demonstrate the agency's commitment to provide opportunities for historically marginalized communities. Although it would not specifically impact any populations more than others, economic security helps create financial resilience that can better offset disparate impact that often occurs with inflation and other economic inequities.

Describe how your agency engaged with communities and populations, particularly those who have been historically excluded and marginalized by governmental decisions?

The Exchange engages in meaningful dialog with multiple committees and workgroups, comprised of individuals from diverse backgrounds, devoted to making Washington Healthplanfinder an efficient website that serves the people of Washington State.

What input did your agency receive and how was it incorporated into your proposal?

The Exchange conducts an annual employee satisfaction survey and regular employee reviews that offer the opportunity to hear directly from the staff on the impact of regular wage increases. Human Resources professionals also assess workforce trends that inform the rates at which to offer wage

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increases. These assessments help the Exchange provide competitive salaries that support a diverse workforce that reflects the communities served.

Explain why and how these equity impacts will be addressed, i.e., consider communities or populations excluded or disproportionately impacted by the proposal

This request is for a general wage increase applicable to all Exchange employees.

Assumptions and Calculations

Expansion or alteration of a current program or service

This decision package does not expand or alter a current program or services.

Detailed assumptions and calculations

The backup documentation for budget requests includes a working compensation model for OFM and legislative consideration.

Historical funding

In the 2023-25 biennium, the Exchange received a general wage increase of four percent, effective July 1, 2023; and a general wage increase of three percent, effective July 1, 2024. This increase was aligned with the increase the state provided to non-represented state employees for the 2023-25 biennium.

In the 2024 legislative session, the Exchange also received additional funding to support seven new FTEs.

The Exchange’s payroll is funded through three fund sources:

- Health Benefit Exchange Account: Activities benefiting Qualified Health/Dental Plans, and as state match for Washington Apple Health and CHIP activities.
- General Fund Federal: Federal match for activities benefiting Washington Apple Health and CHIP activities.
- General Fund State: Activities benefiting the Apple Health Expansion program

Current payroll by fund:

Fund Source	% of Salaries	FY2026	FY2027	FY2028	FY2029
17T-1 Health Benefit Exchange Account	68.00%	\$ 14,764,970	\$ 14,764,970	\$ 14,764,970	\$ 14,764,970
001-C GF-Federal	30.00%	\$ 6,513,957	\$ 6,513,957	\$ 6,513,957	\$ 6,513,957
001-1 GF-State	2.00%	\$ 434,264	\$ 434,264	\$ 434,264	\$ 434,264
Total Funds Requested	100.00%	\$ 21,713,191	\$21,713,191	\$ 21,713,191	\$ 21,713,191

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Workforce assumptions

No impact on size or mix of the workforce. The decision package will increase general wages of Exchange employees.

Strategic and Performance Outcomes

Strategic framework

This request supports both the Governor’s Results Washington’s Core values of People Matter and Ideas Matter.

This request also supports Goal 4 (Healthy and safe communities) of the Governor’s Results Washington initiative as it strives to “foster the health of Washingtonians from a healthy start to safe and supported future.”

Performance outcomes

Performance outcomes include maintaining the service areas covered by the Exchange’s customer support network ensuring the Exchange can continue to support all residents of Washington.

Other supporting materials

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

Other Collateral Connections

Intergovernmental

Not applicable to this request.

Legal or administrative mandates

Not applicable to this request.

Changes from current law

Not applicable to this request.

State workforce impacts

Not applicable to this request.

State facilities impacts

Not applicable to this request.

Puget Sound recovery

Not applicable to this request.

Other supporting materials

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Information technology (IT)

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

Information Technology

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

No

Yes

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