

Policy Level

Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

PL-MP HBE Response to ACA Changes

Agency RecSum:

Funding to continue *Washington Healthplanfinder* maintenance and operations capacity to address system functionality related to federal rules changes and mandates, including Affordable Care Act compliance updates.

Fiscal detail:

Operating Expenditures	FY 2026	FY 2027	FY 2028	FY 2029
001-1 GF-State	\$8,000	\$10,000	\$10,000	\$10,000
17T-1 HBEA	\$1,589,000	\$1,349,000	\$1,349,000	\$1,349,000
001-C GF-Federal	\$741,000	\$975,000	\$975,000	\$975,000
Total Expenditures	\$2,338,000	\$2,334,000	\$2,334,000	\$2,334,000
Biennial Totals	\$4,672,000		\$4,668,000	
Staffing	FY 2026	FY 2027	FY 2028	FY 2029
FTEs	1.0	1.0	1.0	1.0
Average Annual	1.0		1.0	
Object of Expenditure	FY 2026	FY 2027	FY 2028	FY 2029
Obj. C	\$2,338,000	\$2,334,000	\$2,334,000	\$2,334,000
Revenue	FY 2026	FY 2027	FY 2028	FY 2029
001-0393 GF-Federal	\$741,000	\$975,000	\$975,000	\$975,000
Total Revenue	\$741,000	\$975,000	\$975,000	\$975,000
Biennial Totals	\$1,716,000		\$1,950,000	

Package Description

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

New and changing regulatory requirements expand the scope of the Exchange's existing programs to ensure compliance with program eligibility updates, language access, disability access and non-discrimination requirements, key components of the organization's commitment to equity.

Addressing the new and changing requirements requires dedicated resources.

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New programs and state and federal regulatory requirements provide exciting new options for customers as well as an improved customer experience, and also mean that system and program navigation has become increasingly complex. State and federal regulatory requirements continue to grow. There are new opportunities arising annually from both federal and state partners that enable us to deliver improvements to the customer experience through regulatory compliance, while emphasizing health equity and accessibility. However, timeframes – especially at the federal level – are not always known and can shift without much notice. While important and necessary, these changes are time intensive to incorporate and must be prioritized along with requirements from all corners of our authorizing environment. Customer support to navigate the changes has expanded requiring increased training and expertise for our account worker and customer support network, both internal and external to the Exchange. Below are highlights of upcoming regulatory or program changes that must be completed in the next biennia and represent typical of the volume of compliance work.

- **APTC Reconciliation:** CMS will act on data from the IRS for consumers who have failed to file tax returns and reconcile a previous year's Advanced Premium tax Credit (APTC). This is a shift from the previous years where CMS did not act on such data due to the impact of the COVID-19 Public Health Emergency (PHE).
- **DACA:** Deferred Action for Childhood Arrivals (DACA) recipients will be able to enroll in Qualified Health Plans (QHP) through the Marketplace with Advance Premium Tax Credits (APTCs) and/or Cost-Sharing Reductions (CSRs).
- **15th Rule:** New rules require all customers who select and enroll in a QHP during a Special Enrollment Period (SEP) will have coverage begin the first day of the month following plan selection. This is a streamline of the current state where some customers have different start date rules depending on when a plan is selected.
- **ARPA Expiration:** We must plan for a potential change or roll-back to ARPA subsidies on January 1, 2026. These subsidies have allowed more people than ever to obtain healthcare coverage and will be an important transition point for customers.
- **Race and Ethnicity Data:** Ensure compliance with the Office of Management and Budget's (OMB) [Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity](#), which provides updated policies, standards and guidelines on how race and ethnicity data must be collected and reported to meet the goal of improving inclusivity and simplifying data collection while producing accurate and useful race and ethnicity data across the federal government.
- **Sex Assigned at Birth Data:** Ensure consistency with [CMS standards](#) regarding collection of sex assigned at birth and gender identity on Washington's single streamlined application. These standards aim to: 1) improve collection of sex assigned at birth and gender identity information for the purposes of analyzing health disparities in access to coverage; and 2) improve the consumer experience by allowing consumers to attest in a way that better reflects and affirms their identities. Washington's Health and Human Services Enterprise Coalition (HHS Coalition) has approved a coalition-wide policy to implement these standards.
- **Verify Lawful Presence:** CMS has notified states that we will need to upgrade Verify Lawful Presence (VLP) HUB Service from v37 to v38 as early as FY27.

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- **Birth to 6 Medicaid Coverage:** Washington is pursuing a federal waiver to expand continuous eligibility for children that qualify for Apple Health under 6 years of age, beginning January 1, 2026 which will require program eligibility changes, system changes, process changes, and training and materials updates.
- **Non-Discrimination and Accessibility:** A fuller description of two very recent federal regulatory updates is provided below, both will improve *Healthplanfinder* and Exchange inclusivity and reduce discrimination in delivery of services.

Two recent changes illustrate the timeliness and type of actions required for regulatory compliance that result in a more inclusive and equitable program and system. In April 2024, the Centers for Medicare and Medicaid Services (CMS) revised regulations implementing Section 1557 of the Affordable Care Act (ACA). Section 1557 prohibits discrimination on the basis of race, color, national origin, age, disability, or sex and applies to the Exchange. Revised section 1557 provides new nondiscrimination health care protections to individuals in protected groups, including prohibiting denial of benefits, coverage, program participation, and otherwise unequal treatment based on these factors. (See [Section 1557 Final Rule: Frequently Asked Questions | HHS.gov](#)). Additionally, in June 2024, The Department of Justice (“Department”) issued its final rule revising the regulation implementing title II of the Americans with Disabilities Act (“ADA”) to establish specific requirements, including the adoption of specific technical standards, for making accessible the services, programs, and activities offered by State and local government entities to the public through the web and mobile applications (“apps”).

These new ACA and ADA regulatory provisions will ensure higher standards and more responsiveness to system accessibility and program inclusivity and require the Exchange to perform new activities to comply by July of 2025 (for ACA-related) and January of 2026 (for ADA-related) and maintain those activities thereafter. The new requirements include:

- Designate a coordinator to oversee new activities and ensure compliance with regulatory requirements
- Develop and implement written policies and procedures in the following areas: non-discrimination, language access, disability access, effective communication and reasonable accommodation.
- Develop and implement training program on new policies and procedures.
- Oversee and apply updated standards for website and mobile application accessibility, including assessing and applying when exceptions to those standards are appropriate.

What is your proposal?

The Exchange requests the permanent funding of a Healthplanfinder maintenance and operations team to enable the Exchange to be responsive to state and federal changes and remaining compliance with the ever-evolving health care system.

Funding is further requested to hire one FTE to coordinate implementation of new requirements and opportunities to advance equity in health care access, which is a core to the Exchange’s mission.

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

The Exchange currently has two development teams that have been recurrently funded on a one-time basis. This request seeks to permanently fund one of those teams ongoing to enable the Exchange to be responsive to state and federal changes and remain in compliance with the ever-evolving health care system.

Each year, development teams must implement changes at the federal level (such as updated requirements from CMS or the IRS), support statewide initiatives (such as Apple Health Expansion and HHS coalition initiatives), address security vulnerabilities, and maintain our technology stack. On average, these efforts take an entire year's worth of development effort for no less than three to four full teams. This leaves very little room to address other important technology iteration and technical debt (currently catalogued in a large backlog), or to support improvements to the customer experience.

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

Without this request, the Exchange will be very limited in its ability to respond to system needs identified by customers, enrollment assisters, state-agency partners, stakeholders, and staff. A reduction in development capacity will require prioritizing compliance changes, resulting in reduced improvement to Healthplanfinder functionality focused on the customer. Of the two teams that are not funded at carry forward level, development work necessary for compliance with the regulatory changes is the most important to fund on an ongoing basis.

Some customer experience and enrollment accessibility improvements could be accomplished with manual workarounds, but would require significant additional, on-going, staffing increases. This alternative is less responsive to customer need and is not cost effective compared to Healthplanfinder system fixes and upgrades.

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

This is a continuation of our maintenance and operations delivery teams who have been funded through a series of onetime decision packages and fiscal notes over the past two biennia, and whose funding is currently set to expire at the end of fiscal year 2025.

Funded decision packages include

- 2021-23 Biennium: Delayed DDI Due to COVID
- 2023-25 Biennium: Consumer Experience
- 2024 Supplemental: Consumer Experience and Access
- 2023-25 Biennium: Master Person Index

Recent Legislative funded activities:

- Implementing ESSB 5337: Cascade Care Standard plans and Public Options
- Implementing Cascade Care Savings, the Exchange's Premium Assistance Program
- Implementing Immigrant Health Coverage for Qualified health and Dental Plans

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- Implementing SB 5068 Postpartum/Medicaid
- Implementing Apple Health Expansion
- Implementing Automatic Voter Registration

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.

Underlying disparities continue in health coverage for low-income people and people of color. Customer and enrollment assistance feedback continues to reinforce the importance of stable and responsive tools for new and returning customers enrolling in health insurance. The system improvements for the current biennium and beyond will continue to improve HPF and will result in a more accessible application for all Washingtonians regardless of when and how they apply for coverage.

Effective and responsive access to health insurance is critical to advancing equity in health outcomes in Washington. Funding this request provides capacity for the Exchange to respond to market and state and federal efforts to further address health disparities.

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

The Exchange works closely with a number of advisory groups, Community Based Organizations (CBO), and over 1,000 Navigators to understand the needs of the various communities we serve, and more specifically the communities that have historically not been considered. CBOs and navigators will often provide feedback on the system interface and the impact it has on customers being able to successfully enroll. Additionally, the Exchange conducts interviews with users after each Open Enrollment period to understand better the customer experience. These engagements with the communities served in guiding the necessary updates to the Healthplanfinder system.

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

With the current funding we have been able to maintain and update our systems to meet the needs of various communities. This is a request for funding to continue to be able to meet the needs of our customers. The coordinator will ensure we are implementing equitable compliance with new regulatory requirements, which achieves desired outputs, efficiencies and outcomes.

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

Without adequate capacity, we would not be able to improve program access and maintain the systems causing additional costs, burden and reduced usability for our customers. It would also greatly limit our ability to respond to customer needs, particularly people with accessibility needs and

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people with low digital literacy would be impacted. Reduced ability to timely implement program eligibility changes and changes to reduce discrimination further the divide in access for those who most rely on us to remove barriers.

Assumptions and Calculations

Expansion or alteration of a current program or service

This request would maintain a portion of the Healthplanfinder system maintenance and operations team capacity beyond fiscal year 2025 for the completion of needed system updates to meet federal changes and enable the Exchange to be prepared to respond to future changes. This request would also add a new position necessary to comply with the new equity-related regulatory requirements.

Detailed assumptions and calculations

The Exchange requests \$4,671,000 in the 2025-27 biennium and ongoing funding of \$4,668,000 beginning in the 2027-29 biennium for costs of modifying program and system functionality to comply with changes in federal regulations.

- Costs for staff focused on maintaining compliance with federal regulations are eligible for 50% FFP.
- Costs related to Maintenance and operations of Healthplanfinder are eligible for 75% FFP.
- System enhancements that benefit both the QHP and Medicaid populations are eligible for 90% FFP.

Operating Expenditures	FY 2026	FY 2027	FY 2028	FY 2029
Salaries	\$118,000	\$118,000	\$118,000	\$118,000
Benefits	\$38,000	\$38,000	\$38,000	\$38,000
Contracts	\$2,154,000	\$2,154,000	\$2,154,000	\$2,154,000
Goods and Services	\$27,000	\$24,000	\$24,000	\$24,000
Travel	\$0	\$0	\$0	\$0
Total Expenditures	\$2,337,000	\$2,334,000	\$2,334,000	\$2,334,000

Retaining maintenance and operations team to focus on modifying system functionality to comply with changes in federal regulations

- Healthplanfinder development Team

Objects of Expenditure:	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
A - Salaries And Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000
E - Goods And Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000	\$ 2,154,000

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The scope of work of the FTE includes the following responsibilities:

- Coordinate compliance with the Exchange’s responsibilities under new equity-related requirements and opportunities within its health programs and activities. This includes coordinating across legal, compliance, DEI and program staff.
- Implement the Exchange’s: (i) policy and procedure updates; (ii) internal and external stakeholder engagement; (iii) change management; and (iv) training plan updates.

Objects of Expenditure:	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
A - Salaries And Wages	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000	\$ 118,000
B - Employee Benefits	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000
C - Personal Service Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E - Goods And Services	\$ 27,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
G - Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 183,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000

Historical Funding

This is a continuation of our maintenance and operations delivery team who have been funded through a series of onetime decision packages and fiscal notes over the past two biennia, and whose funding is current set to end at the end of fiscal year 2025.

FY2024

- FTE = 0
- Total Funds = \$ 1,956,000
- Near General Fund = \$0
- Other Funds = \$1,956,000

FY2025

- FTE = 0
- Total Funds = \$ 1,956,000
- Near General Fund = \$0
- Other Funds = \$1,956,000

Workforce assumptions

The full-time employee position will be responsible for deliverables to comply with new regulatory requirements, which achieves regulatory outcomes, and pursues the opportunities to advance equity consistent with the federal standards. This includes coordination and delivery of activities such as:

- Research, design and development of related system changes;
- Implementation planning for larger changes and ongoing compliance monitoring and adjustment;
- Coordination and integration with multiple partner systems, including HCA, DSHS and issuers participating on the Exchange;
- New or Updated policies and procedures;
- Training staff and a network of enrollment assisters; and

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- Additional safeguards to protect the privacy and security of this data.

Strategic and Performance Outcomes

Strategic framework

The Exchange seeks to continuously improve how Washingtonians secure health insurance through innovative and practical solutions and an easy-to-use customer experience. These are reflected in our values of integrity, respect, equity, and transparency as they relate to those we work with and those we serve.

This decision package supports the Governor's goal of healthy and safe communities by benefiting over 1 in 4 Washington residents served through the Exchange.

Performance outcomes

By adding the additional resource, the Exchange will be able to meet the new requirements for Section 1557 and ADA compliance. By meeting these requirements, the Exchange will continue to be able to receive federal funding for the operation of Healthplanfinder.

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

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

Information technology (IT)

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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.