Today’s Discussion

• Exchange Value and Accountability
• Mandatory v. Required Operations
• Biennial Budget Request
  o Impact of Premium Aggregation Removal
  o Updated Revenue Projections
• Walk-Up from $80M Appropriation
Value to Residents, Value to State

- Over 1.8M -- 1 in 4 – Washington residents have signed up for health insurance through Healthplanfinder

- Enrollment success; decreased uninsured rate
  - 4th largest drop in rate of uninsurance nationwide (Gallup)
  - 30% drop in charity care in WA; nearly $154 million (Seattle Times)

- Medicaid Revenue
  - $30M in premium tax from Medicaid plans (as of Sept. 2014)

- Federal subsidies obtained through Exchange
  - Over $350 million to help pay for premiums
  - Over $55 million to reduce consumer costs of hospital and provider visits

- Competitive marketplace – 10 issuers, stable rates

- One door for public and private health insurance; real time eligibility determination
  - Federal exchange does not facilitate Medicaid enrollment
### Path Forward

#### Improving System Performance
- Architecture and Code review
- Changes in Deloitte engagement
- New data processing tools
- Enhanced software quality reviews

#### Improving Accountability
- Increased Board engagement & oversight
- Alignment and agreements with key agency partners (HCA, DSHS, OIC)
- Collaboration with Office of the Chief Information Officer

#### Improving Consumer Experience
- Removal of premium aggregation
- New issues escalation/resolution process
- Ongoing health literacy efforts
- 1095A and tax filing preparation
Operational Requirements

**REQUIRED**
- Call Center
- Plan Certification
- Translation/Interpreter Services
- Consumer Survey
- State Audit
- Federal Reporting
- Reconciliation of enrollment information with carriers (834 files, ongoing, etc.)
- Streamlined application & eligibility determination for QHP & Medicaid (including federal HUB connection)

**NOT REQUIRED**
- Outreach and Marketing
- Specialized broker support
- Post-eligibility referrals to WaConn (classic Medicaid, etc.)
- Consumer decision/shopping tools (plan display features, etc.)
- Provider directory
- Adult dental

- Navigator Program
- Printing for required notices
- Healthplanfinder Business (SHOP)
- Consumer Rating System
- Appeals
Biennial Budget Request

• Board approved SFY 16-17 budget request: $147M

• Impact of removing premium aggregation: $10M
  o Removal Date Sept. 2015

• Revised SFY 16-17 budget with premium aggregation removed: $137M
Updated Revenue Projection

• Updated enrollment projections
  o Lower QHP enrollment projections
  o More people qualified for Medicaid than projected
  o 2% net attrition in QHPs monthly

• SFY 16-17 projected revenue: $115M

• Federal grants that can be used for operations in SFY 16: $10M

• SFY 16-17 budget that aligns with projected revenue: $125M

• Actual revenue may be less (OE ends 2/15/15)
Revised Revenue Sources: SFY 2016-2017 (assumes $125M)

- **Premium Assessment**: $39,129,000
- **Carrier Assessment**: $20,863,000
- **Medicaid Cost Allocation: Federal Share**: $33,530,000
- **Medicaid Cost Allocation: State Share**: $14,370,000
- **Funds earmarked for FY2016 collected in FY2015**: $7,501,000
- **Federal Grant (Operations)**: $10,000,000

*Preliminary based on projected revenue; will be updated following open-enrollment*
## Revised Exchange SFY 2016-2017 Budget
By Step from $80M to $125M (includes $10M in Grants)

<table>
<thead>
<tr>
<th>Budget Step</th>
<th>Baseline $80M (Millions)</th>
<th>Step Impact (Millions)</th>
<th>Key Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Center</td>
<td>$13.5M</td>
<td>$13M</td>
<td>• Average of 200 or less CSRs vs. 80 CSRs&lt;br&gt;• Wait times decrease on average from 80 minutes to 20 minutes</td>
</tr>
<tr>
<td>IT O&amp;M and Enhancements</td>
<td>$25.4</td>
<td>$7.5M</td>
<td>• Provide future user-focused enhancements or system updates/releases</td>
</tr>
<tr>
<td>Staff Salaries, Benefits and Taxes</td>
<td>$27.3M</td>
<td>$4M</td>
<td>• Maintain current staffing levels minus a 10% reduction</td>
</tr>
<tr>
<td>In-Person Assistors (IPA)</td>
<td>$2.5M</td>
<td>$3M</td>
<td>• Continue to have a IPA system to enroll &amp; renew QHP &amp; Medicaid clients</td>
</tr>
<tr>
<td>Marketing</td>
<td>$1.4M</td>
<td>$3M</td>
<td>• Marketing/Outreach to meet QHP/QDP enrollment &amp; revenue projections</td>
</tr>
</tbody>
</table>

*Preliminary based on projected revenue; will be updated following open-enrollment*
Revised Exchange SFY 2016-2017 Budget
By Step from $80M to $125M cont’d

<table>
<thead>
<tr>
<th>Budget Step</th>
<th>Baseline $80M (Millions)</th>
<th>Step Impact (Millions)</th>
<th>Key Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and Oversight</td>
<td>$.9M</td>
<td>$1.5M</td>
<td>• To fund SAO Performance Audit, Federal compliance audits (A-133) and Internal Audit functions</td>
</tr>
<tr>
<td>Printing and Postage for 2016 and 2017 Plan Year</td>
<td>$6.2M</td>
<td>$0</td>
<td>• Required printing &amp; postage costs from the 2016 and 2017 plan year open enrollment</td>
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<tr>
<td>Other</td>
<td>$2.8.M</td>
<td>$3M</td>
<td>• Inflationary costs across all Exchange business areas</td>
</tr>
<tr>
<td>Federal Grant Spend on Operations</td>
<td>$0</td>
<td>$10M</td>
<td>Bank Fees, IPAs, Printing, &amp; Call Center for July 2015 – Dec. 2015</td>
</tr>
<tr>
<td>Total</td>
<td>$80M</td>
<td>$45M</td>
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</table>

Preliminary based on projected revenue; will be updated following open-enrollment
Exchange Overview

• One of 19 States (plus DC) operating a state based exchange

• Created as a “public private partnership separate and distinct from the state” in legislation in 2011

• Governed by open public meetings and public disclosure guidelines

• Responsible for managing the online health insurance marketplace, Washington Healthplanfinder

• Through Healthplanfinder, WA residents can obtain Medicaid or commercial health coverage, compare plan options, and qualify for federal subsidies to help pay for coverage. All renewals go through Healthplanfinder

• Washington Healthplanfinder launched on October 1, 2013
Premium Aggregation Detail

- **Impact of removing premium aggregation**
  - Savings over SF 16-17 $10.4M (17T savings)
    - Payment processing fees (ACH bank fees, Key Bank fees, Credit card fees)
    - Staffing (Operations, Finance, IT Staff)
    - Invoice related printing and postage
  - Cost to Implement: $4.5M (grant funded)
  - Net Savings Over Biennium = $6M

- **Timeline for Implementation**

<table>
<thead>
<tr>
<th>Activities</th>
<th>2014</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Nov</td>
<td>Dec</td>
</tr>
<tr>
<td>Ongoing Releases</td>
<td></td>
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<tr>
<td>MPS Development</td>
<td></td>
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<tr>
<td>Functional design, LOE</td>
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<tr>
<td>Technical Design</td>
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<tr>
<td>Development &amp; System Test</td>
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<tr>
<td>User Acceptance Testing</td>
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<tr>
<td>Carrier Testing</td>
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- **Go/No-Go Decision**
- **MPS Go-Live**
- **Open Enrollment**
## Exchange Federal Grant Funding Summary

### GRANT AWARDED

<table>
<thead>
<tr>
<th>Grant Revenue: Level 1A</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Total Grant Award</td>
<td>23,939</td>
<td>14,297</td>
<td>1,036</td>
<td>15,175</td>
<td>7,728</td>
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<tr>
<td>No Cost Extension</td>
<td>14,297</td>
<td>1,036</td>
<td>15,175</td>
<td>7,728</td>
<td>14,297</td>
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<table>
<thead>
<tr>
<th>Grant Revenue: Level 2</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tr>
<td>Total Grant Award</td>
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<td>18,116</td>
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<td>41,812</td>
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<td>No Cost Extension</td>
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<td>1,036</td>
<td>15,175</td>
<td>7,728</td>
<td>14,297</td>
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<table>
<thead>
<tr>
<th>Grant Revenue: Level 2 IPA</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td>Total Grant Award</td>
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<td>1,363</td>
<td>3,032</td>
<td>4,009</td>
<td>1,363</td>
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<tr>
<td>No Cost Extension</td>
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<td>1,363</td>
<td>1,363</td>
<td>1,363</td>
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<table>
<thead>
<tr>
<th>Grant Revenue: Level 1B</th>
<th>2011</th>
<th>2012</th>
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<th>2014</th>
<th>2015</th>
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<tr>
<td>Total Grant Award</td>
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<td>15,698</td>
<td>68,936</td>
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<td>7,667</td>
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<td>No Cost Extension</td>
<td>15,698</td>
<td>1,036</td>
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<td>14,297</td>
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</table>

<table>
<thead>
<tr>
<th>Grant Revenue: Level 1B Supplemental</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Total Grant Award</td>
<td>9,308</td>
<td>9,308</td>
<td>4,600</td>
<td>4,709</td>
<td>26,999</td>
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<tr>
<td>No Cost Extension</td>
<td>9,308</td>
<td>9,308</td>
<td>4,600</td>
<td>4,709</td>
<td>26,999</td>
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<table>
<thead>
<tr>
<th>Grant Revenue: New Level 1C</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Total Grant Award</td>
<td>26,999</td>
<td>4,600</td>
<td>4,709</td>
<td>26,999</td>
<td>26,999</td>
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<tr>
<td>No Cost Extension</td>
<td>4,600</td>
<td>4,709</td>
<td>26,999</td>
<td>15,249</td>
<td>52,416</td>
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### Notes

- **OMB Circular A-133 Audit Completed with no audit findings or internal control/compliance weaknesses noted**
- Total amounts are grants funds only and do not include additional funds provided through Medicaid cost-allocation.
- Estimated $10M in federal grant funding will support operating costs in first half of SFY 2016 (July 1 – December 31, 2015)
Operations Costs Paid by Federal Grant No-Cost Extensions: July 1 – December 31, 2015

$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.
2015 Exchange Plan Offerings

Individual QHP Market – Issuers per County

2014:
- Individual Market: 8 Issuers, 46 plans
- Healthplanfinder Business/SHOP: 1 Issuer, 5 plans
- Individual Pediatric Dental Market: 5 Issuers, 5 Plans

2015:
- Individual Market: 10 Issuers, 90 plans (8 MSP)
  New: More choice
- Healthplanfinder Business/SHOP: 2 Issuers, 23 plans
  New: Statewide market
- Individual Pediatric Dental Market: 5 issuers, 6 plans
  New: High-level plans (85% AV)
“Your 1095-A Statement”
Tax Season Campaign

- New webpage! [wahbexchange.org/1095A](http://wahbexchange.org/1095A)
- In-Person Assister & Broker webinar
- “Your 1095-A Statement” FAQs for all customer support programs
- Infographic insert with first 1095-A mailing
- Dedicated customer support team to answer questions as well as correct and regenerate 1095-A if applicable
- Partnerships (tax preparers, VITA, etc.)