



Washington Health Benefit Exchange

Financial Report to the Board
May 26, 2016

FINANCE UPDATE

- Financial System
- Grant closure
 - Level 2
 - Level 1B
- No-cost extension – Level 1C
- Advanced planning document- June 21, 2016
- Audits – SAO, IRS, A-133
- Budget





Washington Health Benefit Exchange

Monthly Financial Report –As of April 2016

FINANCE UPDATE

- Revenues
- Expenditures
 - Appropriated budget amount reflects 2016 Supplemental budget
 - End of year projection slightly over total appropriation - may need to adjust allotments between FY 2016 and 2016
 - Grants did not cover as many costs as expected- which shifted charges to appropriated budget
 - Assumptions regarding cost allocation for grants were understated





Washington Health Benefit Exchange

**Monthly Financial Report –
Contracts Update As of April 30, 2016**

CONTRACTS UPDATE

Contract #	Company	Type	start	end	Contract Owner	Description	Additional value	Total contract value	Changes Through April 2016
HBE-048	KP	Ops	5/1/16	6/30/16	Beth	Printing Services	\$0	\$8,000,000	Amendment to extend end date from 4/30 to 6/30/2016
HBE-086	Milestone	IT	4/15/16	7/31/16	Vincent	Business Systems Analyst Services	\$33,440	\$4M total for all IT staffing contracts	Extend work orders for 2 contract staff
HBE-171	TEKSystems	IT	1/1/16	7/31/16	Vincent	Technical solutions analyst services	\$43,120	\$4M total for all IT staffing contracts	Extend work order for 1 contract staff
HBE-173	Cognizant	IT	10/15/15	12/31/16	Vincent	IT Systems & Operations staffing	\$0	\$4M total for all IT staffing contracts	Amendment to extend end date from 4/30 to 12/31/16
HBE-179	Edifecs	IT	3/17/15	3/16/16	Vincent Barailler	Edifecs COTS and project installation	\$0	\$708,446	Amendment extends end date of Scope of Work.
HBE-181	Cambria	Ops		4/21/16	Beth Walter	Staffing Contract		\$625,360	Terminated contract
HBE 201-212	Various Lead Organizations	Outreach	October 2016	September 2016	Michael Marchand	Navigator contracts	\$0	Range <> \$66,599 - \$722, 067	Amendment to change target and incentive structure
HBE-215	American Indian Health Commission	Outreach	4/22/16	5/31/16	Molly Voris	Tribal Government covered outreach	\$0	\$10,000	New contract for 2016 program
HBE-217	Resource Group	Finance	3/11/16	12/31/17	Carole Holland	New financial system implementation	\$0	\$337,915	Amendment to update milestone and payment structure
HBE-220	BerryDunn	Finance	5/1/16	6/30/17	Carole Holland	Financial & Programmatic Audit	\$0	\$179,000	New Contract
HBE-221	Anitian	IT	4/29/16	6/30/17	Vincent Barailler	Independent IT risk assessment	\$0	\$44,500	New contract





Washington Health Benefit Exchange

Staff and Contractor FTEs –April 2016

STAFFING

Department	March 2016			April 2016		
	FTE (bodies)	Contractor	TOTAL	FTE (bodies)	Contractor	TOTAL
Regular Employees						
Executive/PMO	6	1.5	7.5	6	3	9
Policy	9	0	9	9	0	9
Legal	8	0	8	8	0	8
Communications	17	0	17	17	0	17
Finance & Administration	17	1.5	18.5	17	1	18
Operations	28	6	34	30	3	33
IT	23	28	51	21	26	47
SUBTOTAL	108	37	145	108	33	141
Temporary & Project Employees						
Finance	4			3		
Invoices						
Eligibility						
Outreach						
Enrollment						
Reconciliation						
Level 2 Triage						
Carrier Support						
Post Validation/Data Analyst	1					
SUBTOTAL	5			3		
TOTAL	113	37	150	111	33	144





Washington Health Benefit Exchange

Board Budget Development Discussion
May 26, 2016

Budget Process

Core Functions

Describe core activities by department

Identify gaps in core function funding

Identify cross-agency activities and dependencies

Reductions

Identify potential efficiencies

Identify impact of potential budget reductions

Align funding to value-added activities

Improvements

Identify investments to achieve strategic goals

Establish long-term information technology funding (capital)

Address gaps in funding of core functions



Framework for Budget

- Improve customer experience
- Achieve operational efficiencies
- Support core functions
- Sustainability



Operational Efficiencies

- One-time
 - Leverage grant funds for additional IT design and development work
- Requires initial resources or additional analyses
 - Reduce printing and postage costs
 - Reduce targeted operational costs
- SFY 2017 and Ongoing
 - Reduce M&O funding through contract renegotiations
 - Reduce costs of software through contract cancellations or renegotiations
 - Reduce facility-related contracts



Core function gaps

- Conditional eligibility verification
- System training for staff, call center and brokers
- Audit and compliance
- Grant writing
- Outreach



2017 Supplemental

- State has limited resources, must address McLeary
- Supplemental budget typically reserved for dealing with extraordinary events or mandatory caseload changes
- Priority is to fund core services within our base appropriation, using efficiency savings to cover gaps
- Two potential funding requests
 - Update cost allocation
 - Establish workload/caseload driven model (e.g. call center, printing and postage, staffing)



2017-19 Biennium

- HPF operational improvements (e.g. tools for efficiency service delivery, transition from E-Health, etc.)
- Establish replacement cycle for hardware and funding for software upgrades
- HPF Customer decision making tool
- Outreach and marketing funding
- Affordability and health equity
- Core activities funding
 - Update cost allocation
 - Workload/caseload model



2017-19 Budget Process

- May
 - Discuss concepts with Board
- June
 - Board strategic planning
 - Revenue forecast update
 - Close state fiscal year 2016
- July
 - Draft decision packages completed
- August
 - Obtain Board approval
 - Submit budget to HCA



Next steps

- Align resources with Exchange Board strategic vision
- Articulate what we do and how much we are spending
- Validate Exchange core functions, identify gaps and opportunities to improve efficiency
- Build three year budget that establishes longer-term financial stability





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