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
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
## CONTRACTS UPDATE

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

<table>
<thead>
<tr>
<th>Department</th>
<th>March 2016</th>
<th>April 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTE (bodies)</td>
<td>Contractor</td>
</tr>
<tr>
<td><strong>Regular Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive/PMO</td>
<td>6</td>
<td>1.5</td>
</tr>
<tr>
<td>Policy</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Legal</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Communications</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Finance &amp; Administration</td>
<td>17</td>
<td>1.5</td>
</tr>
<tr>
<td>Operations</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>IT</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>108</strong></td>
<td><strong>37</strong></td>
</tr>
<tr>
<td><strong>Temporary &amp; Project Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Invoices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outreach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrollment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconciliation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 2 Triage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrier Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post Validation/Data Analyst</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td><strong>5</strong></td>
<td><strong>37</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>113</strong></td>
<td><strong>37</strong></td>
</tr>
</tbody>
</table>

March 2016

April 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
washington healthplanfinder

click. compare. covered.