

## 2018 Supplemental Budget Decision Package

**Agency:**

Health Care Authority on Behalf of the Health Benefit Exchange

**Decision Package Code/Title:**

PL-HG HBE Call Center and System Integrator Procurements

**Budget Period:**

2018 Supplemental

**Budget Level:**

Policy Level

**Agency Recommendation Summary Text:**

The Health Benefit Exchange (HBE) requests \$3,444,000 in state fiscal year 2019 and \$259,000 in state fiscal year 2020 to cover projected costs associated with implementing a Call Center vendor and to define requirements for a system integrator (SI) vendor. No additional General Fund-State dollars are requested.

**Fiscal Summary:**

<b>Operating Expenditures</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Fund 001-1	\$0	\$0	\$0	\$0
Fund 001-C	\$0	\$2,342,000	\$176,000	\$0
Fund 17-T	\$0	\$1,102,000	\$83,000	\$0
<b>Total Cost</b>	<b>\$0</b>	<b>\$3,444,000</b>	<b>\$259,000</b>	<b>\$0</b>
FTEs	-	-	-	-
<b>Revenue</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Fund 001-1	\$0	\$0	\$0	\$0
Fund 001-C	\$0	\$2,342,000	\$176,000	\$0
Fund 17-T	\$0	\$1,102,000	\$83,000	\$0
<b>Object of Expenditure</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Obj. C	\$0	\$3,444,000	\$259,000	\$0

**Package Description**

The Exchange is required to competitively solicit its vendors periodically per Federal Uniform Guidance requirements. This decision package provides one-time expenditure authority to cover the additional costs of transitioning to a new call center vendor. If the current vendor is selected as the apparently successful vendor, additional one-time funding may be needed for improved technology. Costs associated with transitioning to a new call center vendor would include infrastructure ramp-up costs, costs associated with onboarding call center staff, and the cost of a project manager experienced in call center transitions.

Technical assistance is also requested for a contractor to assess the current functionality of the Exchange's system integrator and define requirements for the Request for Proposal solicitation process. Additional expenditure authority would be needed in the 2019-21 biennial budget for the actual transition costs should a new vendor be selected.

The Exchange operates the Washington Healthplanfinder (HPF) – an easily accessible, online marketplace for individuals and families to compare and enroll in Qualified Health Plans (QHP), Qualified Dental Plans (QDP) and Washington Apple Health (Medicaid).

Washington Healthplanfinder offers Washington state residents:

- Side-by-side comparisons of QHPs and QDPs;
- Access to tax credits or financial help to pay for co-pays and premiums;
- Expert customer support offered online, by phone, or in person through a Navigators/In-Person Assister or insurance brokers.

As the single point of entry for Washington Apple Health, QHP and QDP, the Exchange serves more than 1.8 million residents annually. As of July 2017, more than 179,000 Washington residents were enrolled in QHPs and more than 1.6 million were enrolled in Washington Apple Health. The Call Center supports the Exchange by helping customers navigate the HPF, answering questions about eligibility and enrollment, and providing other customer service functions.

### **Call Center Procurement**

The current HBE vendor, Faneuil, Inc., began delivery of Call Center Services in 2013 with terms that allowed up to five 12-month extensions. The current contract will need to be competitively re-procured before June 30, 2019. Any transition to a new call center vendor would require a go-live date on or before July 1, 2019.

The Exchange seeks to continuously improve how Washingtonians secure health insurance through innovative and practical solutions and an easy-to-use customer experiences. 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 request establishes the funding necessary to establish and begin operation of a new call center while overlapping with the existing call center vendor until the new site is operational.

### **System Integrator Procurement**

The System Integrator contract for the Healthplanfinder will expire June 30, 2020. To prepare for this procurement, the Exchange requires a System Integrator Procurement contractor to identify the technical requirements of the Request for Proposal (RFP) for the system integrator and assist in the implementation of a new vendor (if needed). The RFP is intended to solicit proposals from qualified vendors to provide development, enhancement and hosting services for the Healthplanfinder beginning July 1, 2020 (state fiscal year 2021).

The system integrator procurement vendor will provide the following:

- Operations and Maintenance of the Healthplanfinder
- Assistance with implementation if a new vendor is selected.
- Continuous enhancements to the HPF portal

This request establishes the funding authority needed to assist the Exchange with the procurement process and implementation if a new vendor is selected. The system integrator procurement contractor will:

- Provide project management services for the RFP process
- Conduct research on market comparisons, performance guarantees and scoring;
- Evaluate the scope of potential services by the system integrator and identify alternate solutions for specific products or services
- Develop technical requirements and scoring criteria to evaluate RFP responses.
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If a new system integrator is selected, the Exchange would also require expenditure authority for one-time transition costs in the 2019-21 biennium.

**Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.**

The base budget does not include funding for the one-time call center startup costs or overlapping transition costs with the existing call center vendor. The original funding for the current call center startup costs were funded by federal grant funding provided to Washington State to establish the Exchange and Healthplanfinder (HPF).

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

No changes in FTEs are expected with this decision package.

- No increase in Carrier Assessment is expected to cover this expenditure.
- No new General Fund-State dollars are requested.
- All costs associated with this decision package are eligible for 50% FFP

**Call Center Procurement**

The Exchange assumes a startup timeline with overlapping vendor costs of approximately three months including a ramp-up period for the apparently successful vendor (ASV) beginning in April 2019. Activities associated with ramp-up include building out facilities, setting up technology and customer relationship management software, transitioning existing records from the current vendor, hiring essential staff, hiring and training customer support representatives with a new vendor fully operational by July 2019. Funding is also requested to hire a project consultant experienced in setting up a new call center beginning in March 2019.

SFY2019 New Call Center Establishment Costs	March 2019	April 2019	May 2019	June 2019	Total SFY2019
<b>Current Vendor Monthly Costs</b>	\$821,405	\$766,774	\$805,354	\$785,754	\$2,357,882
Staffing Ramp-up Costs as a % of Current Vendor	0%	30%	60%	90%	
<b>New Vendor Ramp-up Costs</b>	<b>\$64,875</b>	<b>\$694,875</b>	<b>\$1,147,875</b>	<b>\$1,471,875</b>	<b>\$3,379,500</b>
Infrastructure Ramp-up Costs	\$0	\$400,000	\$600,000	\$700,000	\$1,700,000
Staffing and Training Ramp-up Costs	\$0	\$230,000	\$483,000	\$707,000	\$1,420,000
Consultant	\$64,875	\$64,875	\$64,875	\$64,875	\$259,500
<b>Total</b>	<b>\$64,875</b>	<b>\$694,875</b>	<b>\$1,147,875</b>	<b>\$1,471,875</b>	<b>\$3,314,625</b>

## **System Integrator Vendor Procurement**

The Exchange will issue an RFP for the system integrator vendor procurement consulting services.

Object C	SFY 2018	\$129,750
	SFY 2019	\$259,500

### **Decision Package Justification and Impacts**

#### **What specific performance outcomes does the agency expect?**

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

#### **Performance Measure detail:**

#### **Fully describe and quantify expected impacts on state residents and specific populations served.**

The Healthplanfinder enrolls approximately 24.1% of state residents in health care coverage. In SFY 2017, the Exchange served about 1.6 million Medicaid enrollees and 170,000 QHP clients.

The purpose of the Call Center RFP is to select a Vendor to operate a full-service customer support Call Center for the HBE. In general, the successful Call Center Vendor will perform the following functions:

- Receive inquiries and answer questions about health insurance eligibility, application and enrollment, and the availability of tax-credits and cost sharing reductions.
- Serve customers with a simple, streamlined approach to ensure ease of use and customer satisfaction.
- Provide a toll-free phone number to respond to inquiries regarding coverage offered through the HBE.
- Facilitate the application and enrollment process to include assistance with web-based and paper-based applications processing.
- Help consumers navigate through the Medicaid Expansion program (based on Modified Adjusted Gross Income parameters, or MAGI), determine eligibility for Advanced Premium Tax Credit (APTC), and facilitate enrollment in QHPs and QDPs.
- Triage calls concerning eligibility for other health benefit programs available to Washington State consumers, and for more complex questions, route accordingly.
- Upload scanned documents to customer dashboards and data entry of paper applications.

**What are other important connections or impacts related to this proposal?**

Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	Yes	Identify: Health Care Authority
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

**What alternatives were explored by the agency and why was this option chosen?**

No other options were explored since it is a mandatory federal requirement to re-procure. For the call center, all development work on the RFP will be completed within existing resources. The additional expenditure authority is needed if the apparently successful vendor is not the current vendor or if new technology requirements are required for the current vendor. For the system integrator procurement, the Exchange does not have the expertise to perform this work.

**What are the consequences of not funding this request?**

The Exchange will need to reduce expenditures that would negatively impact service delivery.

**How has or can the agency address the issue or need in its current appropriation level?**

**Other supporting materials:**

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

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)