

Decision Package Bundle



Agency: Wash State Health Care Authority
Decision Package Code-Title: 8Y - Cost Allocation Adjustment
Budget Session: 2019-21 S1
Budget Level: Maintenance Level
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Agency Recommendation Summary

A net-zero adjustment in Health Benefit Exchange (Exchange) funding sources for the 2019-21 Biennium is needed to reflect the beneficiaries of services provided and to align funding levels with the appropriate fund source. This request reflects the updated Advanced Planning Documents (APD) for federal fiscal year (FFY) 2020.

Program Recommendation Summary

- **HBE - Health Benefit Exchange**

See agency recommendation summary.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - C	\$-1,617	\$-456	\$0	\$0
Fund 17T - 1	\$1,617	\$456	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0
Biennial Totals		\$0		\$0
Revenue	FY 2020	FY 2021	FY 2022	FY 2023
001 - 0393	\$-1,617	\$-456	\$0	\$0
Total	\$0	\$0	\$0	\$0
Biennial Totals		\$0		\$0

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
17T - 0499	\$1,617	\$456	\$0	\$0
Total	\$0	\$0	\$0	\$0
Biennial Totals		\$0		\$0

Package Description

In 2014, the Exchange began making eligibility determinations for Medicaid clients using the modified adjusted gross income (MAGI)-based rules. Currently, over 1.6 million Medicaid and CHIP clients have their eligibility records maintained through the Exchange Healthplanfinder (HPF) website. Approximately 200,000 Qualified Health Plan (QHP) clients are also served per month. The ratio of Medicaid clients to QHP clients is approximately 89.8%. The Exchange is reimbursed for operational activities which are done on behalf of the Medicaid program.

In addition to serving as the portal for eligibility determination, existing clients continue to access HPF to update their client records when needed, receive HPF-generated notices and other required correspondence, and access customer support services provided by the Exchange Call Center and Navigator program.

The most recent proposed APD for federal fiscal year 2020 reflects adjustments made to enrollment and services provided by the Exchange and is consistent with previously approved APDs.

What is your proposed solution?

This request is to align funding sources to reflect changes in populations served through HPF. This request does not expand or alter current programs or services and there is a net zero financial impact.

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

The appropriation level does not change. This decision package only corrects the funding source to reflect expected Medicaid reimbursements provided in the Advanced Planning Documents submitted to CMS in June 2019.

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

None. It is necessary to align revenue sources to expenditures.

Assumptions and Calculations

Expansion or alteration of a current program or service:

N/A

Detailed assumptions and calculations:

This decision package changes the source of funding for Medicaid services as follows:

- The proportion of QHP only enrollees versus Medicaid Enrollees is adjusted to reflect a higher increase in the QHP population than in the Medicaid population.

Population Served (CFC Forecast & Wakely Group)				Medicaid %	QHP %
Fiscal Year	Medicaid	QHP	Total		
FFY2017	1,613,725	157,566	1,771,291	91.1%	8.9%
FFY2018	1,627,810	174,290	1,802,101	90.3%	9.7%
FFY2019	1,559,553	187,778	1,747,331	89.3%	10.7%
FFY2020	1,541,202	173,803	1,711,853	89.8%	10.2%

- Current year appropriated funds are aligned with anticipated spending levels for IT related activities including funding for HPF enhancement activities with the populations affected by the system enhancements.
- Changes in the utilization of system generated correspondences and call center services provided to QHP and Medicaid enrollees by the Exchange.

FY2020	Total	001-1	001-C	17T00
FY2020 Enacted Appropriation	\$61,933	\$6,407	\$26,207	\$29,319
FY2020 Adjustments	\$0	\$0	-\$1,617	\$1,617
Cost Allocation FFY2020 Update	\$0	\$0	-\$1,617	\$1,617
FY2020 Proposed Appropriation	\$61,933	\$6,407	\$24,590	\$30,936

FY2021	Total	001-1	001-C	17T00
FY2021 Carry Forward Level	\$59,556	\$5,234	\$25,921	\$28,401
FY2021 Adjustments	\$0	\$0	-\$456	\$456
Cost Allocation FFY2020 Update	\$0	\$0	-\$456	\$456
FY2021 Proposed Appropriation	\$59,556	\$5,234	\$25,465	\$28,857

Workforce Assumptions:

N/A

Strategic and Performance Outcomes

Strategic framework:

Improved fiscal accountability for using fund sources that reflect the beneficiaries of services. Enhanced sustainability by maintaining or reducing carrier assessment rates.

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, including over 1.6 million Medicaid enrollees and around 200,000 Qualified Health Plan enrollees.

Performance outcomes:

Improved sustainability for the Exchange. The Exchange is seeking cost reimbursement for services provided on behalf of Medicaid enrollees, which represent about 89.8% of total enrollees.

Other Collateral Connections

Intergovernmental:

N/A

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff? No