



Washington Health Benefit Exchange

Exchange Board Meeting
Financial Report and Biennial Budget Update

Jim Crawford, Chief Financial Officer

August 20, 2020

Financial Report

August Finance Update

- July month end variance of \$104,193 or 2.2% under budget
 - The main driver of this variance is vacancy savings
- Budgeted amounts for SFY21 reflect the planned ramp-up in spending this year for Cascade Care implementation. Savings were achieved in SFY20 in 17T and GF-federal to accommodate this increase.
- We are holding GFS budget capacity in all programs for travel, equipment and contracts costs to accommodate OFM's earlier-requested 15% budget reduction (\$810,000)
- We also anticipate a second supplemental budget request to adjust the budgeted split between GF-Federal and 17T for FY21. This is an annual budget adjustment that we request of the legislature



19-21 Biennial Budget by Fund Source

	2019-21 Biennium
Biennial Appropriation	\$ 121,913,000

Objects	Year 1 Actuals	Year 2 Budget	Biennial Budget
General Fund - State	\$ 5,593,234*	\$ 5,334,000	\$ 11,741,000
General Fund - Medicaid	\$ 21,290,325	\$ 28,764,675	\$ 50,055,000
17T	\$ 31,083,962	\$ 29,033,038	\$ 60,117,000
Total	\$ 57,967,521	\$ 63,131,713	\$ 121,913,000

* Year 1 GF-S Appropriation was \$6,407,000. The Exchange reverted over \$813,000 in one time appropriation to the state to support the budget crisis brought on by COVID-19



SFY 2021 Expenditure Report by Fund Source

July 2020

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 336,257	\$ 327,631	\$ 8,626	2.6%
GF-Federal	\$ 1,610,494	\$ 1,516,435	\$ 94,059	5.8%
17T	\$ 2,810,783	\$ 2,809,275	\$ 1,508	0.1%
Total	\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

Year to Date

Budget	Expenditures	Variance under/(over)	Variance %
\$ 336,257	\$ 327,631	\$ 8,626	2.6%
\$ 1,610,494	\$ 1,516,435	\$ 94,059	5.8%
\$ 2,810,783	\$ 2,809,275	\$ 1,508	0.1%
\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

End of Year Projection- Total Funds

Fund	Budget	Expenditures	Variance under/(over)	Variance %
GF-State	\$ 5,334,000	\$ 5,325,374	\$ 8,626	0.2%
GF-Federal	\$ 28,764,675	\$ 28,670,616	\$ 94,059	0.3%
17T	\$ 29,033,038	\$ 29,031,530	\$ 1,508	0.0%
Total	\$ 63,131,713	\$ 63,027,520	\$ 104,193	0.2%



SFY 2021 Expenditure Report by Object

July 2020

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 1,165,227	\$ 1,068,154	\$ 97,073	8.3%
Benefits	\$ 390,086	\$ 375,087	\$ 14,999	3.8%
Contracts	\$ 2,749,903	\$ 2,764,587	\$ (14,684)	-0.5%
Goods and Services	\$ 452,318	\$ 445,513	\$ 6,805	1.5%
Travel	\$ -	\$ -	\$ -	0.0%
Total	\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

Year to Date

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Salaries	\$ 1,165,227	\$ 1,068,154	\$ 97,073	8.3%
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Goods and Services	\$ 452,318	\$ 445,513	\$ 6,805	1.5%
Travel	\$ -	\$ -	\$ -	0.0%
Total	\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

End of Year Projection- Enacted Budget

Object	Budget	Expenditures	Variance under/(over)	Variance %
Salaries	\$ 13,696,271	\$ 13,599,198	\$ 97,073	0.7%
Benefits	\$ 4,905,065	\$ 4,890,066	\$ 14,999	0.3%
Contracts	\$ 38,932,747	\$ 38,947,431	\$ (14,684)	0.0%
Goods and Services	\$ 5,485,630	\$ 5,478,825	\$ 6,805	0.1%
Travel	\$ 112,000	\$ 112,000	\$ -	0.0%
Total	\$ 63,131,713	\$ 63,027,520	\$ 104,193	0.2%



SFY 2021 Expenditure Report by Department

July 2020

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 636,514	\$ 607,394	\$ 29,120	4.6%
Executive	\$ 110,450	\$ 106,206	\$ 4,244	3.8%
Finance	\$ 436,410	\$ 424,553	\$ 11,857	2.7%
IT	\$ 2,205,510	\$ 2,186,448	\$ 19,062	0.9%
OSP	\$ 198,460	\$ 192,293	\$ 6,167	3.1%
Operations	\$ 1,170,190	\$ 1,136,447	\$ 33,743	2.9%
Total	\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

Year to Date

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 636,514	\$ 607,394	\$ 29,120	4.6%
Executive	\$ 110,450	\$ 106,206	\$ 4,244	3.8%
Finance	\$ 436,410	\$ 424,553	\$ 11,857	2.7%
IT	\$ 2,205,510	\$ 2,186,448	\$ 19,062	0.9%
OSP	\$ 198,460	\$ 192,293	\$ 6,167	3.1%
Operations	\$ 1,170,190	\$ 1,136,447	\$ 33,743	2.9%
Total	\$ 4,757,534	\$ 4,653,341	\$ 104,193	2.2%

End of Year Projection- Budget

Department	Budget	Expenditures	Variance under/(over)	Variance %
Communications	\$ 8,194,257	\$ 8,165,137	\$ 29,120	0.4%
Executive	\$ 1,510,573	\$ 1,506,329	\$ 4,244	0.3%
Finance	\$ 4,559,640	\$ 4,547,783	\$ 11,857	0.3%
IT	\$ 27,918,459	\$ 27,899,397	\$ 19,062	0.1%
OSP	\$ 2,101,608	\$ 2,095,441	\$ 6,167	0.3%
Operations	\$ 17,347,176	\$ 17,313,433	\$ 33,743	0.2%
Unallotted	\$ 1,500,000	\$ 1,500,000		
Total	\$ 63,131,713	\$ 63,027,520	\$ 104,193	0.2%



Board Guidance and Strategic Priorities

Board Retreat Take-Aways

- **Affordability**
 - Continue to address affordability for our customers, including Cascade Care strategies to address premiums and reduce health care costs
 - Do more for affordability through sponsorship opportunities, subsidies, and other ways to help consumers
- **COVID Impact**
 - COVID environment is adversely affecting our communities of color and the most vulnerable, deepening a major equity problem
 - Lean into understanding and addressing the uninsured, especially the newly uninsured
 - Work at communications and outreach through lead organizations and others
- **Think Bigger**
 - Go deeper or broader in areas of equity, affordability, and social determinants of health



Align Resources to Strategic Initiative

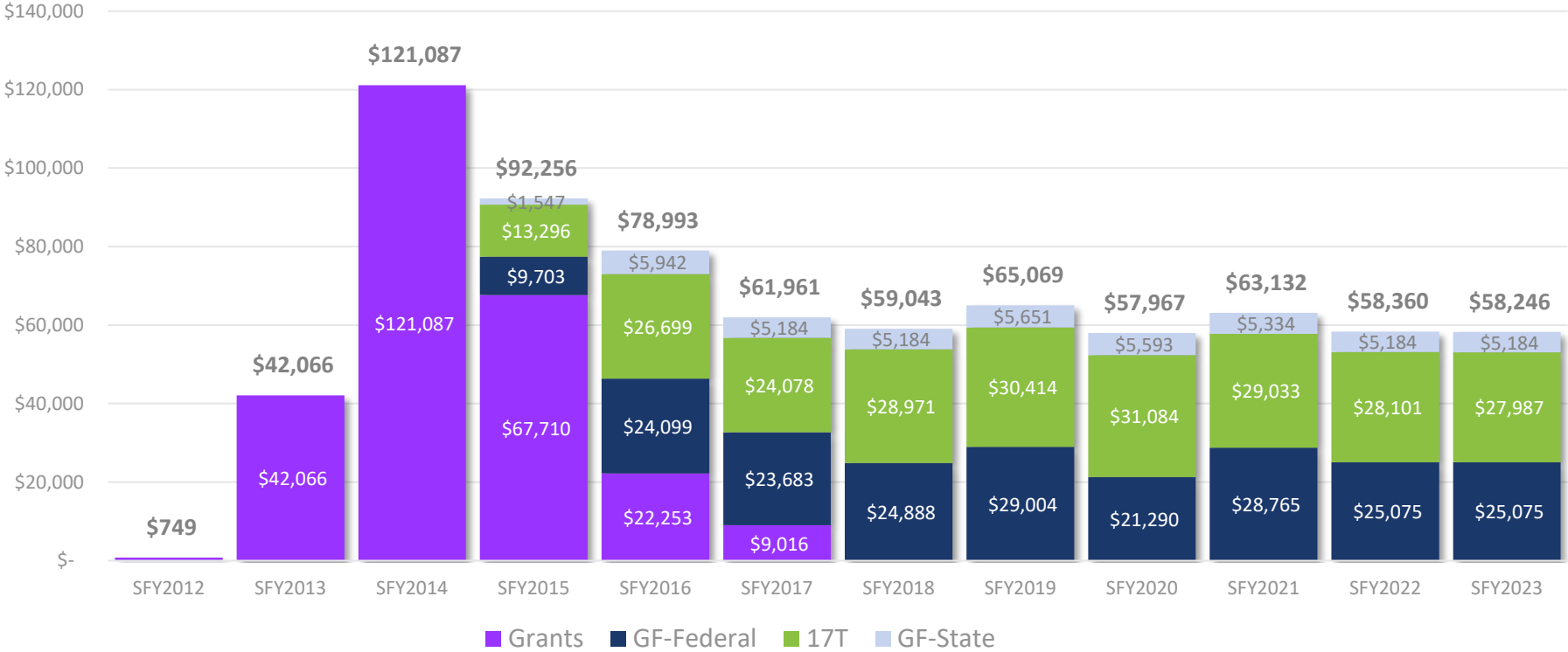
- **Target Tactics and Measure Results:** leverage data and deepen insights
- **Address Affordability:** scale programs, expand current capabilities, build capacity for the long-term
- **Eliminate Coverage Gaps:** new outreach and enrollment strategies, study and pilot auto-enrollment capacity through an equity lens



Funding History

HBE Funding by Fiscal Year

Health Benefit Exchange Funding by Fiscal Year
(shown in thousands)



MAINTENANCE LEVEL

PACKAGES

Cost Allocation Update

Healthplanfinder M&O Increase

Delayed DDI Activities due to COVID Response

PEBB Funding Rate

Cost Allocation Update

Description:

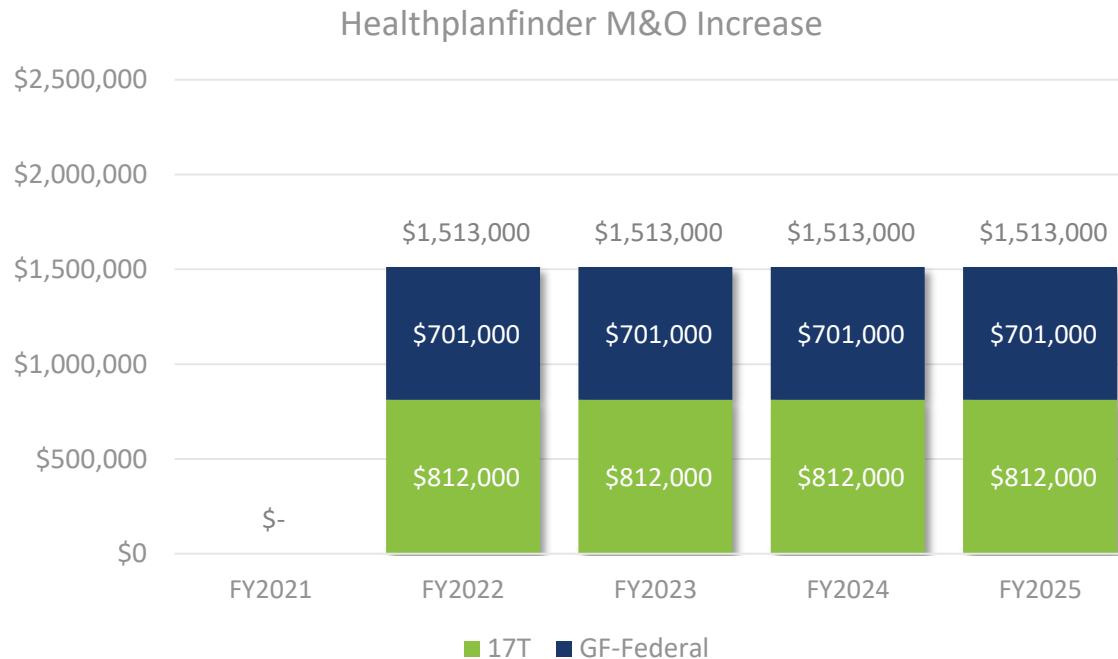
- A net-zero adjustment in Health Benefit Exchange funding sources for Fiscal Year 2021 and the 2021-23 Biennium is needed to reflect the beneficiaries of services provided and to align funding levels with the appropriate fund source. This request reflects the updated Advanced Planning Documents (APD) for federal fiscal year (FFY) 2021
- This is a traditional decision-package OFM and the Legislature have historically accepted to keep funding sources aligned to our work



Healthplanfinder M&O Increase

Description:

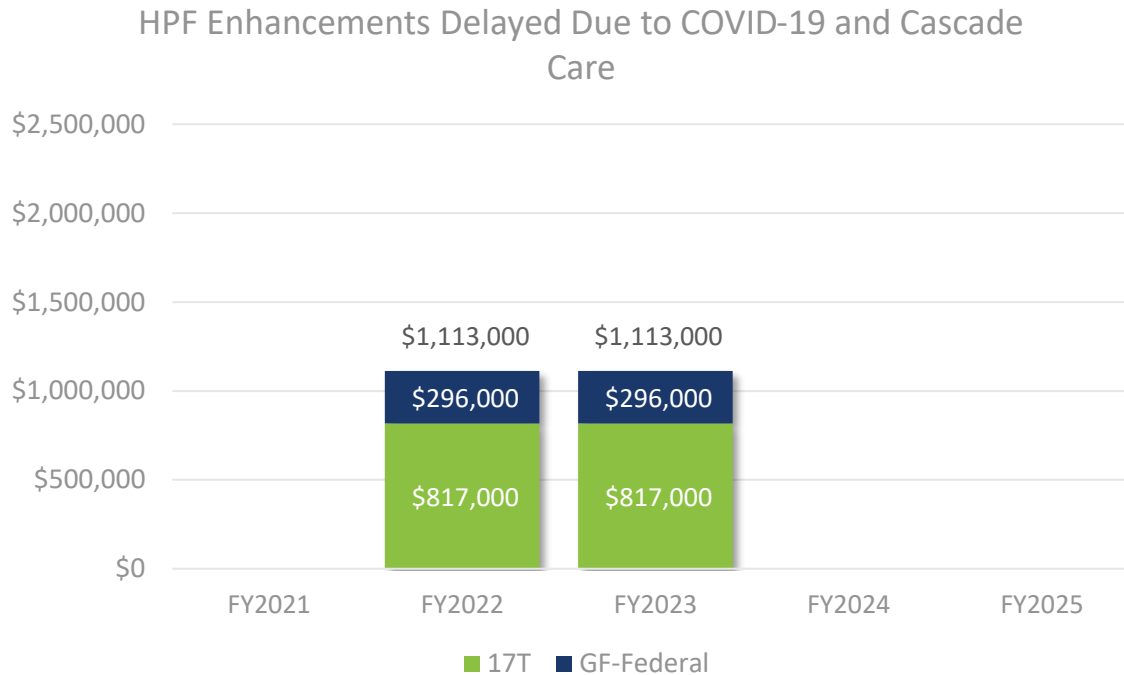
- Continue the current Health Benefit Exchange level of operations for the Healthplanfinder eligibility and enrollment service



Delayed DDI due to COVID Response

Description:

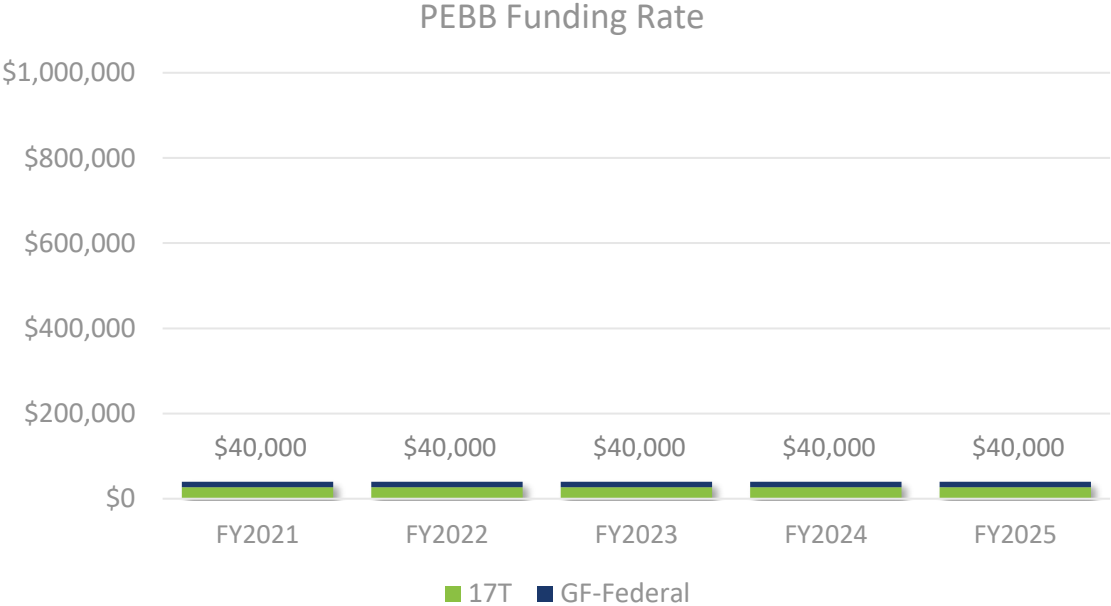
- Address backlog of upgrades and enhancements to Healthplanfinder in FY2022 and FY2023 created by major Exchange efforts to respond to the COVID pandemic and continuing build-out of the infrastructure for Cascade Care



PEBB Funding Rate Adjustment

Description:

- Technical correction to PEBB funding rates included in the 2019-21 enacted budget.



POLICY DECISION PACKAGES

2021-23 BIENNIAL PACKAGES

Expand Sponsorship Program

Acceleration and Modernization

Business and Worker Outreach Program

Enhanced Data Analytics

Marketing and Outreach to the Uninsured

15% GF-State Reduction

Expand Sponsorship Program

Description:

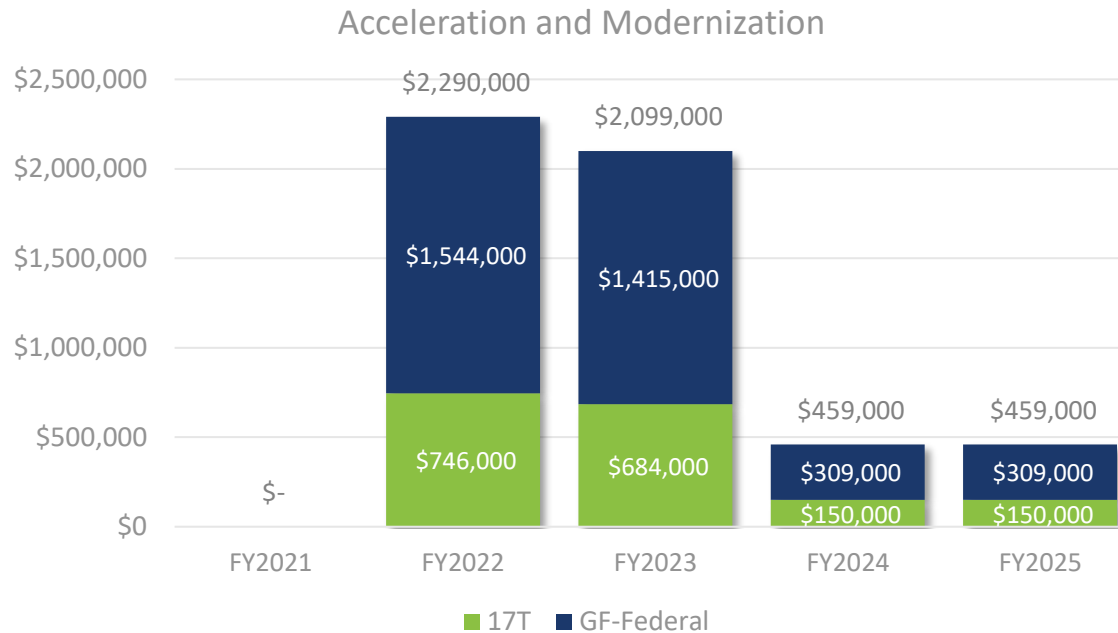
- Increase affordability and access, especially for newly uninsured families and higher risk populations
- Program improvements to increase the capacity for sponsorships and the customer experience of the sponsorship program, improving the ability of businesses and organizations to sponsor affordable health insurance coverage for individuals and families



HPF Acceleration and Modernization

Description:

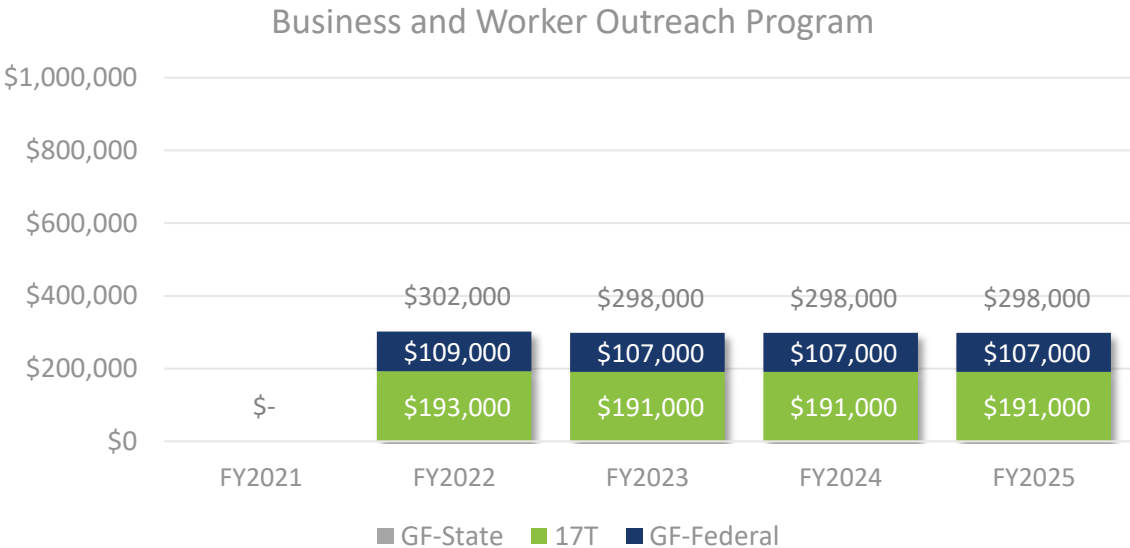
- Updates Healthplanfinder (HPF) to respond faster to customer and market needs
- Modularizes HPF to improve our ability to respond quickly and effectively to regulatory and policy changes impacting the insurance market
- Minimizes dependencies on legacy systems and code
- Enables extension of HPF as modern eligibility and enrollment system



Business and Worker Outreach Program

Description:

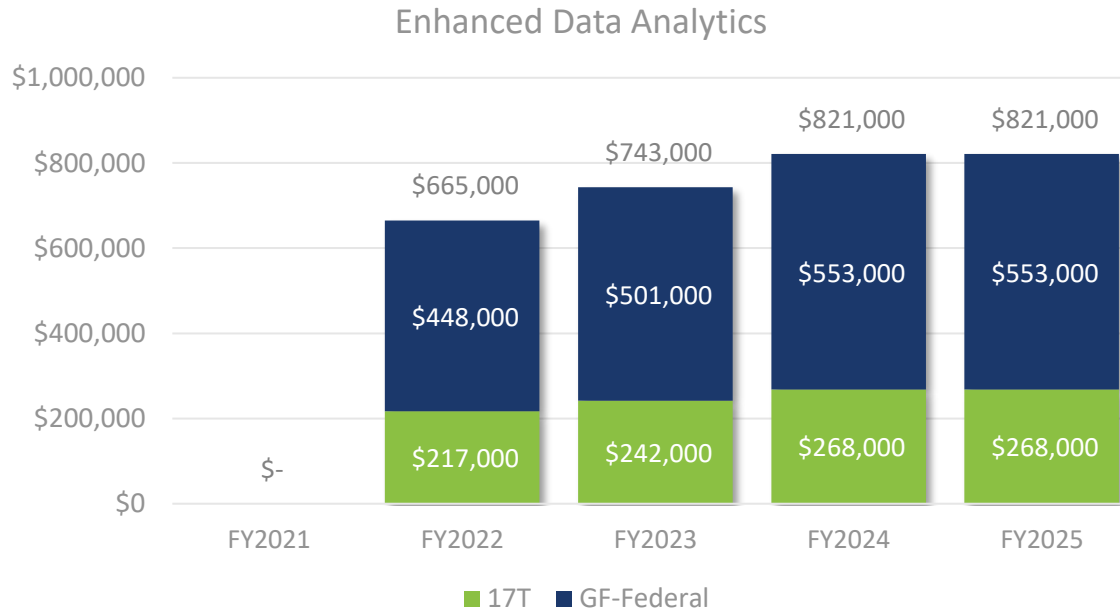
- Creates a focused team to support businesses and their employees on health care insurance opportunities available when faced with a potential loss of employer-based health insurance coverage
- Build stronger partnerships with employers, state agencies and stakeholders engaged in the work of supporting individuals and businesses who are transitioning off EBI
- Work with Employment Security Department (ESD) to be included as part of the ESD Rapid Response team



Enhanced Data Analytics

Description:

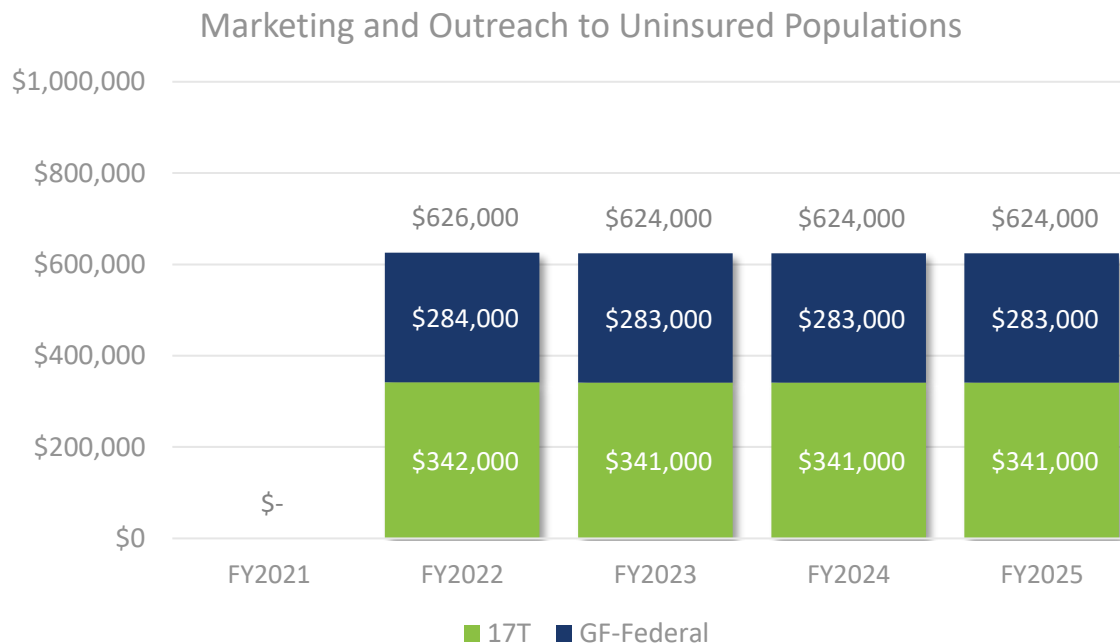
- Enable more robust analysis of our customer data to find ways to better serve uninsured families and communities
- Organize and structure HBE data to more efficiently research, analyze and creatively turn complex data into actionable information



Marketing and Outreach to Uninsured Populations

Description:

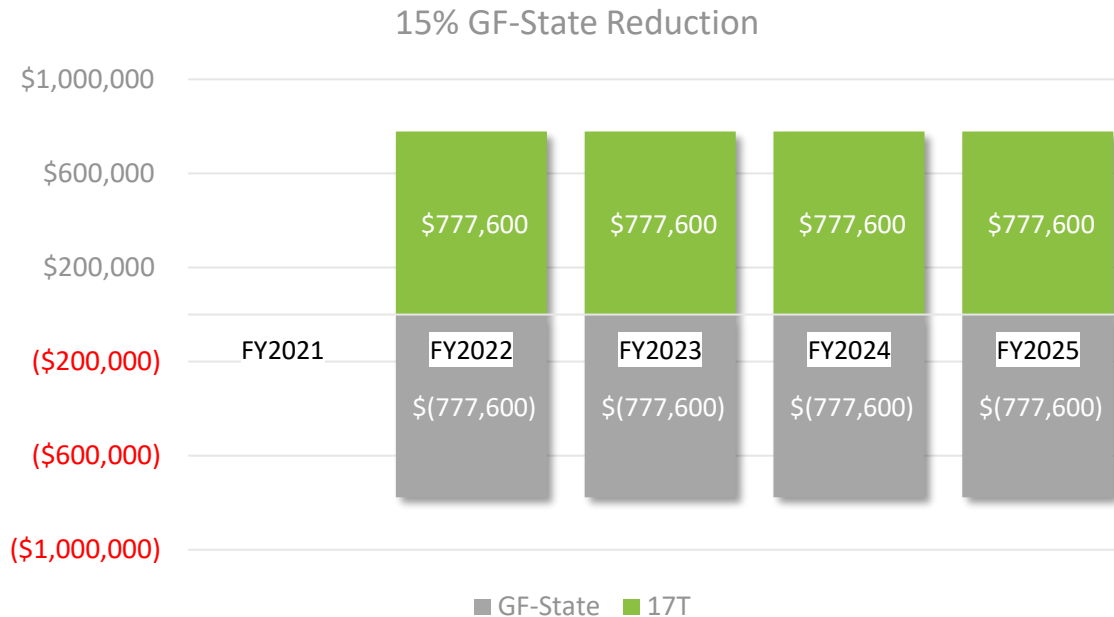
- Extend marketing and outreach to customers beyond the traditional open enrollment period to improve options for individuals and families experiencing changes in income and employment
- Marketing and outreach to drive individuals who lose their existing health coverage due job loss toward Healthplanfinder up to 60 days before or after their coverage end date



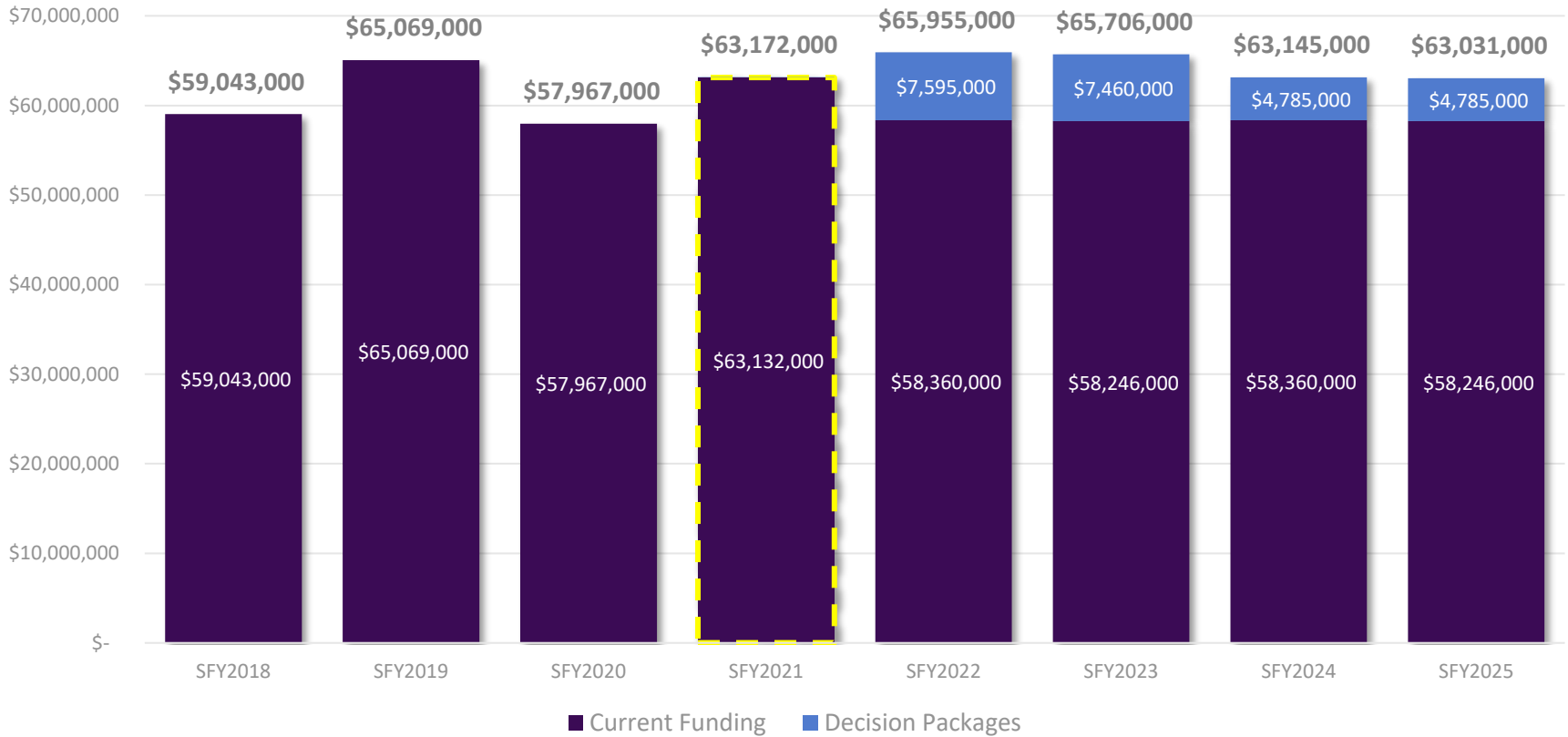
15% General Fund State Reduction

Description:

- Complies with OFM budget instruction to provide package to reduce GF-S by 15 percent
- Proposes a net zero fund adjustment in the 2021-23 and 2023-25 Biennia to reduce the General Fund State appropriation (\$777,600 GF-State) per year and offset it with an increase in Health Benefit Exchange Account funding to preserve Exchange capacity to serve Washingtonians



Health Benefit Exchange Appropriation with Budget Request





washington
healthplanfinder

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