

Maintenance Level

Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

ML-HB HBE Healthplanfinder Maintenance and Operations

Agency RecSum:

Maintain the current Health Benefit Exchange levels of operations and service for the Healthplanfinder eligibility and enrollment service.

Fiscal detail:

Operating Expenditures	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$812,000	\$812,000	\$812,000	\$812,000
001-C GF-Federal	\$701,000	\$701,000	\$701,000	\$701,000
Total Expenditures	\$1,513,000	\$1,513,000	\$1,513,000	\$1,513,000
Biennial Totals	\$3,026,000		\$3,026,000	
Staffing	FY 2022	FY 2023	FY 2024	FY 2025
FTEs	0	0	0	0
Average Annual	0		0	
Object of Expenditure	FY 2022	FY 2023	FY 2024	FY 2025
Obj. C	\$1,513,000	\$1,513,000	\$1,513,000	\$1,513,000
Revenue	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$812,000	\$812,000	\$812,000	\$812,000
001-C GF-Federal	\$701,000	\$701,000	\$701,000	\$701,000
Total Revenue	\$1,513,000	\$1,513,000	\$1,513,000	\$1,513,000
Biennial Totals	\$3,026,000		\$3,026,000	

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

Healthplanfinder (HPF) is Washington State’s application and enrollment system for the 1.8 million individual health insurance market and Washington Apple Health (Medicaid) enrollees. The HPF coordinates eligibility for benefits and provides enrollees with tools to select and connect with health plans.

In 2019-20, the Health Benefit Exchange (Exchange) conducted an open procurement for the System Integrator for the Healthplanfinder, with contract dates of July 2020 – June 2025. The System Integrator provides critical coding, bringing together component subsystems into a singular customer experience and ensuring that those subsystems function together to maintain the security and functionality of HPF for consumers. The new contract included a fixed price increase for the maintenance and operations (M&O) of Healthplanfinder. The new contract also included increased costs for the current level of system enhancements.

What is your proposal?

For additional information contact:

Nicholas Aaseby, Financial Analysis and Reporting Manager
360-688-1574 nicholas.aaseby@wahbexchange.org

The Exchange requests ongoing funding of \$804,000 per year for increased M&O costs and \$709,000 to continue to deliver Healthplanfinder enhancements that are responsive to ever evolving customer, marketplace, and regulatory needs.

This request is for increased expenditure authority to fund ongoing information technology updates to promote sustainability and improving the customer experience. Currently the base budget includes nearly \$4.5 million for development activities.

Development hours are essential to make improvements that enhance the customer experience, enhance security and compliance, and increase the efficiency of process to contain operational costs. Pursuant to the Advanced Planning Documents approved by CMS, below are the upcoming areas of focus for system enhancements:

- **Security:** The Exchange is continuing to reduce vulnerabilities within the HPF and supporting applications by increasing vulnerability and penetration testing in conjunction with the utilization of configuration management controls, user Based Analytics (Cognitive Intelligence) for malicious traffic, and risk management monitoring tools.
- **Compliance:** Implementing a workflow that incorporates accessibility first principles as an integral part of the digital design and development workflow at each level and for each role within the organization to improve accessibility, customer experience, and ADA compliance outcomes.
- **Consumer Engagement:** The Exchange will make more tools available to Navigators, brokers and other customer assistance channels enabling them to reach and help more customers. Improving the delivery of information to and designing choice architecture for consumers.
- **Technical Debt/Modernization/Modularity:** The Exchange will continue to identify metrics related to decommissioning of unused code, using tools to assess and identify unused objects for every release and quantifying technical debt, manually assessing unused functionality in the code.
- **Improve Operational Efficiency:** Streamline eligibility and enrollment process and improve usability of application for our customers.

How is your proposal impacting equity in the state?

This request would increase expenditure authority in the 2021-2023 biennial budget to support Healthplanfinder system maintenance, improvements, and continued response to changing market conditions that can disproportionately impact vulnerable communities. In the middle of a global pandemic, a robust and user-friendly Healthplanfinder is critical to helping Washingtonians secure and maintain healthcare coverage at a time when disparities are being further exacerbated.

Maintenance level packages are the foundation of equity efforts. The goal of the Exchange is for all Washingtonians to have full and equal access to opportunities, power, and resources to achieve their full potential. Funding this request will enable the Exchange to continue to support the residents of Washington at a time when they need it most.

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

Healthplanfinder maintenance and operations costs have remained level since 2012. The new system integrator contract has seen an increase of \$804,000 per year, a flat contract amount over the next five years. Not funding the ongoing maintenance of the system, increases the risk of eroding stability and decreases responsiveness to emerging customer needs, regulatory changes and technological advances and updates.

The system improvements proposed for the 2021-2023 biennium would reduce current limitations with Healthplanfinder. This includes enhancements that will result in a more accessible platform for all Washingtonians regardless of when and how they apply for coverage.

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

The alternative is to reduce the capacity to deliver Healthplanfinder enhancements that are responsive to ever evolving customer, marketplace, and regulatory needs. Maintaining Healthplanfinder requires tools that support a positive customer experience for enrollee recruitment and retention, as well as continued system efficiencies to control or reduce costs. With the alternative, the Exchange will be limited to respond to customer needs, system vulnerabilities, new regulatory requirements, on-going compliance changes, and an ever-changing environment.

It is important to note that the Healthplanfinder system was designed to support the Washington Apple Health program, Children’s Health Insurance Program (CHIP), and Qualified Health Plans. Continued investment in enhancements will be required in coming years to maintain compliance with federal Medicaid Information Technology Architecture (MITA) requirements for continued approval of federal financial participation (FFP) for Healthplanfinder operations, as well to continuing to focus on enhancing the consumer’s experience.

Assumptions and Calculations

Expansion or alteration of a current program or service

This request does not propose to expand or alter the current service.

Detailed assumptions and calculations

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.
- Maintenance and Operations costs are eligible for 75% Federal Financial participation (FFP)
- System enhancements that benefit both the QHP and Medicaid populations are eligible for 90% FFP.

The fixed price for HPF operations includes a price increase of \$804,000 per year for the ongoing Maintenance and Operations cost for the Healthplanfinder.

Table 1: Maintenance and Operations (M&O)

Activity	Previous Contract	New Contract	Annual Increase
Healthplanfinder M&O	\$ 4,966,566	\$ 5,770,944	\$ 804,378

This contract also improves the integration of security and testing into software development to avoid downstream resources, defects, and vulnerabilities. The component costs for this integration are \$468,000 per year at a flat rate for the next five years.

In the 2017-19 enacted budget, the legislature provided the Exchange with \$2,007,000 to maintain an ongoing enhancement funding equaling 50,000 hours of development work per year at an average hourly rate of \$114 per hour. Under this contract, the average hourly rate for enhancement activity increased to \$116 per hour.

Table 2: System Integrator Hourly Rate for Enhancement Activity

Activity	Previous Contract	New Contract	Annual Increase
System Integrator Hourly Rate	\$ 114.00	\$ 116.28	
Base Development Hours	50,000	50,000	\$ 114,000
Adjusted Team Composition		3,040	\$ 353,491
Total	\$ 5,700,000	\$ 6,167,491	\$ 467,491

As the Exchange continues to increase its experience with the Agile framework, it has also seen an increase in velocity, driving a need for increased funding of \$240,000 per year for contracted support resources. To sustain the current level of development hours, contract resources are needed for User Acceptance Testing, Independent Verification and Validation, and to work closely with internal teams, vendors and state agency partners to analyze and resolve issues and execute new solutions and policies.

Table 3: Staff Augmentation

Activity	Annual Cost
Business Systems Analyst	\$ 187,200
UAT/IV&V	53,024
Total	\$ 240,224

Table 4: Annual Cost by Activity and Fund Source

Healthplanfinder M&O	M&O	DDI-QHP	DDI- Shared	Total
% of Activity	100%	70%	30%	
QHP	\$ 92,780	\$ 495,400	\$ 24,489	\$ 612,670
Medicaid- Federal	\$ 522,201	\$ -	\$ 165,401	\$ 687,601
Medicaid- State Match	\$ 174,067	\$ -	\$ 18,378	\$ 192,445
CHIP- Federal	\$ 9,965	\$ -	\$ 2,630	\$ 12,595
CHIP- State Match	\$ 5,366	\$ -	\$ 1,416	\$ 6,782
Object C Total	\$ 804,378	\$ 495,400	\$ 212,314	\$ 1,512,093

Workforce assumptions

No new FTEs are included with this request.

Strategic and Performance Outcomes

Strategic framework

This proposal directly relates to Results Washington's Healthy and Safe Communities goal. Healthplanfinder has an impact on each of the outcome measures within that goal—starting with ensuring access to quality healthcare. Healthplanfinder is a critical tool for Washingtonians to apply for and enroll in healthcare plans, explore eligibility for subsidies or tax premiums that make healthcare coverage more affordable, and enroll in plans that will help them plans that allow them access care. Access to healthcare is more critical now than ever. Better access to healthcare leads to a healthier population which with furthers additional Results Washington goals.

The funding sought in this package will enable the Exchange to meet the core goals outlined in the Exchange's Strategic Plan: improving health coverage and affordability; advancing diversity, equity and inclusion (DEI) to narrow health disparities, especially in communities of color; expanding innovative

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approaches to drive health system excellence, including improved customer experience and engagement; and leveraging Washington Healthplanfinder to expand offered services.

- Improving the customer experience in applying and enrolling in high quality health insurance and qualifying for free or reduced costs.
- Leveraging the portal to support public programs and new individual market health insurance consumers
- Generating new products to offer consumers and leveraging our technology and expertise to support state programs

Performance outcomes

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

Other supporting materials

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

Other Collateral Connections

Intergovernmental

None

Legal or administrative mandates

None

Changes from current law

None

State workforce impacts

None

State facilities impacts

None

Puget Sound recovery

None

Other supporting materials

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

Stakeholder response

None

Information technology (IT)

ABS will pose the question below for *each* DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

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Information Technology

Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

No

Yes

Please download the [IT-addendum](#) and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.