

## Policy Level

### Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

### Decision Package Code/Title:

PL-HK HBE Sponsorship Program Improvements

### Agency Recommended Summary:

This request improves the ability of private and public sector funders to help more individuals and families afford health coverage through Washington Healthplanfinder. These enhancements to the Exchange’s Sponsorship Program would also improve the customer experience for those benefitting from sponsored third-party payments.

### Fiscal detail:

Operating Expenditures	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$409,000	\$499,000	\$497,000	\$497,000
<b>Total Expenditures</b>	<b>\$409,000</b>	<b>\$499,000</b>	<b>\$497,000</b>	<b>\$497,000</b>
<b>Biennial Totals</b>	<b>\$908,000</b>		<b>\$994,000</b>	
Staffing	FY 2022	FY 2023	FY 2024	FY 2025
FTEs	3.0	4.0	4.0	4.0
<b>Average Annual</b>	<b>3.5</b>		<b>4.0</b>	
Object of Expenditure	FY 2022	FY 2023	FY 2024	FY 2025
Obj. C	\$409,000	\$499,000	\$497,000	\$497,000
Revenue	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$409,000	\$499,000	\$497,000	\$497,000
<b>Total Revenue</b>	<b>\$409,000</b>	<b>\$499,000</b>	<b>\$497,000</b>	<b>\$497,000</b>
<b>Biennial Totals</b>	<b>\$908,000</b>		<b>\$994,000</b>	

## Package Description

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

The COVID-19 global pandemic has resulted in job loss, income disruption, and an increase in the number of uninsured individuals and families in Washington state at a time when they need insurance more than ever.

During the pandemic, there has been increased interest in the Exchange Sponsorship Program. This program helps address the problem of affordability for some Washingtonians, by enabling sponsorship entities –state, city and county governments, Indian tribes and tribal organizations, private foundations, non-profit organizations, and others – to provide support for premiums and/or out of pocket costs to individuals enrolled in qualified health plans through Washington Healthplanfinder.

The Sponsorship Program currently includes 16 sponsors who provide financial assistance to over 3,500 qualified health plan enrollees. Sponsors include:

- Tribes (12 participating tribes and tribal communities)

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- Washington State (for COFA enrollees, administered by Health Care Authority)<sup>1</sup>
- Pierce County Project Access
- Project Access Northwest
- Evergreen Health Insurance Program

Sponsors determine who to cover and what level of financial help to provide. The Exchange supports this program by developing sponsorship program policy and providing staff to implement the program. Exchange functions include: entering information about sponsored individuals into Healthplanfinder so their sponsored status is correctly communicated to carriers; tracking and managing program participation; facilitating communication between sponsors and carriers; generating reports to help facilitate premium payments on behalf of sponsored enrollees between sponsors and carriers; and performing account reconciliation so payments and required tax documents are correctly processed.

Program staff are needed to connect consumers more directly to available sponsorship opportunities, recruit, and onboard new sponsors, streamline internal program operations, and manage reporting and reconciliation for an increased number of sponsored enrollees.

### **What is your proposal?**

The Exchange is requesting an additional \$908,000 in the 2021-23 biennium and an ongoing \$994,000 beginning in the 2023-25 biennium to address opportunities identified by current and potential new sponsors. Addressing these will enable current and new sponsors (public, private, institutional, non-profit, etc.) to provide financial assistance directly to Washingtonians in need.

### **How is your proposal impacting equity in the state?**

This proposal will help address persistent disparities in health insurance coverage, which contribute to poorer access to care and worse health outcomes for members of racial and ethnic minority groups.

The current sponsorship program helps address these disparities by supporting direct financial assistance to underserved and vulnerable populations including Tribes, COFA islanders, HIV positive consumers, and low-income Washingtonians. Making the improvements needed to fully support and expand this program would enable further direct assistance to be provided to populations disproportionately impacted by health disparities, including those exacerbated by COVID. There has been a disproportionate impact on communities of color by job loss as a result of the pandemic.

This proposal also aligns with our Board-approved Exchange equity statement: “Equity is a fundamental pillar to the society we seek to build. The process of advancing toward equity will be disruptive and demands vigilance, dismantling deeply entrenched systems of privilege and oppression. We must focus our efforts on people and places where needs are greatest, especially communities of color, and go beyond remedying a particular inequity to address all determinants of health. Our goal is that all Washingtonians have full and equal access to opportunities, power and resources to achieve their full potential.”

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

Improving Exchange capacity to more effectively support current sponsors and add more sponsors is an efficient way to help reduce uninsured or underinsured populations and maximize available federal funding (e.g., existing tax credits).

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<sup>1</sup> The compact of free association (COFA) islands consists of the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. The legislature established this program in 2018 (SB 5683), which is described further in Chapter 43.71A RCW.

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

In the 2019-21 Enacted Budget, the Legislature directed the Exchange to study a state subsidy program. This work is ongoing and the report is due to the Legislature by November 15, 2020. A future state subsidy program could benefit from these sponsorship program improvements but would require significantly greater investment.

## Assumptions and Calculations

### Expansion or alteration of a current program or service

This request improves the capacity of the current sponsorship program and enables the Exchange to meet the needs of newly interested potential sponsors, and rapidly scale up as needed to support additional sponsor organizations and sponsored individuals.

### Detailed assumptions and calculations

Enhancing the Sponsorship Program is a cost-effective way to target available resources and help discrete populations access more affordable health care coverage and services before, during, and after the COVID-19 pandemic.

The Exchange requests additional ongoing staff resources so more private and public sector driven premium assistance can be provided to more Washingtonians. This request will enable the Exchange to support up to an additional 30,000 sponsored individuals. As sponsorship enrollment continues to grow, additional program changes are expected.

- No increase in Carrier Assessment is expected to cover this expenditure.
- No new General Fund-State dollars are requested.

Summary By Object	SFY22	SFY23	SFY24	SFY25
Salaries	\$ 258,571	\$ 317,576	\$ 317,576	\$ 317,576
Benefits	\$ 89,141	\$ 110,413	\$ 110,413	\$ 110,413
Goods and Services	\$ 59,357	\$ 67,798	\$ 65,798	\$ 65,798
Travel	\$ 2,400	\$ 3,200	\$ 3,200	\$ 3,200
<b>Grand Total</b>	<b>\$ 409,469</b>	<b>\$ 498,987</b>	<b>\$ 496,987</b>	<b>\$ 496,987</b>

### Workforce assumptions

This request would enable the Exchange to expand capacity among current and potential new sponsors by adding:

- An outreach specialist to work with interested and potential sponsors to: conduct outreach to interested sponsors, educate potential sponsors about the program policy and requirements, help sponsors design program requirements, provide cost estimates and other relevant data, onboard and help train new sponsors and their staff.
- A sponsorship operations manager to oversee and grow the sponsorship program given the new and expanded interest during COVID. There is currently no staff resource dedicated to managing and overseeing the expansion of this program.
- Enrollment analyst(s) to provide the support functions needed to accommodate the expected increase in sponsors and sponsored enrollees over the next biennium in response to the current pandemic. This need is directly scaled to program participation growth. The current workload model shows each enrollment analyst can support up to 15,000 sponsored enrollees.

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As the number of sponsors and sponsored individuals grows, there would be a need for further staffing capacity that the Exchange would seek in future biennia based on lessons learned and best practices in expanding the Sponsorship Program.

<b>Step 3. Select Position</b>	<b>SFY22</b>	<b>SFY23</b>	<b>SFY24</b>	<b>SFY25</b>
Enrollment Analyst	1.0	2.0	2.0	2.0
Sponsorship Operations Manager	1.0	1.0	1.0	1.0
Community Outreach Specialist	1.0	1.0	1.0	1.0
<b>Total FTEs</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

## Strategic and Performance Outcomes

### Strategic framework

This proposal directly relates to Results Washington’s Healthy and Safe Communities goal, which is focused on providing access to good medical care to improve people’s lives, notably by decreasing the rate of uninsured in Washington. The funding requested in this package will address this goal by connecting residents who would otherwise face an affordability barrier to insurance coverage.

Allowing the Exchange to continue developing our sponsorship program will also 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 approaches to drive health system excellence, including improved customer experience and engagement; and leveraging Washington Healthplanfinder to expand offered services. It is the next logical extension of the program to support more people in need of affordable insurance.

### Performance outcomes

Sponsorship performance outcomes include: more enrollments supported by current sponsors, increased enrollment supported by new sponsors, increased enrollment among historically marginalized and underserved populations.

### 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

State law authorizes the Exchange to work with city and county governments, Indian tribes and tribal organizations, private foundations, and other entities who want to help pay for premiums and cost-sharing on behalf of their customers (see RCW 43.71.030(4)).

### Changes from current law

None

### State workforce impacts

None

### State facilities impacts

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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.)

**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.