

MAINTENANCE LEVEL 1

M1-96 Utilization Changes

PLACEHOLDER

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) requests funding in the 2016 Supplemental for projected changes in medical services utilization by medical assistance clients identified in the June 2015 Medical Assistance Forecast for fiscal years 2016 and 2017. Current funding is based upon the February 2015 Medical Assistance Forecast. This placeholder request will be updated upon the completion of the Fall 2015 Medical Assistance Forecast.

PACKAGE DESCRIPTION

This request is needed to pay the costs associated with anticipated changes in utilization of medical services for fiscal years 2016 and 2017.

Factors that affect utilization include changes in the intensity and duration of care, technology, and changes in the configuration of services provided to clients.

The methodology used in making the estimate of utilization changes is intended to isolate the costs attributable only to the part of the forecast that is utilization-driven based on current covered populations, and thus reflects changes in needed funding resulting from current program policies.

Kate LaBelle, Financial Services: 360-725-1846 or kate.labelle@hca.wa.gov

Gwen Grams, Forecast and Analytics: 360-725-1319 or gwen.grams@hca.wa.gov

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	FY 2016	FY 2017	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	\$ -	\$ -	\$ -
Fund 001-2 GF-Federal	\$ -	\$ -	\$ -
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -
	FY 2016	FY 2017	Total
2. Staffing:			
Total FTEs	-	-	-

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
3. Objects of Expenditure:			
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ -	\$ -	\$ -
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ -	\$ -
Other (specify) -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
4. Revenue:			
Fund 001-2 GF-Federal	\$ -	\$ -	\$ -
Fund 001-7 GF-Private/Local	\$ -	\$ -	\$ -
Fund 001-C GF-Federal Medicaid Title XIX	\$ -	\$ -	\$ -
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Fund 19A-1 Medical Fraud Penalty Account- State	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

The HCA expects to continue to provide access to quality health care to approximately 1.9 million low-income individuals in the State of Washington.

PERFORMANCE MEASURE DETAIL

Activity Inventory

- H005 National Health Reform
- H007 HCA Take Charge and Family Planning Extension Clients
- H008 HCA Children’s Health Program Clients
- H009 HCA State Program Clients
- H010 HCA Apple Health
- H011 HCA All Other Clients – Fee for Service – Mandatory Services
- H012 HCA All Other Clients – Fee for Service – Optional Services

IS THIS DECISION PACKAGE ESSENTIAL TO IMPLEMENT A STRATEGY IDENTIFIED IN THE AGENCY’S STRATEGIC PLAN?

The mission of the HCA is to provide high quality health care through innovative health policies and purchasing strategies. This step supports this mission by ensuring that the existing policies for Medicaid, Children’s Health Insurance Program (CHIP), and state-only programs are adequately funded.

DOES THIS DECISION PACKAGE PROVIDE ESSENTIAL SUPPORT TO ONE OR MORE OF THE GOVERNOR'S RESULTS WASHINGTON PRIORITIES?

This package supports Governor Inslee's Results Washington Goal 4: Healthy and Safe Communities - "Provide access to good medical care to improve people's lives."

WHAT ARE THE OTHER IMPORTANT CONNECTIONS OR IMPACTS RELATED TO THIS PROPOSAL?

The Medicaid program and CHIP are subject to the maintenance of eligibility (MOE) requirements mandated under National Health Care Reform. Washington State must maintain existing eligibility standards and benefits coverage to 2019 for children.

WHAT ALTERNATIVES WERE EXPLORED BY THE AGENCY, AND WHY WAS THIS ALTERNATIVE CHOSEN?

Alternatives include the following, all of which violate the MOE provision of National Health Care Reform:

- Reduce eligibility criteria to 133 percent of the federal poverty level (FPL);
- Reduce or eliminate state-only funded caseloads; and/or
- Reduce or eliminate optional service to clients.

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

The HCA will be able to maintain services and caseload for low-income population in the State of Washington. The HCA will also be meeting the MOE requirements under the National Health Care Reform for the Medicaid program and CHIP.

WHAT IS THE RELATIONSHIP, IF ANY, TO THE STATE CAPITAL BUDGET?

None

WHAT CHANGES WOULD BE REQUIRED TO EXISTING STATUTES, RULES, OR CONTRACTS TO IMPLEMENT THE CHANGE?

None

EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS

REVENUE CALCULATIONS AND ASSUMPTIONS:

Calculations will be provided following the completion of the Fall 2015 Medical Assistance Forecast.

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

Calculations will be provided following the completion of the Fall 2015 Medical Assistance Forecast.

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

All costs are ongoing.

BUDGET IMPACTS IN FUTURE BIENNIA:

All costs impact future biennia.