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## MAINTENANCE LEVEL 2

# M2-MQ Health Benefit Exchange Operational Costs for Eligibility System

### RECOMMENDATION SUMMARY TEXT

On behalf of the Health Benefit Exchange (HBE), the Health Care Authority (HCA) requests \$376,000 in the 2016 Supplemental to provide the staff of the Community Services Division (CSD) in the Economic Services Administration (ESA) as part of the Department of Social and Health Services (DSHS) with access to the Washington Healthplanfinder (HPF). The HBE will contract with the ESA to perform the requirements identified in the 2015-2017 biennium budget.

### PACKAGE DESCRIPTION

The Office of Financial Management (OFM) contracted with the Public Consulting Group (PCG) to complete the *Washington State Medical and Public Assistance Eligibility Study: Alternative Options and Recommendations Report*. This report, which was completed in September 2014, made several recommendations one of which was adopted in the 2015-2017 biennial budget to expand access to the HPF to CSD staff. Funding was not provided to implement this requirement. This request reflects the total costs to the HBE to provide this access, which will be funded by the ESA.

The goal of this requirement is to improve the ability of CSD staff to assist families who are applying for both Medicaid and DSHS services (e.g. cash assistance, food and child care). An added benefit of providing this additional level of access to CSD staff is that the DSHS will be able to allocate additional administrative costs to Medicaid.

Implementing this requirement will require both one-time and ongoing costs for both the HBE and DSHS ESA. Costs were estimated by the Exchange based on data and utilization patterns of existing HPF users with privileged access.

To support the additional 1,900 CSD staff estimated to need access to the HPF, the Exchange identified costs of \$376,000 in the 2015-2017 biennium (fiscal year 2016: \$193,000; fiscal year 2017: \$183,000). The addition of these new privileged users will increase the total number of privileged users with access to the HPF system by about 37 percent. These additional CSD users will be performing data searches and other duties which increases the HPF load per user. Deloitte (the consultant that administers the HPF) has recommended that capacity be added to the HPF database servers (RAM addition) as well as storage space (SAN addition) to account for the additional consumption of data that will be occurring with the additional CSD users. Without the additional capacity in place, the HPF will be at risk for system incidents and failure due to peak capacity.

The HBE will also need additional staff to support the CSD users, including:

- 1.0 FTE to provide account support. Based on experience, the HBE estimates that an additional 12,000 account support requests will be generated from the addition of the CSD users. This support includes assisting users with the addition of new users (one hour/instance), account password resets and troubleshooting locked accounts. The HBE currently has 2.0 FTEs to support the current users. Each FTE handles approximately 5,000 requests per year. The increase of usage by 37 percent by the new CSD users to the system demands the need for an additional FTE of support;
- 1.0 FTE will provide technical help desk support for application malfunctions and unexpected results. Based on experience, the HBE estimates that each user will require one hour of support each year. This person would analyze any HPF system issues that are experienced by HPF users, including those that will be potentially experienced by DSHS CSD staff. As the HPF is fairly new system, issues are not always apparent and may require an in-depth analysis. New issues may also require analyst to reproduce scenarios in the test environment and/or talk to subject matter experts (SMEs) in the HBE or the System integrator side. The analyst is then expected to track the items and perform post-validation and verification of each resolution;
- 0.5 FTE to provide Security analysis of the system which includes actively monitoring account activity, access changes, usage patterns, compliance with security regulations and investigating potential deviations. The HBE currently has 1.0 FTE to handle security monitoring of the HPF. The 37 percent usage increase to the system by the additional CSD users demands the need for an additional FTE of support. Federal regulations require the Exchange to perform continuous monitoring of the HPF system. Monitoring of user privileged users accounts is part of such monitoring and is a manual function. This FTE will identify, analyze, log, track, and coordinate a security related audit trail, as well as monitor user activities, user issues, and interact with various stakeholders to identify, understand, and document any security/compliance problems.

All CSD users of the HPF system must have a background check completed with the Washington State Patrol. This request assumes that these costs are paid by DSHS directly. In addition, DSHS would be required to transfer funds to support the one-time and on-going maintenance costs to the HBE for the infrastructure necessary to expand to CSD users. This proposal requests the authority to receive these additional funds from DSHS and to cover costs specific to the HBE.

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### FISCAL DETAILS/OBJECTS OF EXPENDITURE

	FY 2016	FY 2017	Total
<b>1. Operating Expenditures:</b>			
Fund 17T-1 Health Benefit Exchange Account	\$ 193,000	\$ 183,000	\$ 376,000
<b>Total</b>	<b>\$ 193,000</b>	<b>\$ 183,000</b>	<b>\$ 376,000</b>

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<b>2. Staffing:</b>			
FTE Total	-	-	-
<b>3. Objects of Expenditure:</b>			
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A - Salaries And Wages	\$ -	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -	\$ -
E - Goods And Services	\$ 193,000	\$ 183,000	\$ 376,000
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 193,000</b>	<b>\$ 183,000</b>	<b>\$ 376,000</b>
<b>4. Revenue:</b>			
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
Fund 17T-1 Health Benefit Exchange Account	\$ 193,000	\$ 183,000	\$ 376,000
<b>Total</b>	<b>\$ 193,000</b>	<b>\$ 183,000</b>	<b>\$ 376,000</b>

## **NARRATIVE JUSTIFICATION**

### **WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?**

The HBE and the HCA expect that this request will allow Washington families to apply for both Medicaid and DSHS services more efficiently. Providing CSD staff with access the HPF will also allow the DSHS to allocate additional administrative costs to Medicaid.

### **PERFORMANCE MEASURE DETAIL**

#### **Activity Inventory**

H015 Payments to Other Entities related to Medicaid Administrative Costs and other costs paid by the Health Care Authority

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

Yes. It will increase the number of Insured and Access to Affordable Coverage. In addition, improving access to medical care also supports the HCA's mission for a healthier Washington.

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

Yes. This request support Governor Inslee's Goal 4: Healthy and safe communities and Goal 1.3: Decrease the rate of uninsured in state from 15 percent to 6 percent by 2017.

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

Medicaid clients will be able to receive assistance enrolling in healthcare at their local CSD office at the same time they may be accessing other DSHS services. Currently, to get assistance from a trained consumer assister, clients have to call the HBE call center or work with a Navigator, even if they are already at the CSO enrolling in other services. This would help expedite the enrollment process for consumers receiving services from CSD staff.

In the 2014 open enrollment, the first year of renewals, approximately 70 percent of Medicaid clients automatically renewed. We expect that in the next open enrollment the number of automatic renewals will increase and the numbers of enrollees needing assistance with enrollment will decrease over time.

**Agency Risks:**

There is a risk to HPF functionality due to the increased usage/overload of current HPF infrastructure and insufficient resources to manage CSD user issues.

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

The Legislature directed the HBE, the HCA and the DSHS to work together to implement the PCG recommendations to expand access to the HPF to ESA CSD staff. The HBE provided several options including phasing in the number of CSD staff licenses and having fewer total CSD staff with licenses than original estimate of around 2,000. This request reflects the service level agreement made by the three agencies to implement the legislative requirement.

**WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?**

Without this proposal, the ESA will not have the ability to assist families who are applying for both Medicaid and DSHS services (e.g. cash assistance, food and child care). In addition, the DSHS will not be able to allocate additional administrative costs to Medicaid.

**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:**

See backup document

**EXPENDITURE CALCULATIONS AND ASSUMPTIONS:**

See backup document

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<b>HBE Staffing Detail</b>			
Security Analyst	0.4	0.5	0.4
Account Management Analyst	0.8	1.0	0.9
Application Support Analyst	0.8	1.0	0.9
<b>Total FTE</b>	<b>1.9</b>	<b>2.5</b>	<b>2.2</b>

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<b>HBE Objects of Expenditure:</b>			
A - Salaries And Wages	\$ 99,000	\$ 147,000	\$ 246,000
B - Employee Benefits	\$ 17,000	\$ 31,000	\$ 48,000
C - Personal Service Contracts	\$ 57,000	\$ 2,000	\$ 59,000
E - Goods And Services	\$ 2,000	\$ 3,000	\$ 5,000
G - Travel	\$ -	\$ -	\$ -
J - Capital Outlays	\$ 18,000	\$ -	\$ 18,000
N - Grants, Benefits & Client Services	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 193,000</b>	<b>\$ 183,000</b>	<b>\$ 376,000</b>

**DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:**

Ongoing costs of approximately \$206,000 per year.

**BUDGET IMPACTS IN FUTURE BIENNIA:**

This request will impact future biennia.

