

MAINTENANCE LEVEL 2

M2-MC PEB Funds Technical Adjustment

RECOMMENDATION SUMMARY TEXT

The Health Care Authority (HCA) is requesting a budget neutral technical adjustment in the 2016 Supplemental to shift \$6,261,000 of State Health Care Authority Administration Account appropriations (“Fund 418” or the Public Employee Benefits (PEB) Administration Account) between the PEB and Medical Assistance subsections of the currently enacted budget.

PACKAGE DESCRIPTION

For the first time since the merger of the HCA and the Medicaid program, the 2015-2017 biennium budget separated the HCA’s appropriations between the Medical Assistance and PEB programs. In current budget statute (Chapter 4, Laws of 2015, Section 213), an amount of \$6,261,000 was appropriated to subsection 2 (PEB) that will actually be spent in subsection 1 (Medical Assistance). This request shall align the HCA’s spending authority to reflect the anticipated spending plan for the 2015-2017 biennium.

Darla Gehrke, Financial Services Division: 360-725-0456 or darla.gehrke@hca.wa.gov

FISCAL DETAILS/OBJECTS OF EXPENDITURE

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
1. Operating Expenditures:			
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
2. Staffing:			
Total FTEs	-	-	-

	FY 2016	FY 2017	Total
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	\$ -	\$ -	\$ -

	FY 2016	FY 2017	Total
4. Revenue:			
Fund 418-1 HCA Admin Account	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -

NARRATIVE JUSTIFICATION

WHAT SPECIFIC PERFORMANCE OUTCOMES DOES THE AGENCY EXPECT?

This request will align PEB fund appropriations with projected budgeted spending plan.

PERFORMANCE MEASURE DETAIL

Activity Inventory

H001 HCA Administration

H004 HCA Public Employees Benefits

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

Yes, the mission of the HCA is to provide high quality health care through innovative health policies and purchasing strategies for a healthier Washington.

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

Yes. Funding this package allows us to support Governor Inslee's Results Washington Goal 5: Effective, Efficient, and Accountable Government.

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

None

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

None

WHAT ARE THE CONSEQUENCES OF NOT ADOPTING THIS PACKAGE?

Without this request, the HCA will overspend its PEB Administration Account appropriation in subsection 1 and correspondingly underspend its PEB Administration Account appropriation in subsection 2 of the currently enacted budget statute (Chapter 4, Laws of 2015).

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:

None

EXPENDITURE CALCULATIONS AND ASSUMPTIONS:

This request does not increase or decrease the agency's expenditure authority. Calculation of the technical adjustment being requested was made by comparing the HCA's appropriated PEB admin account appropriation to the agency's projected spending plan for the 2015-2017 biennium.

Enacted 2015-2017 Budget Section 213 (2):

418 State Health Care Authority Admin Account		<i>Current</i>		
Appropriation	FY 16	FY 17	Total	
RBO (PEB)	19,492,000	19,491,000	38,983,000	
RAO (HCA Other)	370,000	372,000	742,000	
RDO (Bleeding Disorder)	25,000	23,000	48,000	
418 Total	19,887,000	19,886,000	39,773,000	

Proposed Appropriation Alignment:

418 State Health Care Authority Admin Account		<i>Proposed</i>		
Appropriation	FY 16	FY 17	Total	
RBO (PEB)	16,397,000	16,325,000	32,722,000	
RAO (HCA Other)	3,465,000	3,538,000	7,003,000	
RDO (Bleeding Disorder)	25,000	23,000	48,000	
418 Total	19,887,000	19,886,000	39,773,000	

Net of Proposed Alignment:

418 State Health Care Authority Admin Account		<i>Net</i>		
Appropriation	FY 16	FY 17	Total	
RBO (PEB)	(3,095,000)	(3,166,000)	(6,261,000)	
RAO (HCA Other)	3,095,000	3,166,000	6,261,000	
RDO (Bleeding Disorder)	-	-	-	
418 Total	-	-	-	

DISTINCTION BETWEEN ONE-TIME AND ONGOING COSTS:

These changes in funding are ongoing and will carry forward into future biennia.

BUDGET IMPACTS IN FUTURE BIENNIA:

These changes in funding are ongoing and adjustments between appropriation indices may need adjustment in future biennia.