

Maintenance Level

PLACEHOLDER

# M1-93 Mandatory Caseload Adjustment

## Agency Recommendation Summary Text

The Health Care Authority (HCA) requests a reduction of \$103,520,000 (\$41,189,000 GF-State) in the 2017 Supplemental to align with projected costs based on caseload changes identified in the October 2016 forecast for fiscal year 2017. Carry forward level funding is based on the February 2016 medical assistance and caseload forecasts.

## Fiscal Summary

Operating Expenditures	FY 2017	FY 2018	FY 2019
Fund 001-1 GF-State	\$(41,189,000)	\$(19,477,000)	\$6,392,000
Fund 001-C GF-Medicaid	\$(61,513,000)	\$12,111,000	\$79,494,000
Fund 001-7 GF-Local	\$(818,000)	\$(505,000)	\$(131,000)
<b>Total Cost</b>	<b>\$(103,520,000)</b>	<b>\$(7,871,000)</b>	<b>\$85,755,000</b>
Staffing	FY 2017	FY 2018	FY 2019
FTEs	0.0	0.0	0.0
Revenue	FY 2017	FY 2018	FY 2019
Fund 001-C GF-Medicaid	\$(61,513,000)	\$12,111,000	\$79,494,000
Fund 001-7 GF-Local	\$(818,000)	\$(505,000)	\$(131,000)
<b>Total Revenue</b>	<b>\$(62,331,000)</b>	<b>\$11,606,000</b>	<b>\$79,363,000</b>
Object of Expenditure	FY 2017	FY 2018	FY 2019
Obj. N – Client Services	\$(103,520,000)	\$(7,871,000)	\$85,755,000

## Package Description

Projected costs are based on calculations of the incremental change in the monthly numbers of eligible persons between the February 2016 caseload forecast and the October 2016 caseload forecast. Changes in the forecasted count of eligible persons were multiplied by the applicable February 2016 forecast monthly per capita costs for fiscal years 2017, 2018 and 2019 to provide an estimate of net change in spending related to these caseload changes.

This methodology isolates the additional costs attributable only to the changes in forecasted client caseloads and thus reflects changes in funding needed based on current program policies.

Jason Brown, Financial Services: 360.725.2132 or [jason.brown@hca.wa.gov](mailto:jason.brown@hca.wa.gov)

---

## **Decision Package Justification and Impacts**

### **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

### **What specific performance outcomes does the agency expect?**

The HCA expects to continue to provide access to quality health care to approximately 1.8 million low-income individuals in the State of Washington.

### **What alternatives were explored by the agency and why was this option chosen?**

The HCA did not consider any alternatives to meeting the projected costs as determined by the October 2016 medical assistance forecast.

### **What are the consequences of not funding this request?**

The HCA will not be able to maintain services and caseload for low-income population in the State of Washington.

### **How has or can the agency address the issue or need in its current appropriation level?**

The HCA has endeavored to control costs by improving our clients experience through a managed care service delivery model that integrates and coordinates client healthcare needs. With this focus, clients' medical and behavioral health needs are met by meeting their whole person needs as inpatient stays and other costly services will be reduced over time.

### **Provide references to any supporting literature or materials:**

None

---

## Base Budget

**If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.**

The proposed funding package is to maintain the current services package provided to medical assistance clients.

## Expenditure, FTE and Revenue Assumptions, Calculations and Details:

This request is a placeholder until the completion of the October 2016 medical assistance forecast. At that point, the final caseload funding request will be calculated.

## Impacts to Communities and Other Agencies

**Fully describe and quantify expected impacts on state residents and specific populations served.**

The funding requested in this proposal shall allow the HCA to continue to provide access to quality health care to approximately 1.8 million low-income individuals in the State of Washington. The state's Medicaid programs are entitlements, and therefore Washington State must provide access to such services to any resident who applies and is determined financially and medically eligible. This request will be based on the estimates of the October 2016 medical assistance forecast.

## What are other important connections or impacts related to this proposal?

### Does this request have:

Regional/county impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Other local government impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Tribal government impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Other state agency impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

### Does this request:

Have any connection to Puget Sound recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Respond to specific task force, report, mandate or executive order?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Contain a compensation change?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require a change to a collective bargaining agreement?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Create facility/workplace needs or impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Contain capital budget impacts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Require changes to existing statutes, rules or contracts?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Have any relationship to or result from litigation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**If "Yes" to any of the above, please provide a detailed discussion of connections/impacts**

Not applicable

---

## Information Technology (IT)

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

No



Yes

Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)