

Maintenance Level

M2-EI PEB Customer Support

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests an increase of \$370,000 and 2.0 FTEs in the 2018 Supplemental to address the increasing demand for customer service for retirees and for employer support and training on behalf of the Public Employees' Benefits Board (PEBB) Program.

Fiscal Summary

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 418-1 HCA Admin	\$192,000	\$178,000	\$178,000	\$178,000
Total Cost	\$192,000	\$178,000	\$178,000	\$178,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	2.0	2.0	2.0	2.0

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 418-1HCA Admin	\$192,000	\$178,000	\$178,000	\$178,000
Total Revenue	\$192,000	\$178,000	\$178,000	\$178,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A – Salaries	\$98,000	\$101,000	\$101,000	\$101,000
Obj. B – Benefits	\$43,000	\$44,000	\$44,000	\$44,000
Obj. E – Goods & Services	\$32,000	\$32,000	\$32,000	\$32,000
Obj. G – Travel	\$1,000	\$1,000	\$1,000	\$1,000
Obj. J – Capital Outlays	\$18,000	\$0	\$0	\$0

Package Description

HCA is requesting 2.0 FTEs, one Medical Assistance Specialist 3 (MAS3) and one Medical Assistance Specialist 4 (MAS4) to address the increase in call volumes, correspondence, and document processing due to retirees' and employer groups' enrollment increases, and to meet legislatively and/or federally mandated initiatives. These staff would provide increased customer support and additional outreach and training efforts.

The PEBB Program administers programs that provide health care insurance coverage to over 370,000

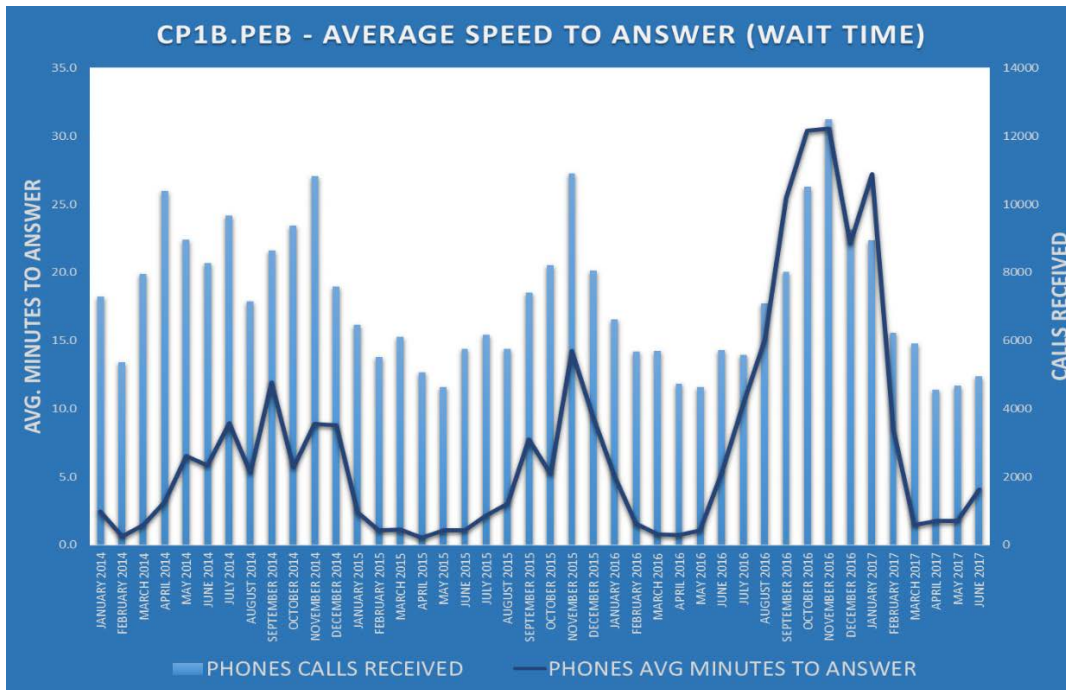
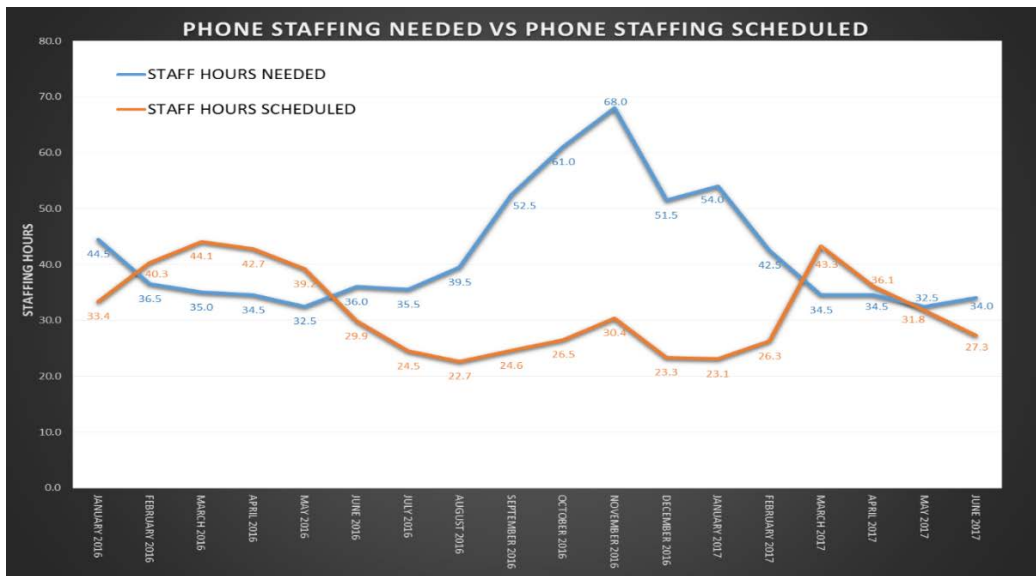
public employees, retirees, Consolidation Omnibus Budget Reconciliation Act (COBRA) and Continuation Coverage members and their dependents. The PEB Division Customer Service (PCS) unit is responsible for providing customer service, information delivery, and support (including escalated and complex complaints resolution) to approximately 100,000 members via phone calls, face-to-face communication and account enrollment. This includes applicants' eligibility review determination that aligns with federal laws, PEBB rules, new initiatives or legislative mandates and enrollment of retirees, COBRA and other Continuation Coverage members into PEBB insurance coverage.

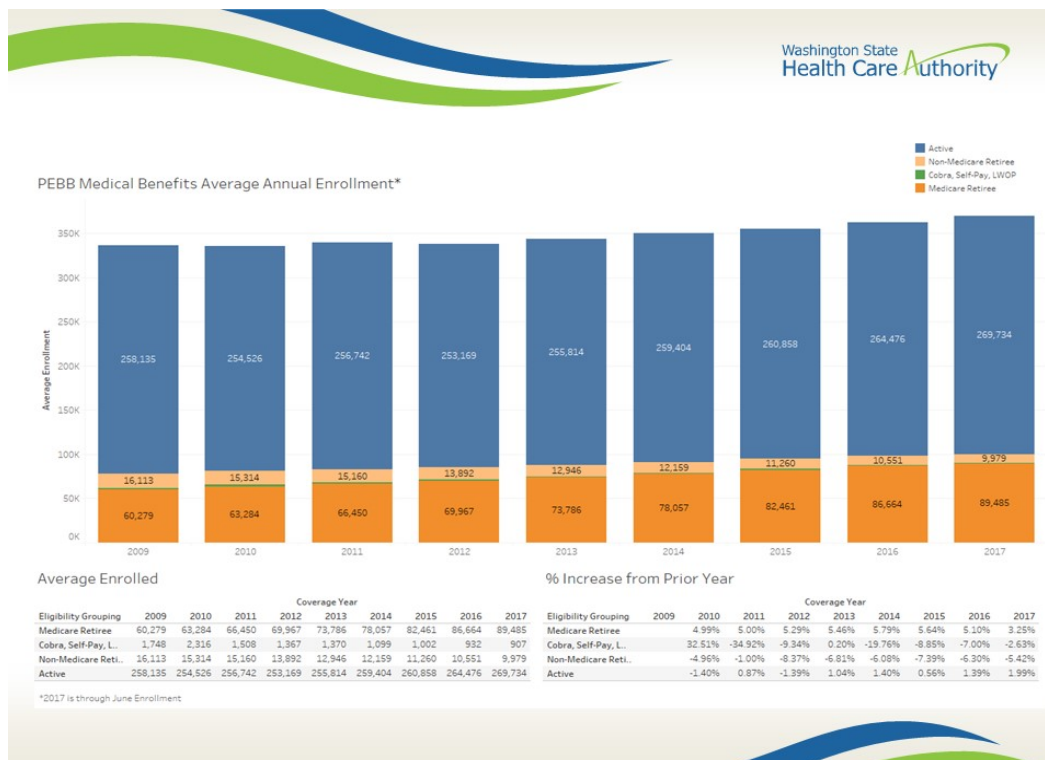
This unit also provides information to state and higher education employees on complex initiatives, federal or legislative mandates that affect PEBB enrollees' and their dependents' health insurance coverage. Examples are: Dependent Verification, National Health Care Reform and the Premium Surcharges.

Records indicate that since 2009, the retiree population has increased by 28 percent. Also since 2009, the PEBB Program has implemented several initiatives and federal and legislative mandates that created an increase in phone calls and document processing due to impacts on PEBB's enrollees' insurance coverage; for example, retiree questions now include the impacts of the Consumer-Driven Health Plan launched in 2012, the Affordable Care Act, IRS 1095-B/C reporting, tobacco surcharges, spousal coverage premium surcharges, new value-based plans available to retirees not yet eligible for Medicare, etc. In 2017, our data analysis suggests that the PEB Division PCS unit would need 16.0 MAS3 FTEs during peak periods to meet the increase in customer demands; four more than current staff levels. HCA is requesting only one FTE to address the increased workload assuming that a significant portion of the increase is due to the higher retiree enrollment and because of the cyclical nature of the program related to the PEBB Program open enrollment activities.

(Comparing July 2015 – June 2016 to July 2016 – June 2017): The PEB Division PCS unit has had an 11 percent increase in phone calls, 24 percent increase in call duration, and a 10 percent increase in documents to process compared to 2015. This has resulted in an abandonment rate of 41 percent in fiscal years 2016-2017 compared to 15 percent in the previous fiscal year. The new staff are expected to reduce the abandoned call rate by six percent, improve the PEB Division PCS service levels and increase document production by eight percent.

Without the additional MAS3 staff, there will continue to be delays in response to members' phone calls and insurance coverage enrollment. This will affect members negatively as it may impede their ability to receive services due to enrollment issues.





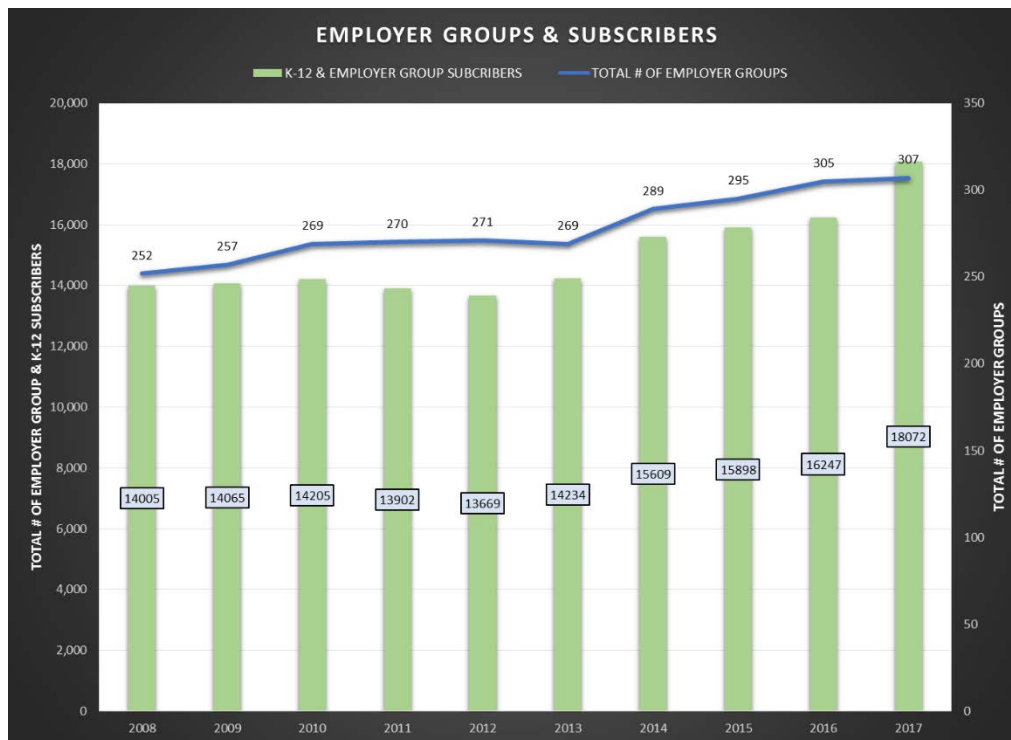
The PEB Division Outreach and Training (O&T) unit trains and supports personnel, payroll, and benefits staff through curriculum development, training materials, videos, GovDelivery messages, worksheets, and decision support tools. This service is provided to state agencies, higher education institutions and public entities such as political subdivision and school districts that purchase PEBB benefits. The unit works with eight payroll systems, two retirement systems, 110 state agencies, six four-year institutions, 32 community and technical colleges, and more than 300 participating political subdivisions and school districts that each have different needs. HCA estimates that about 825 more political subdivisions are eligible to apply to join the PEBB Program.

The PEB Division O&T unit manages the relationship between the PEBB Program and the employers' benefits staff to help them achieve accurate eligibility and enrollment decisions for their employees' accounts. The unit is responsible for answering agency representatives' phone calls through a 1-800 line, respond to correspondence through a tool called FUZE, and also key the enrollment and account information on behalf of approximately 300 small employer groups representing 4,387 employees and their dependents.

Since 2011, there was a 14 percent increase in employer groups joining PEBB. This represents a 30 percent increase in employees' enrollment for which the PEB Division O&T unit inputs data into the system of record. As a result, the PEB Division O&T's phone call volume has increased by 225 percent and the FUZE volume has increased by 65 percent since 2011.

With the added MAS4 FTE, there would be less wait time for customers to get answers regarding their PEBB eligibility or for enrollees' documents to be processed. The result would be a better response time

to employers' phone calls and timely document processing for members' enrollment. Without the additional staff, there will be delays in answering phone calls and processing documents which, in turn, will negatively affect members being enrolled timely and receiving their PEBB program benefits.



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Decision Package Justification and Impacts

Performance Measure Detail:

Activity Inventory

H004 – HCA Public Employee Benefits

What specific performance outcomes does the agency expect?

The mission of HCA is to provide high quality health care for the state's most vulnerable residents. HCA is working to:

- Improve the services available under Medicaid and the PEBB Program in order to better serve our customers; the most vulnerable populations in Washington State and the government workers, retirees, COBRA and Continuation Coverage in state programs;
- Improve our policies and internal processes, working with health carriers, external partners and the health care industry to improve outcomes, reform our approaches to standardizing care and making quality improvements.

The two requested FTEs will ensure that the PEBB Program is responsive to customers, consistently deliver exceptional service and continue to build partnership with health care plans and external partners. Having the additional FTEs will:

- Increase the customer service centers' capacity to respond to callers;
- Increase service level to customers;
- Reduce the abandonment rate for calls and increase FUZE time responses; and
- Ensure faster turnaround time for members' enrollment processing in their PEBB insurance coverage.

With the addition of one FTE in the PEB Division PCS unit, HCA expects to see a reduction in the abandoned call rate by 6 percent, increase the service levels, and improve document production by 18 percent. The result would be a positive impact on customer service, as there would be less wait time on the phone for members to get to a customer service representative or for documents to be processed for members' enrollment in PEBB insurance coverage. For the PEB Division O&T unit, adding one FTE would also result in an improved response time to employers' phone calls, timely responses to FUZE questions and document processing for their employees' enrollment.

Without these two additional staff, there will continue to be long delays in answering phone calls and in processing documents, especially during the weeks before, during, and after the annual November open enrollment. This in turn, will affect subscribers and their dependents from being enrolled timely in PEBB coverage so they can receive their insurance coverage benefits.

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

To mitigate the lengthier wait times for customers to get to a PEB Division customer service representative, the PEBB Program implemented a more robust phone tree this year with a phone call-back feature and several options which redirect callers to their appropriate party.

For example, employees are redirected to contact their agency personnel, payroll or benefits offices for questions about their account, life insurance questions are redirected to MetLife (the life insurance carrier). Although these changes do not solve the lack of FTEs required to answer calls or process documents timely from an increasing retiree population, it has helped streamline the process.

What are the consequences of not funding this request?

The PEB Division PCS and the PEB Division O&T units will not have the resources necessary to improve response times and answer questions for stakeholders, external partners, vendors and PEBB members as they seek help in getting the assistance they need in a timely basis. PEBB members will be impacted especially during the weeks before, during, and after the annual November open enrollment. For members, this could have a significant impact on their health by ensuring timely access to care and minimize the risk of medical situations going awry that could cost more if not handled quickly.

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

HCA cannot absorb the increased cost within its existing resources.

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.

This request does not propose to expand or alter the current program.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

Expenditures assume that the PEBB Program will need an increase of 1.0 FTE in the PEB Division PCS unit and 1.0 FTE in the O&T unit. Staff costs are based on hiring one FTE at the Medical Assistance Specialist (MAS) 3 level and one at the MAS 4 level. Other costs are based on agency averages for workstations, goods and services, and travel related costs.

Customer Service Workload Calculation:

	FY13	*FY14	FY15	FY16
Average Number of Calls/month	6,182	6,675	5,733	4,691
Average Number of Documents/month	1,850	2,764	1,977	2,254
Average Number of FTEs throughout the year	10	11	11	11
Average Number of Calls/FTE (per month)	618	607	521	426
Average Number of Documents/FTE (per month)	190	247	174	182

Average number of calls remains consistent with Fiscal Year (FY) 16.

Average number of documents remains consistent with FY16.

Program successfully drops call duration time back to FY15 level.

Responding to calls is approximately 43 percent of workload.

Processing documents is approximately 25 percent of workload.

Additional FTE Needed for Customer Service Unit

1.4

1.4

*2014 year represents the Spousal and tobacco premium surcharge implementation

Outreach and Training Workload Calculation:

Outreach & Training to Employer groups	1.0 FTE providing support
14 percent increase in employer groups (since 2011)	0.1
30 percent increase in employee enrollment (that O&T keys for)	0.3
Additional FTE Needed for Employer Groups	0.4
Outreach and Training Support functions	1.3 FTE providing support
FUZE Correspondence up 65% (since 2011)	0.7
Documents for processing up 45% (since 2013)	0.5
Additional FTE Needed Support Functions	1.2
Additional FTE Needed for Outreach & Training	1.6

Impacts to Communities and Other Agencies

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

This request will have a positive impact on stakeholders, PEBB members and their dependents. The goal of HCA is to provide all eligible members with high-quality, timely and cost-effective access to health care. The operational efforts of the PEB Division PCS and PEB Division O&T staff translates this goal into reality for the customer.

The number of calls and complaints will be mitigated if the PEB Division PCS and PEB Division O&T units are able to timely respond to external stakeholders and members (health carriers, employer groups, vendors and agencies) regarding health care benefits, eligibility and members' enrollment and assisting members with timely access to care and partnering with them to resolve issues.

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.)