

Policy Level

PL-DB Post-Eligibility Review Backlog

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests a decrease of \$8,954,000 (-\$976,000 GF-State) and the addition of 15.0 FTEs in the 2018 Supplemental for Medicaid Eligibility Determination Services (MEDS) activities that process post eligibility reviews (PER).

Fiscal Summary

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1 GF-State	\$0	\$(976,000)	\$(1,012,000)	\$(1,012,000)
Fund 001-C GF-Medicaid	\$0	\$(7,978,000)	\$(8,080,000)	\$(8,080,000)
Total Cost		\$(8,954,000)	\$(9,092,000)	\$(9,092,000)
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs		15.0	15.0	15.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-C GF-Medicaid		\$(7,978,000)	\$(8,080,000)	\$(8,080,000)
Total Revenue		\$(7,978,000)	\$(8,080,000)	\$(8,080,000)
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A – Salaries	\$0	\$738,000	\$738,000	\$738,000
Obj. B – Benefits	\$0	\$321,000	\$321,000	\$321,000
Obj. E – Goods & Services	\$0	\$242,000	\$242,000	\$242,000
Obj. G – Travel	\$0	\$6,000	\$6,000	\$6,000
Obj. J – Capital Outlays	\$0	\$138,000	\$0	\$0
Obj. N – Client Services	\$0	\$(10,399,000)	\$(10,399,000)	\$(10,399,000)

Package Description

The successful implementation of the Affordable Care Act (ACA) in Washington State resulted in over 600,000 adults added to the Apple Health (Medicaid) program and the conversion of one million existing Apple Health recipients to the new Modified Adjusted Gross Income (MAGI) methodology. The actual enrollment of new adults was over two times more than caseload estimates. The higher than anticipated caseload requires additional staff to process eligibility, specifically the post eligibility reviews (PER). The PER's workload represents cases that must be

manually reviewed to determine eligibility for Apple Health because the client's self-attested income does not correspond with the federal and state income data checks.

HCA receives approximately 310,000 applications and renewals per year that require a PER. Current staffing levels can complete approximately 26,000 PER cases a month. HCA has had a steady backlog of PERs cases. HCA considers a case to be in the backlog if the review has not been completed within 60 days. The current PER backlog is just under 60,000 cases. MEDS closes coverage for approximately 40 percent of PER cases for being over income or not responding to a request for additional income verification. Processing the PERs timely will reduce the payment of managed care premiums for cases that may not be eligible for Apple Health.

HCA is requesting funding for 15.0 Medical Assistance Specialist (MAS) positions. These additional staff will work on decreasing the existing PER backlog and processing new PERs timely to ensure all cases have an eligibility determination within 60 days.

HCA expects that timely post-eligibility reviews will reduce payments of managed care premiums for cases that may not be eligible for Apple Health. It is estimated that the state could achieve a cost avoidance of \$10.4 million (\$1.4 million GF-State) per year by investing in these staff for Post Eligibility Reviews.

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Decision Package Justification and Impacts

Performance Measure Detail:

Activity Inventory

H002 HCA Direct Operations

What specific performance outcomes does the agency expect?

Approval of this funding request will allow additional staff to work on decreasing the existing PER backlog and processing new PERs timely to ensure all cases have an eligibility determination within 60 days. Processing the PERs timely will reduce payment of managed care premiums for cases that may not be eligible for Apple Health.

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

HCA reallocated funding from February 2017 through June 2017 for MEDS to allow overtime for existing staff and to hire an additional 20.0 FTE non-permanent staff to assist with processing the PER backlog. MEDS worked 2,453 overtime hours during this timeframe. Though overtime was helpful, it is not sustainable from both a budget standpoint and impacts staff morale. The non-perm staff completed a total of 12,096 cases during their time of employment which assisted in reducing the backlog of cases.

What are the consequences of not funding this request?

Without additional staffing the PERs backlog will continue at MEDS and premium payments for individuals who may not be eligible for Apple Health coverage would continue to be made until the PER is completed.

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

The Medical Eligibility Determination Services section (MEDS) in HCA completed a formal Lean process in mid-2017 with the intent to create efficiencies thereby reducing processing time of the post eligibility reviews. A workgroup consisting of MEDS operational and line level staff created a streamlined workflow which resulted in a 40 percent decrease in time spent to process a review. However, there continues to be a PERs backlog. HCA cannot absorb the increased cost within its existing resources.

Provide references to any supporting literature or materials:

State Auditors report expected to be published mid-October 2017.

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.

MEDS currently staffs 166.0 MAS 3 FTEs; the equivalent of 90.0 FTEs process the Post Eligibility Reviews. The other 70.0 FTEs' workload is comprised of processing other required eligibility factors such as immigration, emergency medical, retro medical requests, and medical redeterminations.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

Costs are estimated for staff and related costs based on the agency's staffing model and a start date of July 1, 2018. Revenue is based on anticipated enhanced federal Medicaid matching for eligible work and is estimated to cover 74 percent of the staffing costs identified.

Post Eligibility Reviews (PER) produced per staff member per hour	4		
MASS working per day: 13-1=12(it is assumed that 1 staff absent a day)	12		
hours available per day	6.5		
PERs completed per day	312		
Days available per month	21		
PERs completed per month	6552		
Average of PERs worked per month that are closed(terminated)	40%		
Terminations per month	2621		
Terminations per year	31450		
Average per cap \$	331		
Total Cost of terminations per year	\$ 10,398,347		
Services Savings	\$ 9,047,000	GF-F	87%
	\$ 1,352,000	GF-S	13%
	\$ 10,399,000	Total	
Admin investment	\$ 1,069,000	GF-F	74%
Cost of 15.0 staff in 1st year	\$ 376,000	GF-S	26%
See staffing model for details	\$ 1,445,000	Total	
Net Savings	\$ (7,978,000)	GF-F	89%
	\$ (976,000)	GF-S	11%
	\$ (8,954,000)	Total	

Impacts to Communities and Other Agencies

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

This request will allow HCA to process the PERs timely, which will reduce payment of managed care premiums for cases that may not be eligible for Apple Health. It is estimated that the state could achieve a cost avoidance of \$10.4 million (\$1.4 million GF-State) per year by investing in these staff for Post Eligibility Reviews.

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 checked="" type="checkbox"/>	No <input type="checkbox"/>
Contain a compensation change?	Yes <input checked="" type="checkbox"/>	No <input 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 checked="" type="checkbox"/>	No <input type="checkbox"/>
Contain capital budget impacts?	Yes <input type="checkbox"/>	No <input 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.

HCA is expecting a State Auditor report to be released in October that recommends the hiring of additional MAS staff to complete the Post Eligibility Review (PER) backlog.

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.)