



Washington Health Benefit Exchange

Senate Ways and Means Work Session

February 4, 2014

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Bob Nakahara, CFO

Ron Sims, Board Chair

Today's Discussion

- Exchange Value and Accountability
- Mandatory v. Required Operations
- Biennial Budget Request
 - Impact of Premium Aggregation Removal
 - Updated Revenue Projections
- Walk-Up from \$80M Appropriation



Value to Residents, Value to State

- Over 1.8M -- 1 in 4 – Washington residents have signed up for health insurance through *Healthplanfinder*
- Enrollment success; decreased uninsured rate
 - 4th largest drop in rate of uninsurance nationwide (Gallup)
 - 30% drop in charity care in WA; nearly \$154 million (Seattle Times)
- Medicaid Revenue
 - \$30M in premium tax from Medicaid plans (as of Sept. 2014)
- Federal subsidies obtained through Exchange
 - Over \$350 million to help pay for premiums
 - Over \$55 million to reduce consumer costs of hospital and provider visits
- Competitive marketplace – 10 issuers, stable rates
- One door for public and private health insurance; real time eligibility determination
 - Federal exchange does not facilitate Medicaid enrollment



Path Forward

Improving System Performance

- Architecture and Code review
- Changes in Deloitte engagement
- New data processing tools
- Enhanced software quality reviews

Improving Accountability

- Increased Board engagement & oversight
- Alignment and agreements with key agency partners (HCA, DSHS, OIC)
- Collaboration with Office of the Chief Information Officer

Improving Consumer Experience

- Removal of premium aggregation
- New issues escalation/resolution process
- Ongoing health literacy efforts
- 1095A and tax filing preparation



Operational Requirements

REQUIRED

Call Center
Plan Certification
Translation/Interpreter Services
Consumer Survey
State Audit
Federal Reporting
Reconciliation of enrollment information with carriers (834 files, ongoing, etc.)
Streamlined application & eligibility determination for QHP & Medicaid (including federal HUB connection)

Navigator Program
Printing for required notices
Healthplanfinder Business (SHOP)
Consumer Rating System
Appeals

NOT REQUIRED

Outreach and Marketing
Specialized broker support
Post-eligibility referrals to WaConn (classic Medicaid, etc.)
Consumer decision/shopping tools (plan display features, etc.)
Provider directory
Adult dental



Biennial Budget Request

- Board approved SFY 16-17 budget request: \$147M
- Impact of removing premium aggregation: \$10M
 - Removal Date Sept. 2015
- Revised SFY 16-17 budget with premium aggregation removed: \$137M

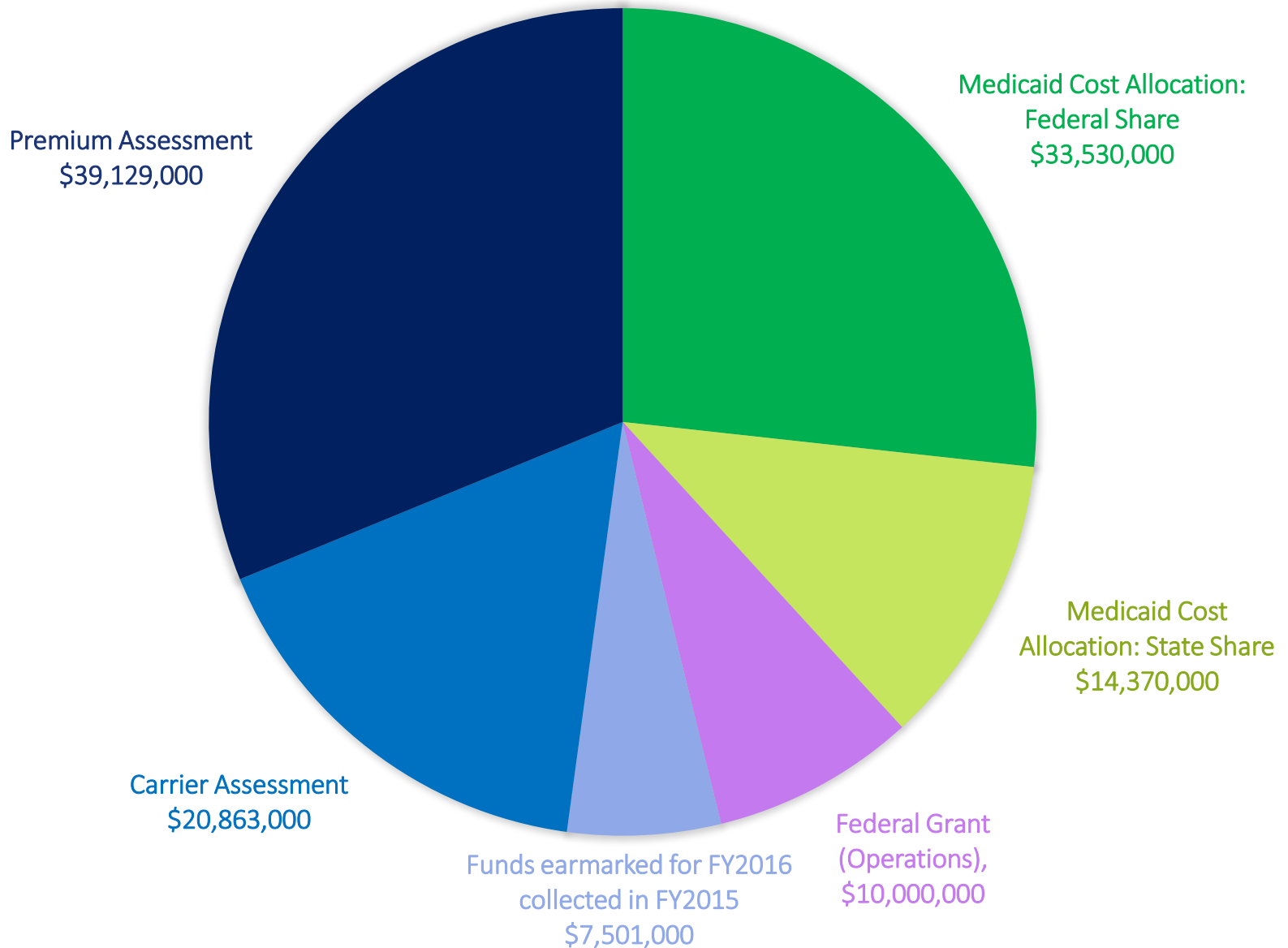


Updated Revenue Projection

- Updated enrollment projections
 - Lower QHP enrollment projections
 - More people qualified for Medicaid than projected
 - 2% net attrition in QHPs monthly
- SFY 16-17 projected revenue: \$115M
- Federal grants that can be used for operations in SFY 16: \$10M
- SFY 16-17 budget that aligns with projected revenue: \$125M
- *Actual revenue may be less (OE ends 2/15/15)*



Revised Revenue Sources: SFY 2016-2017 (assumes \$125M)



Preliminary based on projected revenue; will be updated following open-enrollment 8



Revised Exchange SFY 2016-2017 Budget

By Step from \$80M to \$125M (includes \$10M in Grants)

Budget Step	Baseline \$80M (Millions)	Step Impact (Millions)	Key Assumptions
Call Center	\$13.5M	\$13M	<ul style="list-style-type: none"> Average of 200 or less CSRs vs. 80 CSRs Wait times decrease on average from 80 minutes to 20 minutes
IT O&M and Enhancements	\$25.4	\$7.5M	<ul style="list-style-type: none"> Provide future user-focused enhancements or system updates/releases
Staff Salaries, Benefits and Taxes	\$27.3M	\$4M	<ul style="list-style-type: none"> Maintain current staffing levels minus a 10% reduction
In-Person Assistors (IPA)	\$2.5M	\$3M	<ul style="list-style-type: none"> Continue to have a IPA system to enroll & renew QHP & Medicaid clients
Marketing	\$1.4M	\$3M	<ul style="list-style-type: none"> Marketing/Outreach to meet QHP/QDP enrollment & revenue projections



Revised Exchange SFY 2016-2017 Budget By Step from \$80M to \$125M cont'd

Budget Step	Baseline \$80M (Millions)	Step Impact (Millions)	Key Assumptions
Finance and Oversight	\$0.9M	\$1.5M	<ul style="list-style-type: none"> To fund SAO Performance Audit, Federal compliance audits (A-133) and Internal Audit functions
Printing and Postage for 2016 and 2017 Plan Year	\$6.2M	\$0	<ul style="list-style-type: none"> Required printing & postage costs from the 2016 and 2017 plan year open enrollment
Other	\$2.8.M	\$3M	<ul style="list-style-type: none"> Inflationary costs across all Exchange business areas
Federal Grant Spend on Operations	\$0	\$10M	Bank Fees, IPAs, Printing, & Call Center for July 2015 – Dec. 2015
Total	\$80M	\$45M	





washington
healthplanfinder

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Appendix

Exchange Overview

- One of 19 States (plus DC) operating a state based exchange
- Created as a “public private partnership separate and distinct from the state” in legislation in 2011
- Governed by open public meetings and public disclosure guidelines
- Responsible for managing the online health insurance marketplace, *Washington Healthplanfinder*
- Through *Healthplanfinder*, WA residents can obtain Medicaid or commercial health coverage, compare plan options, and qualify for federal subsidies to help pay for coverage. All renewals go through *Healthplanfinder*
- *Washington Healthplanfinder* launched on October 1, 2013

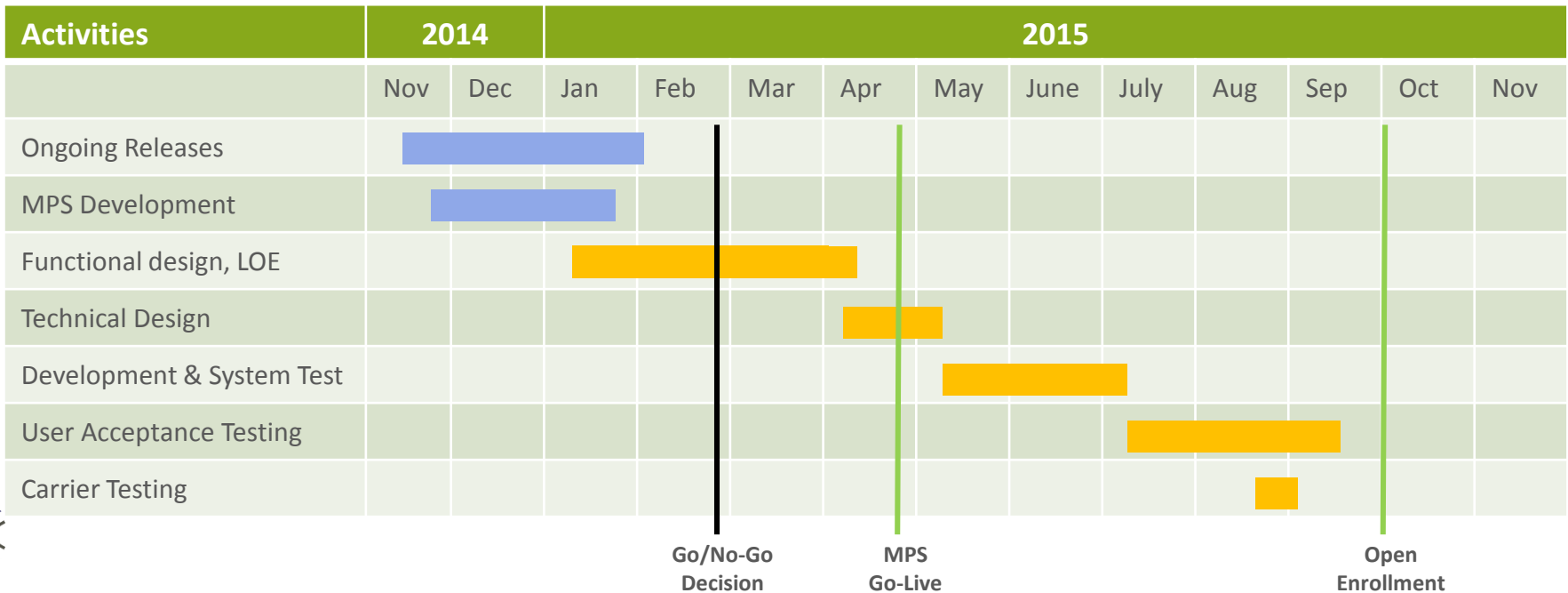


Premium Aggregation Detail

- Impact of removing premium aggregation

- Savings over SF 16-17 \$10.4M (17T savings)
 - Payment processing fees (ACH bank fees, Key Bank fees, Credit card fees)
 - Staffing (Operations, Finance, IT Staff)
 - Invoice related printing and postage
- Cost to Implement: \$4.5M (grant funded)
- Net Savings Over Biennium = \$6M

- Timeline for Implementation



Exchange Federal Grant Funding Summary

	2011-2015		2011*	2012*	2013*	2014	2015	2015 OPS	2015 DDI
	Total Grant Award	No Cost Extension	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015		
GRANT AWARDED									
Grant Revenue: Level 1A	23,939		1,036	15,175	7,728				
Grant Revenue: Level 2	149,050	14,297		18,116	74,825	41,812	14,297	1,619	12,677
Grant Revenue: Level 2 IPA	8,404	1,363			3,032	4,009	1,363	1,363	-
Grant Revenue: Level 1B	84,634	15,698				68,936	15,698	7,667	8,031
Grant Revenue: Level 1B Supplemental	9,308						9,308	4,600	4,709
Grant Revenue: New Level 1C	26,999						26,999	-	26,999
	302,333	31,357	1,036	33,291	85,585	114,757	67,665	15,249	52,416

*OMB Circular A-133 Audit Completed with no audit findings or internal control/compliance weaknesses noted

Total amounts are grants funds only and do not include additional funds provided through Medicaid cost-allocation

Estimated \$10M in federal grant funding will support operating costs in first half of SFY 2016 (July 1 – December 31, 2015)



Operations Costs Paid by Federal Grant No-Cost Extensions: July 1 – December 31, 2015

\$10M in federal grant funding requests recently approved may support operating costs in first half of SFY 2016 (July 1 – December 31, 2015) as follows:

- Call Center - \$2.8M
 - July and August 2015 to support call center cost related to ongoing special enrollments and clean up from OE2.

- Printing and Postage - \$2M
 - July through December to pay for printing and postage expenditures related to the 2015 plan year.
 - Any expenditures related to OE3 are not allowable under the WAHBE grants.

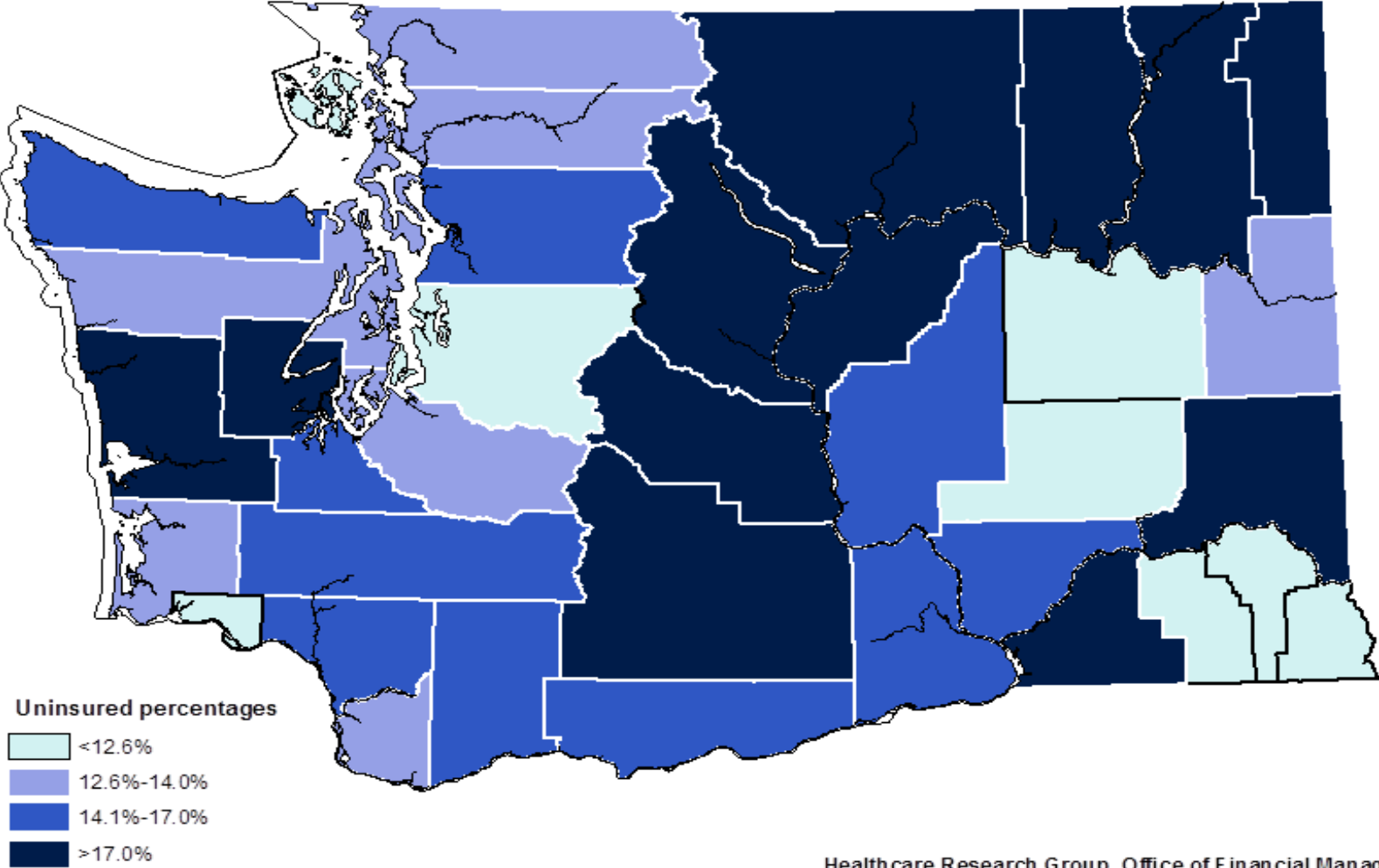
- Bank Fees - \$2M
 - July through December to pay for bank fee expenditures related to the 2015 plan year.

- IPA - \$700K
 - July and August 2015 to support IPA costs related to ongoing special enrollment and clean up from OE2.

- Misc. Expenses - \$2M
 - July through December to pay for appeals, client account reconciliation and issue resolution, and various other expenditures related to the 2015 plan year.



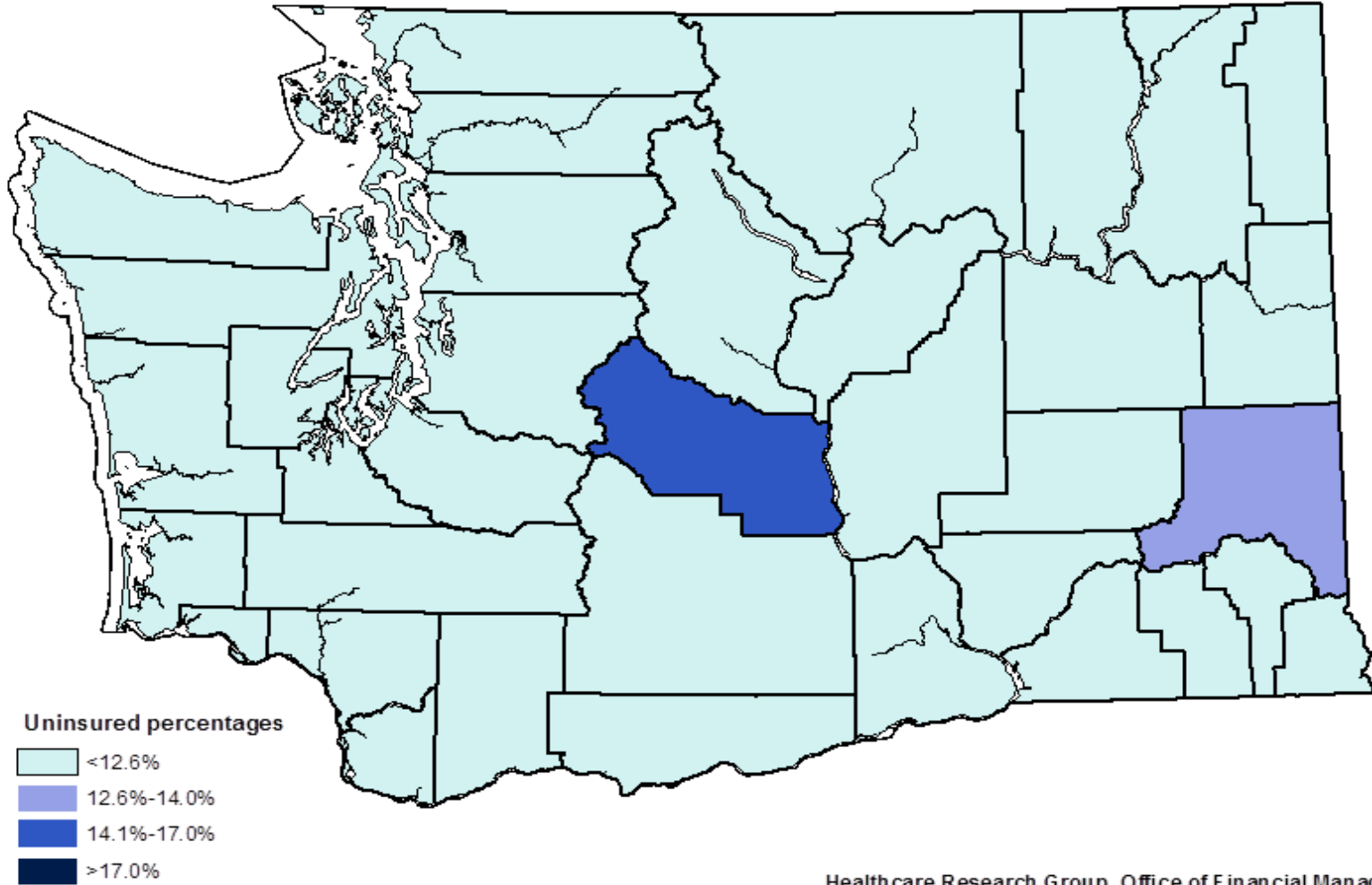
Percent Uninsured by County - 2013



Healthcare Research Group, Office of Financial Management



Percent Uninsured by County - 2014



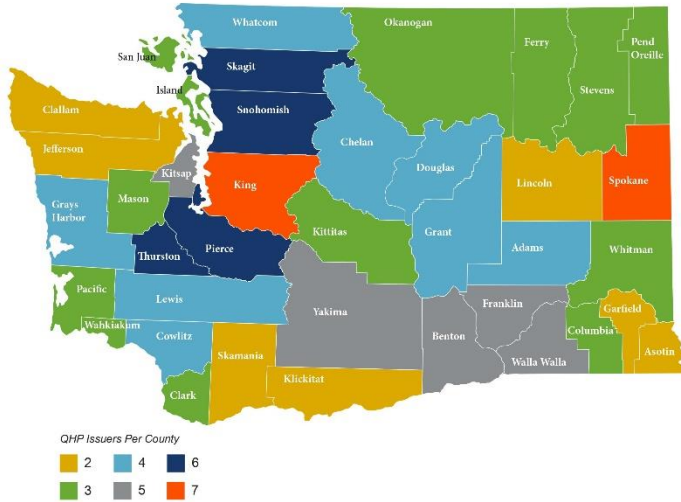
Healthcare Research Group, Office of Financial Management



2015 Exchange Plan Offerings

Individual QHP Market – Issuers per County

2014



Individual Market

2014: 8 Issuers, 46 plans

2015: 10 Issuers, 90 plans (8 MSP)

New: More choice

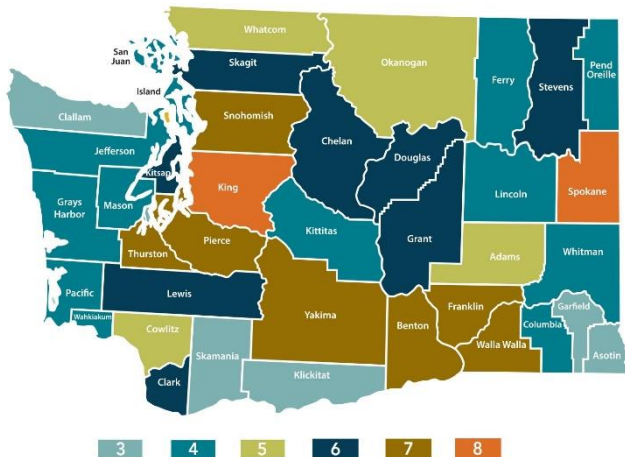
Healthplanfinder Business/SHOP

2014: 1 Issuer, 5 plans

2015: 2 Issuers, 23 plans

New: Statewide market

2015



Individual Pediatric Dental Market

2014: 5 Issuers, 5 Plans

2015: 5 issuers, 6 plans

New: High-level plans (85% AV)




“Your 1095-A Statement” Tax Season Campaign

- New webpage!
wahbexchange.org/1095A
- In-Person Assister & Broker webinar
- “Your 1095-A Statement” FAQs for all customer support programs
- Infographic insert with first 1095-A mailing
- Dedicated customer support team to answer questions as well as correct and regenerate 1095-A if applicable
- Partnerships (tax preparers, VITA, etc.)

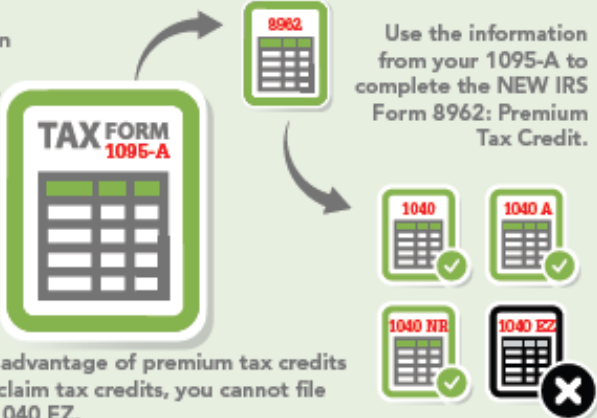
www.wahbexchange.org/1095A

Your 2014 Tax Return

- This year there are changes to federal tax returns because of the Affordable Care Act.


- You are getting this information because you or one of your family members were covered by a **Washington Healthplanfinder Qualified Health Plan** during 2014.
- You have received an important **NEW** tax return document called the **1095-A: Health Insurance Marketplace Statement**.


Keep it safe with your tax records so you can use it when you file taxes.




Use the information from your 1095-A to complete the **NEW IRS Form 8962: Premium Tax Credit**.


If you took advantage of premium tax credits or want to claim tax credits, you cannot file with form 1040 EZ.
- More information is available at:

www.irs.gov
and
www.wahbexchange.org/1095A


- If something doesn't seem right on your 1095-A, call **Washington Healthplanfinder** customer support at 1-855-923-4633.



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