

2017-19 Biennium Budget Decision Package

Agency:

Health Care Authority on Behalf of the Health Benefit Exchange

Decision Package Code/Title:

HBE Printing and Postage Costs

Budget Period:

Biennial Budget

Budget Level:

Maintenance Level

Agency Recommendation Summary Text:

From 2014 through 2019, the Health Benefit Exchange is expected to have increased the number of individuals enrolled in the Healthplanfinder (HPF) by approximately 55 percent. The 2015-17 budget included printing estimates that were significantly lower than was needed. This request is for the additional funds needed to support the mandatory client notification requirements.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

| Operating Expenditures | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|------------------------------|------------------|------------------|------------------|------------------|
| Fund 17T-1 HBEA | \$192,000 | \$216,000 | \$216,000 | \$216,000 |
| Fund 001-2 GF-Federal | \$25,000 | \$26,000 | \$26,000 | \$26,000 |
| Fund 001-C GF-Federal | \$551,000 | \$577,000 | \$577,000 | \$577,000 |
| Total Cost | \$768,000 | \$819,000 | \$819,000 | \$819,000 |
| Staffing | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| FTEs | 0 | 0 | 0 | 0 |
| Revenue | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| Fund 17T-1 HBEA | \$192,000 | \$216,000 | \$216,000 | \$216,000 |
| Fund 001-2 GF-Federal | \$25,000 | \$26,000 | \$26,000 | \$26,000 |
| Fund 001-C GF-Federal | \$551,000 | \$577,000 | \$577,000 | \$577,000 |
| Object of Expenditure | \$768,000 | \$819,000 | \$819,000 | \$819,000 |
| Obj. C | \$768,000 | \$819,000 | \$819,000 | \$819,000 |

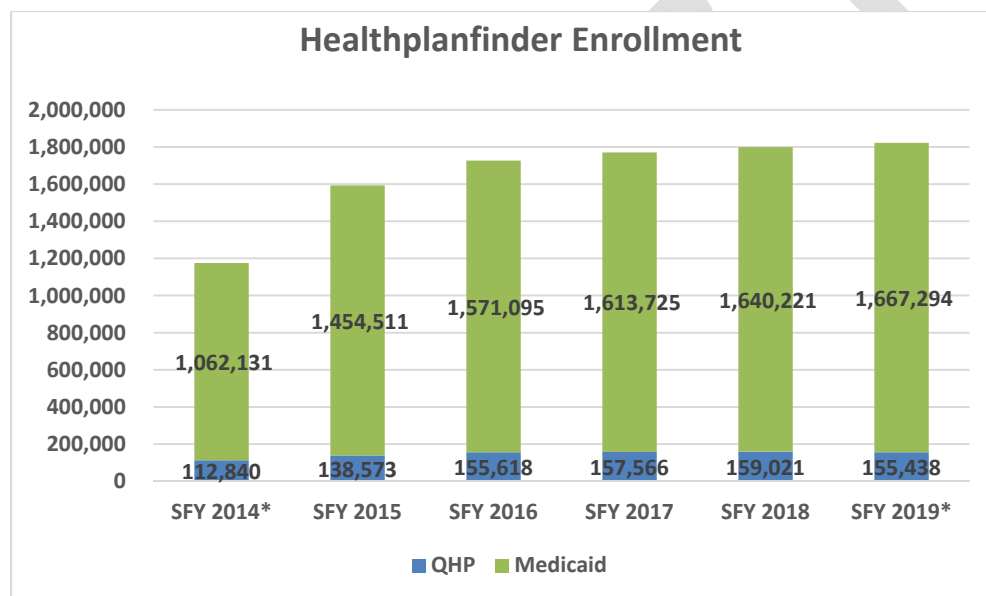
Package Description

In state fiscal year (SFY) 2014, the Exchange enrolled more than 1,175,000 clients in the Healthplanfinder. This number grew by 35.6% in SFY 2015 to about 1,593,000. From SFY 2015 to 2016, projected growth as an additional 8.4%.

Consumer correspondence is primarily generated through Healthplanfinder. Types of correspondence include: eligibility notices, appeal rights, document requests, and confirmation of reported account updates (e.g., change of address). Federal and state regulations (particularly Medicaid regulations) often proscribe the format, frequency and content of these mailings, which range from 1 to 2 pages to 35 to 40. In addition to printing costs, the Exchange is also responsible for postage. Larger mailings require both more expensive envelopes and additional postage.

In calendar year 2014, approximately 4,060,000 pieces of correspondence were mailed by the Exchange. Printing and postage costs totaled about \$2.8 million.

In 2016, printing and postage funding in the 2016 base budget was \$2.6 million. Actual costs for printing and postage for SFY 2016 were \$3.4 million. The Exchange was able to cover these costs due to a federal grant extension, which freed up funds planned for other purposes. These funds will no longer be available starting January 1, 2017, so base funding is needed for SFY 2017, 2018 and 2019 to account for this caseload driven cost.



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.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

No change in FTEs is associated with this decision package. The expected funding sources are provided in the table below:

| Current Funding Levels for Printing and Postage | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Fund | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
| 001-1 GF-State | \$0 | \$0 | \$0 | \$0 |
| 001-2 GF-Federal | \$21,680 | \$21,680 | \$21,680 | \$21,680 |
| 001-C GF-Federal | \$1,062,325 | \$1,062,325 | \$1,062,325 | \$1,062,325 |
| 17T-1 HBEA | \$1,479,301 | \$1,479,301 | \$1,479,301 | \$1,479,301 |
| Total | \$2,563,306 | \$2,563,306 | \$2,563,306 | \$2,563,306 |
| Total Printing and Postage Cost by Fund | | | | |
| PRINTING | | | | |
| Fund | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
| 001-1 GF-State | \$0 | \$0 | \$0 | \$0 |
| 001-2 GF-Federal | \$21,565 | \$21,913 | \$21,913 | \$21,913 |
| 001-C GF-Federal | \$900,580 | \$915,106 | \$915,106 | \$915,106 |
| 17T-1 HBEA | \$567,321 | \$575,450 | \$575,450 | \$575,450 |
| Subtotal | \$1,489,466 | \$1,512,468 | \$1,512,468 | \$1,512,468 |
| POSTAGE | | | | |
| Fund | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
| 001-1 GF-State | \$0 | \$0 | \$0 | \$0 |
| 001-2 GF-Federal | \$25,600 | \$26,013 | \$26,013 | \$26,013 |
| 001-C GF-Federal | \$712,734 | \$724,220 | \$724,220 | \$724,220 |
| 17T-1 HBEA | \$1,103,585 | \$1,119,637 | \$1,119,637 | \$1,119,637 |
| Subtotal | \$1,841,920 | \$1,869,869 | \$1,869,869 | \$1,869,869 |
| TOTAL | | | | |
| Fund | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
| 001-1 GF-State | \$0 | \$0 | \$0 | \$0 |
| 001-2 GF-Federal | \$47,165 | \$47,926 | \$47,926 | \$47,926 |
| 001-C GF-Federal | \$1,613,314 | \$1,639,325 | \$1,639,325 | \$1,639,325 |
| 17T-1 HBEA | \$1,670,906 | \$1,695,087 | \$1,695,087 | \$1,695,087 |
| Subtotal | \$3,331,386 | \$3,382,338 | \$3,382,338 | \$3,382,338 |
| Final Decision Package Requests | | | | |
| Fund | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 |
| 001-1 GF-State | \$0 | \$0 | \$0 | \$0 |
| 001-2 GF-Federal | \$25,000 | \$26,000 | \$26,000 | \$26,000 |
| 001-C GF-Federal | \$551,000 | \$577,000 | \$577,000 | \$577,000 |
| 17T-1 HBEA | \$192,000 | \$216,000 | \$216,000 | \$216,000 |
| Total | \$768,000 | \$819,000 | \$819,000 | \$819,000 |

Note: There is sufficient funding from the Carrier Premium Tax to be used for the Medicaid and CHIP state match

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The Exchange will meet mandatory Medicaid and state-based Exchange requirements for client notification.

Performance Measure detail:

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

The Healthplanfinder enrolls approximately 24.1% of state residents in health care coverage. In SFY 2016, the Exchange served about 1.6 million Medicaid enrollees and 160,000 QHP clients.

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What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

| Impact(s) To: | | Identify / Explanation |
|---|----|--|
| Regional/County impacts? | No | Identify: |
| Other local gov't impacts? | No | Identify: |
| Tribal gov't impacts? | No | Identify: |
| Other state agency impacts? | No | Identify: |
| Responds to specific task force, report, mandate or exec order? | No | Identify: |
| Does request contain a compensation change? | No | Identify: |
| Does request require a change to a collective bargaining agreement? | No | Identify: |
| Facility/workplace needs or impacts? | No | Identify: |
| Capital Budget Impacts? | No | Identify: |
| Is change required to existing statutes, rules or contracts? | No | Identify: |
| Is the request related to or a result of litigation? | No | Identify lawsuit (please consult with Attorney General's Office): |
| Is the request related to Puget Sound recovery? | No | If yes, see budget instructions Section 14.4 for additional instructions |
| Identify other important connections | | |

Please provide a detailed discussion of connections/impacts identified above.
None

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

The Exchange will continue to explore ways to reduce printing and postage costs to avoid growth in future costs. This option was chosen to have expenditure authority for the existing caseload.

What are the consequences of not funding this request?

The Exchange will need to reduce expenditures that would negatively impact service delivery.

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

The appropriation level is not changing, this only corrects the funding source to reflect expected revenues.

Other supporting materials:

Information technology: Does this Decision Package 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.)

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2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

| Information Technology Items in this DP <i>(insert rows as required)</i> | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|------------------|------------------|------------------|------------------|
| Item 1 | xxx | yyy | zzz | aaa |
| Item 2 | xxx | yyy | zzz | aaa |
| Total Cost | Enter Sum | Enter Sum | Enter Sum | Enter Sum |

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

- Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
- Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
- Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121.](#)) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.