

## Policy Level

### Agency:

107 Health Care Authority on Behalf of the Health Benefit Exchange

### Decision Package Code/Title:

PL-HM HBE Business and Worker Outreach

### Agency RecSum:

The Exchange will provide enhanced outreach and support to small and large businesses and employees to assist with information, ongoing points of contact for the business community, and immediate assistance when owners and employees face a potential loss of employer-based health insurance coverage.

### Fiscal detail:

Operating Expenditures	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$193,000	\$191,000	\$191,000	\$191,000
001-C GF-Federal	\$109,000	\$107,000	\$107,000	\$107,000
<b>Total Expenditures</b>	<b>\$302,000</b>	<b>\$298,000</b>	<b>\$298,000</b>	<b>\$298,000</b>
<b>Biennial Totals</b>	<b>\$600,000</b>		<b>\$596,000</b>	
Staffing	FY 2022	FY 2023	FY 2024	FY 2025
FTEs	2.0	2.0	2.0	2.0
<b>Average Annual</b>	<b>2.0</b>		<b>2.0</b>	
Object of Expenditure	FY 2022	FY 2023	FY 2024	FY 2025
Obj. C	\$302,000	\$298,000	\$298,000	\$298,000
Revenue	FY 2022	FY 2023	FY 2024	FY 2025
17T-1 HBEA	\$193,000	\$191,000	\$191,000	\$191,000
001-C GF-Federal	\$109,000	\$107,000	\$107,000	\$107,000
<b>Total Revenue</b>	<b>\$302,000</b>	<b>\$298,000</b>	<b>\$298,000</b>	<b>\$298,000</b>
<b>Biennial Totals</b>	<b>\$600,000</b>		<b>\$596,000</b>	

## Package Description

### What is the problem, opportunity or priority you are addressing with the request?

The nexus between employment and health insurance is complicated and creates coverage barriers. The health insurance coverage options available to employers, particularly the self-employed and small business owners, are nuanced, change often because of federal activity, and often have tax implications. For employees, particularly those who have only ever had employer-based coverage, employment transitions are challenging and can lead to coverage gaps. The COVID-19 pandemic has highlighted the need for the Exchange to work more closely with the business community. According to the Office of Financial Management Forecasting and Research Division, about 50% of

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newly unemployed workers are uninsured.<sup>1</sup> This request addresses a need identified by the Exchange and the business community, for dedicated Exchange resources to provide ongoing sector-specific assistance, so employers and employees have dedicated resources to help them understand the low cost and no cost coverage options available through Washington Healthplanfinder, and the actions needed to access them.

Washingtonians have three options when they lose their employer-sponsored coverage: COBRA offered by the employer, coverage through a qualified health plan (QHP) –offered on the Exchange - and Medicaid (Apple Health) if they qualify. Washington Healthplanfinder is the marketplace for the state QHPs and Apple Health. An individual who loses EBI has a 60-day window to enroll on the Exchange via a special enrollment period.

When considering coverage options following a loss of employer-based health insurance (EBI), QHPs available on the Exchange can offer a significant benefit. COBRA coverage helps many families when they lose EBI eligibility, however, COBRA can often be prohibitively expensive. The Exchange offers potentially more affordable coverage options, but many individuals are unaware these options exist. By purchasing a QHP on the Exchange, individuals may also be eligible for tax credits to help offset the cost of the monthly premium in addition to cost-sharing reductions aimed at lowering the amount individuals must pay for deductibles, co-pays and other cost sharing measures.

### **What is your proposal?**

To provide needed resources to the business community and help avoid gaps in coverage the Exchange will build stronger partnerships with employers, state agencies and stakeholders engaged in the work of supporting employers and employees, particularly those transitioning off EBI. The Exchange will provide designated points of contact, and materials and resources aimed at helping businesses and their employees understand their health insurance options.

The Exchange will work directly with employers and business associations. Employers are in a unique situation to provide education and resources to their employees who will be transitioning off EBI, helping them understand alternative coverage options. The Exchange is well positioned to support employers across the state with this effort by providing materials and presentations, as well as connecting employees with enrollment assistance. A focused effort at the Exchange will leverage the Exchange's policy, outreach, assistance, and enrollment programs, including our network of assisters across the state who can provide individualized enrollment assistance to impacted employees. The Exchange will assist business community partners and impacted individuals in understanding special enrollment period deadlines, specifically the 60-day window individuals have to enroll in coverage on the Exchange when a loss of EBI occurs.

The Exchange will work with relevant external stakeholders (including associations, labor, and industry partners) and agency partners (including the Employment Security Department and federal Department of Labor) to assist businesses and employees with health insurance options. This would include participation in rapid response team efforts to assist impacted workers and to ensure

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<sup>1</sup> Estimated Impact of COVID-19 on Washington State's Health Coverage (August 2020) available at: <https://www.ofm.wa.gov/washington-data-research/health-care>.

information regarding COBRA alternatives available on the Exchange are readily available along with information on how to access enrollment assistance. This would also include engagement with the State's Trade Act program. In the event an organization or company is shutdown or otherwise has their business impacted due to federal trade resulting in layoffs, impacted workers can file a claim with the federal Department of Labor. If their claim is approved, they are eligible for several benefits including retraining and job search allowances. The Exchange will work to ensure workers utilizing the benefits of the Trade Act are also provided with information regarding COBRA alternatives available on the Exchange along with information on how to access enrollment assistance.

### **How is your proposal impacting equity in the state?**

This proposal will help address persistent disparities in health insurance coverage, which contribute to poorer access to care and worse health outcomes for members of racial and ethnic minority groups. Partnering closely the business community will help ensure that all workers, when experiencing transition in their lives, have equal access to the information and resources they need to seek and maintain insurance coverage.

More specifically, the industries most impacted by job loss due to COVID-19 include accommodations, manufacturing, construction, retail, and transportation and warehousing. The workers on the front of these industries are more likely to be laid off and experience a loss of EBI. Recent surveys across the country have noted populations of color have been adversely impacted at a disproportional rate by illness as well as job loss and pay cuts.

Additionally, this proposal aligns with our Board-approved equity statement: "Equity is a fundamental pillar to the society we seek to build. The process of advancing toward equity will be disruptive and demands vigilance, dismantling deeply entrenched systems of privilege and oppression. We must focus our efforts on people and places where needs are greatest, especially communities of color, and go beyond remedying a particular inequity to address all determinants of health. Our goal is that all Washingtonians have full and equal access to opportunities, power and resources to achieve their full potential."

### **What are you purchasing and how does it solve the problem?**

To effectively conduct outreach to businesses and their employees on an ongoing basis, the Exchange requests two FTEs focused on business outreach and assistance. Having staff dedicated to working with businesses will tighten the relationship with and the understanding of the community and individual employers, and allow for strengthened relationships with business associations, chambers of commerce, and others to facilitate the timely flow of information and assistance.

### **What alternatives did you explore and why was this option chosen?**

The Exchange has leveraged available resources to meet with and develop information for large and small employers, labor, state agency partners, and others during the pandemic. Current resources are insufficient to meet the current and expected ongoing level of need.

Over the past several years, the Exchange has also been engaged with the Independent Business Association (IBA) and formed a small business workgroup with IBA and others who also identified the need for more consistent and ongoing engagement with the business community.

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## Assumptions and Calculations

### Expansion or alteration of a current program or service

This extends Exchange outreach efforts to provide a new program focused on business.

### Detailed assumptions and calculations

The Exchange requests ongoing funding for two staff resources to operate this new program to provide outreach to business and an ongoing \$50,000 per year for educational materials necessary to ensure employers across the state have access to the tools needed to assist employees and promote continuous coverage.

- No increase in Carrier Assessment is expected to cover this expenditure.
- No new General Fund-State dollars are requested.

Summary By Object	SFY22	SFY23	SFY24	SFY25
Salaries	\$ 157,076	\$ 157,076	\$ 157,076	\$ 157,076
Benefits	\$ 56,627	\$ 56,627	\$ 56,627	\$ 56,627
<b>Contracts (Manually enter Contracts)</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
collateral	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Goods and Services	\$ 36,855	\$ 32,855	\$ 32,855	\$ 32,855
Travel	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
<b>Grand Total</b>	<b>\$ 302,158</b>	<b>\$ 298,158</b>	<b>\$ 298,158</b>	<b>\$ 298,158</b>

## Strategic and Performance Outcomes

### Strategic framework

This proposal directly relates to Results Washington's Healthy and Safe Communities goal, which is focused on providing access to good medical care to improve people's lives, notably by decreasing the rate of uninsured in Washington. Partnering closely with and providing resources to the business community will help decrease the rate of uninsured among those who work for an employer that does not offer EBI and those transitioning from employer-based insurance.

This proposal also aligns with the goals in the Exchange Strategic Plan: improving health coverage and affordability; advancing diversity, equity and inclusion (DEI) to narrow health disparities, especially in communities of color; expanding innovative approaches to drive health system excellence, including improved customer experience and engagement; and leveraging Washington Healthplanfinder to expand offered services.

### Performance outcomes

Success in this program will be determined by a number of factors including: establishing relationships with small business associations, establishing industry specific relationships – including with the 10 largest employers in WA and in sectors that experience significant annual turn-over (due to the seasonal nature of the work or otherwise), creating relevant resources and materials, and partnering with state agencies to include information about the Exchange in the Rapid Response & Trade Act presentations for employers and workers.

### Other supporting materials

Copies of the APD have been previously provided to HCA, OFM, the House and Senate.

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## Other Collateral Connections

### Intergovernmental

None

### Legal or administrative mandates

None

### Changes from current law

None

### State workforce impacts

None

### State facilities impacts

None

### Puget Sound recovery

None

### Other supporting materials

Copies of the APD have been provided to HCA, OFM, the House and Senate.

### Stakeholder response

None

### Information technology (IT)

ABS will pose the question below for each DP. If the answer is yes, you will be prompted to attach an IT addendum. (See Chapter 10 of the budget instructions for additional requirements.)

#### Information Technology

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

No

Yes

Please download the [IT-addendum](#) and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.