



# Legislative Update

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# Today's Topics

- Interim Updates
  - Board member term expirations/re-appointments (6 members)
  - Implementation of 2021 Legislative Deliverables
- Discussion of 2022 Session Priorities
  - Asks include – legislation to make current B&O Tax preference permanent, and budget

# Board Nominations/Appointments

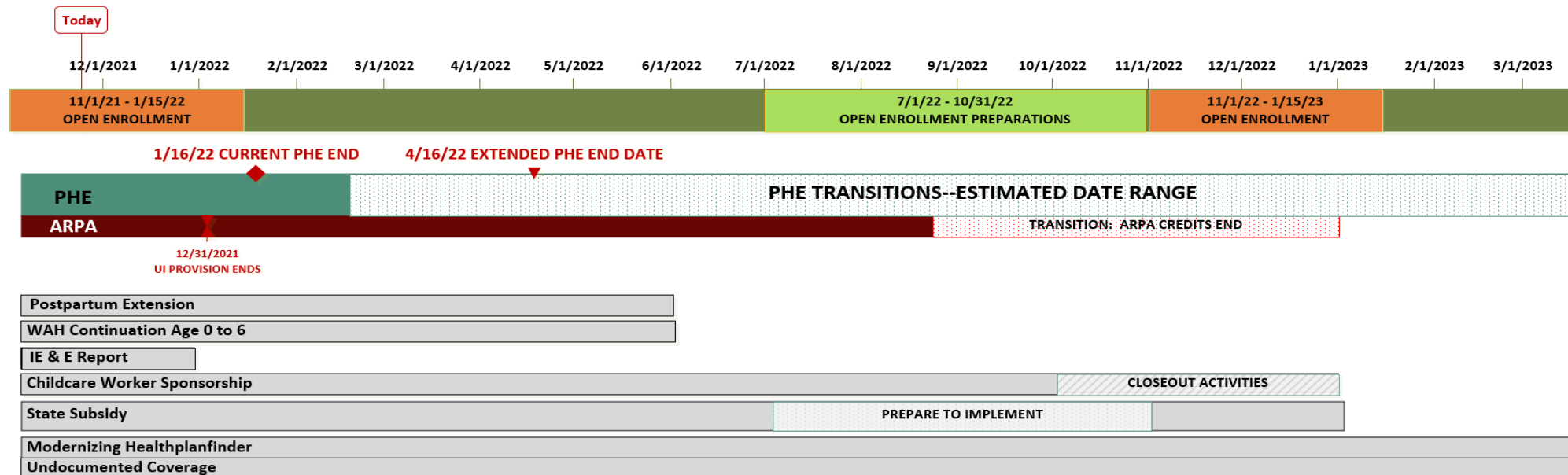
- 6 current Board members have terms expiring Dec. 14
  - Ron Sims (chair)
  - Maureen McLaughlin
  - Melissa Cunningham
  - April Betts-Gibson
  - Dr. Mabell Bodell
  - Hiroshi Nakano
- Nomination letters from each Caucus submitted to Governor's office (Oct. – Nov.)
  - Senator Andy Billig, Senate Majority Leader
  - Senator John Braun, Senate Republican Leader
  - Representative Laurie Jinkins, Speaker of the House
- Expect to receive re-appointment confirmations from Governor's office by Dec. 10

# Key Exchange Access-Related Legislative Directives

- **Fall 2021** – implement new state-sponsored health insurance premium assistance program for employees of licensed childcare facilities
  - Qualifying employees up to 300% FPL can get Cascade Care Silver plan for \$0 premium
- **Fall 2022** – implement new partial state premium assistance for Cascade Care for PY 2023
  - Qualifying residents up to 250% FPL can get a reduced cost Cascade Care Silver or Gold plan
- **Fall 2023** – implement coverage solution for people without federally recognized immigration status, by PY 2024
  - Coverage solutions that provide access to QHP plans require a federal 1332 waiver

# Additional 2021 Legislative Deliverables

- Supporting business and worker outreach – focus on small employers and workers most impacted by COVID-19
- Supported COFA Transition and Ongoing Enrollment Assistance to COFA Citizens
- Implementing Medicaid postpartum expansion and WAH program changes
- Participating in Universal Health Care Commission participation
- *Additional information included in appendix*



# Health Care Premium Assistance for Employees of Licensed Child Care Facilities

- Ongoing legislative interest in program roll-out and uptake
- Legislature funded this program through the end of 2022
  - \$25M in federal CRRSA funding expires Sept. 2022
  - \$5M in federal ARPA funding
- Will provide technical assistance as needed during session (possible expansion)
- Legislative report (statutory requirement) due by October 1, 2022

# State Premium Assistance for Cascade Care

- Ongoing legislative engagement to report on implementation progress/milestones
- Ongoing legislative interest in impact of American Rescue Plan Act & Build Back Better (monitoring federal activity)
- Legislature appropriated \$50M annually in general fund state
- Providing technical assistance (focus on those not benefitting from federal subsidies)

# Coverage Solutions For Washingtonians Without Federally Recognized Immigration Status

- Legislative directive to explore available coverage options – all leverage *Washington Healthplanfinder* as single front-door (currently serves immigrant populations)
- In partnership with HCA and OIC, have explored WAH-based and QHP-based solutions
  - Example WAH-based solution: State expands access to individuals who are WAH eligible <138% FPL, but-for their immigration status (primary way coverage has been expanded in other states, most recently in OR)
  - Example: QHP based solution: Exchange submits a 1332 waiver to allow individuals without a federally recognized status to enroll directly in QHPs
  - Could be done in combination – consistent with current practice of facilitating lower-income residents into WAH coverage, and non-WAH eligible residents into QHP/APTC coverage
- Engaging in ongoing discussions with interested legislators
  - Funding to implement a WAH and/or QHP-based solution needs to be appropriated during the 2022 state legislative session
- Engaging in ongoing discussions with CMS about 1332 waiver opportunities
  - Waiver applications must include actuarial analysis and undergo robust stakeholder engagement
  - Per statute – waiver application is developed by HBE and submitted by HCA
  - CMS has 180 days to review once submission has been completed and verified



# 2022 Session Considerations & Timing

## Considerations

- Short session (60 days), largely virtual (again)
- Concurrent federal activity (e.g., ARPA allocations, Build Back Better; Public Health Emergency/unwinding)
- Notable Senator changes announced to date; House announcements expected later this year

## Timing

- November 15-16, 2021 - Senate Committee Days
- November 18-19, 2021 - House Committee Days
- December 10, 2021 - Bill pre-filing begins
- Mid-December – Governor’s Budget
- January 10, 2022 - Session begins
- March 10, 2022 - Session ends

# 2022 Session Priority

## Make Current B&O Tax Preference Permanent

- In 2021, the Joint Legislative Audit and Review Committee (JLARC) reviewed seven tax preferences as part of its annual reporting cycle – including a B&O tax preference that reduces the Exchange’s administrative costs by \$1M annually
- The Legislative Auditor recommends eliminating the 7/1/2023 expiration date or extending it
  - “Extend the July 2023 expiration date or make the preference permanent. The preference appears to address a structural tax issue. The Exchange is a public-private partnership and the state funding it receives would be subject to B&O tax without the preference.”
  - “Add a performance statement that specifies the public policy objective for the preference”
- The Citizen Commission for Performance Measurement of Tax Preferences endorses the Legislative Auditor's recommendation with comment.
  - Comment: “The preference should be excluded from future reviews. It serves a structural purpose related to the state's broader healthcare policy.”
- The Exchange is working with interested Legislative sponsors on a bill that would enact the recommendations above.
  - JLARC and Commission materials available at: [JLARC Report \(wa.gov\)](#)

# 2022 Session Priority Budget Request

- Cost Allocation Update
  - Net zero fund shift request to align funding sources with planned activities and benefiting populations
- Secure funding needed to implement 2021 legislative directives and any additional new areas of legislative interest
- Technical assistance on any provisos impacting the Exchange

# 2022 Session

## Areas of Support

- **HHS Coalition**
  - Support joint HHS Coalition request for Legislature to make an initial investment to begin the modernization of the state's eligibility and enrollment system.
- **Cascade Care & Cost Containment Initiatives**
  - Support efforts to expand availability and affordability of Cascade and Cascade Select plans, and broader cost-containment efforts that could help lower costs for Exchange consumers
- **Health Equity & Social Determinants of Health**
  - Consistent with the Board equity statement, support efforts to address access barriers among BIPOC communities and promote continuity of coverage

# 2022 Session

## Areas to Monitor

- State responses to federal activity/regulations
- Proposed EHB expansions
- Provider consolidation
- Increased hospital facility fees
- Cost-accumulators
- Drug Pricing
- Student/apprenticeship health coverage options
- Long-term care trust fixes
- APCD/data sharing
- IT related (privacy, security, oversight)
- HR related (state employee compensation; long-term care)

# 2022 Session

## Areas of Opportunity

- Federal Build Back Better Act
  - Extension of enhanced federal subsidies through end of 2025
  - Extends the special Marketplace subsidy rule for individuals receiving UI benefits through the end of 2022
  - Technical changes that allow certain individuals to be eligible for more generous subsidies
  - Affordability funding available to expansion states (currently \$10B annually thru 2025) to help further reduce costs for Exchange consumers
    - Legislation directs HHS to decide how much each state can receive
  - Authorizes \$50 million to support states in pursuing Section 1332 waivers (each grant limited to \$5M, states can use funds until amounts fully expended)
  - Medicaid related changes; federal match rate increases for expansion states
- Public Health Emergency
  - Continuity of coverage for those churning off Medicaid

# Upcoming Legislative Deliverable

## HHS Coalition Report (Jan 15)

- During the 2021 session, the Legislature tasked the HHS Coalition with developing and submitting a detailed report that outlines the steps required to implement an integrated health and human services eligibility and enrollment solution.
- The Exchange will submit this report, on behalf of the HHS Coalition, by January 15, 2021.
- The report is being developed with supports from the federal organization 18 F, and with guidance and input from Washington Technology Solutions (WaTech) and the Office of Financial Management (OFM) (who also participate as ex-officio HHS Coalition members)
- This report will lay out a roadmap for the modernization process. Removing barriers individuals experience accessing client benefits is of primary importance, and the HHS Coalition sees a future where:
  - Clients can apply “seamlessly” for multiple programs in less than 20 minutes and immediately know their eligibility status.
  - State programs have a comprehensive view of clients and share information across agency boundaries to proactively offer other benefits the client may qualify to receive.
  - Clients can report changes in their personal circumstances to a single place, rather than multiple times to different state agencies.
- Initial report findings support making immediate, incremental, changes to address program risks caused by reliance on the legacy ACES platform, that will improve the customer experience, gain efficiencies, and position the state to move away from inflexible legacy technologies. The report will further describe how the state could benefit from moving more broadly toward an agile approach to system modernization.
  - ACES is a state system that 2.9 million Washingtonians rely on to access programs administered by all Coalition partners – including Medicaid, Basic Food, child care, and cash assistance. As a legacy mainframe written in COBOL, ACES has between five and seven years of remaining, useful life.

# Upcoming Board Legislative Engagement Board Hill Day (Jan. Board Meeting)

- Proposed agenda includes:
  - Updates on legislative priorities from state agency partners (DOH, OIC, HCA, DSHS)
  - Updates from key legislative leaders
  - Updates on federal activity (e.g., Build Back Better)
- Additional topics/suggestions welcome!
- Access to capitol buildings will be restricted



# Appendix



# Overview of 2021 Session Outcomes ✓ =Decision Package

- Reaching the Uninsured & Advancing Health Equity
  - ✓ New business and worker outreach program to support employers and impacted workers
  - ✓ Enhanced data analysis to gain greater insight into the uninsured, especially the newly uninsured and those facing access barriers
  - Funding for COFA Transition and Ongoing Enrollment Assistance to COFA Citizens
- Affordability and Access
  - ✓ Increased sponsorship program staff, to improve the ability of private and public payors to provide financial help to Exchange customers. and improve the customer experience for sponsored enrollees.
  - Childcare worker premium sponsorship program (\$30M thru PY 2022)
    - Collaboration between Dept Children, Youth and Families (providing data on licensed workers); Yakima Neighborhood Health Services (lead Navigator organization providing enrolment support), WAHBE (Comms, Ops and Finance staff supporting premium payments being made to carriers on behalf of state)
  - Cascade Care 2.0 bill and funding (includes \$50M premium assistance starting PY 2023)
  - Medicaid postpartum expansion
  - Universal Health Care Commission
- Improving and leveraging *Washington Healthplanfinder*
  - ✓ System improvements delayed due to COVID-19
  - ✓ Modernize and modularize *Healthplanfinder*
  - ✓ Cybersecurity resources
  - HHS Coalition Integrated Eligibility Report

# 2021 Bills with Direct Exchange Impacts

- **Cascade Care 2.0 (SB 5377)**
  - Establishes \$50M annual state premium assistance program administered by the Exchange
    - Significant system build and cross-department operational impacts
    - Parameters established in budget (up to 250%FPL, tied to silver and gold standard plans)
  - Strengthened the public option
  - Initial step toward limiting non-standard plan limits
- **Postpartum Medicaid Expansion (SB 5068)**
  - Extends postpartum coverage from 2 to 12 months; expands who can access postpartum services
  - Requires Washington Healthplanfinder system updates by June 1, 2022, executed in partnership with HCA and DSHS
  - Concurrent federal postpartum expansion in federal stimulus bill
- **Universal Health Care Commission (SB 5399)**
  - Creates Commission, includes Exchange CEO, to position the state to be prepared to establish a universal health system. Initial baseline report due to legislature by Nov. 1, 2022 followed by annual reporting

# 2021 Budget Provisos with Direct Exchange Impacts

- **Childcare Worker Sponsorship Program**
  - Expansion of current enrollment assistance pilot
  - Collaboration between Dept Children, Youth and Families (providing data on licensed workers); Yakima Neighborhood Health Services (lead Navigator organization providing enrolment support), WAHBE (Comms, Ops and Finance staff supporting premium payments being made to carriers on behalf of state)
- **Support for COFA Sponsorship Program Transition and Ongoing Enrollment Assistance to COFA Citizens**
  - Through current sponsorship program, low-income COFA citizens (from the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia) enroll in QHP with full premium and cost-sharing wraps; HCA pays carriers on behalf of state
  - Due to change at federal level, low-income COFA citizens can now enroll in Medicaid
  - Funding being provided to update *Washington Healthplanfinder* and provide additional funding to three lead Navigator orgs. that serve COFA population centers to hire and train COFA Navigators to provide ongoing enrollment assistance to COFA communities
- **HHS Coalition Integrated Eligibility Report**
  - In partnership with the HHS coalition, HBE directed to develop a report on the next steps required for information technology solutions for an integrated health and human services eligibility solution