

2014 SUPPLEMENTAL BUDGET

ESAR PHASE 1 AND 2

Request	FY14	FY15	13-15
FTE	0.0	0.0	0.0
GF-State	\$1,221,000	\$0	\$1,221,000
Total	\$14,936,000	\$0	\$14,936,000

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests \$14,936,000 Total Funds, (\$1,221,000 GF-State) in the 2014 Supplemental Budget for Eligibility Services and Automated Client Eligibility System Remediation (ESAR). The funding will provide for the continued phased approach for design, development, and implementation of the Eligibility Service for the Health Benefit Exchange (HBE) and to modify the Automated Client Eligibility System (ACES) to support and maintain other existing program eligibility rules.

PROBLEM STATEMENT

This funding request for ESAR supports two Implementation Advanced Planning Document Updates (I-APDU) submitted to the Centers for Medicare and Medicaid Services (CMS) that fund project functionality required for HBE implementation of the State's health insurance exchange, called Health Plan Finder.

This project funding for enhancements includes initial implementation of Phase 1, initiation of Phase 2, Phase 1 Eligibility Service functionality that could be deferred until after the initial go-live date of October 1, 2013, and continuation of the requirements analysis and initial design of Phase 2 through May 30, 2014.

Funding will cover state staff, vendor costs, contracted services for project management, Independent Verification and Validation (IV&V), and Quality Assurance for this period. This brings the project to-date total to \$34,808,000, of which \$3,068,000 is GF-State.

PROPOSED SOLUTION

This decision package covers ESA's request for \$5,976,000 in local authority to receive a portion of the federal Establishment Grant from the HBE, \$7,739,000 in federal authority for enhanced federal funds from CMS, and the state match of \$1,221,000 for the Phase 1 and 2 design, development, and implementation necessary to build the Eligibility Services to support the HBE within the required schedule. The amounts in this request are also for transforming ACES to remove current Medicaid eligibility determination logic that is no longer valid under the new Modified Adjusted Gross Income (MAGI) based rules. This will allow the state to maintain the

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non-MAGI and health and human service program eligibility rules within ACES. Interim modification will be made to sustain the legacy system to continue performing eligibility determinations for non-MAGI Medicaid and human services' programs until the next phases are implemented while MAGI rules are created, converted, and transferred into the HBE.

The initial implementation of Phase 1 will result in the new Eligibility Service containing all MAGI eligibility rules for the HBE open-enrollment to begin October 1, 2013.

During Phase 1, non-MAGI and human service rules were maintained in the legacy ACES system. At the same time, ACES was modified to remove all Medicaid eligibility determination logic that is no longer valid under the new MAGI based rules. These interim modifications sustain the legacy system's ability to continue performing eligibility determinations for non-MAGI Medicaid and other human services programs until the next phases are implemented.

During Phase 2, existing non-MAGI eligibility rules will be analyzed, isolated, transformed, expanded and ported over to the new Eligibility Service developed in Phase 1. With the introduction of non-MAGI eligibility rules, the Eligibility Service will be a shared module used by the HBE and ACES. The MAGI eligibility rules will support HBE functionality and the non-MAGI eligibility rules will be used by ACES in traditional Medicaid eligibility determinations for those eligibility groups exempt from MAGI rules. The legacy eligibility system rules for non-MAGI medical programs will be modified and maintained until Phase 2 implementation to ensure correct eligibility determinations for all remaining program rules in the legacy system impacted by Phase 1 implementation.

EXPECTED RESULTS

To continue the development of the Eligibility Service for Health Plan Finder along with remediation of the current ACES.

This decision package supports the Results Washington goals to:

- Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations:
 - Increase customer satisfaction.
 - Increase on-time delivery for state services.

STAKEHOLDER IMPACT

If this request is not funded the state would lose approximately \$14.7 million in federal revenue available from the Establishment Grant and Medicaid through Fiscal Year 2014 and implementation of the HBE in Washington State would be delayed.