

## 2014 SUPPLEMENTAL BUDGET

### INCAPACITY EXAMS

| Request      | FY14               | FY15               | 13-15              |
|--------------|--------------------|--------------------|--------------------|
| FTE          | 0.0                | 0.0                | 0.0                |
| GF-State     | \$2,076,000        | \$4,152,000        | \$6,228,000        |
| <b>Total</b> | <b>\$2,076,000</b> | <b>\$4,152,000</b> | <b>\$6,228,000</b> |

#### DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests \$6,228,000 GF-State to replace the anticipated loss of federal Medicaid funds that are currently used to partially fund incapacity exams to individuals applying for the Aged, Blind and Disabled (ABD) Program. By funding this request, ESA will be able to continue determining the applicant's eligibility for the ABD Program.

#### PROBLEM STATEMENT

RCW 74.62 requires ESA to determine eligibility for individuals who apply for the ABD Program. For the individuals to qualify for the program under the disability category they must meet the disability criteria set forth in RCW 74.62.030. The criteria require substantial medical evidence. For applicants who do not have enough medical evidence at the time they apply, ESA provides incapacity exam services for the client to obtain the necessary evidence and make the determination. Currently under the Bridge Waiver, Washington State may use Medicaid funding to pay for such services.

The Bridge Waiver, approved in January 2011, was intended as a short-term bridge to national health care reform. It temporarily allows Washington State to use Medicaid to pay for medical services for the recipients of the ABD Program. The Waiver will expire upon the implementation of the ACA in January 1, 2014. Once the Waiver expires, ESA cannot use Medicaid funding to pay for medical services to the recipients of the ABD Program. ESA has received confirmation from the Centers for Medicare and Medicaid Services (CMS) that federal funding will not be available for the incapacity exams.

Currently, ESA receives approximately 11,000 ABD/Medical Care Services applications each month. For the last quarter of FY 2013, approximately 2,000 incapacity exam services were ordered each month.

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If the request is not funded, ESA will not be able to purchase medical evidence to determine if the applicants meet the disability criteria for the ABD Program.

#### PROPOSED SOLUTION

ESA requests state funding to replace the loss of the Medicaid funding due to the expiration of the Bridge Waiver. The state funding would allow ESA to continue to purchase medical evidence to aid the disability determination for the ABD applicants as required by RCW 74.62.

#### EXPECTED RESULTS

To help the most vulnerable people become independent and self-sufficient by being able to purchase medical evidence to aid the disability determination for the ABD applicants.

This decision package supports the Results Washington goals to:

- Help the most vulnerable people become independent and self-sufficient; and
- Provide access to good medical care to improve people's lives.

#### STAKEHOLDER IMPACT

It is not anticipated that there would be any stakeholder concerns with the change in funding for the incapacity exams.