

ECONOMIC SERVICES ADMINISTRATION
Incapacity Exams



2015-17 BIENNIAL BUDGET

ML Request	FY15	FY16	FY17	15-17
FTE	0.0	0.0	0.0	0.0
GF-State	\$600,000	\$600,000	\$600,000	\$1,200,000
Total	\$600,000	\$600,000	\$600,000	\$1,200,000

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests \$600,000 per year in GF-State in order to continue providing incapacity exams necessary to determine eligibility of applicants for the Aged, Blind or Disabled (ABD) and Essential Needs and Housing Support (HEN) programs. By funding this request, ESA is expected to continue to collect medical data necessary to determining an applicant’s eligibility for the ABD and HEN programs.

PROBLEM STATEMENT

Chapter 74.62 RCW requires ESA to determine eligibility for individuals who apply for the ABD and HEN programs. For individuals to qualify for the program under the “disabled” category, they must meet disability criteria set forth in RCW 74.62.030. The criteria require substantial medical evidence in order to determine an individual’s eligibility. For applicants who do not have enough medical evidence at the time they apply, ESA provides incapacity exam services to obtain the necessary evidence needed to make an eligibility determination.

Currently, ESA receives approximately 9,000 ABD and HEN applications each month. For the period January 2014 to March 2014, approximately 2,500 incapacity exam services were ordered each month.

In the 2014 Supplemental Budget, funding for incapacity exams was reduced by \$600,000 on the assumption that expanded access to Medicaid under the Affordable Care Act (ACA) would decrease the need for state-funded incapacity exams. However, Medicaid will pay for diagnostic services only when medically necessary. This does not include the costs of examinations and producing medical records documenting the person’s ability to work. ABD and HEN eligibility determinations require sufficient medical evidence to determine an individual’s capacity to work.

If the request is not funded, ESA will not be able to purchase services that provide the necessary medical evidence to determine if an applicant meets the disability criteria for the ABD and HEN program. Based on the information from Social Service Payment System (SSPS), for the month of January 2014 to March 2014, ESA paid approximately \$640,000 for 7,622 referrals. The average is around \$84 per referral. Losing \$600,000 would mean ESA can refer 7,145 fewer clients for exams.



DSHS VISION
 People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION
 To transform lives

DSHS VALUES
 Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

ECONOMIC SERVICES ADMINISTRATION Incapacity Exam



2015-17 BIENNIAL BUDGET

Inability to order the exams to gather the medical evidence means that the cases would either be pended or denied for lack of medical evidence. Both the ABD and HEN caseloads would likely decrease. These documentations are sometimes used for federal Supplemental Security Income (SSI) applications as well. Lack of medical evidence will also slow down the SSI application process.

PROPOSED SOLUTION

ESA requests GF-State funding to reinstate the incapacity exam budget to its former level. The additional GF-State funding will allow ESA to continue to purchase services needed to provide medical evidence to aid with disability determinations for ABD applicants as required by Chapter 74.62 RCW.

EXPECTED RESULTS

The budget request supports DSHS Goal 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life.

Funding this request will allow ESA to continue to purchase medical evidence to aid disability determination for ABD applicants.

STAKEHOLDER IMPACT

This request will enable ESA to operate the ABD program as currently required. ESA does not expect any stakeholders to have concerns.



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service