

ECONOMIC SERVICES ADMINISTRATION

Printing ACES Letters to Clients



2015-17 BIENNIAL BUDGET

| ML Request | FY15 | FY16 | FY17 | 15-17 |
|--------------|------------|--------------------|--------------------|--------------------|
| FTE | | | | |
| GF-State | \$0 | \$832,000 | \$832,000 | \$1,664,000 |
| Total | \$0 | \$1,386,000 | \$1,386,000 | \$2,772,000 |

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding in order to pay for the rising cost of printing Automated Client Eligibility System (ACES) letters for clients, including costs related to moving to a new printing location. By funding this request, ESA is expected to continue providing clients with legally required notifications about their benefits.

PROBLEM STATEMENT

ESA prints an estimated 42 million pages per year in letters to clients receiving cash, food, medical and child care benefits. The agency prints these letters on four printers, two of which are at the end of their useful life. Due to the fact that these printers have exceeded their expected lifespan and have not required replacement, the cost of printing has been low. ESA currently has print services provided through a contracted vendor. However, with the establishment of the Department of Enterprise Services (DES) as the print service provider for all state agencies, ESA expects to contract with DES for future print services. DES has notified ESA that the costs to print ACES letters will increase beginning in the 2015-17 Biennium when the Department of Social and Health Services (DSHS) begins contracting with DES for print services. DES printing will be done using new high volume printers located in a new facility. ACES letter print functions will be moved from the current DSHS location to a new DES leased facility. DSHS is working with DES to ensure the new printing arrangements meet strict federal requirements for handling confidential client information and provide a seamless transition for clients.

PROPOSED SOLUTION

DSHS currently pays \$0.026 per page as a result of prolonged use of aging printers. Based on the per page rate DES charges other state agencies, the new cost may be as high as \$0.059 per page. This \$0.033 per page increase spread over an estimated 42 million pages printed per year, would result in a \$1,386,000 (\$832,000 GF-State) impact to ESA. ESA is exploring a variety of ways to keep the printing bill as low as possible. These include:

- Negotiating with DES regarding tiered pricing to account for economies of scale related to large volumes.



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 Printing ACES Letters to Clients



2015-17 BIENNIAL BUDGET

- Exploring optional electronic notification. However, as some DSHS clients do not have reliable access to e-mail, electronic notification cannot be mandatory
- Working with the Health Care Authority (HCA), the Health Benefit Exchange (HBE), and DSHS Home and Community Services (HCS) to streamline change requests and establish a method to charge these programs directly for letters sent with information on their behalf.
- If appropriate, exercising the option under RCW 43.19.736 to go out for bid for ACES high volume printing.

However, despite these efforts, it is anticipated the cost of ACES printing will increase substantially.

EXPECTED RESULTS

The budget request supports DSHS Goals 1: Health – Each individual and each community will be healthy. Goal 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life. Goal 5: Public Trust – Strong management practices will be used to ensure quality and efficiency.

The decision package is essential to implementing the Economic Services Administration Strategic Objective 5.2: Application processing timeliness will meet or exceed Federal Standards of Promptness.

This request supports the Results Washington goal to improve customer confidence by maintaining timely delivery for state services, by ensuring timely and accurate notifications.

STAKEHOLDER IMPACT

Centers for Medicare and Medicaid Services have strict guidelines on the use and handling of confidential Internal Revenue Service data. These requirements, which dictate procedures for the chain of custody of a document, and building security requirements, are being meticulously accounted for in negotiations with DES. Stakeholders advocate for proper notification to clients regarding eligibility requirements or changes to their benefits, and would likely oppose reductions in notification or mandatory electronic notification.



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