

# ECONOMIC SERVICES ADMINISTRATION

## ACA Impact on Eligibility Work



### 2015-17 BIENNIAL BUDGET

Request	FY15	FY16	FY17	15-17
FTE	7.3	88.0	88.0	88.0
GF-State	\$7,079,000	\$20,390,000	\$21,850,000	\$42,240,000
<b>Total</b>	<b>\$565,000</b>	<b>\$1,972,000</b>	<b>\$885,000</b>	<b>\$2,856,597</b>

#### DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding and FTEs in order to replace the loss of federal funding resulting from separating medical eligibility determinations from other public assistance programs' financial eligibility work. Prior to the separation, ESA processed eligibility for multiple programs simultaneously. By funding this request, ESA expects to maintain current levels of financial eligibility work in the face of reduced Medicaid support for this function.

#### PROBLEM STATEMENT

As a result of the Affordable Care Act (ACA) implementation in Washington, most people now apply for Medicaid using the online Healthplanfinder, operated by the Health Benefit Exchange (HBE). Individuals requesting help applying for Medicaid through the Healthplanfinder may also contact the HBE Call Center, or seek assistance from 'Navigators/Assisters' funded through the Health Care Authority (HCA) and the HBE, who are located in a number of community based organizations and health facilities throughout the state. Prior to ACA implementation, ESA Community Services Division (CSD) staff located in the CSD Customer Service Contact Center or in Community Services Offices (CSO) throughout the state assisted individuals applying for all public assistance programs, including Medicaid. The majority of Medicaid applicants also qualify for public assistance programs managed by ESA; therefore, CSD staff continue to have contact with a large proportion of the Medicaid population. However, ESA is no longer allowed to claim federal Medicaid funding for these services.

Eligibility for medical, cash and food benefits is based on income and assets relative to the number of people in a household and housing expenses. ESA staff use a consolidated application process to determine whether an individual or family qualifies for any or all of these forms of assistance, including child care. This approach makes it easier for people in need to apply for multiple programs through a single application. It also reduces the staff time and effort associated with gathering required information, doing data entry, and authorizing benefits.

Since the 1990s, ESA has used a random moment time study (RMTS) system to identify the proportion of eligibility worker time spent on various programs. The RMTS queries ESA field staff who work directly with clients regarding the specific task they are doing at a randomly selected moment in their day. The worker selects the RMTS category or categories they were working on immediately prior to receiving the query and the system records a workload hit for those programs. The total hits are tallied by program and the proportionality of hits is used as a cost allocation methodology for distributing administrative and operations costs to the various programs and their funding sources.



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Prior to ACA implementation in October 2013, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families/Child Care Development Fund (TANF/CCDF), and Medicaid programs comprised nearly equal proportions of the RMTS hits. Essentially these programs each covered almost one third of ESA's administrative and operational costs, with smaller federal refugee and state-funded programs making up the balance.

As expected, because most clients applying for Medicaid must now do so through the Healthplanfinder, the number of RMTS hits that are assigned to Medicaid each month has declined and correspondingly the amount of Medicaid Title XIX funding ESA receives is lower. From January-April 2014, Medicaid hits represented 6 percent of RMTS hits compared to 33.4 percent during the same period in 2013.

As described above, the consolidated application process means eligibility determination workload did not decrease appreciably as a result of the Medicaid change. As the Medicaid RMTS hits declined, the percentage of hits representing work attributable to the other programs (SNAP, TANF, CCDF, and state-funded programs) increased. The need for funds from other sources to fill the gap due to the loss in work that could be charged to Title XIX increased as Medicaid funding decreased. In order to maintain the current level of financial eligibility work, additional funding is needed to fill the gap.

The 2014 Legislature responded to ESA's loss of Title XIX by increasing federal SNAP and TANF spending authority to support ESA administrative and operational costs. In the case of TANF, which is a lidded federal block grant, this was done by using \$16.6 million in one-time roll-over federal funds from prior years. The United State Department of Agriculture (USDA), Food and Nutrition Service (FNS) has agreed to increase Washington State's SNAP grant award for federal Fiscal Year 2014 to cover a larger share of operating costs through September 2014. However, it is unknown whether FNS will continue to support the higher level of funding in future periods. SNAP, TANF and Medicaid costs are all paid in part by federal and in part by state funds. State funds used in the past to match Medicaid are available to match higher SNAP spending and to replace lidded TANF federal funds.

The 2013 Legislature directed the Office of Financial Management (OFM) to commission a review of the medical and public assistance eligibility process under the ACA. The study, conducted by the Public Consulting Group (PCG), recommends a number of operating model changes designed to simplify and improve services to the public, increase efficiency, and maximize federal funding. Among these recommendations are the following that are projected to require investment at ESA and also increase the Medicaid funding to support eligibility work:

- ESA eligibility staff should be able to assist families applying for Modified Adjusted Gross Income (MAGI) Medicaid through the Healthplanfinder
- Integrate ESA and HBE's call and contact center routing
- Integrate online application routing
- Auto-enroll and auto-recertify Basic Food recipients in MAGI Medicaid
- Implement a master client index across agencies



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PCG also noted that the recommended changes would fill some, but not all, of the gap between past and current federal participation in the eligibility function.

#### PROPOSED SOLUTION

First, to implement the recommendations of the PCG study aimed at maximizing federal funding, ESA requests funding to:

- Make one-time enhancements to computer systems to support integrated on-line application routing, and allow for auto enrollment for Basic Food for MAGI Medicaid clients.
- Provide training for eligibility staff on how to assist clients applying for Medicaid through the Healthplanfinder.
- Increase eligibility staff by 123 FTEs to account for additional "touch time" associated with working in two eligibility systems, including assisting with completing and processing separate applications for Medicaid and cash and food programs. This cost will be ongoing; and is based on the assumption that eligibility staff work in Healthplanfinder during only the application process and not during other transactions with clients.

Second, because the above investments will only partially close the gap between past and future federal support for medical and public assistance eligibility determination, on-going additional state support for this function is requested.

#### EXPECTED RESULTS

The budget request supports DSHS Goal 5: Public Trust – Strong management practices will be used to ensure quality and efficiency. The decision package is essential to implementing the following ESA strategic objectives:

**Strategic Objective 5.1:** The Basic Food payment accuracy rate will increase;

**Strategic Objective 5.2:** Application processing timeliness will meet or exceed Federal Standards of Promptness; and

**Strategic Objective 5.3:** The Community Services Division statewide Customer Service Contact Center forced-disconnect rate will be eliminated.

The decision package supports the Results Washington goals to ensure effective, efficient and accountable government by increasing customer satisfaction and increasing on-time delivery of state services.

#### STAKEHOLDER IMPACT

The HCA and HBE would be affected by this decision package and may have concerns.

Stakeholders and clients will benefit from this request due to the fact that ESA staff will be able to assist clients navigate the two separate systems and applications. In addition, stakeholders will support maintaining the current level of staffing and support in the CSO offices.



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