## **Budget Savings Options 2020**

Dollars in Thousands

#REF! Agency: Health Care Authority

Source	Agei

Source Agen		mpact	Program/Activity		GF-S					Other Funds			CBA Impact	t FTE Chan	ge Brief Description and Rationale	Effective Date	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
ŀ	I, M, L	1-5	1 Togramy Accivity	FY 20	FY 21	FY 22 F	Y 23	Fund	FY 20	FY 21	FY 22	FY 23	Y/N	FY 20 FY	21	(MM/YY)	Other Considerations	Required (cite)
PEBB	(General G	overnr	nent/Higher Ed = 45.2% GF)										.,	1		(,,		
			Limeade Portal administration costs (only if financial incentives are also modified)					721			1,650	3,300			Estimate assumes a January 1, 2022 implementation date.  Depending on implementation date, amounts in each fiscal period may change. The Limeade portal is important to remain as long as there are the other Wellness bargained benefits due to administration of the benefits.			
			Eliminate \$25 Amazon Gift Cards for completing Well Being Assessment (WBA)					721			1,125	1,125	Y		Estimate assumes a January 1, 2022 implementation date. Fiscal assumption is based on one CY. Depending on implementation date, amounts in each fiscal period may change.			
			Eliminate \$125 Reduced Deductible or Health Savings Account (HSA) deposit for earning 2,000 SmartHealth Points					721		-	1,847	3,694	Y		Estimate assumes a January 1, 2022 implementation date. Points to receive the incentive are earned in one CY and the incentive is applied in the next CY. Depending on implementation, fiscal amounts may vary. This estimate assumes members earn in CY2020 and use in CY2021, and then no incentive would be distributed in January 2022. 21% of eligible employees qualify for \$125. Assuming all use the entire \$125, this would be the max savings.			
			\$250 employer FSA contribution for represented employees who earn less than \$50,004					165			2,522	5,044	Y		Estimate assumes a January 1, 2022 implementation date.  Additional accounting of funds may need to be reflected in OFM's budget.			
			Introduction of an additional self-insured medical plan enrollment option ("UMP Select" 82AV Plan)					721		2,500	5,000	5,000			Estimate assumes a January 1, 2021 implementation date. Assumes a 5% switching from UMP Classic at the average risk score, based or plan year 2020 bid rates and flat enrollment. A greater enrollment in UMP Select would result in additional savings.			
			Employer/Employee Contribution Split					721		,	,	-,	Υ					
			80/20							-	44,640	89,279						
			**Each 1% change in employer split = ~\$8 - \$9M									•						
			Eliminate \$2 Basic LTD benefit and maintain employee-paid optional LTD					721			1,746	3,491			Estimate assumes a January 1, 2022 implementation date. Implement optional LTD Opt Out benefit design making LTD entirely employee paid (DRS Deferred Compensation benefit model). Estimates include flat enrollment. Depending on implementation, fiscal period may change.			
			Introduction of Medicare Advantage Prescription Drug (MA-PD) plan(s)					721							Estimate assumes a January 1, 2021 implementation date. Saving assumptions are based on lower monthly plan premiums, which results in Medicare explicit subsidies lower than the full \$183/month.			
			Enrollment Scenario 1 (1,500 in year 1 becoming 3,000 in year 2)							410	1,365	2,047						
			Enrollment Scenario 2 (5,000 in year1 becoming 7,500 in year 2)  Delta Dental - COVID-19 admin fee reduction for Uniform Dental Plan (25% x 4							1,638	4,776	6,825				1		
			months for self-insured)					438		558								
			Raise 8 hours/month maintenance eligibility rule requirement to 16 hours/month					721		330	4,142	8,712			Estimate assumes a January 1, 2022 implementation date. Increase maintenance hour rule to 16 hours per month vs the current 8 hour per month. Based on data from 2018 this would impact approximately 4,500 subscribers. Depending on implementation date, fiscal period estimates will change.	i		RCW 41.05.065(4)(j)
			Delay implementation of Centers of Excellence (COE) bariatric bundle					439		525	250	250			Received funds in the 2019-21 biennial budget to implement a third COE bundle for bariatric surgery with an intended launch date of 1/1/2022. The FY21 dollars are for implementation, where the FY22-FY23 dollars were the per case administrative fees.			

	Dual enrollment implementation simplification		418		500	-	-		and SEBB. HCA implement this can implement	uded a prohibition on dual enrollment between PEBB received funds in the 2020 Supplemental to legislation and the associated IT impacts. The agency in a way that would allow for returning \$1M of those 18/50% SEBB) pending legislative language change.	ESSB 6189 (2020) Section 4 RCW 41.05: .022; .068; .075;
	Changes to Medicare Explicit Subsidy (see three options below)		721								.080; .085; .195; .197
	Option 1 - End Medicare Retiree subsidy. Assumes a start date of January 1, 2022 and include the state's portion of the explicit subsidy costs. Does not include what would be saved for employer groups or K12 remittance (included on SEBB list). Estimates also assume RDS Revenue of ~\$21M no longer goes to the state GF (included on the PEBB list).					38,196	82,031		Option 1 includ	led in total below	
	Option 2 - End Medicare Explicit subsidy for dependents and only provide it for subscribers. Assumes a January 1, 2022 start date and includes what would be saved from state's share of the explicit subsidy savings. Unknown impacts to RDS revenue. The loss of ~\$21.7M in GF revenue is not included in this option's estimate.					13,587	28,736				
	Option 3 - Reduce Medicare Explicit subsidy to \$168/month (recently increased to \$183/month in calendar year 2020). Assumes a January 1, 2022 start date. Estimates include the K12 portion of the explicit subsidy cost in K12 Remittance dollars.					1,794	7,337				
	Reduce Health Savings Account (HSA) employer contribution in Consumer- Directed Health Plans (CDHP)		721			3,300	6,600		\$700/\$1,400 H	nes a January 1, 2022 implementation date. Reduce SA contribution to \$375/\$750 (matching current SEBB yyer HSA contributions).	
	FTE - HSC4 in Wellness (100% PEBB Funded)		418		108	108	108		, i		
	FTE - ERB FIDA PEBB or SEBB		418		115	115	115		Could eliminate	e either a PEBB or SEBB FIDA. Included in PEBB total.	
				PEBB Total	4,716	106,006	210,796				
			GFS		2,004	45,052	89,588		includes Option	n/scenario 1's only	
SEBB											
	Limeade Portal administration costs (only if financial incentives are also modified)					1,380	2,760		Depending on i	nes a January 1, 2022 implementation date. mplementation date, amounts in each fiscal period ne Limeade portal is important to remain as long as	
		 	493				2,760			ther Wellness bargained benefits due to of the benefits.	
	Eliminate \$125 Reduced Deductible or Health Savings Account (HSA) deposit for earning 2,000 SmartHealth Points		493			397	794	Y	administration  Estimate assum receive the incomplied in the rependent was only of the program employees wou members earn entire \$125, thi		
						397		Y	Estimate assum receive the inco applied in the r benefit was onl of the program employees wou members earn entire \$125, thi implementation Estimate assum SEBB CBA state where PEBB CB weighted avera	of the benefits.  hes a January 1, 2022 implementation date. Points to entive are earned in one CV and the incentive is hext CV. The first year of the SEBB program this ly based on completing the WBA. For the second year we have estimated only 5% of the 127,000 eligible ald qualify for the \$125. This estimate assumes in CY2020 and use in CY2021. Assuming all use the is would be the max savings. Depending on on, fiscal amounts may vary.  hes a January 1, 2022 implementation date. Current is employer will contribute 85% of UMP Achieve 2, it is stated that the employer will contribute an 85% ige of all plans.	
	earning 2,000 SmartHealth Points  Move SEBB from Employer Medical Contribution (EMC) to the weighted-average		493				794		Estimate assur receive the inco applied in the r benefit was onl of the program employees wou members earn entire \$125, thi implementation Estimate assur \$5EBB CBA state where PEBB CB weighted avere Estimate assur Implement opt employee paid	of the benefits.  These a January 1, 2022 implementation date. Points to entive are earned in one CV and the incentive is sext CV. The first year of the SEBB program this ly based on completing the WBA. For the second year we have estimated only 5% of the 127,000 eligible ald qualify for the \$125. This estimate assumes in CY2020 and use in CY2021. Assuming all use the is would be the max savings. Depending on in, fiscal amounts may vary.  These a January 1, 2022 implementation date. Current is employer will contribute 85% of UMP Achieve 2, it is stated the employer will contribute an 85% age of all plans.  These a January 1, 2022 implementation date. Contribute of the plans.  The semployer will contribute an 85% in the plans.  The semployer will contribute an 85% in the plans.  The semployer will contribute and the plans is the plans in the plans is the plans.  The semployer will contribute and the plans is the p	

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FTE - Data Consultant/Management Analyst 2 (100% SEBB)			492		75	75	75			
Remove funding rate tie language in budget provisions to PEBB program						_	•			
Actuarial dollar variance			492	1,000	0	0	0			
Option 3 - Reduce Medicare Explicit subsidy back to \$168/month (recently increased to \$183/month in calendar year 2020). Assumes a January 1, 2022 start date. Estimates include the K12 portion of the explicit subsidy cost in K12 Remittance dollars.						2,035	4,162			
Option 2 - End Medicare Explicit subsidy for dependents and only provide it for subscribers. Assumes a January 1, 2022 start date and includes what would be saved by K12 Remittance dollars. Unknown impacts to RDS revenue. The loss of ~\$21.7M in GF revenue is not included in this estimate.						15,414	32,601			
Option 1 - End Medicare Retiree subsidy. Assume a start date of January 1, 2022 and includes the K12 portion of the explicit subsidy cost in K12 remittance dollars. Estimates also assume RDS Revenue of ~\$21M no longer goes to the state GF (included on the PEBB list).						55,641	117,682		Option 1 included in total below	
Changes to Medicare Explicit Subsidy (see three options below)			493							RCW .022; .0 .080; .0
Dual enrollment implementation simplification			492		500	0	0		ESSB 6189 Included a prohibition on dual enrollment between PEBB and SEBB. HCA received funds in the 2020 Supplemental to implement this legislation and the associated IT impacts. The agency can implement in a way that would allow for returning \$1M of those funds (50% PEBB/50% SEBB) pending legislative language change.	ESSB 61 Seci
Delay implementation of Centers of Excellence (COE) bariatric bundle			494		125	250	250		Received funds in the 2019-21 biennial budget to implement a third COE bundle for bariatric surgery with an intended launch date of 1/1/2022. The FY21 dollars are for implementation, where the FY22-FY23 dollars were the per case administrative fees.	

Total GFS

1,000

3,112

141,660

288,879

Priority:

L = Low priority agency activity or program

M = Medium priority agency activity or program H = High priority agency activity or program

Impact:

1 = Allows continuation of the program/activity at a reduced level

2 = Eliminates the ability to perform program objectives

3 = Eliminates agency function

4 = Long term implications (moves the problem to next biennium)

5 = Short term (reduction to one time increase)

Page 3