

Budget Savings Options 2020

Dollars in Thousands

Agency: Health Care Authority

#REF!

Source	Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				Other Funds				CBA Impact Y/N	FTE Change		Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
				FY 20	FY 21	FY 22	FY 23	Fund	FY 20	FY 21	FY 22		FY 23	FY 20				
			PEBB (General Government/Higher Ed = 45.2% GF)															
			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 on plan year 2020 bid rates and flat enrollment. A greater enrollment in UMP Select would result in additional savings.
			Employer/Employee Contribution Split					721					Y					
			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)							1,638	4,776	6,825						
			Delta Dental - COVID-19 admin fee reduction for Uniform Dental Plan (25% x 4 months for self-insured)					438		558	-	-						
			Raise 8 hours/month maintenance eligibility rule requirement to 16 hours/month					721			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 hours per month. Based on data from 2018 this would impact approximately 4,500 subscribers. Depending on implementation date, fiscal period estimates will change.
			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.

