

Agency 107

Washington State Health Care Authority

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	325.1		784,533	784,533
Supplemental Changes				
Insurance Accounting System	9.2		22,420	22,420
Dependent Care Assistance Transfer #			18	18
Health Insurance Partnership #	2.7		1,985	1,985
Moore, et al v. HCA		1,000		1,000
Washington Wellness Grant			100	100
Online Recruiting Service			15	15
Information Technology Pool Project Funding			94	94
Pension Plan 1 COLA Funding			8	8
PEBB Rate Reduction			(583)	(583)
Subtotal - Supplemental Changes	11.8	1,000	24,057	25,057
Total Proposed Budget	336.9	1,000	808,590	809,590
Difference	11.8	1,000	24,057	25,057
Percent Change	3.6%	100.0%	3.1%	3.2%

SUPPLEMENTAL CHANGES

Insurance Accounting System

Initial procurement activities and updated project planning for replacement of the legacy insurance accounting systems have provided a more comprehensive information system investment plan for the 2007-09 Biennium. The following milestones are anticipated by the close of the 2009 Fiscal Year: contracting with a developer to install an information technology solution; conducting an infrastructure and systems gap analysis; examining business processes; making hardware purchases; and beginning statewide implementation. (Health Care Authority Administrative Account-State)

Dependent Care Assistance Transfer #

Beginning July 1, 2008, the Dependent Care Assistance Program, a pre-tax spending account for dependent care expenses, will be transferred from the Department of Retirement Systems to the Health Care Authority (HCA). The HCA will serve as the single state agency responsible for pre-tax benefit plans. (Medical Flexible Spending Account-Nonappropriated)

Health Insurance Partnership #

Funding is provided to continue implementation of the Health Insurance Partnership (HIP), a program for employees of small business to purchase affordable health insurance. The administrative infrastructure is continued into Fiscal Year 2009 for the Health Care Authority and the HIP Board. In addition, Fiscal Year 2008 contains funding for a third party administrator. Statutory changes are being sought to make HIP a stronger alternative for small employers and their employees. (Health Services Account-State)

HUMAN SERVICES - OTHER

Moore, et al v. HCA

Funding is provided to pay for Attorney General Office costs associated with Moore v. HCA. The suit deals with the eligibility requirements for part-time employees seeking health benefits.

Washington Wellness Grant

A grant from the National Governors Association will provide the opportunity for Washington Wellness to offer a health risk assessment for each state employee, retiree, and dependent. (Health Care Authority Administrative Account-Private/Local)

Online Recruiting Service

To support the state's online recruitment tool (E-Recruiting), additional funds are provided for a one-time charge from the Department of Personnel. This will improve the ability of agencies to manage their recruitment and hiring processes as required by the Personnel System Reform Act of 2002.

Information Technology Pool Project Funding

A technical correction is made to accurately fund projects assumed in the Information Technology pool contained in the 2007-09 biennial budget. (General Fund-Federal)

Pension Plan 1 COLA Funding

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Senate Bill 5175. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. (General Fund-State, other funds)

PEBB Rate Reduction

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).