Employed Individuals with Disabilities Program
Testimony on SB 790

Position: FAVORABLE

March 11, 2024

The Honorable Pamela Beidle, Chair
Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401
cc: Members, Finance Committee

The Honorable Chair Beidle and Members of the Committee:

My name is Josh Basile and I am submitting written testimony in support of Maryland Medical Assistance Program - Employed Individuals With Disabilities.

I became a power wheelchair user paralyzed below my shoulders as a teenager when a wave picked me up and slammed me headfirst against the ocean floor breaking my neck. I spent the first four weeks at the University of Maryland Baltimore Shock Trauma critical unit, where I could not speak because of a ventilator helping me to breathe. When I regained my voice, I decided that every word from that moment on would be made with purpose. That day I became an advocate for life and since then I have never stopped wheeling after my dreams of pursuing an education, becoming employed, falling in love, and starting a family.

After eight years of receiving vocational assistance and supports from Maryland's Division of Rehabilitation Services, I made it onto their website as a Spotlight Success Story. During this time, I returned to school, first at a community college, then graduated cum laude from the University of Maryland College Park, and ultimately graduated magna cum laude from law school. Soon after graduating, I passed the bar and successfully gained employment in 2013.

At this time, I enrolled in the Employed Individuals with Disabilities program known as EID. After diving deeper into the EID program rules, it was upsetting to learn that my future would be greatly limited and impacted by strict EID thresholds on earnings, saving responsibly, equal loving for those wishing to pursue marriage, and rules forcing retirement at age 65. I learned that if I had an income at or below 300% of the federal poverty level, could not save more than $10,000 for a rainy day, or if I were to get married to a spouse with a job, I would lose all of my Medicaid and caregiving supports. I learned that EID enrollees who fall in love are told to get happily divorced or remain as cohabitated partners for life to maintain EID and Medicaid eligibility. I also learned that I would be forced to retire at age 65 because of eligibility rules.

To overcome these barriers, I chose to proactively advocate for my future and other Marylanders with disabilities wishing to work without limits. I first turned to Governor Hogan and during an in-person meeting in 2018, I shared my employment journey and asked for his support to change the current policy and limits through administrative rule changes. He was receptive and I worked closely with his administration and other disability stakeholder groups to make the much-needed changes. Within the Hogan administration, we had 15 meetings discussing EID reforms over multiple years.

In September 2021, the State agreed to remove all income limits and all enrollee asset limits placed within Independence Accounts but the State would not remove spousal income from monthly premium calculations or the age 65 rule. These changes were contingent on securing appropriations. In January 2022, the administration formally requested appropriations within the proposed budget with at least $4.6 million being added to the EID program in fiscal 2023. On January 1, 2024, the State finally implemented the income limits and the applicant asset limit changes.

In 2023, Maryland advocates brought forward legislation (HB 657) to remove all income, asset limits, spousal inclusion for premium calculations, and age limits. The State unfairly influenced the Fiscal Note by providing inflated enrollment and cost numbers which killed the Bill's chances of passing through the House and Senate committees. The Fiscal Note provided for 1200 new enrollees. This figure did tremendous harm.

Since the EID program started 18 years ago, it has never had more than 850 enrollees. For more accurate enrollment numbers, it is important to look at Washington State. In 2019, Washington State passed legislation removing the income limit and age limit above 65 and older. Before making this legislative change, the Washington State Medicaid buy-in did not have an asset limit for applicants. Effective 1/1/2020 – the enrollment over four years only increased by 216 enrollees.

For both Maryland and Washington State, those who do enroll more likely than not already come from a Medicaid eligibility group. These enrollees are already receiving Medicaid, but now can pay monthly premiums and taxes. Many enrollees after gaining employment will start receiving employer-sponsored health insurance as well. Enrollees are contributing to society and have additional dollars to pay for everyday medical and quality-of-life expenses. Having people with disabilities in the workforce is good public policy, especially those with the most significant disabilities who will remain in Medicaid no matter what, just to survive. There are so many factors that make these reforms a win-win scenario.

It breaks my heart to see that the current EID rules punish those who turn 65. Having a significant disability, comes with great added expenses, and retirement is just not an option for most. Forcing any person of any ability to choose between work and Medicaid because of their age is cruel and removes from the State of Maryland workforce not only talent but also additional premiums and taxes. At least 18 States include workers 65 and older in their Medicaid for Workers with Disabilities group: CA, CO, CT, MA, MN, MS, MT, NH, NJ, NM, OR, PA, RI, TX, UT, VT, WA, WI.

For myself and many other Marylanders with disabilities who rely on the EID program to live healthy, meaningful, and fulfilling lives, SB 790 will turn the far-off dream of marriage and career advancement without limits into a reality. The Bill does not do everything but it does a lot. As a concession from last year's Bill, we decided not to include the removal of the asset limit tests for an applicant. This was temporarily included at first by mistake in the original House bill but has since been removed by amendment. We are so grateful for Senator Klausmeier's leadership and support behind SB 790.

I remain dreaming of the day when I can marry the love of my life. If Katie and I were to get married, because of EID's strict spousal inclusion rules on premium calculations, my monthly EID

Premium would go from $55 per month to around $500 per month. This is a huge disincentive to getting married. Katie has to pay for her own personal private health insurance and receives no added health care benefits from my EID enrollment. The EID program is there to pay for my health care and does not cover any of Katie's.

Even with the EID rules delaying marriage plans for Katie and I, it did not stop us from starting a family together out of marriage. Two years ago, I became a daddy to a healthy 6-pound 12-ounce baby boy. Calder just started preschool this past January. Every night I dream of the day when I can wheel down the aisle with Calder in my lap, with my beautiful stepdaughter as the flower bearer, and exchange vows and say I do.

Lastly, it is so important that Katie and I can get married so that our family can have important protections and remain together. If Katie were to die, it is terrifying to think what would happen to my son and stepdaughter. As of now, the courts do not officially recognize us as a family. Keeping the family intact would involve getting married and petitioning the court so that I can officially adopt my stepdaughter. These little things are not so little. They are life-changing and family-changing.

With your support and the Finance Committee issuing a favorable report on SB 790, I and many others will be one step and wheel rotation closer to making the way down the aisle to marriage and making dreams come true. I'm looking forward to a future where I can work my wheels off in a career of my choice, get married, retire when I choose to retire, and where I can continue to be a proud tax-paying citizen of this great state. Thank you for your time and consideration!

Sincerely,

-Josh Basile
C4-5 Quadriplegic
Josh.Basile@gmail.com

<u>Encl: supportive docs for enrollment & fiscal impact based on Washington State data points</u>

MDH estimates that EID enrollment would increase by 250 people per year due to eliminating the upper age limit (SB 790 Fiscal Note). This increase seems inaccurate based on Washington State's 2019 experience after passing legislation for its Medicaid buy-in program for its workers with disabilities. Washington State before it enacted legislation already had no asset limit tests for applicants. In 2020, Washington State eliminated its upper age limit and income limit. This elimination would expect enrollment to increase by less than MDH's projections amount based on Maryland only eliminating the upper age limit and income limit, and keeping Maryland's strict $10,000 asset limit in countable resources for an EID applicant.

Starting in 2020, Washington saw an annual increase of 3.2% of the original 1513 enrollees. Washington State had budgeted for a 10% annual increase with 547 new clients (FY 2020 through FY 2024) and no new clients in FY 2025. (see attached Washington State Fiscal Note). Ryan Moran (Medicaid Director MDH) testified during last week's House committee hearing that EID enrollment is currently about 1,000 EID enrollees. MDH estimated EID annual increase of 250 participants works out to a 25% annual increase, which seems high compared with Washington's experience of 3.2%. It would seem more reasonable to estimate an average increase of 48 EID enrollees per year based on the 3.2% figure.

Maryland's Fiscal Note estimates a $650 per month Medicaid service expense for each age 65 and older enrollee and an offset of $80.37 per month from premium collection. ($650 - $80.37) x 9 months of service 2025 x 250 enrollees = $1.28 million. Willing to Work Coalition believes it is more accurate to calculate Medicaid service expenses ($650 - $80.37) x 9 months of service 2025 x 49 enrollees = $0.251 million. Maryland Fiscal Note is overestimating by $1 million in just the first nine months.

Effective 1/1/2020 WA made changes to their Medicaid for Workers with Disabilities group:

- Added workers 65 and older (now age 16 and older)
- Removed the income limit (WA already had no asset limit for the group)
- Added a provision which for the purpose of Medicaid eligibility after enrollment in Healthcare for Workers with Disabilities (HWD), disregard (not count) earnings while enrolled in the Healthcare for Workers with Disabilities eligibility group.

Impact of the changes provided by the WA Health Care Authority (HCA)

State Fiscal Year	Average Enrollees	Total Spend	Federal Match
2020	**1513**	**$2,367,956**	**$1,315,792**
2021	**1620**	**$4,799,036**	**$2,429,063**
2022	**1776**	**$5,302,102**	**$3,027,874**
2023	**1895**	**$6,223,171**	**$3,512,946**
2024*	**1729**	**$3,161,377**	**$1,791,782**

* *Data presented here are from the Health Care Authority's Expenditure*

(Washington, like Maryland, is a 50% Medicaid FMAP state)

Forecast, October 2023. Healthcare for Workers with Disabilities clients are identified using the Forecast Medicaid Eligibility Group 1290. The data for SFY2024 are projected.

Additional information provided by HCA:

- Average enrollment in HWD over a three year (2020 – 2023) = 1705 individuals/year

A random month was picked to review for income and premiums (02/2023) and provides

the following information:

- Average earnings of members in this month were $1675.87.
- Average unearned income of members in this month were $1034.28.
- Average monthly premium= $135.79. Highest premium was $1954/month. WA's Alaska Native/American Indian population does not pay a premium.

WA noted that they have individuals working and earning very high salaries and they have individuals who are in between jobs. Individuals are required to be employed at the time of application and at the time of renewal. If they become unemployed in between renewals, they keep their HWD coverage if they continue to pay their monthly premium. WA also noted that they have individuals who have very high unearned income and individuals who have no unearned income. They included those nuances regarding high earnings and unearned income to show that they have a *wide range of income* with their HWD population.

STATE OF WASHINGTON
HEALTH CARE AUTHORITY
626 8th Avenue, SE • P.O. Box 42704 • Olympia, Washington 98504-2704

January 23, 2024

Robby Barbieri
Rbarbieri13@gmail.com

SUBJECT: **IR-24-0002** - Closure

Dear Robby Barbieri:

In response to your information request, IR-24-0002, the Health Care Authority (HCA) has provided the following information:

Average enrollment in HWD over a three year (2020 – 2023) = 1705 individuals/year

A random month was picked to review for income and premiums (02/2023) and provides the following information:

- Average earnings of clients in this month were $1675.87.
- Average unearned income of clients in this month were $1034.28.
- Average monthly premium= $135.79. Highest premium was $1954/month. Our Alaska Native/American Indian population does not pay a premium.

Note: We have individuals working and earning very high salaries and we have individuals who are in between jobs. Individuals are required to be employed at the time of application and at the time of renewal. If they become unemployed in between renewals, they keep their HWD coverage if they continue to pay their monthly premium.

We also have individuals who have very high unearned income and individuals who have no unearned income.

I am including these nuances regarding high earnings and unearned income to show that we have a wide range of income with our HWD population.

Here also some links we feel will be useful:
Apple Health for Workers with Disabilities
HWD fact sheet

With this letter, your information request is closed.

Should you have any questions, please contact *Tina Leipski, Public Disclosure Specialist*, via email at tina.leipski@hca.wa.gov.

Sincerely,

Tina Leipski
Public Disclosure Specialist
Division of Legal Services

By email

STATE OF WASHINGTON
HEALTH CARE AUTHORITY
626 8th Avenue, SE • P.O. Box 42704 • Olympia, Washington 98504-2704

January 19, 2024

John Curtis
johndcurtis14370@gmail.com

SUBJECT: **IR-24-0006** – Acknowledgement/Closure

Dear John Curtis:

The Health Care Authority (HCA) acknowledges receipt of your information request received and date stamped in this office on January 05, 2024. The number assigned to your request is IR-24-0006. Please reference this number on all future correspondence regarding the request.

It is our interpretation that you are requesting the following information:

- *Requesting information on Washington's HCA expenditures and federal match for Healthcare for Workers with Disabilities, based on HCA's Expenditure Forecast for 2020 through 2023 and a projection for 2024.*
- *Number of enrollees in the Apple Health for Workers with Disabilities*

If the item(s) listed above is not correct, please respond to this letter.

In response to your Information Request, IR-24-0006, HCA is providing the following:

State Fiscal Year	Average Enrollees	Total Spend	Federal Match
2020	1,513	$2,367,956	$1,315,792
2021	1,620	$4,799,036	$2,429,063
2022	1,776	$5,302,102	$3,027,874
2023	1,895	$6,223,171	$3,512,946
2024	1,729	$3,161,377	$1,791,782

** Data presented here are from the Health Care Authority's Expenditure Forecast, October 2023. Healthcare for Workers with Disabilities clients are identified using the Forecast Medicaid Eligibility Group 1290. The data for SFY 2024 are projected.*

With this response, your request for information is complete.

Should you have any questions, please contact *Tina Leipski, Public Disclosure Specialist*, via email at tina.leipski@hca.wa.gov.

Sincerely,

Tina Leipski
Public Disclosure Specialist
Division of Legal Services

By email

Multiple Agency Fiscal Note Summary

Bill Number: 1199 S HB	Title: Health care/disability

Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Health Care Authority	0	355,000	0	1,515,000	0	2,354,000
Department of Social and Health Services	0	35,000	0	71,000	0	92,000
Total $	**0**	**390,000**	**0**	**1,586,000**	**0**	**2,446,000**

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Health Care Authority	.0	355,000	710,000	.0	1,515,000	3,030,000	.0	2,353,000	4,707,000
Department of Social and Health Services	.3	63,000	98,000	.8	96,000	167,000	1.0	124,000	216,000
Total $	**0.3**	**418,000**	**808,000**	**0.8**	**1,611,000**	**3,197,000**	**1.0**	**2,477,000**	**4,923,000**

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

NONE

Prepared by: Robyn Williams, OFM	Phone: (360) 902-0575	Date Published: Final 4/15/2019

FNPID: 57910

Individual State Agency Fiscal Note

Bill Number: 1199 S HB	Title: Health care/disability	Agency: 107-Washington State Health Care Authority

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT		FY 2020	FY 2021	2019-21	2021-23	2023-25
General Fund-Federal	001-2	44,000	311,000	355,000	1,515,000	2,354,000
	Total $	44,000	311,000	355,000	1,515,000	2,354,000

Estimated Operating Expenditures from:

		FY 2020	FY 2021	2019-21	2021-23	2023-25
Account						
General Fund-State	001-1	43,000	312,000	355,000	1,515,000	2,353,000
General Fund-Federal	001-2	44,000	311,000	355,000	1,515,000	2,354,000
	Total $	87,000	623,000	710,000	3,030,000	4,707,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	LeighBeth Merrick	Phone: 360-786-7445	Date: 03/13/2019
Agency Preparation:	Hanh OBrien	Phone: 360-725-1447	Date: 04/15/2019
Agency Approval:	Angela Visser	Phone: 360-725-2072	Date: 04/15/2019
OFM Review:	Robyn Williams	Phone: (360) 902-0575	Date: 04/15/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See attached narrative.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	43,000	312,000	355,000	1,515,000	2,353,000
001-2	General Fund	Federal	44,000	311,000	355,000	1,515,000	2,354,000
		Total $	87,000	623,000	710,000	3,030,000	4,707,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	87,000	623,000	710,000	3,030,000	4,707,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	87,000	623,000	710,000	3,030,000	4,707,000

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

See attached narrative.

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This bill relates health care for working individuals with disabilities. It is the intent of the legislature to remove barriers to employment for individuals with disabilities by providing medical assistance to working individuals with disabilities through a buy-in program in accordance with the Social Security act and eligibility and cost-sharing requirements established by the Health Care Authority (HCA).

The effects of changes from the original bill:

- The substitute bill adds language that the bill is null and void unless funded in the operating budget by June 30, 2019.

Section 1 amends RCW 74.09.540 to:

- Authorize the HCA to consider a person's income when establishing cost-sharing requirements;
- Prohibits the HCA from establishing eligibility restrictions for the state Medicaid buy-in program, also known as Health Care for Workers with Disabilities (HWD) program, based upon a person's income or maximum age; and
- Requires the HCA to seek federal approval to exclude resources accumulated in a separate account that results from earnings during an individual's enrollment in the buy-in program when determining the individual's subsequent eligibility for another medical assistance program.

This bill takes effect January 1, 2020. However, the bill is null and void unless funded in the operating budget by June 30, 2019.

II. B - Cash Receipts Impact

HCA assumes that the requirements of this bill would be eligible for Federal Medical Assistance Percentage (FMAP) of 50 percent.

Cash Receipts			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001	GF-Federal Medicaid Title XIX	C	44,000	311,000	609,000	906,000	1,162,000	1,192,000
Total			**44,000**	**311,000**	**609,000**	**906,000**	**1,162,000**	**1,192,000**
Biennial total				**355,000**		**1,515,000**		**2,354,000**

II. C - Expenditures

This proposed legislation would have a fiscal impact based on current HCA practices. HWD provides full-benefit Medicaid coverage for working individuals with a disability, in addition to long-term services and supports, including personal care services for those determined to meet specific functional criteria. Currently, HWD has a net income limit of 220 percent of the federal poverty level (FPL) and an age limit of 65 years. HWD has no asset test for eligibility. The income limit prevents enrollees with higher unearned income benefits, e.g. Social Security Disability Insurance (SSDI), from working competitively at a living wage and remaining eligible for their health care coverage. This bill directs HCA to eliminate the income and maximum age limit. This bill would also allow enrollees to place earnings they would choose to save in a separate account that would remain excluded when subsequently applying for a different health care program that includes a test for resources for eligibility. It is considered a Classic Medicaid program and the Department of Social and Health Services (DSHS) administers this program for HCA.

HCA estimates 547 new clients will seek coverage under the updated program, with a total fiscal impact of $8,447,000 ($4,223,000 GF-S) for fiscal years (FY) 2020 through FY 2025. HCA assumes a four year ramp-up of 547 new clients (FY 2020 through FY 2024) and no new clients in FY 2025. There may be additional clients that may enroll over time, however, it is difficult to project additional ramp up beyond four years as this is a new policy. Additional caseload will be picked up in the Medical Services caseload as projected by the Caseload Forecast Council.

The fiscal impact of this bill is derived from new clients being multiplied by per capita rate for the HWD medical eligibility groups (MEG) from the 2019 February Medical Assistance Forecast for Physical Health services. The current per caps are net of a cost share of approximately 7.5% of income. New higher income clients may increase the cost share given their higher income and potentially lower the per cap. For the Behavioral Health (BH) services, new clients were multiplied by the Disabled Adult rate from Mercer (HCA's BH actuary). The average contracted rate for Disabled Adults was used as it would be difficult to tease out which region the new HWD clients would increase in.

The estimate for new clients is based on Social Security Administration (SSA) data for Social Security Disability Insurance (SSDI) beneficiaries who work and on census data collected for the 2017 American Community Survey. In addition, HCA worked with the DSHS Research and Data Analysis in review of historical enrollment in the HWD program and a study completed in the year 2000 by the Washington State Institute on Public Policy.

HCA would work with the Center for Medicare and Medicaid Services to amend the state plan to eliminate the income and maximum age limit, and to exclude the value of the separate account that would consist of earnings while enrolled in the HWD program for any subsequent application for another health care coverage group. HCA assumes current staff resources would facilitate changes to the state plan, WACs, change requests to ACES programming, staff training and community education materials. These changes would follow current procedures used by program and systems staff to update programming as needed to implement changes to program eligibility.

By Fund:

Expenditures			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001	GF-State	1	43,000	312,000	608,000	907,000	1,161,000	1,192,000
001	GF-Federal Medicaid Title XIX	C	44,000	311,000	609,000	906,000	1,162,000	1,192,000
Total			**87,000**	**623,000**	**1,217,000**	**1,813,000**	**2,323,000**	**2,384,000**
Biennial Total				**710,000**		**3,030,000**		**4,707,000**

By Object:

Objects		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
N	Grants, Benefits Services	87,000	623,000	1,217,000	1,813,000	2,323,000	2,384,000
Total		**87,000**	**623,000**	**1,217,000**	**1,813,000**	**2,323,000**	**2,384,000**

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

The HWD WACs would be amended to reflect program changes as required in this bill.

Individual State Agency Fiscal Note

Bill Number: 1199 S HB	Title: Health care/disability	Agency: 300-Department of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT		FY 2020	FY 2021	2019-21	2021-23	2023-25
General Fund-Federal	001-2	20,000	15,000	35,000	71,000	92,000
	Total $	20,000	15,000	35,000	71,000	92,000

Estimated Operating Expenditures from:

		FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.2	0.3	0.3	0.8	1.0
Account						
General Fund-State	001-1	43,000	20,000	63,000	96,000	124,000
General Fund-Federal	001-2	20,000	15,000	35,000	71,000	92,000
	Total $	63,000	35,000	98,000	167,000	216,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	LeighBeth Merrick	Phone: 360-786-7445	Date: 03/13/2019
Agency Preparation:	Mickie Coates	Phone: 360-902-8077	Date: 03/14/2019
Agency Approval:	Dan Winkley	Phone: 360-902-8236	Date: 03/14/2019
OFM Review:	Bryce Andersen	Phone: (360) 902-0580	Date: 03/14/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 - The Health Care Authority may not establish eligibility restrictions for the Health Care for Workers with Disabilities (HWD) program based on a person's income or maximum age.

The Health Care Authority shall seek federal approval to exclude resources accumulated in a separate account that results from earnings during an individual's enrollment in the HWD program when determining the individual's subsequent eligibility for another medical assistance program.

Section 2 - This Act takes effect January 1, 2020.

Section 3 - If specific funding for the purposes of this Act is not provided by June 30, 2019 in the Omnibus Appropriations Act, this Act is null and void.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

A portion of the costs incurred to implement this legislation will be funded with GF-Federal funds.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Developmental Disabilities Administration

The Developmental Disabilities Administration (DDA) estimates that the change in eligibility criteria specified in this bill will result in an increase of 548 HWD cases. It is expected that this growth will occur over five Fiscal Years as follows:

Fiscal Year 2020: 69
Fiscal Year 2021: 137
Fiscal Year 2022: 137
Fiscal Year 2023: 137
Fiscal Year 2024: 68

This growth in caseload will require increased staffing to:

- Evaluate applications
- Review eligibility
- Verify resources and income
- Process client changes of circumstance
- Perform cost of care reconciliation
- Support disability determinations
- Provide information for Administrative Hearings

Financial Services Specialists 4 (FSS4) perform the work described above. Additionally, supervisory (Financial

Services Specialists 5 (FSS5)) and customer service staff (Customer Service Specialists 2 (CSS2)) will be needed to support the increase in FSS4 FTEs.

Assumptions:

Ratio of FSS4 FTEs to HWD Cases = 1:704.5
Ratio of FSS5 FTEs to FSS4 FTEs = 1:12
Ratio of CSS2 FTEs to FSS4 FTEs = 1:9.2

Given the staffing ratios above and the estimated caseload increase, DDA estimates the needed increase in staffing and costs as follows:

Fiscal Year 2020
.1 FSS4 FTE, $21,000 ($13,000 GF-State)

Fiscal Year 2021
.3 FSS4 FTE, $35,000 ($20,000 GF-State)

Fiscal Year 2022
.5 FSS4 FTE
.1 FSS5 FTE
Total Costs of $66,000 ($38,000 GF-State)

Fiscal Year 2023
.7 FSS4 FTE
.1 FSS5 FTE
.1 CSS2 FTE
Total cost of $101,000 ($58,000 GF-State)

Fiscal Years 2024 and 2025
.8 FSS4 FTE
.1 FSS5 FTE
.1 CSS2 FTE
Total cost of $108,000 ($62,000 GF-State)

Economic Services Administration (ESA)

Implementation of this legislation will require modifications to the Automated Client Eligibility System (ACES). Modifications include new income calculations and eligibility processing rule changes. The costs are estimated as follows:

Contract costs of $28,000 in Fiscal Year 2020.
- •150 Developer Hours x $175 per hour = $26,000
- •20 System Architect Hours x $114 per hour = $2,000

Staff costs of $14,000 (.1 FTE – Information Technology Specialist 5) in fiscal year 2020.

Total ESA costs of $42,000 ($30,000 GF-State) in Fiscal Year 2020.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	43,000	20,000	63,000	96,000	124,000
001-2	General Fund	Federal	20,000	15,000	35,000	71,000	92,000
		Total $	63,000	35,000	98,000	167,000	216,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.2	0.3	0.3	0.8	1.0
A-Salaries and Wages	14,000	16,000	30,000	78,000	106,000
B-Employee Benefits	16,000	15,000	31,000	76,000	94,000
C-Professional Service Contracts	28,000		28,000		
E-Goods and Other Services	2,000	2,000	4,000	10,000	12,000
G-Travel	1,000		1,000		
J-Capital Outlays	1,000	1,000	2,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	1,000	1,000	2,000	2,000	2,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements				1,000	2,000
9-					
Total $	63,000	35,000	98,000	167,000	216,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Customer Service Specialist 2	41,000				0.1	0.1
Financial Services Specialist 4	55,000	0.1	0.3	0.2	0.6	0.8
Financial Services Specialist 5	59,000				0.1	0.1
Information Technology Specialist 5	90,000	0.1		0.1		
Total FTEs		0.2	0.3	0.3	0.8	1.0

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Developmental Disabilities Administration (040)	21,000	35,000	56,000	167,000	216,000
Economic Services Administration (060)	42,000		42,000		
Total $	63,000	35,000	98,000	167,000	216,000

Part IV: Capital Budget Impact

NONE

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

New or amended rules will be needed to implement this legislation.