
Agency:	107 Health Care Authority
Decision Package Code/Title:	PL-IE ACA Eliminate Presumptive SSI
Budget Period:	2013-15 Biennial Submittal
Budget Level:	PL – Performance Level

Recommendation Summary Text - Placeholder

The Health Care Authority (HCA) submits spending reductions totaling xxx,xxx (xxx,xxx GFS) that would result from the elimination of the Presumptive Supplemental Security Income (SSI) program beginning January 1, 2014. Previously known as DL-X, the program was replaced during the 2011 legislative session and linked to the Aged, Blind, Disabled Assistance (ABD) program for purposes of cash assistance, which also serves other distinct eligibility groups. Presumptive SSI covers adults who have a long-term medical condition that is likely to meet federal disability criteria but whose disability determination is pending. Coincident with the implementation of the Affordable Care Act (ACA), the majority of Presumptive SSI enrollees would be transferred to the new Medicaid expansion adult group under the Modified Adjusted Gross Income (MAGI) methodology and financed at the expansion state Federal Medical Assistance Percentage (FMAP) rate of 75 percent.

Between July 2013 and December 2013, the program would continue at maintenance level totaling xxx,xxx (xxx,xxx GFS). A workgroup of staff from the Department of Social and Health Services and HCA has been formed to review workload and processes that impact both agencies and make recommendations as to how existing resources should be allocated after the ACA has been fully implemented; this work is expected to be completed by October. Maintenance level spending would also be needed to cover adult enrollees age 65 or older (to whom the ACA Medicaid expansion does not apply) until their federal disability determination is complete and they convert to classic SSI-related Medicaid.

Presumptive SSI enrollees currently receive a cash grant (reimbursable to the state once a federal determination of disability is made). The elimination of the Presumptive SSI eligibility pathway in 2014 will formally cut this link. Enrollees will be eligible for Medicaid solely on the basis of their MAGI eligibility determination and will no longer need a state determination of disability to receive medical coverage.

Package Description

Optional Programs Elimination

This decision package is one of a series that addresses the alignment of optional Medicaid programs for low-income individuals with the Medicaid expansion effective January 1, 2014. At that time, existing Presumptive SSI enrollees under age 65 will automatically be converted to the new Medicaid expansion adult group under the MAGI-methodology. Unless a formal federal (SSI) disability determination is completed, these adults will be treated as “newly eligible” with financing conditioned by Washington’s expansion state status – 75 percent federal match in 2014 and 80 percent federal match in 2015. If they subsequently meet federal disability criteria, they will technically become classic SSI-related Medicaid enrollees subject to 50 percent federal match. (Simplification of FMAP rates through a blending algorithm is yet to be published by CMS.)

HCA enrollment data for July 2012 indicate total program enrollment of about 15,560. Based on ESA demographic reports for the same time period, just over 50 percent have a primary impairment related to mental health; a further 30 percent have a physical impairment and the

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remainder has been determined to have impairment without a progressive evaluation. All enrollees currently receive Medicaid coverage while their SSI determination is pending.

Current program enrollment includes about 1,000 adult enrollees age 65 or older, to whom the ACA Medicaid expansion does not apply. Assuming a similar sized group remains in December 2013, an arrangement for state financing authority will be necessary to continue coverage for these individuals until their federal disability determination is complete.

As a result of the elimination of the Disability Lifeline program on 10/31/2011 and the efforts to accelerate the disability determination process, enrollment has been increasing. The Caseload Forecast Council anticipates enrollment of 19,370 by January 2014. This decision package is based on an estimated average annual enrollment of 18,800 through December 2013, with additional funding for continued operations staffing to complete program shutdown requirements such as federal reporting, claims processing, and facilitation of the transition of enrollees to the 2014 program through which their coverage is financed.

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Fiscal Detail/Objects of Expenditure

To be determined.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

At the Governor's direction, the HCA is preparing for the implementation of the ACA. Expansion of the Medicaid program for low-income adults, regardless of a disability, eliminates the ongoing need for the Presumptive SSI program for low income adults under age 65, as of January 1, 2014. However, for those individuals over age 65, an alternative will be necessary to avoid a gap in coverage while SSI disability status is officially determined.

Performance Measure Detail

Activity Inventory

H010 HCA Healthy Options

H011 HCA All Other Clients - Fee for Service - Mandatory Services

H012 HCA All Other Clients - Fee for Service - Optional Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. In 2014, the ACA makes most low income adults in similar circumstances eligible for Medicaid coverage or subsidized options available through the Exchange, regardless of any disability

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determination. This decision package therefore facilitates balancing the health care needs of low-income Washington residents within fiscal constraints by leveraging federal financing options and simplifying administrative functions.

Does this decision package provide essential support to one of the Governor’s priorities?

Yes. Following the Supreme Court decision, Governor Gregoire expressed her support for the Medicaid expansion and directed health cabinet agencies to prepare to implement the expansion beginning January 2014. This aligns with her long-held expectations for continued attention to administrative efficiencies, payment reform, leveraging of federal financing opportunities, and access to affordable, comprehensive, coverage and coordinated care for all, with reductions in uncompensated care and cost-shifting.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Not applicable.

What are the other important connections or impacts related to this proposal?

Elimination of the Presumptive SSI program requires the transfer of existing adults who are age 65 or older, or who have disability determinations approved, into classic SSI-related Medicaid when the ACA-based Medicaid expansion is implemented January 1, 2014.

For all Presumptive SSI enrollees, the ACA eligibility process establishes a separate requirement for determination of eligibility for cash assistance. A broad DSHS, HCA, OFM and Governor’s Policy Office workgroup is identifying solutions for the future.

HCA’s proposed elimination of Presumptive SSI will need to align with the ADSA budget for previous enrollees, to account for LTC needs of adults under age 65. Potential impacts relate to the inclusion of LTC (nursing home/facility-based and in-home care) in Benchmark coverage for Presumptive SSI enrollees who convert to the new Medicaid expansion adult group. CMS guidance has been requested for benefit design options. Potential savings may accrue to the state if these costs are matchable under the Benchmark benefit design. Approximately 203 Presumptive SSI clients are accessing long-term care services today.

In preliminary conversations, stakeholders have expressed general support for this option.

What alternatives were explored by the agency, and why was this alternative chosen?

Consideration was given to sustaining the current program infrastructure and financing. It was set aside because (a) the ACA-related Medicaid expansion provides an automatic entrée to Medicaid coverage for newly eligible adults, financed by a greater proportion of federal funds through the 2013-15 biennium, regardless of disability and (b) the avenue to the Presumptive SSI program would require maintaining the extensive state disability determination infrastructure that has historically supported the General Assistance, aka Disability Lifeline feeders. Under the chosen alternative, application for SSI cash assistance can continue while access to health care coverage is immediately available. This was more fiscally and administratively impractical.

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What are the consequences of not funding this package?

The program would continue at considerable cost for state disability determinations that would be irrelevant in a MAGI eligibility determination context.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This is being more fully evaluated. The statute may need to be amended to reflect the elimination of the Presumptive SSI eligibility pathway and formally delink medical eligibility for presumptively disabled adults from ABD cash assistance.

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

Revenue will be added based upon claims history for Presumptive SSI clients identified by Recipient Aid Category Code 1045. These clients are contained within in the Forecast Medical Eligibility Group (MEG) 1250 – CN Disabled and cannot be identified otherwise.

Expenditure Calculations and Assumptions:

Expenditures will be added based upon claims history for Presumptive SSI clients identified by Recipient Aid Category Code 1045. These clients are contained within in the Forecast Medical Eligibility Group (MEG) 1250 – CN Disabled and cannot be identified otherwise.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs related to elimination of Presumptive SSI program benefits are on-going effective 01/01/2014 when enrollees transition to Medicaid. Funding of administrative costs will still be needed through December 2014 to complete federal reporting, appeals and claims processing for expenses incurred prior to the ACA implementation.

Costs previously attached to the Presumptive SSI program that would carry forward into future biennia, pertain to eligibility staffing that would be repurposed as defined in the decision package for the expansion of Medicaid. An inter-agency workgroup has been formed to make recommendations on these needs.