



HEALTH MANAGEMENT ASSOCIATES

Health Coverage in Washington State

September 20, 2009



- + Where Washington residents get health coverage
- + Coverage and rules, including:
 - + ACA requirements affecting individuals and small groups
 - + Behavioral health and oral health, by market
- + Recent universal coverage efforts
- + Topics for ongoing discussion

■ Coverage in Washington: Apple Health

- + **What is Apple Health?** Washington State's Medicaid and Children's Health Insurance Program
- + **Who is eligible?**
 - + Children up to 317% Federal Poverty Level (FPL) (\$6,695/month for a family of 4)
 - + Adults 138% FPL (\$35,535 annually for a family of 4)
 - + Other adults at higher/lower incomes due to medical needs, disability status, pregnancy
- + **How many people in WA are covered?**
 - + 1.84 million (average monthly enrollment, August 2019)*
- + **What is covered?**
 - + Comprehensive benefits, including dental, details vary by group
- + **How is it delivered?**
 - + Administered by the Health Care Authority
 - + Primarily delivered through Medicaid Managed Care Organizations, with some individuals served through Fee-for-Service
- + **How is it funded?** Mix of federal and state funds
 - + Federal match rate is between 50% and 90% depending on the eligibility group

Healthier Washington: Accountable Communities of Health

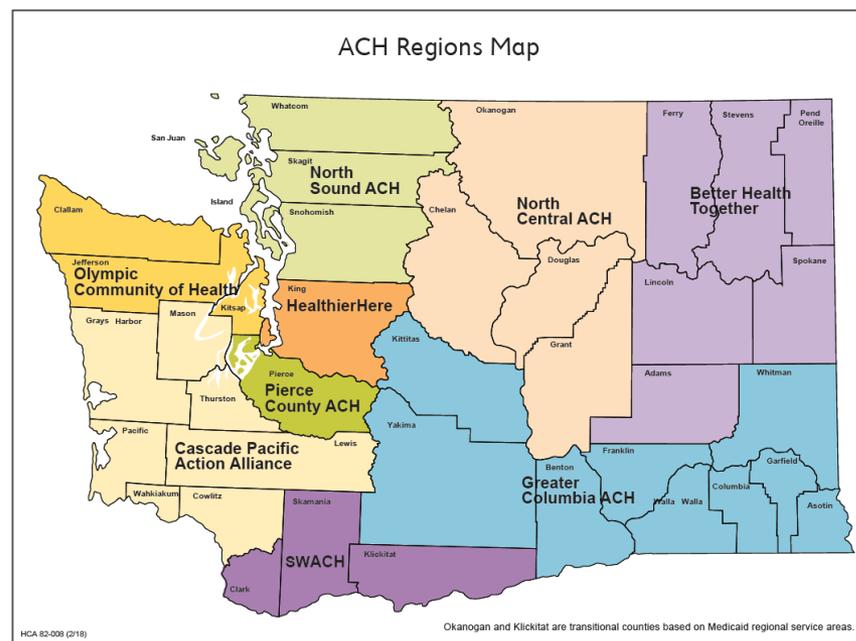
Over the past two years, HCA has worked with 9 regional organizations to develop Accountable Communities of Health – entities bringing together health care leadership across health sectors to align resources, support wellness and deliver care for the whole person.

+ ACH goals

- + Promote health equity
- + Create, support and collaborate on local health improvement plans
- + Support local and statewide efforts to change how services are provided and pay for value
- + Align resources and activities, focusing on improving whole-person health and wellness

+ Each ACH will:

- + help its region pursue projects aimed at transforming the Medicaid delivery system, focusing on health systems capacity building, care delivery redesign, prevention and health promotion, and increased use of value-based payment models



■ Coverage in Washington: Individual (Non-Group) Market

- + **What is individual coverage?** Individuals and families purchasing health insurance coverage
- + **Who is eligible?**
 - + Anyone can purchase, but consumers usually buy individual market coverage when they are not offered (affordable) employer coverage
- + **How many people in WA are covered?** 240,579 individual plan enrollees (OIC, May 2019)
- + **How is it delivered?**
 - + 11 issuers - 3 sell plans both on/off-HBE; 4 on-HBE only, 4 off-HBE only
 - + WA's Office of the Insurance Commissioner reviews rate requests
- + **How is it funded?**
 - + Consumer-funded, with federal financial assistance for many buying through exchange
- + **Pending changes**
 - + New law to protect consumers from being surprised with bills for care not covered under their insurance plan (takes effect in 2020)
 - + New law will require insurers to offer “standardized plans” (same benefit, same-cost sharing structure) and to have a “public option” plan for sale by 2021

■ Coverage in Washington: Individual Coverage through the Exchange

- + **What is the exchange?** *Washington Healthplanfinder* is a way to buy individual coverage and the ONLY way to determine eligibility for federal financial assistance with insurance costs
- + **Who is eligible?**
 - + Washington residents under age 65 can purchase
 - + **Premium Tax Credits** (reduce consumer's monthly cost): income 100-400% of Federal Poverty Level (up to \$103k for a family of four in 2019) who are not eligible for affordable employer coverage, Medicaid, Medicare, VA/Tricare
 - + Amount of tax credit is based on household income and cost of plan
 - + **Cost Sharing Reduction** (lowers consumer deductibles, copayments, coinsurance): for consumers up to 250% FPL when they purchase designated plans
 - + Amount of assistance depends on income, service use, AI/AN status
 - + **About 72% of people selecting a plan qualify for financial assistance**
- + **How many people in WA are covered?** 195,010 (OIC, May 2019)
- + **How is it delivered?** Administered by Washington Health Benefit Exchange; 7 participating carriers
- + **How is it funded?** Consumers and federal government

■ Coverage in Washington: Small Group Employer Coverage

- + **What is the small group market?** coverage for employer-based groups of 1-50 employees
- + **Who is eligible?** Each employer determines whether coverage is for employees only or also includes spouses/dependents
 - + **30% of firms with fewer than 50 employees** offer insurance to employees
- + **How many people are covered?** 216,702 (OIC, May 2019)
- + **How is it delivered?**
 - + 12 insurers offer coverage
 - + WA's Office of the Insurance Commissioner reviews rate requests
- + **How is it funded?**
 - + Determined by the employer, can be fully funded by employer or funded by employer and covered employees

■ Operating Rules Under the ACA: Individual and Small Group Markets

+ 10 Essential Health Benefits (EHBs) – individual and small group plans must cover

Ambulatory patient services (outpatient)	Emergency services
Pediatric services (incl. oral, vision services)	Maternity & newborn care
Mental health & substance use disorder services	Prescription drugs
Rehabilitative and habilitative services, devices	Laboratory services
Preventive & wellness services, chronic disease mgmt.	Hospitalization

+ Guaranteed Issue and Renewal

- + Consumers can not be denied initial or renewal of coverage due to current or past health

+ Other ACA requirements

- + No pre-existing condition exclusions
- + Young adults to age 25 can be on parents' plan
- + Coverage for some preventive services without consumer cost-sharing
- + No annual or lifetime limits on essential health benefits
- + Grandfathered plans (enrolled continuously since 3/23/10) are exempted from ACA rules (estimated 6-8 thousand people)

■ Coverage in Washington: Large Group Employer Coverage

- + **What is the large group market?** coverage for employer groups 51+ employees
- + **Who is eligible?** Each employer determines whether coverage is for employees only or also includes spouses/dependents
 - + **98.5% of firms with 50 or more employees** offer coverage
- + **How many people are covered?** 1,123,007 employees and their spouses/dependents (Kaiser Family Foundation, 2018)
- + **How is it delivered?**
 - + Employer can buy insurance or “self-insure”
 - + 5 carriers each with over 5% market share
 - + **Many large groups self-insure (self-fund)**, taking on risk for claims
 - + While some groups administer the plan, others use third party organization to administer claims payment, provide the network, etc.
 - + **Other options** – Association Health Plans allow employers and trade associations to offer coverage to employees and members (do not have to meet all ACA rules)
- + **How is it funded?** Employer and employees (employer determines shares)

■ Washington State Coverage: Medicare

- + **What is Medicare:** health coverage for individuals 65+ and those with permanent disability
 - + **All Medicare recipients get Part A:** hospital care, including inpatient hospital stays, home health care and skilled nursing facility care
 - + **People can buy Part B** for medical coverage including doctor visits, outpatient services, diagnostic screenings
 - + **Medicare Advantage:** alternative way to get coverage, using private insurers that offer Part A and B benefits (and often additional benefits)
 - + Available in 30 of Washington's 39 counties
 - + **Part D (Prescription Drug Coverage)** covers medications
- + **Who is eligible?** Most Americans 65 and over, plus individuals with permanent disability
- + **How many people are covered?** 1,346,185 (CMS Medicare data, 2018)
 - + 30% are in Medicare Advantage (MA) plans
 - + 865,000 people have Part D coverage (either stand-alone or through MA)
- + **How is it funded?** Consumer and federal government
- + **How is it delivered:** Administered by the federal government and private insurance companies
- + **Other:** Supplemental "Medigap" plans cover out of pocket costs

■ Washington State Coverage: TRICARE

- + **What is Tricare?** The health care program for uniformed service members, retirees, and their families
 - + Provides health plans, special programs, prescriptions and dental plans
- + **Who is eligible?**
 - + **Sponsors:** Active duty, retired and Guard/Reserve members
 - + **Family members** of sponsors (includes survivors and former spouses)
- + **How many people are covered?** 349,527 (Defense Health Agency, January 2019)
- + **How is it funded?** Consumer and federal government
 - + Portion paid by member depends on service status, pay grade
- + **How is it delivered:** Administered by the federal Department of Defense
 - + Includes managed care, fee-for-service, and preferred provider options
 - + Tricare also offers Medicare wraparound coverage: TRICARE for Life
 - + Pharmacy Benefits Program

■ Publicly Funded Coverage – State and Local Employees

- + **Total enrollment in health coverage funded in full or part by local, state and/or federal funds**
 - + Over 4 million (WA Office of Financial Management, 2017)
 - + Includes range of federal and state funded programs
- + **Publicly funded coverage types**
 - + **Medicaid, Medicare, TRICARE, subsidized exchange** – enrollment shown in prior slides
 - + **Government Employment-Based Insurance (EBI)**
 - + **Local EBI** – 421,561
 - + **State EBI** – 366,178
 - + **Federal EBI** – 198,301
 - + **Active Military** 353,046

Coverage Landscape in Washington State (2017)

Coverage Type	Lives
Employer (Large Group)	3,748,100
Employer (Small Group)	216,702
Individual (Non-Group) • Includes 195,010 Exchange enrollees	240,579
Medicaid	1,505,500
Medicare (A, B and Medicare Advantage)	1,346,185
Tricare	349,527
Uninsured	414,480*

*Uninsured total is an estimate based on OIC uninsured rate of 5.5%. Other data are from State and Federal sources, using most recent information available for that source. Sources and dates are noted on prior slides.

■ Washington State Coverage: Behavioral Health

+ Behavioral Health Parity

- + **Health plans that include medical and surgical services must cover medically necessary mental health services** (WA's 2007 Mental Health Parity Act) – exempts SUD treatment
- + “medically necessary outpatient and inpatient services” treat mental disorders covered by the diagnostic categories listed in the most current DSM of mental disorders published by the American Psychiatric Association

+ How BH benefits are treated by market

- + **Commercial** - BH is part of health plan covered services
 - + Per ACA: Mental health and SUD services is a essential health benefit and must be covered individual and small group plans (rehab and habilitative services is also an EHB)
 - + Per Mental Health Parity and Addiction Equity Act (MHPAEA): individual and small & large group plans can not impose financial requirements and treatment limits for BH that are stronger than for other care

■ Washington State Coverage: Behavioral Health, Continued

+ How BH benefits are treated by market

- + **Apple Health** – By 2020, all regions will have moved to Fully Integrated Managed Care (FIMC), with all physical health and behavioral health provided by one MMC0
- + **Medicare** – BH is part of covered services
 - + **Part A** covers inpatient mental health care, including room, meals, nursing, and other related services & supplies (general or psychiatric hospital) - lifetime limit of 190 days of inpatient care in a psychiatric hospital
 - + **Part B** covers non-hospital MH services, including visits with health professionals (e.g., doctors, clinical psychologists, clinical social workers) – deductible and coinsurance apply

■ Washington State Coverage: Oral Health

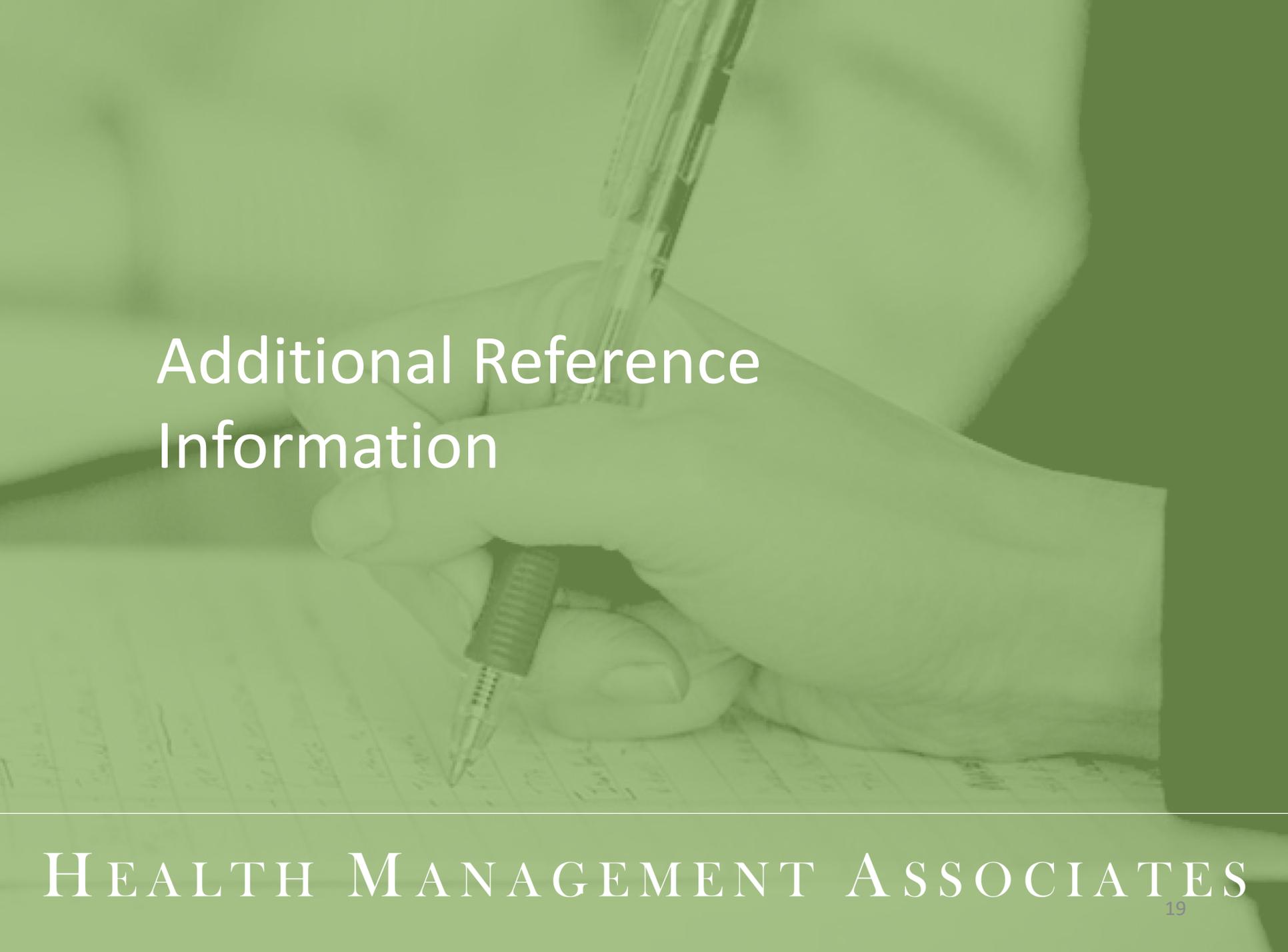
- + **How Oral Health benefits are treated by market**
 - + **Commercial** – generally offered separately (ACA: some kids' coverage includes)
 - + **Apple Health** – Carved out of Medicaid, provided directly by dental providers under fee for service (no Managed Dental Care)
 - + **Medicare** –
 - + Parts A/B do not cover routine dental care (can cover some emergency services)
 - + Medicare Advantage often includes dental care and other benefits not covered by original Medicare

■ Recent Reforms Efforts Aiming at Universal Coverage

- + **WA - Cascade Care:** WA will enter into cost-sharing agreements with insurers that want to sell plans on the exchange, which will lower the price of insurance premiums by 5 to 10% for exchange purchasers in 2021
- + **California:** Established individual mandate; Gov. Newsom signed an executive order to create the largest single purchaser for prescription drugs and allow private employers to join the state in negotiating drug prices
- + **Colorado:** Gov. Polis made universal health-care coverage a centerpiece of his campaign for governor and told the legislature he wants to begin to build such a system
- + **Oregon:** considered proposals for Medicaid buy-in and individual mandate; currently developing Maryland-style cost benchmarks across coverage types
- + **Vermont** attempted to establish a single pricing system across all payers, but CMS would not allow the state to control Medicare rates

■ **Washington State Coverage: Topics for Ongoing Discussion**

- + **Health care for American Indian and Native American residents of Washington**
- + **Underinsurance**
- + **Premium and Out of Pocket Costs**
- + **Access to coverage by undocumented, homeless**
- + **Inefficiency in the health care system**
- + **Relationship between health and social and economic factors (social determinants of health)**
- + **Access to behavioral health care, including substance use disorder treatment**

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Additional Reference Information

HEALTH MANAGEMENT ASSOCIATES

Individual Market Issuers in Washington

Issuer	Offer Exchange plans in these counties	Offer non-Exchange plans in these counties
Asuris Northwest Health	No Exchange plans available	Adams, Asotin, Benton, Chelan, Douglas, Franklin, Garfield, Grant, Kittitas, Okanogan, Whitman
BridgeSpan Health Company	Klickitat	Benton, Franklin, Klickitat, Walla Walla, Yakima
Coordinated Care	Adams, Benton, Chelan, Columbia, Douglas, Franklin, Grant, Jefferson, King, Kittitas, Lewis, Lincoln, Pierce, Snohomish, Spokane, Stevens, Thurston, Walla Walla, Yakima	No non-Exchange plans available
Health Alliance Northwest Health Plan	No Exchange plans available	Chelan, Douglas, Grant
Kaiser Foundation Health Plan of the Northwest	Clark, Cowlitz	Clark, Cowlitz
Kaiser Foundation Health Plan of Washington	Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, Yakima	Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, Yakima
LifeWise Health Plan of Washington	Adams, Asotin, Clallam, Clark, Columbia, Garfield, Jefferson, Okanogan, Spokane, Thurston, Walla Walla, Whitman	No non-Exchange plans available
Molina Healthcare of Washington	Clark, Ferry, King, Klickitat, Lincoln, Mason, Pend Oreille, Pierce, Skamania, Spokane, Stevens, Thurston	No non-Exchange plans available
Premera Blue Cross	Benton, Cowlitz, Franklin, Grant, Grays Harbor, King, Kitsap, Pacific, Pierce, Skamania, Snohomish, Stevens, Wahkiakum, Whatcom	No non-Exchange plans available
Regence BlueCross BlueShield of Oregon	No Exchange plans available	Clark
Regence BlueShield	No Exchange plans available	Columbia, Walla Walla, Yakima

Washington State Coverage: WIPP - paper

Impact of Cost-Sharing Reductions on Consumer Costs				
	Silver Plan without CSR	CSR Plan for 201-250% FPL	CSR Plan for 151-200% FPL	CSR Plan for up to 150% FPL
Actuarial Value	70% AV	73% AV	87% AV	94% AV
Deductible (Individual)	\$7,150	\$4,500	\$800	\$250
Maximum OOP Limit (Individual)	\$7,350	\$5,700	\$1,700	\$550
Inpatient hospital	30% (after deductible)	30% (after deductible)	10% (after deductible)	10% (after deductible)
Physician visit	\$70	\$30	\$10	\$5

Apple Health Regional Service Areas

July 2019

Integrated managed care regions

- Greater Columbia
- King
- North Sound
- Pierce
- Spokane
- Thurston-Mason
(integrating January 2020)
- Salish
(integrating January 2020)
- Great Rivers
(integrating January 2020)
- Southwest Washington
- North Central

Voluntary county

Moving to integrated managed care January 2020

Apple Health Foster Care (statewide)[†]

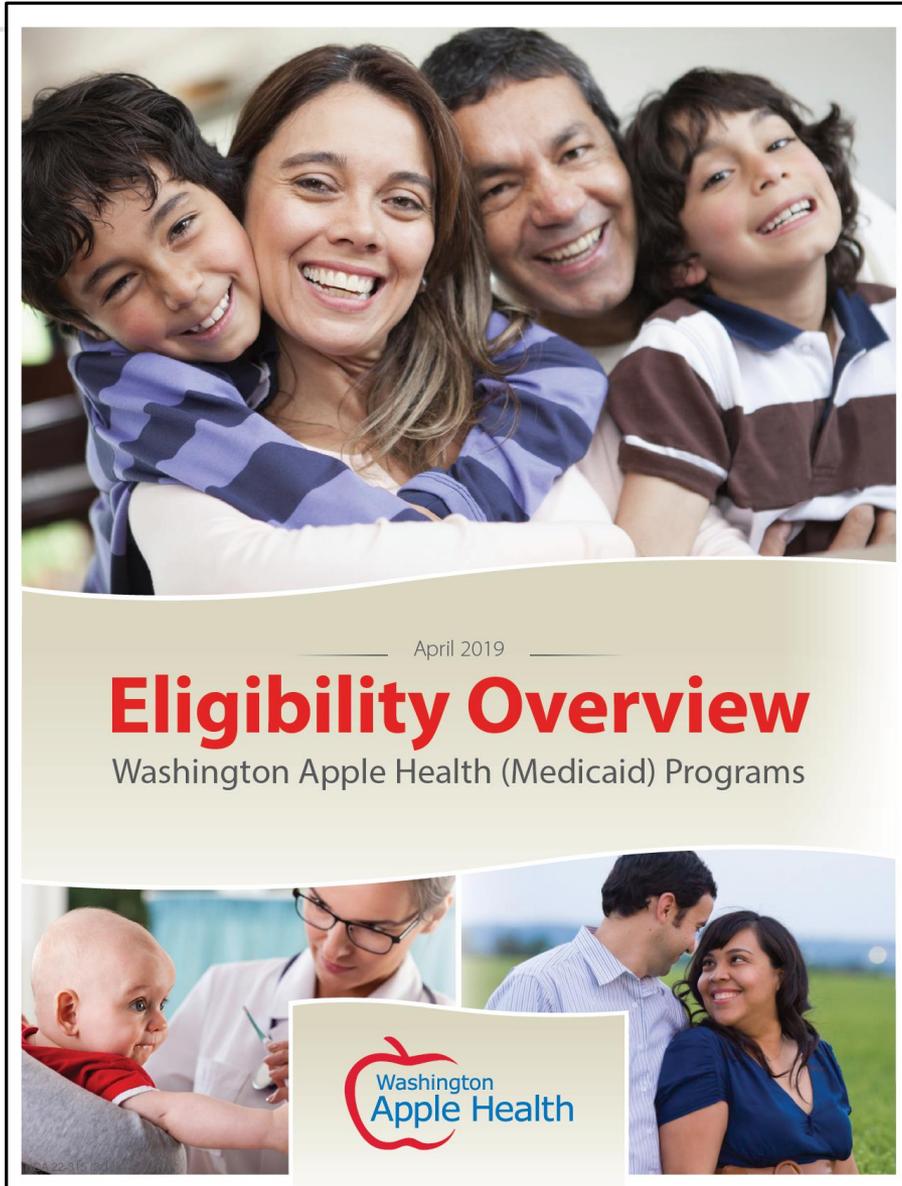
- AMG – Amerigroup Washington
- CCW – Coordinated Care of Washington
- CHPW – Community Health Plan of Washington
- MHW – Molina Healthcare of Washington
- UHC – UnitedHealthcare Community Plan



[†] Apple Health Foster Care is a statewide program. Integrated managed care is provided through Apple Health Core Connections (Coordinated Care of Washington).
^{*} Clallam County is a voluntary county, served only by MHW until January 2020, at which time it will be served by the plans in the Salish managed care region.
^{**} Grays Harbor County is served by AMG, CHPW, MHW, and UHC until January 2020, at which time it will be served by the plans in the Great Rivers managed care region.



Apple Health: Eligibility Guide



Available at:

<https://www.hca.wa.gov/assets/free-or-low-cost/22-315.pdf>

■ Carriers Serving Small Group Market

Company	Counties Served
Aetna Life Insurance Company	Statewide
Asuris Northwest Health	Adams, Asotin, Benton, Chelan, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Whitman
Health Alliance Northwest Health Plan	Chelan, Douglas
Health Net Health Plan of Oregon, Inc.	Statewide
Kaiser Foundation Health Plan of the Northwest	Clark, Cowlitz
Kaiser Foundation Health Plan of Washington	Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, Yakima
Kaiser Foundation Health Plan of Washington Options	Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman, Yakima
Premera Blue Cros	Adams, Asotin, Benton, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Klickitat, Lewis Lincoln, Mason, Okanogan, Pacific, Pend Oreille, Pierce, San Juan, Skagit, Skamania, Snohomish, Spokane, Stevens, Thurston, Wahkiakum, Walla Walla, Whatcom, Whitman, Yakima
Regence BlueCross BlueShield of Oregon	Clark
Regence BlueShield	Clallam, Columbia, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Klickitat, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Walla Walla, Whatcom Yakima
UnitedHealthcare Insurance Company	Statewide
UnitedHealthcare of Washington	Statewide