

## Overview of Procurement Standards Design Process

### *Background of Cascade Care*

During last year's legislative session, the Washington State Legislature passed Engrossed Substitute Senate Bill 5526, also known as [Cascade Care](#). Cascade Care creates new health insurance individual market coverage options (public option plans) to be offered through Healthplanfinder for coverage effective January 1, 2021. The bill aims to increase the availability of quality, affordable health coverage in the individual market in all counties of Washington State.

The legislation directs the Washington State Health Care Authority (HCA), in partnership with the Health Benefit Exchange (HBE) and Washington Office of the Insurance Commissioner (OIC), to procure the Cascade Care public option plans. These public option plans are required to have a standard benefit design<sup>1</sup> and meet additional quality, value, and affordability standards. Carriers interested in offering public option plans must offer at least one bronze, one silver, and one gold public option plan in a single county or in multiple counties.

### *Cascade Care Public Option Quality, Value, and Affordability Standards*

Per the legislation, Cascade Care public option plans must include quality, value, and affordability standards, including but not limited to the following:

- Meet all requirements under RCW 43.71.065, including but not limited to requirements relating to rate review and network adequacy;
- Incorporate recommendations of the Dr. Robert Bree Collaborative<sup>2</sup> and the Health Technology Assessment program<sup>3</sup>;
- Control costs through:
  - The total amount Cascade Care public option plans reimburse providers and facilities for all covered benefits in the statewide aggregate, excluding pharmacy benefits, may not exceed one hundred sixty percent (160%) of the total amount Medicare would have reimbursed providers and facilities for the same or similar services;
  - Reimbursement to Critical Access Hospitals and Sole Community Hospitals may not be less than one hundred and one percent (101%) of Medicare's allowable costs;
  - Reimbursement for primary care services, defined by HCA, provided by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine, may not be less than one hundred thirty-five percent (135%) of the amount that would have been reimbursed under Medicare for the same or similar services; and

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<sup>1</sup> After extensive stakeholder discussions and a public comment period, HBE Board approved the standard plan designs for 2021 plans on December 5, 2019. For more information on the standard plan designs, see <https://www.wahbexchange.org/about-the-exchange/cascade-care-2021-implementation/>.

<sup>2</sup> The Dr. Robert Bree Collaborative is a group of health care leaders in Washington State that identifies and recommends evidence-based strategies for certain areas of health care services. More information can be found at <http://www.breecollaborative.org/>.

<sup>3</sup> The Health Technology Assessment program at HCA develops and makes available scientific, evidence-based reports on selected medical devices, procedures, and tests. More information can be found at <https://www.hca.wa.gov/about-hca/health-technology-assessment>.

- Meet additional participation requirements that align to state agency value-based purchasing.

#### *Cascade Care Procurement Standards Design Process*

HCA, as the largest purchaser of health care in Washington State, purchases care for over 2.5 million Washington residents through Apple Health (Medicaid) and the public and school employees benefits programs. Many of the quality and value standards and requirements applicable through state law to the Cascade Care public option plans are already contract requirements of Medicaid managed care organizations (MCO) and Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) carriers.

HCA, HBE, and OIC developed the following guiding principles to inform the design process:

- Strive to increase affordability and value, while aligning with state purchasing standards;
- Recognize that success is dependent on carrier and provider participation, and administrative barriers to participation should be minimized; and
- Program development and refinement will be a continual process, with the initial development laying the groundwork for future phase-in of requirements.

When designing the Cascade Care public option plan standards and requirements, HCA, HBE, and OIC considered the demographics of populations likely to purchase public option plans and their health care patterns and utilization, reviewed contract language and requirements of current HCA contracts and HBE Qualified Health Plan standards, and carefully considered the operational impacts of recommended standards on carriers and providers.