

Washington State Health Care Authority

Report to the Legislature

As Required by Chapter 9, Laws of 2011, 1st Special Session (ESSB 5927)

Proportion of Non-Participating Providers Serving Low-income Enrollees in State-purchased Health Care Programs July 1, 2014 - June 30, 2015

January 1, 2016

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EXECUTIVE SUMMARY

Chapter 9, Laws of 2011 1st sp. sess. (ESSB 5927) requires the Health Care Authority (HCA) to submit annual reports to the Legislature. The reports are intended to show the proportion of services, by county, that are provided by non-participating providers to Apple Health enrollees.

To meet this requirement, HCA directs each contracted managed care health plan to provide the following data for the calendar year under review:

1. The total cost of overall services (claims paid), per county, paid by the managed care health plan to all providers for services provided to enrollees served under the Contract.
2. The percent of overall cost of services (claims paid), per county, paid by the managed care health plan to non-participating providers, including hospital-based physician services, provided to enrollees served under the Contract.

HCA analyzes this data to look for trends that could potentially indicate a change in network adequacy that could affect enrollee access.

This report highlights improved provider network adequacy of two managed care plans, CHPW and UHC. Their dedication and outreach to the provider community to enhance provider access to Apple Health clients is clearly shown.

Ensuring Apple Health clients have access to an extensive provider network is crucial to quality health care outcomes. While this analysis shows an overall increase in non-participating provider payments from July 1, 2014 through June 30, 2015, the ratio of non-participating provider payments to total managed care payments remained stable compared to the prior fiscal year. The increase in non-participating provider payments is consistent with a substantial increase in Medicaid managed care enrollment during fiscal year 2015 moderated by the improvements in provider network adequacy by two managed care plans.

INTRODUCTION

In the 2009-11 biennial operating budget, the Legislature directed that payments to non-participating providers for contracted services provided to Medicaid managed care enrollees should be limited to the amounts paid providers under the Medicaid fee-for-service delivery system. The duration of these provisions was limited to the period during which the operating budget was in effect.

The Legislature realized a more permanent resolution was needed as continued uncertainty for all interested parties could have adverse impacts, such as:

- Diminished ability for the State to negotiate cost-effective contracts with managed care health care plans.
- A potential for a significant reduction in the willingness of providers to participate in managed care health plan provider networks.
- A reduction in providers participating in the managed care health plans.
- Increased exposure for program enrollees to balance billing practices by non-participating providers.

Ultimately, fewer eligible people would get the care they need as State purchased health care programs operate with less efficiency and reduced access to cost-effective, quality health care coverage for program enrollees.

To address this important issue, Chapter 9, Laws of 2011, 1st sp. sess. is intended to ensure that:

- Non-participating providers are reimbursed only up to managed care health plan's lowest amount paid for that service under its contracts with similar providers in the state.
- Non-participating providers consider the amount paid for covered services by managed care health plans as payment in full for services provided to managed care enrollees.
- Enrollees are not liable to any non-participating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment, as applicable.
- HCA conducts monitoring and periodic reporting to identify the proportion of services provided by contracted providers and non-participating providers, by county, to ensure managed care health plans meet network adequacy requirements as required under contract and federal law.

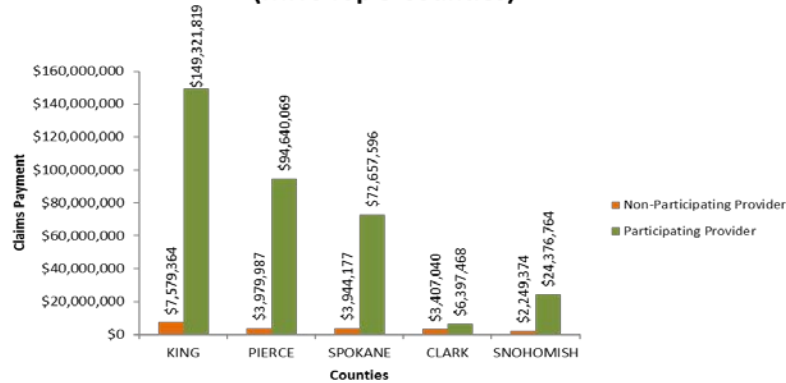
RESULTS

The following tables provide analysis outcomes for managed care health plans serving Healthy Options and Basic Health enrollees reporting for July 1, 2014 through June 30, 2015:

- Community Health Plan of Washington (CHPW)
- Molina Healthcare of Washington, Inc. (MHC)
- Amerigroup (AMG)
- Coordinated Care of Washington (CCW)
- UnitedHealthcare (UHC)
- Columbia United Providers (CUP)

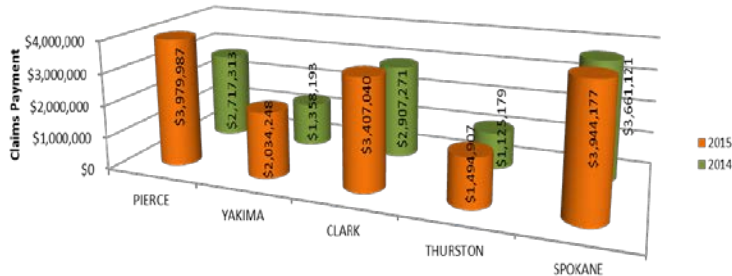
MHC Apple Health Non-Participating Provider Payments

**Non-Participating Provider Payments
(MHC Top 5 Counties)**

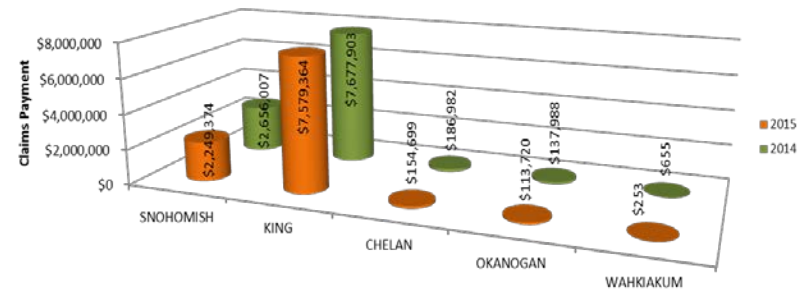


- Non-participating provider payments for 2015 were approximately \$31 million.
- There was a steep increase in payments to non-participating providers in Pierce County of over \$1.2 million; however, enrollment in this county increased by 15%. Four additional counties showed increases between \$200,000 – \$500,000.
- There was a decrease in payments to non-participating providers in Snohomish and King Counties of \$407,000 and \$99,000, respectively. Three additional counties showed decreases of \$33,000 or under.
- Overall, payments to non-participating providers increased by \$3.9 million.

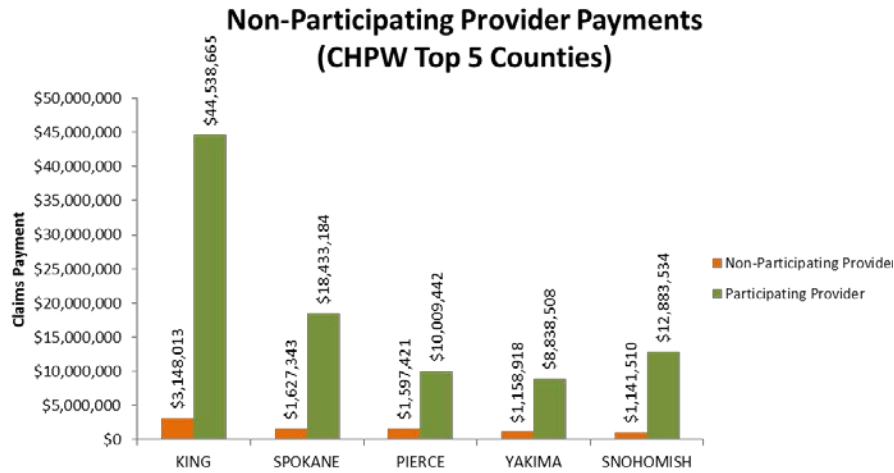
**Top 5 Counties With Increased
Non-Participating Provider Payments**



**Top 5 Counties With Decreased
Non-Participating Provider Payments**

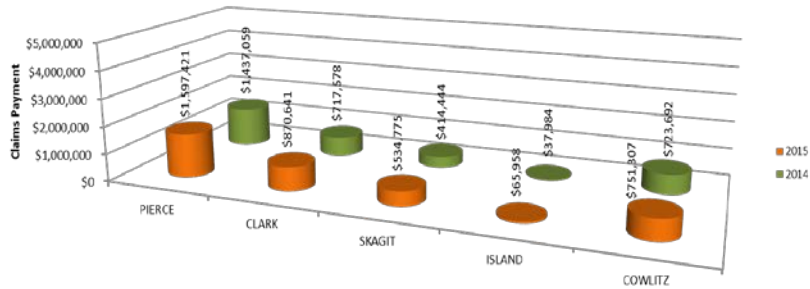


CHPW Apple Health Non-Participating Provider Payments

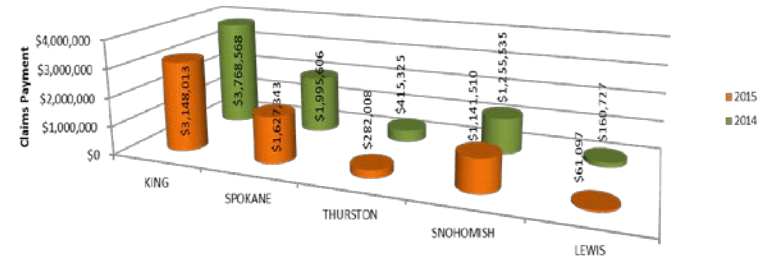


- Non-participating provider payments for 2015 were approximately \$13.5 million.
- Payments to non-participating providers in King County decreased by \$620,000. Four additional counties showed decreases between \$99,000 – \$368,000.
- Overall, there was a decrease in payments to non-participating providers of over \$1.3 million. This highlights an increase in network adequacy.
- The counties that did show increases had up to \$160,000 in non-participating payments.

Top 5 Counties With Increased Non-Participating Provider Payments

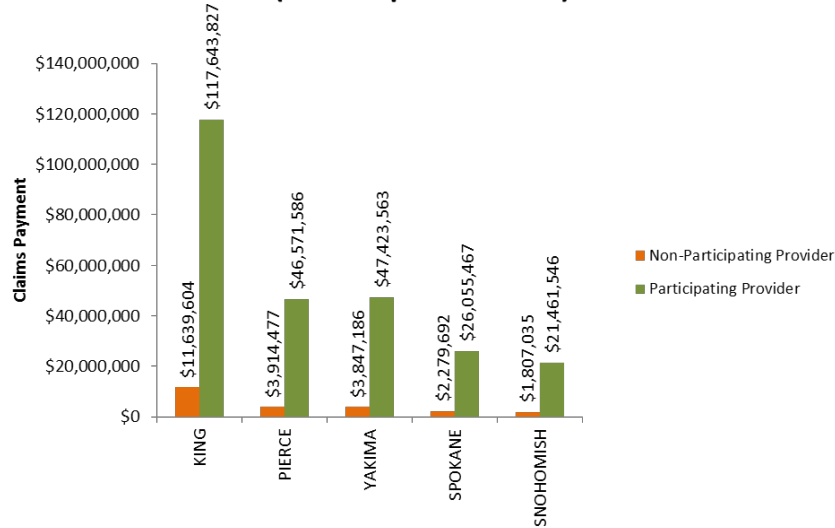


Top 5 Counties With Decreased Non-Participating Provider Payments



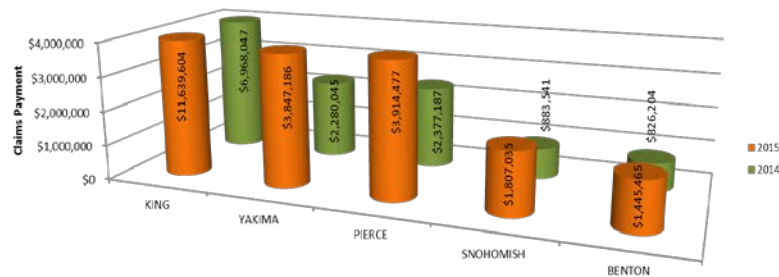
CCW Apple Health Non-Participating Provider Payments

Non-Participating Provider Payments (CCW Top 5 Counties)

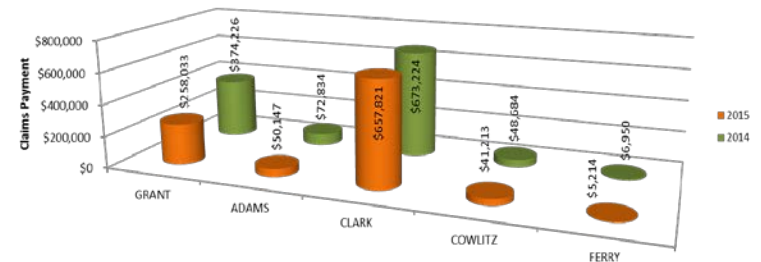


- Non-participating provider payments for 2015 were approximately \$31.8 million.
- There was a steep increase in payments to non-participating providers in King County of over \$4.6 million; however, enrollment in this county increased by 9%. Two additional counties, Yakima and Pierce, showed increases of over \$1.5 million.
- There was a decrease in payments to non-participating providers in Grant and Adams Counties of \$22,000 – \$116,000.
- Overall, payments to non-participating providers increased by \$11.7 million.

Top 5 Counties With Increased Non-Participating Provider Payments

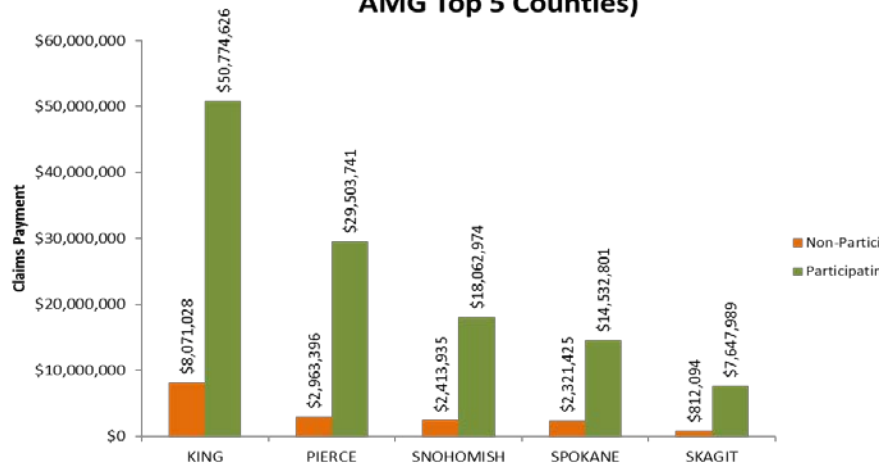


Counties With Decreased Non-Participating Provider Payments



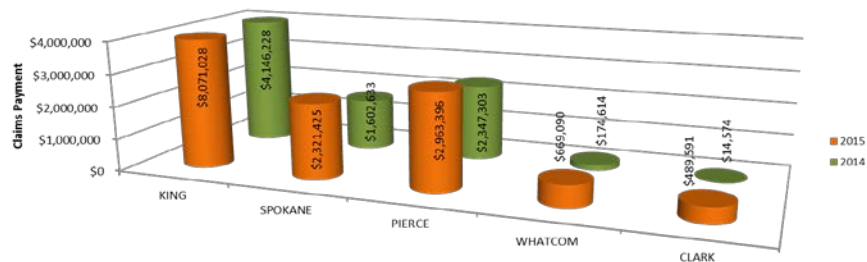
AMG Apple Health Non-Participating Provider Payments

**Non-Participating Provider Payments
AMG Top 5 Counties)**

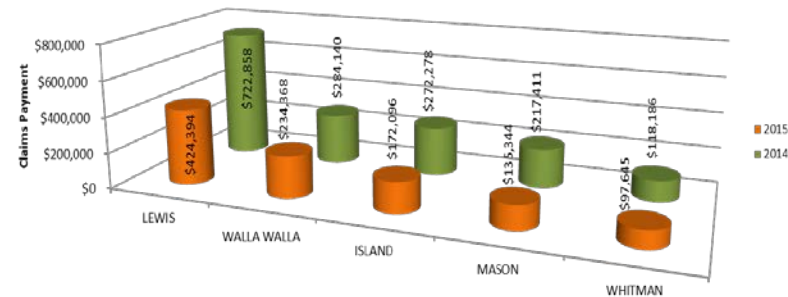


- Non-participating provider payments for 2015 were approximately \$21 million.
- There was a steep increase in payments to non-participating providers in King County of \$3.9 million; however, enrollment in this county increased by 14%. Pierce and Spokane Counties both increased from \$600,000 to \$700,000, respectively.
- There was a steep decrease in payments to non-participating providers in Lewis County of \$424,000. Four additional counties showed decreases between \$97,000 – \$234,000.
- Overall, payments to non-participating providers increased by \$6.6 million.

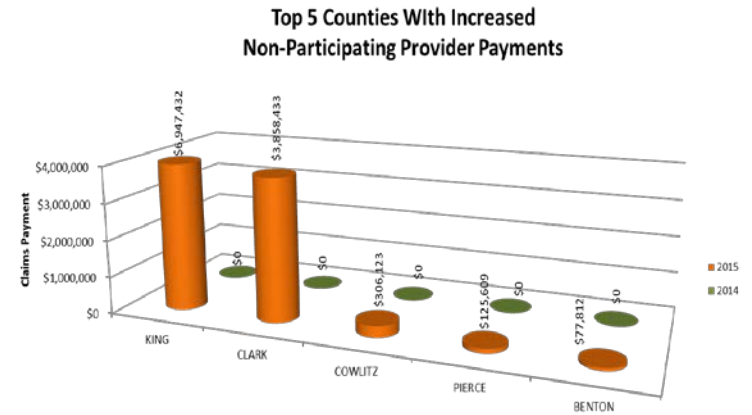
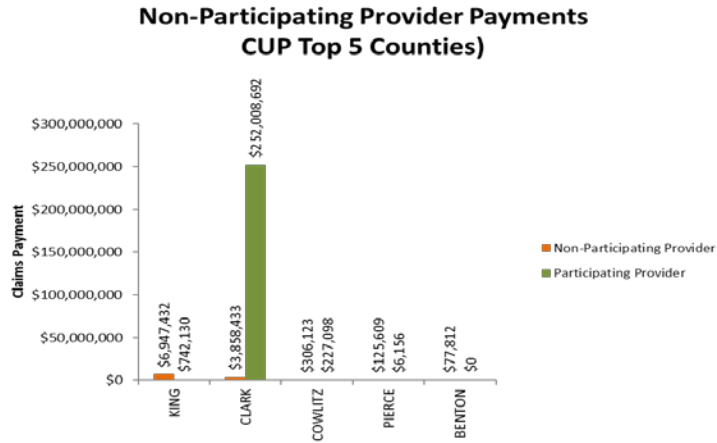
**Top 5 Counties With Increased
Non-Participating Provider Payments**



**Top 5 Counties With Decreased
Non-Participating Provider Payments**



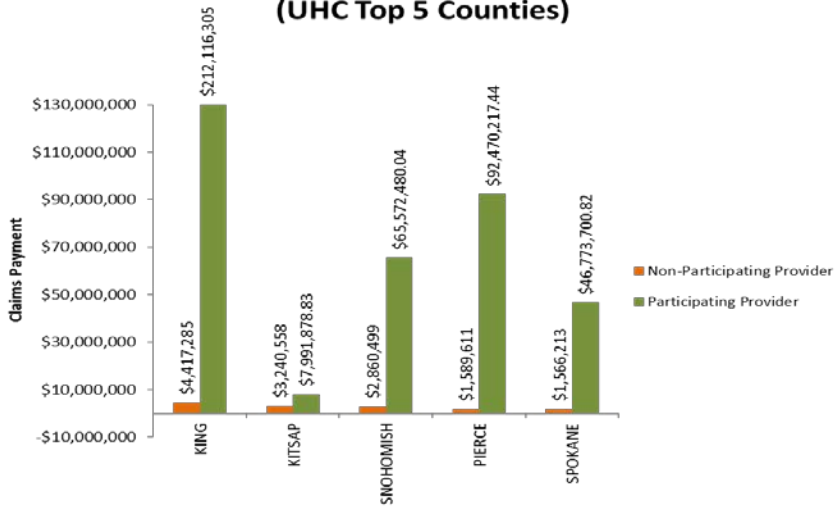
CUP Apple Health Non-Participating Provider Payments



- Non-participating provider payments for 2015 were approximately \$11.8 million.
- King and Clark Counties had the two highest non-participating provider payments at approximately \$6.9 million and \$3.8 million, respectively.
- We are unable to provide a comparison between years for CUP since they did not participate in Apple Health managed care until January 2015.

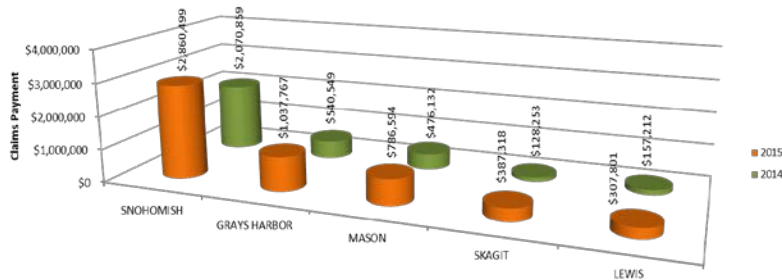
UHC Non-Participating Provider Payments

**Non-Participating Provider Payments
(UHC Top 5 Counties)**

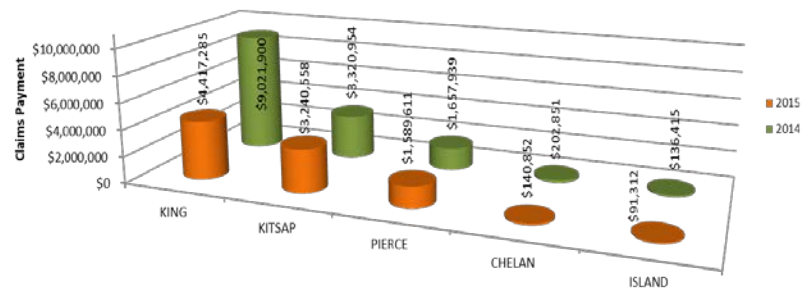


- Non-participating provider payments for 2015 were approximately \$20 million.
- There was an increase in payments to non-participating providers in Snohomish and Grays Harbor Counties of \$789,00 and \$497,000, respectively. Three additional counties showed increases between \$150,500 – \$789,000.
- There was a decrease in payments to non-participating providers in King and Kitsap Counties of \$4.6 million and 80,000, respectively. Three additional counties showed decreases between \$45,000 – \$68,000.
- Overall, payments to non-participating providers decreased by \$2.5 million. This highlights an increase in network adequacy.

**Top 5 Counties With Increased
Non-Participating Provider Payments**

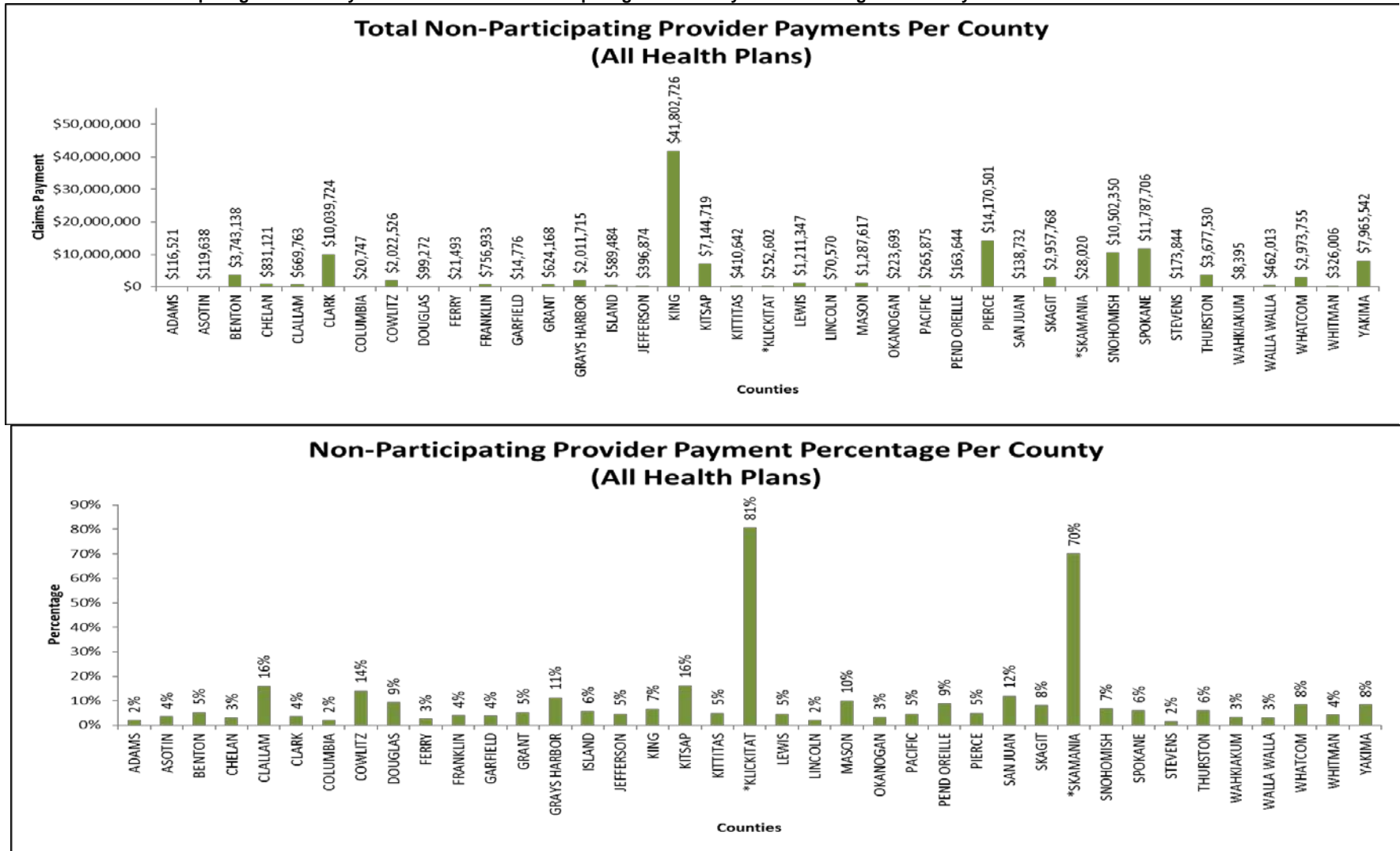


**Top 5 Counties With Decreased
Non-Participating Provider Payments**



Overall Non-Participating Provider Payment Analysis

Table 1 & 2: Non-Participating Provider Payment Totals and Non-Participating Provider Payment Percentage Per County



*Klickitat and Skamania counties have higher non-participating provider payment percentages due to provider challenges in these areas.

STATEWIDE DISCUSSION

Review of the county information provided by the managed care health plans indicates only two counties, Klickitat and Skamania, had non-participating provider percentages higher than 16 percent. This is due to the known provider shortage in both areas that the Health Care Authority and the managed care plans continue to work on.

This report highlights improved provider network adequacy of two managed care plans, CHPW and UHC. Their dedication and outreach to the provider community to enhance provider access to Apple Health clients is clearly shown.

CONCLUSION

Ensuring Apple Health clients have access to an extensive provider network is crucial to quality health care outcomes. While this analysis shows an overall increase in non-participating provider payments from July 1, 2014 through June 30, 2015, the ratio of non-participating provider payments to total managed care payments remained stable compared to the prior fiscal year. The increase in non-participating provider payments is consistent with a substantial increase in Medicaid managed care enrollment during fiscal year 2015 moderated by the improvements in provider network adequacy by two of the managed care plans.