Washington State Basic Health Plan

Council of State Governments
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Washington State Health Care Authority
Health Care Authority

- Cabinet-level agency with approximately 280 employees
- Manages over $3 billion each biennium
- Administers two major health care programs:
  - Basic Health
  - Public Employees Benefits Board
- Ancillary programs include:
  - Community Health Services
  - Washington Prescription Drug Program
  - Health Technology Assessment
  - Washington Wellness

Budget accounts for over 5% of entire State’s budget.
Intent of program

• Improve health of low-income children and adults

• Ensure access in all areas of the state
  – Provide or make readily available necessary basic health care services in an appropriate setting to working persons and others who lack coverage, at a cost to these persons that does not create barriers to the utilization of necessary health care services

RCW 70.47.010
First of its kind in the nation

- Created in 1987 as a pilot project to provide access to health insurance for low-income Washington residents; permanent in 1993
- State-sponsored program helps eligible residents pay for health insurance through state subsidies.
- Everyone participates financially; an insurance program, not an entitlement
- Partnership with private sector, using market-based, non-regulatory approach
Concept of Basic Health

- State appropriates funds to cover a predetermined number of members
  - $337 million 2009/2011
- Members pay premium share
  - Portion of premium cost varies depending on income, family size, choice of health plan, and where they live.
- Sponsor organization
  - Contract with BH to pay portion of members’ premium
  - Such as Foundations, Community Outreach Organizations and Native American Tribes
- State pays remaining portion
More than one program

- Basic Health (Subsidized)
- Health Coverage Tax Credit
- Medicaid Coordination
  - Basic Health *Plus* (Children under 19)
  - Maternity Benefits Program

Detailed program overview provided in: [Applying for Basic Health](#)
Overview

BASIC HEALTH MISSION:
Provide access to quality, affordable health coverage to low-income Washington State residents.
Develop a benefit plan

- General legislative guidance
  - physicians services, in and out patient hospital services, prescriptions drugs, etc.
- Evaluate previous year’s plan
- Work with actuary to determine utilization of benefits
- Include any modifications required by passed legislation
## Perform benefit design

<table>
<thead>
<tr>
<th>Program</th>
<th>Benefits</th>
<th>Cost</th>
</tr>
</thead>
</table>
| **Basic Health**      | • Preventive care  
                        • Provider care  
                        • Hospital care  
                        • Emergency services  
                        • Prescription drugs  
                        • Choice of health plan and provider in most counties | • Members pay premium based on:  
                                        – Age,  
                                        – Income,  
                                        – Number of people in family  
                                        – Health plan chosen, and  
                                        – Where they reside.  
                                        • No copayment on some services  
                                        • $250 annual deductible  
                                        • 20% coinsurance on some services  
                                        • $1500 annual out-of-pocket maximum |
| **Basic Health Plus** | Same as Basic Health **plus**:  
                        • Vision care  
                        • Dental care  
                        • Non-emergency transportation to medical services  
                        • No waiting period for pre-existing conditions  
                        • No deductible or coinsurance | • No monthly premiums or copayments for children |

(Jointly administered with WA Department of Health and Social Services for children only)
### Perform benefit design

<table>
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<tr>
<th>Program</th>
<th>Benefits</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maternity Benefits</strong></td>
<td>• Prenatal Care&lt;br&gt;• Labor and delivery&lt;br&gt;• Postpartum care&lt;br&gt;• Childbirth education&lt;br&gt;• Maternity support services&lt;br&gt;• Family planning&lt;br&gt;• Transportation to appointments&lt;br&gt;• Maternity case management&lt;br&gt;• Dental care&lt;br&gt;• Physical therapy&lt;br&gt;• Hearing&lt;br&gt;• Vision (eye exams and glasses)</td>
<td>• No cost during pregnancy and for two months after pregnancy ends</td>
</tr>
</tbody>
</table>

(Jointly administered with WA Department of Social and Health Services)

Detailed benefits and services provided in [Member Handbook](#).
Overview

BASIC HEALTH MISSION:
Provide access to quality, affordable health coverage to low-income Washington State residents.

Develop Benefit Plan

Premium Structure

Define Quality Standards

Set Benchmark Rates

Procure Benefits

Receive Payments

Determine Eligibility

Invoice Members

Results

Access to Care
Premium Structure

Premium formula based on:
- Income Band (A-H)
- Age Band (Ages 0-65+)
- Federal Income Guidelines (0-200%)

Other Factors
- Percent of income sliding scale
  - FIG 0 –125% is fixed 6%
- Percent of premium sliding scale
- Choice of health carrier

Premiums are set for members in Income Bands A-C (0-125%).
Overview

BASIC HEALTH MISSION:
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Define Quality Standards

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Access to Care

Results

Overview
Define quality standards

- Require plans be NCQA accredited or conduct on-site evaluations
- Identify measurable, enforceable, and meaningful standards
- Track issues such as denials, appeals and grievances
- HEDIS reporting
- CAHPS reporting
- Modify through contracting
Overview

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- Access to Care
- Results
Set benchmark rates

- Analyze claim trend from prior coverage year
- Determine cost per member per month (PMPM)
- Analyze regionally
- Identify removal of populations, if any, and determine impact to risk pool
- Identify provider contract issues
- Inflation rate
- Medical trends
- Age factor
- Consider benefit changes, if applicable
Overview

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Premium Structure
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Results
Access to Care
Receive Payments

Invoice Members
Determine Eligibility

Procure Benefits
Procure benefits with private insurers

- Minimize impact to members
- Benchmark plan in all 39 counties
- Evaluate cost sharing options to stay within expenditures
- Determine risk level due to eligibility and potential cost changes
- Analyze bidder proposal; award successful bidder
Overview

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Determine Eligibility

Access to Care
Receive Payments
Invoice Members
Results
Determine eligibility

• Washington residents must:
  – Be between 0-200% of federal income guidelines (FIG)
  – Not be eligible for free or purchased Medicare
  – Not be receiving Medicaid
  – Not be institutionalized at the time of enrollment, and
  – Not be attending school full-time in the U.S. on a student visa

• Must be recertified at least once a year to maintain coverage

Served 476,938 members between 1999—2009
Application requirements

- Submit a completed and signed application
- Provide proof of all income received in the last 30 days
- Provide proof of physical residence
- Submit copy of the IRS 1040 with all schedules (if applicable)
- Provide proof of full-time student status for dependents age 19 to 22
- Provide proof of Medicare ineligibility if over age 65 and applying for coverage
- Submit a signed sponsor agreement form (if applicable)
Overview

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- Results

Invoice Members
Invoice members

• Apply premium structure
• Premium payments due by the 5\textsuperscript{th} day of each month before the actual month of coverage
• Invoice sent six weeks before month to be covered by that payment
  – Example: Member’s bill for August coverage is sent mid-June and payment is due July 5.
• Sponsor groups receive one invoice for all members
• Non-payment = no coverage

Applicants and enrollees can determine monthly payments by using an online premium calculator.
Overview

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- Receive Payments
- Access to Care
- Results
Receive payments

- Individual member payments through lockbox in Seattle
- Group/Sponsor payments received at main office
- Payment sent to health plan monthly
  - State portion + member portion

Members contribute 25% (approximately $50 million) of premium cost in 2010.
Overview

**BASIC HEALTH MISSION:**

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- **Access to Care**
  - Develop Benefit Plan
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  - Invoice Members
  - Receive Payments
  - Results

**BASIC HEALTH MISSION:**

Provide access to quality, affordable health coverage to low-income Washington State residents.
Each month health plans receive a roster which informs them of members enrolled in specific programs

- Health plans maintains accurate list to ensure access
Overview

BASIC HEALTH MISSION:

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Results

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- Determine Eligibility
- Receive Payments
- Access to Care
Results

• Up to 19 health plans at one time; currently contract with 5 plans
• Implemented wait list only 3 times in 22-year history to stay with budget
• Nearly 2/3 of subsidized members are within 100% of FIG
• Partner with 26 sponsor groups statewide who pay a portion of more than 26,000 members’ premiums
• Partner with more than 175 organizations and community partners statewide
• Since FY 2000, the number of low-income persons statewide covered by publicly-funded medical plans has increased by 30 percent.
Today

- Experienced a 43% budget cut for 2009-2011 biennium; budget is $337,757,000
- 876,000 uninsured residents as of June 2009; 1 in 5 qualify for Basic Health
- Enrollment approximately 65,000 in 2010
- On average, 6,600 individuals added to wait list each month
- Bids for 2010 from 5 health plans came in 5.7% below 2009 rates
- Average member premium in 2010 is $60.46
Summary

• State-subsidized program providing access to low-cost health care
• Use sliding scale to maintain affordability
• Covered nearly 500,000 residents between 1999—2009
• Provide access to high-quality health insurance statewide
Questions

www.basichealth.hca.wa.gov