



Washington State Basic Health Plan

Council of State Governments

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Washington State Health Care Authority



Basic Health™

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

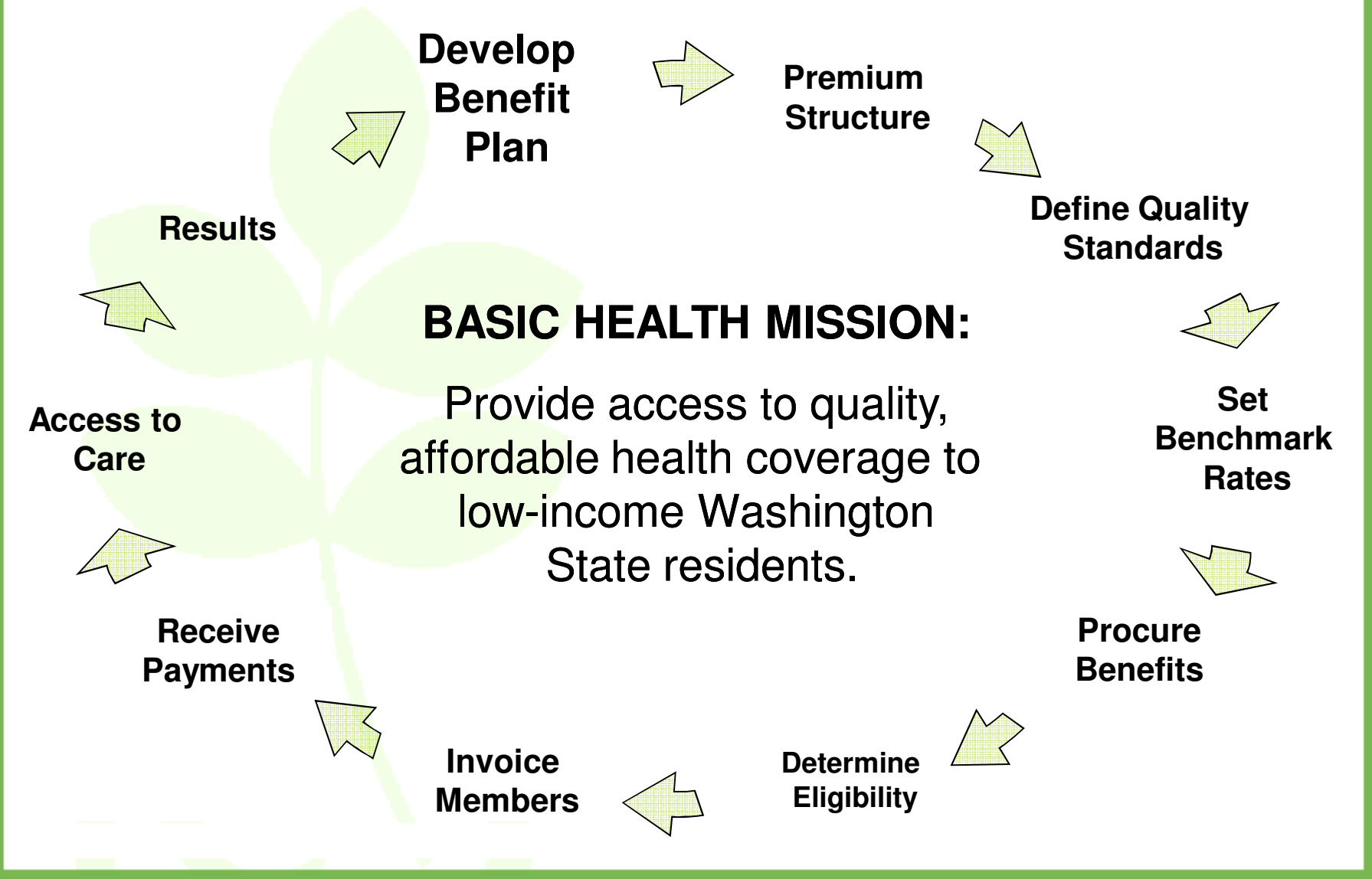
- State appropriates funds to cover a predetermined number of members
 - \$337 million 2009/2011
- Members pay premium share
 - Portion of premium cost varies depending on income, family size, choice of health plan, and where they live.
- Sponsor organization
 - Contract with BH to pay portion of members' 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



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

Program	Benefits	Cost
<p>Basic Health</p>	<ul style="list-style-type: none"> • Preventive care • Provider care • Hospital care • Emergency services • Prescription drugs • Choice of health plan and provider in most counties 	<ul style="list-style-type: none"> • Members pay premium based on: <ul style="list-style-type: none"> – 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
<p>Basic Health <i>Plus</i> (Jointly administered with WA Department of Health and Social Services for children only)</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • No monthly premiums or copayments for children

Continued . . .

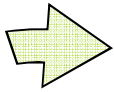
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Program	Benefits	Cost
<p>Maternity Benefits</p> <p>(Jointly administered with WA Department of Social and Health Services)</p>	<ul style="list-style-type: none">• Prenatal Care• Labor and delivery• Postpartum care• Childbirth education• Maternity support services• Family planning• Transportation to appointments• Maternity case management• Dental care• Physical therapy• Hearing• Vision (eye exams and glasses)	<ul style="list-style-type: none">• No cost during pregnancy and for two months after pregnancy ends

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

Overview

Develop
Benefit
Plan



**Premium
Structure**

Define Quality
Standards

BASIC HEALTH MISSION:

Provide access to quality,
affordable health coverage to
low-income Washington
State residents.

Set Benchmark
Rates

Procure
Benefits

Receive
Payments

Invoice
Members

Determine
Eligibility

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%).

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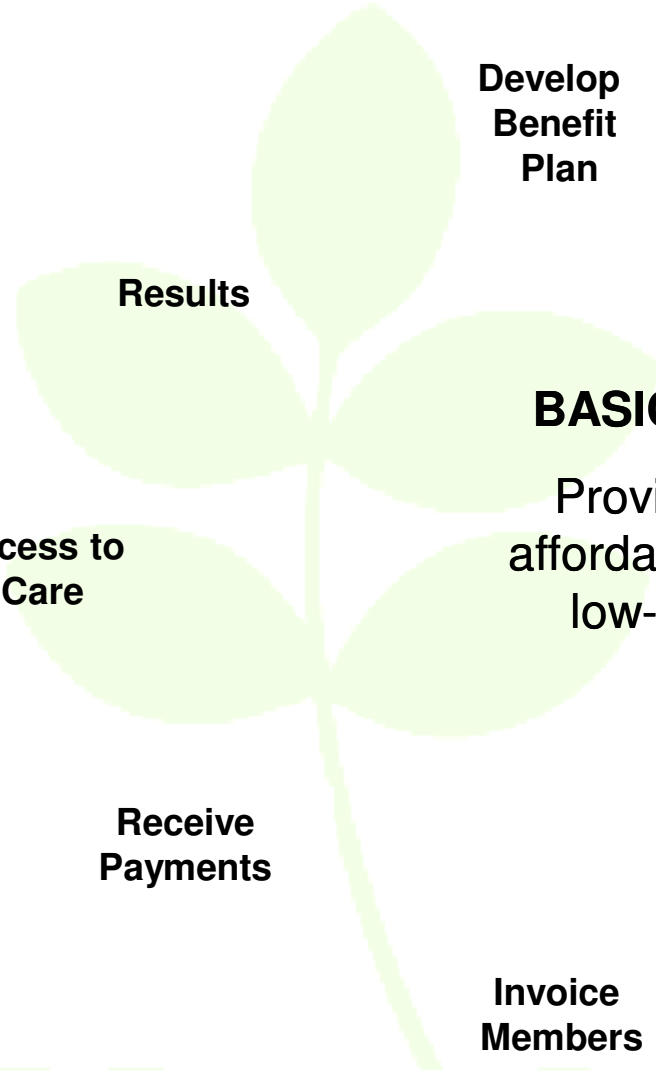
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Define quality standards

- 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



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

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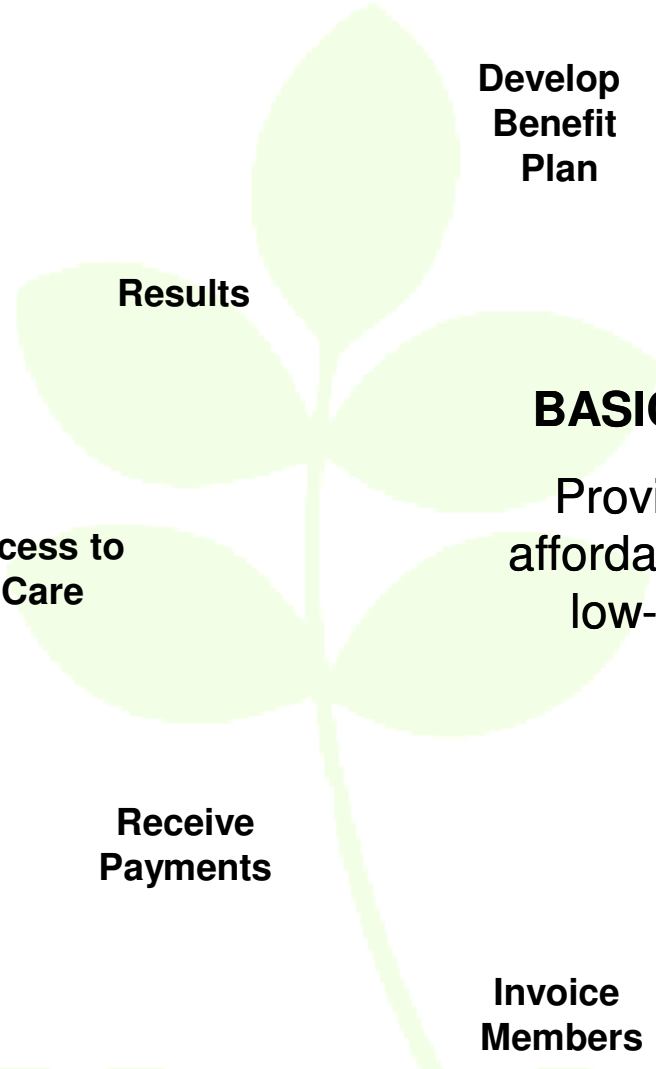
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Procure benefits with private insurers

- 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

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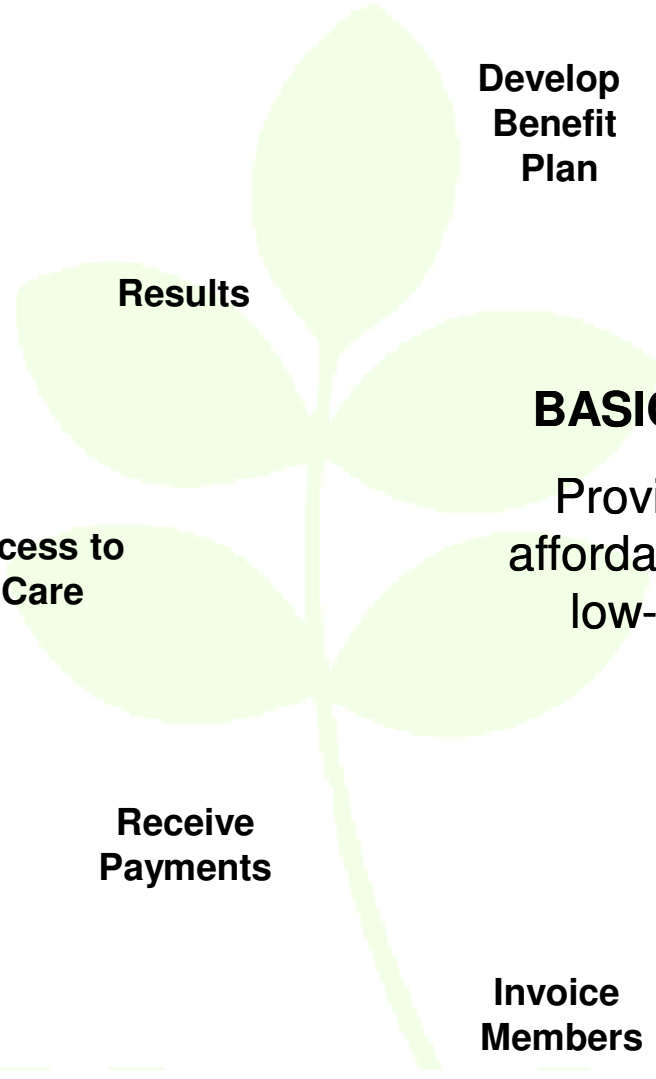
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Determine eligibility

- 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)

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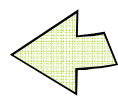
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**Invoice
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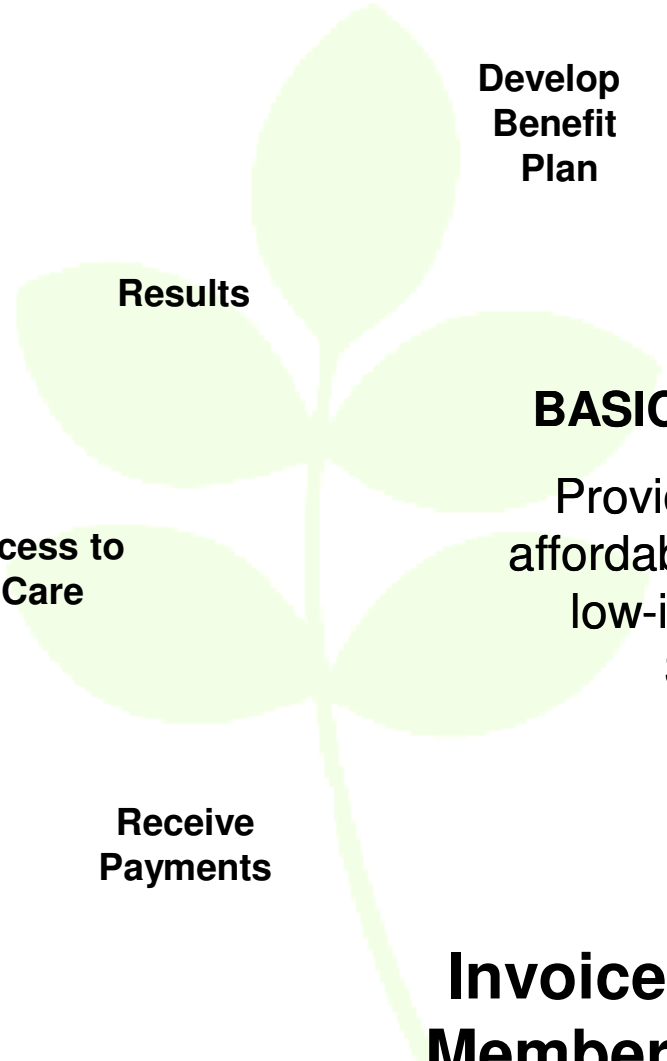
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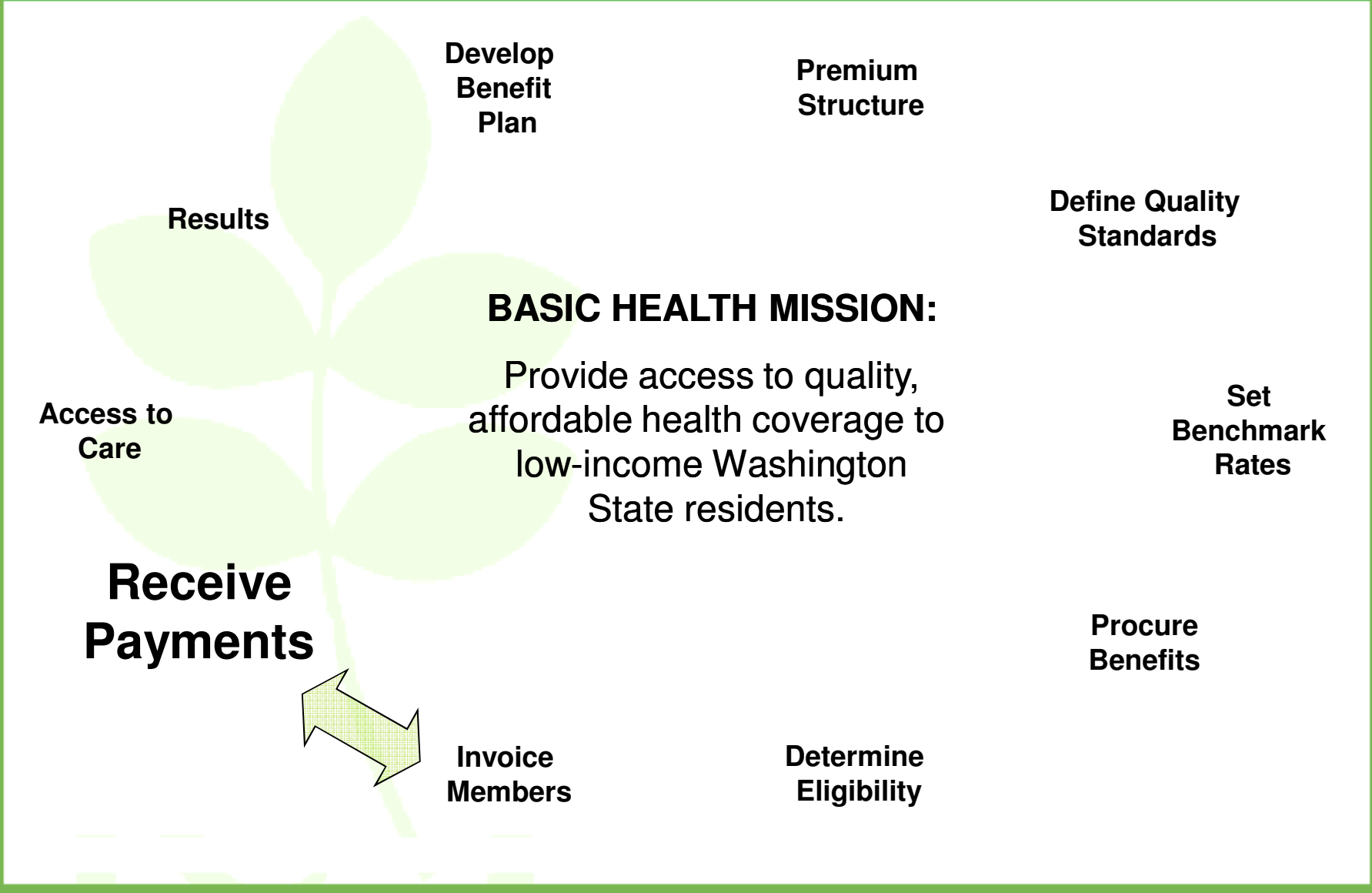


Invoice members

- Apply premium structure
- Premium payments due by the 5th 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.

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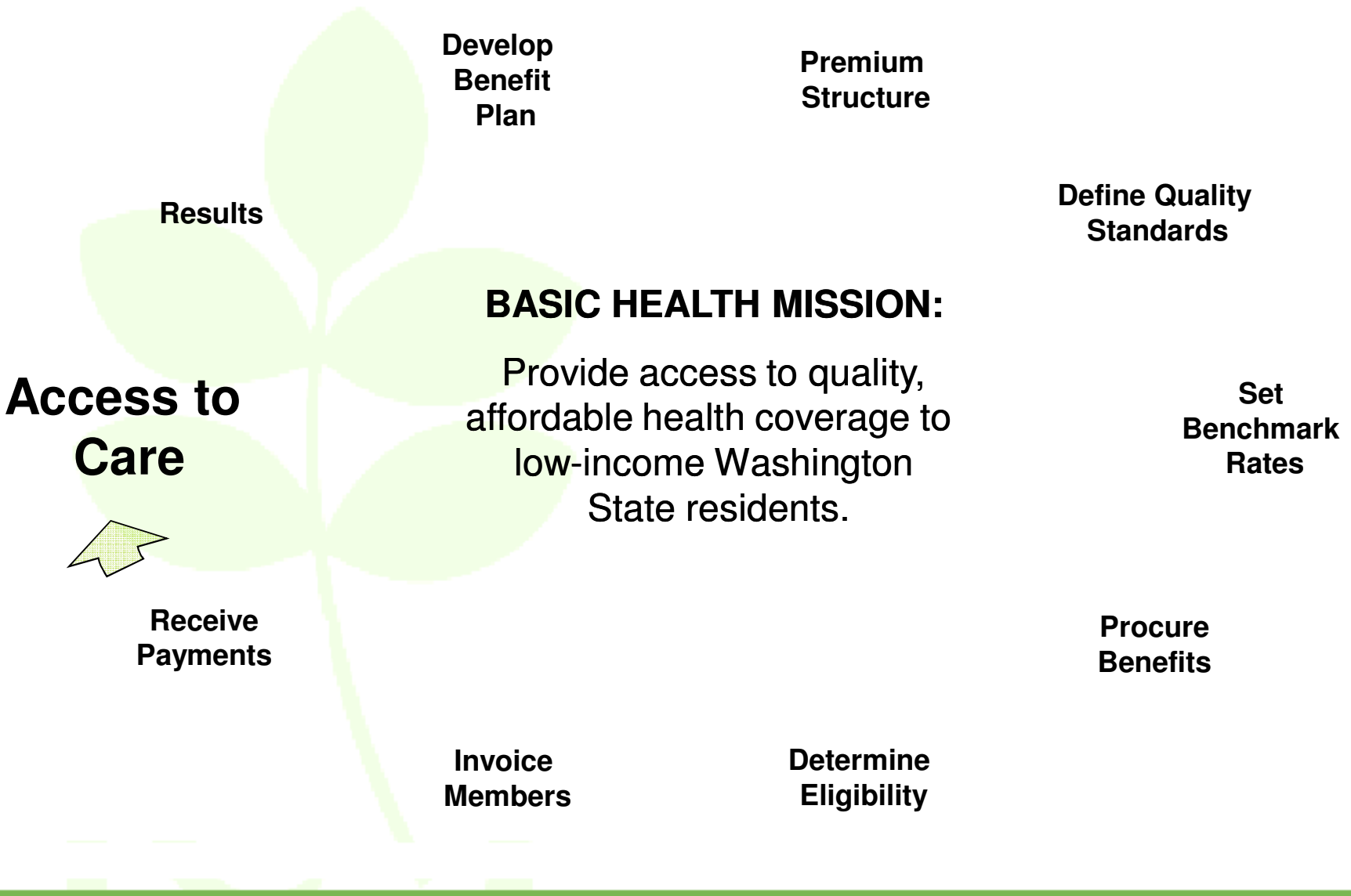


Receive payments

- 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



Access to care

Each month health plans receive a roster which informs them of members enrolled in specific programs

- Health plans maintains accurate list to ensure access

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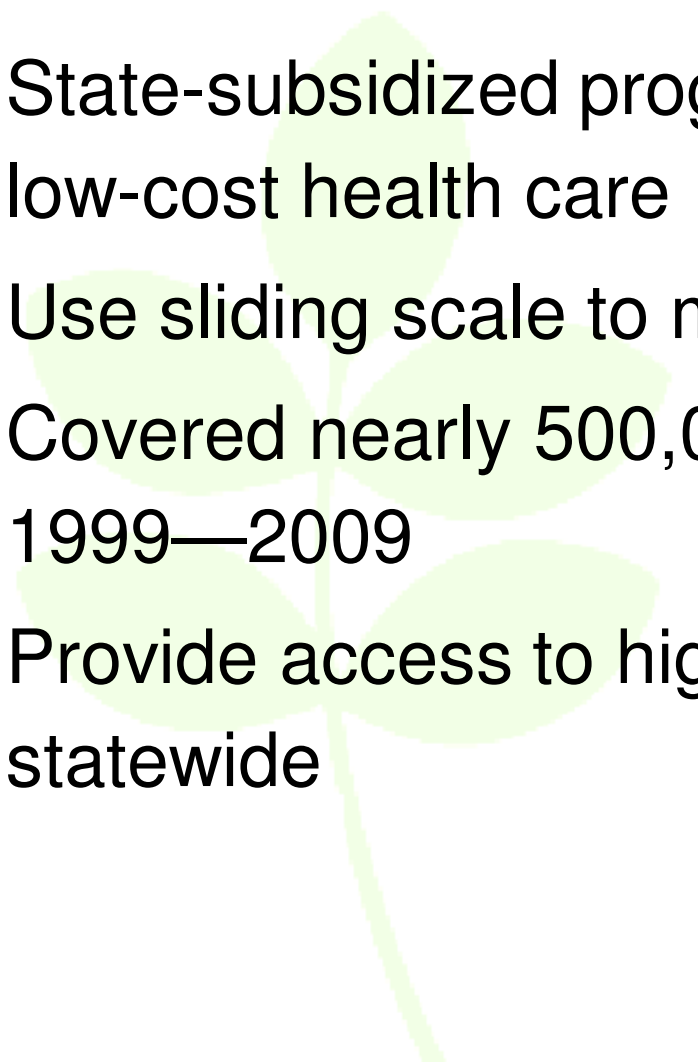
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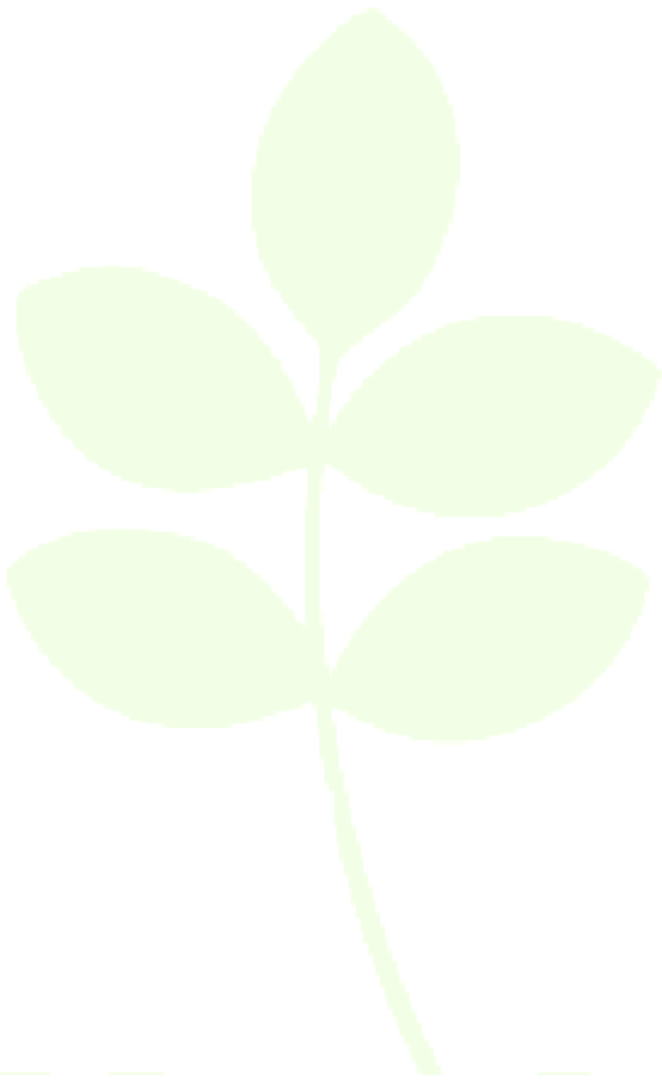
- Up to 19 health plans at one time; currently contract with 5 plans
- Implemented wait list only 3 times in 22-year history to stay with budget
- Nearly 2/3 of subsidized members are within 100% of FIG
- Partner with 26 sponsor groups statewide who pay a portion of more than 26,000 members' premiums
- 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