



Washington Health Benefit Exchange

**Senate Health Care Committee
January 16, 2017**

Pam MacEwan, CEO

Open-Enrollment Update (Nov. 1, 2016 – Jan. 31, 2017)

- Qualified Health Plan (QHP) enrollment continues upward trend
 - 14% increase in plan selection over last year
 - Majority of individual market
 - 15% increase in Young Invincibles (18-34 years old)
- QHP Total: Over 200,000
 - Subsidized (62%); Non-subsidized (38%)
- New to Exchange: Over 65,000
 - 45% of new are over 400% FPL (non-subsidy eligible)
- *New* Family Dental Total: Over 48,000
 - 3 insurers selling 12 Qualified Dental Plans (QDPs)



Exchange Structure

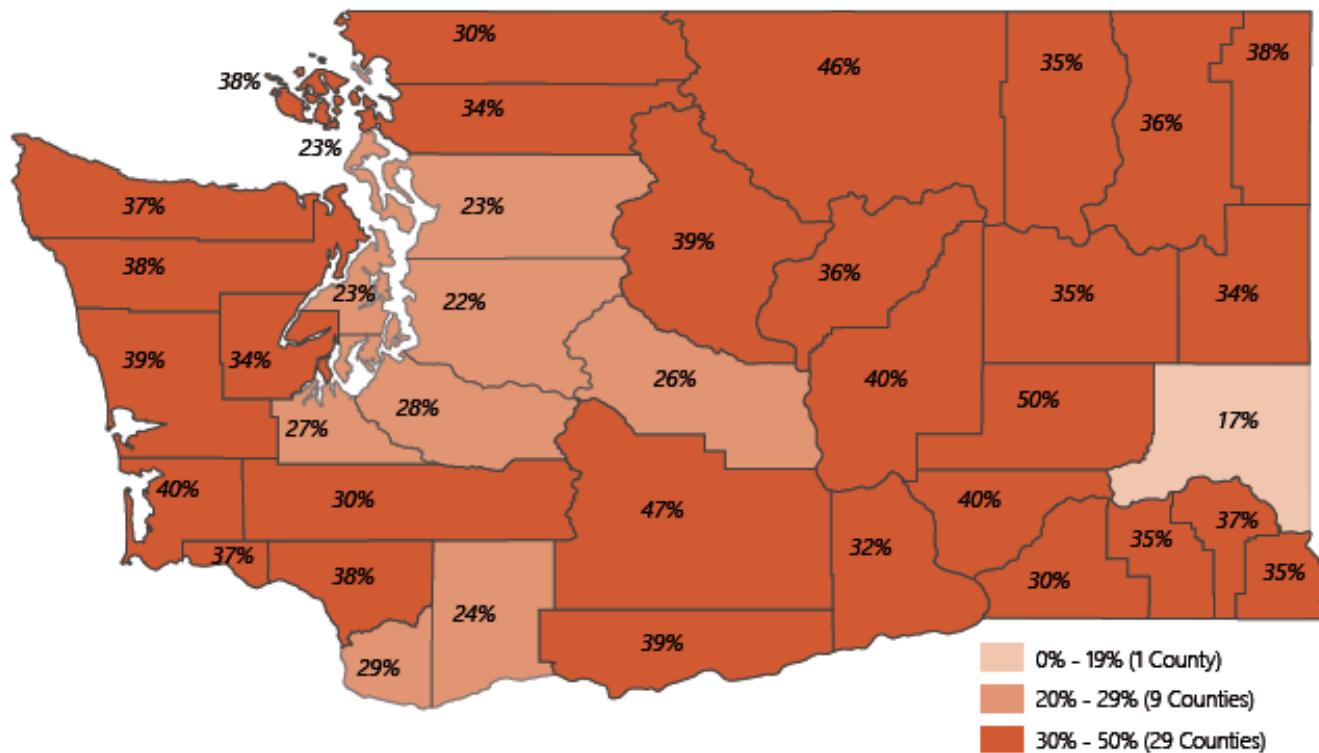
- The Washington Health Benefit Exchange (Exchange) was created in state statute in 2011 as a public-private partnership.
- The Exchange governed by a bi-partisan 11-member Board. Members are nominated by each Legislative Caucus, and appointed by the Governor.
- The Exchange budget is appropriated by the Legislature.
- The Exchange operates *Washington Healthplanfinder*, an online marketplace for Medicaid and commercial health coverage.
- Over 1.8M consumers – **1 in 4 Washington residents** – obtain medical and dental coverage through *Washington Healthplanfinder*.



1 in 4 WA Residents Use *Healthplanfinder*

In 29 counties, 30-50% of residents (under 65) use Healthplanfinder to get insured

Share of Population Enrolled Through **Washington Healthplanfinder***



Top 10

ADAMS.....	50%
YAKIMA.....	47%
OKANOGAN.....	46%
PACIFIC.....	40%
GRANT.....	40%
FRANKLIN.....	40%
CHELAN.....	39%
GRAYS HARBOR.....	39%
KLICKITAT.....	39%
LEWIS.....	38%
TOTAL.....	28%

Population estimates are for 2015 and include residents under age 65. Retrieved from data.wa.gov.

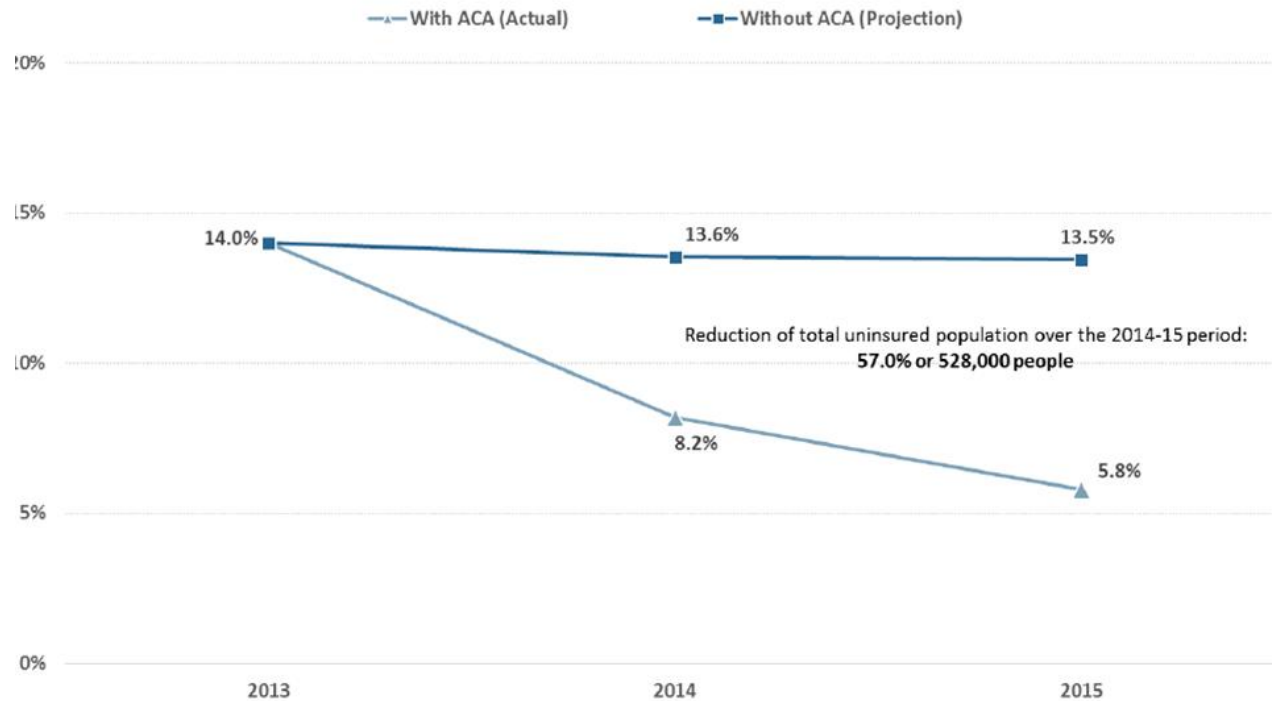
*Includes both QHP and Washington Apple Health enrollees.



Significant Decline In Uninsured Rate

- *Washington Healthplanfinder* coverage started Jan. 1, 2014
- Uninsured rate has dropped to 5.8%

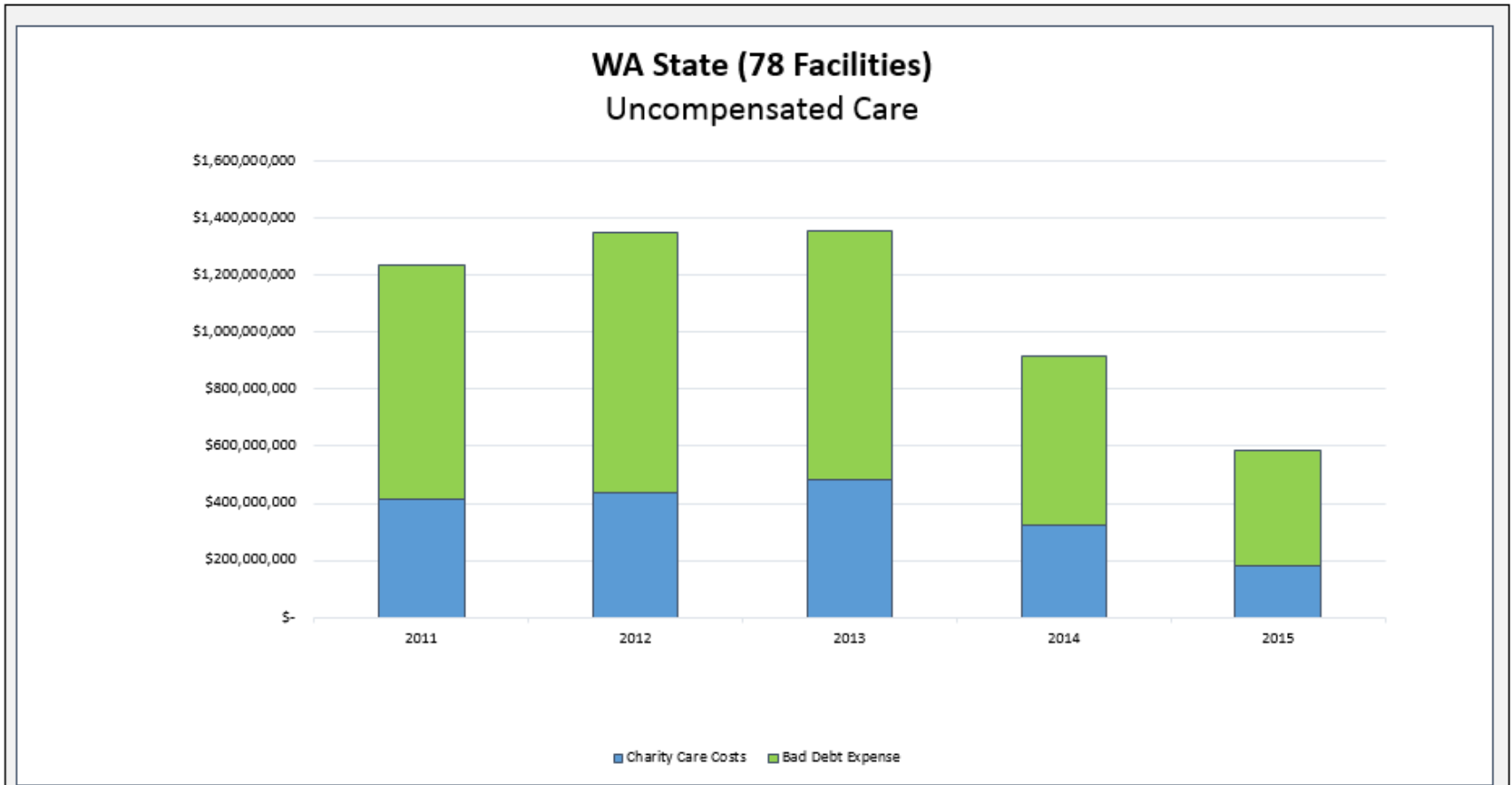
Washington State Uninsured Rate with and without 2014 ACA Implementation,
Total Population, 2013-15



Data sources:
a. 2013 estimates - American Community Survey
b. 2014-15 actual estimates - American Community Survey adjusted for Medicaid undercount
c. 2014-15 projection estimates - OFM County Population Estimation Model (2012 model)



Significant Decreases In Uncompensated Care



<i>All Reporting Hospitals (78 Facilities)</i>					
Performance Measures	2011	2012	2013	2014	2015
Charity Care Costs	\$414,846,923	\$438,120,641	\$481,092,172	\$322,695,274	\$181,883,340
Bad Debt Expense	\$823,028,041	\$909,250,619	\$872,717,379	\$592,037,421	\$401,463,701

Data Source: WA DOH Year End Financial Reports



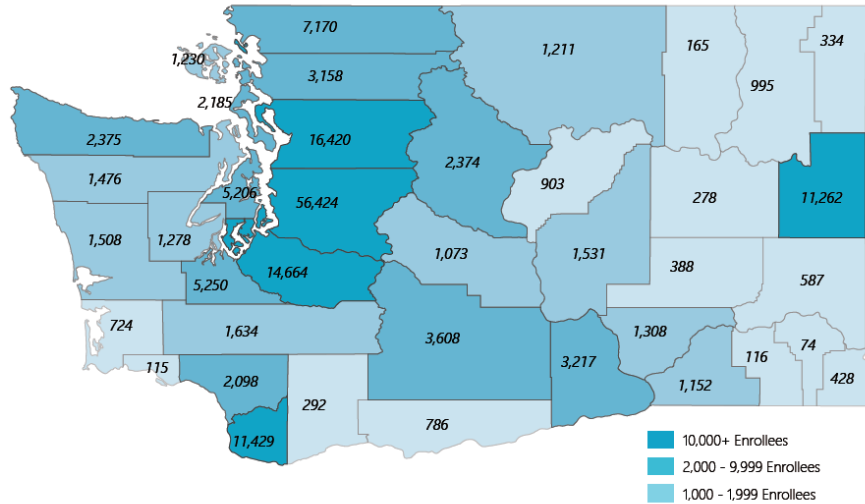
Exchange Functions

- Operates one door for Medicaid and commercial coverage
- Fosters competitive and robust individual marketplace
- Provides real-time eligibility (including renewal) determination and verification (integration with federal and state systems)
- Provides transparency and consumer tools (quality ratings, price information, provider look-up)
- Provides state-specific consumer assistance, outreach, and marketing
 - Spokane Customer Support Center
 - WA population specific outreach
- Connects consumers to federal subsidies (\$400M annually) and 3rd party payments (e.g., sponsorship program)



Single Point Of Entry For Health Coverage

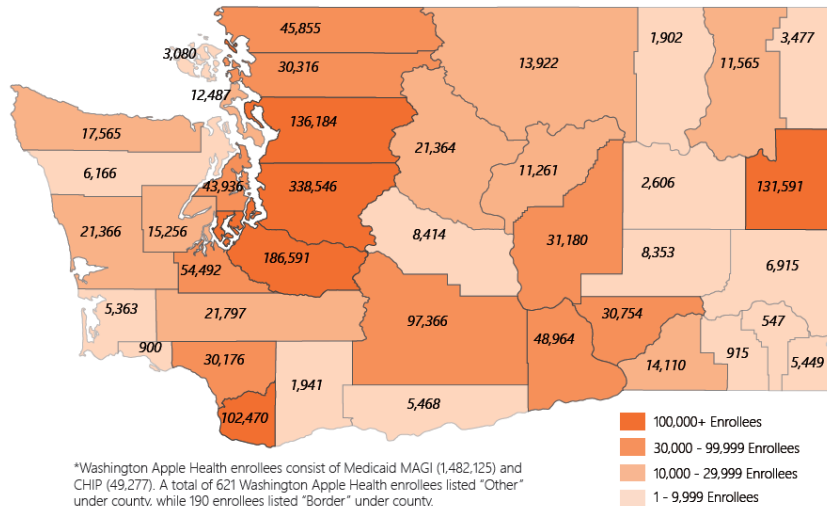
QHP by County



Top 10

KING.....	56,424
SNOHOMISH.....	16,420
PIERCE.....	14,664
CLARK.....	11,429
SPOKANE.....	11,262
WHATCOM.....	7,170
THURSTON.....	5,250
KITSAP.....	5,206
YAKIMA.....	3,608
BENTON.....	3,217
TOTAL.....	166,098

Washington Apple Health by County



Top 10

KING.....	338,546
PIERCE.....	186,591
SNOHOMISH.....	136,184
SPOKANE.....	131,591
CLARK.....	102,470
YAKIMA.....	97,366
THURSTON.....	54,492
BENTON.....	48,964
WHATCOM.....	45,855
KITSAP.....	43,936
TOTAL.....	1,531,402

*Washington Apple Health enrollees consist of Medicaid MAGI (1,482,125) and CHIP (49,277). A total of 621 Washington Apple Health enrollees listed "Other" under county, while 190 enrollees listed "Border" under county.



Competitive and Robust Marketplace

- Legislatively mandated analysis conducted by Wakely Consulting Group, LLC on behalf of the Exchange and the Office of the Insurance Commissioner (released Dec. 1, 2016)
- Key findings include:
 - **Steady growth in carriers, plans and products in the Exchange:** Eight issuers have participated in the Exchange in all years (2014-17) and total plan options have grown from 46 in 2014 to 98 in 2017.
 - **Solid enrollment growth inside the Exchange:** In the Exchange there has been Qualified Health Plan growth statewide (and in virtually every county).
 - **Increased competition in the Exchange:** The market on Exchange is less dependent on any one carrier than it was in 2014.
 - **Stabilization of rates:** Modest growth coupled with a majority of renewing enrollees being able to lower their premiums by switching to the lowest cost plan.



Report available [here](#). Press release available [here](#).

2017 Exchange Marketplace

Plan Availability

- Nine insurers sell 98 plans through *Washington Healthplanfinder*
- 95% of counties have 2+ insurers (map in appendix)
- Two statewide insurers withdrew: United and Moda
- 2 insurers reduced service areas, 2 insurers expanded service area



2017 Exchange Marketplace

Premium Prices

- Average premium changes 2016 to 2017
 - 13.0% inside Exchange
 - 14.9% outside the Exchange
- Premium tax subsidies available for those up to 400% FPL
- Changes vary by county (map in appendix)
- Average premium change in low-costs plans (example below for a 40-year-old, unsubsidized, non-smoker):
 - Lowest cost bronze plan: 4% (\$12/month)
 - Lowest cost silver plan: 3% (\$9/month)



2017 Exchange Marketplace

Deductible Prices

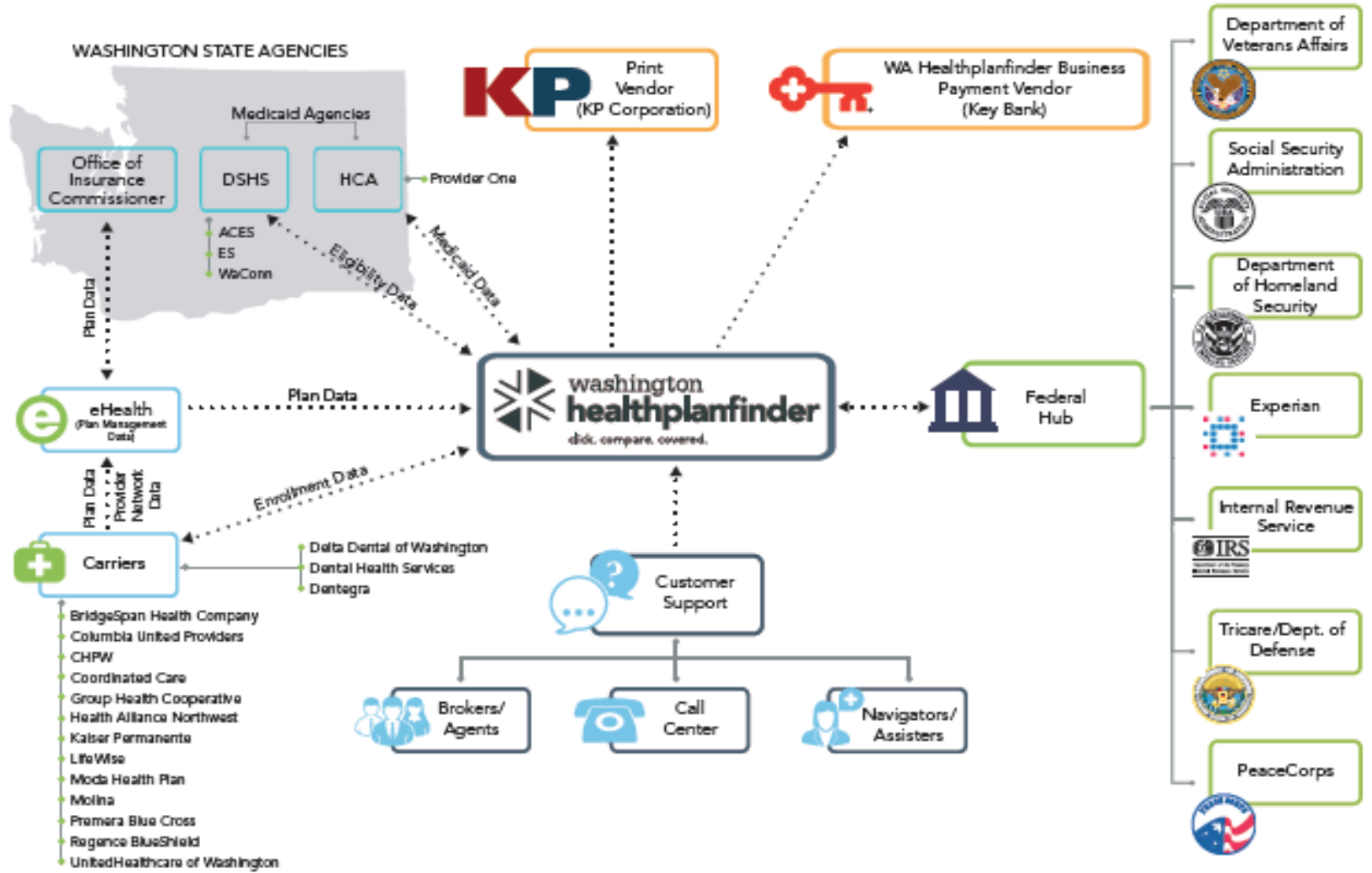
- Average deductible changes 2016 to 2017 in the Exchange:
 - Bronze plans: 5% increase
 - Silver plans: 8% increase

Metal Level	2016 Average Deductible	2017 Average Deductible	Change in Deductible
Bronze	\$5,693	\$5,977	\$284
Silver*	\$3,343	\$3,620	\$277
Gold	\$1,148	\$1,223	\$75

*Cost-Share Reductions (CSRs) available for those under 250% FPL in silver plans

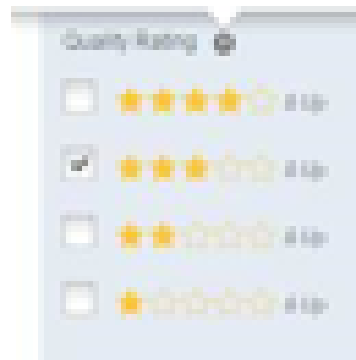
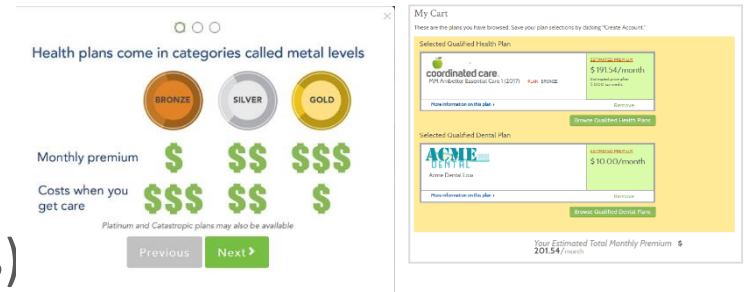


Real-time Eligibility and Verification



Transparency & Consumer Tools

- Apples-to-Apples Plan Comparisons
- New Shopping Features
 - Shopping Cart (saves plan selections)
 - Shopping Tips (alerts on comparing plans and reducing costs)
- New Quality Rating System
 - Based on federal standards of quality
 - Health plans will be assigned a rating – 1 star (lowest) to 5 stars (highest)



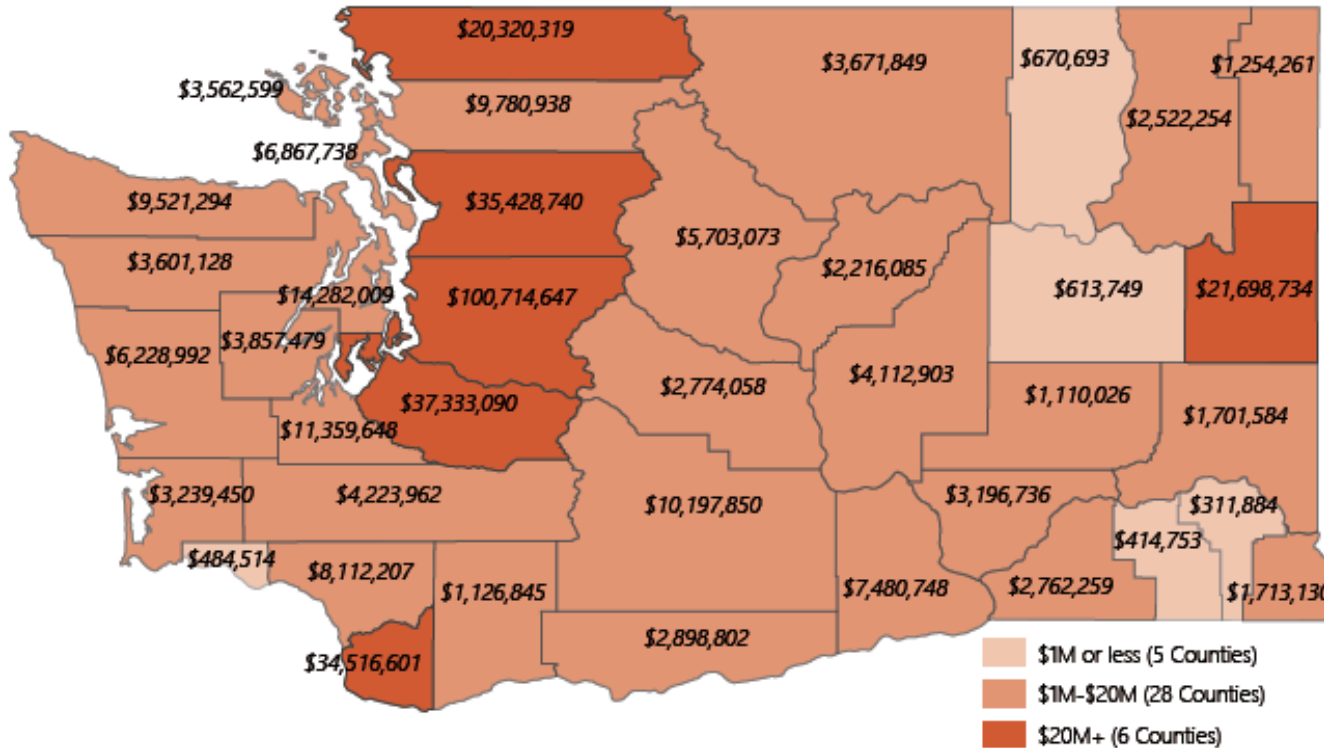
State-Specific Consumer Assistance

- Spokane Customer Support Center
 - 210 Customer Support Representatives (average during OE)
 - Staffing scaled up and down throughout the year
- Consumer Assister Network
 - 1884 Brokers
 - 674 Navigators
 - 102 Certified Application Counselors (CACs)
 - 84 Tribal Assisters
- Statewide and population-specific outreach
- Year-round health literacy campaigns



Connecting Residents to Subsidies

Federal Subsidies (Tax Credits & Cost-Sharing Reductions) in 2016* - \$400M Annually



Top 10

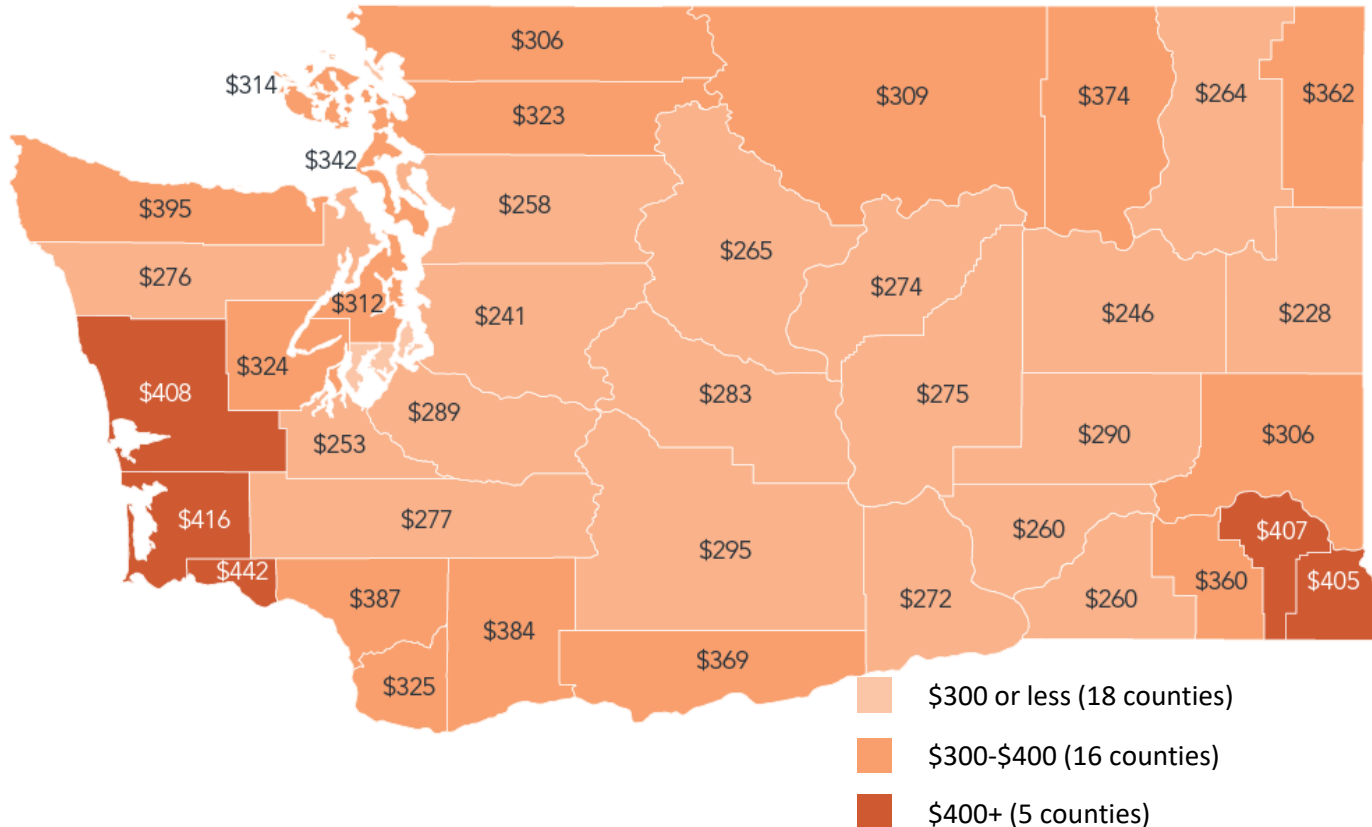
KING.....	\$100,714,647
PIERCE.....	\$37,333,090
SNOHOMISH	\$35,428,740
CLARK.....	\$34,516,601
SPOKANE.....	\$21,698,734
WHATCOM.....	\$20,320,319
KITSAP	\$14,282,009
THURSTON	\$11,359,648
YAKIMA	\$10,197,850
SKAGIT.....	\$9,780,938
TOTAL.....	\$391,596,269

*Advanced Premium Tax Credits (APTC) and Cost-Sharing Reductions (CSR) are federal subsidies that lower monthly premium amounts and out-of-pocket costs for low and middle-income Washington Healthplanfinder consumers. Data as of November 2016.



Connecting Residents to Subsidies

Average Monthly Tax Credits & Cost-Sharing Reductions per Subsidized Enrollee – 2016*



Top 10

WAHKIAKUM.....	\$442
PACIFIC.....	\$416
GRAYS HARBOR.....	\$408
GARFIELD.....	\$407
ASOTIN.....	\$405
CLALLAM.....	\$395
COWLITZ.....	\$387
SKAMANIA.....	\$384
FERRY.....	\$374
KLICKITAT.....	\$369



*Excludes Washington Healthplanfinder enrollees not receiving a tax credit or cost-sharing reduction. Data as of November 2016.

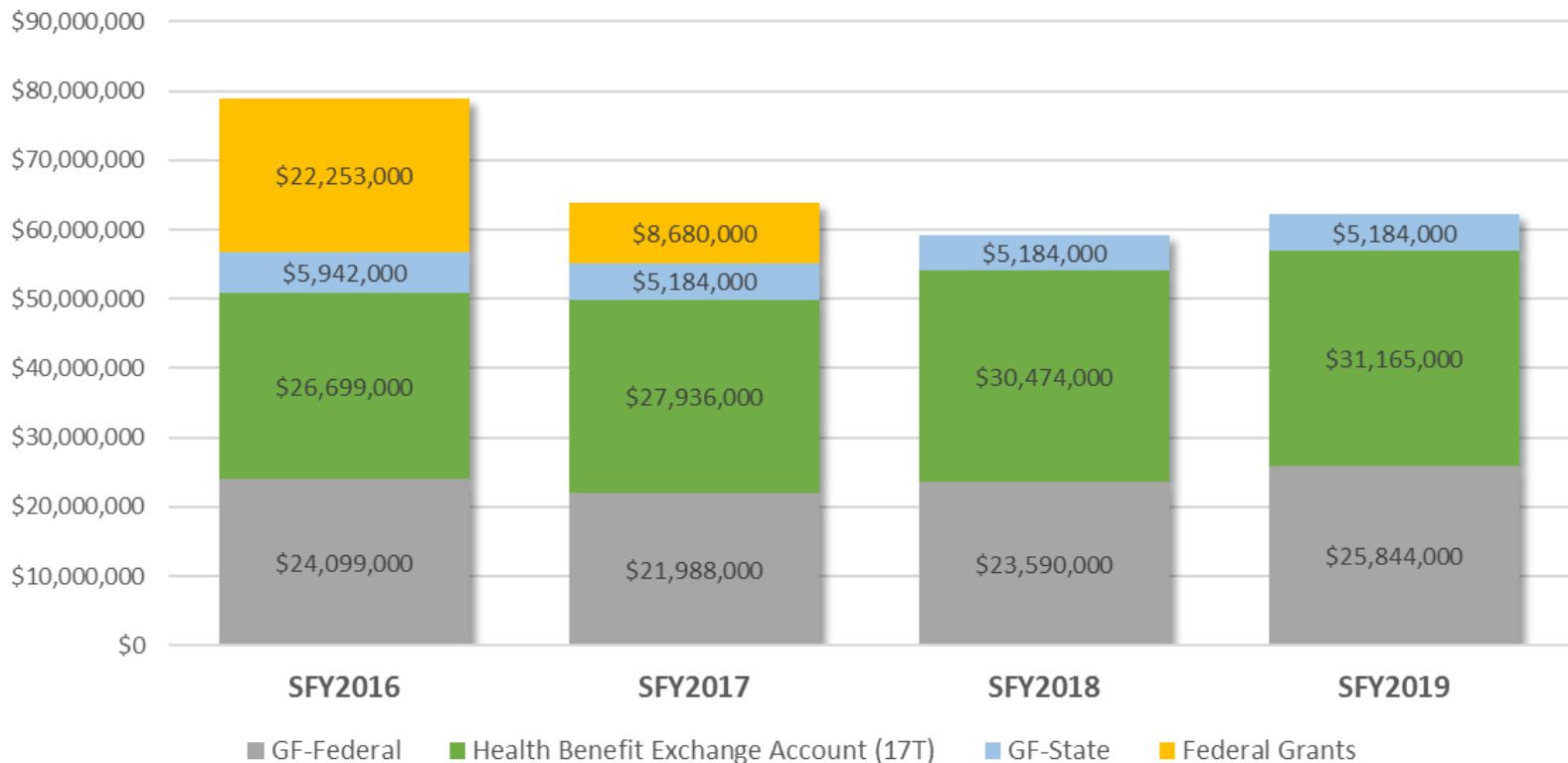
Exchange Funding

- Received over \$300M in federal grants to stand-up the Exchange (remaining federal grant expires in SFY 2017)
- Legislature established ongoing funding mechanisms (2012-13)
- Exchange must be “capable of operating with revenue attributable to the operations of the exchange.”
- Exchange revenue driven by:
 - QHP Enrollment
 - Reimbursement for administrative Medicaid activities



Exchange Funding

- Federal Grants (phased out in SFY 2017, not appropriated)
- General Fund State (GF-S)
- Health Benefit Exchange Account (17T) -2% Premium Tax and Carrier Assessments
- Federal Medicaid (GF-Federal)



SFY2017, 2018, and 2019 are based on the Governor's Proposed 2017 Supplemental and 2017-19 Budgets



Governor's 2017-19 Exchange Budget Summary

Requests expenditure authority only, no additional GF-S

Core Operations (Maintenance Level)

- Cost allocation update (net zero impact; fund shift only)
- Printing and postage funding (\$600,000 per year)

Strategic Priorities (Policy Level)

- Hardware replacement and security updates (one-time cost of \$1.1M in 2018 and \$3.2M in 2019)
- IT funding for *Healthplanfinder* operational improvements (\$2M per year)
- Outreach and marketing (\$1.5M per year)



Exchange Priorities 2016-2017

- Optimizing Customer Experience
- Responding to Federal Changes
- Growth and Enrollment
- Helping Address Barriers
 - Affordability
 - Changing Products & Provider Networks
 - Rural Access

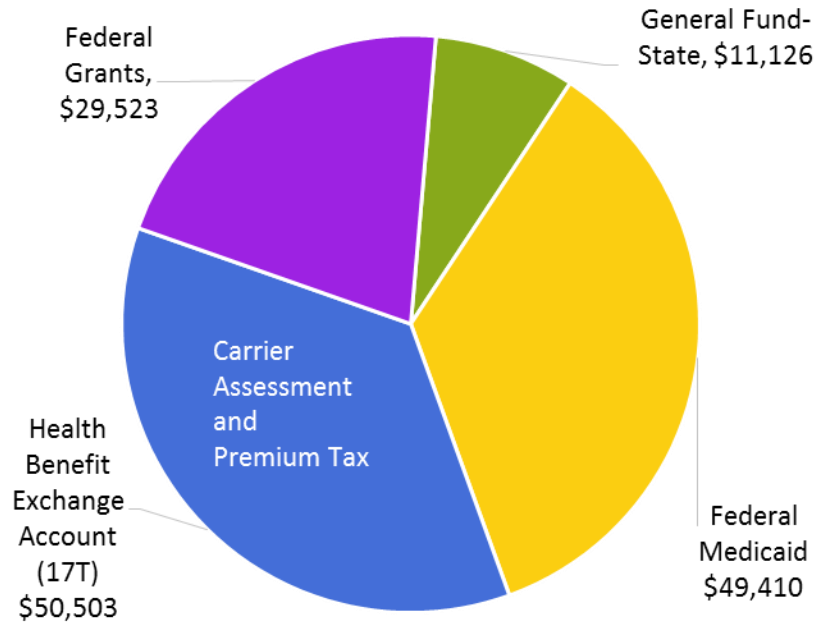




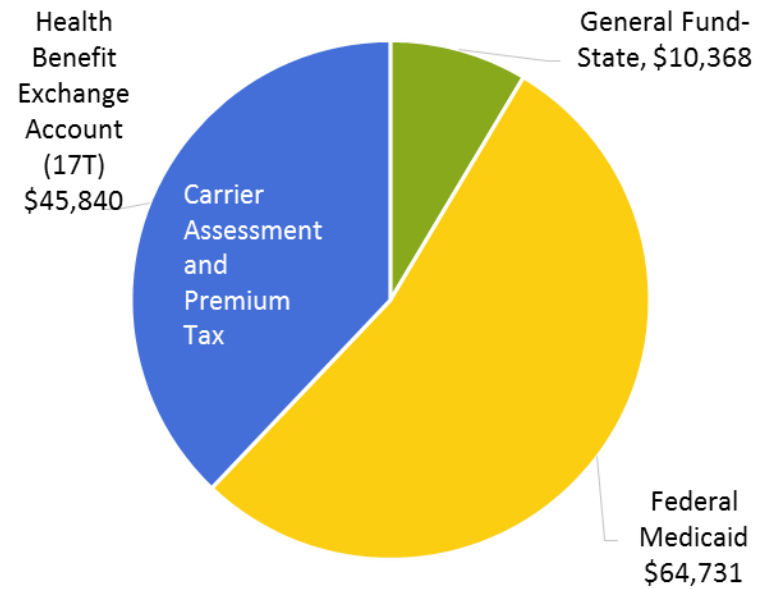
Appendix

Current Versus Proposed Biennial Budget (in thousands)

2015-17 Total Funding
\$140.6 million



Proposed 2017-19 Total Funding
\$120.9 million



Legislative Reports

www.wahbexchange.org/about-the-exchange/reports-data/

- Reports submitted to legislators include:
 - Annual Strategic Plan
 - Annual Detailed Financial Report
 - Annual Updates to 5 Year Spending Plan
 - Quarterly Spending Metrics Report
 - Monthly Financial Reports

The screenshot displays the Washington Health Benefit Exchange website. The header includes the logo and name "washington healthbenefitexchange" with the tagline "powering washington healthplanfinder". A search bar is located in the top right corner. The navigation menu features "Home", "New Customers", "Current Customers", "News Center", and "About the E" (partially visible). The main content area is divided into two columns. The left column contains a list of links: "What is the Exchange?", "Exchange Staff", "Exchange Board", "Reports & Data" (highlighted in a dark blue box), "Audit Reports", "Enrollee Satisfaction Survey Results", "Enrollment Reports & Data", "Legislative Reports & Presentations", "Performance Dashboard", "Public Records Request", and "Committees & Workgroups". The right column is titled "Reports & Data" and lists several categories: "Audits" (with a link to "Audit Reports"), "Enrollee Satisfaction Survey Results" (with a link to "Toplines & Reports"), "Enrollment" (with a link to "Reports & Data"), "Legislative" (with a link to "Reports & Presentations"), and "Performance Metrics" (with a link to "Dashboard").



Background: Washington Exchange

Statutory History:

- **In 2011**, legislature established a state-based exchange as, “a public private partnership separate and distinct from the state” governed by a bi-partisan 11-member Board. See [SSB 5445](#).
- **In 2012**, legislature established implementation guidelines for the Exchange and established the Exchange must be self-sustaining. See [ESSHB 2319](#).
- **In 2013**, the legislature established that “self-sustaining” means “capable of operating with revenue attributable to the operations of the exchange.” See [ESHB 1947](#).



Background: Washington Exchange

Recent Legislation:

- In **2015**, the legislature established reporting requirements for the Exchange, including:
 - Annual Strategic Plan
 - Annual 5-Year Spending Plan
 - Quarterly Reporting on Spending Metrics
 - Quarterly Financial Reports

See [2ESB 6089](#).

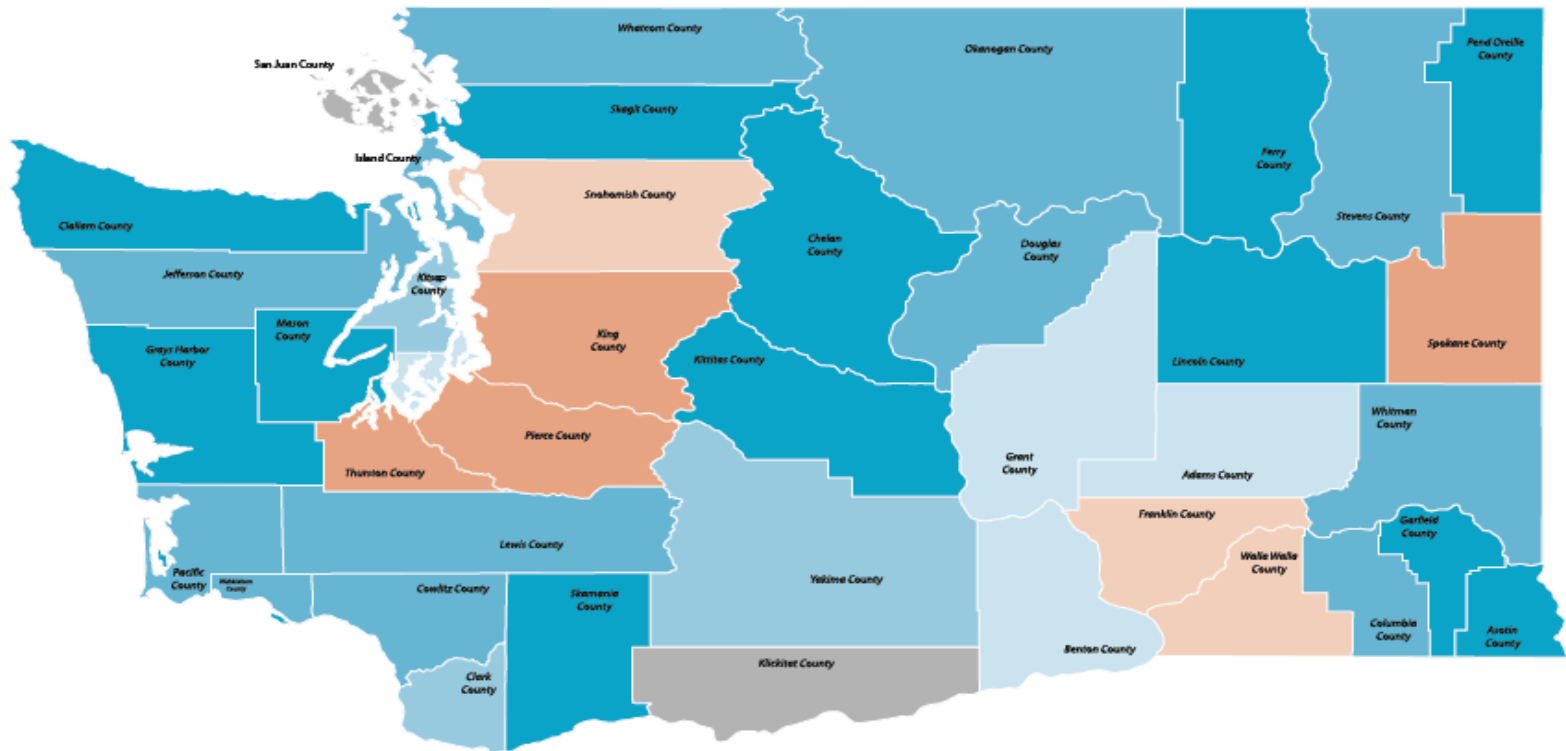
- In **2016**, the legislature established a financing mechanism so family dental products can be offered through the Exchange. See [HB 2768](#).



2017 QHP Issuers by County

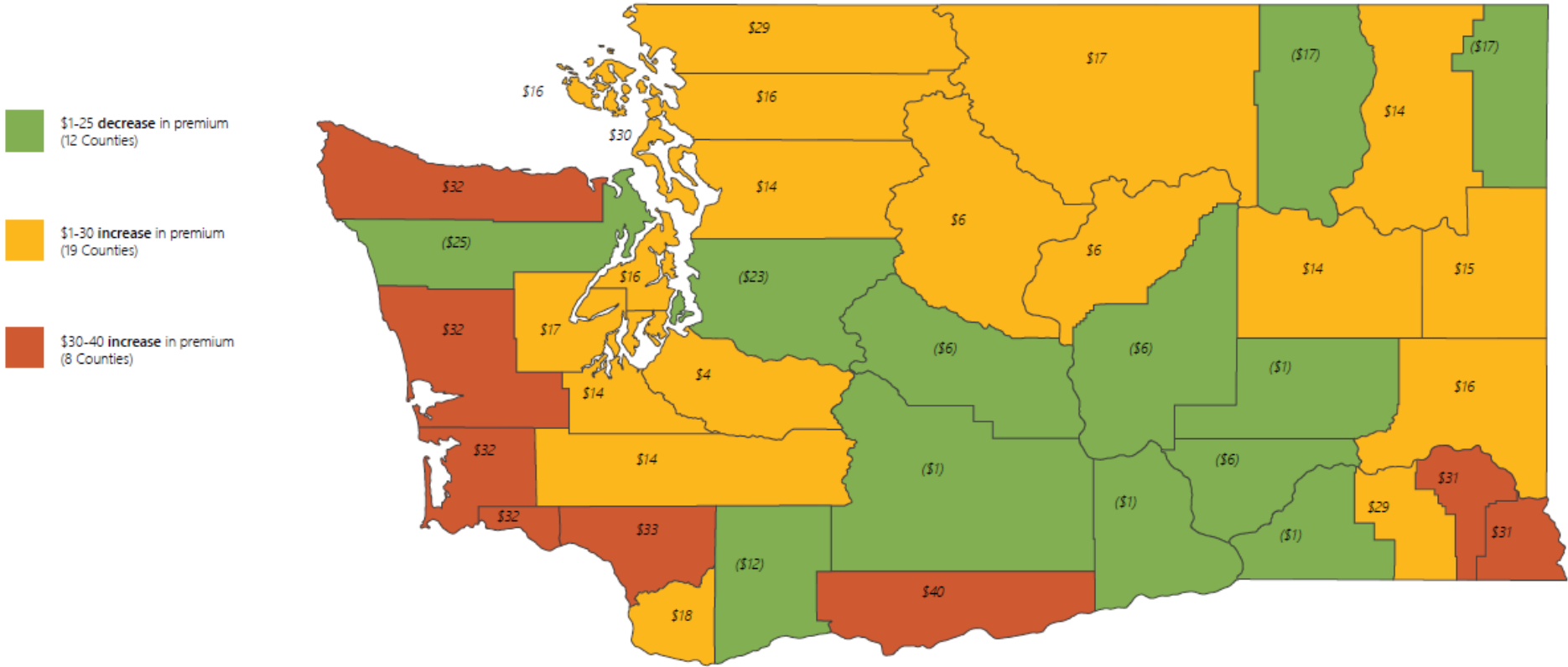
9 insurers selling 98 Qualified Health Plans (QHPs)

2017



Change in Lowest Cost Bronze QHP Premium from 2016-2017

Average monthly premium increase for lowest cost bronze is \$12 (4%)

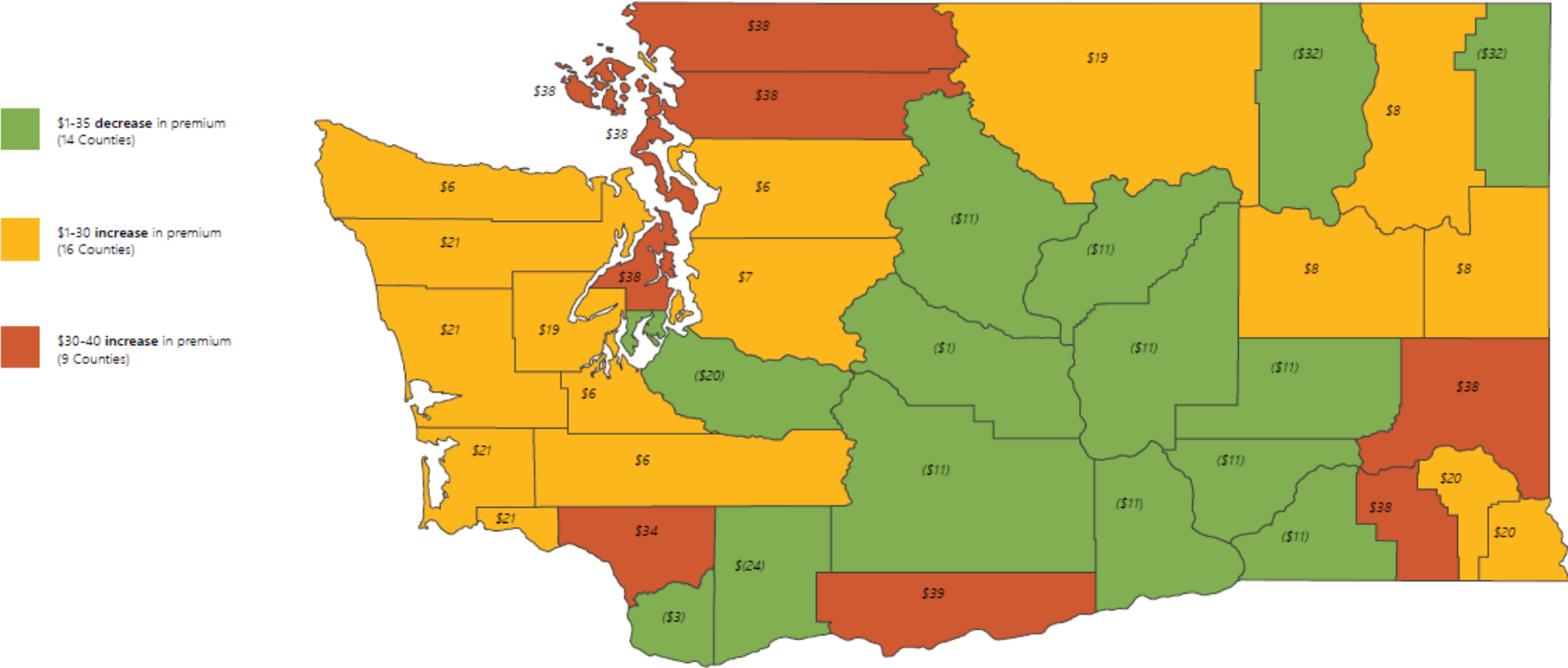


Based on unsubsidized, 40-year-old, non-smoker



Change in Lowest Cost Silver QHP Premium from 2016-2017

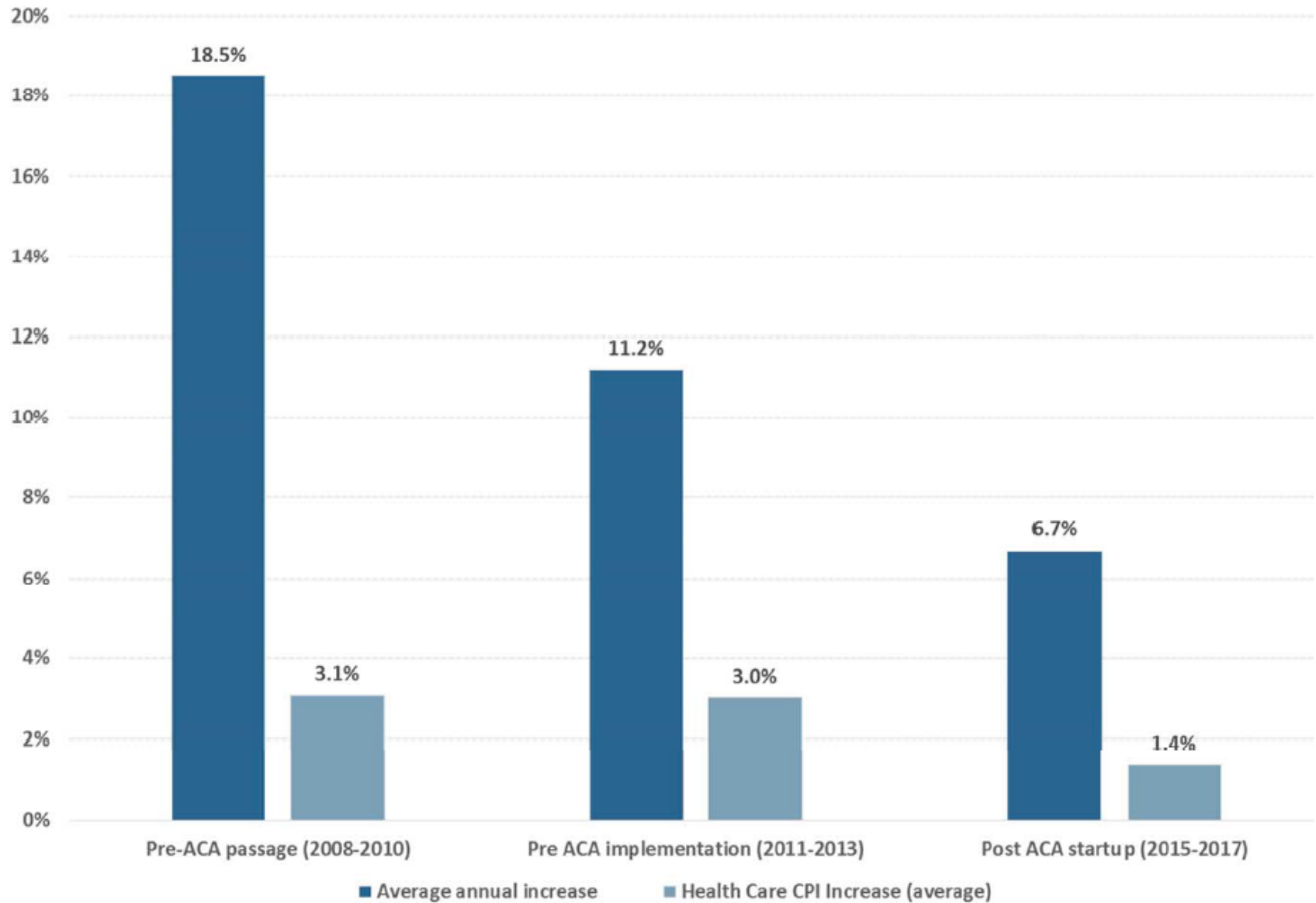
Average monthly premium increase for lowest cost silver is \$9 (3%)



Based on unsubsidized, 40-year-old, non-smoker



Average annual premium increases have dropped since the ACA passed and became law



Source: Office of the Insurance Commissioner

2016 FPL Guidelines

- Currently, residents up to 400% FPL qualify for tax credits that reduce premium costs when coverage is purchased
- Currently, residents up to 250% FPL qualify for cost-sharing subsidies that reduce their out-of-pocket costs when seeking care


Persons in Household	2016 100% Federal Poverty Level Minimum to Qualify for <u>ACA Assistance</u>	138% FPL <u>Medicaid</u> Cap (in States that Expanded)	250% FPL <u>CSR Subsidies</u> Cap	400% FPL <u>Premium Tax Credit Cap</u>
1	\$11,880	\$16,394	\$29,700	\$47,520
2	\$16,020	\$22,108	\$40,050	\$64,080
3	\$20,160	\$27,821	\$50,400	\$80,640
4	\$24,300	\$33,534	\$60,750	\$97,200
5	\$28,440	\$39,247	\$71,100	\$113,760
6	\$32,580	\$44,960	\$81,450	\$130,320



Washington Healthplanfinder



<https://www.wahealthplanfinder.org/>

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