Washington Health Benefit Exchange

Health Care & Wellness Committee
January 11, 2017

Pam MacEwan, CEO
Open-Enrollment Update

- Qualified Health Plan (QHP) enrollment continues upward trend
  - 14% increase in plan selection over last year
  - Majority of individual market

- QHP Total: Over 200,000
  - Subsidized (62%); Non-subsidized (38%)

- New to Exchange: 56,000
  - 46% 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%

*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**

- With ACA (Actual)
- Without ACA (Projection)

Reduction of total uninsured population over the 2014-15 period: 57.0% or 528,000 people

Data sources:
a. 2013 estimates - American Community Survey
b. 2014-15 actual estimates - American Community Survey adjusted for Medicaid undercount
Significant Decreases In Uncompensated Care

**WA State (78 Facilities)**

Uncompensated Care

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<td>Charity Care Costs</td>
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<td>$438,120,641</td>
<td>$481,092,172</td>
<td>$322,695,274</td>
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<td>Bad Debt Expense</td>
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*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 (42,277). 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

- 95% of counties have 2+ insurers (map in appendix)

- Average Premium changes 2016 to 2017 in Exchange*
  - Lowest cost bronze plan: 4% ($12/month)
  - Lowest cost silver plan: 3% ($9/month)
  - Changes vary by county (map in appendix)
  - Advanced Premium Tax Subsidies available for those up to 400% FPL

- Average deductible changes 2016 to 2017 in the Exchange:
  - Bronze plans: 5% increase ($284)
  - Silver plans: 8% increase ($277)
    - Cost-Share Reductions (CSRs) available for those under 250% FPL

*Average premium change based on unsubsidized, 40-year-old, non-smoker
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

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
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<tbody>
<tr>
<td>KING</td>
<td>$100,714,647</td>
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<tr>
<td>PIERCE</td>
<td>$37,333,090</td>
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<td>SNOHOMISH</td>
<td>$35,428,740</td>
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<td>CLARK</td>
<td>$34,516,601</td>
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<td>SPOKANE</td>
<td>$21,698,734</td>
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<td>WHATCOM</td>
<td>$20,320,319</td>
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<td>KITSAP</td>
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<td>THURSTON</td>
<td>$11,359,648</td>
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<td>YAKIMA</td>
<td>$10,197,850</td>
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<td>SKAGIT</td>
<td>$9,780,938</td>
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<tr>
<td>TOTAL</td>
<td>$391,596,269</td>
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*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

WAHKAUKUM…………..$442
PACIFIC……………………$416
GRAY'S HARBOR……..$408
GARFIELD………..………$407
ASOTIN……………..…….$405
CLALLAM…..…………….$395
COWLITZ…………………$387
SKAMANIA………………$384
FERRY……………………..$374
KLICKITAT………………..$369

$300 or less (18 counties)
$300-$400 (16 counties)
$400+ (5 counties)

*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*
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
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)
Current Versus Proposed Biennial Budget (in thousands)

2015-17 Total Funding
$140.6 million

- Federal Grants, $29,523
- Federal Medicaid, $49,410
- Health Benefit Exchange Account (17T), $50,503
- General Fund-State, $11,126

Proposed 2017-19 Total Funding
$120.9 million

- Federal Grants, $29,523
- Federal Medicaid, $64,731
- Health Benefit Exchange Account (17T), $45,840
- General Fund-State, $10,368
- Carrier Assessment and Premium Tax

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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
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*. 
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)
Change in Lowest Cost Bronze QHP Premium from 2016-2017

Average monthly premium increase for lowest cost bronze is $12 (4%)
Change in Lowest Cost Silver QHP Premium from 2016-2017

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

- $1-15 decrease in premium (14 Counties)
- $1-30 increase in premium (16 Counties)
- $30-40 increase in premium (9 Counties)

Based on unsubsidized, 40-year-old, non-smoker
2016 FPL Guidelines

- Currently, residents up to 400% FPL qualify for tax credits that reduce premium costs when coverage is purchased.

- Residents up to 250% FPL qualify for cost-sharing subsidies that reduce their out-of-pocket costs when seeking care.

<table>
<thead>
<tr>
<th>Persons in Household</th>
<th>2016 100% Federal Poverty Level Minimum to Qualify for ACA Assistance</th>
<th>138% FPL Medicaid Cap (in States that Expanded)</th>
<th>250% FPL CSR Subsidies Cap</th>
<th>400% FPL Premium Tax Credit Cap</th>
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<tr>
<td>1</td>
<td>$11,880</td>
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Washington Healthplanfinder
https://www.wahealthplanfinder.org/

In person and over the phone assistance is available at no cost to you. Our team of brokers and navigators are here to help.

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Find a navigator

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