



Washington Health Benefit Exchange

State Legislative Update

All-Committee Group Meeting
March 6, 2019

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Session Status

- Eighth week of the legislative session
- Recent fiscal committee focus (fiscal cut-off was March 1)
 - ‘Null and Void’ or ‘Subject to Appropriation’
- All bills except those deemed Necessary to Implement the Budget (NTIB) must pass off the floor in their House of Origin by 5 p.m. on March 13th.
- Last week, Washington State Governor Jay Inslee announced his candidacy for President.



2019 Session Cutoff Calendar

January 14, 2019	First Day of Session
February 22, 2019	Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) in house of origin, except House fiscal committees and Senate Ways & Means and Transportation committees.
March 1, 2019	Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees in house of origin.
March 13, 2019	Last day to consider (pass) bills in house of origin (5 p.m.).
April 3, 2019	Last day to read in committee reports (pass bills out of committee and read them into the record on the floor) from opposite house, except House fiscal committees and Senate Ways & Means and Transportation committees.
April 9, 2019	Last day to read in opposite house committee reports (pass bills out of committee and read them into the record on the floor) from House fiscal committees and Senate Ways & Means and Transportation committees.
April 17, 2019*	Last day to consider (pass) opposite house bills (5 p.m.) (except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session).
April 28, 2019	Last day allowed for regular session under state constitution.
* After the 94th day, only initiatives, alternatives to initiatives, budgets and matters necessary to implement budgets, matters that affect state revenue, messages pertaining to amendments, differences between the houses, and matters incident to the interim and closing of the session may be considered.	



Active Market Stabilization Bills

Cascade Care Bill (Public Option)

- *Increasing the availability of quality, affordable health coverage in the individual market*
- HB 1523 (Cody); SB 5526 (Frockt); Gov.'s Request
- Bill overview:
 - Requires HBE to develop standardized health plans
 - Requires HCA to contract with health carriers to offer standardized qualified health plans
 - Requires HBE to develop a plan for premium subsidies for individuals purchasing coverage on the Exchange



Standard Plans – Consumer Impact

- Standardizing cost-sharing helps consumers by reducing deductibles, providing more transparent/predictable cost-sharing, and increasing access to pre-deductible services
- In current Exchange market – plans have similar premiums but significantly different deductibles—a \$20 difference in monthly premium can result in a \$6,500 rather than \$3,000 deductible
- Standard plans take the guesswork out of trying to compare cost-sharing across carriers – allowing consumers to focus on factors like premiums, networks and quality



Standard Plans – Exchange Readiness

- Exchange well positioned to implement standard plans – as 7 other state Exchanges have already done (California, Connecticut, District of Columbia, Massachusetts, New York, Oregon, Vermont).
- Exchange can implement for PY 2021 (earliest feasible start date)
 - Bill passes -- Spring 2019
 - Std plan filings for 2021 due to OIC – Spring 2020
- Implementation requires actuarial and plan benefit/design expertise



State-Procured Qualified Health Plan – Consumer Impact

- New Silver and Gold QHPs on the Exchange starting PY 2021
 - HCA must contract with all carriers who meet the minimum qualifications
- Provider reimbursement rates for procured QHPs tied to Medicare rates, which will drive down premiums for these new offerings
- Bill requires incorporation of recommendations of the Bree Collaborative and the Health Technology Assessment Program



Subsidy Implementation Plan – Consumer Impact

- Goal of the plan must be to enable participating individuals up to 500% to spend no more than 10 percent of income on premiums
- Plan must also include an assessment of providing cost-sharing reductions
- Plan submitted to legislature by Nov. 15, 2020



ACA Consumer Protections Bill

- Making state law consistent with selected federal consumer protections in the patient protection and affordable care act
- SB 5805 (Cleveland); HB 1870 (Davis)
- Bill overview:
 - Codifies various provisions included in the ACA into state law
 - *Essential Health Benefits*
 - *Guaranteed Issue and Eligibility*
 - *Prohibiting Unfair Rescissions*
 - *Cost Sharing*
 - *Lifetime Limits*
 - *Explanation of Coverage*
 - *Anti-discrimination language*



Single Bill for QHP Services Bill

- *Promoting consumer ease, administrative simplification, and cost efficiency by requiring a single bill for health services covered by a qualified health plan.*
- HB 1902 (Cody)
- Bill background:
 - Federal regulations are being promulgated that would require QHP customers to get two bills, one for the portion of their premium attributable to abortion services and another for the portion attributable to all other services.
- Bill Overview:
 - Maintains the current status quo by clarifying that carriers are required to bill and collect payment from consumers once for all premiums related to health coverage



Single Bill for QHP Services – Consumer Impact

The proposed bill mitigates the following potential harm:

- Increased administrative costs to insurance carriers that will increase premiums for consumers
- Consumer confusion over two separate bills and two separate payments
- An increased number of disproportionately vulnerable WA consumers to lose their health coverage due to nonpayment of the negligible amount
- Reduced access to health care services because of coverage losses or unaffordability
- Increased time, effort, and expense required for consumers to pay their health insurance premium each month



All Payer Claims Database (APCD) Bill

- *Making changes to support future operations of the state all payer claims database by transferring the responsibility to the health care authority, partnering with a lead organization with broad data experience, including with self-insured employers, and other changes to improve and ensure successful and sustainable database operations for access to and use of the data to improve health care, providing consumers useful and consistent quality and cost measures, and assess total cost of care in Washington state.*
- HB 1776 (Cody); SB 5741 (Keiser); Gov. Request
- Bill Overview
 - Transfers authority and oversight of APCD from OFM to HCA
 - Permits tribal agencies and the Health Benefit Exchange to access and use data from the APCD directly



Exchange Use of APCD

- The Exchange purchased licenses and began accessing the APCD in June 2018. The data has already been helpful in identifying market-wide trends in utilization and cost.
- Early analysis has included an examination of utilization rates and medical claim costs for Exchange enrollees. Similar to other markets, about 5% of Exchange enrollees account for 72% of total medical claim costs.
- The Exchange has also been involved in a multi-agency project with HCA and L&I to identify and compare provider reimbursement rates across various market segments.
- This bill ensures that the Exchange can continue accessing the APCD data, pursuant to a signed agreement with HCA and the lead organization, in the same manner as other government entities (agencies and tribes).



COFA Dental Bill

- **Concerning dental coverage for Pacific islanders residing in Washington.**
- HB 1776 (Cody); SB 5274 (Hasegawa)
- Bill Overview
 - Creates a dental care program for Washington residents who are citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau.
 - Requires HCA to pay the premium for purchasing a qualified dental plan and the total out-of-pocket costs for services rendered by in-network dental providers, for eligible COFA islanders.



Universal Health Care Bill

- *Providing a pathway to establish a universal health care system for the residents of Washington state.*
- HB1877 (Macri); SB5822 (Randall)
- Bill Overview
 - Directs the Health Care Authority (HCA) to convene a work group to study the establishment of a universal health care system in Washington, and for the workgroup to report its findings by November 15, 2020.



Surprise Billing Bill

- *Protecting consumers from charges for out-of-network health care services.*
- HB 1065 (Cody); SB 5031 (Rolfes); OIC Request
- Bill Overview
 - Prohibits balanced billing by out-of-network providers/facilities for certain services provided at an in-network setting



Did Not Meet Cut-Off

Individual Mandate Bill

- *Requiring maintenance of minimum essential health care coverage.*
- SB 5840 (Cleveland)
- Bill background
 - The 2017 Federal tax reform law zeroed out ACA's individual mandate penalty after 2018
 - Last year NJ and DC passed individual mandates based closely on the federal mandate.
 - VT passed a coverage requirement and is exploring enforcement options.
 - MA has had a mandate from its 2017 health reform
 - Several other states are considering mandates, including California



Individual Mandate Bill

Bill overview

- Requires Washington residents to maintain minimum essential health coverage. Enforced through a penalty, modeled on the Affordable Care Act's shared responsibility payment, administered by the Department of Revenue.
- Requires OIC to use data from numerous sources to generate a list of potentially uninsured individuals
- Requires HBE to facilitate outreach activities to potentially uninsured individuals; and process exemptions from the coverage requirement
- Exemptions and penalty amounts track to federal mandate



Individual Mandate – Customer Impact

- Reduced premiums – national studies estimate repealing the federal mandate penalty will increase individual market premiums by up to 10 percent
- Improves outreach – leverages data to identify potentially uninsured
- Generates revenue that can be used to support efforts to make coverage more affordable (all state mandates in effect today use the revenue for this purpose)

Additional Impact

- Reduces uncompensated care





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