Washington State Health Care Authority

Universal Health Care Commission meeting summary

February 2, 2024

Hybrid meeting held electronically (Zoom) and in-person at the Health Care Authority (HCA)
2–5 p.m.

Note: this meeting was recorded in its entirety. The recording and all materials provided to and considered by the Commission is available on the Universal Health Care Commission webpage.

Members present

Vicki Lowe, Chair
Bidisha Mandal
Charles Chima
Dave Iseminger
Jane Beyer
Megan Matthews
Mohamed Shidane

Members absent

Senator Ann Rivers
Senator Emily Randall
Estell Williams
Joan Altman
Representative Joe Schmick
Representative Marcus Riccelli
Nicole Gomez
Stella Vasquez

Call to order

Vicki Lowe, Commission Chair, called the meeting to order at 2:03 p.m.

Agenda items

Welcoming remarks

Chair Lowe began with a land acknowledgement and welcomed members to the sixteenth meeting.

Meeting summary review from the previous meeting

The Commission members voted by consensus to adopt the December 2023 meeting summary.

Public comment

Liz Murphy, WA Community Action Network, faces barriers to life-saving treatments due to their source of health care coverage. A single-payer health care system would reduce financial burdens and barriers to necessary care.

Cris Currie urged the Commission to refer to work by the Universal Health Care (UHC) Work Group to accelerate decision making and encouraged more discussion regarding direction, agenda-setting, and goal setting.

Lori referred to the UHC Work Group's recommendation to study Model A, urged the Commission to develop a timeline and benchmarks for their work, and to receive recordings of presentations in advance of meetings.

Adoption of 2024 workplan

The Commission will focus on developing recommendations to the Legislature on transitional solutions. Per the Commission's direction, FTAC will focus on universal health care design elements and will report findings to the Commission. **The Commission members present voted unanimously to adopt the 2024 workplan.**

FTAC updates: Guidance on Medicaid

Pam MacEwan, FTAC Liaison

FTAC surfaced pathways to include Medicaid in the universal system (FTAC's Memo begins at page 29 of today's meeting materials). FTAC's recommendations provide guidance to allow design work to advance, though Medicaid will need to be revisited over the course of the Commission's design work for the larger system.

First, FTAC recommends that the Commission consider pursuing Medicaid waivers and SPAs as needed to include Medicaid enrollees in Washington's universal health care system, details of which will need to be developed once benefits and services and other design elments are determined. Second, Medicaid payments are significantly lower than Medicare and commercial rates, though it is less clear whether increasing payments for certain practices will result in increased access for Medicaid patients. FTAC recommends that UHCC consider recommending a study to evaluate the impact of Medicaid rates on access to care for Washington Medicaid enrollees. Finally, administrative complexity has been cited by providers as a barrier to participating in Medicaid. FTAC recommends that in their transitional solutions work, the Commission consider paths to simplify administration for the Medicaid program which may help motivate provider participation in Medicaid.

State agency report outs

Commission members representing state agencies shared updates from the 2024 legislative session. Of note, actuarial work and economic modeling are underway on OIC's legislative Affordability Report (due Aug. 1), including a feasibility study on a global hospital budget model for at least one Washington county or area. Additionally, enrollment in qualified health plans (QHP) increased by 40 percent, including individuals whose Medicaid eligiblity was redetermined (post-public health emergency) and individuals newly eligible for QHPs through the state's 1332 waiver (QHP-eligible regardless of immigration status).

Presentation: Administrative simplification overview

David Cutler, Ph.D., Otto Eckstein Professor of Applied Economics, Dept. of Economics and Kennedy School of Gov't, Harvard University

Nikhil Sahni, Partner, McKinsey & Co., Fellow, Department of Economics, Harvard University

Dr. David Cutler and Nikhil Sahni shared findings from their 2021 study regarding what can be done now (and how) to make a material impact on administrative spending in health care within the context of the current US health care system. There is an estimated $950 billion (as of 2019) in annual administrative spending in the US health care system. However, reducing administrative spending will not be possible with any one solution or stakeholder alone. Research suggests that it will take sustained, continued effort by all health care stakeholders.

This analysis assumes that the US healthcare system will structurally stay as-is. Nearly two thirds of administrative spending is in private payers, hospitals, and physician groups. Levels of administrative spending varied by stakeholder. The study identified 30 actionable interventions that would result in $265 billion annual

savings which could be achievable in the next three years without affecting clinical/health outcomes or quality. Four keys to capturing this opportunity include making administrative simplification a strategic priority, committing to transformational change, engaging the broader partnership ecosystem, and allocating resources disproportionately. Reducing administrative spend is in part a matter of finding the right incentives for stakeholders, and in part demonstrating to stakeholders the gravity of the issue and actionable interventions.

There is no guarantee that cost savings will result in lower prices for consumers. This requires a policy lens, e.g., regulatory intervention. For a unified health care system, standardization and optimization is needed across all stakeholders and payer groups including self-insured employers, Medicaid and Medicare.

Presentation: Administrative simplification in Washington Medicaid

Christopher Chen, MD, Assoc. Medical Director, Health Care Authority (HCA)

HCA expanded the scope for the definition of administrative burden to include individuals the agency serves, e.g., individuals applying for assistance programs. Administrative burden is harmful to providers and patients and its reduction can be viewed as a tool to prevent structural racism and systemic inequities.

Several initiatives in this vein are underway at HCA, e.g., consideration of interventions like a centralized clearinghouse to reduce barriers to payment for smaller providers and increase representation in the Medicaid provider workforce. HCA is also leading the development of the Washington State Action Plan for Removing Barriers to Health and Human Services whose goal it is to develop a 20-minute application for clients to enroll in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), childcare, and Medicaid benefits. HCA also participates in the Multi-payer Primary Care Collaborative in the development of a new primary care model for the state. This model will align standards, provide practice supports, and offer payment models that balance provider flexibility with accountability which will reduce administrative burden for payers and providers and allow clinicians to focus on whole-person care for patients. The Commission can call out and lift these important kinds of initiatives in their annual report to the Legislature.

Direction for FTAC

Liz Arjun, Principal, Health Management Associates

FTAC assessed pathways to include Medicare, Medicaid, and self-insured employers in Washington's universal health care system (though further analysis is needed once benefits and services are determined). Covered benefits vary across coverage sources and work is underway to develop a tool to compare benefits. The Commission discussed some of the priorities for and approaches to benefit design, e.g., design an aspirational benefits package to address population health and then determine the cost, versus beginning with cost (which may change the outcome of the benefits package). What the state can afford may be a moving target. Having the average provider reimbursement rate across payers may help identify inefficiencies. The Commission pondered a two-tiered approach to coverage and benefits similar to other countries, e.g., offering a minimum essential benefits package without cost barriers. Plans offering additional benefits could be offered through the private market, introducing some cost-sharing, but which could perpetuate health inequities and disparities. The Universal Health Care Work Group (predecessor to the Commission) conducted modeling that may be helpful to estimate costs to the state to use Medicaid or other benefits packages as a benchmark.

Adjournment

Meeting adjourned at 5:04 p.m.

Next meeting

April 17, 2024

Meeting to be held on Zoom and in-person at HCA
2–5 p.m.