

# Universal Health Care Commission's Finance Technical Advisory Committee (FTAC) meeting summary

**July 11, 2024**

Virtual meeting held electronically (Zoom)  
2-4:30 p.m.

**Note:** this meeting was video recorded in its entirety. The recording and all materials provided to and considered by the committee is available on the [FTAC webpage](#).

## Members present

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Christine Eibner  
David DiGiuseppe  
Eddy Rauser  
Pam MacEwan  
Robert Murray  
Roger Gantz

## Members absent

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Esther Lucero  
Ian Doyle  
Kai Yeung

## Call to order

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David DiGiuseppe, FTAC member, called the meeting to order at 2:02 p.m.

## Agenda items

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### Welcoming remarks

Beginning with a land acknowledgement, David DiGiuseppe welcomed members of FTAC to the tenth meeting and provided an overview of the agenda.

### Meeting summary review from the previous meeting

The members present **voted by consensus to adopt the May 2024 meeting summary.**

## Public comment

Aaron Katz, a retired faculty member from the University of Washington School of Public Health, encouraged FTAC to focus system cost containment considerations on prices, and not on using point-of-service cost sharing as a vehicle to reduce unnecessary utilization. He cited research that suggests cost sharing reduces access to beneficial services at least as often as it impedes the use of wasteful services, particularly for people with lower incomes.

Kathryn Lewandowsky, Vice Chair of Whole Washington, noted that many people across Washington, particularly in rural communities, face dire situations related to their health care. Cost-sharing, such as copays, discourages people from seeking care they need, and can lead to more expensive emergency care later.

## Commission updates & goals for today

*Liz Arjun, Health Management Associates (HMA)*

Liz Arjun provided an update on the workplan, noting that the focus for 2024 is on determining the costs of the unified health care system based on decisions about what benefits and services are covered, cost containment, and provider reimbursement. Also under consideration are administrative simplification and maximizing coverage in existing programs. In addition, FTAC and the Universal Health Care Commission have considered and analyzed the Washington Health Trust proposal and sent a report to the Legislature in early July.

The Commission has directed FTAC to provide guidance on developing an actuarial analysis to estimate: 1) the costs of a range of covered benefits and services; and 2) the costs of varying levels of cost sharing, including eliminating or minimizing enrollees' out-of-pocket costs.

## Presentation: Considerations for Consumer Cost Sharing in a System of Universal Health Coverage

*Anya Rader Wallack and Hannah Turner, HMA*

Both presenters have experience trying to create universal health care coverage systems at the state level, notably in Vermont and Rhode Island. The presenters discussed the different types and impact of cost sharing, cost sharing models in other countries with universal coverage, and cost-sharing examples from systems in place in Washington State.

Different types of cost sharing include deductibles, coinsurance payments, and copays. Utilization management tools, such as referrals and prior authorization, may also impact cost. They noted that cost sharing, even in amounts that could be considered very modest, is associated with reduced use of care, regardless of a person's income.

In many other countries, even those with universal coverage, some form of cost-sharing is in place. There is variation in the percentage of the cost borne by the patient. The presenters noted advantages to cost sharing, including that patients having "skin in the game" can lead to better decisions about utilization (i.e., reduction in unnecessary care). As noted during public comment, disadvantages include creating barriers to care, especially for people with lower incomes, as well as patients' deferring care until they need a higher level of more expensive care.

Detailed examples of cost sharing in other countries included Germany, Canada, and France. Anya Rader Wallack discussed her experience trying to create a system of universal coverage in Vermont. She described drawbacks of various options: "Medicare for all" involved cost sharing that was too high, while matching Vermont's coverage for teachers and other public employees would have resulted in taxes that were too high. Other options did not result in equitable coverage across the entire population, and available revenue sources (premiums and taxes) did not keep pace with cost growth. Ultimately, Vermont did not implement a universal health care coverage system.

Hannah Turner shared examples of cost sharing in systems currently in place in Washington, including Medicare, Apple Health (Medicaid), Cascade Care, and public employee benefits.

## Discussion

Panelists and FTAC members had a robust discussion about costs borne by covered individuals in terms of both cost sharing and premiums. Two key points made were that: 1) the lack of cost transparency throughout the US health care system makes it difficult for patients to understand how much cost sharing they will bear; and 2) premium subsidies may assist an individual with obtaining coverage (e.g., limiting premiums to a percentage of income), yet the individual may face point-of-service cost sharing that they cannot afford.

FTAC members then discussed how to structure a request of Milliman for actuarial modeling to generate the cost estimate request by the Universal Health Care Commission. FTAC members described two components of the actuarial analysis: 1) total cost of services covered; and 2) value of cost sharing to be borne by the covered individual. FTAC members discussed options for both of these components and sequencing of these in the Milliman analysis.

Members noted a consideration of potential cost sharing models in a universal system was not an attempt to affect utilization, but rather an effort to uncover ways to distribute costs in a fair and equitable way. Milliman staff were present and indicated that additional assumptions required for the analysis could be provided later.

FTAC members voted to explore engaging Milliman to perform the following analyses:

- **Step 1:** Estimate and compare the annualized total cost of care for three different benefit packages if provided to the entire population that would be covered by a uniform financing system: (1) Cascade Care Silver benefit coverage plus adult dental; (2) PEBB/SEBB benefit coverage plus adult dental and (3) Apple Health Medicaid managed care benefit design plus adult dental (i.e., excluding LTSS and other non-dental Medicaid FFS benefits). FTAC members will work with Milliman to provide further guidance about which PEBB/SEBB plan to model, as well as which benefits to include and exclude from Apple Health plans.
- **Step 2:** Model different cost sharing options, ranging from \$0 to higher levels, possibly on a sliding scale based on a person's income. The details of this step will be further refined as the work progresses.

## Adjournment

Meeting adjourned at 4:31 p.m.

## Next meeting

### Sept. 10, 2024

Meeting to be held on Zoom  
2–4:30 p.m.