Washington State Health Care Authority

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

September 10, 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 are available on the **FTAC webpage**.

Members present

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

Members absent

Ian Doyle
Esther Lucero

Call to order

Pam MacEwan, FTAC Liaison, called the meeting to order at 2:01 p.m.

Agenda items

Welcoming remarks

Beginning with a land acknowledgement, Pam MacEwan welcomed members of FTAC to the eleventh meeting and provided an overview of the agenda.

Meeting summary review from the previous meeting

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

Public comment

Andre Stackhouse, Whole Washington, thanked members for the **analysis report on SB 5335**. Stackhouse referred to Whole Washington's draft response and requested the analysis report be included in the appendix of the Commission's 2024 Legislative Report.

Katherine Lewandowsky, Whole Washington, encouraged the committee not to recommend any additional cost sharing at point of care.

Marcia Stedman, Health Care for All – Washington, referred to the actuarial work done for the Universal Health Care Work Group and noted the need for updated data. Stedman recommended that future analyses should model the impact of the presence and absence of cost sharing in each plan.

John Godfrey, Washington Community Action Network (Washington CAN) and Health Care is a Human Right, echoed the concerns of previous public comments regarding cost sharing. Godfrey commented that the benefits of cost sharing are canceled out by the barriers they present and discussed the need for cost-sharing transparency.

Ronnie Shure, Health Care for All – Washington, encouraged the committee to clarify actions that occur during meetings. Shure urged the Committee to adopt policy that clarify these actions.

Update about FTAC procedures

Pam MacEwan, FTAC Liaison

Pam MacEwan reminded members of the established agreed-upon consensus process, in which all votes require a formal motion and second by FTAC members, followed by a voice vote. Results are then recorded in the meeting summary. In response to previous questions about the process, the following future refinements were shared: Whenever possible, items that may need a decision from FTAC members will be noted on the agenda; Motions, votes, and results will also be more clearly called out in meeting summaries.

Committee member Roger Gantz encouraged the committee to identify decision points in forthcoming agendas so that stakeholders can weigh in on specific items and decisions before the committee or the Commission. MacEwan concurred and pointed to the public comment received today as testimony for this. It was determined that more of an effort will be made to point out the intention and goals of meetings moving forward.

2024 workplan review

Liz Arjun, Health Management Associates (HMA)

Liz Arjun updated the committee on the 2024 work plan and the decisions that have been made related to Phase 1: Eligibility. These decisions included:

- The universal health care system with a uniform financing system should be designed to include those enrolled in Medicaid, individual market plans, small group market plans, fully insured large group plans (including Public Employees Benefits Board and State Employee Benefits Board, or PEBB/SEBB), and the uninsured.
- The Commission will explore the possibility that self-insured employers could offer their employees the option to enroll in the system.
- The Commission will explore the possibility that self-insured employers would be required to offer coverage equivalent to what the system provides or pay a tax to help fund the system.
- The Commission will consider options to achieve coverage parity for Medicare enrollees.

Arjun reviewed the different steps the committee has taken to develop a cost estimate, including selecting benefit packages to model and beginning to consider various assumptions for cost-sharing, provider reimbursement, and cost containment.

Committee member Roger Gantz commented that he would like the Commission to be able to see the implications of the different variables and assumptions on a per member per month (PMPM) basis. He noted that benefit packages could be distorted due to reference pricing. He further commented that excluding features that may distort the model could simplify financing decisions.

Discussion: Analysis of cost and cost sharing for selected population

Mary Franzen, Health Care Authority (HCA)

Mary Franzen briefly reviewed the proposed steps of the Milliman analyses, which were determined by committee members during the July 11 FTAC meeting. She then presented the three scenarios for cost sharing that will be modeled with varying benefits by Medicaid eligibility status (without a sliding-scale cost share structure):

Scenario Title	Non-Medicaid Enrollees	Medicaid Eligibility Status
1. Medicaid	Medicaid cost sharing	Medicaid cost sharing
2. PEBB/SEBB	PEBB/SEBB cost sharing	Medicaid cost sharing
3. Cascade Care Silver	Cascade Care Silver cost sharing	Medicaid cost sharing

There was robust discussion on the proposed analyses. Committee member Roger Gantz expressed concern about the scenarios, commenting that using the existing cost-sharing structures will not provide an accurate actuarial value of each of the service packages. Peter Hallam, Associate Actuary at Milliman, responded that both the allowed costs (total costs for services) and the cost sharing reduced cost (payer-paid amount for services) will be provided, which should remove the direct impact of cost sharing from the results. He noted, however, that there will still be impacts associated with different cost-sharing scenarios, even across the same population.

Committee member Christine Eibner noted that small group and fully insured markets were not included in the list of non-Medicaid enrollees. Hallam responded that this was an example list, that they should be included, and that the list is non-ERISA (Employee Retirement Income Security Act of 1974), essentially.

Committee member Kai Yeung commented that it would be helpful to know the incremental changes to cost sharing for different populations. Following this, committee member David DiGiuseppe requested that the analysis include, at first, the total cost of care for each scenario for the entire population with no cost sharing before splitting the analyses into columns one and two to isolate the difference from total cost of care before overlaying cost sharing. Hallam commented that there will be different utilization patterns across the three scenarios due to user response to cost sharing. He also indicated that historical reimbursement rates will be blended, and that no assumptions about how the shifting of payment neutrality would be skewed across providers will be included in the model.

Committee member Roger Gantz asked how prior authorization will be handled in the model. Hallam responded that two medical management scenarios will be reported (i.e., assuming preferred provider organization-like medical management and fee-for-service-like limited management), which will include prior authorization considerations. Committee member David DiGiuseppe asked how excluding program and medical administrative costs from the model will impact the absolute dollar impact, which he noted the Commission will

likely want to know. Hallam responded that there are many unknowns, including any reasonable estimate of administrative costs. Hallam noted these are limitations to the model.

Finally, committee members interested in being FTAC liaisons to support Milliman's analysis were encouraged to express interest by emailing **HCAUniversalFTAC@hca.wa.gov**. Hallam indicated the time commitment would be about 1 hour per week for meetings, as well as additional time for research and preparation of those meetings.

Discussion: Principles of cost sharing

Liz Arjun, Health Management Associates (HMA)

Liz Arjun reminded the committee that the Commission requested FTAC develop cost-sharing principles. Arjun opened up the discussion by sharing a list of questions for members to consider as they work to establish principles for cost sharing. Arjun then shared cost-sharing examples in Oregon, Vermont, Washington Health Trust, and current Washington packages (i.e., PEBB/SEBB, Cascade Care, Medicaid).

Committee members began their discussion with statements about cost sharing to frame the guiding principles that will be shared with the Commission. Many committee members shared results of past research, including examples that indicate cost sharing can affect utilization, hospitalization rates, and health outcomes. Members recognized that the body of literature has produced conflicting results and noted that having health insurance can have benefits beyond physical health, such as increased financial security.

Following this discussion, it was determined that project staff would draft and circulate a "Principles for cost sharing" document for committee members to review and provide feedback before bringing to the Commission.

Future topics: cost containment, provider reimbursement, reference pricing

Liz Arjun, Health Management Associates (HMA)

Liz Arjun briefly discussed topics for the next meeting of FTAC including provider reimbursement and cost containment principles. She noted that the goal would be to share these additional principles with the Commission ahead of the findings from the cost and cost-sharing analyses.

Adjournment

Meeting adjourned at 4:27 p.m.

Next meeting

Thursday, November 14, 2024
Meeting to be held on Zoom
2–4:30 p.m.