

HCA Overview

House Health Care & Wellness

Sue Birch, HCA Director

January 14, 2025

Washington State
Health Care Authority

Agenda

- ▶ Agency overview
- ▶ Employee & Retiree Benefits (PEBB & SEBB)
- ▶ Apple Health
- ▶ Behavioral Health Delivery
- ▶ Boards and Commissions

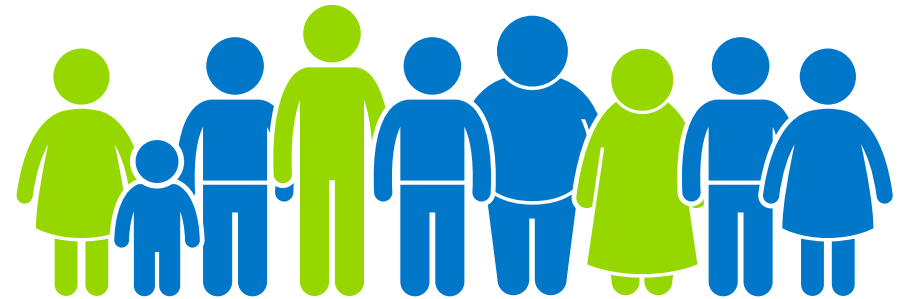
Agency overview

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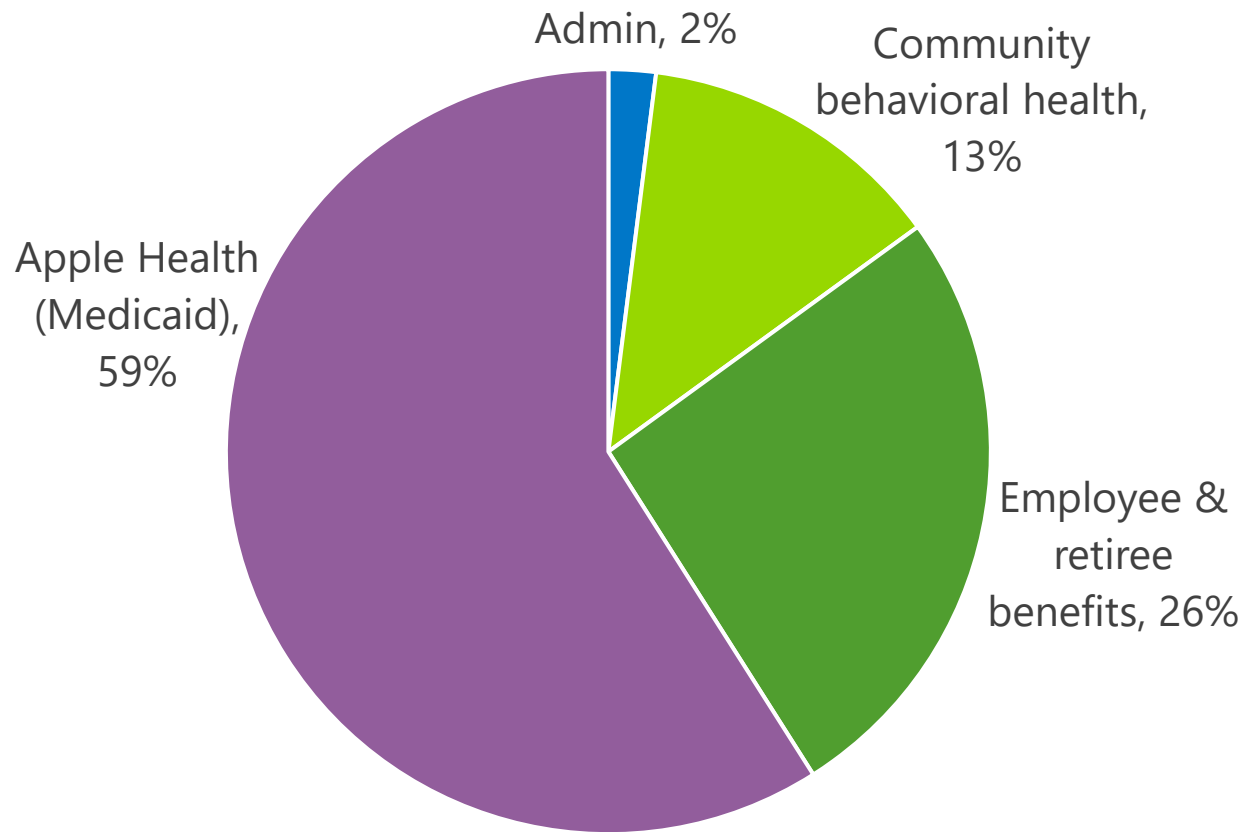
- ▶ Single state Medicaid agency
 - ▶ Medicaid Director oversees Medicaid programs across agencies
 - ▶ Administer Apple Health fee-for-service (FFS) program
 - ▶ Contract for and administer Apple Health Managed Care
- ▶ Designated Single State Authority for behavioral health
- ▶ Program administrator for employee and retiree benefits
 - ▶ Public Employees Benefits Board (PEBB) Program
 - ▶ School Employees Benefits Board (SEBB) Program

The state's largest health care purchaser

- ▶ We purchase health care for nearly 3 million Washington residents through:
 - ▶ Apple Health (Medicaid)
 - ▶ The Public Employees Benefits Board (PEBB) Program
 - ▶ The School Employees Benefits Board (SEBB) Program



Agency budget (2023–25 biennium)



Administration	\$0.9 billion	2%
Community behavioral health	\$5.5 billion	13%
Employee & retiree benefits	\$11.0 billion	26%
Medicaid	\$25.5 billion	59%
Total budget*	\$42.9 billion	100%

Total employees (full-time equivalents): 1,762

Sources: Agency Financial Reporting System (AFRS) Allotments

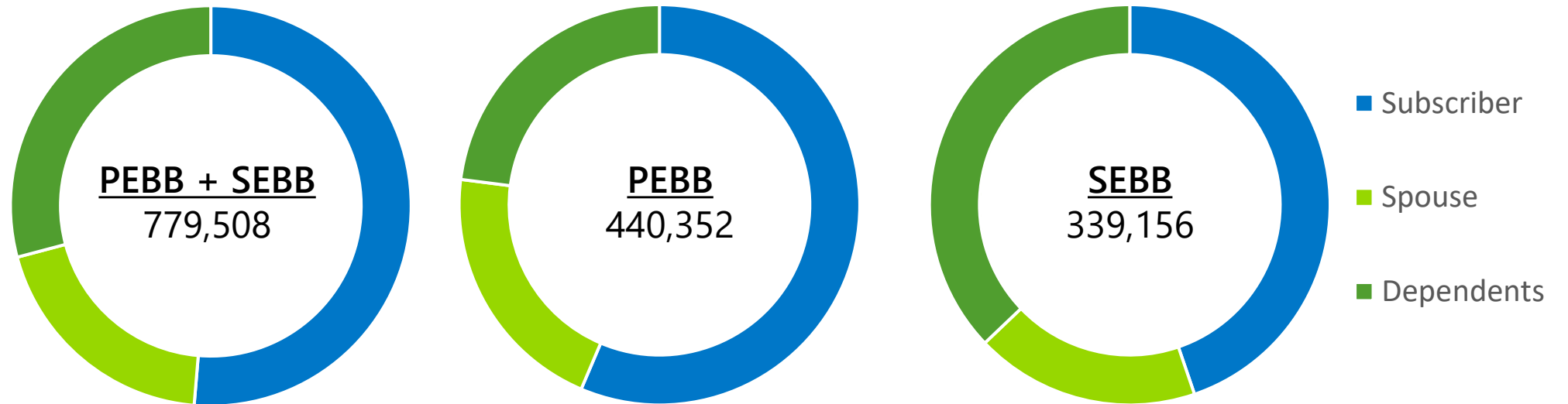
* Based on 2023–25 Biennial budget ESSB 5950

* Excludes Health Benefit Exchange \$0.3 billion budget

Public & School Employee Benefits

- ▶ PEBB covers public employees, dependents and retirees
 - ▶ State agencies, higher education, elected officials, public & school retirees
 - ▶ Counties, municipalities, political subdivisions, tribal government, and other organizations can voluntarily participate
- ▶ SEBB covers school district, ESD, and charter school employees and dependents
 - ▶ SEBB created during 2017 Session; Benefits began January 2020
- ▶ Provides comprehensive medical, dental, and vision coverage
- ▶ Self-funded plan options (Uniform Medical Plan)
- ▶ Fully insured plan options (Kaiser Permanente & Premera)

PEBB & SEBB covered lives (Dec. 2024)



90,562 are employees who have waived medical (or their dependents) and are enrolled only in dental and/or vision coverage

PEBB & SEBB Program Benefits

- ▶ Major medical coverage* (including prescriptions)
- ▶ Dental coverage*
- ▶ Vision coverage*
- ▶ Additional benefits:
 - ▶ SmartHealth (wellness): WebMD
 - ▶ Life and AD&D insurance (employer paid* and employee paid): MetLife
 - ▶ Long-term disability insurance (employer paid* and employee paid): The Standard
 - ▶ Medical flexible spending arrangement (FSA), limited purpose FSA, Dependent Care Assistance Program (DCAP): Navia Benefits Solution
 - ▶ Voluntary Employees' Benefit Association Medical Expense Plan (VEBA MEP – PEBB Program only): Gallagher VEBA

* Per collective bargaining agreements, a significant portion of the premium for medical, and all of the premium for dental, basic life and AD&D, and basic LTD insurance, are paid by the state and SEBB organizations

Shared expertise and efficiency

Washington is one of a handful of states that have combined purchasing and expertise across markets (commercial and Medicaid).

- ▶ Shared purchasing strategies:
 - ▶ Paying for value and outcomes.
 - ▶ Driving cost controls.
 - ▶ Utilizing data-informed approach.
 - ▶ Enhancing customer experience.
 - ▶ Focused on social determinants of health.

Apple Health

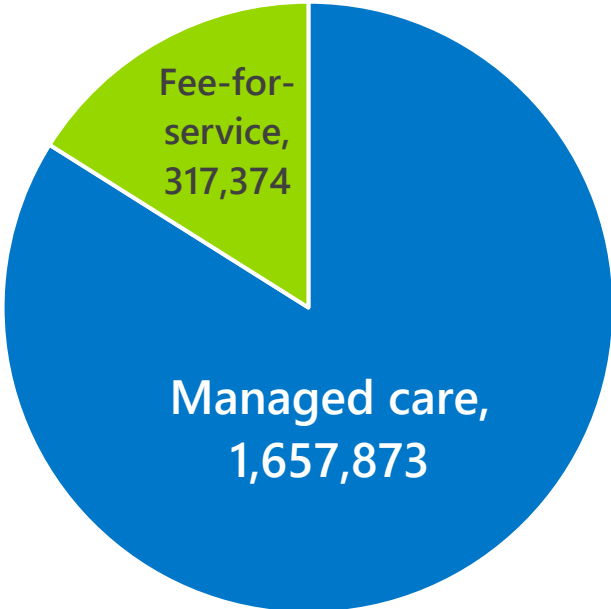
Apple Health (Medicaid)

- ▶ Apple Health is the umbrella term/brand name used to refer to federally funded Medicaid and state-funded medical, dental, and vision care programs available to low-income Washingtonians.
- ▶ Classic coverage for individuals over 65 or who are aged, blind, or disabled
 - ▶ Managed by DSHS
 - ▶ Enrollment through WA Connections
- ▶ Modified Adjusted Gross Income (MAGI) for adults, parents, children, and pregnant individuals
 - ▶ Managed by HCA
 - ▶ Enrollment through Washington Healthplanfinder

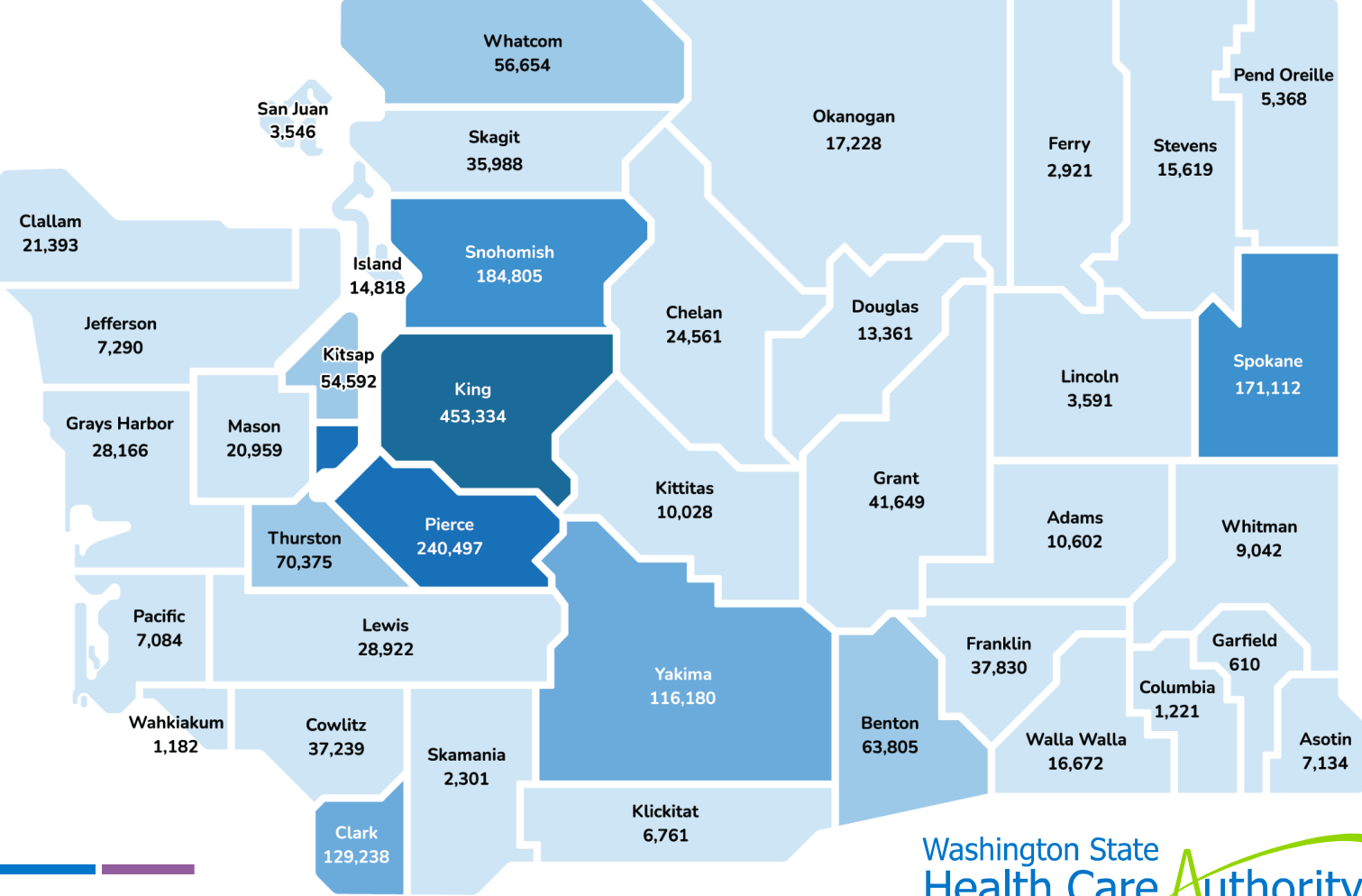
Apple Health (Medicaid), cont'd

- ▶ Most AH clients are enrolled in Managed Care
 - ▶ Five MCOs: CHPW, CC, Molina, United, Wellpoint
- ▶ Certain populations, including tribal clients, are enrolled in Fee-For-Service. Tribal clients have the option to enroll into Managed Care.
- ▶ Pays for major medical coverage with no enrollee cost-sharing
- ▶ Eligibility varies by program and is determined using household income, age, residency and citizenship status
- ▶ AH is funded through a mix of state and federal funds.

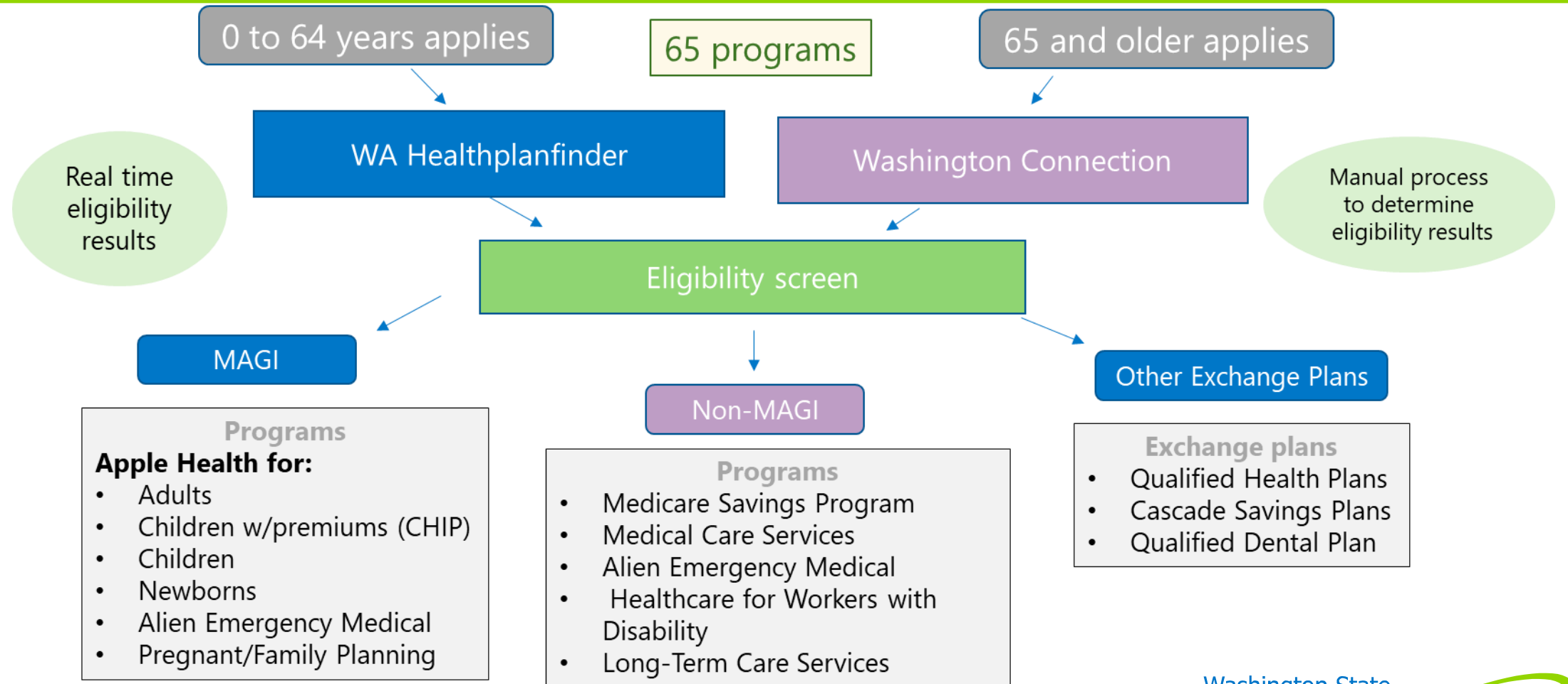
Current Apple Health enrollment (Nov. 2024)



Fee-for-service (FFS) primarily American Indian/Alaska Native and dually eligible Medicare and Medicaid population (with behavioral health offered under managed care)



Eligibility process



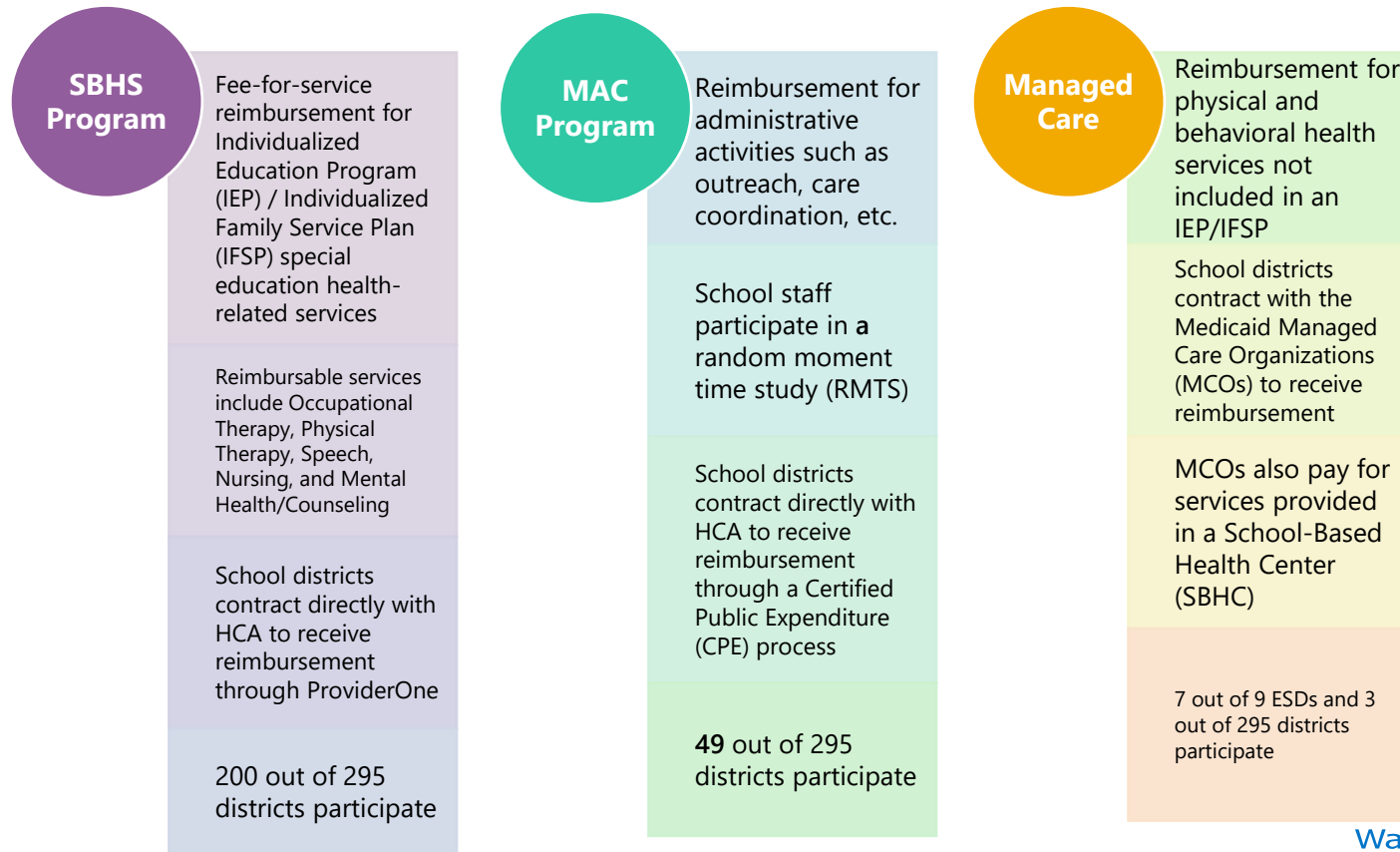
Medicaid benefits and services

Apple Health offers complete physical and behavioral health coverage for eligible individuals, including:

Appointments with a doctor or health care professional for necessary care	Medical care in an emergency	Maternity and newborn care	Mental health services
Treatment for chemical or alcohol dependence	Pediatric services, including dental and vision care	For adults, dental services and limited vision care	Prescription medications
Laboratory Services	Hospitalization	Non-Emergency Medical Transportation (NEMT)	Interpreter Services

Medicaid in Schools

Apple Health (Medicaid) pays for Medicaid-covered services provided in the school setting via multiple avenues:



Network adequacy is critical for access to care

- ▶ HCA oversees MCO networks to ensure they are meeting timely access and distance standards for enrollees for all medically necessary services.
- ▶ Managed care contracts now define mental health and substance use providers, and youth and adult behavioral health agency providers, as critical provider types.
- ▶ HCA continues to focus on improvements to behavioral health network standards through a major taskforce effort (HB 1515 Behavioral health network).
- ▶ Preparing for other major CMS rule changes to attempt to enhance network and access to care (e.g., secret shoppers and metrics)

Who pays for Apple Health services?

▶ **Medicaid and the Children's Health Insurance Program (CHIP)**

- ▶ Federal/state partnership.
- ▶ Overarching rules set by CMS. States have discretion within those parameters on what populations to cover and what services to offer.
- ▶ Federal Medical Assistance Percentage (FMAP): the share of costs that the federal government pays. Varies by client and services type.

▶ **State-only programs**

- ▶ The state pays all the costs associated with these clients.
- ▶ Programs include Children's Health Program, non-citizen pregnant people in their post partum period, Medical Care Services program, and Apple Health Expansion.

Managed care and fee-for-service

▶ Managed care

- ▶ Delivery system organized to manage cost, utilization, and quality.
- ▶ Contracted arrangements between HCA and managed care organizations (MCOs) that accept a set per member, per month (capitation) payment
- ▶ Facilitate access to care

▶ Coverage without a managed care plan (fee-for-service)

- ▶ HCA pays providers directly for each service they provide
- ▶ Does not lend itself to care coordination and disease management

How does Washington estimate the cost of Apple Health services?

- ▶ HCA's services costs depend on:
 - ▶ The cost per person.
 - ▶ The number of people that receive services.
- ▶ These two elements form the basis for HCA's maintenance level budget.

Cost per person

- HCA works with OFM and legislative fiscal staff to produce a per capita forecast that estimates the cost per person for physical health services.
- A similar process estimates costs for behavioral health services.

Number of people

- The Caseload Forecast Council forecasts the number of people by broad eligibility group.

How does Washington pay for Apple Health services?

HCA purchases and delivers health care services on either a fee-for-services (FFS) basis or through contracts with managed care plans.

Fee-for-service

- ▶ HCA pays health care providers directly for each service delivered to a client.
 - ▶ 15 percent of clients enrolled in fee-for-service.

Managed care

- ▶ HCA pays managed care organizations a predetermined monthly payment to provide a specific set of services to enrolled clients.
 - ▶ 85 percent of clients are enrolled in managed care.
 - ▶ 73 percent of expenditures are paid through managed care.

Clinical policies in Medicaid

- ▶ Federal Medicaid dollars can only be used to pay for care deemed **medically necessary** through utilization review programs, including prior authorization and program integrity functions

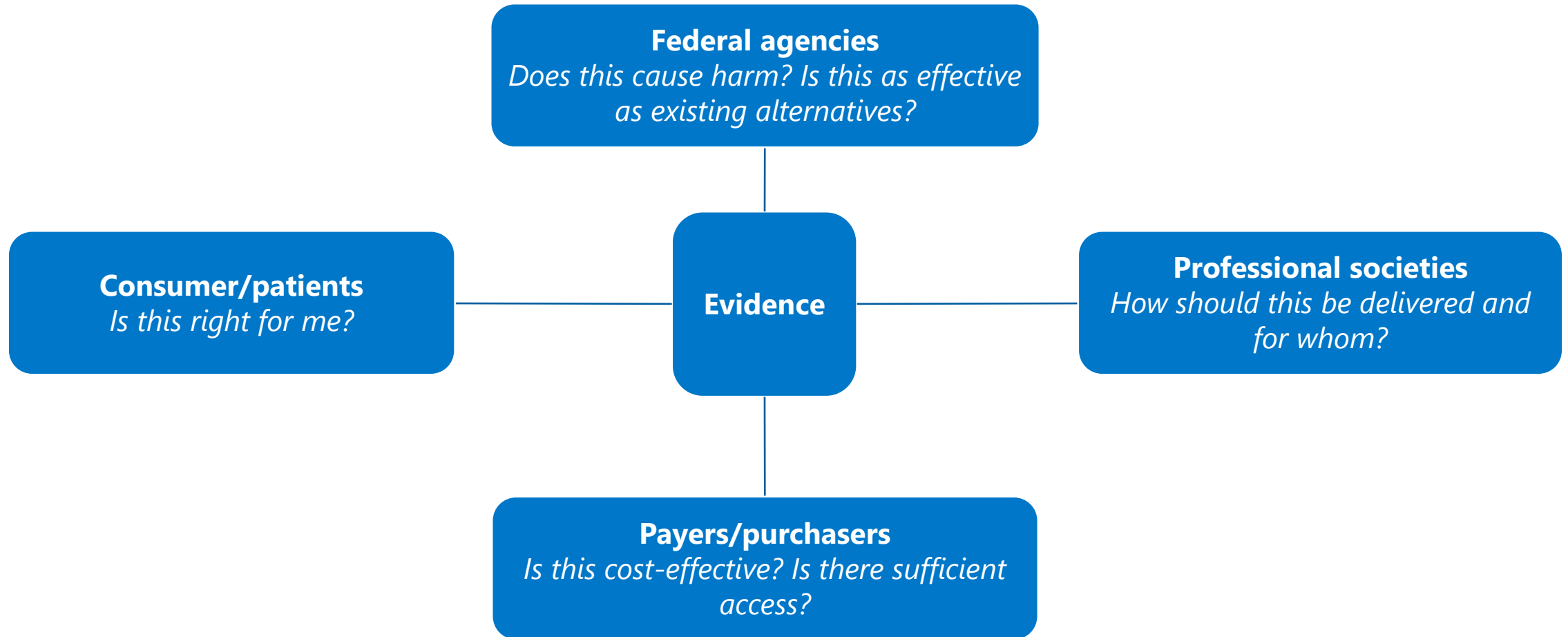
Medically necessary

"Medically necessary" is a term for describing requested service which is **reasonably calculated to prevent, diagnose, correct, cure, alleviate or prevent worsening of conditions** in the client that endanger life, or cause suffering or pain, or result in an illness or infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction. There is **no other equally effective, more conservative or substantially less costly course of treatment available or suitable** for the client requesting the service. – WAC 182-500-0070

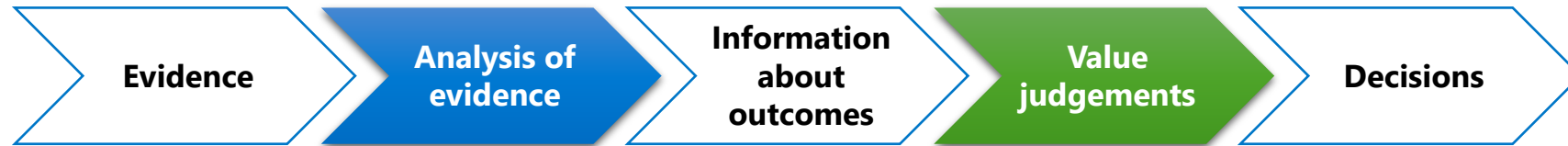
Paying for value

- ▶ Fee-for-service and managed care arrangements are ways in which providers are paid
- ▶ Managed care allows the flexibility to support care delivery in a way fee for service can't
- ▶ Just because a test or treatment can be provided to a person, doesn't mean it should
- ▶ Judicious stewardship of tax-payer dollars requires paying for the right intervention at the right time for the right person
- ▶ HCA's clinical staff evaluate the 'evidence' and put into place clinical policies that assure quality and outcomes

How does evidence inform care delivery?



Evidence-informed policy making



Modified from a graphic published in D.M. Eddy, (1990). "Clinical Decision Making: From Theory to Practice—Anatomy of a Decision." Journal of American Medical Association, 263(3): 441-3.

- ▶ Review and determine strength of highest quality evidence available
- ▶ Factor in other considerations
 - ▶ State/federal requirements
 - ▶ HCA/state purchasing experience (data)
 - ▶ Patient preferences
 - ▶ Equity and access
 - ▶ Budget and cost

Examples of evidence-informed policy making

▶ HCA's Health Technology Assessment (HTA) Program

- ▶ HTA Program created in 2006 (HB 2575) to use an evidence report and a clinician panel to make coverage decisions based on:
 - ▶ Safety
 - ▶ Efficacy/effectiveness
 - ▶ Cost-effectiveness

▶ Robert Bree Collaborative (2011 ESHB 1311)

- ▶ Process for public and private health care purchasers, health plans, providers, hospitals, and quality improvement organizations to improve health care quality and outcomes

MCO VBP Quality Measure 3-year trends

6 of 9 VBP quality measures showing significant statewide improvement

Measure	Trend	Statewide Trend Detail
Antidepressant Medication Management (AMM), Effective Acute Phase		Statistically significant statewide improvement for three years
Antidepressant Medication Management (AMM), Continuation Phase		Statistically significant statewide improvement for three years
Asthma Medication Ratio (AMR), Total		Statistically significant statewide improvement for two prior years, declined current year
Child and Adolescent Well-Care Visits (WCV), 3-11 Years		Statistically significant statewide improvement for three years
Prenatal and Postpartum Care (PPC), Timeliness of Prenatal Care		No statistically significant change (increase or decrease) statewide
Prenatal and Postpartum Care (PPC), Postpartum Care		No statistically significant change (increase or decrease) statewide
Breast Cancer Screening (BCS-E), Total		Statistically significant statewide improvement for two years
Follow-up Care for Children Prescribed ADHD Medication (ADD), Initiation		No statistically significant change (increase or decrease) statewide
Substance Use Disorder Treatment Rate (SUD), 12-64 Years		Statistically significant statewide improvement for one year

Continued focus on quality as the agency prepares to implement new CMS rules.

Monitoring Performance

- ▶ Handle audits, investigations, and clinical review
- ▶ Oversee managed care plans
 - ▶ Review MCO program integrity activities
 - ▶ Enforce federal program integrity requirements
 - ▶ Enforce contractual requirements
- ▶ Manage provider application and enrollment process for Medicaid
- ▶ Includes oversight of Medicaid programs and payments across multiple agencies

Medicaid program integrity

An integrated system of activities to ensure compliance with federal, state, and agency rules, regulations, and policies.

Encourages compliance where providers and managed care entities can self-disclose improper payments.

Holds managed care entities accountable to prevent improper billing and payments.

Recognizes areas of vulnerabilities that adversely affect Apple Health programs.

Ensures providers and clients meet program participation requirements.

Ensures Apple Health is the payor of last resort, except for an eligible client covered under Indian Health Service (IHS).

Investigates evidence of potential fraud, waste, or abuse.

Conducts activities to detect and prevent fraud, waste, and abuse, and identify any associated improper payments.

Quality oversight is key for managed care

- ▶ Plan report cards and star ratings using HEDIS and CAHPS

VBP metrics – 2 percent withhold

- ▶ TEAMonitoring is our key program to ensure contract compliance, accountability and corrective action

2024 Washington Apple Health Plan Report Card



This report card shows how Washington Apple Health plans compare to each other in key performance areas. You can use this report card to help guide your selection of a plan that works best for you.

Performance areas	Coordinated Care	Community Health Plan of Washington	Molina Healthcare of Washington	UnitedHealthcare	Wellpoint (previously Amerigroup)	KEY: Performance compared to all Apple Health plans	
Getting care	★☆☆	★★★	★★★	★★★	★☆☆	Above average: ★★★	
Keeping kids healthy	★★★	★★★	★★★	★☆☆	★☆☆	Average: ★★☆☆	
Keeping women and mothers healthy	★★★	★★★	★★★★	★☆☆	★☆☆	Below average: ★☆☆	
Preventing and managing illness	★☆☆	★☆☆	★★★	★★★	★★★★	<i>These ratings were based on information collected from health plans and surveys of health plan members in 2023. (some of the data used in the Getting Care category is from 2022).</i>	
Ensuring appropriate care	★★★★	★★★	★★★	★☆☆	★☆☆	<i>The information was reviewed for accuracy by independent auditors.</i>	
Satisfaction of care provided	★★★	★★★	★★★	★★★	★★★★	<i>Health plan performance scores were not adjusted for differences in their member populations or service regions.</i>	
Satisfaction with plan	★★★	★★★	★★★	★★★	★★★★		

Performance area definitions

Getting care

- Members have access to a doctor
- Members report they get the care they need, when they need it

Keeping kids healthy

- Children in the plan get regular checkups
- Children get important immunizations
- Children get the appropriate level of care when they are sick

Keeping women and mothers healthy

- Women get important health screenings, such as cervical cancer screenings
- New and expecting mothers get the care they need

Preventing and managing illness

- The plan helps its members keep long-lasting illness under control, such as asthma, high blood pressure or diabetes
- The plan helps prevent illnesses with screenings and appropriate care

Ensuring appropriate care

- Members receive the most appropriate care and treatment for their condition

Satisfaction with care provided

- Members report high ratings for doctors, specialists and overall health care

Satisfaction with plan

- Members report high ratings for the plan's customer service and the plan overall

HCA 19-057 (9/24)



Additional Apple Health programs

Medicaid Transformation Project (MTP)

- ▶ MTP is Washington's Section 1115 Medicaid demonstration waiver between HCA and Centers for Medicare & Medicaid Services (CMS).
- ▶ MTP allows the state to create and continue to develop projects, activities, and services for Apple Health (Medicaid) enrollees.
- ▶ Washington received CMS approval for an MTP renewal, called MTP 2.0, which includes various new initiatives:
 - ▶ Medicaid reentry services and health-related social needs services
 - ▶ Continuous Apple Health enrollment for children ages 0-6
 - ▶ Apple Health postpartum coverage extension
 - ▶ Washington Integrated Care Assessment

Apple Health Expansion

- ▶ At the legislature's direction HCA implemented Apple Health Expansion, a Medicaid look-alike for individuals 19+ with income of up to 138% federal poverty line (FPL) who are otherwise ineligible for another full scope federally funded Medicaid program.
 - ▶ The program was funded by the legislature with a limited budget, \$74M
- ▶ Currently there are 11,691 individuals enrolled in Apple Health Expansion
 - ▶ HCA coordinated enrollment with Department of Social and Health Services (DSHS) and the Health Benefit Exchange (HBE).
 - ▶ Enrollment began July 1, 2024, and enrollment closed because the agency met its budgetary cap. Individuals can still apply for the program though they receive a denial because of the budget cap. If space becomes available, HCA will enroll individuals leveraging its enrollment management policy.
- ▶ Apple Health Expansion and Managed Care
 - ▶ Clients are enrolled into one of four managed care organizations—Community Health Plan of Washington, Coordinated Care of Washington, Molina Healthcare of Washington, or United Healthcare—who administer physical and behavioral health services.
 - ▶ MCOs administer physical and behavioral health benefits, care coordination, and interpreter services for Apple Health Expansion clients.
- ▶ Temporary Community Engagement Advisory Committee
 - ▶ In partnership with the Department of Social and Health Services (DSHS), and the Health Benefit Exchange (HBE), HCA engages community-based organizations, advocates, and individuals with lived experience to receive their feedback and input on both Apple Health Expansion and HBE's Qualified Health Plans (1332 waiver) expansions.

Behavioral health delivery

Community behavioral health safety net services

- ▶ HCA behavioral health treatment resources are a safety net for people with Medicaid and those who do not have private insurance to pay for critical treatment services.
- ▶ HCA is the Behavioral Health authority in Washington State (RCW 71.24.035), federally designated as the
 - State Mental Health (MH) Authority
 - Substance Use Disorder (SUD) Authority
 - State Opioid Treatment Authority

Design and deliver services that are effective, accessible, and fiscally responsible.

Responsible to implement public policy and maintain public safety.

Collaborate with other state agencies to ensure efficient planning and delivery high quality BH services.

Manage the publicly funded BH services.

Behavioral health contracting

Prevention and Promotion

Delivered through contracts with counties, community-based organizations (CBO), and Tribes

Early Intervention

Delivered through contracts with Behavioral Health Administrative Service Organizations (BH-ASOs), CBOs

Crisis

Delivered through contracts with BH-ASOs

Treatment

Delivered through contracts with BH-ASOs, MCOs, fee-for-service, and Tribes

Recovery

Delivered through contracts with BH-ASOs, MCOs, CBOs, and Tribes

Behavioral health funding sources

Medicaid

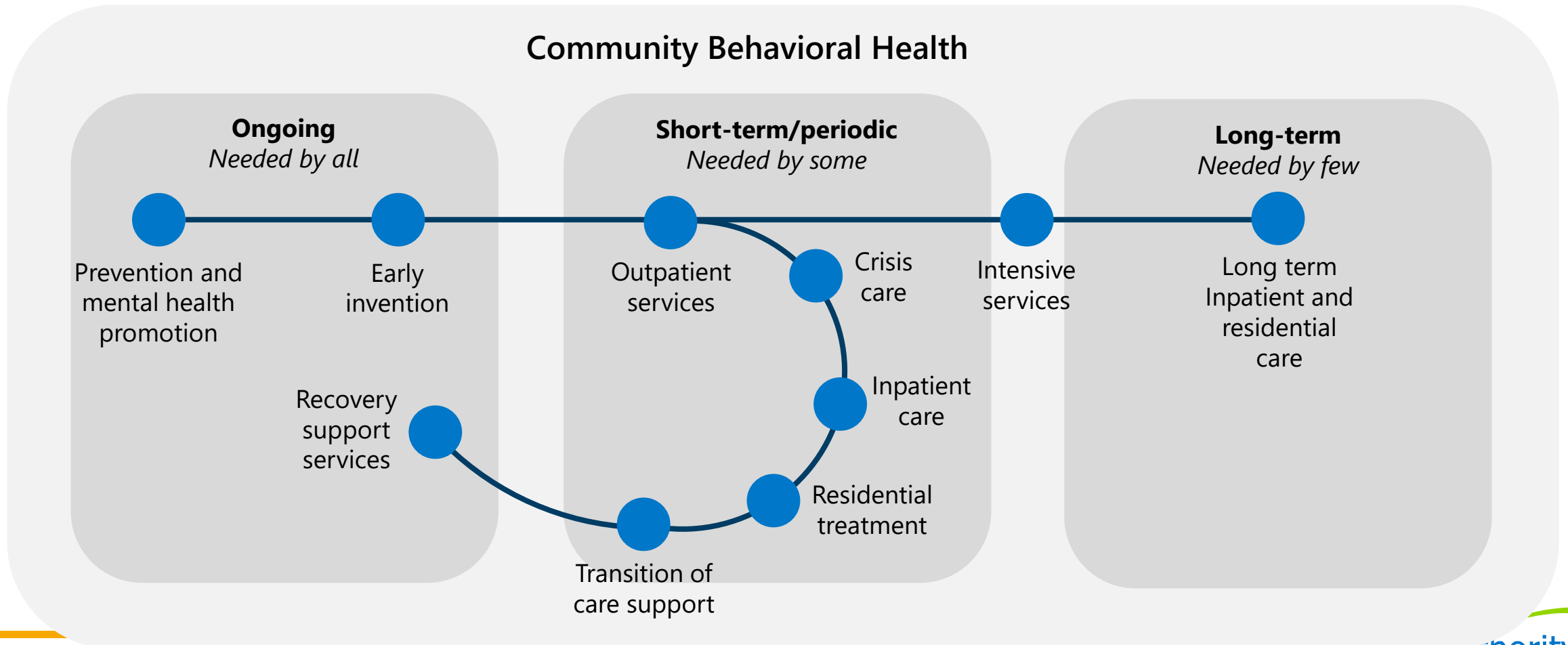
General fund state

Federal block grants

Federal discretionary grants

Local tax funding

Behavioral health continuum of care



Individuals or families served by the behavioral health delivery system FY 2024

- ▶ **489,085** individuals received mental health services.
- ▶ **92,608** individuals received substance use disorder (SUD) services.

- Mental health treatment services
- SUD treatment services

1 figure = approx. 3,000 people



Stabilizing and strengthening the behavioral health continuum of care

- ▶ Integration efforts like Certified Community Behavioral Health Clinics (CCBHC)
- ▶ Rates, support, and stabilization efforts for behavioral health workforce
- ▶ Opioid settlement and medication for opioid use disorder related efforts
- ▶ Supporting SUD treatment providers in adopting ASAM 4 new treatment criteria and levels of care (ASAM 4th edition)
- ▶ Expanding long term civil commitment bed capacity and enhancing services in the community
- ▶ Strengthening the crisis system
- ▶ Eligibility and coverage expansion
- ▶ Children and youth

Boards and Commissions

Boards and Commissions

▶ **Universal Health Care Commission**

- ▶ Enacted in 2021 to prepare for the creation of a health care system that provides coverage to all Washington residents
- ▶ Produces annual report, include incremental policy recommendations

▶ **Health Care Cost Transparency Board (Cost Board)**

- ▶ Responsible for measuring and reducing the state's health care cost growth
- ▶ Sets annual growth benchmark, analyzes cost drivers, and produces annual report

▶ **Prescription Drug Affordability Board (PDAB)**

- ▶ Responsible with measuring affordability of high-cost prescription drugs and controlling costs through setting payment limits

Cost transparency

- ▶ HCA manages and staffs Washington's Drug Price Transparency (DPT) program, Health Care Cost Transparency Board (Cost Board), and new Prescription Drug Affordability Board (PDAB)
- ▶ Significant progress over the past year:
 - ▶ Released the Cost Board's first benchmark data brief, which included data from 11 carriers and 2 state agencies; completed the second call for benchmark data
 - ▶ Continued efforts to understand cost drivers and impacts of hospital reimbursement on consumer prices
 - ▶ Have begun project planning for Cost Board primary care measurement
 - ▶ Stood up PDAB and held first board meetings

Cascade Care

- ▶ Enacted by [SB 5526](#) (2019) and codified in [RCW 41.05.410](#)
- ▶ Updated in [SB 5377](#) (2021)
- ▶ Washington's public option plan offered under Cascade Care program, and available through individual market (WA Healthplanfinder)
- ▶ Standard benefit design plans offered through Washington Healthplanfinder, with additional value, quality, and reimbursement requirements
- ▶ Goal is to increase affordability

Questions



Contact us

Evan Klein

evan.klein@hca.wa.gov

Shawn O'Neill

shawn.oneill@hca.wa.gov



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