Washington State Health Care Authority

Universal Health Care Commission meeting summary

October 10, 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
Joan Altman
Representative Joe Schmick
Representative Marcus Riccelli
Mohamed Shidane
Nicole Gomez

Members absent

Senator Ann Rivers
Senator Emily Randal
Omar Santana-Gomez
Stella Vasquez

Call to order

Vicki Lowe, Commission Chair, called the meeting to order at 2:02 p.m.

Agenda items

Welcoming remarks

Chair Vicki Lowe welcomed Commission members to the 20th meeting of the Universal Health Care Commission. Chair Lowe shared comments on beginning meetings with land acknowledgements, as a means of increasing and maintaining awareness of past inequities, and to inform work aimed at reducing and preventing current and future inequities.

Chair Lowe introduced new health policy analysts from the Health Care Authority (HCA), assigned to work with the Commission, Todd Bratton and Ally Power. Chair Lowe shared that Mandy Weeks-Green will be leaving her

position at the HCA as Cost Board and Commissions Director. Chair Lowe thanked Mandy for her great work and support since the Commission was created.

Meeting summary review of the previous meeting

The Commission members voted by consensus to adopt the August 2024 meeting summary.

Public comment

Marcia Stedman, member of Health Care for All - Washington, urged more action from the Commission and asked legislators on the Commission to consider introducing legislation regarding transitional solutions. including Medicaid expansion for undocumented residents, PEBB/SEBB consolidated purchasing, and creation of a Medicaid – Health Benefit Exchange enrollment bridge.

Kathryn Lewandowski, member of Whole Washington, expressed gratitude for volunteers and others working on universal healthcare and frustration regarding the permanence of the current for-profit health care system and its negative impacts on patients and providers.

Maureen Brinck-Lund, affiliated with Health Care is a Human Right and League of Women Voters, noted the work of the Universal Health Care Work Group and urged the Commission to establish a vision around this work, including selecting a single universal health care model, defining detailed operational plans, and establishing policies to ensure health care reform goals are achieved.

Project Status Update

Health Management Associates (HMA) provided an overview of progress within the three workstreams 1. Design of a universal system. 2. Recommending transitional solutions. 3. Evaluation of the Washington Health trust proposed legislation.

The first workstream, focused on system designs, includes three phases. The Commission is currently engaged in Phase 1, which includes work on benefits and services, provider reimbursement and participation, eligibility, financing, and cost containment. In this phase, the Commission has completed its initial work on eligibility and is currently reviewing benefits and services modeling, cost estimates, cost containment, and patient cost sharing.

In the second workstream, focused on transitional solutions, the Commission prioritized three topic areas, including administrative simplification, maximizing and leveraging current programs, and topics being addressed across agencies or in the state legislature. In this workstream, the Commission has been reviewing prior authorization issues and considering support for Apple Health Expansion.

Finance Technical Advisory Committee (FTAC) updates: Cost sharing principles

Pam MacEwan, FTAC Liaison

Pam MacEwan, FTAC Liaison, shared an update. Under workstream 1, FTAC is currently engaged in an analysis and evaluation of benefit design modeling and exploring cost sharing principles. Mary Franzen from HCA shared the population and benefits and services that FTAC will be using to estimate cost scenarios. Pam MacEwan confirmed that the analysis will address consideration of ERISA-restricted populations in the modeling. She also discussed FTAC's work to understand cost sharing through review of available research and approaches. She shared the draft principles of cost sharing developed by FTAC.

Commission discussion on FTAC's cost sharing principles

Commission members verified the benefit and service modeling scenarios and confirmed that some other universal systems utilize a sliding scale in their cost sharing models. Members confirmed that the modeling will allow consideration and opt-in for individuals in self-funded ERISA plans.

Commission members requested that principle 1 and 3 be combined and that principle 4 be revised to include providers.

The revised principles of cost sharing are as follows:

1. Avoid creating barriers to care by considering, among other things, income thresholds and exemptions for cost sharing.
2. Identify selected services (e.g., preventive care or diagnostic screening) that would not be subject to cost sharing.
3. Create cost-sharing structures that are simple, predictable, transparent, and easily understood for providers and individuals seeking care.
4. Review the Commission's final policy decision on cost sharing through the health equity toolkit as adopted by the Commission.
5. Review and revise cost-sharing designs as medical technology and services evolve.

Commission members voted to approve the cost sharing principles, as amended, for use in the benefit analysis, and to seek additional resources and information regarding impacts of various approaches.

Approval of 2024 annual report to the legislature

The Commission voted by majority to approve sending the report to the legislature with no additional revisions.

State agency report outs

Department of Health (DOH) - Dr. Charles Chima reported on DOH efforts to address access and health care workforce shortages. Over the summer, DOH finished the rulemaking process for the department's J1 Visa Program. Efforts are currently focused on helping rural communities take advantage of this workforce recruitment program. Dr. Chima noted DOH is currently preparing for the legislative session.

Health Benefit Exchange (HBE) - Joan Altman reported that HBE is preparing for open enrollment from November 1, 2024 through January 15. 2025. HBE recently finalized and certified plan rates and subsidy amounts for 2025. HBE is under legislative directive to study auto-enrollment options for moving individuals to exchange plans when they lose eligibility for Medicaid. HBE is working with other states and reviewing data for the auto-enrollment report. HBE is also reaching out to immigrant communities, specifically targeting individuals who are newly eligible for federal subsidies due to changes in DACA (Deferred Action for Childhood Arrivals).

Health Care Authority (HCA) - Dave Iseminger reported that PEBB/SEBB is currently doing outreach for open enrollment from October 28 through November 25. HCA is also preparing for the upcoming legislative session. HCA has prepared more than 50 decision packages, including policy ideas and potential agency request legislation topics. Items include contracting terms for PEBB/SEBB and providers. More than 40 HCA agency reports are due to the Legislature in November and December, including the PEBB/SEBB consolidated purchasing report. The agency is also addressing network termination and provider contracting issues with legislators and the OIC.

Office of the Insurance Commissioner (OIC) - Jane Beyer reported that the OIC is implementing legislation and rulemaking on bills passed last session, regarding prior authorization, ground ambulance balanced billing, and health care benefit managers. The OIC is monitoring ongoing conversations among carriers and the legislature regarding prior authorization and alignment with federal requirements and timelines. OIC completed its affordability report and the maternity care services report. Staff are currently working with DSHS on studying coverage of essential workers and nursing home workers. OIC is also working on a cost analysis for adding

palliative care to exchange plans. OIC is studying access issues for reproductive services which are required to be covered by plans. Additionally, OIC is conducting outreach and working to simplify processes for reproductive benefit reimbursement.

Representative Riccelli offered thanks to those who participated in the Health Care and Wellness Committee work session. He noted that access to care is front and center and will be in focus during the next legislative session.

Apple Health Expansion

Becky Carrell, Deputy Director, Medicaid Programs Division, Washington State Health Care Authority, presented information on Apple Health Expansion efforts as a refresher for members who missed her presentation at the August meeting. Carrell noted the eligibility and enrollment information for the program since enrollment began in June. The program enrolled more than 12,000 individuals and was closed as funding was depleted. Individuals attempting to enroll going forward are placed on a wait list and may be selected randomly to enroll as funding becomes available. HCA has requested an increase in funding to allow enrollment of an additional 14,000 individuals by 2027.

Commission discussion: Apple Health Expansion

The Apple Health Expansion request is the second highest priority among over 50 decision packages going to the legislature from the Health Care Authority. Several Commissioners shared their support for expansion, while noting support of many other competing budget priorities for addressing access, affordability, and quality of care. Due to budget constraints, several members agreed that support for Apple Health expansion should include context, that other priorities will also need support.

Motion: The Commission continues its support for the Apple Health Expansion program, including recommending additional funding for this program. The Commission voted in favor of the motion. Abstain: Representative Riccelli and Representative Schmick.

OIC Affordability report

Commission Member Jane Beyer presented the OIC health care affordability report, which provides policy options for improving affordability, including establishment of a reinsurance program, increasing the medical loss ratio standard, using reference-based pricing, utilizing hospital global budgeting, and meeting the Health Care Cost Transparency Board targets The aim of the OIC report is to inform the legislature of the policy options available for containing health care costs in Washington. Commission Member Beyer presented the report's analysis for each policy option.

Possible benefits of implementing a reinsurance program include reduction in unsubsidized premiums, potential increase in enrollment, and a large impact on middle-income consumers. Reinsurance programs have been successfully implemented in 17 states. Disadvantages of the programs may include the requirement of significant investment, limited impact on lowest income consumers, and insurers may be more conservative in their assessment of the impact.

Another policy option would include an increase to the Medical Loss Ratio Standard. Current law caps the percentage of collected premiums that insurers may spend on administration. The report noted that nearly all Washington insurers routinely perform better than proposed increases and savings may be limited. This is also the case in most other states.

Other states, including Oregon and Montana, have implemented successful reference-based pricing (RBP) models with buy-in from providers. In Washington, there is a proposal to use RBP for some benefits and services in the PEBB/SEBB plans. Reference based pricing is currently used for the public option program (Cascade Select). Commission members verified that some service providers could be exempted from price caps if access were an issue. Cost savings would depend on how the program is designed. One significant advantage is the ability to cap what providers charge, rather than what insurers pay. Other advantages include incentivizing

certain services (for example primary care) and it may increase price transparency. Disadvantages include the complexities of implementation and possible disruptions in the health care delivery system.

The OIC report also studied the potential impacts of setting global budgets for hospitals. Washington set global budgets for hospitals in the 1970s and 1980s, but that program was repealed in 1989. Maryland is the only state that currently sets global budgets for hospitals. Potential advantages include the possibility of a large effect, and possibility of incentivizing primary care, behavioral health, and other high value services. Disadvantages include the complexity of implementation, rigid budgets could impact hospital financing (flexibility could be built in), and the work required to receive a federal waiver to include Medicare/Medicaid.

The report also addressed the impact of meeting cost growth targets set by the Health Care Cost Transparency Board. If benchmarks were met, there would be between $1-2 billion in savings annually. These savings would continue over time. Advantages include that it is estimated to have the greatest impact on cost, be the least intrusive mechanism, and most flexible approach. Disadvantages include difficulty of enforcement, may protect high-cost providers and insurers, and it is the least targeted approach.

Administrative Simplification - Prior Authorization

Commission members were presented with information on prior authorization policies not currently used in Washington, including gold carding and standardized forms.

Gold carding programs aim to reduce prior authorization requests by exempting providers that have high approval rates over time. Several states have implemented gold carding programs, yet data on effectiveness and benefits is limited and anecdotal. Pros include possible reduction in administrative burden, may improve access and efficiency, and could improve health outcomes. Potential disadvantages include effectiveness if confusion about authorization persists. More data will be needed to understand impact on patients and providers.

New legislation and rulemaking require standardization of prior authorization processes. Washington enacted E2SHB 1357 in 2023 which requires automation and interoperability of prior authorization processes across payers. Washington's law put the state on schedule to meet new federal requirements for prior authorization. The new rules require standardization of processes but not necessarily a standard form. Several states have adopted standardized form legislation and rules. It may be difficult for a standardized form to meet all the criteria required by payers for the request. Currently the OIC and HCA are working with payers and providers on standardization of prior authorization in substance use disorder (SUD) treatment.

Commission discussion - Prior Authorization

Commission members recalled prior authorization information presented on approval rates, utilization issues, provider frustrations with transparency and decision making, and opportunities for improvement. **Commission members expressed interest in seeing more evidence on the approaches to gold carding and standardized forms in other states, as well as data on approval rates, costs and impacts across payers and providers. They also discussed addressing specific benefits and services which could be targeted due to issues such as high approval rates or access concerns. This topic was forwarded to the FTAC to explore the potential impacts of these programs, to aid in consideration of transitional solutions and the role of prior authorization in a universal system.**

Next steps

Commission members discussed their next steps in designing the universal system and recommending transitional solutions.

Regarding the OIC report on affordability, Commission members requested more information about reference-based pricing and cost containment efforts with the Health Care Cost Transparency (HCCT) Board. Commission members will be sent an email invitation to the next HCCT Board public hearing in December. HCA will add topical information to future agenda planning.

Commission members recommended providing clear status updates to the public, specifically covering progress on the design of a universal health care system.

Commission members requested information on primary care utilization efforts and access, and an interest in transitional solutions for small businesses based on historical efforts and challenges. Staff will work to bring information on these topics forward in future meeting agendas.

Adjournment

Meeting adjourned at 5:08 p.m.

Next meeting

December 5, 2024
Meeting to be held on Zoom and in-person at HCA
2–5 p.m.