

## Washington Blue Ribbon Commission on Health Care Costs and Access

**Over the course of the next five years, the Legislature will move to implement the vision of the Blue Ribbon Commission to create a health care system that provides every Washingtonian the ability to obtain needed health care at an affordable price. Regardless of how one gets access to health care -- whether through private or public insurance -- the care that Washingtonians can expect to receive will be consistently high-quality, efficient and effective.**

### Creating a High-Quality, Affordable Health Care System

**We achieve this goal by creating a high-performing health care system using strategies applicable to both the public and private sector. For example:**

- ❖ **Create a Public-Private Partnership to Promote Evidence-Based Medicine, Best Practices and Health Information Technology**
  - Promote statewide expansion of health IT to support transparency of quality, cost and utilization information.
  - Adopt consistent evidence-based treatment guidelines across the public and private sector.
  - Identify and promote “dashboards” for the top 20 most costly diagnoses.
  - Create an information sharing clearinghouse to highlight and publicize successes and to facilitate information sharing on best practices.
- ❖ **Encourage Value-Based Purchasing**
  - Link reimbursement and other incentives to evidence-based medicine and positive outcomes.
  - Require that effective preventive care be included as part of coverage.
  - Focus on high-cost, clinical outliers and practice variations.
  - Promote efficiencies such as payment for telephonic and e-mail office visits, instead of face-to-face visits.
  - Pay more for primary and preventive care services.
  - Facilitate Employer-Sponsored Insurance (ESI) buy-in for families.
  - Establish care management services for duals and non-institutional disabled populations.
- ❖ **Help Consumers Live Healthy Lives & Make Informed Decisions**
  - Create a Prevention & Health Promotion Board to develop a comprehensive approach. Activities could include: a scorecard to measure and prioritize prevention programs; interactive health portal for on-line health risk assessment; and provide evidence-based information on public website.
  - Develop a statewide prevention & health promotion awareness campaign (such as the WHF Health Bowl).

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### Accessing the High-Quality, Affordable Health Care System ~ Public and Private Market Insurance ~

**We are building a high-performing health care system. In order to ensure that all residents can access the system, Washington must pursue both public and private insurance reforms.**

- ❖ **Public-Private Connector.** Establish a “Connector” to help individuals and small businesses:
  - Certify and offer affordable health insurance products for single individuals and families, particularly for small employers & the self-employed.
  - Increase employer contributions for purchase of health care premiums (i.e., part-time, multiple jobs, contractors).
  - Take advantage of pre-tax contributions from employers & employees in the purchase of health insurance products.
  - Permit products to be targeted to specific uninsured populations (consider waiving mandates and other rating requirements).
  - Assure access to High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs) as part of Connector offerings.
  
- ❖ **Private Insurance Reform.** Adopt insurance market reforms to:
  - Extend employer-sponsored insurance through a parent’s policy to children up to age 25.
  - Strengthen individual and small group markets (Options: combine markets; require rate regulation for the individual market; require plans to offer standard basic benefit plans within defined rate ranges; offer more choice of insurance products.)
  - Strengthen high risk pool. (Options: subsidize premiums for low-income persons; eliminate drug coverage for persons eligible for Medicare Part D; reevaluate standardized questionnaire; address HIV/AIDS population.)
  - Create a reinsurance program to help reduce the costs of health care premiums. Options:
    - Create statewide reinsurance pool for costs in excess of \$25,000 annually for individual and small group markets.
    - Create a statewide reinsurance pool like Healthy NY, which reinsures costs between \$5,000-\$75,000 as part of state-administered health insurance program for low-income persons and small businesses, or like other aggregate reinsurance models that protect insurers for total losses above a certain threshold for low-income target populations (CT, NM, AZ).
  - Establish Medicaid eligibility as a qualifying event for ESI enrollment.
  - Require reduced costs for purchasers when insurance surpluses exceed certain limits (e.g., 3 months reserve).

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### ❖ **Public Program Reform.**

- Evaluate opportunities to modify the current Medicaid and Basic Health programs. Options other states are considering:
  - Modify benefits and cost sharing for some groups currently eligible for Medicaid to “benchmark coverage” or “basic” benefit packages” more like available commercial coverage, especially for healthy low-income families with children and childless adults.
  - Expand Medicaid-financed coverage to one or more additional groups of uninsured persons. [Federal Medicaid matching funds are limited to persons with incomes up to 300% of the federal poverty level (FPL).] Options for expansion in WA:
    - All children up to 300% FPL as a Medicaid-financed expansion
    - All children above 300% FPL through private buy-in to Medicaid coverage or private insurance without a Medicaid subsidy.
    - Pregnant women to X% FPL as a Medicaid-financed expansion. (e.g., from 185% FPL to 200% or 300% FPL)
    - Low-income parents up to Y% FPL as Medicaid-financed expansion. (e.g., to 200% or 300% FPL)
    - Low-income childless adults up to Z% FPL as Medicaid-financed expansion (would require 1115 waiver) (e.g., to 100%, 200% or 300% FPL)
  - Alternatively, consider modifications to Basic Health Plan to cover more people. Options:
    - Evaluate cost-containment strategies for BHP: reduce benefits, increase cost sharing, and improve care management.
    - Expand eligibility to 300% FPL for small business.
    - Modify and expand BHP as part of Medicaid-funded expansion.
- For Medicaid expansion purchase health care services using private sector approaches.
  - Modify benefits and cost sharing for some groups currently eligible for Medicaid to “benchmark coverage” or “basic” benefit packages” more like available commercial coverage, especially for healthy low-income families with children and childless adults.
  - For expansion population, rely on private health insurance plans to manage and deliver care, leveraging State and Federal Medicaid funds to subsidize purchase of premiums.
  - Use premium subsidy to purchase Employer-Sponsored Insurance (ESI), wherever possible.
  - Use Connector to solicit, approve and offer affordable private health insurance plans to expansion population eligible for premium subsidies, as well as to uninsured individuals and persons in small businesses.
  - Connector could also facilitate premium payment through payroll withholding for both employers and employees, thereby leveraging pre-tax contributions to reduce cost.
  - Explore opportunities for high deductible health plans and HSAs.
  - Utilize managed care to assure use of evidence-based medicine and “medical homes.”

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- Re-brand the Medicaid program and the new coverage using market-based coverage with a new name, card and logo to eliminate any welfare stigma.
- Modify benefits and cost sharing for some groups currently eligible for Medicaid to “benchmark” coverage
- Leverage State and Federal Medicaid funds to support the Medicaid expansion.
  - State match might include: unmatched BHP funding; reallocated Disproportionate Hospital (DSH) payments; unmatched state and local health care spending (costs not otherwise matchable, or CNOM); new Medicaid savings and/or new state revenue.
  - Create an Uninsured Care Pool, using new or reallocated State match and Federal matching Medicaid funds to finance purchase of premium subsidies for expansion population.

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