TODAY’S PRESENTATION

1. Provide an overview of WA Basic Health Plan
2. Examine findings from the Urban Institute regarding the federal BHP option
3. Discuss considerations for policy makers
OVERVIEW

- Created in 1987 as a pilot project to provide access to health insurance for low-income Washington residents; made permanent in 1993.

- A state-sponsored program to help eligible Washington residents pay for health insurance through state subsidies.

- An insurance program, not an entitlement; Everyone participates financially.
OVERVIEW (CONT’D)

• Transitional Bridge Demonstration Waiver in effect since 2011, with dual goals of:
  
  • Maintaining coverage for low-income adults during state budget crisis until full expansion of Medicaid in 2014.
  
  • Creating a learning lab to identify and resolve issues in preparation for the 2014 expansion and to identify program attributes consistent with ACA policy goals.
  
  ✓ Waiver set to expire Dec 31, 2013.

OVERVIEW (CONT’D)

• July 2013 enrollment:
  
  • 39,648 total enrollees
    • 34,184 adults
    • 5,464 children

• Prior to implementing the Medicaid waiver, enrollment was more than 100,000, covering households with incomes up to 200% FPL.
ELIGIBILITY

- Be a Washington resident;
- Be a US Citizen or qualified non-citizen;
- Be between 19-64 years old;
- Have gross family income at or below 200% of the Federal Income Guidelines;
- Have countable income for your family between 0-133% of the Federal Income Guidelines;
- Not be eligible for Medicaid or be receiving DSHS medical care services;
- Not be eligible for free or purchased Medicare;
- Not be a full-time student who has received a temporary visa to study in the United States; and
- Not be institutionalized at the time of enrollment.

PARTICIPATING HEALTH PLANS

- Five managed care health plans, with a choice of at least three plans in most of the 39 counties.
  - Amerigroup
  - Community Health Plan of WA
  - Coordinated Care Corporation
  - Molina
  - United Healthcare Community Plan

- Implemented joint procurement contracts for both BHP and Medicaid services in 2012.
HOW IT WORKS

• Enrollees select the health plan that offers the best value, location, and providers for their needs.
• Enrollees select own doctor or other provider affiliated with the health plan chosen.
• All Basic Health plans offer the same basic benefits, but monthly premiums, providers, and some details of coverage vary. Monthly premium depends on:
  • Age,
  • Income,
  • Family size,
  • Chosen health plan, and
  • County of residence.

COSTS

• Monthly premiums are based on age, income, family size, and health plan chosen.
• No copayments for preventive care services.
• Low copayments on some services.
• $250 annual deductible.
• 20% coinsurance on some services.
• $1,500 annual out-of-pocket maximum.
THE FEDERAL BHP OPTION
STATE AND NATIONAL IMPLICATIONS

THE URBAN INSTITUTE
Findings From their Health Insurance Policy Simulation Model (2012)

Implementing a BHP to provide Medicaid-like coverage, modified to add cost-sharing typical of the Children’s Health Insurance Program, would have national and state-specific effects as follows:

1. Make coverage substantially more affordable for consumers.
   - Compared with ACA subsidies, a BHP option would reduce premiums and out-of-pocket costs for adults in the 138 to 200 percent FPL range, saving them an average of $1,456, about a month’s worth of pre-tax wages each year.

2. Reduce numbers of uninsured by about 600,000.
   - Statistically significant increases in coverage in 34 of 50 states.
3. Allow states to raise capitated payments or provider payment rates above baseline Medicaid amounts.
   - Nationally, the federal BHP payments will average about 23 percent more than the average cost of providing BHP adults with Medicaid/CHIP-type coverage.

4. Potentially reduce the size of health insurance exchanges but still assure exchanges would be large enough to remain stable and to recruit insurers on favorable terms.

5. Save state dollars by shifting certain Medicaid eligible individuals with incomes above 138 percent FPL to BHP without a significant increase in beneficiaries’ health care costs.
   - Affects individuals qualifying for Medicaid under Social Security Act Sections 1115 and 1931 (e.g., children qualifying under home and community-based demonstration waivers and persons with low-income who may be participating in TANF and qualify for Medicaid based on pre-welfare reform criteria).
   - Beneficiaries for whom states now pay a portion of health care costs would move into BHP, where all subsidies are financed by the federal government.
CONSIDERATIONS FOR POLICY MAKERS

FOCUS ISSUES

• Affordability of Premiums
  • Families with lower incomes are more price-sensitive than higher-income families, and they have little discretionary income.
  • Even a small difference in premiums can have a significant impact on whether low-income families can enroll and continue to pay for insurance coverage.

• Mitigating Coverage Disruptions
  • Income fluctuations, changes in employment, inability to pay premiums and documentation problems contribute to disruptions in coverage.
  • Disruptions in coverage result in discontinuity of care and underuse of preventive care.
  • Ideally, a federal BHP option would function as a solid bridge between Medicaid and the exchange, and also would assure a smooth transition from the BHP to the exchange.
FOCUS ISSUES
(CONT’D)

• Continuity of Care
  • Decoupling eligibility for different programs from the provider networks and plans offered is key to facilitating continuity of care.
    ✓ Continuous relationships between patients and providers and fundamental to patient-centered medical homes.
    ✓ Medicaid managed care plans and networks may be an appropriate delivery system for the BHP.

• Impacts on the Exchange
  • States should consider how policy decisions around a BHP may impact enrollment in their state exchange.
    ✓ Ideally, Medicaid, a BHP, and a stable exchange should work together to support a continuum of affordable coverage and care options, allowing for a seamless transition between options.

ADDITIONAL INFORMATION

• [http://www.urban.org/publications/412322.html](http://www.urban.org/publications/412322.html)
  • Using the Basic Health Program to Make Coverage More Affordable to low-Income Households: A Promising Approach for Many States (September 2011)

  • Assessing the Federal Basic Health Option: Recent Lessons from Washington’s Basic Health Program (January 2012)

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