



October 24, 2022

Sharon Becker
Washington State Health Insurance Pool
PO Box 1088
Stanwood, WA 98292

Re: 2023 Medicare Advantage Reasonable Choice Analysis

Dear Sharon:

Leif Associates has completed an analysis of the 2023 Medicare Advantage products available in Washington and their equivalence to traditional Medicare combined with a Medicare Supplement Plan F in order to determine which counties have reasonable choice. The purpose of this letter is to document our findings.

General Eligibility Requirements for WSHIP's Medicare Plans

The Washington State Health Insurance Pool (WSHIP) eligibility requirements for Medicare-eligible individuals are as follows:

- You are a resident of Washington state;
- You are enrolled in Medicare Part A and Part B;
- You were rejected for coverage by a health carrier, offered substantially reduced coverage on a Medicare supplemental insurance policy, or you do not have comprehensive Medicare supplemental coverage available to you; and
- You do not have access to a reasonable choice of Medicare Advantage Plans (Part C).

"Reasonable choice" is defined in RCW 48.41.100 (1)(c) as having a choice of health maintenance organization (HMO) or preferred provider organization (PPO) Medicare Part C plans offered by at least three different carriers that have had provider networks in the person's county of residence for at least five years. In addition, the plan options must include coverage at least as comprehensive as a Plan F Medicare Supplement Plan combined with Medicare Parts A and B. The plan options must also provide access to adequate and stable provider networks that make up-to-date provider directories easily accessible on the carrier's web site and in hard copy, if requested. Finally, if no HMO or PPO includes the health care provider with whom the individual has an established relationship and from whom the individual has received treatment within the past 12 months, the individual does not have reasonable choice.

2023 Medicare Advantage Carriers

The CMS website Medicare.gov provides information about all Medicare Advantage plans available in each zip code. We accessed this website and identified the carriers offering 2023 Medicare Advantage plans in each of the counties in Washington. We observed that 2023 will once again be a year of expansion for Medicare Advantage plans in Washington.

- There was one new market entrant. PacificSource will be offering plans in Pierce and Spokane counties.
- Aetna, CIGNA, Molina, Providence, Regence, and WellCare all expanded their networks into additional counties.

- Thirty-three counties will have more carrier choices than last year. No county will have fewer carriers.
- For the first time, every county has at least one Medicare Advantage carrier. Last year there were seven counties with none. WellCare and Molina are the carriers who expanded into those counties.

Twenty-three carriers are offering HMO or PPO Medicare Advantage plans in Washington for 2023. Each carrier offers plans in a limited number of counties. Fourteen counties have three or more carriers that have been in the market for at least five years. This is up from twelve in 2022. The two new counties added to the list of Reasonable Choice are Skagit and Walla Walla.

The table below lists the 26 counties with at least three Medicare Advantage carriers for 2023, along with the number of qualifying carriers (meaning they have been offering coverage in that county for at least five years) and an indication if reasonable choice is available in the county.

County	Total Carriers	Qualifying Carriers	Reasonable Choice
Clark	16	10	Yes
Cowlitz	13	5	Yes
Island	8	3	Yes
King	15	11	Yes
Kitsap	15	9	Yes
Lewis	11	5	Yes
Pierce	17	12	Yes
Skagit	11	7	Yes
Snohomish	16	12	Yes
Spokane	17	9	Yes
Thurston	14	10	Yes
Walla Walla	13	3	Yes
Whatcom	10	6	Yes
Yakima	10	3	Yes
Counties with fewer than three carriers:			
Adams	4	1	No
Benton	11	0	No
Chelan	3	2	No
Clallam	3	0	No
Ferry	3	0	No
Franklin	11	0	No
Grant	4	2	No
Grays Harbor	3	1	No
Jefferson	3	0	No
Mason	7	2	No
Stevens	6	1	No
Wahkiakum	3	2	No

The count of Medicare Advantage carriers in the remaining 13 counties is as follows:

- Six have two carriers
- Seven have one carrier

Actuarial Equivalence Testing

For each of the counties identified as having reasonable choice, we tested the available plans to make sure there were at least three that offered coverage at least as comprehensive as a Plan F Medicare Supplement plan combined with Medicare parts A and B, as is required by RCW 48.41.100. To limit the number of plans evaluated, we first reviewed the plans with the lowest out-of-pocket maximums, as we assumed these would be the most generous plans. We summarized each of the selected plan designs for each carrier, using a consistent format that provided the key benefit information needed to conduct an actuarial equivalence test of benefits.

Actuarial equivalence is a general term used for applying a measurement of value to two benefit plans to see how the resulting plan values compare to each other. Using a consistent set of utilization, cost, and demographic assumptions, the cost to the insurer is calculated under the different plan designs, taking into consideration the amount of cost sharing required of the enrollee. The cost to the insurer is used as an estimate of plan value for each plan design.

For this actuarial equivalence exercise, we first created a standard set of utilization and unit cost assumptions for all components of health care cost for a Medicare-eligible population. We used a proprietary Leif Associates database of claims for Medicare-eligible individuals. Claims were projected to calendar year 2023 using an 8% annual trend assumption. We used the database to first calculate the value of traditional Medicare combined with a Medicare Supplement Plan F. We then calculated the value of each of the Medicare Advantage plans and compared that value to the Medicare plus Plan F value to determine which plans were at least as generous. In counties where the initial testing demonstrated that there were three qualifying plans, we did not test all plans.

The actuarial equivalence test demonstrates that all 14 counties with at least three qualifying carriers offer coverage at least as comprehensive as Plan F combined with Medicare Parts A and B. The table in Exhibit A shows the counties that qualify as having reasonable choice, along with information about the carriers and plans that meet the actuarial equivalence benchmark.

If you have any questions about this analysis or require additional information, please do not hesitate to contact us.

Sincerely,
Leif Associates, Inc.



Elizabeth Leif, FSA
Consulting Actuary

**Washington State Health Insurance Pool
2023 Counties with Reasonable Choice of Medicare Advantage Plans**

County		Plan #1	Plan #2	Plan #3
Clark	Carrier Plan Value	Kaiser Permanente Senior Advantage Enhanced 109%	Providence Medicare Extra + Rx 108%	AARP HMO Medicare Advantage Plan 1 107%
Cowlitz	Carrier Plan Value	Kaiser Permanente Senior Advantage Enhanced 109%	AARP HMO Medicare Advantage Plan 1 107%	Regence PPO MedAdvantage + Rx Enhanced 106%
Island	Carrier Plan Value	Kaiser Permanente Senior Advantage Harbor 108%	Regence PPO MedAdvantage + Rx Enhanced 106%	Humana Choice PPO 106%
King	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Premera MedAdvantage Classic 107%
Kitsap	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Regence PPO MedAdvantage + Rx Enhanced 106%
Lewis	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Premera MedAdvantage Classic 107%
Pierce	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Premera MedAdvantage Classic 107%
Skagit	Carrier Plan Value	AARP HMO Medicare Advantage Plan 1 107%	Premera MedAdvantage Classic 107%	Humana Choice PPO 106%
Snohomish	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Providence MedAdvantage Cottonwood + Rx 107%
Spokane	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 2 107%	Providence MedAdvantage Cottonwood + Rx 107%
Thurston	Carrier Plan Value	Kaiser Permanente Senior Advantage Optimal 109%	AARP HMO Medicare Advantage Plan 1 107%	Premera HMO Medicare Advantage Classic 107%
Walla Walla	Carrier Plan Value	Regence PPO Me Advantage +Rx Enhanced 106%	Community Health Med Advantage Extra Plan 4 106%	Humana Choice PPO 106%
Whatcom	Carrier Plan Value	AARP HMO Medicare Advantage Plan 2 107%	Premera HMO Medicare Advantage Classic 107%	Kaiser Permanente Medicare Advantage Harbor 108%
Yakima	Carrier Plan Value	Health Alliance HMO Signal Advantage Rx Plus 107%	Community Health HMO Med Advantage Extra Plan 4 106%	Regence PPO MedAdvantage + Rx Enhanced 106%