

# WSHIP Benefit Evaluation Project

## Work Plan Summary & Status Report

March 8, 2017

**Background:** WSHIP has five different benefit plans, some with multiple deductible options. Consistent with the Board’s recommendation to delay the 2017 sunset of WSHIP non-Medicare plans, the Board desires an evaluation of WSHIP’s benefit plans in light of the current market landscape.

**Project Oversight:** Planning Committee

**Project Scope and Deliverables:** Determine if any WSHIP benefit plan should be discontinued beginning January 1, 2018. Conduct an evaluation pursuant to RCW 48.41.160 on the impacts of discontinuing a plan upon: 1) the cost and quality of care to enrollees; 2) Pool financing and enrollment; and 3) the Board’s ability to offer comprehensive and other plans to its enrollees. Request input from constituents.

**Summary Project Work Plan & Status:**

<p>1. Define project scope and deliverables</p> <p><i>Status: Limit scope of project to potentially discontinuing any plan determined to be out of sync with the current market environment.</i></p>	<b>Jan</b>
<p>2. Conduct an analysis comparing WSHIP plans to current market plans. Identify potential “discontinuation plans” for impact analysis.</p> <p><i>Status: Leif Associates conducted a detailed comparison of WSHIP plans to plans offered in the Washington state market. The following plans were identified as being out of sync with the market and warranting further evaluation for potential discontinuation:</i></p> <p><i>Standard plans (indemnity), PPO \$500 deductible plan, and the Basic Plus plan.</i></p>	<b>Feb</b>
<p>3. Determine enrollee impacts of plans identified for potential discontinuation.</p> <p><i>Status: Impacts are based on the assumption that enrollees would move to the most similar available WSHIP plan. (E.g., PPO \$500 enrollees would move to the PPO \$1,000 plan.)</i></p> <p><i><u>Number of enrollees impacted:</u> Standard plans (38), PPO \$500 (287), Basic Plus (208)</i></p> <p><i><u>Cost impacts to enrollees:</u> Specific impacts will depend upon the enrollee’s current plan, age and geographic location. General impacts are as follows:</i></p> <p><i>Enrollees moving from Standard plans to PPO plans will have lower premiums.</i></p> <p><i>Enrollees moving from the Standard and PPO \$500 plans to the PPO \$1,000 plan will have lower premiums (about 8-24% less) and higher out-of-pocket costs (about \$1,000 more a year for in-network services). The average enrollee age 40 in the PPO \$500 plan would save about \$1,150 per year in premium by moving to the PPO \$1,000 plan.</i></p> <p><i>Basic Plus enrollees moving to the Basic plan will have lower premiums (about 37% lower) and higher out-of-pocket costs (about \$5,000 more a year to cover gaps in the Medicare Part D plan). Premium savings range from \$1,900-\$2,900 per year.</i></p> <p><i><u>Quality of care impacts:</u> No impacts to quality of care or network access were identified.</i></p> <p><i><u>Input from Constituents:</u> To be requested via Board members at both the March and May Board meetings, with opportunity for public comment at both meetings.</i></p>	<b>Feb</b>

