

WSHIP Project Update

Non-Medicare Sunset Evaluation

Board of Directors Meeting

September 30, 2020

Presented by: Sharon Becker, Liz Leif and Sydney Smith Zvara

Today's Objectives

Report Presentation

- Review and approve draft report

Discuss Committee Recommendation & Next Steps

- Discuss recommendation from Joint Executive and Planning Committee and next steps

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Demographic Profile

Findings:

- Enrollment has dropped by 60% in last five years, from 600 to 200 (as of May 2020)
- Average claims costs: \$8,300 per month (\$4,800 medical; \$3,500 Rx)
- 71% of enrollees have a third-party premium sponsor
 - Majority of these are low income persons with HIV/AIDS (ineligible for ACA plans) sponsored by EHIP
- HIV/AIDS is the most prevalent condition
 - 65% of enrollees; 27% of claims dollars
- Kidney disease is the most costly condition
 - 8% of enrollees; 36% of claims dollars
- Almost 70% of enrollees are male
- Over half live in King County

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Enrollee Survey

- 33 enrollees responded to survey (16% response rate)
- 78% do not yet know what they will do when their WSHIP coverage ends on 12/31/22
- 42% considered other options during the last open enrollment period; 58% did not consider other options
- Top reasons for remaining in WSHIP included:
 - More generous WSHIP benefits and no interest in changing coverage
- Other reasons included:
 - Inability to afford prescriptions under other plans
 - Difficulty accessing/understanding marketplace plans
 - Concerns about eligibility for marketplace plans

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Market Analysis

WSHIP:

- Deductibles range from \$500 to \$5,000
- Maximum out-of-pocket amounts range from \$1,500 to \$15,000

Individual Market:

- In 2020, nine insurers offer plans on the Exchange and nine offer off-Exchange plans
- All rating areas have at least four carriers
- Deductibles range from \$1,000 to \$8,000
- Maximum out-of-pocket amounts range from \$5,900 to \$8,150

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WSHIP Operational & Financial Impacts

Operational Impacts:

- Provider network and care management contracts will no longer be needed
- Services required from our pharmacy benefit manager (Express Scripts) will be significantly reduced

Financial Impacts:

- Reduction in WSHIP assessments
 - Non-Medicare program accounts for about 60% of total assessments
 - For 2021, the per member per month (PMPM) estimate is \$0.61; without the non-Medicare program, the estimate would be \$0.24 PMPM

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Broader Impacts

- Informal interviews were conducted with 23 individuals representing 11 entities
- Common threads and key take-aways:
 - There was an overall strong desire to avoid enrollees losing coverage
 - WSHIP is viewed positively and there is support for extending the sunset date
 - The cost of WSHIP's non-Medicare program is generally viewed as minimal compared to value
 - Of concern is that WSHIP's medically fragile enrollees may experience interruptions in care or become "*lost to coverage*" if they have to change providers to remain insured
 - Third-party premium sponsorships beyond those required by federal statute may not be accepted in the commercial market
 - Concerns were raised about who would serve as a safety net in the event of bare counties
 - There is interest in WSHIP's perceived potential to serve an expanded purpose in the future
 - It is difficult to accurately assess the impact of the 2022 sunset. "*A lot can happen between now and then.*"

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Key Findings

- Between 160-200 enrollees will likely be in WSHIP's non-Medicare program when those plans end on 12/31/2022; over 70% have HIV/AIDS or kidney disease; many have a premium sponsor
- WSHIP does not have citizenship information but anticipates some enrollees will be ineligible for ACA plans
- Enrollee survey indicates that most do not know what they will do when their coverage ends; WSHIP's benefit plans were cited as a top reason for staying in WSHIP currently
- The off-Exchange market can be more difficult to navigate; and third-party premium sponsorships beyond those required by federal law may not be accepted in the commercial market
- The statutory sunset means WSHIP will no longer serve as the safety net in the event of bare counties in the individual market; there are questions/concerns about who will be the safety net after the sunset
- There is support for extending the sunset date, and interest in potentially expanding WSHIP's role in the future
- Given all the unknowns right now (elections, COVID-19, etc.), it is difficult to assess the potential impact of the 2022 non-Medicare sunset. Simply stated, *"A lot could happen between now and then."*

Committee Recommendation & Next Steps

- Committee recommendation:
 - Begin dialogue with legislators this fall in support of removing or extending the December 31, 2022 statutory sunset date for WSHIP's Non-Medicare program
- Next steps
 - Approve draft report
 - Discuss committee's recommendation and next steps