

**A REVIEW OF THE  
REASONABLE CHOICE  
DEFINITION**

**WSHIP Board of Directors Meeting  
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# Reasonable Choice Project

## Purpose

Update the study from two years ago to identify if recent market changes indicate the definition of Reasonable Choice should be changed

## Approach

1. Review stability of Medicare Advantage plans
2. Review geographic availability of Medicare Advantage plans
3. Review key observations related to the Reasonable Choice definition

# Background

In 2009, WSHIP's statute was amended to limit Medicare plan eligibility to Medicare-eligibles who live in counties without "Reasonable Choice" of MA plans

AND

Medicare-eligibles who live in counties with reasonable choice but their health care provider is not included in MA network

The definition of reasonable choice was largely driven by concerns about instability in the MA market and consumer complaints about MA plans that were prevalent at the time

To administer the criteria, WSHIP's actuary conducts an MA plan analysis each year to determine the counties that meet the statute's definition of reasonable choice

Counties with reasonable choice in 2022:

- Clark, Cowlitz, Island, King, Kitsap, Lewis, Pierce, Snohomish, Spokane, Thurston, Whatcom, and Yakima

Changes to the definition of reasonable choice require legislative action; no changes have been made to date

During WSHIP's review of the definition in 2020, the OIC did not consider the market fully stable enough to advocate for a change in the definition

# Definition of Reasonable Choice

## Defined in RCW 48.41.100 (1)(c)

- A person does not have access to a reasonable choice of plans unless the person has a choice of health maintenance organization or preferred provider organization 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.
- 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 web site, and will provide them in hard copy, if requested.
- In addition, if no health maintenance organization or preferred provider organization plan includes the health care provider with whom the person has an established care relationship and from whom he or she has received treatment within the past twelve months, the person does not have reasonable access.

# Observations

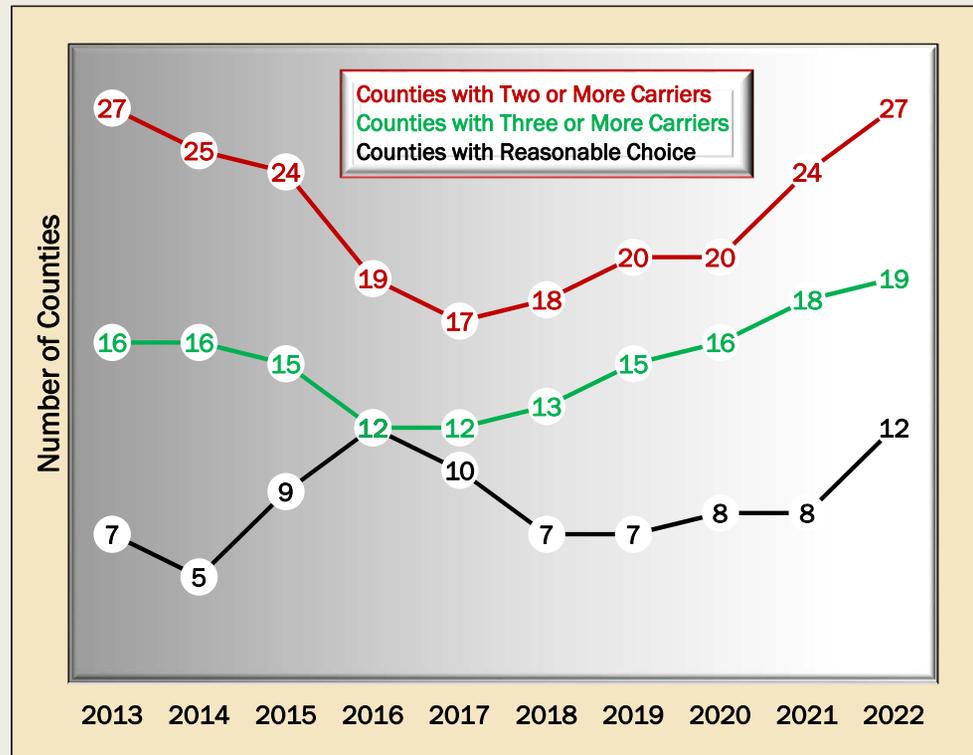
## Has there been a recent pattern of instability among the carriers offering MA plans?

- The 21 MA carriers available in 2022 have been marketing in WA for:
  - At least 10 years – 8 plans
  - 5 to 9 years – 7 plans
  - 1 to 4 years – 6 plans
- An additional 8 plans have come and gone in the past 10 years
- Conclusion: There is some instability, but many carriers are consistently available. This is not significantly different from observations of two years ago.

## Do smaller counties have consistent access to MA plans?

- 15 counties had no MA carrier at some point in the last 10 years
- An additional 8 counties had only 1 MA carrier at some point in the last 10 years
- Conclusion: No. Nearly 60% of WA counties (23 out of 39) have had no access or access to only one MA carrier at some point in the last 10 years. This is slightly improved from two years ago when it was 67%.

# TEN-YEAR HISTORY



# Additional Observations

## Five-Year Requirement

- For 2022, six carriers did not meet the 5-year requirement
  - 2 had three years
  - 1 had two years
  - 3 were new in 2022

## Three Carrier Requirement

- For 2022, 6 counties had 2 carriers that met the 5-year requirement
  - Clallam, Douglas, Grant, Grays Harbor, Jefferson, Wahkiakum

## Provider Participation

- In 2021, 20% of persons who applied and enrolled in WSHIP's Medicare plan lived in a county with reasonable choice but their health care provider was not included in a MA plan network.

# Planning Committee Recommendation

- Market conditions have not changed significantly to warrant a change in the definition of reasonable choice at this time