

# Washington Progress Report

## STATE ACTIONS PROTECTING PATIENTS IN THE EXCHANGE

### OVERVIEW

States vary in terms of the patient-centeredness of their health insurance markets. While federal rules set minimum requirements for consumer protections, some states have taken extra steps to make their markets more patient-focused. This Progress Report measures a state across five principles to assess how well its insurance market is designed to meet the needs of people with chronic diseases and disabilities.

### FIVE PATIENT-FOCUSED PRINCIPLES

#### NON-DISCRIMINATION

To ensure cost sharing and other plan designs do not discriminate or impede access to care.

- Washington has issued regulations that limit discrimination in exchange plans by setting increased standards for coverage and grants the insurance commissioner broad authority to reject plans with discriminatory benefits.
- Five unique platinum plans in the 2015 exchange.
- Washington requires minimum standards for provider networks, such as having access to urgent care within a set timeframe. The state also requires that in-network costs apply to out-of-network providers in certain conditions.<sup>2</sup>
- The premium for the 2<sup>nd</sup> lowest cost silver plan is 10% lower in 2015 than it was in 2014.<sup>3</sup>

For non-discrimination metrics, relative to other states, Washington is a



#### TRANSPARENCY

To promote better consumer access to information about covered services and costs in exchange plans.

- Washington's exchange website has a provider search tool and the ability to filter search results. The website lacks a formulary search tool, access to plans' formularies and provider networks, and calculators to help estimate tax credit or out-of-pocket expense amounts.
- No state action regarding contracting requirements for plan information transparency.

For transparency metrics, relative to other states, Washington is an



### WASHINGTON HIGHLIGHTS

Washington established a state-based exchange, called [Washington Healthplanfinder](#).

In the 2014 plan year, 147,900 Washingtonians selected an exchange plan through [Washington Healthplanfinder](#). About 29% of Washington residents who are eligible for exchange coverage enrolled in an exchange plan in 2014.<sup>1</sup>

Washington expanded Medicaid, effective January 1, 2014.

### PROGRESS LEGEND

This report measures states using two methods of evaluation:

First, the report measures a state's performance on a series of metrics related to the five principles.

- Beneficial for Patients
- Neutral for Patients
- Negative for Patients

Second, the report compares a state's aggregate performance on all metrics within each principle to other states' performance on these same metrics.



## STATE OVERSIGHT

To ensure all health insurance exchange plans meet applicable requirements.

- Passive purchasing—the state does not actively negotiate with plans to participate in the exchange.
- Washington requires exchange plans to offer catastrophic coverage options.
- Its effective rate review program allows the state to manage premium increases.<sup>4</sup>
- Ten carriers in the 2015 exchange.

For state-oversight metrics, relative to other states, Washington is a



## UNIFORMITY

To create standards to make it easier for patients to understand and compare exchange plans.

- No state action to standardize benefit designs.
- Washington has plans to develop a quality rating system. Currently, the exchange displays health plans' quality improvement strategies to improve health outcomes, increase patient safety, and prevent hospital readmissions.
- No state action on standardized display of plan information.

For uniformity metrics, relative to other states, Washington is an



## CONTINUITY OF CARE

To broaden sources of coverage and protect patients transitioning between plans.

- No state action on continuity-of-care requirements.<sup>5</sup>
- Washington expanded Medicaid, which now covers an estimated 445,000 people in the state.

For continuity-of-care metrics, relative to other states, Washington is an



## A MORE PATIENT-FOCUSED WASHINGTON MARKETPLACE

Washington has achieved some success in fostering a patient-focused market, as they have taken several state actions, beyond the federal requirements, that better protect patients.

However, Washington has not exercised its full authority to regulate the exchange market to promote patient protections. Through legislative or other state action, Washington could standardize benefit designs or plan benefit materials. The state has few platinum plans, which limits options for the people who would benefit most—those with chronic conditions and disabilities. Contracting requirements could encourage, or potentially require, carriers to offer a platinum plan. Since it is a state-based exchange, Washington could exert even more influence over the exchange by becoming an active purchaser. Finally, Washington could act to make the website more patient-focused with tools to make plan information standardized and more accessible.

## METHODOLOGY

Data by Avalere Health as of January 1, 2015. Avalere maintains a proprietary database of state policy developments for all 50 states and DC. Avalere also used key resources from publicly available websites, cited where applicable. Avalere conducted a focused review of state exchange insurance markets; this assessment is not intended to be a comprehensive review of state insurance markets. Avalere only included finalized actions established in the state, and did not include proposed measures or actions.

For definitions of key terms, see the [National Health Council's Putting Patients First® glossary](#).

- 1 Kaiser Family Foundation, "Estimated Number of Individuals Eligible for Financial Assistance through the Marketplaces," November, 2014, accessed via: <http://kff.org/other/state-indicator/estimated-number-of-individuals-eligible-for-premium-tax-credits-through-the-marketplaces/>
- 2 National Conference of State Legislatures, "Insurance Carriers and Access to Healthcare Providers: Network Adequacy," November 30, 2014, accessed via: <http://www.ncsl.org/research/health/insurance-carriers-and-access-to-healthcare-providers-network-adequacy.aspx>
- 3 Kaiser Family Foundation, "Analysis of 2015 Premium Changes in the Affordable Care Act's Health Insurance Marketplaces," January 06, 2015, accessed via: <http://kff.org/health-reform/issue-brief/analysis-of-2015-premium-changes-in-the-affordable-care-acts-health-insurance-marketplaces/>
- 4 The Center for Consumer Information & Insurance Oversight, "State Effective Rate Review Programs," April 16, 2014, accessed via: [http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/rate\\_review\\_fact\\_sheet.html](http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/rate_review_fact_sheet.html)
- 5 Families USA, "Standards for Health Insurance Provider Networks: Examples from the States," November 2014, accessed via: [http://familiesusa.org/sites/default/files/product\\_documents/ACT\\_Network%20Adequacy%20Brief\\_final\\_web.pdf](http://familiesusa.org/sites/default/files/product_documents/ACT_Network%20Adequacy%20Brief_final_web.pdf)