

Proportion of Non-Participating Providers Serving Apple Health Enrollees

Annual Report: July 1, 2020-June 30, 2021

House Bill 1652; Section 1(11); Chapter 256; Laws of 2015; RCW 74.09.522

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January 1, 2022

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Executive Summary

The Washington State Health Care Authority (HCA) is submitting this report to the Legislature as required by House Bill 1652 (2015):

“Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed care health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.”

As directed by the Legislature, this report details the proportion of services provided by non-participating providers to Washington Apple Health (Medicaid) enrollees. Non-participating providers do not have written contracts to participate in an Apple Health managed care system’s (or Managed Care Organization’s [MCO]) provider network. However, these providers deliver health care services to Apple Health enrollees whose care is provided by an MCO.

All Apple Health MCOs are responsible for contracting with enough providers in all areas of health care delivery to meet the needs of their enrollees. However, some care is purchased from non-participating providers. The state Apple Health contract requires plans to reimburse non-participating providers no more than the lowest amount paid for that service under the plan’s contracts with similar providers in the state.

The data in this report relates to services rendered from July 1, 2020, through June 30, 2021, and purchased from non-participating providers as reported by each managed care plan. This and all previous non-participating provider reports have relied exclusively on MCO reported data. As of January 1, 2020, the entire state is integrated with two contracts, one for Integrated Foster Care (IFC) and one for the general managed care program, called Integrated Managed Care (IMC).

Total spent this period across all Apple Health contracts, Integrated Managed Care, and Integrated Foster Care, for non-participating providers was \$156 million, a \$7 million decrease from last year.

- The provider specialty with the largest amount of non-participating provider payments was hospital admissions; \$40 million, 26 percent of all non-participating provider payments, which is a 10 percent increase over the last reporting period.
- The most dollars paid to non-participating providers are still in the larger counties (King, Pierce, Spokane, and Snohomish).

It is important to point out that 2020 was a year under duress due to the COVID-19 pandemic with continued impacts through 2021. Some of the impacts in this report are likely related to the widespread impacts resulting from COVID-19.

Background

Since July 2012, the Health Care Authority (HCA) has contracted with five MCOs: Amerigroup Washington, Inc. (AMG); Community Health Plan of Washington (CHPW); Coordinated Care of Washington (CCW); Molina Healthcare of Washington (MHW); and United Healthcare (UHC).

For this reporting period all 39 counties are fully integrated within 10 Regional Service Areas (RSA). This report shows the cost and utilization of services provided between July 1, 2020, through June 30, 2021, to Apple Health enrollees by non-participating providers. The data is reported by county, by MCO, and by contract. To meet the reporting requirements, HCA directed each contracted MCO to provide the following data for the fiscal year (FY):

- Total paid amount, per county, the MCO paid to all providers for overall services (claims paid) delivered to Apple Health enrollees.
- Percent of total cost, per county, the MCO paid to non-participating providers—including hospital-based providers—for services (claims paid) delivered to Apple Health enrollees.
- Number of total claims and distinct number of non-participating provider claims, per county, the MCO paid.
- Number of total clients with paid claims and distinct number of client claims MCO paid to non-participating providers.
- Data regarding types of providers paid in the following categories: “professional” (including MD [medical doctor], PA [physician assistant], ARNP [advanced registered nurse practitioner]) and their specialties, “durable medical equipment,” “pharmacy,” or “other.” Professional specialty categories include “allergy,” “anesthesia,” “applied behavior analysis (ABA),” behavioral health,” “chiropractor,” “dermatology,” “dietician,” “emergency room,” “general practice,” “hearing & vision,” “home health,” “hospice,” “hospital,” “infusion therapy,” “internal medicine,” “obstetrics and gynecology” , “pathology/lab,” “pediatrics,” “podiatry,” “physical medicine & rehab (PM & R),” “private duty nursing (PDN),” “radiology,” “sleep,” “surgeon,” and “therapy”.

We have provided year-to-year comparisons (FY2020 – FY2021) for the IMC and IFC contracts per plan with reports for:

1. Total paid
2. Total non-participating providers paid
3. Total clients who received services from a non-participating provider

Key Findings

HCA analyzes cost and utilization data to look for trends that may indicate network adequacy changes that could affect enrollee access to services. Here are some highlights of our analysis:

Integrated Foster Care Contract

The IFC managed care plan, Coordinated Care of Washington (CCW) paid approximately \$7 million in fiscal year 2021 to non-participating providers; an increase of \$.5 million from previous fiscal year. Sixteen percent of the claims paid were to non-participating providers for services provided to 41 percent of the clients. The most utilized non-participating provider specialty/subspecialty was “hospital (any type)”.

Integrated Managed Care Contract

During this reporting period, all 39 counties are fully integrated (10 regions). The MCO’s data reflects the following:

- **Amerigroup** (AMG) paid 53 million to non-participating providers in fiscal year 2021; an increase of \$4 million from previous fiscal years. Twenty-eight percent of the claims paid were to non-participating providers for services provided to 22 percent of clients enrolled with AMG.
- **Coordinated Care of Washington** (CCW) paid approximately \$27 million in fiscal year 2021 to non-participating providers; an increase of \$2 million from previous fiscal year. Seventeen percent of the claims paid were to non-participating providers for services provided to 37 percent of the CCW-enrolled clients.
- **Community Health Plan of Washington** (CHPW) paid approximately \$23 million in fiscal year 2021 to non-participating providers; a decrease of \$1 million from previous fiscal year. Twenty-seven percent of the claims paid were to non-participating providers for services provided to 10 percent of the clients enrolled with CHPW.
- **Molina Healthcare of Washington** (MHW) paid approximately \$44 million in fiscal year 2021 to non-participating providers; an increase of \$3 million from previous fiscal year. Fourteen percent of the claims paid were to non-participating providers for services provided to 9 percent of clients enrolled with MHW.
- **United Healthcare** (UHC) paid approximately \$11 million in fiscal year 2021 to non-participating providers; an increase of \$1 million from previous fiscal year. Eleven percent of the claims paid were to non-participating providers for services provided to 9 percent of the clients enrolled with UHC.

Overall

The amount paid to non-participating providers decreased by \$4 million, number of non-participating providers paid increased by 23 thousand, and number of clients seeking services from a non-participating provider has increased by 156 thousand.

The highest paid non-participating provider specialties/subspecialties was “hospital admit – any type”

Integrated Foster Care (IFC) Fiscal Year 2021 Findings

Coordinated Care of Washington (CCW)

The Apple Health Foster Care program was implemented April 1, 2016 and Coordinated Care of Washington was the single statewide MCO.

Beginning January 1, 2019, HCA implemented the Integrated Foster Care (IFC) contract statewide and Coordinated Care of Washington remains the single statewide MCO for this program.

CCW paid a total of \$107,343,125 for services to 40,489 providers for 23,887 foster care clients (see chart #1 for top 5 county paid claims).

Approximately \$7 million (6 percent of the total) was paid to 6,578 providers (16 percent of the total) for 9,776 clients (41 percent of the total) who received health care services from a non-participating provider. This is a \$.5 million increase compared to the previous year.

No counties were paid 50 percent or more to a non-participating provider (no chart).

Five counties had more than 50 percent of clients seeing a non-participating provider for their health care needs (see chart #2).

Top five counties with payment increases to non-participating providers are:

- King County—\$532 thousand increase
- Spokane County—\$231 thousand increase
- Chelan County—\$146 thousand increase
- Clark County—\$100 thousand increase
- Benton County—\$87 thousand increase

Top five counties with payment decreases to non-participating providers are:

- Yakima County—\$323 thousand decrease
- Grays Harbor County—\$129 thousand decrease
- Thurston County—\$101 thousand decrease
- Mason County—\$97 thousand decrease
- Lewis County—\$41 thousand decrease

The top non-participating provider type visited was “hospital (any type)”, which was 6 percent of the total paid to this provider type (see chart #3 for top 5 non-participating provider type visited).

CCW also paid \$38,311 to 64 non-participating providers for 80 clients who received services out of state or in a border city.

Chart 1: Non-Participating Paid Amount, Coordinated Care of Washington-Foster Care Top 5 Counties

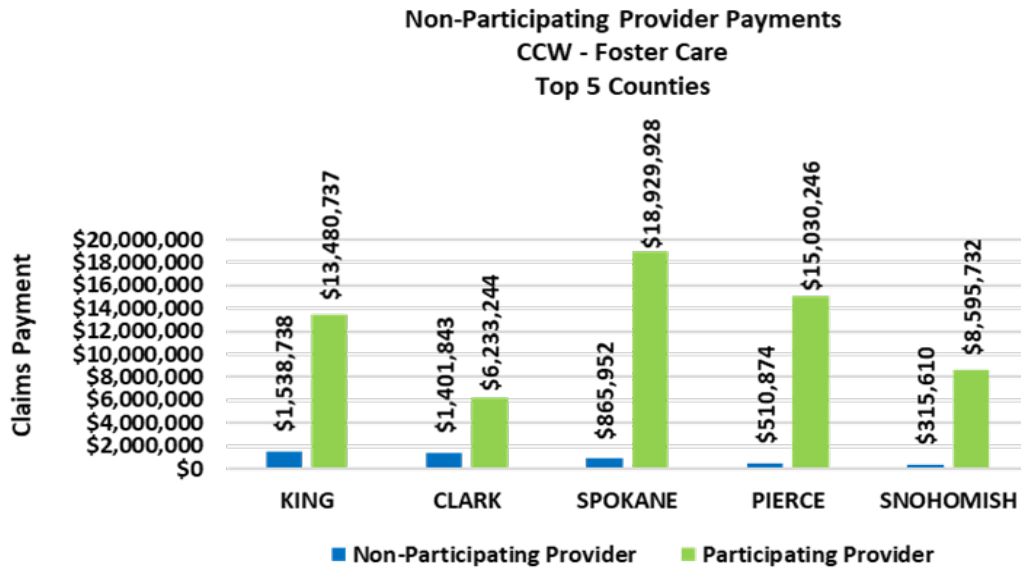


Chart 2: Counties with More than 50 percent of Providers with Paid Claims to Non-Participating Providers, Coordinated Care of Washington-Foster Care, Top 5 Counties

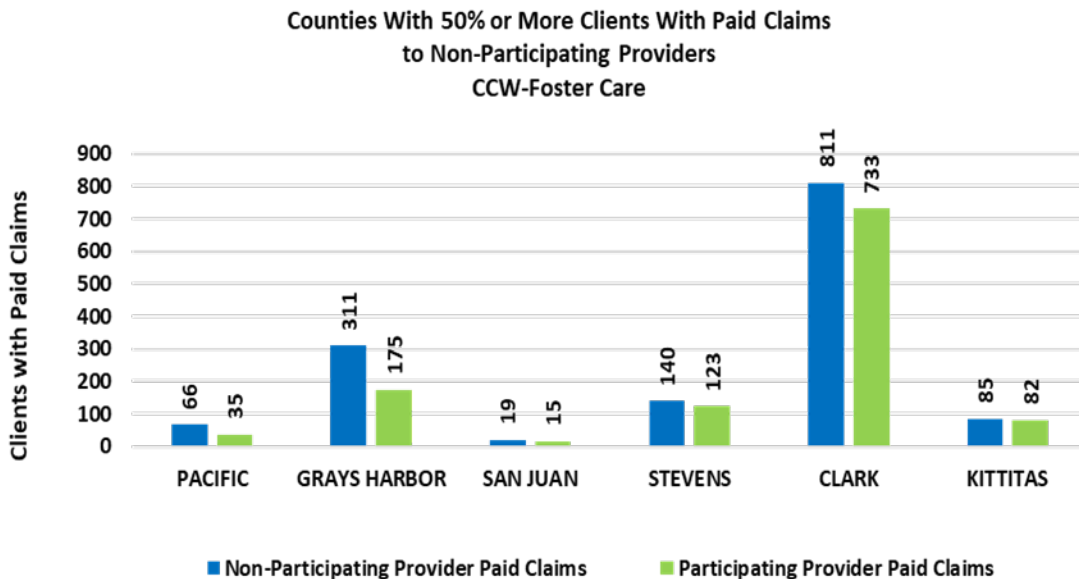
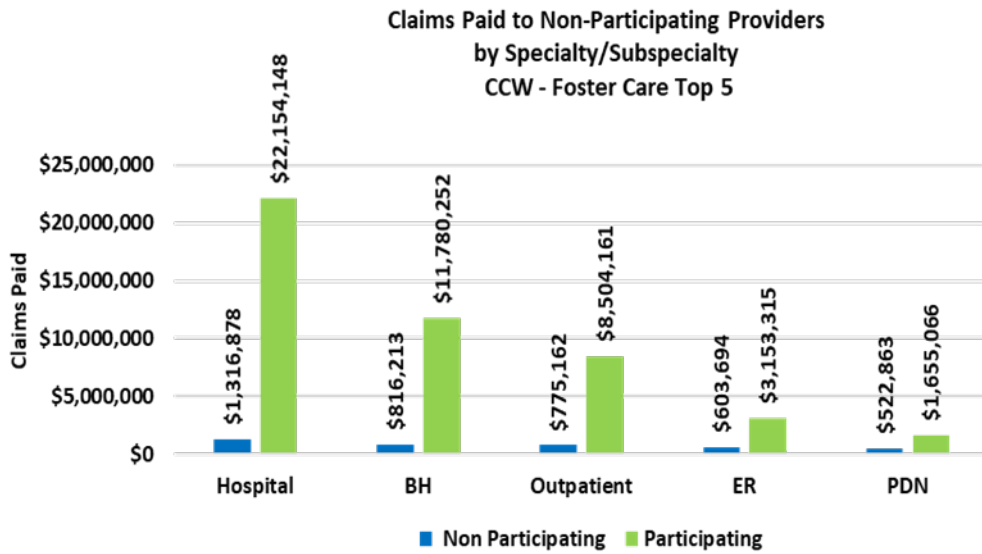


Chart 3: Paid Amount by Specialty/Subspecialty to Non-Participating Providers Coordinated Care of Washington-Foster Care Top five



Integrated Managed Care (IMC) Fiscal Year 2021 Findings

As of January 1, 2020, all 39 counties were integrated. They are combined into 10 Regional Service Areas (RSA) with different plan choices/MCO contracts per RSA as follows:

- **King County Regional Service Area (RSA)** – the contract was awarded to all five plans: Amerigroup, Coordinated Care of Washington, Community Health Plan of Washington, Molina Healthcare of Washington, and United Healthcare.
- **Pierce County Regional Service Area (RSA)** – the contract was awarded to four plans: Amerigroup, Coordinated Care of Washington, Molina Healthcare of Washington, and United Healthcare.
- **Greater Columbia Service Area (RSA); Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima Counties** – the contract was awarded to four plans: Amerigroup, Coordinated Care of Washington, Community Health Plan of Washington, and Molina Healthcare of Washington.
- **Spokane Regional Service Area (RSA); Adams, Ferry, Lincoln, Pend Oreille, Spokane, and Stevens Counties** – the contract was awarded to three plans: Amerigroup, Community Health Plan of Washington, and Molina Healthcare of Washington.
- **RSA Shifts to SW and North Central**-Klickitat County transitioned from the Greater Columbia Service Area to join the Southwest Service Area and Okanogan County transitioned from the Spokane Service Area to the North Central Service Area.
- **Salish Regional Service Area (RSA); Clallam, Jefferson, and Kitsap** – the contract was awarded to three plans: Amerigroup, Molina Healthcare of Washington, and United Healthcare.
- **Great Rivers Regional Service Area (RSA); Cowlitz, Grays Harbor, Lewis, Pacific and Wahkiakum**– the contract was awarded to three plans: Amerigroup, Molina Healthcare of Washington, and United Healthcare.
- **Thurston-Mason Regional Service Area (RSA);** – the contract was awarded to three plans:

Amerigroup (AMG)

Amerigroup (AMG) paid a total of \$661,242,750 for services to 134,273 providers for 638,094 IMC clients (see chart #4 for top 5 county paid claims).

Approximately \$53 million (8 percent of the total) was paid to 36,991 providers (28 percent of the total) for 141,152 clients (22 percent of the total) who received health care services from a non-participating provider.

No counties were paid 50 percent or more to a non-participating provider (no chart).

No counties had more than 50 percent of clients seeing a non-participating provider for their health care needs (no chart).

The top non-participating provider type visited was “hospital admit (any type)”, which was 5 percent of the total paid to this provider type (see chart #5 for top 5 non-participating provider type visited).

AMG also paid \$654.82 to 11 non-participating providers for 8 clients who received services out of state or in a border city.

Top five counties with payment increases to non-participating providers are:

- King County—\$11 million increase
- Pierce County—\$7 million increase
- Grays Harbor County—\$4 million increase
- Snohomish County—\$4 million increase
- Spokane County—\$4 million increase

Chart 4: Non-Participating Provider Paid Amount, Amerigroup-IMC Top 5 Counties

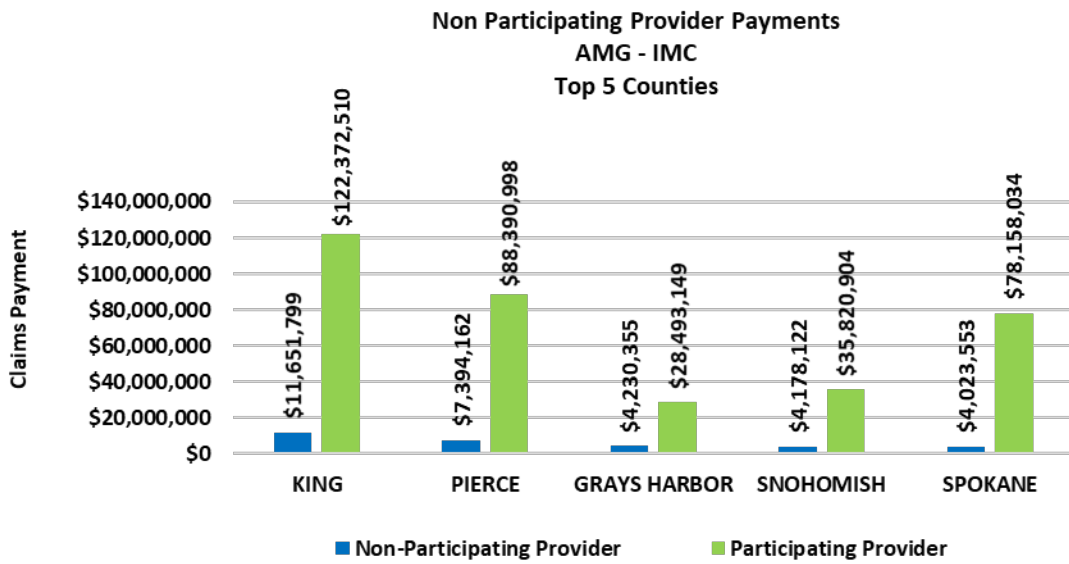
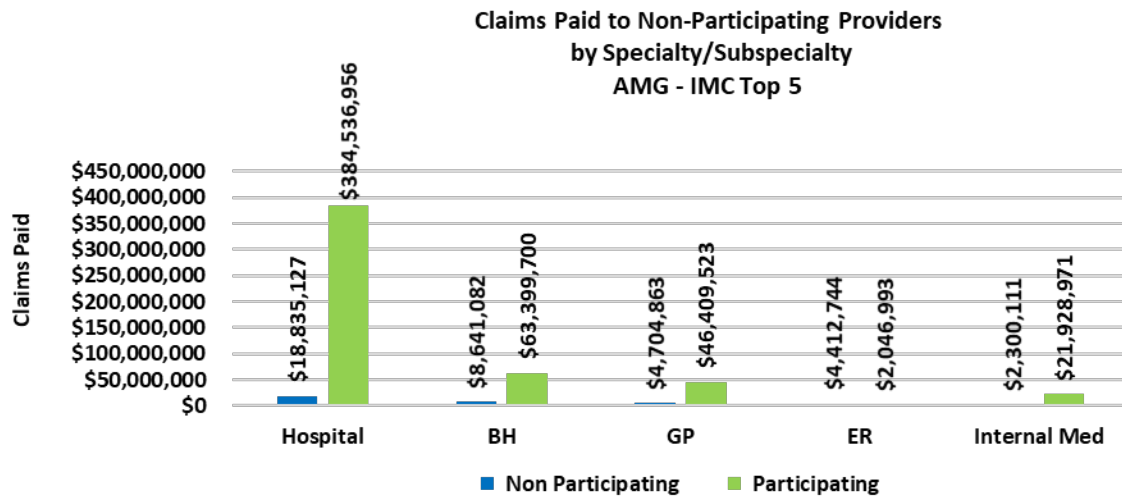


Chart 5: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Amerigroup-IMC Top 5



Community Health Plan of Washington (CHPW)

Community Health Plan of Washington (CHPW) paid a total of \$552,230,856 for services to 32,127 providers for 586,315 IMC clients. (See chart #6 for top 5 county paid claims).

Approximately \$23 million (4 percent of the total) was paid to 8,509 providers (26 percent of the total) for 57,644 clients (10 percent of the total) who received health care services from a non-participating provider.

One county had 50 percent or more non-participating providers paid in this reporting period; Clallam at 56 percent (no chart). *CHPW is not a contracted plan in Clallam County during this reporting period.

One county had more than 50 percent of clients seeing a non-participating provider for their health care needs in this reporting period; Garfield at 66 percent (no chart).

The top non-participating provider type visited was “general practice”, which was 14 percent of the total paid to this provider type (see chart #7 for top 5 non-participating provider type visited).

CHPW also paid approximately \$2 million to 957 non-participating providers for 2,325 clients who received services out of state or in a border city.

Top five counties with payment increases to non-participating providers are:

- Snohomish County—\$798 thousand increase
- Pierce County—\$532 thousand increase
- Benton County—\$249 thousand increase
- Whatcom County—\$219 thousand increase

Top five counties with payment decreases to non-participating providers are:

- King County—\$1.9 million decrease
- Spokane County—\$940 thousand decrease
- Thurston County—\$175 thousand decrease
- Yakima County—\$171 thousand decrease
- Lewis County—\$163 thousand decrease

Chart 6: Non-Participating Paid Amount, Community Health Plan of Washington-IMC Top 5 Counties

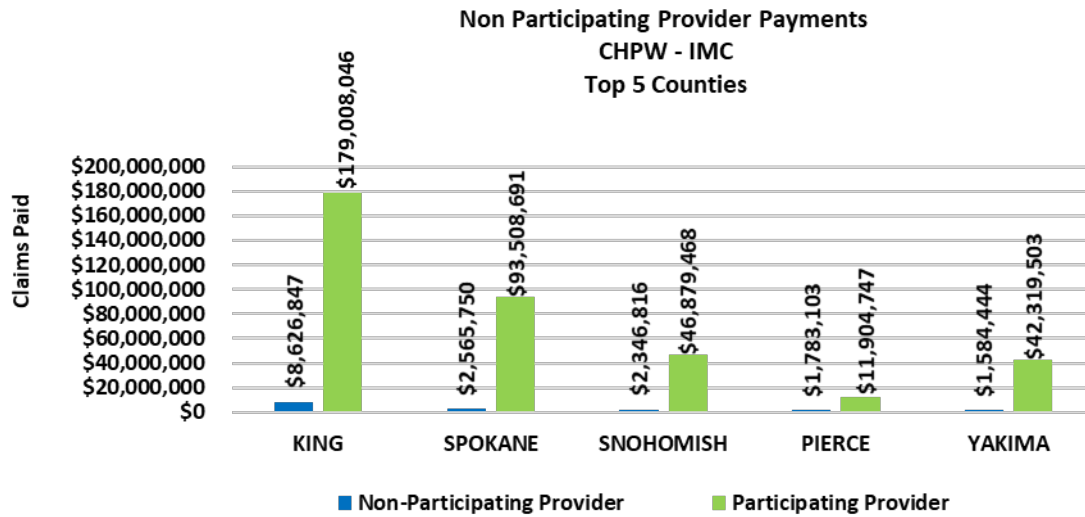
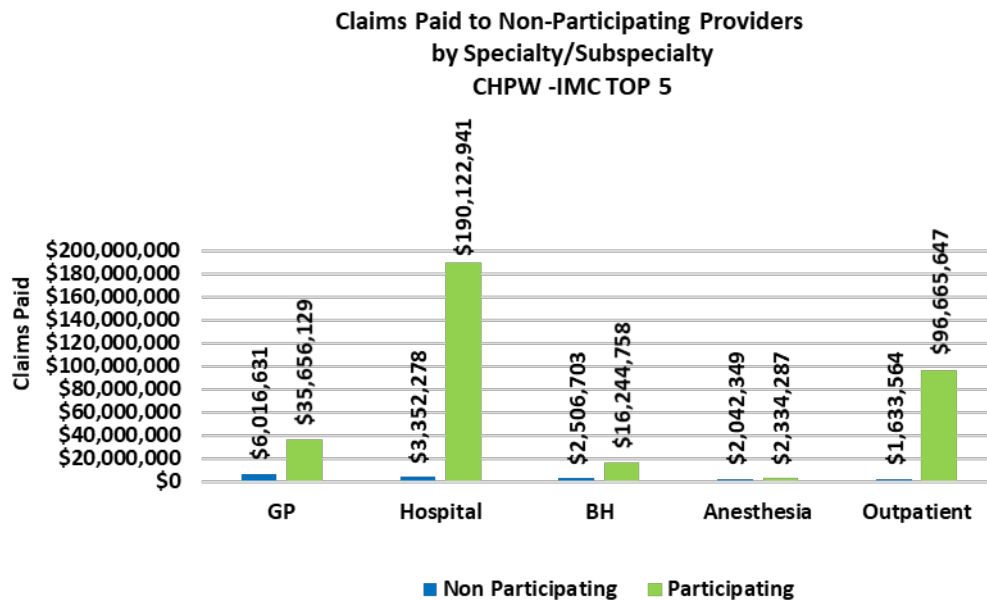


Chart 7: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Community Health Plan of Washington-IMC Top 5



Proportion of Non-Participating Providers Serving Apple Health Enrollees
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Coordinated Care of Washington (CCW)

Coordinated Care of Washington (CCW) paid a total of \$557,446,545 for services to 82,652 providers for 148,120 IMC clients. (See chart #8 for top 5 county paid claims).

Approximately \$27 million (5 percent of the total) was paid to 13,846 providers (17 percent of the total) for 55,428 clients (37 percent of the total) who received health care services from a non-participating provider.

No counties were paid 50 percent or more to a non-participating provider (no chart).

One county had more than 50 percent of clients seeing a non-participating provider for their health care needs; Grays Harbor at 100 percent (no chart). *CCW is not a contracted plan in Grays Harbor.

The top non-participating provider type visited was "hospital admit (any type)", which was 4 percent of the total paid to this provider type (see chart #9 for top 5 non-participating provider type visited).

CCW also paid as total of \$208,813 to 283 non-participating providers for 543 clients who received services out of state or in a border city.

Top five counties with payment increases to non-participating providers are:

- Snohomish County—\$951 thousand increase
- Benton County—\$766 thousand increase
- Chelan County—\$357 thousand increase
- Clark County—\$328 thousand increase
- Island County—\$161 thousand increase

Top five counties with payment decreases to non-participating providers are:

- Yakima County—\$1.5 million decrease
- Grant County—\$123 thousand decrease
- Douglas County—\$52 thousand decrease
- Okanogan County—\$26 thousand decrease
- Jefferson County—\$17 thousand decrease

Chart 8: Non-Participating Paid Amount, CCW-IMC Top 5 Counties

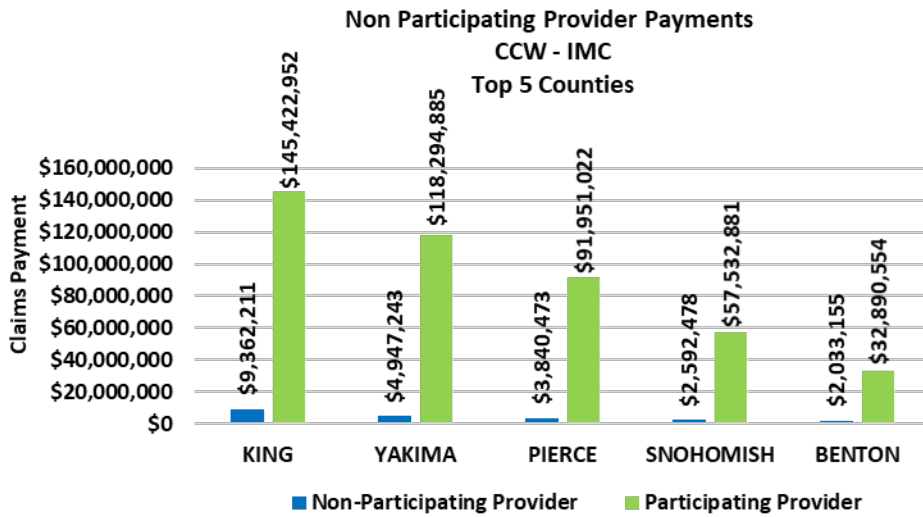
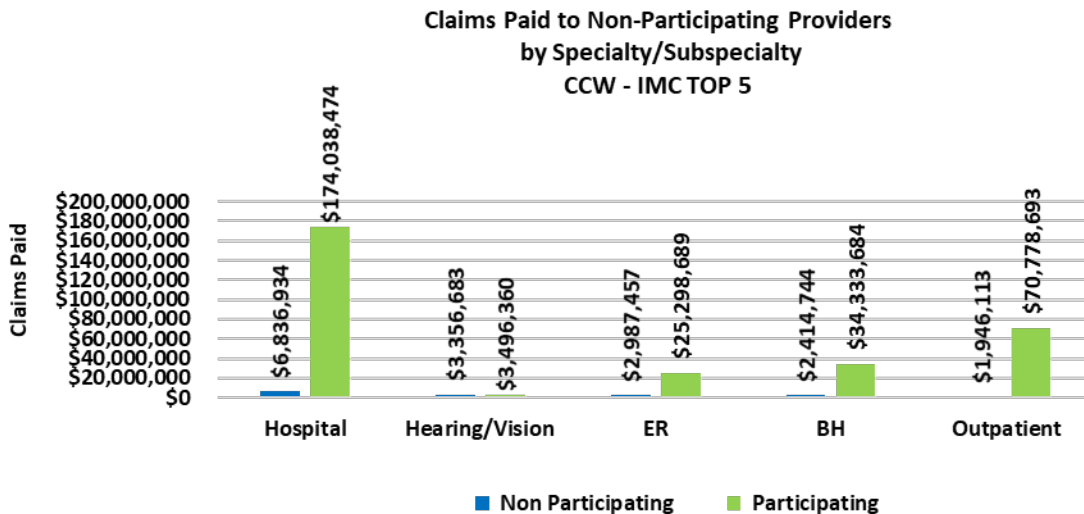


Chart 9: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, CCW-IMC Top 5



Molina Healthcare of Washington (MHW)

Molina Healthcare of Washington (MHW) paid a total of \$1,807,719,608 for services to 38,101 providers for 1,336,832 IMC clients. (See chart #10 for top 5 county paid claims).

Approximately \$44 million (2 percent of the total) was paid to 5,402 providers (14 percent of the total) for 120,998 clients (9 percent of the total) who received health care services from a non-participating provider.

No counties had 50 percent or more non-participating providers paid in this reporting period (no chart).

No counties had more than 50 percent of clients seeing a non-participating provider for their health care needs (no chart).

The top non-participating provider type visited was “hospital (any type)”, which was 3 percent of the total paid to this provider type (see chart #11 for top 5 non-participating provider type visited).

MHW also paid approximately \$25 million to 8,147 non-participating providers for 40,968 clients who received services out of state or in a border city.

Top five counties with payment increases to non-participating providers are:

- Pierce County—\$3.8 million increase
- Grays Harbor County—\$1.7 million thousand increase
- Skagit County—\$1 million increase
- Whatcom County—\$794 thousand increase
- Spokane County—\$668 thousand increase

Top five counties with payment decreases to non-participating providers are:

- Yakima County—\$4 million decrease
- Grays Harbor County—\$1.4 million decrease
- Thurston County—\$1.1 million decrease
- Mason County—\$201 thousand decrease
- Lewis County—\$117 thousand decrease

Chart 10: Non-Participating Paid Amount, Molina Healthcare-IMC Top 5 Counties

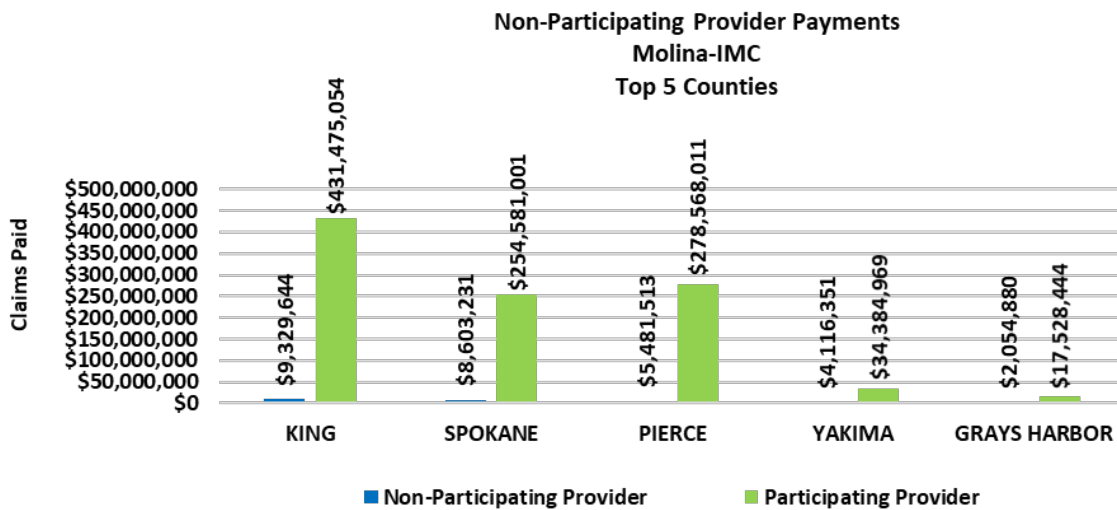
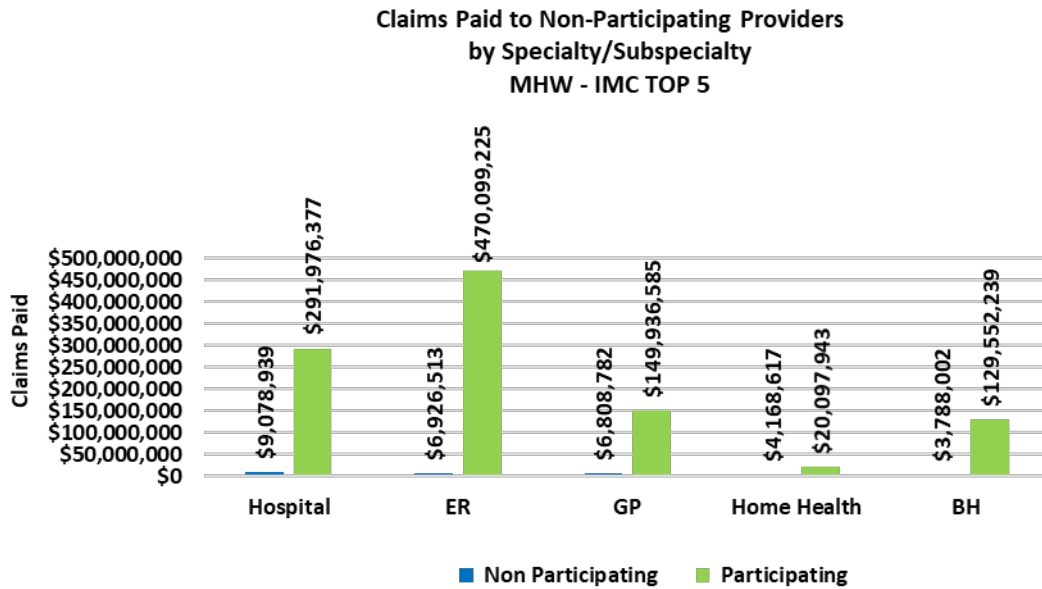


Chart 11: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Molina Healthcare-IMC Top 5



United Healthcare (UHC)

United Healthcare (UHC) paid a total of \$567,684,524 for services to 38,799 providers for 690,339 IMC clients. (See chart #12 for top 5 county paid claims).

Approximately \$11 million (2 percent of the total) was paid to 4,211 providers (11 percent of the total) for 58,932 clients (9 percent of the total) who received health care services from a non-participating provider.

No counties had 50 percent or more non-participating providers paid in this reporting period (no chart).

One county had more than 50 percent of clients seeing a non-participating provider for their health care needs; Benton at 75 percent (no chart).

The top non-participating provider type visited was “hospital (any type)”, which was 1 percent of the total paid to this provider type (see chart #13 for top 5 non-participating provider type visited).

UHC also paid approximately \$5 million to 6,965 providers for 40,968 clients who received services out of state or in a border city.

Top five counties with payment increases to non-participating providers are:

- Clark County—\$484 thousand increase
- Grays Harbor County—\$328 thousand increase
- Thurston County—\$313 thousand increase
- Mason County—\$293 thousand increase

Top five counties with payment decreases to non-participating providers are:

- Pierce County—\$626 thousand decrease

- Island County—\$253 thousand decrease
- King County—\$120 thousand decrease
- Benton County—\$9 thousand decrease
- Chelan County—\$7 thousand decrease

Chart 12: Non-Participating Paid Amount, United Healthcare-IMC Top 5 Counties

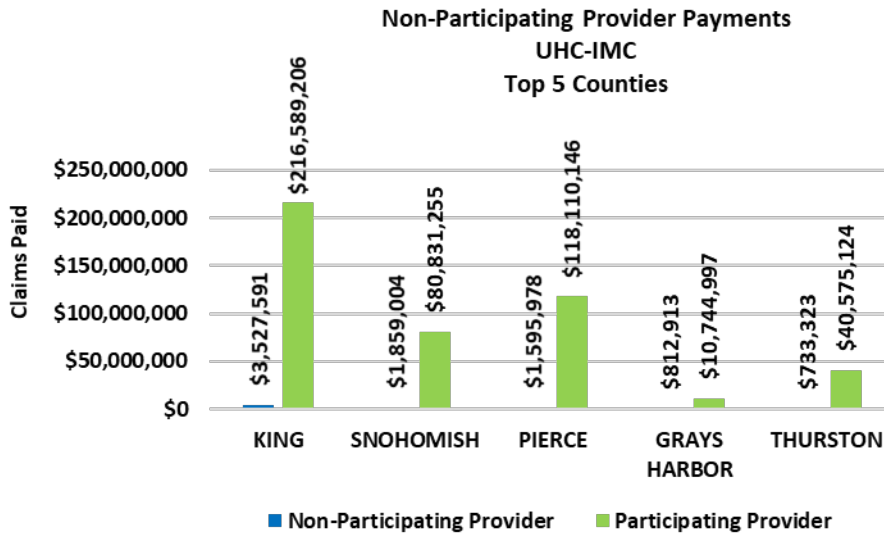
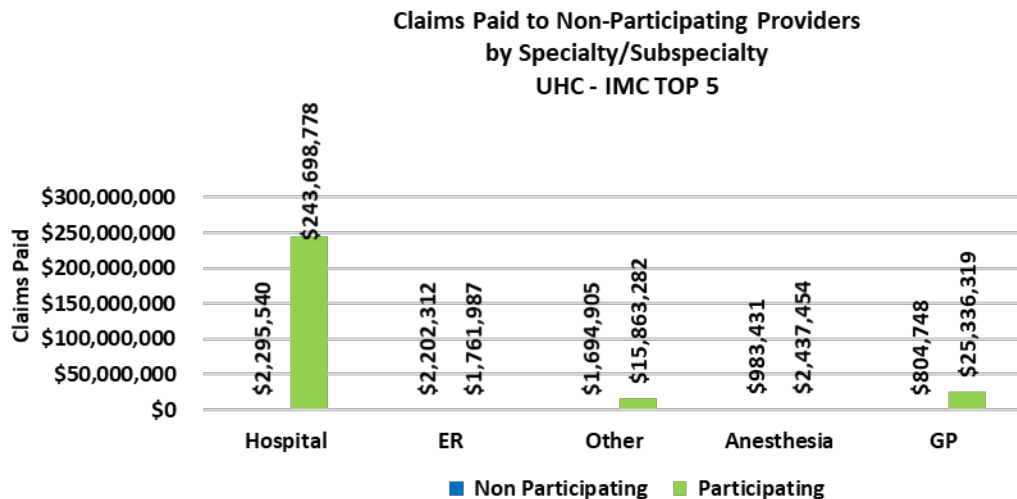


Chart 13: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, United Healthcare-IMC Top 5



Integrated Foster Care (IFC) Overall Non-Participating Provider Payment Analysis

Charts 14, 15, and 16 reflect the non-participating provider use, by county, for all MCOs by dollars spent, utilization percentage, and provider specialty for the Integrated Foster Care Contract.

Chart 14: Total Non-Participating Paid, Per County

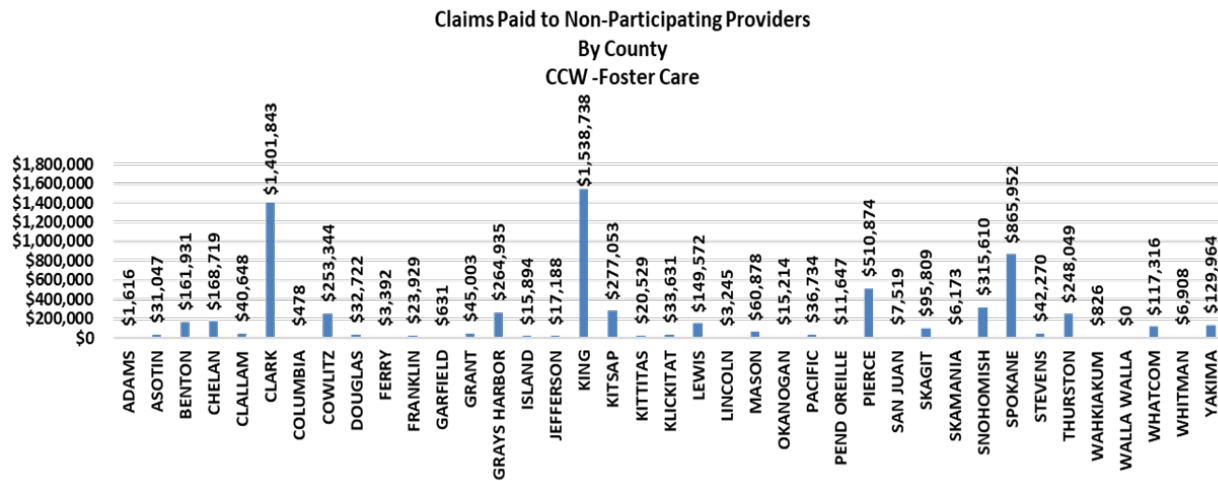


Chart 15: Percentage of Total Non-Participating Provider Paid Amounts, Per County

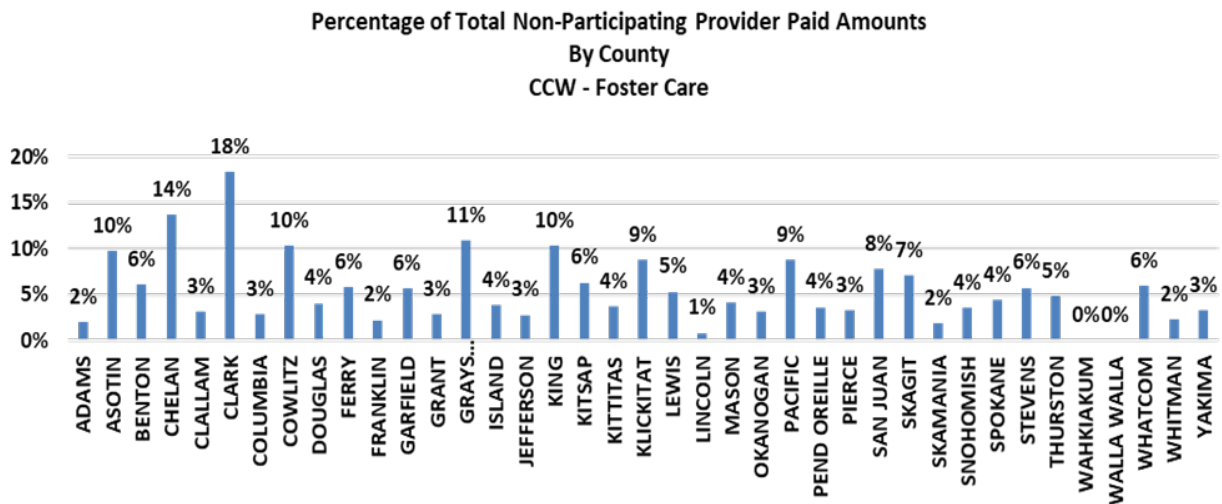
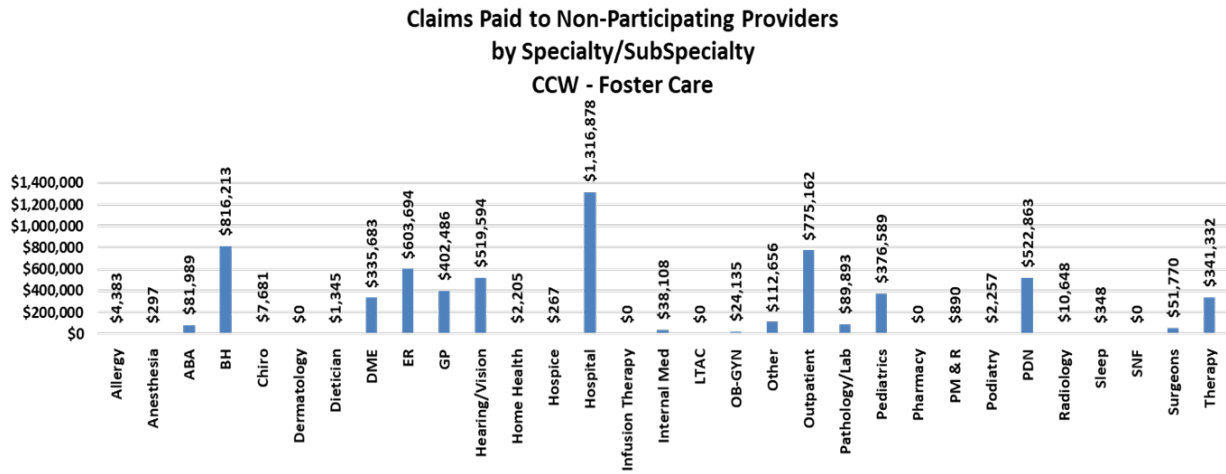


Chart 16: Non-Participating Provider Paid Amounts, By Specialty



Integrated Managed Care (IMC) Overall Non-Participating Provider Payment Analysis

Charts 17, 18, and 19 reflect the non-participating provider use, by county, for all MCOs by dollars spent, utilization percentage, and provider specialty for the Integrated Managed Care Contract.

Chart 17: Total Non-Participating Paid Amounts, All Plans-Per County

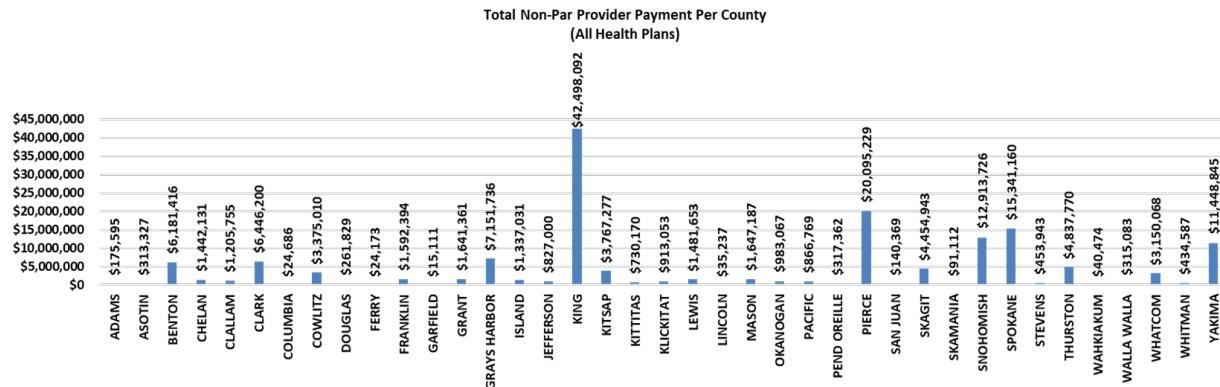


Chart 18: Percentage of Total Non-Participating Provider Paid Amounts, Per County-All Plans

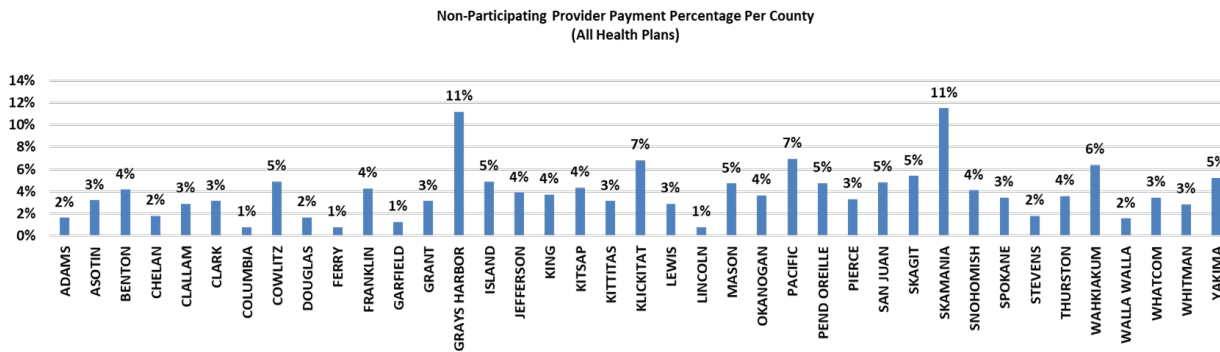
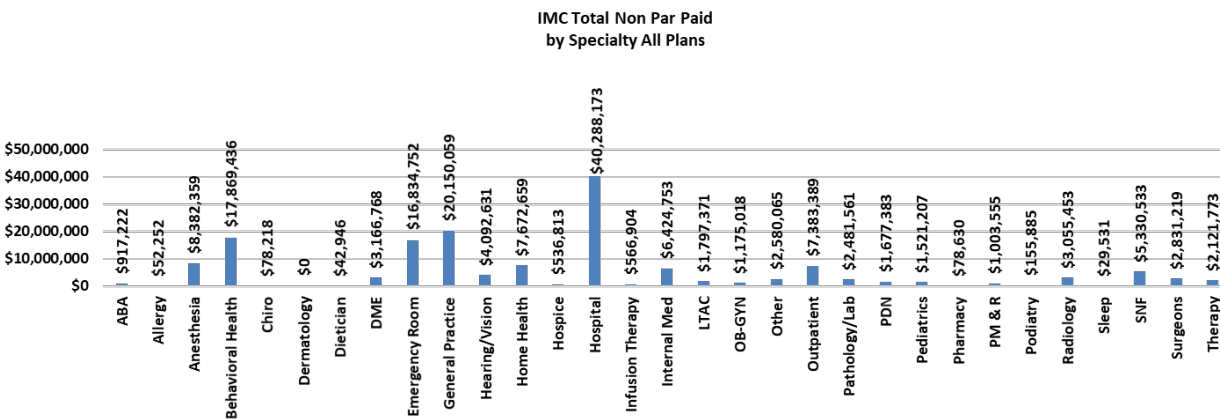


Chart 19: Non-Participating Provider Paid Amounts, By Specialty-All Plans



Comparison of FY20 and FY21 Integrated Managed Care (IMC) Non-Participating Provider Payment Analysis

The following charts shows a year-to-year comparison by plan for IMC contracts including total paid, payments to non-participating providers and clients seeking services from a non-participating provider for FY 2020 & FY 2021:

Amerigroup (AMG)

- Total payments in FY 2021 have increased by 29 percent and the payments to non-participating providers increased by 8 percent compared to FY 2020.
- Total providers paid in FY 2021 have increased by 7 percent and the number of non-participating providers paid increased by 4 percent compared to FY 2020.
- Total clients receiving services in FY 2021 decreased by 5 percent and the number of clients receiving services from a non-participating provider increased by 7 percent compared to FY 2020.

Chart 20: AMG - Total Payments Compared to Non-Participating Provider Payments

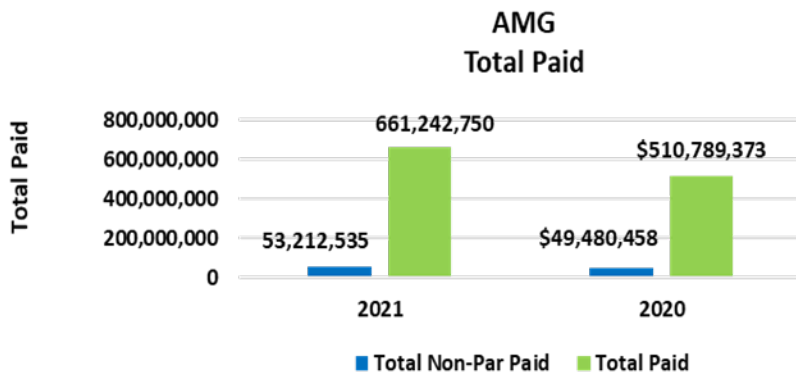


Chart 21: AMG - Total Providers Paid Compared to Non-Participating Providers Paid

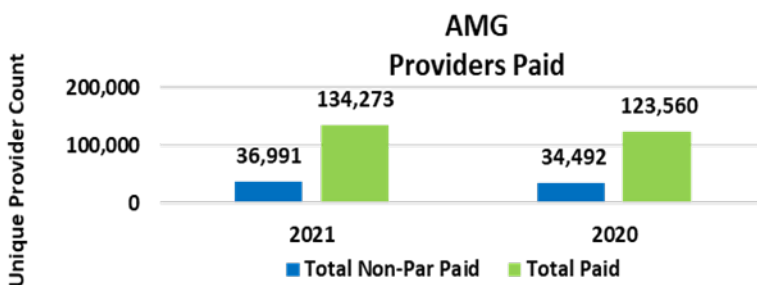
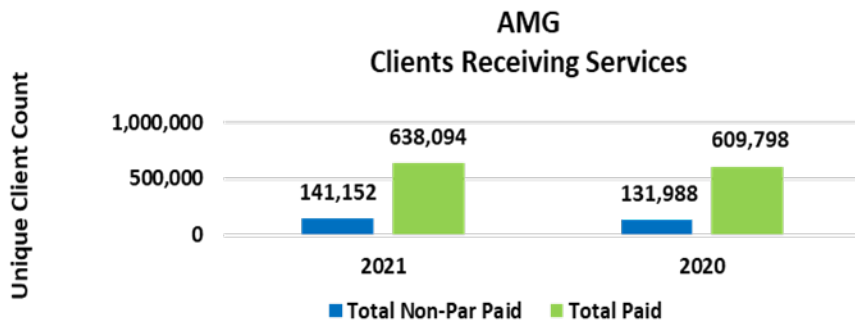


Chart 22: AMG - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Community Health Plan of Washington (CHPW)

- Total payments in FY 2021 have decreased by 10 percent and the payments to non-participating providers decreased by 2 percent compared to FY 2020.
- Total providers paid in FY 2021 decreased by 73 percent and the number of non-participating providers paid decreased by 46 percent compared to FY 2020.
- Total clients receiving services in FY 2021 did not increase or decrease and percent and the number of clients receiving services from a non-participating provider decreased by 8 percent compared to FY 2020.

Chart 23: CHPW - Total Payments Compared to Non-Participating Provider Payments

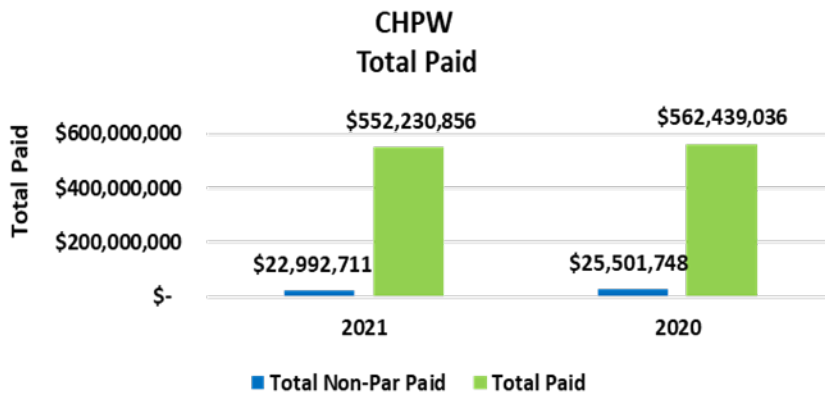


Chart 24: CHPW - Total Providers Paid Compared to Non-Participating Providers Paid

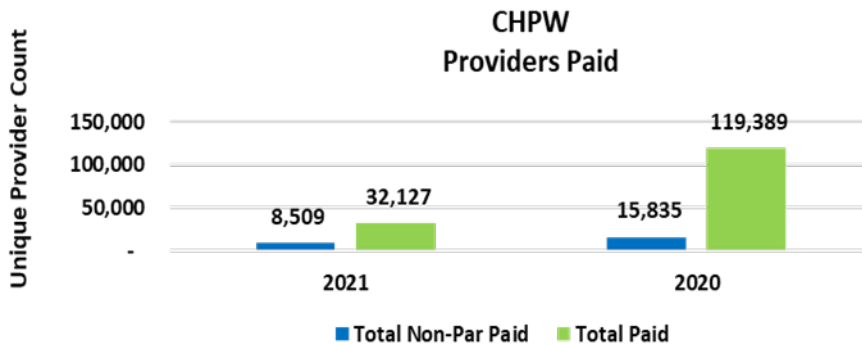
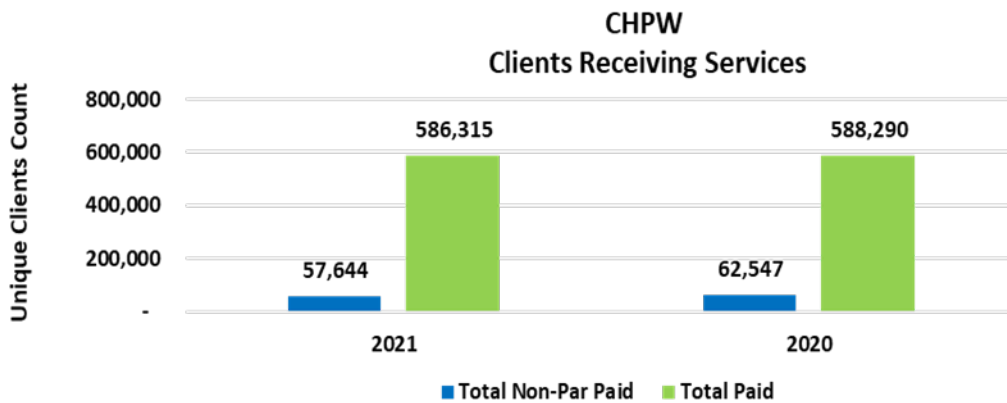


Chart 25: CHPW - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Coordinated Care of Washington (CCW)

- Total payments in FY 2021 have increased by 1 percent and the payments to non-participating providers decreased by 9 percent compared to FY 2020.
- Total providers paid in FY 2021 decreased by 17 percent and the number of non-participating providers paid decreased by 18 percent compared to FY 2020.
- Total clients receiving services in FY 2021 increased by 35 percent and the number of clients receiving services from a non-participating provider increased by 24 percent compared to FY 2020.

Chart 26: CCW - Total Payments Compared to Non-Participating Provider Payments

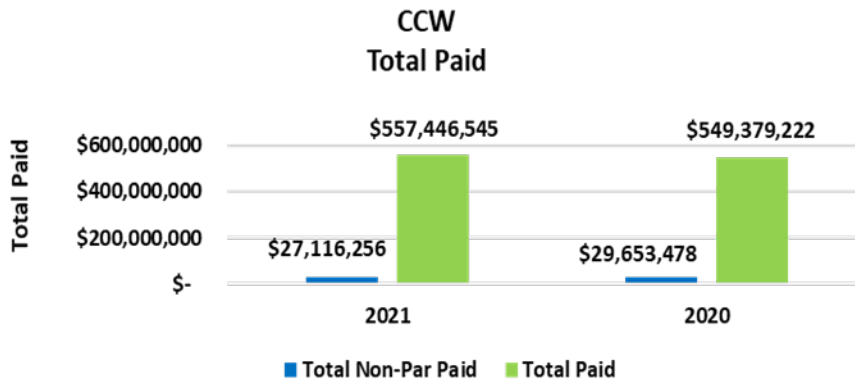


Chart 27: CCW- Total Providers Paid Compared to Non-Participating Providers Paid

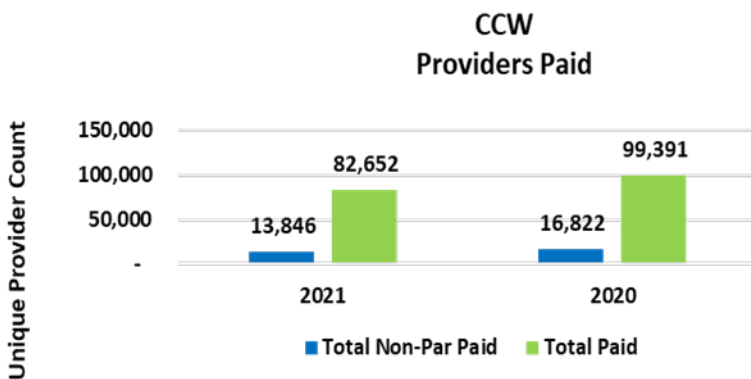
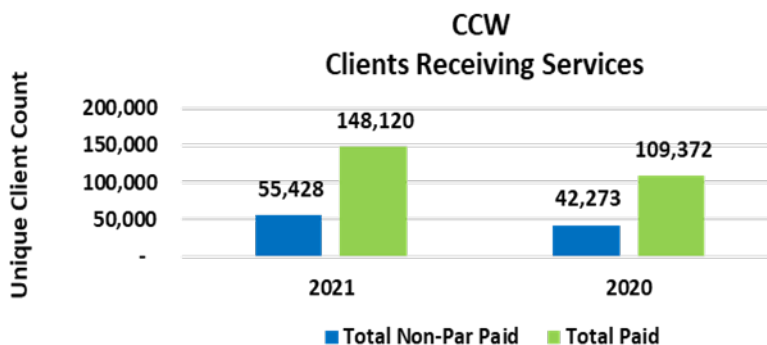


Chart 28: CCW- Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Molina Healthcare of Washington (MHW)

- Total payments in FY 2021 have decreased by 1 percent and the payments to non-participating providers decreased by 6 percent compared to FY 2020.
- Total providers paid in FY 2021 decreased by 39 percent and the number of non-participating providers paid decreased by 39 percent compared to FY 2020.
- Total clients receiving services in FY 2021 have decreased by 9 percent and the number of clients receiving services from a non-participating provider decreased by 11 percent compared to FY 2020.

Chart 29: MHW - Total Payments Compared to Non-Participating Provider Payments

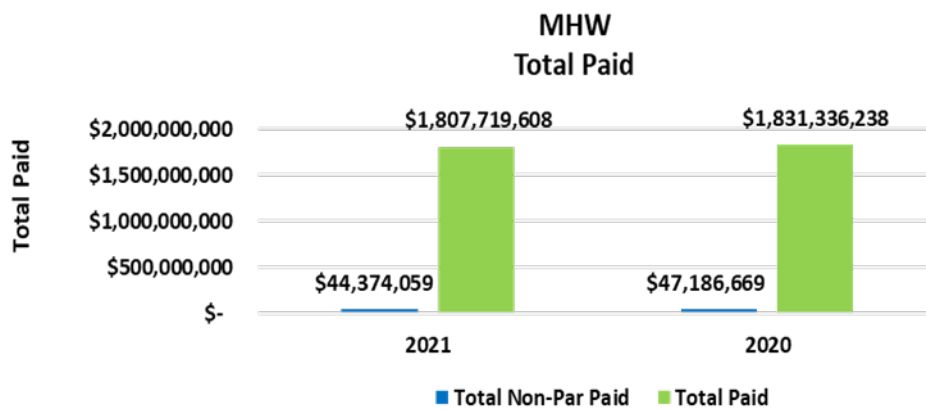


Chart 30: MHW - Total Providers Paid Compared to Non-Participating Providers Paid

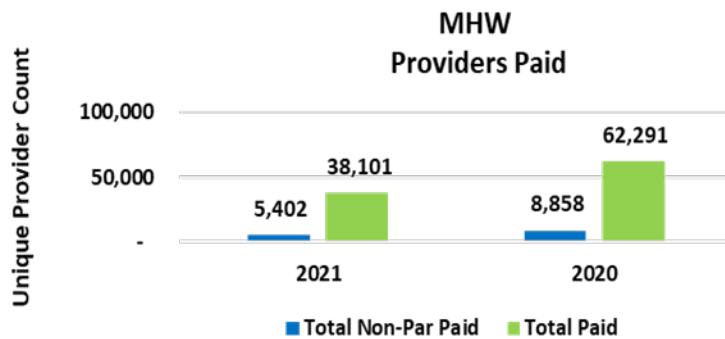
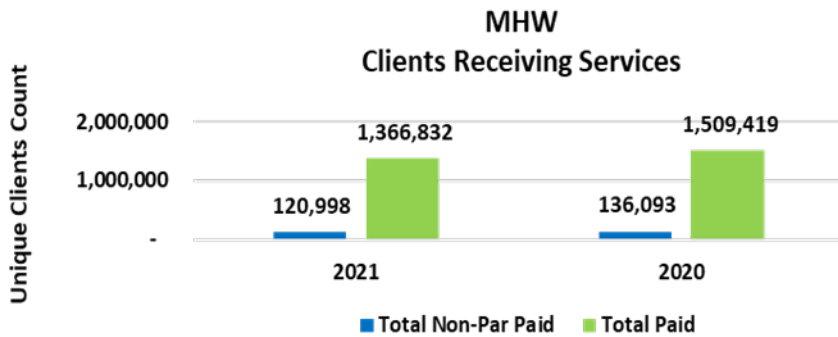


Chart 31: MHW - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



United Healthcare (UHC)

- Total payments in FY 2021 have increased by 24 percent and the payments to non-participating providers increased by 4 percent compared to FY 2020.
- Total providers paid in FY 2021 decreased by 6 percent and the number of non-participating providers paid decreased by 2 percent compared to FY 2020.
- Total clients receiving services in FY 2021 increased by 192 percent and the number of clients receiving services from a non-participating provider increased by 60 percent compared to FY 2020.

Chart 32: UHC - Total Payments Compared to Non-Participating Provider Payments

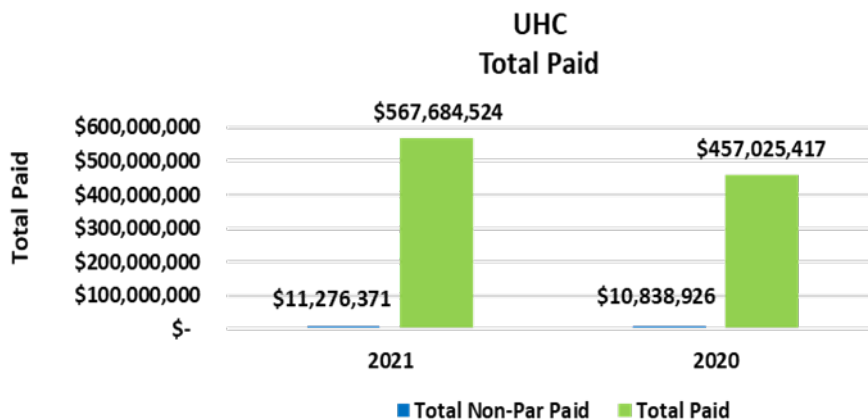


Chart 33: UHC - Total Providers Paid Compared to Non-Participating Providers Paid

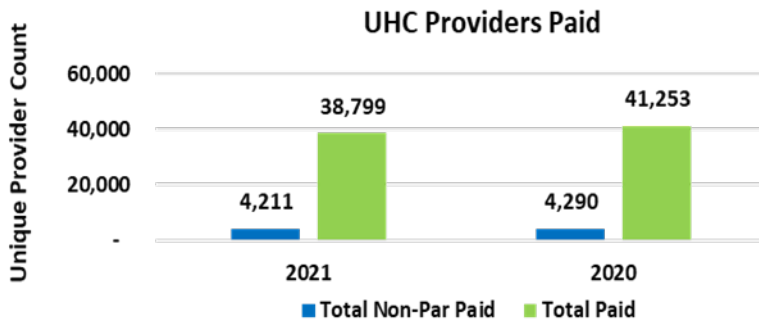


Chart 34: UHC - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider

Comparison of FY20 and FY21 Integrated Foster Care (IFC) Non-Participating Provider Payment Analysis

Charts 35, 36 & 37 shows a year-to-year comparison for IFC Coordinated Care of Washington (CCW) contract including total paid, payments to non-participating providers and clients seeking services from a non-participating provider for FY 2020 & FY 2021.

Coordinated Care of Washington (CCW)

- Total payments in FY 2021 have increased by 24 percent and the payments to non-participating providers increased by 8 percent compared to FY 2020.
- Total providers paid in FY 2021 decreased by 2 percent and the number of non-participating providers paid decreased by 4 percent compared to FY 2020.
- Total clients receiving services in FY 2021 decreased by 3 percent and the number of clients receiving services from a non-participating provider decreased by 9 percent compared to FY 2020.

The following charts shows a year-to-year comparison for IFC contract including total paid, payments to non-participating providers and clients seeking services from a non-participating provider for FY 2020 & FY 2021:

Chart 35: CCW-IFC - Total Payments Compared to Non-Participating Provider Payments

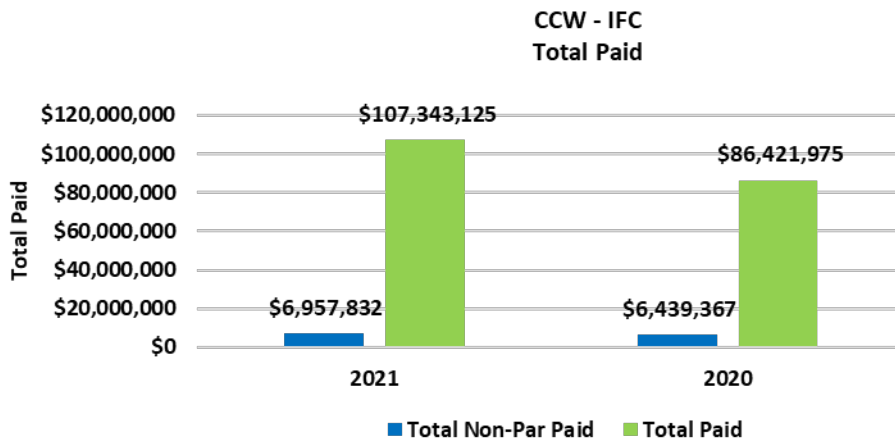


Chart 36: CCW-IFC - Total Providers Paid Compared to Non-Participating Providers Paid

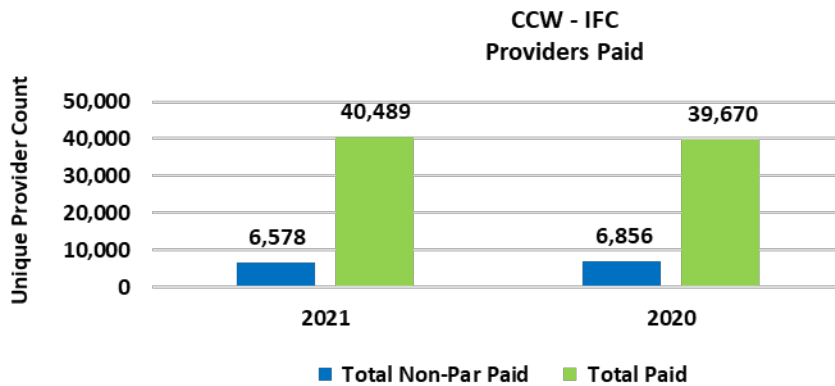
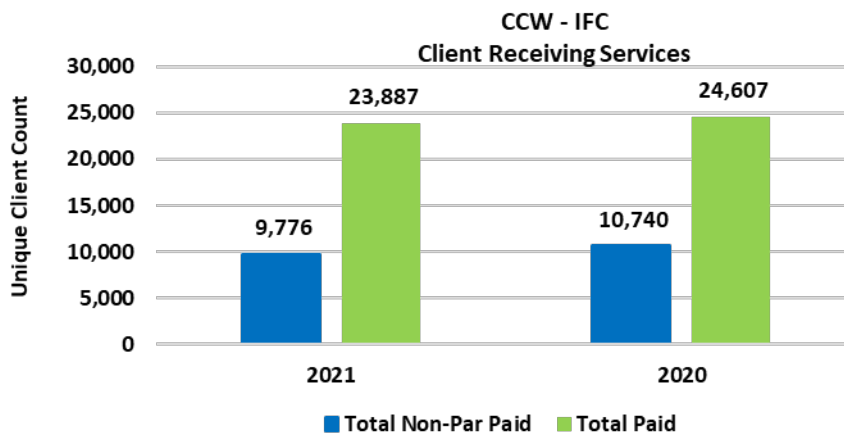


Chart 37: CCW-IFC - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Integrated Managed Care (IMC) Out of State/Border City Non-Participating Provider Payments

The following charts show information regarding services rendered out of state or in a border city for IMC contracts and by specialty.

Integrated Managed Care (IMC)

Chart 38: IMC - Total Payments by MCO

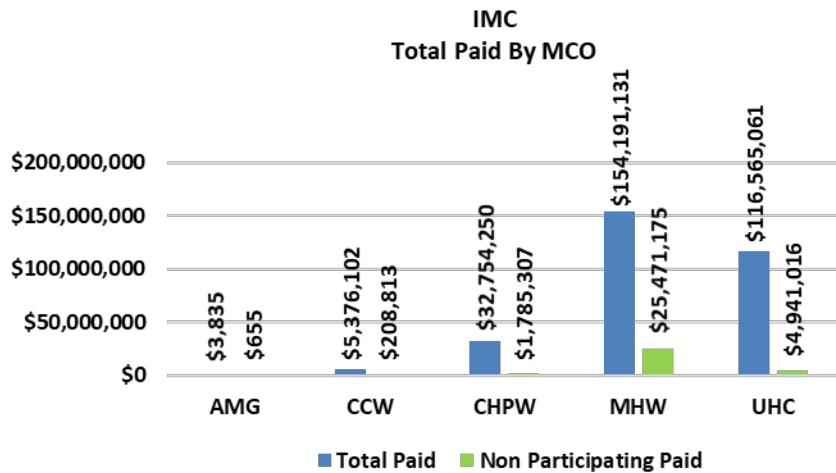


Chart 39: IMC - Total Unique Providers Paid by MCO

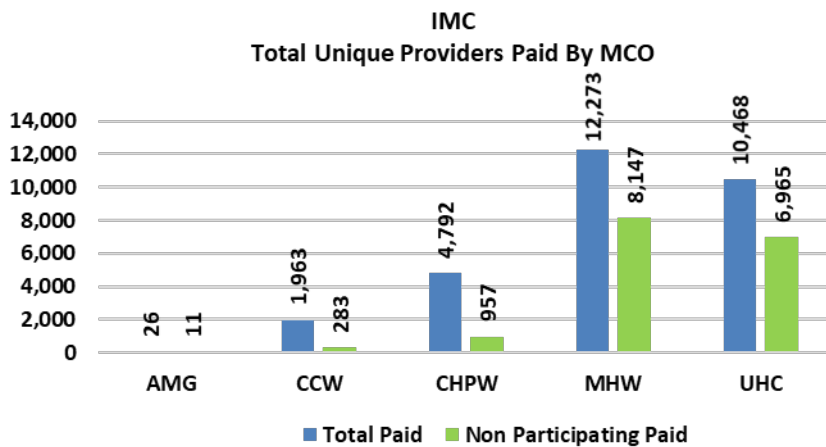


Chart 40: IMC – Total Unique Clients Receiving Services by MCO

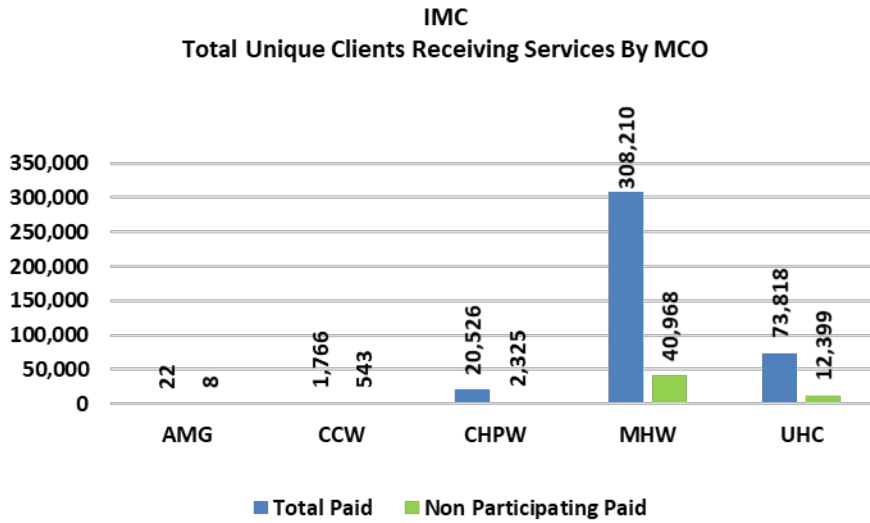
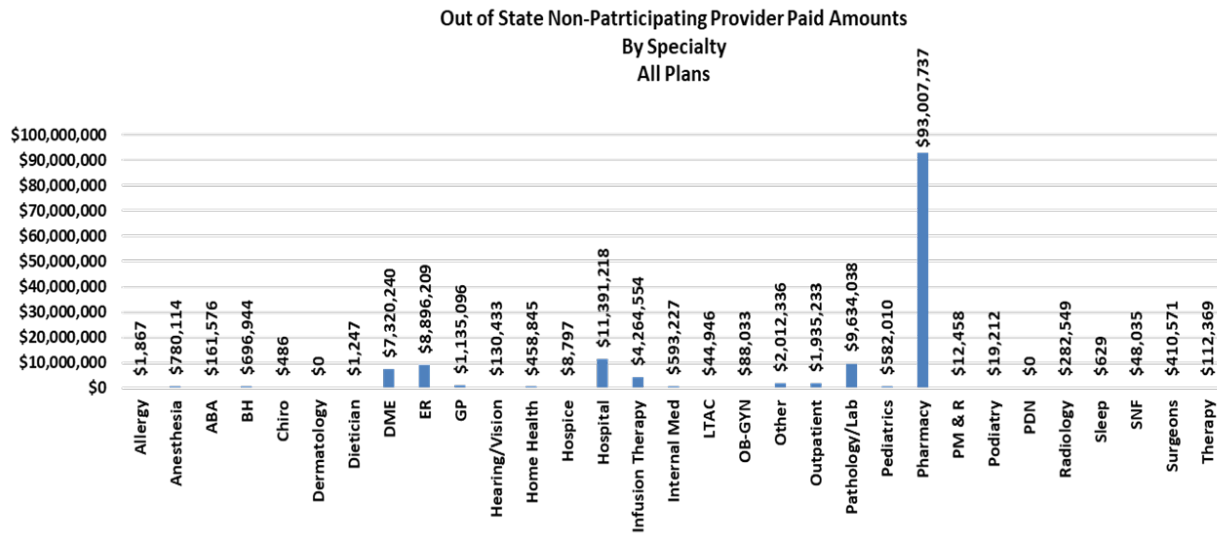


Chart 41: IMC - Non-Participating Provider Paid Amounts, By Specialty-All Plans



Integrated Foster Care (IFC) Out of State/Border City Non-Participating Provider Payments

The following charts show information regarding services rendered out of state or in a border city for IFC contracts and by specialty.

Chart 42: IFC - Total Payments by MCO

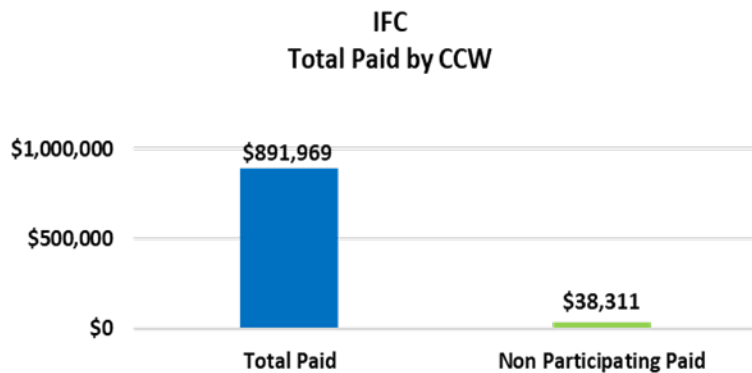


Chart 43: IFC- Total Unique Providers Paid by MCO

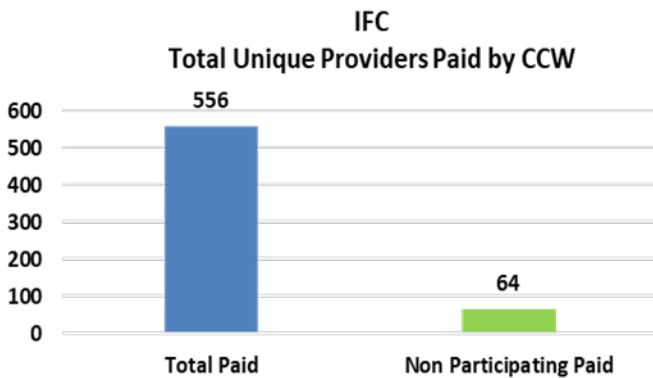


Chart 44: IFC – Total Unique Clients Receiving Services by MCO

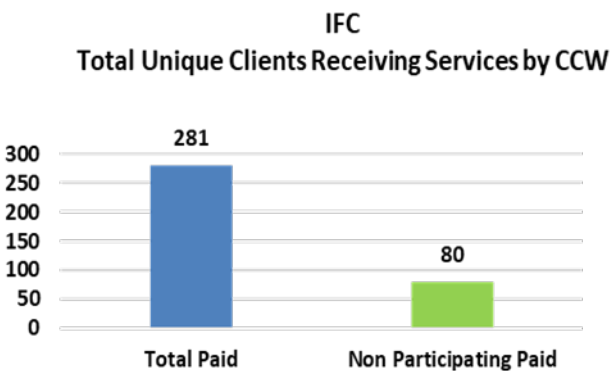
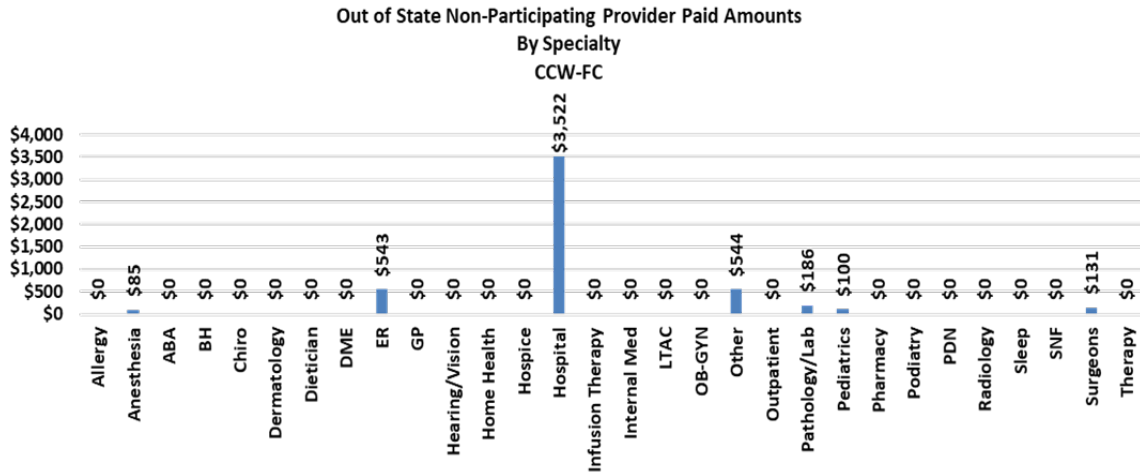


Chart 45: IFC - Non-Participating Provider Paid Amounts, By Specialty



Conclusion

Ensuring Apple Health clients have access to an extensive provider network is crucial to quality health care outcomes. This analysis shows:

- The amount paid to non-participating providers decreased by \$4 million as compared to previous reporting period.
- The most dollars paid to non-participating providers are still in the larger counties (King, Pierce, Spokane, and Snohomish).

A total of \$159 million was paid to non-participating providers; 4 percent of all expenditures which is no change in percentage over previous year.

Twenty-one percent of all claims paid were to non-participating providers for 13 percent of all MCO enrolled clients receiving health care services. This represents a 3 percent increase in non-participating providers paid and no change for the percentage of clients receiving services from a non-participating provider, as compared to the previous year of 18 percent of all claims paid to non-participating providers and 13 percent of all clients from a non-participating provider.

There is no national standard or published best practice by which to benchmark these results. Non-participating providers do not have a contractual fee schedule. Instead, plans reimburse non-participating providers at the lowest contracted rate of a comparable participating provider. Regardless, the goal should always be to keep the rate as low as possible to encourage the providers to contract with more plans, thereby creating a more robust provider network that can meet their enrollees' health care needs. When a provider is not contracted with the plan and there is no "participating" relationship, care may be adversely impacted and the benefits of receiving care in managed care can be compromised. For example, the provider may deliver services outside of the plan's treatment guidelines, choose not to engage with a case manager, choose not to participate in any care improvement initiatives sponsored by the plan, or support value-based purchasing initiatives.

While all regions of the state were providing integrated managed care during this reporting period, some MCOs were not in every regional service area, which could have initially caused an increase of non-participating providers. However, overall, less reimbursement was made to non-participating providers, more non-participating providers were paid and the number of clients seeking services with a non-participating provider was approximately the same.

The provider specialty with the largest amount of non-participating provider payments was hospital admissions; \$48 million, 25 percent of all non-participating provider payments, which is an 11 percent decrease over the last reporting period. The fact that hospital stays are the highest medical expense is one of the biggest contributing factors. HCA plans to work closely with the MCOs to obtain more detailed information regarding services provided in non-participating hospitals, such as type and reason for admission to assess ways to reduce use of these non-participating providers.

HCA will continue monitoring the trends in all non-participating provider expenditures. HCA intends to continue to work with the managed care plans to develop and implement strategies to reduce the number of payments made to non-participating providers. This work could include:

- Reporting of additional data elements.
- Additional MCO staff training on how to report the data; or
- Continuing the more aggressive approach to contracting, to ensure there is an adequate provider network, thus reducing non-participating provider utilization.