Washington State Health Care Authority

Report to the Legislature

Proportion of Non-Participating Providers Serving Low-Income Enrollees in State-Purchased Health Care Programs July 1, 2012 - June 30, 2013

ESSB 5927, Chapter 9, Laws of 2011, 1st Special Session

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EXECUTIVE SUMMARY

Chapter 9, Laws of 2011 1st sp. sess. (ESSB 5927) requires the Health Care Authority (HCA) to submit annual reports to the Legislature. The reports are intended to show the proportion of services, by county, that are provided by non-participating providers to Basic Health (BH) and Healthy Options (HO) enrollees.

To meet this requirement, the HCA directs each contracted managed care health plan to provide the following data for the calendar year under review:

1. The total cost of overall services (claims paid), per county, paid by the managed care health plan to all providers for services provided to enrollees served under the Contract.
2. The percent of overall cost of services (claims paid), per county, paid by the managed care health plan to non-participating providers, including hospital-based physician services, provided to enrollees served under the Contract.

HCA analyzes this data to look for trends that could potentially indicate a change in network adequacy that could affect enrollee access.

Effective July 1, 2012, a new consolidated contract took effect, adding new managed care health plans for both programs and a thorough analysis of the county information indicates low utilization of non-participating services across the state, with mild variations for counties with limited provider pools and topography challenges.

INTRODUCTION

In the 2009-11 biennial operating budget, the Legislature directed payments to non-participating providers for contracted services provided to Medicaid managed care enrollees should be limited to the amounts paid providers under the Medicaid fee-for-service delivery system. The duration of these provisions was limited to the period during which the operating budget was in effect.

The Legislature realized a more permanent resolution was needed as continued uncertainty for all interested parties could have adverse impacts such as:

- Diminished ability for the state to negotiate cost-effective contracts with managed care health care plans;
- A potential for significant reduction in the willingness of providers to participate in managed care health plan provider networks;
- A reduction in providers participating in the managed care health plans; and
- Increased exposure for program enrollees to balance billing practices by non-participating providers.

Ultimately, fewer eligible people would get the care they need as state purchased health care programs operate with less efficiency and reduced access to cost-effective and quality health care coverage for program enrollees.

To address this important issue, Chapter 9, Laws of 2011, 1st sp. sess. is intended to ensure:

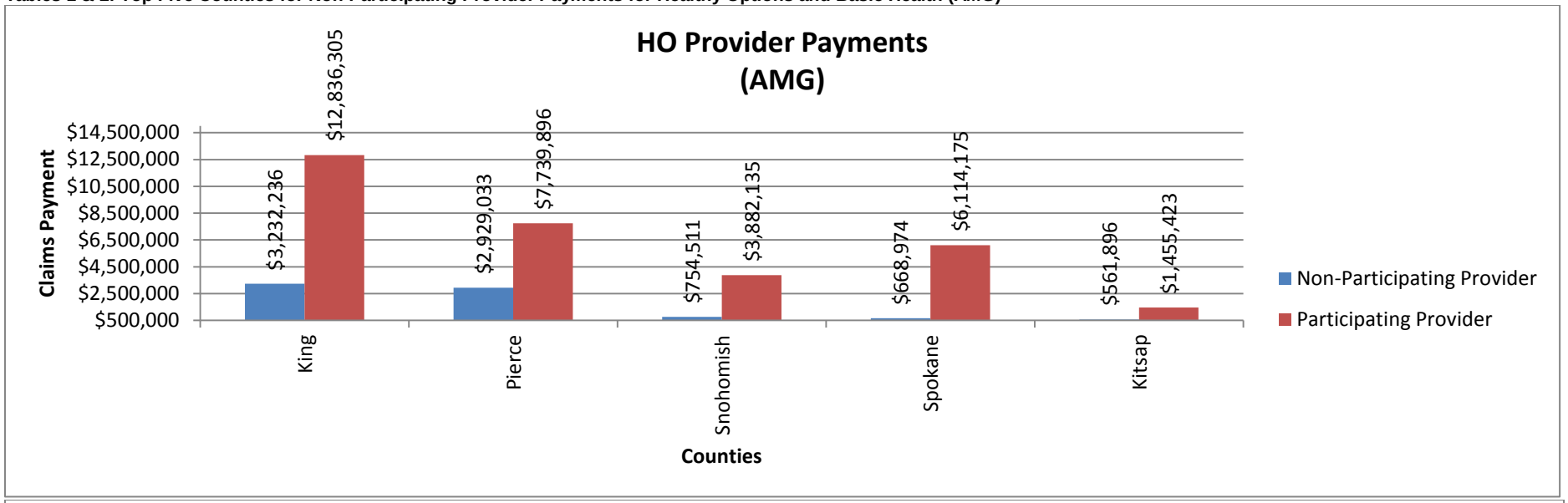
- Non-participating providers are reimbursed only up to managed care health plan's lowest amount paid for that service under its contracts with similar providers in the state.
- Non-participating providers consider the amount paid for covered services by managed care health plans as payment in full for services provided to managed care enrollees.
- Enrollees are not liable to any non-participating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment, as applicable.
- The HCA conducts monitoring and periodic reporting to identify the proportion of services provided by contracted providers and non-participating providers, by county, to ensure managed care health plans meet network adequacy requirements as required under contract and federal law.

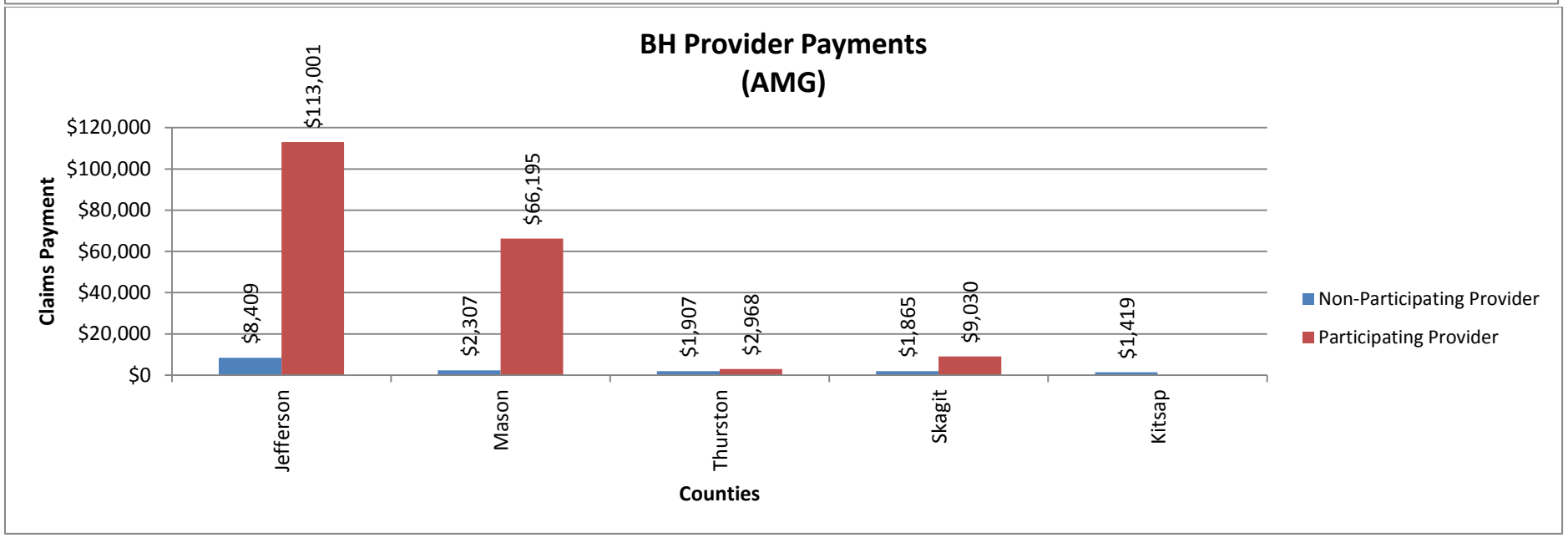
RESULTS

The following tables provide analysis outcomes for managed care health plans serving HO and BH enrollees reporting for July 1, 2012 through June 30, 2013:

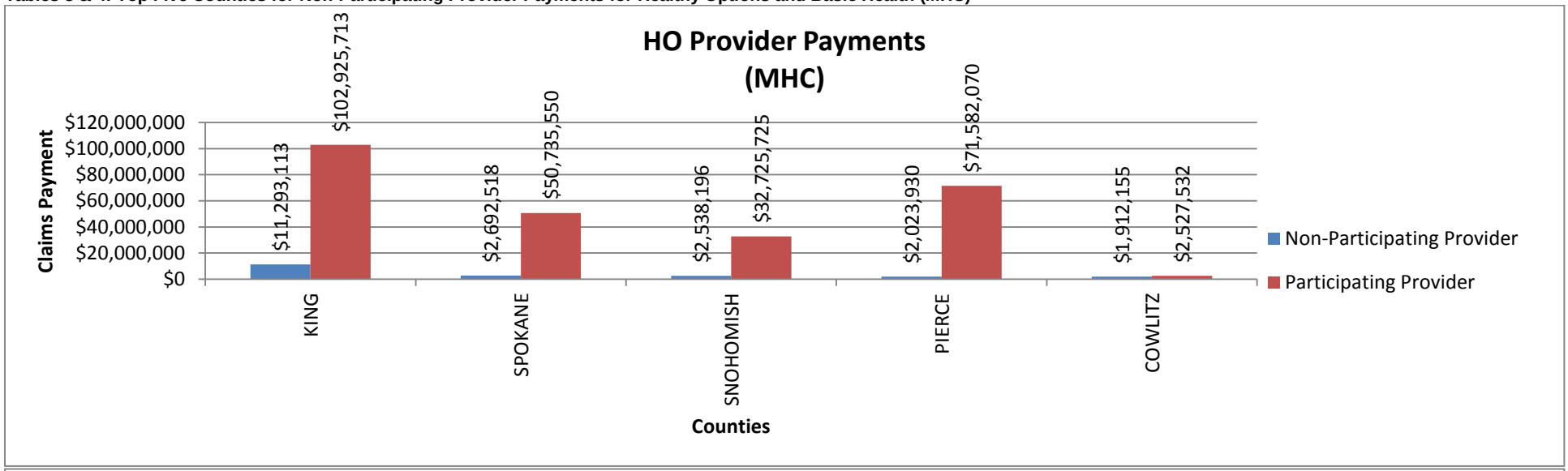
- Community Health Plan of Washington (CHPW)
- Molina Healthcare of Washington, Inc. (MHC)
- Amerigroup (AMG)
- Coordinated Care Corporation (CCC)
- UnitedHealthcare (UHC)

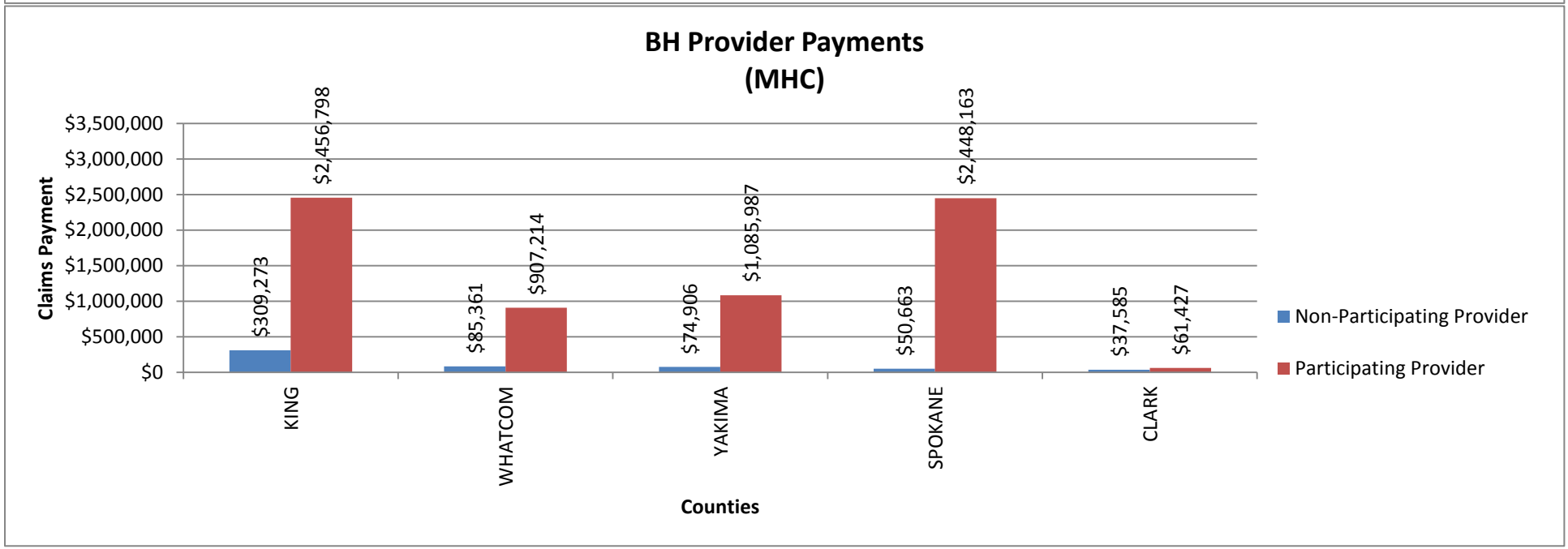
Tables 1 & 2: Top Five Counties for Non-Participating Provider Payments for Healthy Options and Basic Health (AMG)



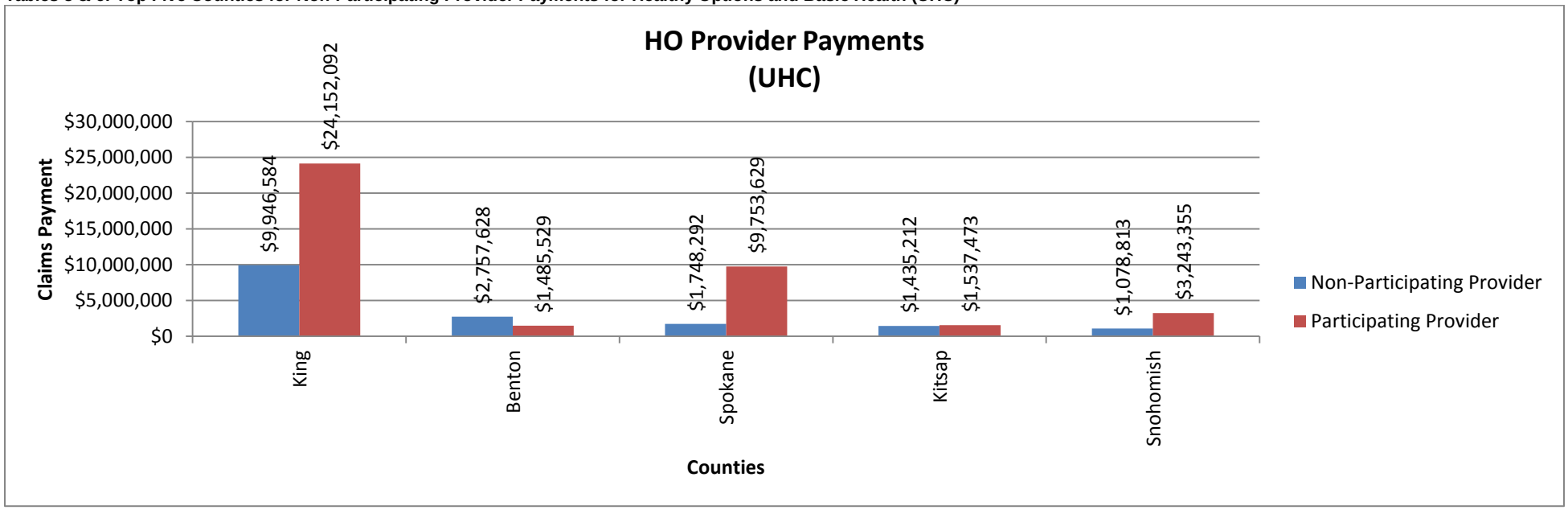


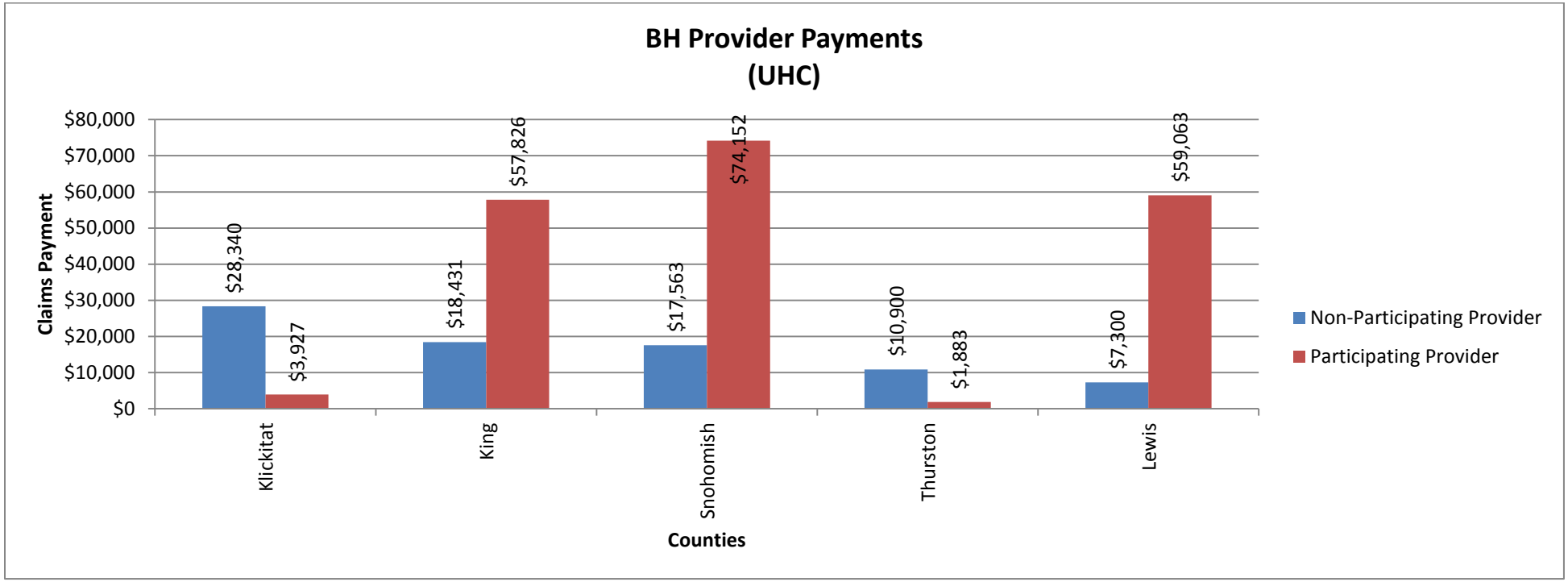
Tables 3 & 4: Top Five Counties for Non-Participating Provider Payments for Healthy Options and Basic Health (MHC)



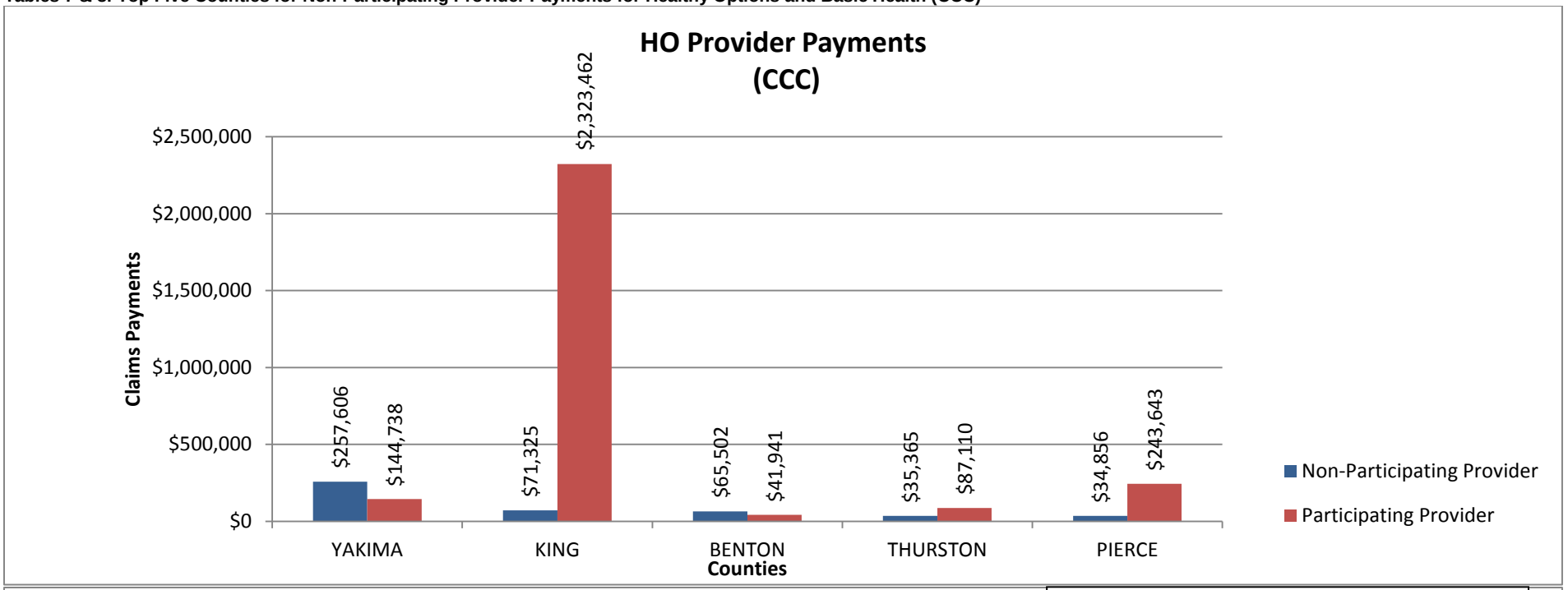


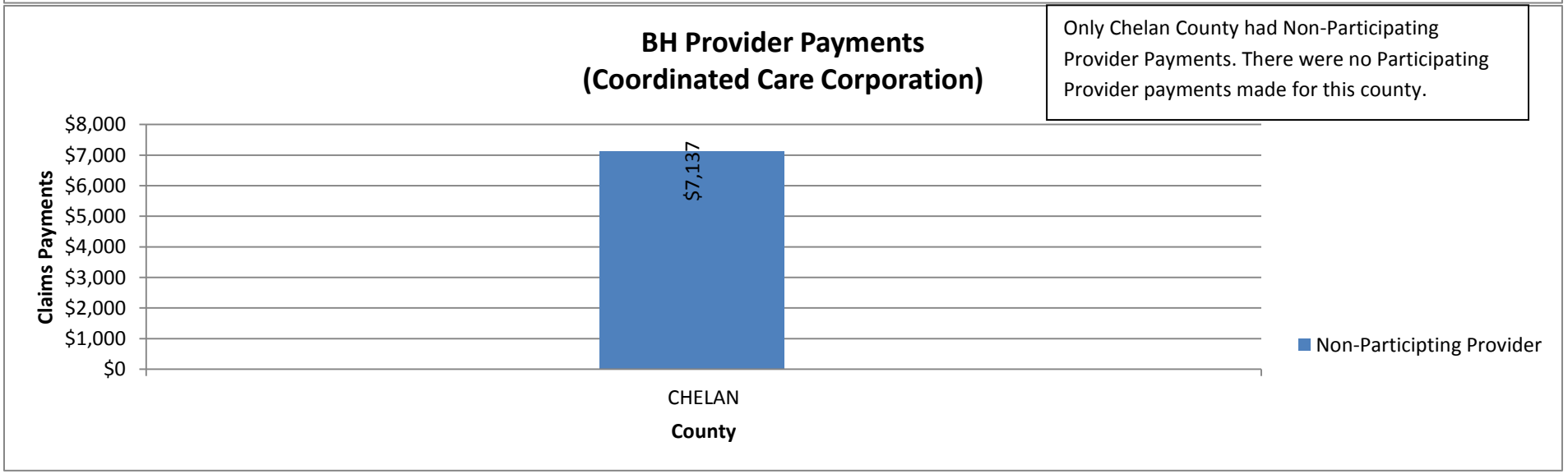
Tables 5 & 6: Top Five Counties for Non-Participating Provider Payments for Healthy Options and Basic Health (UHC)



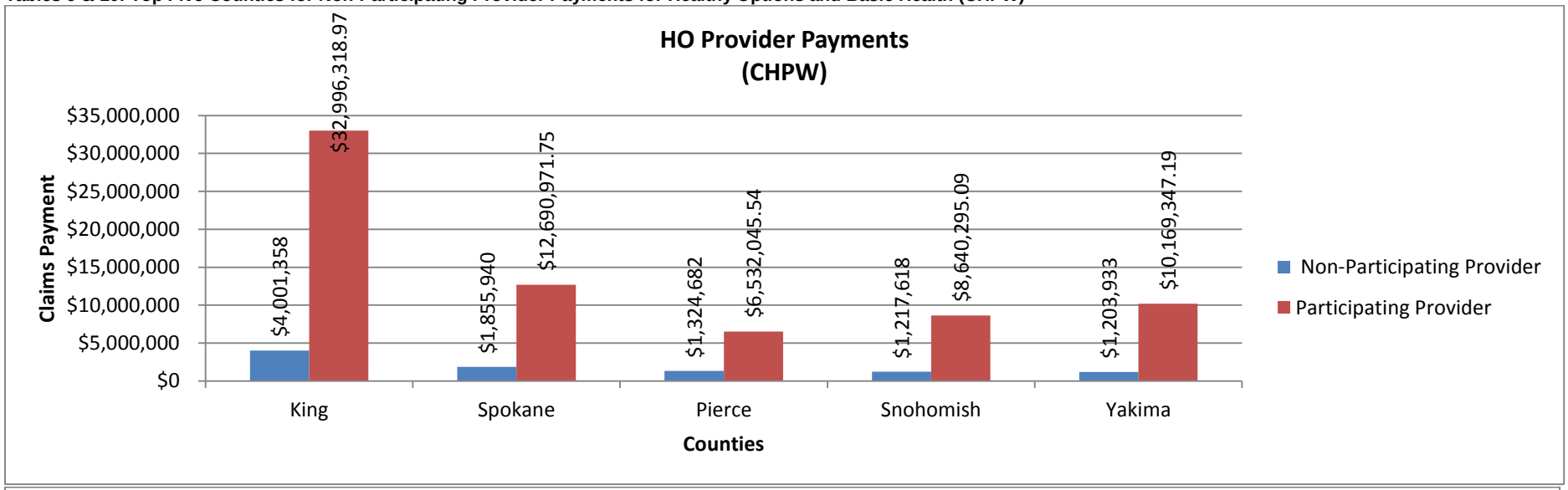


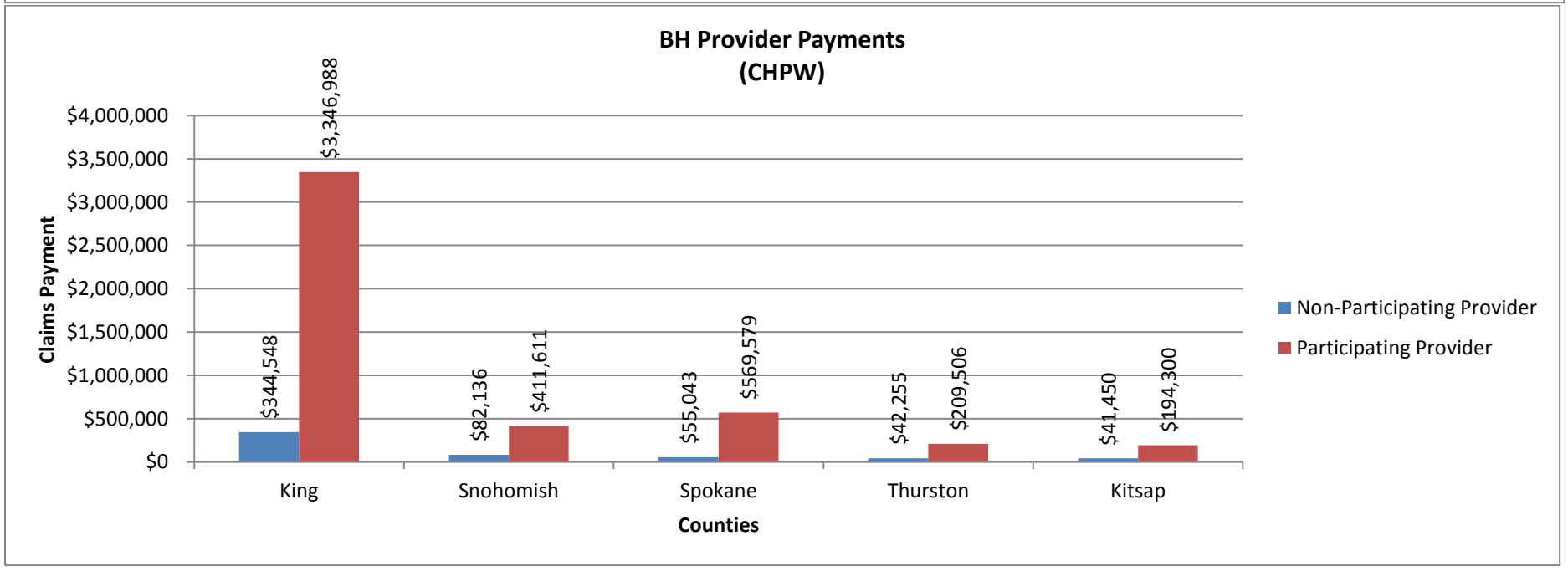
Tables 7 & 8: Top Five Counties for Non-Participating Provider Payments for Healthy Options and Basic Health (CCC)





Tables 9 & 10: Top Five Counties for Non-Participating Provider Payments for Healthy Options and Basic Health (CHPW)





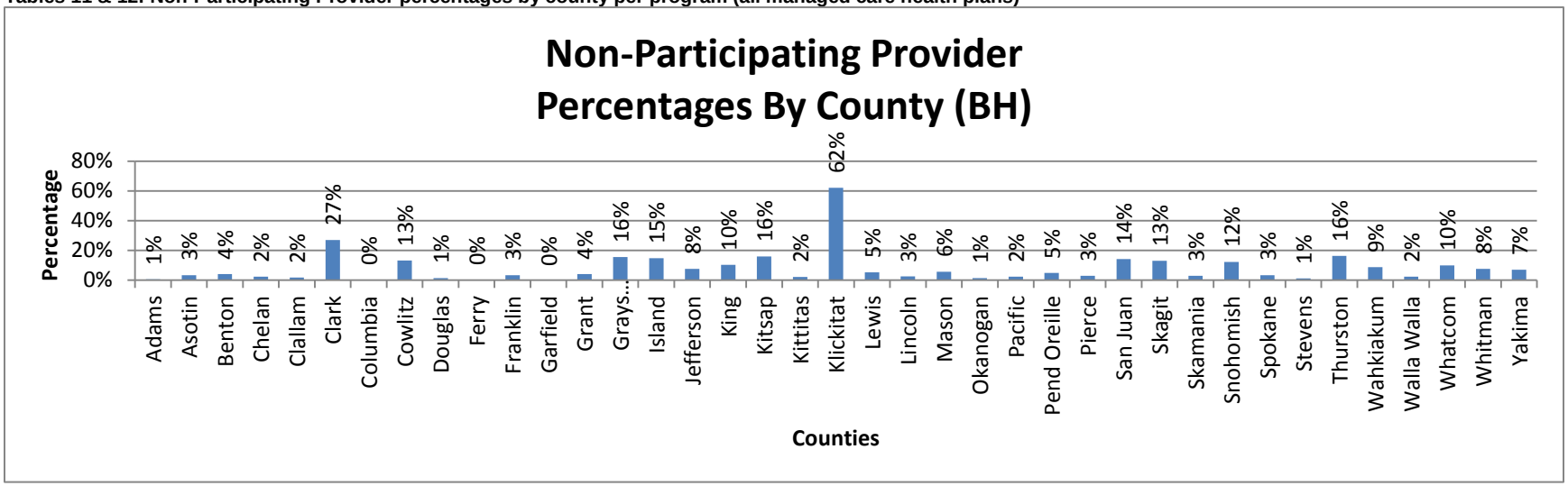
INDIVIDUAL HEALTH PLAN DISCUSSION

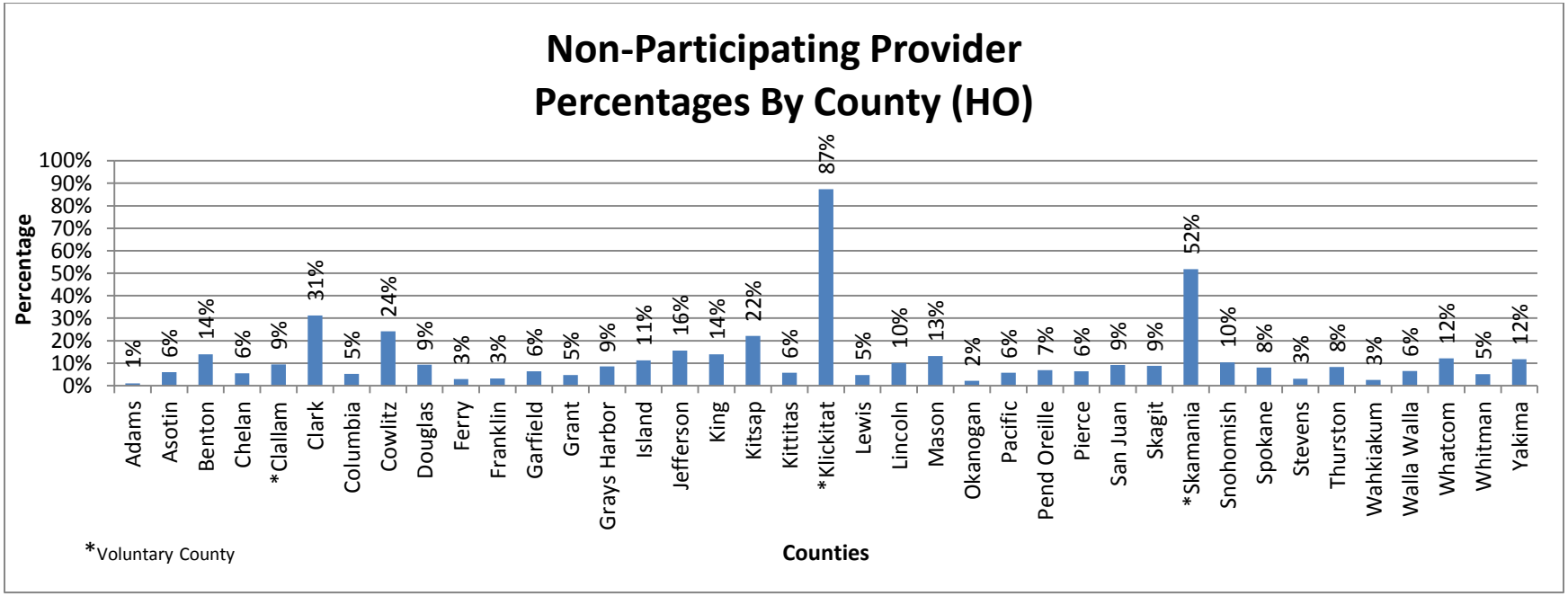
Based on the information HCA received, there is a relatively small proportion of services provided to HCA enrollees by non-participating providers for all contracted managed care health plans.

Further review of the county information provided by the managed care health plans indicates only one county, Clark, had non-participating provider percentages higher than 30 percent. HCA will continue to work with the managed care health plans in this area to increase access.

The following tables outline non-participating provider percentages, by county, across all managed care health plans.

Tables 11 & 12: Non-Participating Provider percentages by county per program (all managed care health plans)





STATEWIDE DISCUSSION

Skamania and Klickitat are outliners because they had low utilization across all the managed care health plans, but that utilization required a high percentage of non-participation providers due to the provider shortage in both areas and challenges with clinics who do not want to contract with managed care health plans. To put these counties in perspective, the below table outlines their total costs since July 1, 2012.

County	Total Costs	Total Non-Participating Provider Cost	Total Non-Participating Provider Percentage
Skamania	$5,436	$2,816	52%
Klickitat	$55,762	$48,713	87%

CONCLUSION

The intent of the Basic Health – Healthy Options contract was to increase enrollee access to high quality health care. To do this, the HCA developed a procurement that successfully secured three new managed care health plans, bringing the total managed care health plan choices for enrollees to five, in most counties.

The analysis clearly shows the success of this contract, as access to high quality care is stable across the state.