

Annual Report: July 1, 2018-June 30, 2019

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

Engrossed Substitute Senate Bill 5927; Section 2(9); Chapter 9; Laws of 2011; 1st Special Session; RCW 74.09.522

January 1, 2020



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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):

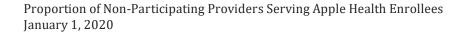
"Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed care health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including 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 providers¹ to Washington Apple Health (Medicaid) enrollees. Non-participating providers do not have written contracts to participate in an Apple Health managed health care system's (or Managed Care Organization's [MCOs]) 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 a sufficient number of 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, 2018 through June 30, 2019 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.

Total spent this period across all three Apple Health contracts, Apple Health Managed Care, Fully Integrated Managed Care and Integrated Foster Care, for non-participating providers was \$164 million, a \$14 million increase from last year. Many large counties transitioned to full integration in the middle of this reporting period.



Background

Since CY 2013, HCA has contracted with five MCOs: Amerigroup Washington, Inc. (AMG); Community Health Plan of Washington (CHPW); Coordinated Care Corporation of Washington (CCW); Molina Healthcare of Washington (MHC); and United Healthcare Community Plan (UHC).

Effective April 1, 2016, two new managed care programs began: Apple Health Foster Care (AHFC) and Fully Integrated Managed Care (FIMC). The first FIMC program, which is inclusive of the full behavioral health benefit addition to the Apple Health benefit, was implemented in the Southwest Washington Regional Service Area (RSA) which included Clark and Skamania counties. The AHFC program was implemented state wide.

Effective January 1, 2017, clients who have a secondary (primary) insurance were moved to Managed care plans.

Effective January 1, 2018, the agency implemented FIMC coverage in a second RSA, North Central which included Chelan, Douglas and Grant counties.

Effective January 1, 2019, the agency implemented FIMC coverage in four additional RSA's; Pierce, King, Spokane (includes Adams, Ferry, Lincoln, Pend Oreille, Spokane and Stevens counties), Greater Columbia (includes Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Whitman and Yakima counties), Okanogan County was added to North Central region and Klickitat County was added to Southwest Washington region.

Effective July 1, 2019, the agency implemented FIMC coverage in the North Sound RSA (includes Island, San Juan, Skagit, Snohomish and Whatcom counties).

Effective January 1, 2020, the agency plans to implement FIMC coverage in the last three RSA's; Salish (includes Clallam, Jefferson and Kitsap counties), Great Rivers (includes Cowlitz, Grays Harbor, Lewis, Pacific and Wahkiakum counties) and Thurston-Mason (includes Thurston and Mason counties).

This report shows the cost and utilization of services provided between July 1, 2018 through June 30, 2019, to Apple Health enrollees by non-participating providers. The data is reported by county, by MCO, and by contract and then a combination of the AHMC and FIMC contracts. To meet the reporting requirements, HCA directed each contracted MCO to provide the following data for the fiscal year:

- 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', behavioral health", "chiropractor", "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".

In January 2019 many large counties transitioned to FIMC, resulting in six months of data for these counties in AHMC and FIMC. Therefore in this reporting period all detailed year-to-year comparisons by contract has been eliminated. Instead we have provided year-to-year comparisons (FY2018 – FY2019) combining the AHMC and FIMC 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:

Apple Health Managed Care Contract

During this reporting period, fifteen counties were not fully integrated (four regions), five counties were fully integrated (two regions) and nineteen counties were fully integrated for only six months (four regions). The MCO's data reflects the following:

- **Amerigroup** paid \$18 million to non-participating providers in fiscal year 2019. Twenty-six percent of the claims paid were to non-participating providers for services provided to 17 percent of clients enrolled with AMG.
- **Coordinated Care of Washington** paid approximately \$28 million in fiscal year 2019 to non-participating providers. Twenty-five percent of the claims paid were to non-participating providers for services provided to 38 percent of the CCW-enrolled clients.
- **Community Health Plan of Washington** paid approximately \$10.5 million in fiscal year 2019 to non-participating providers. Twenty-one percent of the claims paid were to non-participating providers for services provided to 11 percent of the clients enrolled with CHPW.
- Molina Healthcare of Washington paid approximately \$29 million in fiscal year 2019 to nonparticipating providers. Eighteen percent of the claims paid were to non-participating providers for services provided to 16 percent of clients enrolled with MHC.
- **United Healthcare** paid approximately \$13 million in Fiscal Year 2019 to non-participating providers. Twelve percent of the claims paid were paid to non-participating providers for services provided to 17 percent of clients enrolled with UHC.

All plans: Chelan and Douglas counties have the highest percentage of non-participating providers paid for services provided to clients enrolled with an Apple Health MCO. These counties were fully integrated, however clients who reside in neighboring counties received services in Chelan and Douglas during this reporting period, primarily for hospital (any admit), which is 78 percent of the overall payments.

The most utilized non-participating provider specialties/subspecialties were "hospital admit (any type)' and "emergency room".

Fully Integrated Foster Care Contract

- On January 1, 2019, Foster Care contract with Coordinated Care of Washington (CCW) became fully integrated statewide.
- In this reporting period six months of the CCW contract included Behavioral Health services.
- CCW paid approximately \$8 million in fiscal year 2019 to non-participating providers; an increase of \$3 million from previous fiscal year. Fifty percent of the claims paid were to non-



participating providers for services provided to 49 percent of the clients. The most utilized non-participating provider specialty/subspecialty was "behavioral health".

Fully Integrated Managed Care Contract

During this reporting period, five counties were fully integrated and nineteen counties were fully integrated for only six months and fifteen counties were not yet fully integrated. The MCO's data reflects the following:

- **Amerigroup** paid \$15 million to non-participating providers in fiscal year 2019. Twenty-seven percent of the claims paid were to non-participating providers for services provided to 17 percent of clients enrolled with AMG.
- **Coordinated Care of Washington** paid approximately \$10 million to non-participating providers in fiscal year 2019. Twenty percent of the claims paid were to non-participating providers for services provided to 30 percent of the CCW-enrolled clients.
- **Community Health Plan of Washington** paid approximately \$9 million in fiscal year 2019 to non-participating providers. Nineteen 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** paid approximately \$16 million in fiscal year 2019 to non-participating providers. Twelve percent of the claims paid were to non-participating providers for services provided to 10 percent of clients enrolled with MHC.
- **United Health Care** paid approximately \$7.4 million to non-participating providers in fiscal year 2019. Ten percent of the claims paid were to non-participating providers for services provided to 15 percent of the clients enrolled with UHC.
- **All plans**: Grays Harbor and Skagit counties have the highest percentage of non-participating providers paid for services provided to clients enrolled with an Apple Health MCO. Neither of these counties are yet fully integrated, therefore clients who are covered by an integrated contract received services in these counties, primarily for hospital admit (any type), which was 37 percent of total non-participating payments in those counties.

The most utilized non-participating provider specialties/subspecialties were "hospital admit (any type)" and "general practice".

Apple Health Managed Care (AHMC) Fiscal Year 2019 Findings

Amerigroup (AMG)

AMG paid a total of \$345,290,884 for services to 73,346 providers for 405,655 clients.

Approximately \$18 million (9 percent of the total) was paid to 18,760 providers (26 percent of the total) for 69,106 clients (17 percent of the total) who received healthcare services from a non-participating provider.

The top non-participating provider type visited was "hospital admit (any type)", which was 37 percent of the total paid for the specialty.

AMG also paid approximately \$53 to 3 non-participating providers for 2 clients who received services out of state or in a border city.

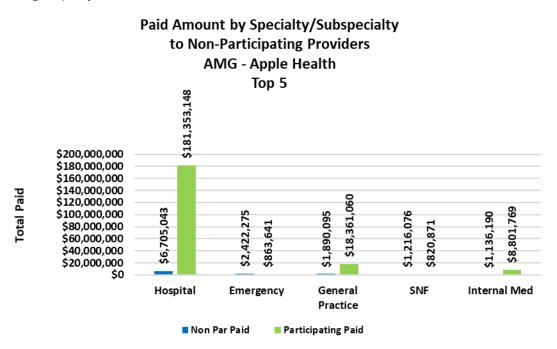
AMG did not have any counties with 50 percent or more provider payments to a non-participating providers (chart omitted).

AMG did not have any counties with 50 percent or more clients served by non-participating providers (chart omitted).

Non-Participating Provider Paid Amount AMG-Apple Health **Top 5 Counties** \$80,000,000 \$70,000,000 \$60,000,000 \$50,000,000 \$40,000,000 \$3,537,894 ,497,850 \$30,000,000 \$20,000,000 \$10,000,000 \$0 SNOHOMISH GRAYS HARBOR PIERCE **LEWIS** ■ Non-Participating Provider Participating Provider

Chart 1: Non-Participating Provider Paid Amount, Amerigroup-Top 5 Counties

Chart 2: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Amerigroup of Washington, Top 5



Community Health Plan of Washington (CHPW)

Community Health Plan of Washington (CHPW) paid a total of \$159,970,187 for services to 29,933 providers for 472,623 clients.

Approximately \$10.5 million (7 percent of the total) was paid to 6,324 providers (21 percent of the total) for 51,990 clients (11 percent of the total) who received healthcare services from a non-participating provider.

CHPW is no longer in Pierce County as of January 1, 2019.

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

Only one county had 50 percent or more clients using a non-participating provider; Garfield at 60 percent (chart omitted).

The top non-participating provider type visited was "general practice," which was 24 percent of the total paid for the specialty.

CHPW also paid approximately \$4 million to 1,145 non-participating providers for 1,293 clients who received services out of state or in a border city.

Chart 3: Non-Participating Paid Amount, Community Health Plan of Washington-Top 5 Counties

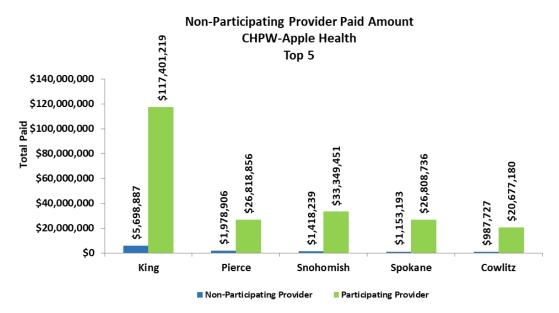
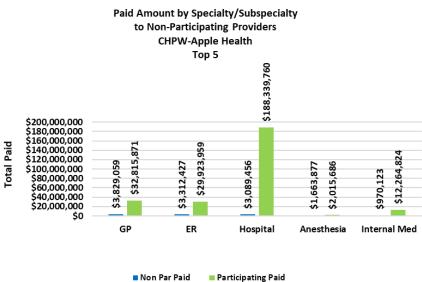


Chart 4: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Community Health Plan of Washington-Top 5



Coordinated Care of Washington (CCW)

Coordinated Care (CCW) paid a total of \$80,196,861 for services to 78,493 providers for 140,246 clients.

Approximately \$28 million (35 percent of the total) was paid to 19,350 providers (25 percent of the total) for 53,694 clients (38 percent of the total) who received healthcare services from a non-participating provider.

CCW is no longer in Stevens, Spokane & Lincoln counties as of January 1, 2019.

The top non-participating provider type visited was "hospital admit (any type)", which was 37 percent of the total paid for the specialty.

CCW did not have any counties with 50 percent or more clients served by non-participating providers (chart omitted).

CCW also paid \$109,227.34 to 327 non-participating providers for 356 clients who received services out of state or in a border city.

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

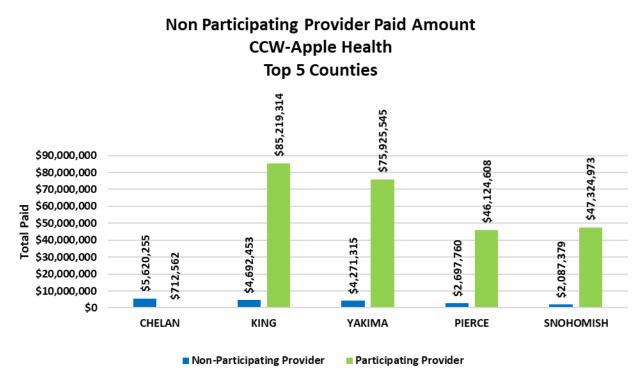


Chart 6: Counties with More than 50% of Clients with Paid Claims to Non-Participating Providers, Coordinated Care of Washington-Top 5 Counties

Counties with 50% or More Clients With Paid Claims to Non-Participating Providers CCW-Apple Health

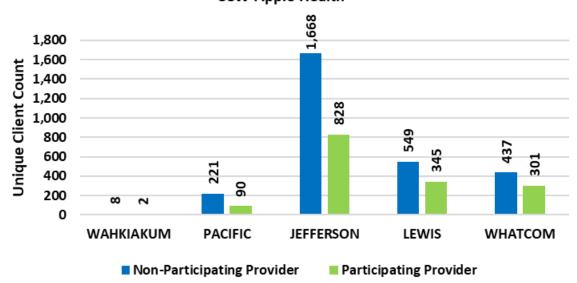
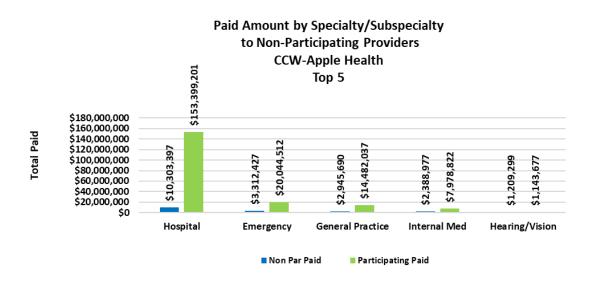


Chart 7: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Coordinated Care of Washington, Top 5



Molina Healthcare of Washington, Inc. (MHC)

Molina Healthcare of Washington (MHC) paid a total of \$982,006,792 for services to 33,000 providers for 866,202 clients.

Approximately \$29 million (3 percent of the total) was paid to 5,765 providers (18 percent of the total) for 108,502 clients (16 percent of the total) who received healthcare services from a non-participating provider.

Only one county paid 50 percent or more to a non-participating provider; Douglas County at 55 percent (chart omitted)

No counties had more than 50 percent of clients seeing a non-participating provider for their healthcare needs (chart omitted)

The top non-participating provider type visited was for "hospital admit (any type)," which was 26 percent of the total paid for the specialty.

MHC also paid \$11 million to 5,820 non-participating providers for 18,182 clients who received services out of state or in a border city.

Chart 8: Non-Participating Paid Amount, Molina Health Care-Top 5 Counties

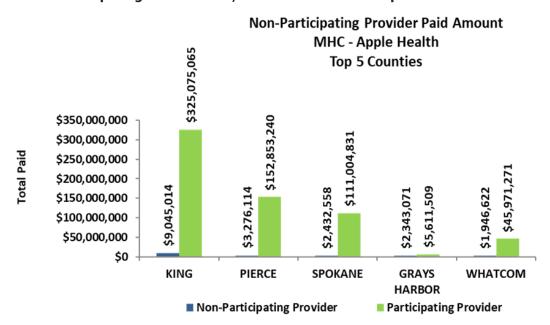
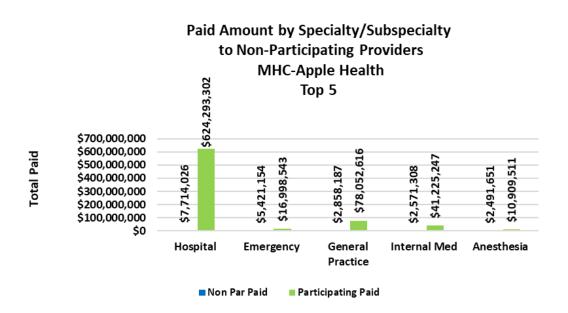


Chart 9: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Molina Health Care-Top 5



United Healthcare (UHC)

United Healthcare (UHC) paid a total of \$354,634,056 for services to 33,411 providers for 234,861 clients.

Approximately \$13 million (4 percent of the total) was paid to 4,108 providers (12 percent of the total) for 40,146 clients (17 percent of the total) who received healthcare services from a non-participating provider.

UHC is no longer in Adams, Ferry, Lincoln, Pend Oreille, Spokane, Stevens, Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman or Yakima Counties as of January 1, 2019.

Only one county had 50 percent or more payments to a non-participating provider; Clallam County at 51 percent (chart omitted).

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

The top non-participating provider type visited was "emergency room", which was 41 percent of the total.

UHC also paid \$4 million to 5,091 providers for 9,231 clients who received services out of state or in a border city.

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

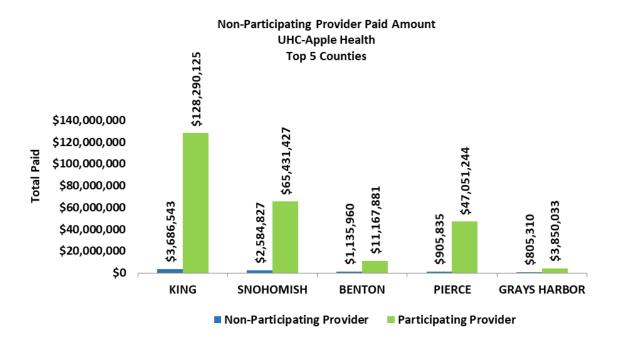
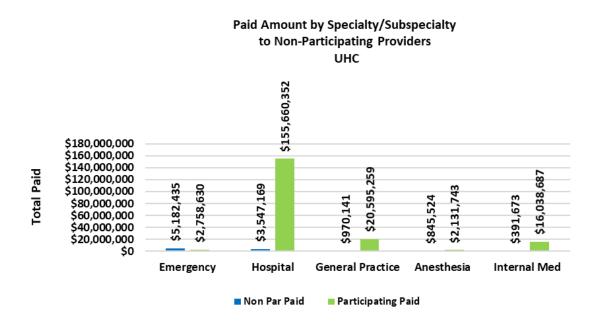


Chart 11: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, United Healthcare-Top 5



Overall Non-Participating Provider Payment Analysis

Charts 12, 13, and 14 reflect the non-participating provider use, by county, for all MCOs by dollars spent, utilization percentage, and provider specialty for the Apple Health Contract.

Chart 12: Total Non-Participating Paid Amount, All Plans-Per County

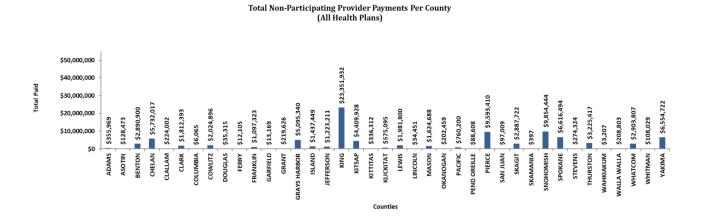


Chart 13: Percentage of Total Non-Participating Provider Paid Amount, Per County-All Plans

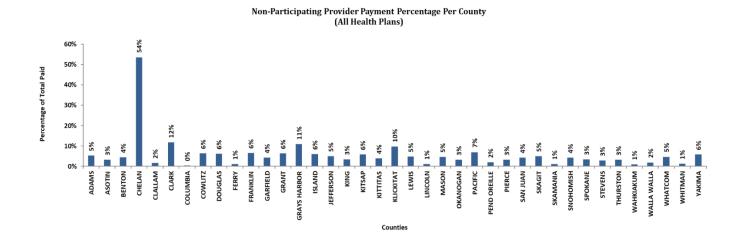
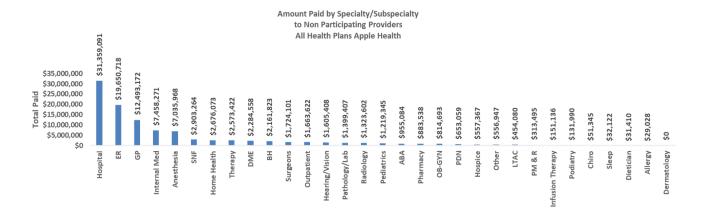


Chart 14: Non-Participating Provider Paid Amount, By Specialty-All Plans



Foster Care Fiscal Year 2019 Findings

Coordinated Care of Washington (CCW)

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

Beginning January 1, 2019 HCA implemented Fully Integrated Managed Care (FIMC) state wide for the Apple Health Foster Care program and Coordinated Care of Washington remains the single statewide MCO.

CCW paid a total of \$71,136,277 for services to 18,322 providers for 24,567 clients.

Approximately \$8 million (11 percent of the total) was paid to 9,087 providers (50 percent of the total) for 12,110 clients (49 percent of the total) who received healthcare services from a non-participating provider. This is a \$3 million increase compared to the previous year.

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

- Spokane County—\$612 thousand increase
- Kitsap County—\$427 thousand increase
- Pierce County—\$293 thousand increase
- King County—\$250 thousand increase
- Lewis County—\$200 thousand increase



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

- Walla Walla County—\$70 thousand decrease
- Island County—\$55 thousand decrease
- Wahkiakum County—\$35 thousand decrease
- Kittitas County—\$17 thousand decrease
- Douglas County—\$13 thousand decrease

The top non-participating provider type visited was "behavioral health", which was 49 percent of the total.

CCW also paid \$45,212 to 112 providers for 135 clients who received services out of state or in a border city.

Chart 15: Non-Participating Paid Amount, Coordinated Care of Washington-Foster Care Top five Counties

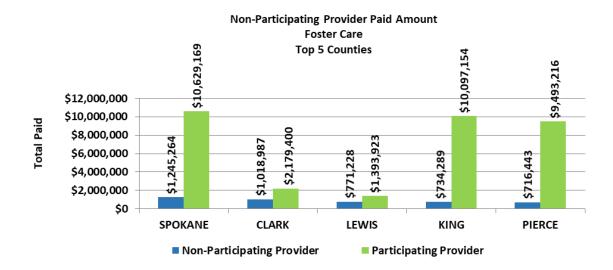


Chart 16: Counties with More than 50 percent of Claims Paid to Non-Participating Providers, Coordinated Care of Washington—Foster Care Top five Counties

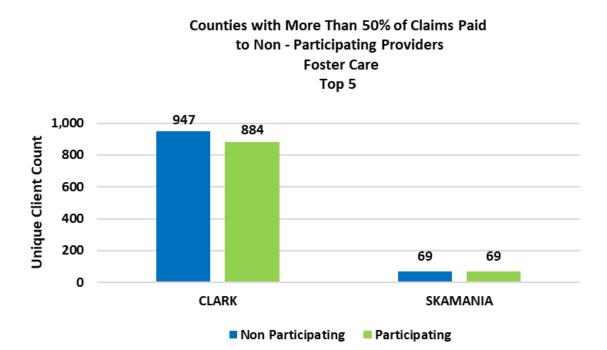


Chart 17: Counties with More than 50 percent of Clients with Paid Claims to Non-Participating Providers, Coordinated Care of Washington—Foster Care Top five Counties

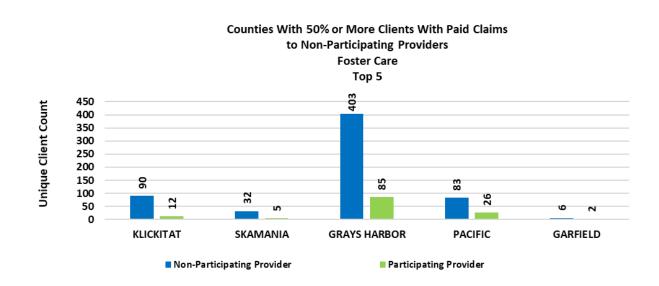
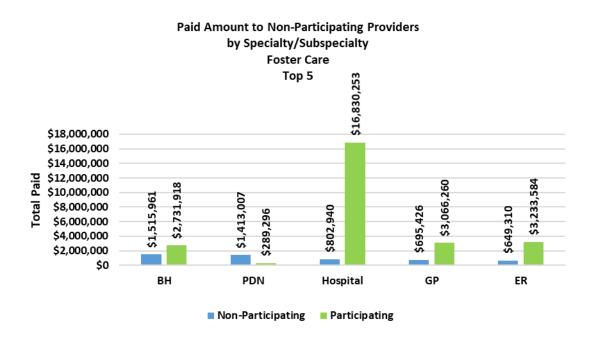


Chart 18: Paid Amount by Specialty/Subspecialty to Non-Participating Providers **Coordinated Care of Washington-Foster Care Top five**



Fully Integrated Managed Care (FIMC) Fiscal Year 2019 Findings

Beginning April 1, 2016 HCA implemented Fully Integrated Managed Care (FIMC) for all physical and behavior health services through managed care in Southwest Washington Region Service Area (RSA) which included Skamania and Clark Counties. The contract was awarded to two plans: Community Health Plan of Washington and Molina Healthcare of Washington

Beginning January 1, 2018 HCA implemented Fully Integrated Managed Care (FIMC) in North Central Region Service Area (RSA) Chelan, Douglas and Grant Counties. The contract was awarded to three plans: Amerigroup, Coordinated Care of Washington and Molina Healthcare of Washington.

Beginning January 1, 2019 HCA implemented Fully Integrated Managed Care (FIMC) as follows (six months of this reporting period):

- **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 Health Care 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 Health Care 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 Health Care 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.

Amerigroup (AMG)

Amerigroup (AMG) paid a total of \$223,864,230 for services to 49,308 providers for 314,728 clients.

Approximately \$15 million (7 percent of the total) was paid to 13,081 providers (27 percent of the total) for 54,833 clients (17 percent of the total) who received healthcare services from a non-participating provider.

AMG was added to Southwest Region as of January 1, 2019.

Only one county had more than 50 percent of claims paid to a non-participating providers: Clark County at 58 percent with 502 non-participating providers and 368 participating providers paid (chart omitted)

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

The top non-participating provider type visited was "hospital admit (any type)", which was 29 percent of the total.

AMG did not pay for any services to a non-participating provider out of state or in a border city.

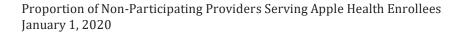


Chart 19: Non-Participating Provider Paid Amount, Amerigroup-FIMC Top 5 Counties

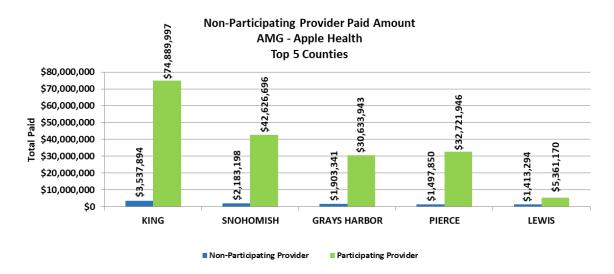


Chart 20: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Amerigroup-FIMC Top 5

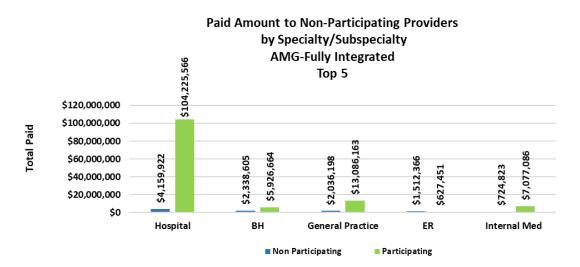
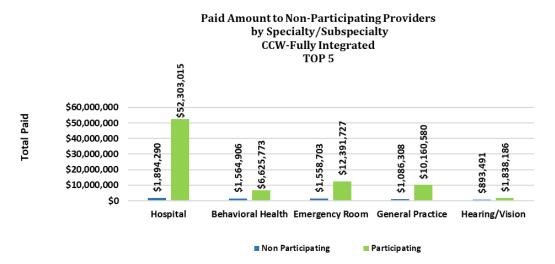


Chart 23: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, CCW-FIMC Top 5



Community Health Plan of Washington (CHPW)

Community Health Plan of Washington (CHPW) paid a total of \$209,864,490.37 for services to 21,368 providers for 261,183 clients.

Approximately \$9 million (4 percent of the total) was paid to 3,961 providers (19 percent of the total) for 26,058 clients (10 percent of the total) who received healthcare services from a non-participating provider.

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

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

The top non-participating provider type visited was "hospital admit (any type)", which was 38 percent of the total.

CHPW also paid approximately \$3 million to 1,175 non-participating providers for 1,521 clients who received services out of state or in a border city.

Chart 24: Non-Participating Paid Amount, Community Health Plan of Washington-FIMC Top 5 Counties

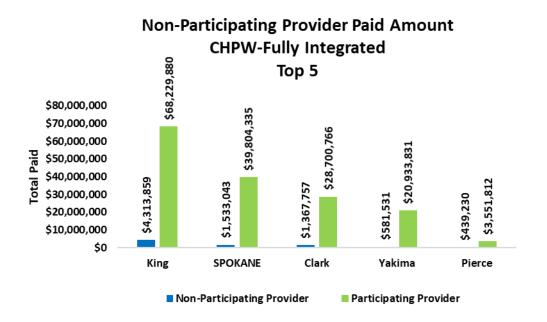
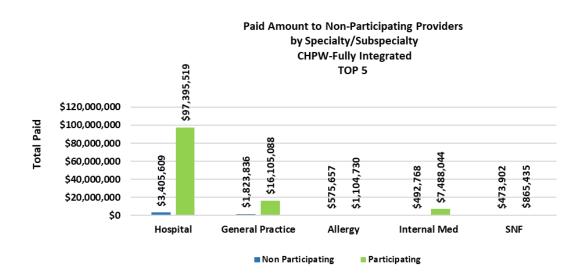


Chart 25: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Community Health Plan of Washington-FIMC Top 5



Coordinated Care of Washington (CCW)

Coordinated Care of Washington (CCW) paid a total of \$198,620,806 for services to 42,908 providers for 99,713 clients.

Approximately \$10 million (5 percent of the total) was paid to 8,617 providers (20 percent of the total) for 30,368 clients (30 percent of the total) who received healthcare services from a nonparticipating provider.

Only one county had more than 50 percent of claims paid to a non-participating providers: Stevens County at 50 percent with 1 non-participating providers and 1 participating providers paid (chart omitted).

The top non-participating provider type visited was "hospital admit (any type)", which was 19 percent of the total.

CCW also paid as total of \$140,833 to 165 non-participating providers for 277 clients who received services out of state or in a border city.

Chart 21: Non-Participating Paid Amount, CCW-FIMC Top 5 Counties

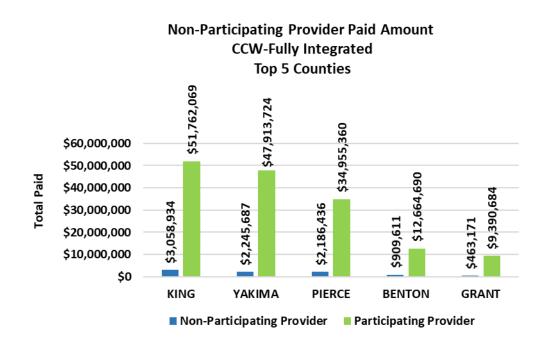


Chart 22: Counties with More than 50 percent of Clients with Paid Claims to Non-Participating Providers, CCW-FIMC Top 5 Counties

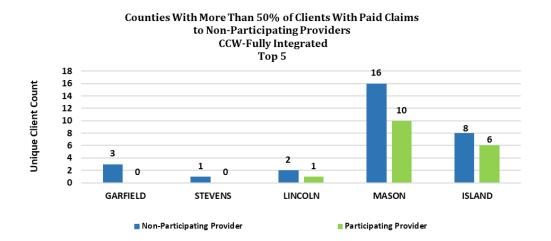
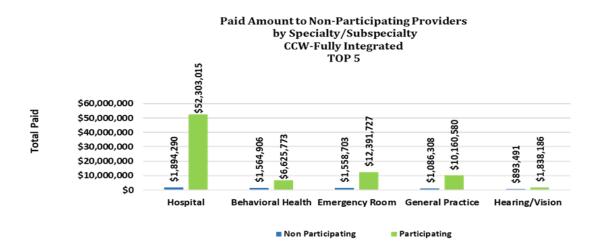


Chart 23: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, CCW-FIMC Top 5



Molina Healthcare of Washington (MHC)

Molina Healthcare of Washington (MHC) paid a total of \$648,219,620 for services to 29,634 providers for 667,996 clients.

Approximately \$16 million (2 percent of the total) was paid to 3,494 providers (12 percent of the total) for 67,160 clients (10 percent of the total) who received healthcare services from a nonparticipating provider.

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

Only one county, Wahkiakum had 50 percent or more clients that received services from a nonparticipating provider (chart omitted).

The top non-participating provider type visited was "emergency room", which was 18 percent of the total.

MHC also paid approximately \$14 million to 4,711 non-participating providers for 22,763 clients who received services out of state or in a border city.

Chart 26: Non-Participating Paid Amount, Molina Healthcare-FIMC Top 5 Counties

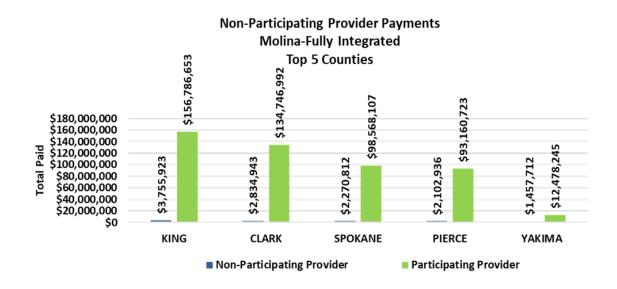
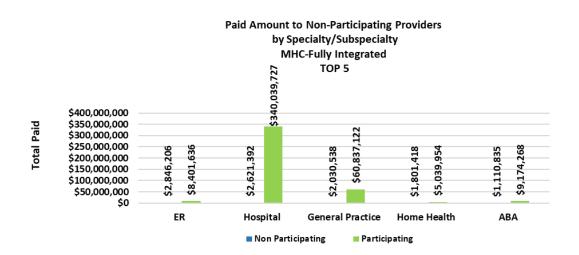


Chart 27: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Molina Healthcare-FIMC Top 5



United Healthcare (UHC)

United Healthcare (UHC) paid a total of \$115,020,368.15 for services to 18,978 providers for 80,221 clients.

Approximately \$2.5 million (2 percent of the total) was paid to 1,886 providers (10 percent of the total) for 12,237 clients (15 percent of the total) who received healthcare services from a nonparticipating provider.

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

The top non-participating provider type visited was "emergency room", which was 34 percent of the total.

UHC also paid approximately \$1 million to 1,568 providers for 1,389 clients who received services out of state or in a border city.

Chart 28: Non-Participating Paid Amount, United Healthcare-FIMC Top 5 Counties

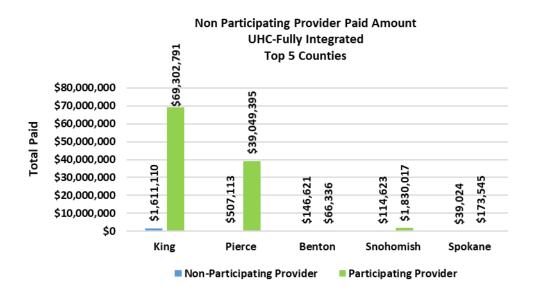


Chart 29: Counties with More than 50 percent of Clients with Paid Claims to Non-Participating Providers, UHC-FIMC Top 5 Counties

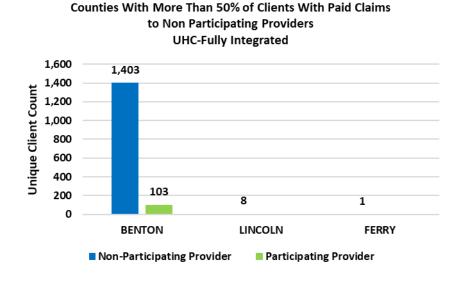
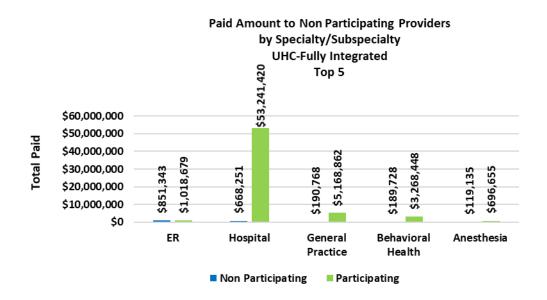


Chart 30: Paid Amount by Specialty/Subspecialty to Non-Participating Providers, Molina **Healthcare-FIMC Top 5**



Overall Non-Participating Provider Payment Analysis

Charts 31, 32 and 33 reflect the non-participating provider use, by county, for all MCOs by dollars spent, utilization percentage, and provider specialty for the Fully Integrated Managed Care Contract.

Chart 31: Total Non-Participating Paid Amounts, All Plans-Per County

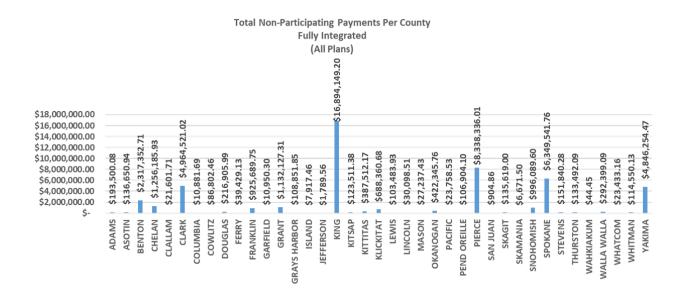


Chart 32: Percentage of Total Non-Participating Provider Paid Amounts, Per County-All Plans

Non-Participating Provider Payment Percentage Per County (All Health Plans)

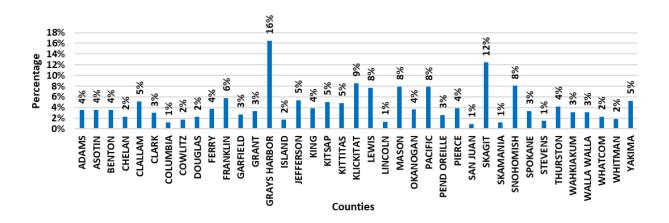
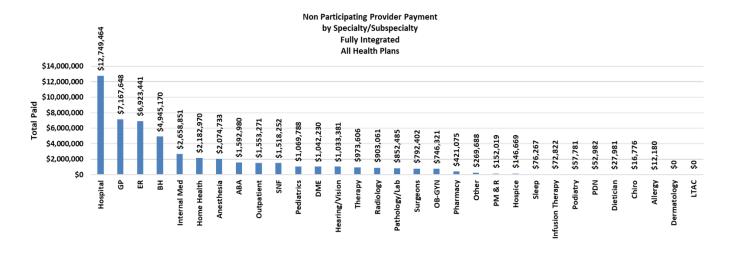


Chart 33: Non-Participating Provider Paid Amounts, By Specialty-All Plans



Year to Year Comparison Non-Participating Provider Payment Analysis by Plan

The following charts shows a year-to-year comparison by plan of combined AHMC & FIMC contracts for total paid and payments to non-participating providers in 2018 and 2019:



Amerigroup (AMG)

- Total payments in FY 2019 have increased by 14 percent and the payments to non-participating providers increased by 10 percent compared to FY 2018.
- Total providers paid in FY 2019 increased by 25 percent and the amount of non-participating providers paid increased by 43 percent compared to FY 2018.
- Total clients receiving services in FY 2019 decreased by 22 percent and the amount of clients receiving services from a non-participating provider decreased by 5 percent compared to FY 2018.

Chart 34: AMG - Total Payments Compared to Non-Participating Provider Payments

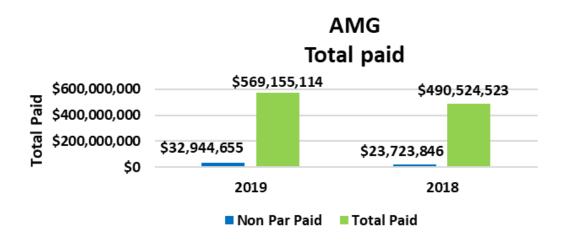


Chart 35: AMG - Total Providers Paid Compared to Non-Participating Providers Paid

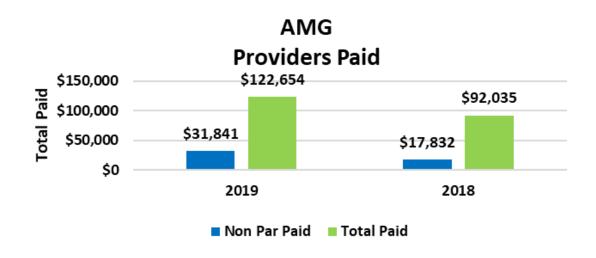
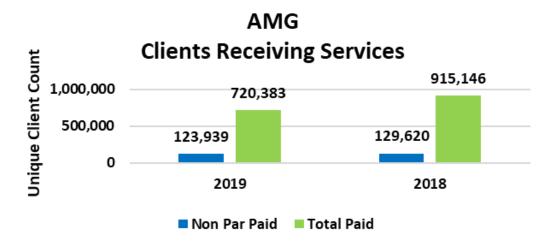


Chart 36: AMG - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Community Health Plan of Washington (CHPW)

- Total payments in FY 2019 have decreased by 3 percent and the payments to non-participating providers decreased by 24 percent compared to FY 2018.
- Total providers paid in FY 2019 increased by 80 percent and the amount of non-participating providers paid increased by 76 percent compared to FY 2018.
- Total clients receiving services in FY 2019 increased by 10 percent and the amount of clients receiving services from a non-participating provider decreased by 14 percent compared to FY 2018.

Chart 37: CHPW - Total Payments Compared to Non-Participating Provider Payments

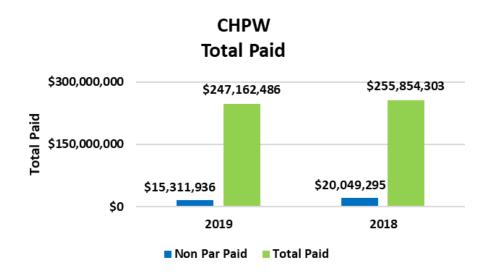


Chart 38: CHPW - Total Providers Paid Compared to Non-Participating Providers Paid

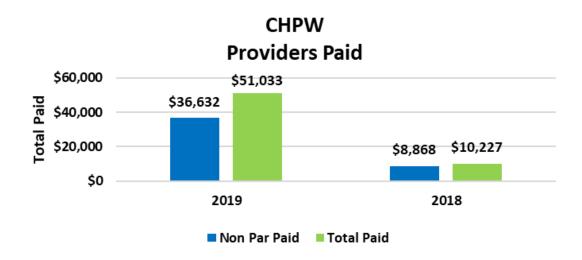
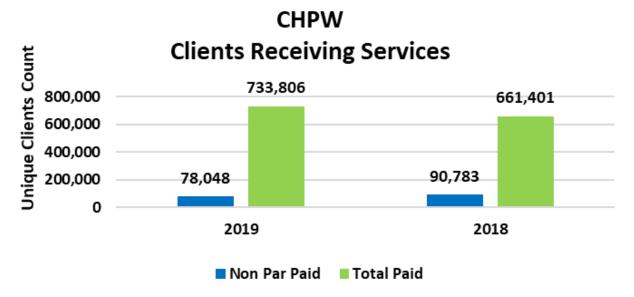


Chart 39: CHPW - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Coordinated Care of Washington (CCW)

- Total payments in FY 2019 have increased by 52 percent and the payments to non-participating providers increased by 81 percent compared to FY 2018.
- Total providers paid in FY 2019 increased by 21 percent and the amount of non-participating providers paid increased by 36 percent compared to FY 2018.
- Total clients receiving services in FY 2019 increased by 8 percent and the amount of clients receiving services from a non-participating provider increased by 36 percent compared to FY 2018.

Chart 40: CCW - Total Payments Compared to Non-Participating Provider Payments

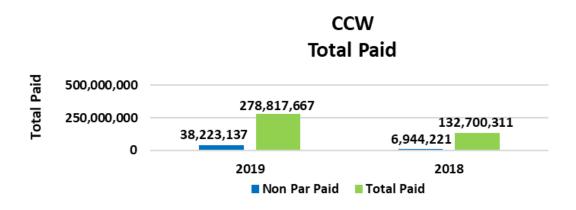


Chart 41: CCW- Total Providers Paid Compared to Non-Participating Providers Paid

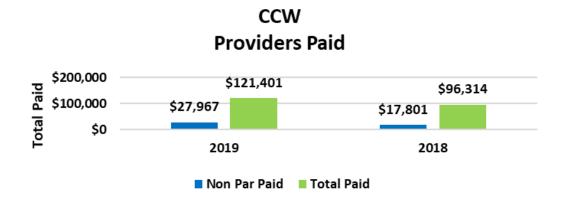
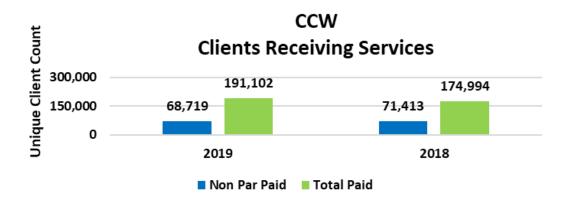


Chart 42: CCW- Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Molina Healthcare of Washington (MHC)

- Total payments in FY 2019 have increased by 7 percent and the payments to non-participating providers decreased by 14 percent compared to FY 2018.
- Total providers paid in FY 2019 increased by 44 percent and the amount of non-participating providers paid increased by 30 percent compared to FY 2018.
- Total clients receiving services in FY 2019 increased by 20 percent and the amount of clients receiving services from a non-participating provider decreased by 65 percent compared to FY 2018.

Chart 43: MHC - Total Payments Compared to Non-Participating Provider Payments

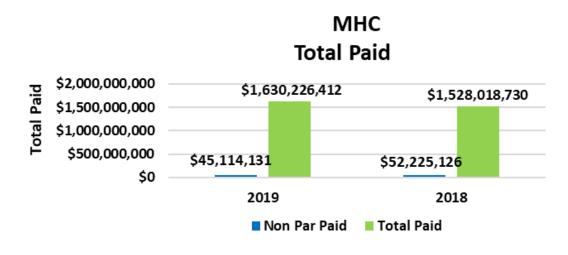


Chart 44: MHC - Total Providers Paid Compared to Non-Participating Providers Paid

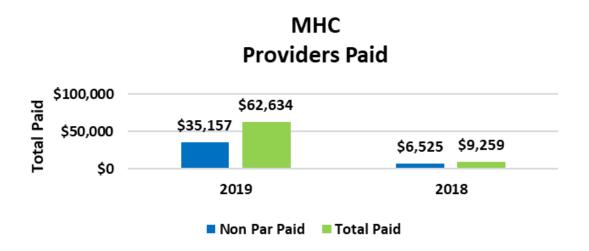
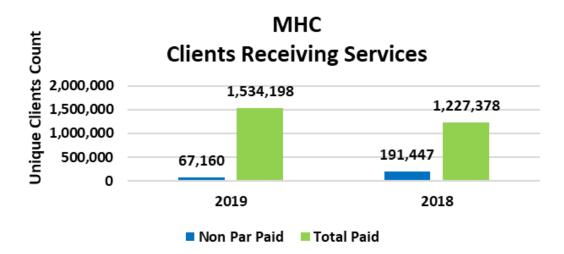


Chart 45: MHC - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



United Healthcare (UHC)

- Total payments in FY 2019 have decreased by 6 percent and the payments to non-participating providers decreased by 24 percent compared to FY 2018.
- Total providers paid in FY 2019 increased by 96 percent and the amount of non-participating providers paid increased by 83 percent compared to FY 2018.
- Total clients receiving services in FY 2019 increased by 69 percent and the amount of clients receiving services from a non-participating provider increased by 45 percent compared to FY 2018

Chart 46: UHC - Total Payments Compared to Non-Participating Provider Payments

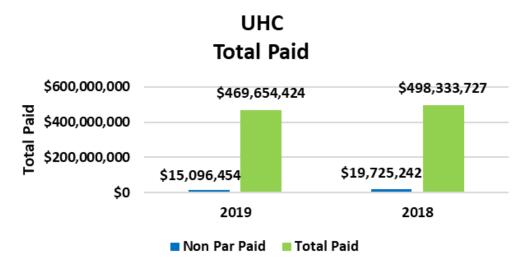


Chart 47: UHC - Total Providers Paid Compared to Non-Participating Providers Paid

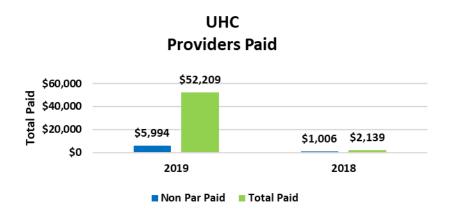
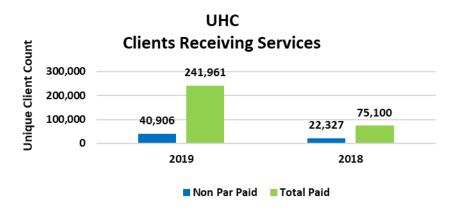


Chart 48: UHC - Total Clients Receiving Services Compared to Clients Receiving Services from a Non-Participating Provider



Conclusion and Next Steps

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

- The amount of payments to non-participating providers increased by \$14 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 \$164 million was paid to non-participating providers; 5 percent of all expenditures which is a 1 percent increase over previous year.

21 percent of all claims paid were to non-participating providers for 14 percent of all MCO enrolled clients receiving health care services. This represents a 9 percent increase in non-participating providers paid and a 3 percent decrease to the percentage of clients receiving services from a nonparticipating provider, as compared to the previous year of 12 percent of all claims paid to nonparticipating providers and 17 percent of all clients from a non-participating provider.

There is no national standard or published best practice by which to benchmark these results. Nonparticipating providers do not have a contractual fee schedule. Instead, plans reimburse nonparticipating 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' medical needs. When a provider is not contracted with the plan and there is no "participating" relationship, care can be adversely impacted and the benefits of receiving care in a 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.

Due to increase in implementation of Fully Integrated Managed Care, including Behavioral Health Services, it is difficult to identify why use of non-participating providers has increased.

The provider specialty with the largest amount of non-participating provider payments was hospital admissions; \$45 million, 28 percent of all non-participating provider payments. The fact that hospital stays are the highest medical expense and are typically out of state hospitals are the biggest contributing factors.

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:

- Requiring additional data elements from the MCOs regarding hospital admits;
- Reporting of additional data elements;

•	Additional MCO staff training on how to report the data; or
•	A more aggressive approach to contracting in order to ensure there is an adequate provider network, thus reducing non-participating provider utilization.