Prevention Alliance

ACCESS TO HEALTH CARE: PROGRESS IN THE 2021 LEGISLATIVE SESSION

September 2021

Executive Summary

During the 2021 legislative session, the Washington state legislature advanced several policies and provided funding in an effort to address some of the remaining barriers that prevent people from accessing health care. Access to quality, affordable health care is important for promoting and maintaining health, preventing and managing disease, reducing premature death, and achieving health equity. This policy brief provides a brief background on progress that has been made over the past decade in increasing access to health care, a summary of some of the remaining systemic barriers to accessing health care, and an overview of some of the key wins during the 2021 legislative session that will further improve access to health care.

Background – Progress Made & Remaining Barriers to Health Care

Washington State has been a leader in working to improve access to health care. Since the passage of the Affordable Care Act (ACA), health advocates and decision makers in Washington embraced and worked to fully implement the law. But once Medicaid was expanded and the Health Benefit Exchange (Exchange) established the work continued to identify and break down remaining barriers to coverage in an effort to ensure all people living in Washington have access to quality, affordable health care. The most significant legislation was in 2019 when the legislature passed legislation (SB 5526), known as Cascade Care 1.0, which created standardized health insurance plans, created the first public option in the country, and directed the Exchange to do a study on establishing state level premium subsidies to help make insurance more affordable.

While the ACA and Cascade Care 1.0 combined have taken us a long way toward covering all Washingtonians, there are still people throughout the state who do not have access to health care. As of July 2021, nearly 404,000 Washingtonians remain without health insurance[1], and many others who do have coverage struggle with rising costs. The most significant barriers remining that hinder access to health coverage and care include:

- **Cost of coverage is unaffordable for many**, including high premiums to purchase health insurance as well as high deductibles and other out of pocket costs that people must pay in order to use their insurance.

- **People who remain ineligible for federal programs** such as Medicaid expansion and federal premium subsidies and cost sharing reductions. Examples of people who remain ineligible for these programs include those who fall under the ACA's "family glitch", people who fall into the "subsidy cliff" where their income is just above the eligibility threshold for assistance, and those who are ineligible due to their immigration status.

- **Network inadequacy** where people may have health coverage but they cannot access care due to inadequate provider networks within an accessible distance.

- **Number of plan offerings** in an area can make it difficult to purchase insurance. This refers to both not having a sufficient number of plan options in certain areas, as well as having too many

[1] Office of Financial Management, Estimated Impact of COVID-19 on Washington State's Health Coverage

plan options in other areas. In one study that examined consumer decision making, a choice set of 15 or fewer plans was associated with higher rates of enrollment. Providing between 15-30 plan choices did not lead to increased enrollment and offering more than 30 choices actually decreased enrollment.[2] In Washington, 29 counties had over 30 plan choices for 2021.[3]

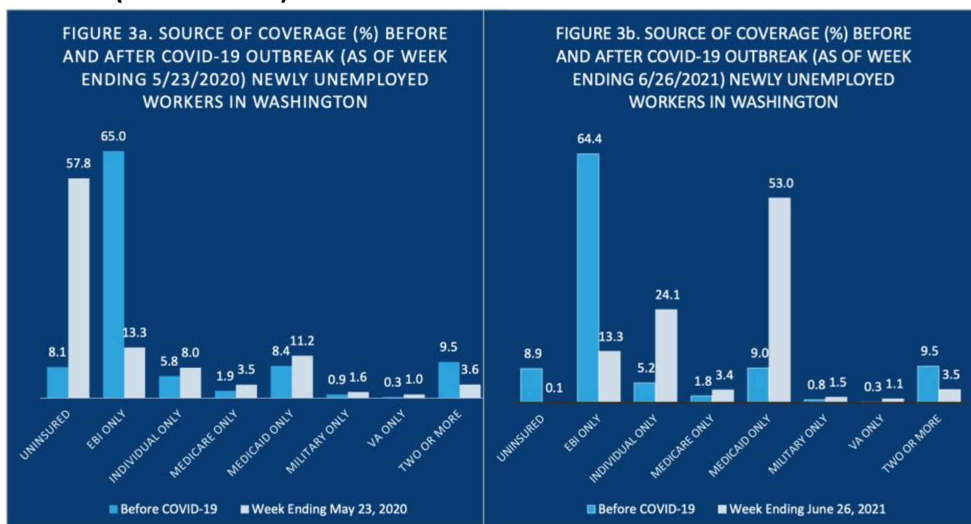
See the Prevention Alliance Policy Brief on Cascade Care 2.0 for additional background including an overview of key components of the ACA and Cascade Care 1.0, and a deeper dive into the remaining barriers to coverage and care identified above.

COVID-19 & the Shifting Uninsured Landscape

The COVID-19 pandemic shed light on many of the inequities in access to health care and also had a significant impact on people's access to coverage and care. In the early months of the public health emergency there was a severe spike in the state's uninsured rate. According to data from the Office of Financial Management, in 2019 before the pandemic, the overall uninsured rate was 6.1%. By April 2020, the pandemic caused that rate to climb to 8.7% and then COVID-related lockdowns caused uninsured rates peak at 12.6% by May 2020. Since that peak, the uninsured rate has steadily declined and in the latest week of data (ending June 26, 2021), the overall uninsured rate was 5.2%, which is below pre-pandemic levels.

The reduced uninsured rate over the course of the public health emergency is largely attributed to a significant number of people enrolling in Medicaid as they lost employment during the pandemic, as well increased federal premium subsidies that went into effect in spring 2021. When looking at the data from the Office of Financial Management (see Figure 1), in the early months of the pandemic, the newly unemployed lost coverage and reached an uninsured rate of 57.8% in May 2020. However, looking at coverage for the newly unemployed a year later in May 2021, you can see that the uninsured rate plummeted to 0.3%. The shift in people getting covered was largely attributed to Medicaid where enrollment rates among the newly unemployed went from 11.2% in May 2020 up to 53% in June 2021. The other source of coverage that saw significant increase in private insurance, which tripled from 8% among the newly unemployed in May 2020 to 24.1% in June 2021.

Figure 1: Source of Coverage (%) Before & After COVID-19 Outbreak for Newly Unemployed Workers (as of June 26)



Source: Estimated Impact of COVID-19 on Washington state's health coverage. Office of Financial Management. July 9, 2021.

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[2] Too Many Health Insurance Choices Can Impair, Not Help, Consumer Decision Making. Consumers Union. https://advocacy.consumerreports.org/wp-content/uploads/2012/11/Too_Much_Choice_Nov_2012.pdf

[3] Cascade Care Preview. January 28, 2021. Washington Health Benefit Exchange. https://www.wahbexchange.org/wpcontent/uploads/2021/02/HBE_EN_210209-Cascade-Care-Preview.pdf

There are two key federal policies that have contributed to the increased enrollment in Medicaid and private insurance: Medicaid maintenance of eligibility and increased federal premium subsidies for coverage purchased through the Exchange:

> ***Medicaid Maintenance of Eligibility:*** In an effort to bring stability in coverage, provisions were included in the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief and Economic Security (CARES) Act that require states to maintain eligibility standards and provide continuous enrollment in Medicaid until the end of the public health emergency. In other words, once a person is enrolled in Medicaid, they can remain on Medicaid for the duration of the public health emergency with few exceptions such as fraud. The maintenance of eligibility requirement also came with a 6.2% increase in the federal match for Medicaid to help support states in implementing the requirement.
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> ***Increased Federal Premium Subsidies:*** The American Rescue Plan Act (ARPA), signed into law in March 2021, increased and expands eligibility for Affordable Care Act premium subsidies for people enrolled in health plans purchased through the Exchange. The increased subsidies further brought down the cost to purchase coverage for people up to 400% of the federal poverty level who were already able to get premium subsidies. It also for the first time provided premium subsidies for those with income levels above 400% of the poverty level. Under ARPA, people will be required to contribute no more than 8.5% of household income toward the purchase of a benchmark plan. Between May and June 2021, the percent of people enrolled in private insurance increased from 15.6% to 24.1%. The significant increase over this short period of time is largely due to the increased federal premium subsidies with more than 28,000 people enrolling in coverage after the ARPA subsidies were implemented for Washington Healthplanfinder customers.[4]

Despite the increase in support improved enrollment numbers, there are still nearly 404,000 people in Washington who remain uninsured. The barriers discussed earlier in this brief are the main reasons preventing access to coverage. It is also important to remember that while the federal policies adopted to support enrollment in coverage during the COVID-19 pandemic have been very effective, *they are not permanent.* The Medicaid maintenance of eligibility is directed to last through the end of the public health emergency. Ones the requirement ends, there will be a significant number of people who will lose Medicaid coverage because they will no longer be considered eligible. And for the increased federal premium subsidies, under ARPA the bump in subsidies is for plan years 2021 and 2022. While there is significant interest amongst many health advocates and decision makers to make them permanent, at this time they are considered temporary.

Improving Access to Care in the 2021 Legislative Session

The 2021 legislative session was historic in many ways including the great strides made in policies and funding related to improving access to health care. The new policies and funding take important steps to address some of the remaining barriers to health coverage such as cost of coverage, plan choice, and options for people who are ineligible for federal programs.

> ***Improved Access to Coverage & Plan Choice – Cascade Care 2.0***
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> SB 5377, known as Cascade Care 2.0, takes important steps to improve affordability of coverage through a new state subsidy program as well as improving plan offerings by limiting the number

[4] Record Numbers of Washingtonians Sign Up for Health Care Coverage During 2021 Special Enrollment Period. Washington Health Benefit Exchange. August 31, 2021. https://www.wahbexchange.org/record-numbers-of-washingtonians-sign-up-for-health-care-coverage-during-2021-special-enrollment-period/

of non-standardized plans[5]. Specifically, the bill directs the Health Benefit Exchange to establish a premium assistance and cost-sharing reduction program. Subsidy amounts and eligibility are determined by funding appropriated by the legislature in the operating budget. For the upcoming 2021-23 biennium the legislature provided $50 million specifically for premium subsidies to help people who make up to 250% of the federal poverty level purchase coverage through the Exchange. An additional $8.3 million in funding was also provided to the Exchange, the Health Care Authority, and the Office of the Insurance Commissioner to implement the new premium assistance and cost-sharing reduction program. There is potential for the amount appropriated for premium subsidies to increase in future years to expand subsidy amount and expand eligibility. There is also potential through this legislation to provide funding for cost-sharing reductions in future years to help with out of pocket costs such as copays, coinsurance, and deductibles.

In addition to helping improve affordability, the Cascade Care 2.0 legislation took steps to address the high number of plan offerings in some counties by limiting the number of non-standardized plans that an insurance company may offer. The goal of standardized plans is to increase patient access to their health benefits, make more consistency across plans, make it easier for patients to compare and shop for plans, and improve transparency around coverage and cost sharing. Beginning January 1, 2023, a health plan offering a standardized health plan on the Exchange may also offer up to two gold, two bronze, one silver, one platinum, and one catastrophic non standardized health plan in each county where the carrier offers qualified health plans. Managing the number of plan offerings is important given a choice set of 15 or fewer plans has been shown to yield higher rates of enrollment. Providing between 15-30 plan choices did not lead to increased enrollment and offering more than 30 choices actually decreased enrollment.[6] While the limitations under Cascade Care 2.0 will still leave some parts of the state with a higher number of plans than is most effective, it is an important step for addressing the number of plan offerings.

Health Coverage for Child Care Providers

Child care providers is a group that has been identified as having a significantly high uninsured rate. To improve affordability for this specific group, the legislature provided $30.266 million in one-time funding for a Child Care Premium Assistance program for employees working at licensed child care facilities who make up to 300% of the federal poverty level. Eligible child care providers will be able to enroll in a Cascade Care silver plan at no cost for monthly premiums. The affordability program is funded to run through the end of 2022.

In addition to the Child Care Premium Assistance Program, the legislature also provided $400,000 in funding for a navigator organization under the Exchange to do outreach and provide enrollment assistance for employees working in licensed child care facilities. Many of the child care providers who are uninsured are likely eligible for Medicaid or significant premium subsidies given the typically low income provided for this work. Having a dedicated navigator to do outreach and enrollment assistance for this sector will help connect many child care workers to coverage with supported coverage they are already eligible for.

[5] Standardized plans have a standard cost-sharing design at each metal level, meaning they have the same deductible, copays, and co-insurance for medical services. The plans offer the same services before the deductible, no matter which carrier is offering it. The goal of standardized plans is for customers to be able to easily and accurately compare plans based on premium price, provider networks, customer service, and quality. For more background on standardized vs. non-standardized plans, see the Prevention Alliance brief *Access to Health Care: Cascade Care 2.0*.

[6] Too Many Health Insurance Choices Can Impair, Not Help, Consumer Decision Making. Consumers Union. https://advocacy.consumerreports.org/wp-content/uploads/2012/11/Too_Much_Choice_Nov_2012.pdf

Postpartum Coverage

The legislature passed SB 5068, which expands Medicaid coverage for postpartum people to one year after the end of a pregnancy. Prior to this legislation, pregnant individuals with income at or below 193% of the federal poverty level, regardless of citizenship or immigration status, had access to Medicaid for up to 60 days. With the passage of this bill, eligibility for postpartum coverage is extended to 12 months following the end of a pregnancy. The coverage is available at any time and the person remains continuously eligible for 12 months regardless of any change in income during that period. The Health Care Authority is directed to seek federal financial participation that may be available through current health care coverage programs and other current and future funding sources that may be used to fund the expanded pregnancy and postpartum coverage program. The legislature appropriated $1.156 million in funding for implementation of the legislation.

Immigrant Health Services

The legislature provided $35 million in funding for one-time grants for rural health centers, federally qualified health centers, public hospital districts, behavioral health administrative service organizations, or free clinics to provide health care services for uninsured and underinsured patients under 200% of the federal poverty level, regardless of immigration status. While the funding is not ongoing, it provides important resources for people who are ineligible for federal programs like Medicaid and federal premium subsidies.

The legislature also directed the Exchange, in consultation with the Health Care Authority (HCA) and the Office of the Insurance Commissioner (OIC), to explore opportunities to facilitate enrollment of Washington residents who do not qualify for non-emergency Medicaid or federal affordability programs in a state-funded program no later than plan year 2024. If an opportunity is identified, the Exchange, HCA and OIC are given the authority to develop and submit an application.

Universal Health Care Commission

The legislature passed SB 5399, which establishes the Universal Health Care Commission. The Commission is directed to develop a plan to be implemented by 2026, that provides comprehensive, equitable, and affordable health care coverage under a publicly financed and privately and publicly delivered health care system to all state residents. The Commission is directed to submit a report to the legislature by November 2024 that includes a synthesis of existing analyses of Washington's health care finance and delivery system, recommendations of key elements of a universal health care system, recommendations for steps Washington should take to prepare for the just transition to a unified financing system, and recommendations for the creation of a finance committee to develop a financially feasible model to implement universal health care coverage using state and federal funds. The legislature provided $974,000 in the 2021-23 operating budget for implementation of the Commission.

Conclusion

The legislature made significant progress during the 2021 legislative session in addressing some of the remaining barriers that prevent people from accessing health coverage. New state subsidies, including some specifically for child care providers, help address the high cost of coverage for some people. Legislation to extend postpartum coverage up to a year and funding for immigrant health services help provide coverage and care for some who are ineligible for federal programs. And the limitation on non-standardized plan offerings included in Cascade Care 2.0 helps bring down the number of plan offerings in an attempt to create a more manageable shopping experience on the Exchange. While these are meaningful steps in improving access to health care, some of the advances (child care premium subsidies and immigrant health services) were one-time in nature and there are also remaining barriers

that prevent access to health care. It is also important to note that there is anticipated to be a wave of people becoming uninsured when the Medicaid maintenance of eligibility requirement expires with the end of the public health emergency. And another wave can also be expected after 2022 if the enhanced federal premium subsidies provided under ARPA are not extended or made permanent. So, while Washington remains a leader in improving access to health care and significant progress was made this year in working towards the goal of all Washingtonians having health coverage, there will continue to be more work ahead in the coming years to address the remaining barriers.

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