

Washington State's Health Reform Proposals: A Human Rights Assessment

 Northwest Health Law Advocates, January 2009

OFFICE OF THE INSURANCE COMMISSIONER'S GUARANTEED HEALTH BENEFIT PLAN

The Office of the Insurance Commissioner's (OIC) proposed Guaranteed Health Benefit (GHB) plan is designed to assure coverage for catastrophic and preventive health care for all Washington residents. Under this plan, the state would negotiate and pay a capitated rate for private insurers to cover "medically necessary care" over \$10,000 per person per year and to cover basic preventive care including immunizations, cancer screenings, annual exams, and annual dental exams. All insurance companies in Washington that offer "routine coverage" (health coverage below the \$10,000 per year threshold) would be required to offer GHB coverage to everyone in their designated areas who meets the minimum residency requirement, with the following exceptions: people new to the state, who would be excluded from the plan for six months and subjected to a pre-existing condition waiting period upon enrollment; and people who receive health coverage through DSHS medical programs or Medicare; federal employees; military, and institutionalized persons. The funding mechanism for this plan has not yet been determined.

Recognition of Right to Health Care for Everyone

The GHB plan does not explicitly recognize the right to health care, but does recognize that all those residing in Washington for more than six months are entitled to coverage for catastrophic care and some preventive services.

Access

Access to catastrophic and limited preventive insurance coverage would be guaranteed for everyone except excluded groups under this plan, but access to "routine coverage" is not guaranteed. Those new to the state do not have access to GHB coverage. Those who have routine coverage would be automatically enrolled with the same carrier for GHB coverage, helping to maintain access. Insurance companies could not reject individuals in their area who meet the eligibility requirements; catastrophic and preventive care – but not overall health care – would be treated as public goods. Carriers would be paid risk-adjusted capitated rates to provide services, suggesting there could be a profit motive to restrict services provided to enrollees above the \$10,000 level.

Affordability

Insurance coverage may be more affordable for some and less affordable for others under this proposal, as compared to the current system. The GHB should reduce the cost of routine coverage to an individual or employer because that coverage would be limited to \$10,000 in expenses annually, and because universal catastrophic coverage will reduce the costs that are shifted from uninsured to insured individuals. The Insurance Commissioner estimates this will result in a 35-40% drop in the price of routine coverage. It is not yet clear, however, how the financing of this plan will affect affordability for individuals, and whether individual contributions to the financing will offset savings on routine care. Basic Health subsidized coverage would be expanded from 200% to 300% of the federal poverty level, but there is not enough detail in the plan to determine the impact this will have on affordability.

Equity & Non-Discrimination

The GHB promotes equity in the routine insurance market by eliminating any risk over \$10,000. It does not require that disparities in access to care be eliminated, nor does it implement procedures for addressing cultural competency or monitoring discrimination.



KEY:

 clearly meets principles

 partially meets principles

 fails to meet principles

Comprehensiveness



Coverage under the GHB would be comprehensive for “medically necessary care” (as defined by HCA) only after \$10,000 of expenses are incurred in one year. Basic preventive health measures would be covered, including cancer screenings, immunizations, annual exams, and annual dental exams, with the Board determining the exact schedule of benefits. For those moving to Washington after the effective date of implementation, there would be a pre-existing conditions exclusion for GHB coverage. For all others, there would be no pre-existing conditions exclusion.

Availability



The proposal does not address making health care available where it is needed.

Quality



The state would contract with participating carriers to reward health outcomes, encourage care that has proven value, and encourage use of evidence-based standards. The GHB does not address the issue of medical homes; for those without routine care it will be hard to maintain medical homes, keep the same providers or assure coordination and continuity of care.

Information and Transparency



The proposal does not address whether the program will ensure that health information is available and easily accessible for everyone. Nothing in the plan suggests that it would facilitate communication between providers and patients. Further, the proposal does not yet address how a patient with multiple providers would determine when they reach the \$10,000 limit.

Accountability



Rates charged by carriers must be negotiated by the Health Care Authority and approved by the board. The HCA would oversee the carriers’ plans to ensure that they meet state and federal requirements. The State Auditor would examine records of the program every second year. These requirements may not ensure full accountability, however, especially in assuring that carriers pay for all necessary catastrophic services.

Participation



The proposal does not address the issues of participation in the organization and implementation of health care services, individual involvement in decision making, or choice of providers. It does require that GHB board meetings be open to the public.

Public Health



Immunizations and other basic prevention services would be covered, making these services more available to individuals who are currently uninsured or those whose insurance does not cover prevention, such as many high-deductible plans. The proposal does not mention any plan to improve or maintain existing public health infrastructure.

Principles Related to Low-income Populations¹



The expansion of BH eligibility to 300% of FPL would have a sliding scale that is as yet unknown. The plan would not otherwise affect eligibility, benefits or costs of public programs. It is unclear if beneficiaries of public programs who are employed would need to contribute to the program. If so, this would be an extra cost that could offset the benefit of expanded BH eligibility and create additional costs for public program clients.

This plan would not address current eligibility barriers for public programs. However, those not enrolled in public programs would be eligible for this plan and automatically enrolled if they have resided in Washington for 6 months; presumably this means no documentation barriers would exist. This plan does not address the provision of interpretation, translation, or transportation services needed to obtain medical care, including whether these services would count toward the \$10,000 cap or be covered above that cap.

¹ This is a combined rating for all the low-income principles. For a breakout of individual ratings, see “Quick Look” chart comparing Washington’s health reform proposals.