

# Washington State Health Care Authority

## Report to the Legislature

### Quarterly Reporting:

**Proportion of Nonparticipating Providers serving low-income enrollees  
in state-purchased health care programs**

**As Required by Chapter 9, Laws of 2011 1st sp. sess (ESSB 5927)**

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## EXECUTIVE SUMMARY

This legislation requires managed health care systems contracted with the state who provide services to Basic Health Plan and Healthy Options enrollees to submit periodic reports showing the proportion of services provided by contracted providers and by nonparticipating providers, by county. These reports ensure that each contracted managed health care system meets network adequacy requirements.

## INTRODUCTION

In the 2009-11 biennial operating budget, the Legislature indicated its intent that payments to nonparticipating 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 health care systems;
- A potential for significant reduction in the willingness of providers to participate in managed health care system provider networks;
- A reduction in providers participating in the managed health care systems; 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, this legislation is intended to ensure:

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

## RESULTS

The Health Care Authority (HCA) analyzed the Basic Health Plan (BH) and Healthy Options (HO) program. The proportion of services provided by participating and nonparticipating providers is provided in the following tables.

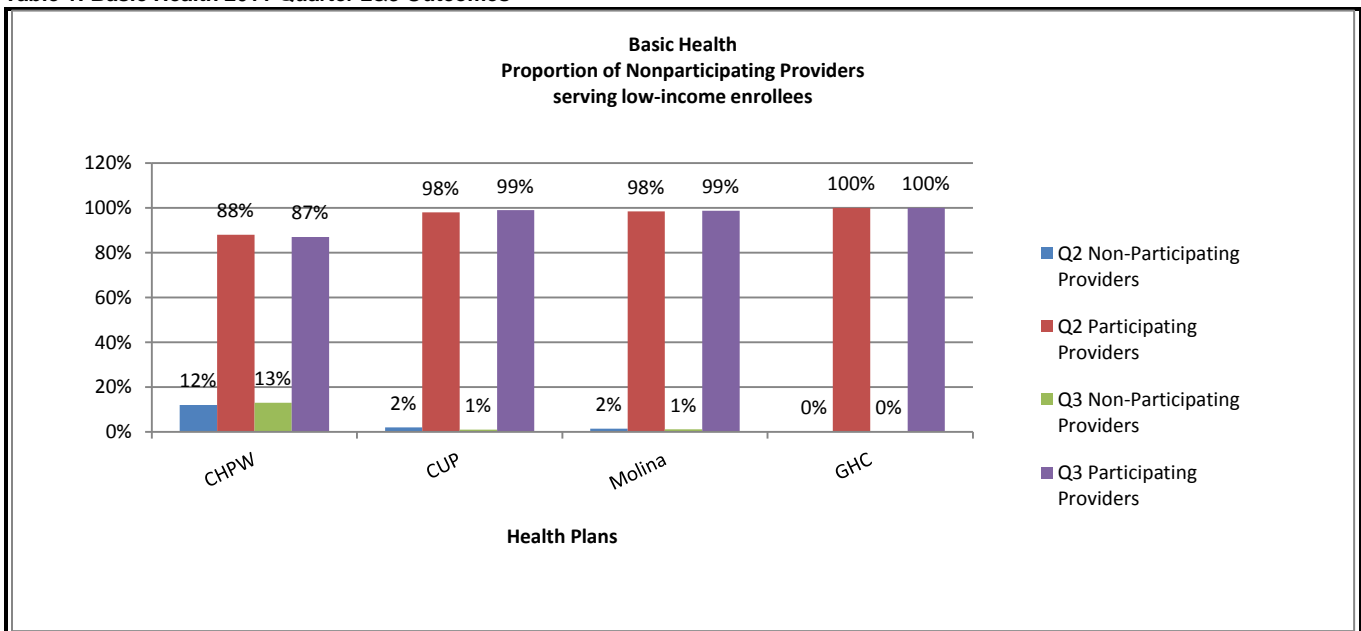
### Basic Health Outcomes

Managed health care systems serving BH Clients:

- Community Health Plan of Washington (CHPW)
- Columbia United Providers
- Molina Healthcare, Inc.
- Group Health Cooperative (GHC)

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**Table 1: Basic Health 2011 Quarter 2&3 Outcomes**

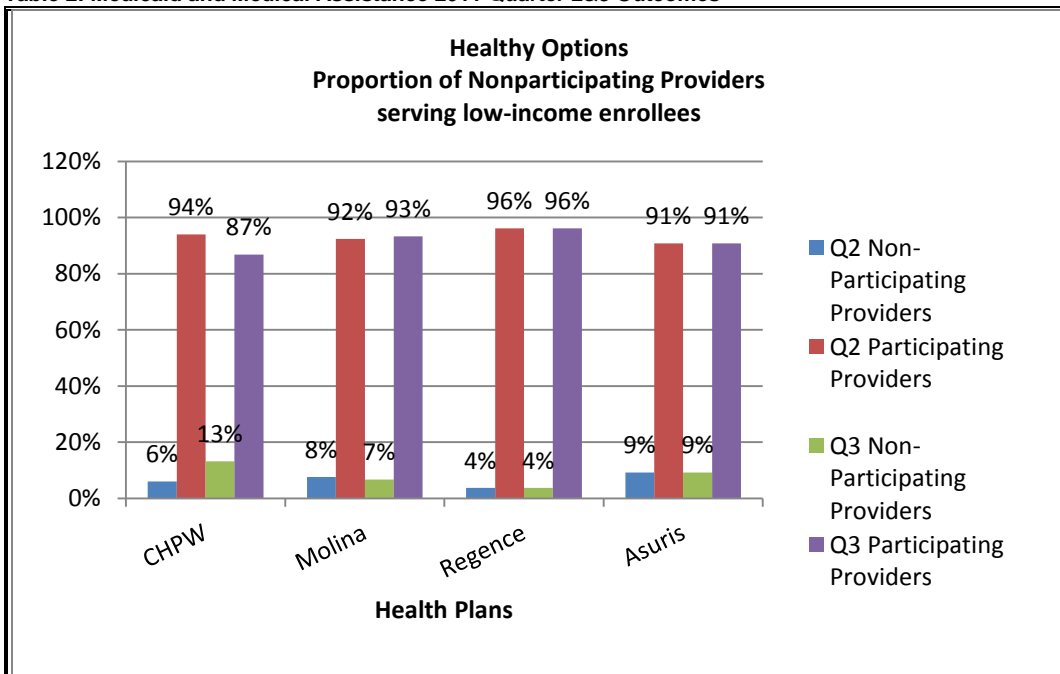


Medicaid and Medical Assistance Outcomes

Managed health care systems serving Medicaid and Medical Assistance

- Community Health Plan of Washington (CHPW)
- Columbia United Providers (Did not report Q2&3)
- Molina Healthcare, Inc.
- Group Health Cooperative (GHC)
- Regence Blue Shield
- Kaiser Health Foundation of the Northwest (Did not report Q2&3)

**Table 2: Medicaid and Medical Assistance 2011 Quarter 2&3 Outcomes**



## DISCUSSION

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

As indicated in Table 1, for Basic Health enrollees served by nonparticipating providers, the percentage ranged from zero for Group Health Cooperative to 13% for Community Health Plan of Washington. Table 2 shows the percentages of nonpar services received by Healthy Options enrollees from the plans that provided data, ranging from 4% for Regence Blue Shield up to 13% for Community Health Plan of Washington. Further review of the county information provided by the reporting health plans also indicates nonparticipating services provided to HCA enrollees are stable across the state, both for the Basic Health Plan and Healthy Options program.

After a thorough review of the data received, the HCA will refine its data request for future reporting to ensure all health plans provide more robust, consistent data that allows for a more detailed analysis for the next reporting cycle, which is at the end of the first quarter of 2012.