

# 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, 2013 - June 30, 2014

As Required by Chapter 9, Laws of 2011, 1st Special Session (ESSB 5927)

January 1, 2015

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## EXECUTIVE SUMMARY

Chapter 9, Laws of 2011 1<sup>st</sup> 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 Apple Health enrollees. The BH program ended January 1, 2014 along with all funding; therefore, information regarding non-participating providers was not required to be submitted by health plans and this report will focus on Apple Health programs only.

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.

## 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, 1<sup>st</sup> 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.

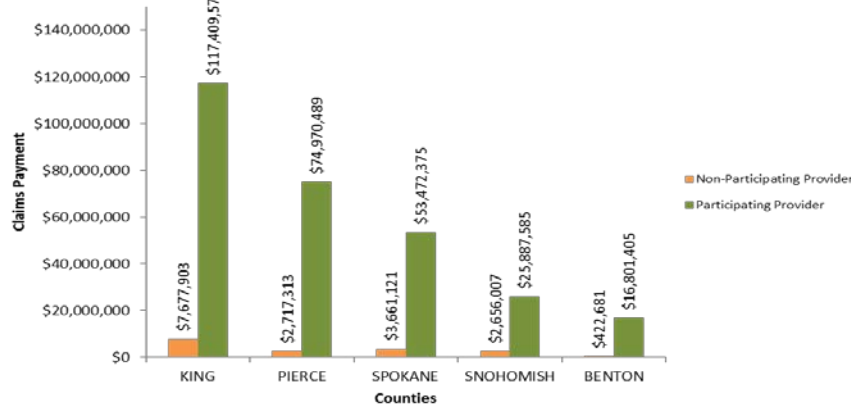
## RESULTS

The following tables provide analysis outcomes for managed care health plans serving HO and BH enrollees reporting for July 1, 2013 through June 30, 2014:

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

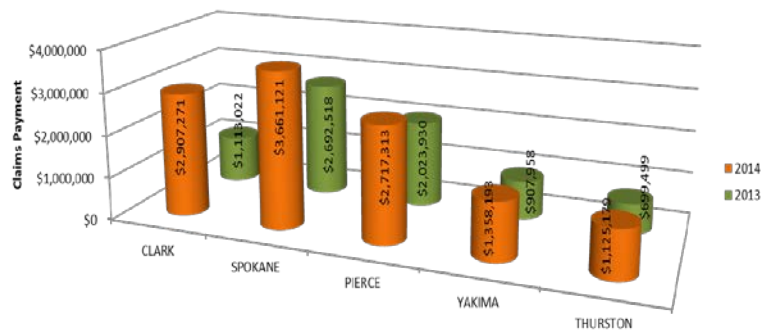
# MHC Apple Health Non-Participating Provider Payments

**Non-Participating Provider Payments (MHC - Top 5 Counties)**

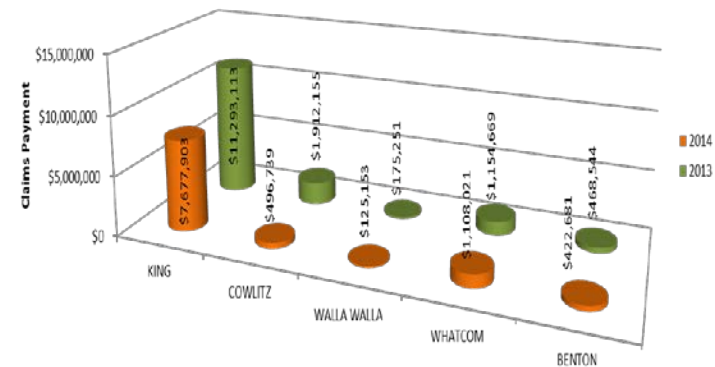


- Non-participating provider payments for 2014 were approximately \$27 million.
- There was a steep increase in payments to non-participating providers in Clark county of over \$1.2 million; however, this county faces many provider challenges. Four additional counties showed increases between \$400,000 - \$500,000.
- There was a steep decrease in payments to non-participating providers in King and Cowlitz counties of \$3.6 million and \$1.4 million, respectively. Three additional counties showed decreases between \$40,000 – \$50,000.
- Overall, payments to non-participating providers decreased by \$300,000.

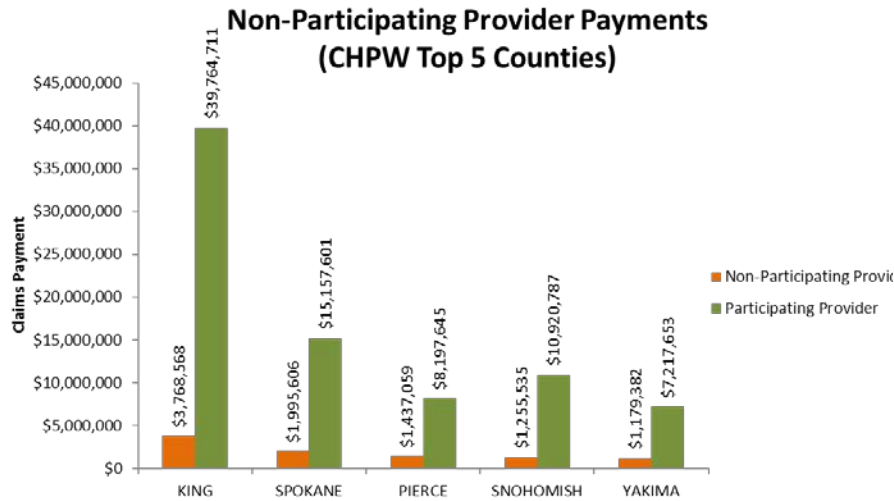
**Top 5 Counties With Increased Non-Participating Provider Payments**



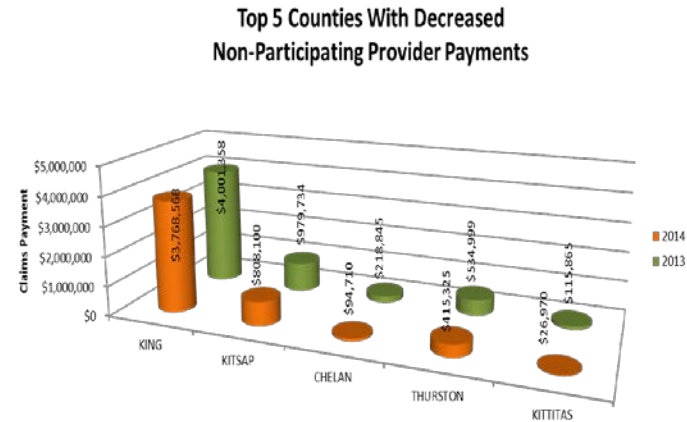
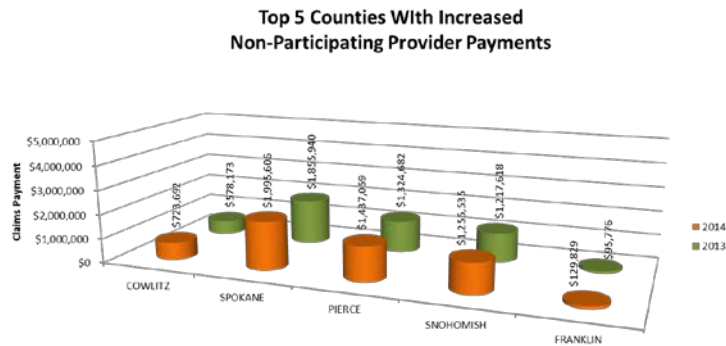
**Top 5 Counties With Decreased Non-Participating Provider Payments**



# CHPW Apple Health Non-Participating Provider Payments

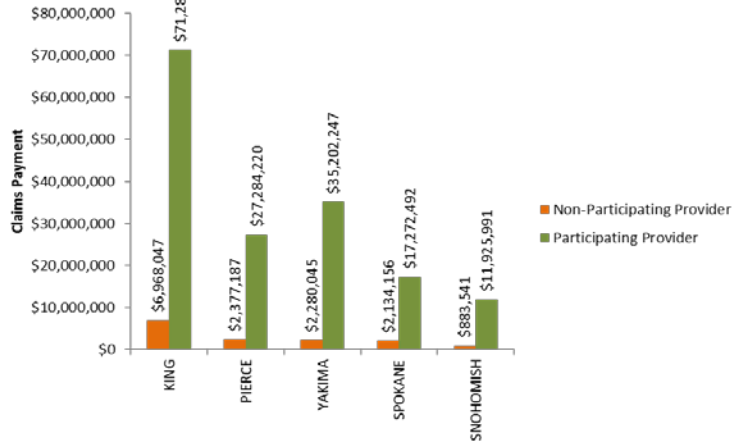


- Non-participating provider payments for 2014 were approximately \$15 million.
- There was an increase in payments to non-participating providers in Cowlitz and Spokane of \$140,000 each. Three additional counties showed increases between \$30,000 - \$112,000.
- There was a decrease in payments to non-participating providers in King county of \$230,000. Four additional counties showed decreases between \$80,000 – \$170,000.
- Overall, payments to non-participating providers decreased by \$720,000.



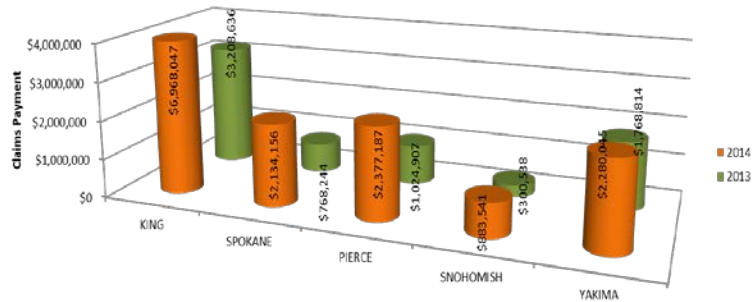
# CCC Apple Health Non-Participating Provider Payments

**Non-Participating Provider Payments  
(CCC Top 5 Counties)**

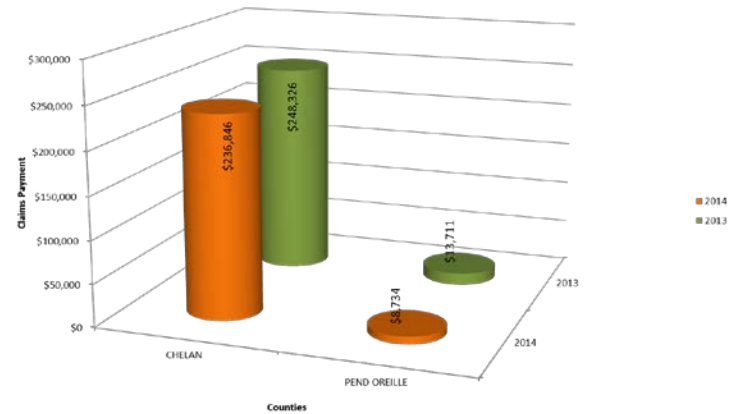


- Non-participating provider payments for 2014 were approximately \$20 million.
- There was a steep increase in payments to non-participating providers in King county of over \$3.7 million. Two additional counties, Spokane and Pierce showed increases of over \$1.3 million. It's important to note, however, that there was a steep increase in enrollment between June 2013 and July 2014.
- There was a decrease in payments to non-participating providers in Chelan and Pend Orielle counties of \$4,000 – \$11,000
- Overall, payments to non-participating providers decreased by \$15,000

**Top 5 Counties With Increased  
Non-Participating Provider Payments**

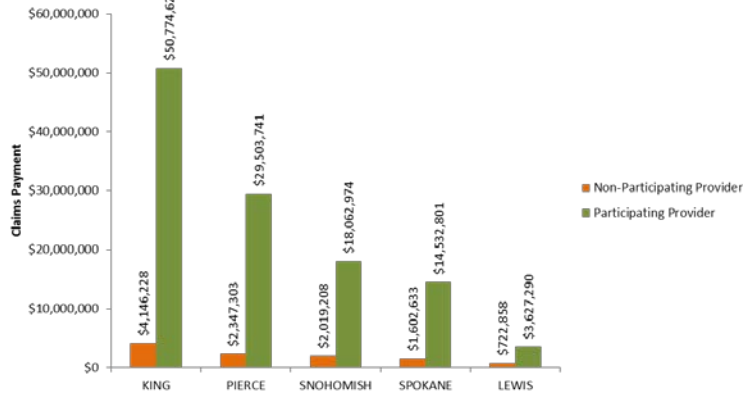


**Counties With Decreased  
Non-Participating Provider Payments**



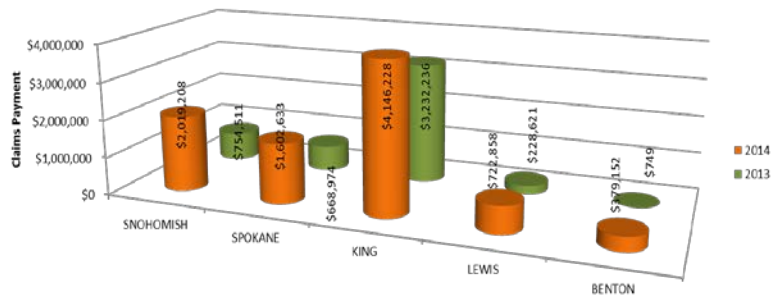
# AMG Apple Health Non-Participating Provider Payments

**Non-Participating Provider Payments  
AMG Top 5 Counties)**

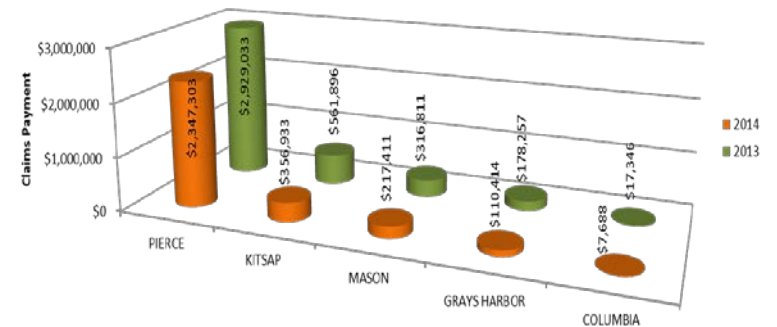


- Non-participating provider payments for 2014 were approximately \$14 million.
- There was a steep increase in payments to non-participating providers Snohomish county of \$1.3 million. King and Spokane counties both increased by over \$900,000 each.
- There was a steep decrease in payments to non-participating providers in Pierce of \$580,000. Four additional counties showed decreases between \$10,000 – \$100,000.
- Overall, payments to non-participating providers increased by \$4.5 million.

**Top 5 Counties With Increased  
Non-Participating Provider Payments**

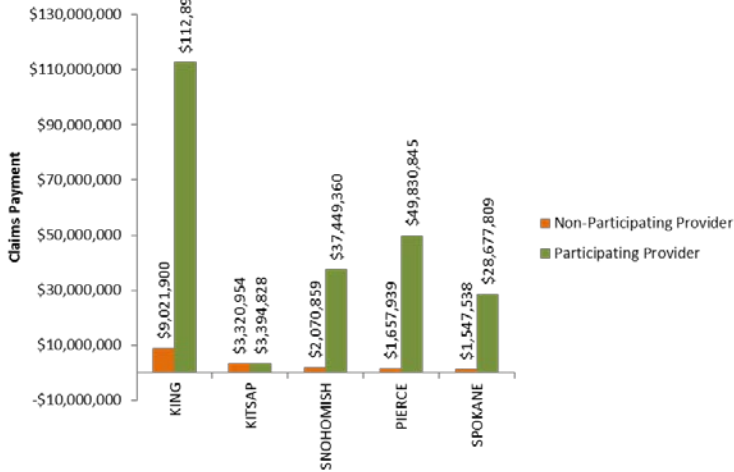


**Top 5 Counties With Decreased  
Non-Participating Provider Payments**



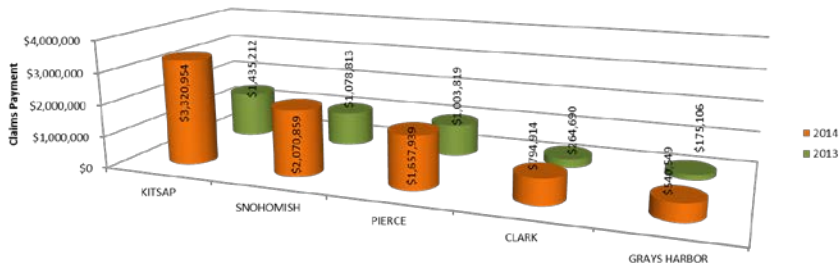
# UHC Non-Participating Provider Payments

**Non-Participating Provider Payments (UHC Top 5 Counties)**

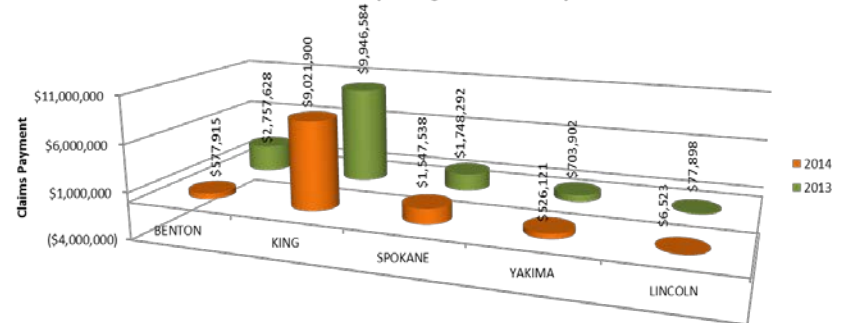


- Non-participating provider payments for 2014 were approximately \$22 million.
- There was an increase in payments to non-participating providers in Kitsap and Snohomish counties of \$1.9 million and \$990,000, respectively. Three additional counties showed increases between \$350,000 - \$700,000. It's important to note, however, that there was a steep increase in enrollment between June 2013 and July 2014.
- There was a decrease in payments to non-participating providers in Benton and King county of \$2.2 million and 920,000, respectively. Three additional counties showed decreases between \$70,000– \$200,000.
- Overall, payments to non-participating providers increased by \$1.8 million.

**Top 5 Counties With Increased Non-Participating Provider Payments**



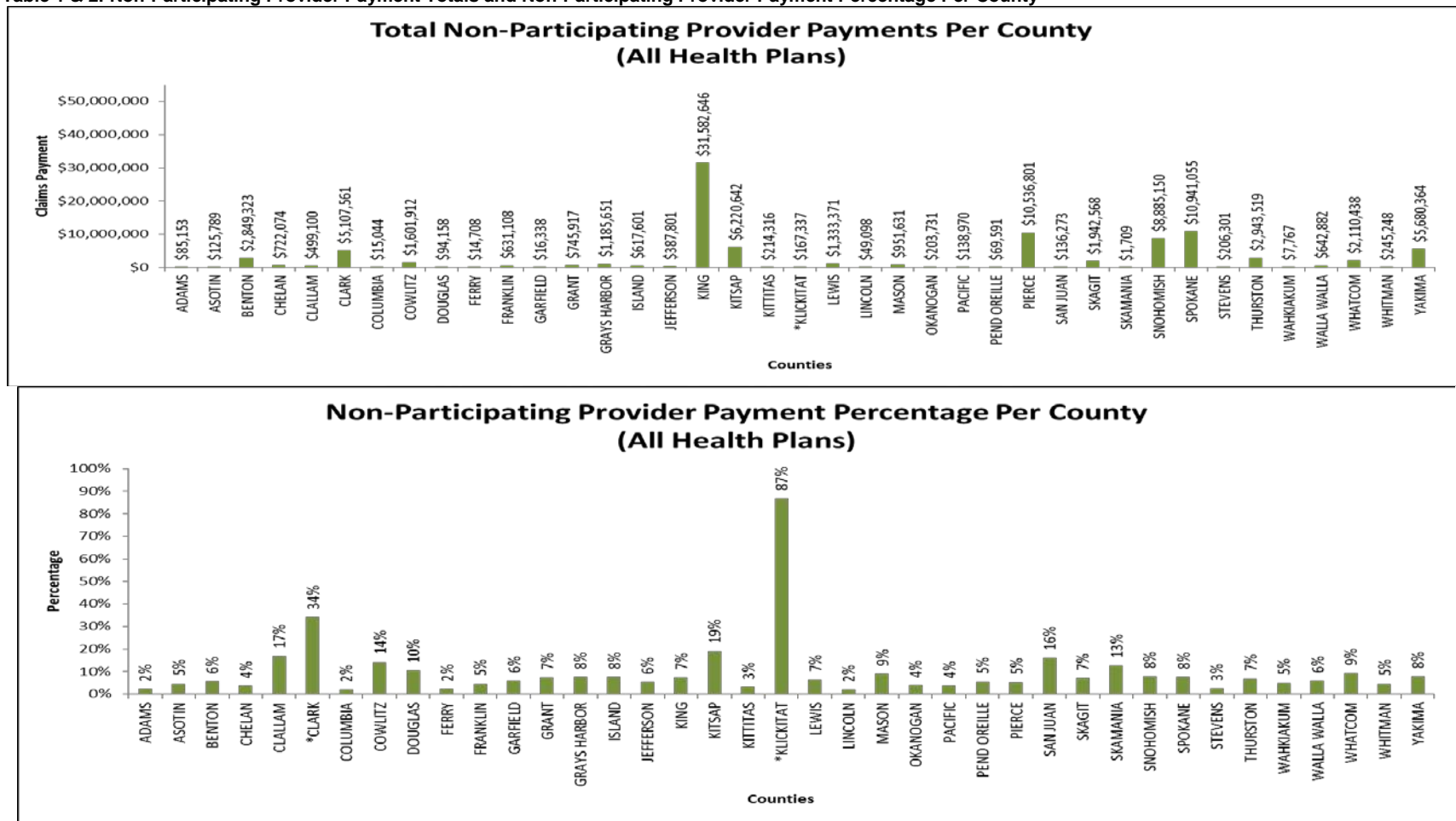
**Top 5 Counties With Decreased Non-Participating Provider Payments**





# Overall Non-Participating Provider Payment Analysis

Table 1 & 2: Non-Participating Provider Payment Totals and Non-Participating Provider Payment Percentage Per County



\*Klickitat and Clark counties have higher non-participating provider payment percentages due to provider challenges in these areas.

## STATEWIDE DISCUSSION

Review of the county information provided by the managed care health plans indicates only two counties, Klickitat and Clark, had non-participating provider percentages higher than 30 percent. This is due to the provider shortage in both areas and challenges with clinics who do not want to contract with managed care health plans. HCA will continue to work with the managed care health plans in this area to increase access.

## CONCLUSION

Ensuring Apple Health clients have access to an extensive provider network is crucial to quality healthcare outcomes. The outcomes of this analysis shows the five (5) contracted managed care plans continue expanding their networks even further, as non-participating provider costs have decreased, in most cases, since last year.