



Position Paper: Evaluate Affordability and Continuity of Coverage

The Legislature should create a Continuity of Coverage Task Force and Washington should evaluate the affordability of health coverage for Washington residents.

The Affordable Care Act has allowed over half a million Washingtonians to enroll in newly available health coverage through Apple Health (Medicaid) and Qualified Health Plans (QHPs). Community health centers (CHCs) have enrolled thousands of Washingtonians in this new coverage over the past year. However, many people continue to fall through the cracks. Some are not able to afford health coverage while others lose access to their trusted doctors because of minor changes in their circumstances. Washington should better understand the financial barriers to enrolling in coverage and explore possible solutions to bridge these gaps.

Evaluate Opportunities to Reduce Gaps in Health Coverage

Minor fluctuations in income force many low-income Washingtonians to lose enrollment and shift to alternate forms of public and private health coverage. Even small gaps in coverage due to these transitions can lead to poorer health outcomes since individuals may delay needed care during gaps in coverage. Subsequently, new coverage may require a change in providers that can delay diagnoses and treatments. Such transitions also increase administrative expenses for health carriers, state agencies and the Health Benefit Exchange (HBE).

Evaluating the gaps and transitions in coverage is critical to ensuring that all Washingtonians have the health coverage they need. The state should establish a task force on continuity of coverage to:

- Include input from all interested stakeholders, including patients, consumer advocates, providers, purchasers, Medicaid managed care and commercial health plans, tribal representatives, hospitals, the HBE, the Health Care Authority, the Department of Social and Health Services and the Office of the Insurance Commissioner.
- Collect and analyze data to identify what support is needed to make changes in coverage and to ease consumers' transitions between types of coverage and plans.
- Evaluate options to reduce gaps in coverage, including successful models in other states.
- Submit a report to the Legislature by December 31, 2015 identifying strategies to reduce gaps in coverage and ease transitions in coverage, including any new regulations and requirements recommended for adoption by state agencies and the HBE Board.

Evaluate Barriers to Affordable Coverage

Despite the availability of subsidized coverage through the Washington Healthplanfinder, many Washingtonians continue to fall through the cracks and remain uninsured. A survey of in-person assisters (IPAs) found that over 80% of IPAs indicated people they assisted had issues related to the

affordability of QHPs offered in the Exchange, including monthly premium amounts, deductibles, and cost-sharing. This resulted in a significant number of people opting out of enrolling in coverage and other people dropping coverage due to their inability to pay. At some community health centers, only 25% of eligible enrollees were able to afford subsidized QHP coverage. While we know many are unable to purchase coverage, we need more information and analysis to fully understand the barriers that prevent enrollment which may include technology limitations; the costs of premiums, co-pays and deductibles; health care literacy; or others.

Washington needs to better understand the reasons many residents cannot afford coverage and explore potential solutions. The Legislature should appropriate funds that would allow the Office of Financial Management to procure a study that evaluates barriers and solutions to affordability, including churn rates, coverage gaps and a micro-simulation model that considers all eligibility factors, offers of employer-sponsored insurance and state budget offsets. This study should be delivered to the legislature by December 31st, 2015.

A family of 4 earning less than \$47,700 a year will pay up to \$3,000 of their annual income on premiums, with co-pays and deductibles on top of that, which is likely unaffordable for a family trying to keep a roof overhead and food on the table.