



## SENATE DEMOCRATS WASHINGTON STATE

### Facts about Washington's Health Care Reform Efforts

**Population:** Over 6 million and growing.

**Uninsured (2008): Total:** 13 percent (876,000); **Children:** 5 percent (78,000)

#### Past Reforms:

In 1993, the state passed a law assuring coverage to all Washingtonians through the use of competing health care plans. This effort, which was a model for the Clinton approach, was repealed in 1995. While policy makers have since shied away from major structural reforms, there have still been significant gains since. They include:

- Early **expansion of Medicaid** for children to 200 percent of the federal poverty level (FPL). The state currently covers about 650,000 children in its medical programs.
- **SCHIP coverage** for children 200-300 percent FPL. The Apple Health for Kids program has succeeded in getting health care coverage to 95 percent of all eligible kids.
- **Basic Health Plan (BHP)** which uses state-only funds to provide subsidized coverage for low-income people. The BHP recently had a caseload of 104,000; but, budget cuts will reduce that number to 60,000.
- **Evidence-based purchasing:** The state has engaged in a number of efforts to contain the growth of health care expenditures:
  - State agencies employ an **evidence-based preferred drug list** developed by Oregon Health Sciences University that allows the state to promote the use of safe, effective and cost-effective therapies.
  - The state also established a **Health Technology Board** to evaluate new technologies for safety and cost-effectiveness. It recommends whether a technology should be used and under what conditions.

#### Recent Health Care Reform Efforts:

- **Blue Ribbon Task Force:** In 2006, the governor convened a task force that set a goal to cover all children by 2010 and all adults by 2012.
- **Five Reform Proposals:** The 2008 session saw the introduction of five health care reform bills ranging from modest market reforms to single payer, including a "Public-Private Partnership" plan and one modeled after a Massachusetts program. The Legislature funded a study of the merits of each proposal.

## Next Steps for Reform:

The 2009 Legislature passed legislation establishing three legs to support health care reform:

- 1) Senate Bill 5346 - Health Care Efficiencies Act — established a process for health carriers, state agencies and providers to develop uniform standards for credentialing providers, submitting and reimbursing claims, prior authorization and similar activities. This process should help "bend the curve" in growth of health care costs.
- 2) Senate Bill 5501 - Secure Health Information Exchange — brings state agencies, providers and payers together to develop a structure to enable providers to securely access individual patient data.
- 3) Senate Bill 5945 - Washington Health Partnership — establishes a work group to:
  - explore a federal waiver to expand Medicaid coverage to low-income adults; and
  - coordinate with federal efforts to rapidly implement health care reforms following the passage of federal legislation.

## Federal Reform Recommendations:

- **Do no harm:** Like the Hippocratic Oath, federal reform should set a floor for standards; states that have more robust requirements should be allowed to continue them.
- **Flexibility:** Washington State has demonstrated its commitment to containing costs and covering the uninsured. We encourage that provision be made for states to innovate in areas, such as:
  - Medicaid expansions to cover more people;
  - demonstration waivers for Medicare / Medicaid dual eligibles; and
  - adding a provision to the Employee Retirement Income Security Act (ERISA) to allow limited state waivers, including permitting states to:
    - offer its Public Employee Benefits to those without access to affordable coverage; and
    - establish "play or pay" programs that allow states to require employers who don't offer health benefits to help pay for public coverage; while allowing employers who provide comprehensive benefits to continue to do so.
- **Medicare:** Medicare has a profound effect on state and commercial markets. A few changes would greatly assist any reform efforts:
  - New treatments: Medicare plays a critical role in approving new medical treatments and technologies. Effectively containing health care costs will require an independent, neutral process not subject to political influence.
  - Reimbursement rates. Medicare rates set the standard for all other markets. Unfortunately, Medicare has long favored expensive (and often unnecessary) specialty care to the detriment of primary care. Without redressing this imbalance, no health care reform effort can succeed.
- **Primary care:** In addition to addressing reimbursement, we need federal assistance to stabilize and expand the current primary care workforce through incentives, education subsidies and retention strategies.