

The Board of the Washington State Health Insurance Pool (WSHIP) annually develops a Policy Agenda to inform and educate others about the status of the Pool and issues that are important to address in the year ahead.

BACKGROUND

WSHIP plays an important role in fostering market stabilization and averting disproportional impacts to Washington communities caring for high risk residents. As the state's high risk pool, WSHIP has two separate health insurance programs — Non-Medicare coverage for high risk individuals (enrolled before 2014) and Medicare supplemental coverage for high risk Medicare enrollees without access to a supplement or Medicare Advantage plan. WSHIP is not a public agency or state-funded program — it is a nonprofit entity established by the legislature and funded solely through premiums and assessments to Member Plans (carriers).

- WSHIP's **Non-Medicare program** is much smaller now due to the Affordable Care Act (ACA) but it still provides coverage to about 180 of our state's most vulnerable and medically high-cost residents. WSHIP is also the safety net for the state's individual health insurance market in the event coverage is not offered in all counties (coverage is offered in all counties in 2022). In 2021, the legislature removed the statutory 2022 sunset for WSHIP's non-Medicare program.
- WSHIP's **Medicare program** provides supplemental coverage to about 1,000 enrollees. This program ensures access to supplemental coverage for high risk Medicare enrollees who do not have access to a supplement or Medicare Advantage Plan. In 2021, Medicare Advantage Plans began accepting enrollees with End Stage Renal Disease (ESRD) as required by the 21st Century Cures Act. This has reduced but not eliminated the access gap for Medicare enrollees under age 65 with ESRD since most carriers do not sell Medicare supplements to enrollees under age 65 and Medicare Advantage Plans are not offered in all WA counties.

2022 POLICY AGENDA

No changes to the WSHIP program are recommended for 2022. WSHIP remains committed to working with state leaders on the challenging issues of access to health care and comprehensive coverage.

CURRENT STATUS OF THE POOL

WSHIP is funded by premiums limited to the average market rate for comparable coverage plus 10% and assessments to Member Plans. Currently premiums cover only 30% of claims costs. As a high risk pool, WSHIP is not a licensed health carrier or Qualified Health Plan, and coverage is not eligible for federal premium subsidies.

Non-Medicare Program. Under the Affordable Care Act (ACA), insurers can no longer deny coverage to persons with pre-existing conditions seeking individual health coverage; therefore, very few enrollees remain in WSHIP's Non-Medicare program and no new enrollment has been accepted since 2014.

Medicare Program. The ACA did not change the market rules for Medicare supplements where barriers to supplemental coverage still exist for some high-risk enrollees. This is especially problematic for persons under age 65 who are eligible for Medicare due to kidney disease because most carriers do not offer supplements to persons under 65. Without supplemental coverage, the high cost of dialysis or kidney transplant can be prohibitive. Additionally, enrollees over age 65 with pre-existing conditions can be turned down for a supplement plan if they apply after their one-time open enrollment period.

Covid-19. The pandemic has had a relatively insignificant financial impact on WSHIP since it provides Medicare supplemental coverage to the majority of its enrollees. As a result, when COVID hospitalizations occurred, the majority of the cost was covered by Medicare. Additionally, we did not see any significant change in utilization.

Assessments. Projected assessments for 2022 are \$17 million (est. \$0.39 PMPM)

NON-MEDICARE PROGRAM

Enrollment: 179

- Closed to new enrollment
- Claims Costs: \$8,000 PMPM

MEDICARE PROGRAM

Enrollment: 964

- Open to new enrollment
- Claims Costs: \$700 PMPM

Notes:

Enrollment as of Sept 2021

PMPM=Per Member Per Month