



October 30, 2023

Sharon Becker
Washington State Health Insurance Pool
PO Box 1088
Stanwood, WA 98292

Re: 2024 Medicare Advantage Reasonable Choice Analysis

Dear Sharon:

Leif Associates has completed an analysis of the 2024 Medicare Advantage products available in Washington and their equivalence to traditional Medicare combined with a Medicare Supplement Plan F in order to determine which counties have reasonable choice. The purpose of this letter is to document our findings.

General Eligibility Requirements for WSHIP's Medicare Plans

The Washington State Health Insurance Pool (WSHIP) eligibility requirements for Medicare-eligible individuals are as follows:

- You are a resident of Washington state;
- You are enrolled in Medicare Part A and Part B;
- You were rejected for coverage by a health carrier, offered substantially reduced coverage on a Medicare supplemental insurance policy, or you do not have comprehensive Medicare supplemental coverage available to you; and
- You do not have access to a reasonable choice of Medicare Advantage Plans (Part C).

"Reasonable choice" is defined in RCW 48.41.100 (1)(c) as having a choice of health maintenance organization (HMO) or preferred provider organization (PPO) Medicare Part C plans offered by at least three different carriers that have had provider networks in the person's county of residence for at least five years. In addition, the plan options must include coverage at least as comprehensive as a Plan F Medicare Supplement Plan combined with Medicare Parts A and B. The plan options must also provide access to adequate and stable provider networks that make up-to-date provider directories easily accessible on the carrier's web site and in hard copy, if requested. Finally, if no HMO or PPO includes the health care provider with whom the individual has an established relationship and from whom the individual has received treatment within the past 12 months, the individual does not have reasonable choice.

2024 Medicare Advantage Carriers

The CMS website Medicare.gov provides information about all Medicare Advantage plans available in each zip code. We accessed this website and identified the carriers offering 2024 Medicare Advantage plans in each of the counties in Washington. We observed that 2024 will once again be a year of expansion for Medicare Advantage plans in Washington.

- There was one new market entrant and one exit. Health Net re-entered after sitting out for two years. AmeriGroup exited all counties.

- CIGNA, Humana, PacificSource, and WellCare all expanded their networks into additional counties.
- Twelve counties will have more carrier choices than last year. Seven counties will have fewer choices, primarily due to the AmeriGroup exit. Every county has at least one Medicare Advantage carrier.

Twenty-two carriers are offering HMO or PPO Medicare Advantage plans in Washington for 2024. Each carrier offers plans in a limited number of counties. Fifteen counties have three or more carriers that have been in the market for at least five years. This is up from fourteen in 2023. The new county added to the reasonable choice list is Mason.

The table below lists the 31 counties with at least three Medicare Advantage carriers for 2024, along with the number of qualifying carriers (meaning they have been offering coverage in that county for at least five years) and an indication if reasonable choice is available in the county.

County	Total Carriers	Qualifying Carriers	Reasonable Choice
Clark	18	10	Yes
Cowlitz	13	5	Yes
Island	8	5	Yes
King	14	12	Yes
Kitsap	14	9	Yes
Lewis	13	5	Yes
Mason	9	4	Yes
Pierce	16	13	Yes
Skagit	12	7	Yes
Snohomish	15	13	Yes
Spokane	17	10	Yes
Thurston	13	9	Yes
Walla Walla	12	4	Yes
Whatcom	10	7	Yes
Yakima	10	4	Yes
Counties with fewer than three carriers:			
Adams	4	1	No
Benton	10	1	No
Chelan	3	2	No
Clallam	4	1	No
Columbia	4	1	No
Ferry	3	0	No
Franklin	11	0	No
Garfield	3	0	No
Grant	4	2	No
Grays Harbor	3	2	No
Jefferson	5	0	No
Lincoln	3	0	No
Pend Oreille	3	0	No
Skamania	3	0	No
Stevens	6	1	No
Wahkiakum	5	2	No

The count of Medicare Advantage carriers in the remaining 8 counties is as follows:

- Five have two carriers.
- Three have one carrier.

Actuarial Equivalence Testing

For each of the counties identified as having reasonable choice, we tested the available plans to make sure there were at least three that offered coverage at least as comprehensive as a Plan F Medicare Supplement plan combined with Medicare parts A and B, as is required by RCW 48.41.100. To limit the number of plans evaluated, we first reviewed the plans with the lowest out-of-pocket maximums, as we assumed these would be the most generous plans. We summarized each of the selected plan designs for each carrier, using a consistent format that provided the key benefit information needed to conduct an actuarial equivalence test of benefits.

Actuarial equivalence is a general term used for applying a measurement of value to two benefit plans to see how the resulting plan values compare to each other. Using a consistent set of utilization, cost, and demographic assumptions, the cost to the insurer is calculated under the different plan designs, taking into consideration the amount of cost sharing required of the enrollee. The cost to the insurer is used as an estimate of plan value for each plan design.

For this actuarial equivalence exercise, we first created a standard set of utilization and unit cost assumptions for all components of health care cost for a Medicare-eligible population. We used a proprietary Leif Associates database of claims for Medicare-eligible individuals. Claims were projected to calendar year 2024 using an 8% annual trend assumption. We used the database to first calculate the value of traditional Medicare combined with a Medicare Supplement Plan F. We then calculated the value of each of the Medicare Advantage plans and compared that value to the Medicare plus Plan F value to determine which plans were at least as generous. In counties where the initial testing demonstrated that there were three qualifying plans, we did not test all plans.

The actuarial equivalence test demonstrates that all 15 counties with at least three qualifying carriers offer coverage at least as comprehensive as Plan F combined with Medicare Parts A and B. The table in Exhibit A shows the counties that qualify as having reasonable choice, along with information about the carriers and plans that meet the actuarial equivalence benchmark.

If you have any questions about this analysis or require additional information, please do not hesitate to contact us.

Sincerely,
Leif Associates, Inc.



Elizabeth Leif, FSA
Consulting Actuary

**Washington State Health Insurance Pool
2024 Counties with Reasonable Choice of Medicare Advantage Plans**

County		Plan #1	Plan #2	Plan #3
Clark	Carrier Plan Value	Kaiser Permanente Senior Advantage Enhanced 109%	Providence Medicare Extra + Rx 109%	Humana Gold Plus HMO 108%
Cowlitz	Carrier Plan Value	Kaiser Permanente Senior Advantage Enhanced 109%	AARP HMO Medicare Advantage 108%	Regence PPO MedAdvantage + Rx Enhanced 107%
Island	Carrier Plan Value	AARP HMO Medicare Advantage 108%	Regence PPO MedAdvantage + Rx Enhanced 107%	Premera Medicare Advantage Classic 108%
King	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Humana Gold Plus HMO 108%
Kitsap	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Regence PPO MedAdvantage + Rx Enhanced 107%
Lewis	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Premera MedAdvantage Classic 108%
Mason	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	Regence PPO Med Advantage + Rx Classic 107%	Aetna PPO Medicare Choice Plan 107%
Pierce	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Humana Gold Plus HMO 108%
Skagit	Carrier Plan Value	AARP HMO Medicare Advantage 108%	Premera MedAdvantage Classic 108%	Humana Gold Plus HMO 108%
Snohomish	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Humana Gold Plus HMO 108%
Spokane	Carrier Plan Value	Kaiser Permanente Medicare Advantage Columbia 109%	AARP HMO Medicare Advantage 108%	Providence MedAdvantage Cottonwood + Rx 108%
Thurston	Carrier Plan Value	Kaiser Permanente Medicare Advantage Optimal 109%	AARP HMO Medicare Advantage 108%	Humana Gold Plus HMO 108%
Walla Walla	Carrier Plan Value	Regence PPO Me Advantage +Rx Enhanced 107%	Premera Medicare advantage Classic 108%	Humana Choice PPO 106%
Whatcom	Carrier Plan Value	AARP HMO Medicare Advantage 108%	Premera HMO Medicare Advantage Classic 108%	Humana Gold Plus HMO 108%
Yakima	Carrier Plan Value	Health Alliance HMO Signal Advantage Rx Plus 108%	AARP HMO Medicare Advantage 108%	Regence PPO MedAdvantage + Rx Enhanced 107%