

# Washington

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## 1. MANAGED CARE OPPORTUNITY ASSESSMENT (10-6-23)

Washington paused reprocurement efforts for the Apple Health Medicaid managed care program while it focuses on Medicaid redeterminations. It has been over 10 years since the state last procured Medicaid managed care plans. Current Integrated Managed Care (IMC) contracts are with Elevance/Anthem, Community Health Plan of Washington, Centene/Coordinated Care of Washington, Molina, and UnitedHealthcare, covering 2 million Medicaid members in the state's ten Regional Service Areas (RSAs). In addition, the state awarded IMC Expanded Access contracts to Centene/Coordinated Care of Washington for the Southwest RSA and to Community Health Plan of Washington for the North Central and Pierce RSAs. The contracts are effective January 1, 2021, to December 31, 2021, with up to two optional one-year extensions. The state will not add any additional MCOs at this time to the Great Rivers, Salish, Spokane, or Thurston-Mason RSAs.

Integration of physical and behavioral Medicaid managed care (formerly known as Fully Integrated Managed Care) began in April 2016 in Washington with the implementation of contracts awarded to Molina and Community Health Plan for the state's Southwest region (Clark and Skamania counties). The contracts ran through 2017 but had annual renewal options through 2019. The state later awarded contracts to Molina, Coordinated Care of Washington (Centene), and Anthem for the North Central region, with implementation in January 2018.

Washington's capitated dual demonstration plan has been cancelled. The demonstration had hoped to enroll 48,000 dual eligible in King and Snohomish counties.

HMA Managed Medicaid Opportunity Assessment for Washington	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none"> <li>Medicaid managed care enrollment in Washington was up 7.2% to 2 million as of year-end 2022.</li> </ul>	<ul style="list-style-type: none"> <li>In April 2020, Washington awarded IMC contracts to five health plans, and in July 2020 awarded IMC Expanded Access contracts to two health plans.</li> <li>Washington fully integrated behavioral health into Medicaid managed care as of January 2020.</li> <li>Washington is an expansion state.</li> </ul>
Negative Metrics	Weak Indicators
<ul style="list-style-type: none"> <li>Total Medicaid expenditures increased \$2.6 billion from 2018 to 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of Washington's capitated dual demonstration has been cancelled.</li> </ul>
<p>Source: HMA</p>	

Washington received federal approval to renew the Medicaid Transformation Project Section 1115 demonstration waiver, a delivery system transformation initiative, from July 1, 2023, through June 30, 2028. Regulators approved new programs offering additional care for children, elderly, and those leaving correctional facilities; however, the state did not receive approval to use waiver funds to cover postpartum care for non-citizens.

Washington also submitted a Section 1115 waiver proposal to the Centers for Medicare & Medicaid Services to provide Medicaid-covered healthcare services to justice-involved populations before release to support community reentry.

In February 2018, the state approved all nine ACH project plans to improve the overall health of Medicaid beneficiaries by tackling the opioid crisis and integrating behavioral health, among other initiatives. ACHs also work with Medicaid managed care plans to expand value-based purchasing, with a target of 90 percent of Medicaid payments being value-based by the end of the five-year waiver. A supportive housing and employment services initiative under the waiver will be coordinated through exiting behavioral health organizations, Medicaid plans, and the state.

## 2. MANAGED MEDICAID PLAN FINANCIALS

Average medical loss ratio among five Washington Medicaid plans was 87.1% in 2021. Per member per month premiums averaged \$371.

**(Note: Financial metrics and comparisons presented in this overview are based on health plan NAIC filings in the state. Measures like per member per month premiums and medical loss ratios may vary greatly by plan and by state depending on the mix of business (e.g., TANF, ABD, etc.), scope of the state’s Medicaid benefit package, geographic variations in the cost of care, and other factors.)**

### Washington Medicaid Managed Care Plan Financials, 2021

Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
Anthem/Amerigroup	Y	211,472	2,478,787	\$438.62	\$1,087,234	\$924,572	85.0%
Centene/Coordinated Health Plan	Y	217,030	2,499,059	\$361.49	\$903,394	\$786,444	87.1%
Community Health Plan of WA	N	254,393	2,923,798	\$350.03	\$1,023,413	\$915,163	89.4%
Molina Healthcare Inc.	Y	953,222	11,131,913	\$354.79	\$3,949,450	\$3,387,579	85.8%
UnitedHealth Group Inc.	Y	254,442	2,925,319	\$406.03	\$1,187,774	\$1,089,786	91.8%
<b>Total, WA Medicaid Plans</b>		<b>1,890,559</b>	<b>21,958,876</b>	<b>\$371.21</b>	<b>\$8,151,264</b>	<b>\$7,103,542</b>	<b>87.1%</b>

(1) After reinsurance recoveries.

Source: S&P Global Market intelligence, NAIC, HMA

### Washington Medicaid Managed Care Plan Financials, 2020

Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR <sup>(1)</sup>
Anthem/Amerigroup	Y	199,347	2,270,674	\$348.02	\$790,229	\$683,551	86.5%
Centene/Coordinated Health Plan	Y	198,843	2,214,487	\$304.34	\$673,967	\$551,886	82.2%
Community Health Plan of WA	N	231,276	2,639,122	\$268.51	\$708,639	\$639,514	90.4%
Molina Healthcare Inc.	Y	892,274	10,035,134	\$285.59	\$2,865,934	\$2,294,725	80.1%
UnitedHealth Group Inc.	Y	231,353	2,581,594	\$311.89	\$805,175	\$668,266	83.0%
<b>Total, WA Medicaid Plans</b>		<b>1,753,093</b>	<b>19,741,011</b>	<b>\$296.03</b>	<b>\$5,843,943</b>	<b>\$4,837,943</b>	<b>82.9%</b>

(1) After reinsurance recoveries.

Source: S&P Global Market intelligence, NAIC, HMA

### 3. RFP DEVELOPMENTS AND ANALYSIS

Washington issued a request for applications (RFA) in February 2020 for the procurement of Cascade Care public option plans offered through the state’s health insurance Exchange. The state awarded contracts to Bridgespan, Community Health Network of Washington, Centene/Coordinated Care, LifeWise, and UnitedHealthcare. The contracts will be for each county for coverage beginning January 1, 2021. The contract will run for two years with two optional two-year extensions.

Washington awarded Integrated Managed Care (IMC) contracts to Amerigroup/Anthem, Community Health Plan of Washington, Centene/Coordinated Care of Washington, Molina, and UnitedHealthcare, effective January 1, 2019 and 2020 depending on the region. Contracts include two, one-year extension options and covers 1.6 million Medicaid members in the state’s ten Regional Service Areas (RSAs). In addition, the state awarded IMC Expanded Access contracts to Centene/Coordinated Care of Washington for the Southwest RSA and to Community Health Plan of Washington for the North Central and Pierce RSAs. The contracts are effective January 1, 2021 to December 31, 2021, with up to two optional one-year extensions. The state will not add any additional MCOs at this time to the Great Rivers, Salish, Spokane, or Thurston-Mason RSAs.

Separately, Centene/Coordinated Care of Washington was awarded a contract in August of 2015 to provide managed foster care services to 25,000 beneficiaries. Meanwhile, Washington’s capitated dual demonstration plan has been cancelled. The demonstration had hope to enroll 48,000 dual eligible in King and Snohomish counties.

Washington Medicaid RFP Calendar		
Contract	Key Dates	# of Beneficiaries
Medicaid Integrated Managed Care – Expanded Access RFP	RFP Released: April 20, 2020 Proposals Due: July 1, 2020 Awards: July 24, 2020 Implementation: January 1, 2021	NA
Cascade Care Public Option Plans	RFA Released: February 27, 2020 LOI Due: March 13, 2020 Phase 1 Response Due: April 17, 2020 Phase 2 Response Due: May 22, 2020 Awards: July 7, 2020	NA
2019/2020 Integrated Managed Care	RFP Released: February 15, 2018 Mandatory LOI: March 1, 2018 Awards: May 22, 2018 2019 Implementation: January 1, 2019 2020 Implementation: January 1, 2020	~ 1.6 million

Source: WA State Health Care Authority, HMA

## Washington Medicaid Behavioral Managed Care RFP Calendar

Region/County	Carve-out Vendors	Contract Terms
Regional	Optum, Regional Support Networks	Risk; Existing RSN contracts run 10-1-11 to 6-30-15. New RSN contracts will run 9 months from 7-1-15 to 3-31-16. Meanwhile, on 7-1-15, existing RSNs will receive a request for "detailed plans" for Behavioral Health Organization contracts beginning 4-1-16. Responses are due 10-31-15.

*Source: Washington Dept. of Social and Health Services, HMA*

### 4. MANAGED CARE ENROLLMENT UPDATE

Medicaid managed care enrollment in Washington was up 7.2% to 2 million in December 2022 compared to year-end 2021, after increasing 7.4%, 11.8% and 1.9% in 2021, 2020, and 2019, respectively.

#### Enrollment in Washington Medicaid Managed Care, 2012-22

Plan Name	2017	2018	2019	2020	2021	2022
<b>Total Washington</b>	<b>1,591,974</b>	<b>1,493,662</b>	<b>1,521,707</b>	<b>1,701,943</b>	<b>1,828,133</b>	<b>1,959,278</b>
<i>+/- between reporting periods</i>	50,992	<i>(98,312)</i>	28,045	180,236	126,190	131,145
<i>% chg. between reporting periods</i>	3.3%	-6.2%	1.9%	11.8%	7.4%	7.2%

*Source: WA Dept. of Social Health Services, HMA*

## Enrollment in Washington Medicaid Managed Care by Plan, 2012-22

Plan Name	2017	2018	2019	2020	2021	2022
<b>Anthem/Amerigroup WA</b>	<b>145,303</b>	<b>144,752</b>	<b>171,285</b>	<b>206,595</b>	<b>218,985</b>	<b>239,096</b>
<i>+/- between reporting periods</i>	1,379	(551)	26,533	35,310	12,390	20,111
<i>% chg. between reporting periods</i>	1.0%	-0.4%	18.3%	20.6%	6.0%	9.2%
<i>% of total</i>	9.1%	9.7%	11.3%	12.1%	12.0%	12.2%
<b>Community Health Plan of WA</b>	<b>278,038</b>	<b>244,239</b>	<b>228,108</b>	<b>213,604</b>	<b>232,300</b>	<b>272,918</b>
<i>+/- between reporting periods</i>	(10,703)	(33,799)	(16,131)	(14,504)	18,696	40,618
<i>% chg. between reporting periods</i>	-3.7%	-12.2%	-6.6%	-6.4%	8.8%	17.5%
<i>% of total</i>	17.5%	16.4%	15.0%	12.6%	12.7%	13.9%
<b>Coordinated Care Corp./Centene</b>	<b>203,107</b>	<b>183,070</b>	<b>180,088</b>	<b>181,262</b>	<b>197,682</b>	<b>214,762</b>
<i>+/- between reporting periods</i>	1,400	(20,037)	(2,982)	1,174	16,420	17,080
<i>% chg. between reporting periods</i>	0.7%	-9.9%	-1.6%	0.7%	9.1%	8.6%
<i>% of total</i>	12.8%	12.3%	11.8%	10.7%	10.8%	11.0%
<b>Molina Health Care of WA</b>	<b>730,752</b>	<b>719,069</b>	<b>770,811</b>	<b>885,305</b>	<b>942,969</b>	<b>982,481</b>
<i>+/- between reporting periods</i>	52,536	(11,683)	51,742	114,494	57,664	39,512
<i>% chg. between reporting periods</i>	7.7%	-1.6%	7.2%	14.9%	6.5%	4.2%
<i>% of total</i>	45.9%	48.1%	50.7%	52.0%	51.6%	50.1%
<b>UnitedHealth/Optum Total</b>	<b>234,774</b>	<b>202,532</b>	<b>171,415</b>	<b>215,177</b>	<b>236,197</b>	<b>250,021</b>
<i>+/- between reporting periods</i>	6,380	(32,242)	(31,117)	43,762	21,020	13,824
<i>% chg. between reporting periods</i>	2.8%	-13.7%	-15.4%	25.5%	9.8%	5.9%
<i>% of total</i>	14.7%	13.6%	11.3%	12.6%	12.9%	12.8%
OptumHealth	10,119	0	0	0	0	0
<i>+/- between reporting periods</i>	(2,310)	(10,119)	0	0	0	0
<i>% chg. between reporting periods</i>	-18.6%	-100.0%	NA	NA	NA	NA
<i>% of total</i>	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
United Health Care Community Plan (OptumHealth)	224,655	202,532	171,415	215,177	236,197	250,021
<i>+/- between reporting periods</i>	8,690	(22,123)	(31,117)	43,762	21,020	13,824
<i>% chg. between reporting periods</i>	4.0%	-9.8%	-15.4%	25.5%	9.8%	5.9%
<i>% of total</i>	14.1%	13.6%	11.3%	12.6%	12.9%	12.8%
<b>Columbia United Providers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>+/- between reporting periods</i>	NA	NA	NA	NA	NA	NA
<i>% chg. between reporting periods</i>	NA	NA	NA	NA	NA	NA
<i>% of total</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Washington</b>	<b>1,591,974</b>	<b>1,493,662</b>	<b>1,521,707</b>	<b>1,701,943</b>	<b>1,828,133</b>	<b>1,959,278</b>
<i>+/- between reporting periods</i>	50,992	(98,312)	28,045	180,236	126,190	131,145
<i>% chg. between reporting periods</i>	3.3%	-6.2%	1.9%	11.8%	7.4%	7.2%

Source: WA Dept. of Social Health Services, HMA

## 5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Washington was 1.7 million in 2019. About 88.6% of Medicaid beneficiaries were enrolled in a managed care plan. The remainder are in fee-for-service Medicaid. Total Medicaid expenditures were \$13.1 billion in 2019, with about 67.0% through managed care and the rest through fee-for-service.

Washington Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-19

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures <sup>(1)</sup>	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2019	\$13,128,258,799	\$8,797,374,571	67.0%	1,716,764	1,521,707	88.6%
2018	\$12,093,602,904	\$6,193,588,888	51.2%	1,739,111	1,493,662	85.9%
2017	\$11,892,840,575	\$6,541,451,272	55.0%	1,775,327	1,608,031	90.6%
2016	\$10,787,810,275	\$6,516,952,134	60.4%	1,797,679	1,536,918	85.5%
2015 <sup>(2)</sup>	\$10,494,138,618	\$5,230,094,054	49.8%	1,743,423	1,452,366	83.3%
2014	\$7,062,533,683	\$3,110,982,597	44.0%	1,645,727	1,335,229	81.1%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

(2) MCO Enrollment as of November 2015.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

## 6. SNPs AND DUAL ELIGIBLES

Washington's capitated dual demonstration plan has been cancelled. The demonstration had hoped to enroll 48,000 dual eligible in King and Snohomish counties. Separately, Washington has a total of 65,250 SNP lives as of November 2020.

Washington SNP Enrollment by Plan, November 2020

Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare <sup>(1)</sup>	41,108	40,836		272	63.0%
Molina Healthcare	10,707	10,707			16.4%
Community Health Plan of Washington	6,076	6,076			9.3%
Humana	5,875	5,875			9.0%
Anthem	1,373	1,373			2.1%
Centene/WellCare	111	111			0.2%
<b>Total</b>	<b>65,250</b>	<b>64,978</b>	<b>0</b>	<b>272</b>	<b>100%</b>

(1) UnitedHealthcare ISNP enrollment includes Idaho members.

Source: CMS, HMA