



November 4, 2022

Mr. David Schumacher, Director
Office of Financial Management
PO Box 43113, Olympia, WA 98504
Sent via email: David.Schumacher@ofm.wa.gov

Re: Opportunities for Health Affordability, Access, and Equity in the Governor's Budget

Dear Director Schumacher and colleagues:

We write to highlight key opportunities to improve health affordability, access, and equity in the Governor's budget. We commend the Governor's leadership in health care during the pandemic. As the pandemic wanes, we urge your office to address remaining gaps in the safety net that continue to jeopardize the health and well-being of Washington residents.

Northwest Health Law Advocates is an independent voice for health care consumers in Washington State, working for over two decades to expand access to affordable, quality health care. Our work is informed by close collaborations with legal services and social services providers, community-based organizations, and directly-impacted people. These collaborations reveal a stark equity divide between those who can access our state's world-class health care system, and those who still struggle to maintain basic coverage and care. We ask that the Governor's budget address this divide by including and building upon these five agency-requested opportunities to promote health care.

1. Fulfill the promise to address Health Equity for Immigrants.

At the height of the pandemic, Washington awoke to the harsh reality that over 100,000 of our neighbors lack health coverage due to federal immigration restrictions. Last year, the Governor's Office took a critical step toward addressing the problem, launching start-up infrastructure for the Apple Health and Exchange coverage pathway for undocumented Washingtonians.

This year's budget must follow through by funding the remaining programmatic and administrative costs of an Apple Health and Exchange coverage pathway for all undocumented immigrants over age 19 by January 2024. In doing so, WA will join peer states that have already expanded coverage (CA, IL, CO, OR, DC). At minimum, the budget should fulfill the promise of last year's start-up funds by: (1) allocating ongoing funds for the Medicaid-equivalent program as requested by HCA; (2) maintaining an ongoing \$55M for Exchange Cascade Care premium assistance as requested by HBE; and (3) allocating ongoing funds for community outreach and language access at a higher level than requested by HBE.

The budget should also lay groundwork for the next steps needed to achieve immigrant coverage equity. We urge you to address remaining inequities in Exchange Cascade Care: 1) insufficient premium assistance for immigrants who will join the Exchange in 2024 only to pay an estimated \$316 PMPM in average net premiums, (2) no cost-sharing assistance for immigrants who will join the Exchange only to face thousands of dollars in deductibles before they can access most care, and (3) affordability and benefit gaps for lawfully present immigrants under 138% FPL who are barred from Medicaid by federal

law. We strongly encourage this year's budget to start tackling these issues, even if it takes multiple sessions to fully address.

We also ask you to continue clearing the backlog of long-term care slots as an interim step toward a more comprehensive state solution for immigrant long-term care. At a minimum, the budget could fund the 60 long-term care slots DSHS has requested as part of difficult-to-discharge solutions.

2. Take steps to address Medicare affordability for aging adults and those with disabilities.

There is also growing awareness of the serious health disparities affecting aging adults and people with disabilities who have Medicare but nonetheless struggle to afford care due to high out-of-pocket costs, missing benefits, and limited eligibility for programs that could otherwise fill in the gaps. A [national study](#) found that *half* of low-income Medicare enrollees pay 27% or more of their income for health costs. We will get a clearer picture of Washington data in a forthcoming DSHS-RDA study, expected in late November.

We acknowledge that the size of the challenge may require a step-wise approach. Over the next few years, we hope to work with your office to fulfill HCA's decision package request, which would extend Apple Health Classic eligibility to 138% FPL without an asset test. This policy change would ensure coverage parity and a streamlined eligibility system between ACA Medicaid and Classic Medicaid. We intend to work on a plan to maximize federal match for this change.

In the meantime, we urge you to include two interim steps in your budget. First, expand eligibility for the QMB Medicare Savings Program to 138% FPL. This cost-effective investment would wrap Part A, Part B, and Part D premiums and cost-sharing for these Medicare enrollees, greatly improving their ability to afford care (except for non-covered benefits). Second, fund HCA's request to continue post-eligibility verification for Apple Health Classic so that older adults and people with disabilities can access Apple Health in real-time rather than waiting months for coverage to begin.

3. Maintain and build Exchange financial assistance for low-wage workers churning off Apple Health.

As noted above, we urge your office to advance the Governor's nation-leading Exchange Cascade Care program in two ways: First, maintain the current \$55M a year allocation ongoing as HBE requested. Thanks to this program, many Washingtonians under 250% FPL will be able to access Exchange coverage for less than \$10 a month this Open Enrollment. That is a game-changer for the low-wage and part-time workers the program is intended to support, and will be a critical safety net to catch people terminated from Apple Health as the Public Health Emergency winds down. Second, we urge your office to set a vision for the next steps to address remaining inequities in Cascade Care Savings.

4. Address Apple Health benefit gaps to mitigate disparities in public coverage.

We strongly support multiple HCA decision packages aimed at reducing serious disparities in Apple Health benefits compared to public employee and commercial coverage. We urge you to include funding for the following HCA requests in your budget: (1) Health Technology Clinical Committee recommendations, including evidence-based bariatric surgery, cochlear implants, and cell-free DNA testing; (2) adult preventive visits for fee-for-service populations, in line with the ACA's preventive services requirements; and (3) vision hardware for adults, in line with the majority of states that cover this essential preventive health benefit.

It is appalling that these basic benefits are not already routinely covered for Washington's lowest-income residents. We are particularly troubled by HCA's continued failure to comply with state law under RCW 41.05.013 and 70.14.110, which jointly require HCA to apply HTCC recommendations in the context of determining covered benefits for Apple Health. HCA acknowledges this requirement and follows the HTCC guidelines for other coverage programs it administers, such as PEBB/SEBB, but persists in applying outdated clinical standards for Apple Health enrollees. See WAC 182-531-1600. As a result, Apple Health enrollees receive substandard care compared to those with state employee or commercial coverage.

5. Extend Apple Health pregnancy/postpartum coverage to align parent and child eligibility.

We support HCA's decision package request to expand pregnancy/postpartum coverage to 210% FPL to align birth parent and child eligibility. This is a common-sense and targeted measure to fix a mismatch between current pregnancy/postpartum eligibility (193% FPL) and children's eligibility (210% FPL for Medicaid). Under this change, every Apple Health-eligible newborn would enter coverage automatically at birth based upon their birth parent's eligibility.

While these investments in our health care safety net are time-sensitive, we hope the Governor's budget will also include these three longer-term investments in our health care infrastructure:

- Enhance capacity for the Health Care Cost Transparency Board. Continued investments in the health care safety net must be accompanied by long-term planning to manage overall health care spending. We support HCA's request for more analytic capacity.
- Invest in customer-facing infrastructure at health agencies. We support requests from HHS Coalition agencies to improve eligibility, enrollment, and customer service infrastructure that low-income individuals use to access health coverage and other public safety-net benefits. Our current systems are increasingly outdated, costly to maintain, and create barriers for people trying to apply or maintain benefits. For example, DSHS call center wait times continue to *average* about 2 hours, despite agency efforts to address this problem. This is unacceptable for the Washington residents who rely on DSHS, who are by definition experiencing low-income, aging, disability, or other structural risk factors such as homelessness. We urge you to include funding for agency infrastructure to address such serious problems.
- Prepare for the future of reproductive health access. We appreciate the DOH request which explores the potential for Washington as an abortion sanctuary for those fleeing neighboring states, and look forward to dialogue about the size and shape of specific policy solutions.

Thank you again for your leadership on health affordability, access, and equity. We look forward to working with you this budget cycle to move these priorities forward. Please contact Alexa Silver at alexa@nohla.org with any questions.

Sincerely,



Janet Varon
Executive Director
Northwest Health Law Advocates

Cc: Molly Voris, Office of the Governor, molly.voris@gov.wa.gov

Amber Leaders, Office of the Governor, amber.leadere@gov.wa.gov,
Robyn Williams, Office of Financial Management, robyn.williams@ofm.wa.gov
Breann Boggs, Office of Financial Management, breann.boggs@ofm.wa.gov
Jason Brown, Office of Financial Management, jason.brown@ofm.wa.gov
Evan Klein, Health Care Authority, evan.klein@hca.wa.gov
Joan Altman, Health Benefit Exchange, joan.altman@wahbexchange.org
Jon Noski, Department of Social and Health Services, jon.noski@dshs.wa.gov