

Plan Year 2024 Cascade Care Savings Public Comment and Exchange Responses

April 28, 2023

In 2021, the Washington State Legislature passed legislation directing the Exchange, operating within Legislatively appropriated funds, to implement a state premium assistance program. The Exchange implemented the program, known as Cascade Care Savings, for eligible customers starting in Plan Year 2023. The policy governing the program is updated annually or as needed. The Final Plan Year 2024 Cascade Care Savings policy will be effective for Plan Year 2024 coverage. The Exchange held a public comment period on the Draft Plan Year 2024 Cascade Care Savings Policy from March 21, 2023 – April 17, 2023, with a public meeting taking place on April 14, 2023. The Exchange received written comments from stakeholders on various aspects of the policy, as described below.

Eligibility for Cascade Care Savings

Comment: Health Insurance is expensive these days. Many of us use the subsidies to reduce our monthly payments so that it is affordable. In 2024 thanks to the Section 1332 waiver we will have a new population able to purchase healthcare for the first time. The eligibility of 250% of poverty level needs to be lifted for this population for the following reasons.

1. It will create a benefits cliff that impacts too many people. It wasn't until the expanded tax credits from the American Rescue Plan removed the cliff did we see record enrollment numbers.
2. There are many households with mixed immigration status and this will include family members for the first time after waiting over ten years.
3. The assistance level is set too low after record inflation. A single person making \$3100 a month will be forced to pay full retail price which many small businesses will skip getting coverage which is counterproductive.
4. A more reasonable limit would be the 400% of poverty level to assist those small business owners in gaining health insurance for the first time.

Let's continue to lower the uninsured rate which will drive down costs for all Washington Residents.

Exchange Response: The Exchange is pleased that the 1332 waiver was approved by CMS, allowing Washington state to offer QHP plans and Cascade Care Savings to those that qualify, regardless of immigration status. Although the 250% FPL income limit is legislatively provided and cannot be altered without legislative action, the Exchange agrees that health coverage affordability is of significant concern, especially for vulnerable populations. Cascade Care Savings is one of many tools the Exchange hopes to use to make health coverage more affordable. We will continue to engage around opportunities to make individual market health coverage more affordable in Washington.

Additional Comment Period

Comment: We appreciate the opportunity to comment on the Policy at this juncture, given time-sensitive interactions with the Office of the Insurance Commissioner’s plan review cycle. However, we note that the Policy rests on a critical assumption that the Legislature will continue to appropriate funds for the program at the current level. This decision is still pending with the Legislature. If the Legislature passes a final 2023-2025 biennial operating budget that includes substantive changes to the program’s funding level or structure, we request an additional opportunity to review and comment on the Policy. Similarly, our understanding of several provisions of the Policy has been informed by conversations with WAHBE staff about how the Healthplanfinder system will process eligibility and enrollment for the population who will be newly eligible in PY 2024 under the 1332 waiver. For example, there are multiple instances where the Policy refers to federal tax-related concepts that are linked to the administration of Advance Premium Tax Credits (APTCs), but may be less relevant to the new waiver population. It appears based on our dialogue that WAHBE is prepared to properly process the new waiver population through the Healthplanfinder system without unnecessary procedural burdens, but if these implementation assumptions change, we would request another opportunity to comment.

Exchange Response: The Exchange appreciates this feedback. If any adjustments to the Cascade Care Savings policy are needed due to the decisions made by the legislature, the Exchange may amend the policy and hold an additional comment period. The Exchange continues to strive to reduce any procedural burdens for our customers, especially for vulnerable populations.

Policy Effective Date

Comment: The proposed language is ambiguous: it is not clear whether the policy takes effect during Open Enrollment starting November 1, 2023 or with the coverage effective date starting January 1, 2024. The language should be revised to reflect that the Policy governs WAHBE’s eligibility decisions related to PY 2024 coverage, starting during Open Enrollment. We propose the following language: “This Policy, governing the administration of the State Premium Assistance Program, is effective between November 1, 2023 and December 31, 2024, for eligibility determinations or redeterminations related to plan year 2024 coverage that is in effect at any point between January 1, 2024 and December 31, 2024.

Exchange Response: The Exchange appreciates this feedback. We have updated the language in Section 2 to read, “This Policy, governing the administration of the State Premium Assistance Program, is effective for eligibility determinations or redeterminations related to plan year 2024 coverage that is in effect at any point between January 1, 2024, and December 31, 2024.” This language ensures that those who receive eligibility determinations during Open Enrollment for Plan Year 2024 are included.

Mid-month Cascade Care Savings Application

Comment: We appreciate WAHBE’s efforts in Sec. 4(2) to clarify the point in time at which eligibility for Cascade Care Savings begins and ends. We generally support WAHBE’s policy goals reflected in the proposal below: to offer Cascade Care Savings assistance retroactively in certain circumstances, and clarify how Cascade Care Savings assistance is handled in the event of a mid-month termination.

However, we have remaining questions about why WAHBE does not intend to permit retroactive Cascade Care Savings back to the first partial month of coverage, but instead is limiting retroactive Cascade Care Savings back to the first full month of coverage. WAHBE’s Policy outlines two

important scenarios when mid-month coverage and affordability assistance is essential: the birth of a dependent or loss of Apple Health coverage. The latter scenario is particularly important, given the upcoming wind-down of pandemic-era continuous coverage for Apple Health. The “e.g.” language in the Policy also suggests other important scenarios, such as the addition of a dependent through adoption or mid-month loss of other minimum essential coverage.

We believe that under current federal regulations, Exchanges do not typically issue APTC for a partial month coverage month. We understand that there were changes contemplated in this area in the proposed Notice of Benefit and Payment Parameters for PY 2024 (NBPP), but the NBPP was just finalized today and we have not yet had an opportunity to review and contextualize the content through conversations with WAHBE staff. We would prefer to have a better understanding of what is finalized for PY 2024 and how WAHBE intends to implement these changes for APTC before commenting on the corresponding policy WAHBE should adopt for Cascade Care Savings. We request further discussion on this topic.

In the meantime, however, we suggest that WAHBE’s Cascade Care Policy should be rooted in the principles of affordability underlying the program. Wherever WAHBE has an opportunity to apply state premium assistance to reduce premium barriers to enrollment and retention, it should do so – particularly because WAHBE is contemplating setting aside a substantial portion of its programmatic funding as a reserve, which could be used for such special cases. If a household experiencing a new dependent or loss of minimum essential coverage (MEC) needs retroactive coverage for a partial month of coverage, WAHBE should give the household state premium assistance during that month. If there is an operational barrier to implementing this policy on a broad scale, WAHBE could operationalize the policy manually through customer service casework.

Exchange Response: The Exchange appreciates this comment. This clarification in the policy was intended to explain how Cascade Care Savings can be applied retroactively in certain circumstances. We appreciate the value to customers of providing Cascade Care Savings retroactively, if applicable, for the first month of coverage, regardless of partial or full month coverage status. However, the Exchange is limited by current system design and providing Cascade Care Savings for a first partial month of coverage, either automatically or manually, is not feasible at this time. The Exchange will continue to consider options for a more flexible application of Cascade Care Savings in retroactive scenarios for certain circumstances.

Reserve Funding

Comment: We understand WAHBE’s interest in a conservative approach to spending its appropriated funds, given inherent uncertainty in the initial years of the program. However, we recommend clarifying that WAHBE may spend its reserves to account for unexpected enrollment within the plan year or individual hardship scenarios. As currently written, it is not clear that WAHBE would spend its reserves before turning off premium assistance, in the event of the low-funds scenario described in Section 11. We suggest clarifying that this is WAHBE’s intention.

In addition, as we have previously noted, we suggest it would be prudent for WAHBE to include some flexibility in the Policy to account for individual hardship scenarios, such as retroactive circumstances discussed above or enrollee emergencies that temporarily impact the enrollees’ ability to pay premiums but are not expected to endure long enough so that the individual wishes to transition to Apple Health. Massachusetts’ ConnectorCare Program includes a “premium hardship” policy that allows the MA Exchange to override other eligibility policies to grant premium assistance in exceptional circumstances, such as a fire or flood. While WAHBE may not yet be ready to introduce a comprehensive hardship policy for PY 2024, WAHBE could consider targeted language

in this section or elsewhere to reserve flexibility for this purpose. We propose the following language:

“Up to 10% of appropriated funding will be held in a reserve to account for enrollment uncertainty but may be spent at any point during the plan year to address additional enrollment or enrollee premium affordability hardship.”

Exchange Response: The Exchange has updated language in Section 5(a) to reflect that, although the Exchange is reserving up to 10% of funds for the purpose of calculating the Cascade Care Savings Premium Assistance Amounts and preserving the sustained use of the appropriated funds, the funds may be released throughout the plan year based on review of current and projected enrollment, premium costs, and current projected expenditures.