



# **Tribal Consultation on Draft Washington Section 1332 Waiver Application**

# Opening Remarks and Introductions

- Introductions of Tribal Leaders and Roundtable
- Pam MacEwan, CEO, Health Benefits Exchange - Opening Remarks
- How the Exchange Serves Tribal Members
- Tribal Implications of the Section 1332 Waiver



# Tribal Relations and the Exchange

- Tribal Advisory Workgroup: members include tribal leaders and public health officials that
  1. Assist in the identification of any proposed policy or action that have tribal implications; and
  2. Satisfy the requirement for the Exchange to collaborate with the 29 federally-recognized tribes, urban Indian health programs, and the American Indian Health Commission in Washington state
- Tribal Consultation: process of formal engagement between the state and tribes
  1. 2014 Exchange Tribal Consultation for implementation of Affordable Care Act tribal provisions and coverage protections
- Tribal Liaison position: full-time position dedicated to serving tribes and tribal members
  1. Maintains partnerships with tribes and American Indian Health Commission

# How the Exchange Serves Tribal Members

## Covered Individuals

- 27,781 Tribal members from the Tribes in Washington State that receive coverage through *Washington Healthplanfinder*
- 16,555 out-of-state Tribal members that receive coverage through *Washington Healthplanfinder*

## Tribal Assisters

- 81 Active Tribal Assisters
- In all 29 local communities

# Implications of the Section 1332 Waiver for Tribes

- Will not impact federal appropriations for Indian Health Services or direct federal appropriations
- Will not impact state Medicaid delivery to tribal members or Medicaid payment initiatives underway with tribes and the Washington Health Care Authority
- Will not change or eliminate the tribal member protections and provisions within the Affordable Care Act

# Today's Agenda

- Background
  - Washington Health Benefit Exchange (Exchange)
  - Washington's Health Coverage Access and Affordability Initiatives
  - Washington's Uninsured Population
- Federal Section 1332 Waiver Application
  - Purpose
  - Process
  - Requirements
  - Impacts
  - Next Steps

# Background



# Understanding the Exchange

- The Washington Health Benefit Exchange was established by the Legislature in 2011 as a public-private partnership that operates *Washington Healthplanfinder*
- Online eligibility and enrollment portal used by 1 in 4 Washington residents to obtain health and dental coverage
- Allows customers to find, compare and enroll in health insurance coverage and gain access to federal tax credits, reduced cost sharing, and eligibility and enrollment into Washington Apple Health (Medicaid program)
  - 1.8+ million Washington Apple Health (Medicaid program) customers
  - 200k+ Qualified Health Plan (QHP) customers



# Understanding the Exchange

- Governed by an 11-member bipartisan board comprised of a chair and eight voting members, appointed by the Governor
- Board members are nominated by the Washington State House of Representatives and State Senate Democratic and Republican caucuses
- The Director of the Health Care Authority and the state's Insurance Commissioner are ex-officio, non-voting board members
- Numerous external committees and workgroups – including an Advisory Committee, Health Equity Technical Advisory Committee, Tribal Advisory Workgroup, and Consumer Workgroup – also advise the Board on key program areas

# Understanding the Exchange

## Mission Statement

The Washington Health Benefit Exchange seeks to redefine people's experience with health care. Our mission is to radically improve how Washington residents secure health insurance through innovative and practical solutions, an easy-to-use customer experience, our values of integrity, respect, equity, and transparency, and by providing undeniable value to the health care community.

## Health Equity Statement

Equity is a fundamental pillar to the society we seek to build. The process of advancing toward equity will be disruptive and demands vigilance, dismantling deeply entrenched systems of privilege and oppression. We must focus our efforts on people and places where needs are greatest, especially communities of color, and go beyond remedying a particular inequity to address all determinants of health.

Our goal is that all Washingtonians have full and equal access to opportunities, power and resources to achieve their full potential.

# Increasing Access to Affordable Coverage Through *Washington Healthplanfinder* is a Legislative Priority

Cascade Care is the Exchange's primary affordability initiative, and aims to increase the availability of quality, affordable health coverage on the individual market.

Jan. '21

- Cascade Care Plans

Jan. '23

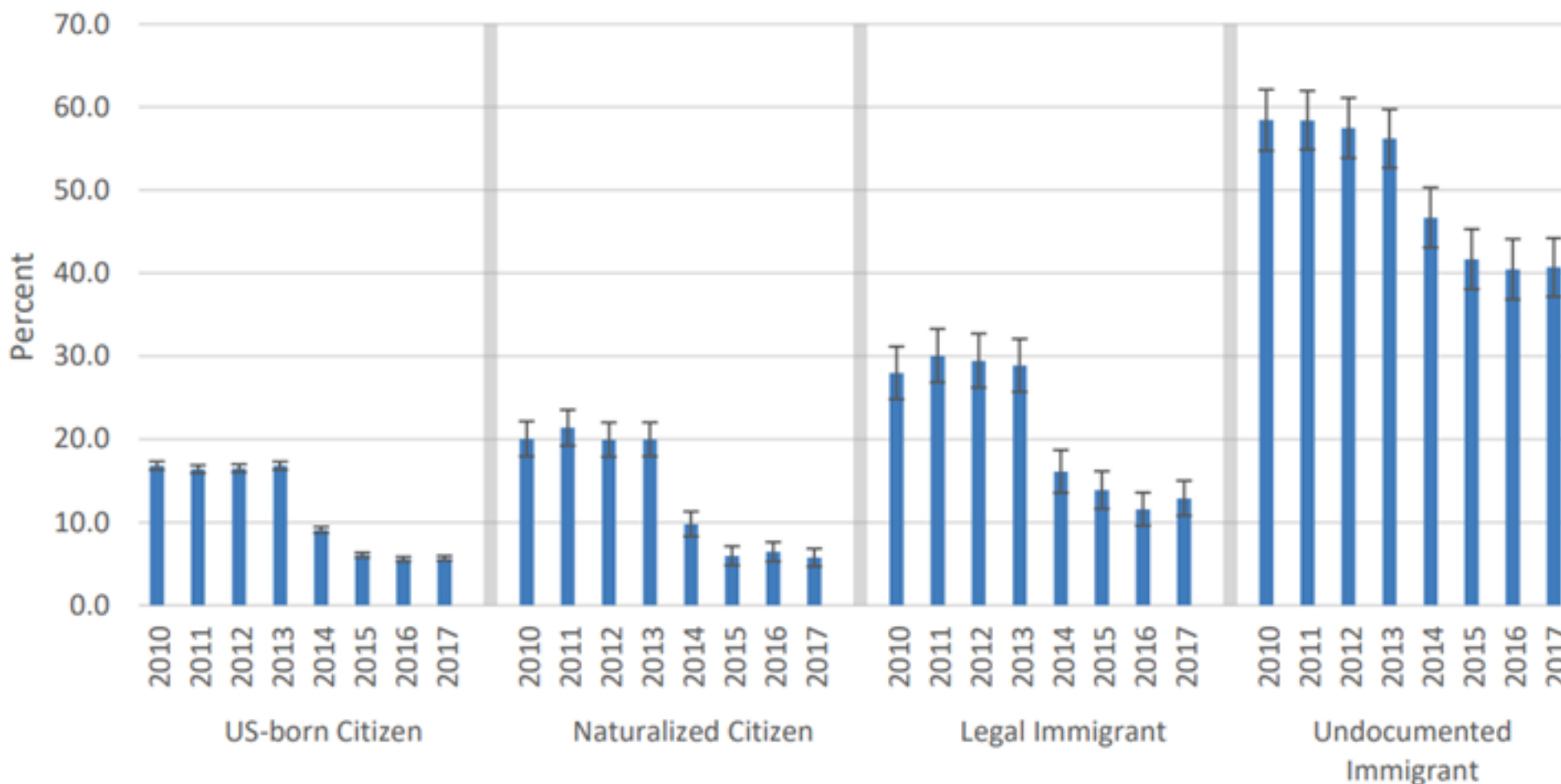
- Cascade Care Savings Program

Jan. '24

- Expand populations who can shop and buy coverage via Section 1332 Waiver

# Who is Uninsured in Washington

Nearly 41% of individuals who lack a federally recognized immigration status are uninsured in Washington (11 times as likely to be uninsured as US-born citizens)



~465,000 uninsured, estimated 22% newly eligible under waiver

~242,000 uninsured under 250% FPL, 29% newly eligible under waiver

Source: Washington State Office of Financial Management (2019): [Health Coverage Disparities Associated with Immigration Status in Washington State's Non-elderly Adult Population: 2010-17.](#)

# How Exchange Currently Serves Immigrant Populations

- Residents without a federally recognized immigration status are currently prohibited by federal law from shopping for and purchasing Qualified Health Plans (QHP) on the Exchange. This is the provision we are seeking to waive with this application
- Residents without a federally recognized status are currently facilitated into state-only programs through *Washington Healthplanfinder*
  - Children (up to age 19) and pregnant individuals may qualify for Washington Apple Health
  - Emergency medical program available to those with qualifying medical condition
  - Expanded Medicaid post-partum coverage (coming soon)
- “Lawfully present” immigrants can enroll in a QHP with federal financial assistance
  - Includes those in the “5-year bar” who qualify for federally-funded Apple Health programs after meeting the five-year federal waiting period, and in the meantime can access maximum federal subsidies in a QHP
- Support community-based enrollment assistance
  - Community health centers and Navigators are key enrollment partners, and have experience working with immigrant populations
  - Language access services provided in 200+ languages

# Moving Forward: Expanding Populations Who Can Shop For and Buy Coverage

- Washington State Legislature authorized the Exchange to seek a federal Section 1332 Waiver to establish a new coverage pathway by 2024 that would:
  - Enable Washington residents who do not qualify for non-emergency Medicaid or federal affordability programs to get covered through *Washington Healthplanfinder*
  - Enable low-income residents without a federally recognized immigration status to access Cascade Care Savings (state premium assistance program)

# Federal Section 1332 Waiver Application



# Purpose of Section 1332 Waivers

- States can pursue innovative strategies to provide access to high-quality, affordable health insurance by changing or waiving parts of the Affordable Care Act (ACA)
- If a state can reduce the cost of health insurance for its residents, and by doing so, save the federal government money, a Section 1332 Waiver allows a state to receive those federal savings in the form of “federal pass-through funding”
- Section 1332 Waivers are approved in 5-year increments, and the state must annually submit reporting to request pass-through and affirm state adherence to federal restrictions (guardrails)



# Washington's Section 1332 Waiver Application

## Goals of Washington's Section 1332 Waiver:

- Enable all Washingtonians to shop for health coverage through *Washington Healthplanfinder*
- Enable all Washingtonians to purchase a QHP through *Washington Healthplanfinder*, including higher value Cascade Care Plans
- Enable Washingtonians who qualify for Cascade Care Savings to benefit from the state premium assistance program, regardless of immigration status
- Allow mixed-status families to purchase coverage together
- Maximize existing processes and procedures that keep consumer data secure
- Strengthen Washington's health care sector, to the benefit of all current customers
- Enable the state to benefit from any federal savings (which would further support the Cascade Care Savings program)

# Washington's Section 1332 Waiver Application

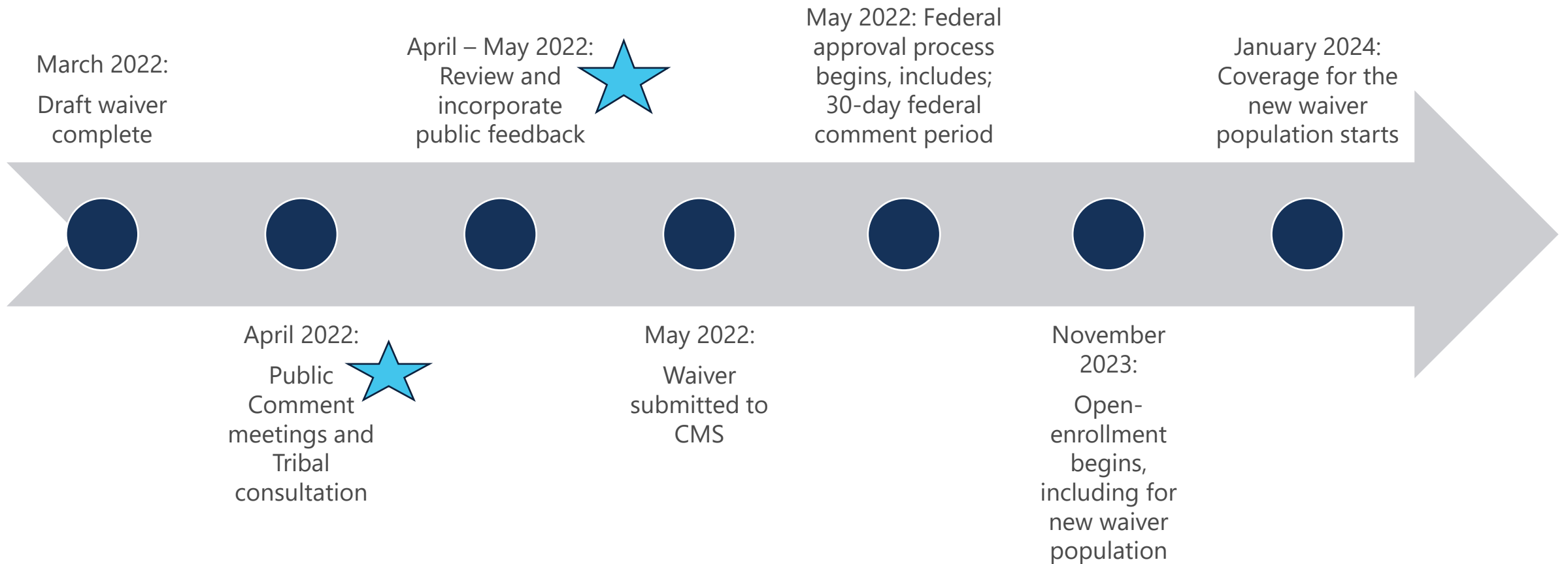
Provision Washington Seeks to Waive:

Section 1312(f)(3) of the ACA (42 USC §18032 (f)(3))

- This provision defines who can purchase a QHP under the ACA
- Waiving this provision will allow any individual, regardless of immigration status, to get a QHP, including QDPs, offered through *Washington Healthplanfinder*

Note: technical provisions under section 36B of the Internal Revenue Code may also need to be waived, to ensure that taxpayers and IRS can follow existing procedures.

# Estimated 1332 Waiver Submission Timeline (Spring 2022) & Implementation (for PY 2024)



# Washington's Section 1332 Waiver Application

- Application Process:
  - Application and public comment completed by the Exchange
  - Actuarial and economic analysis completed by *Wakely*
  - Application will be submitted by the Health Care Authority
  - Waiver implementation will be led by the Exchange
- Application Components:
  - Waiver direction and authorization
  - Waiver request explanation and purpose
  - Waiver implementation plan
  - Waiver actuarial and economic analysis
  - Waiver public comment materials

# Section 1332 Waiver Statutory Guardrails/Standards

## Background

While the ACA provides states with flexibility to alter certain provisions using 1332 waiver authority, it establishes guardrails that limit the extent of the changes states may make. Actuarial and economic analysis of the guardrails must be included in the waiver.

## Guardrails

1. Comprehensiveness: Provide coverage at least as comprehensive as provided absent the waiver
2. Affordability: Provide cost-sharing protections against excessive out of pocket spending at least as affordable as absent the waiver
3. Coverage: Offer healthcare coverage to a comparable number of residents as absent the waiver
4. Deficit Neutrality: Must not increase the federal deficit

# Summary of Waiver Impact - Guardrails

Guardrail	Effect of Waiver
Coverage	Gains in coverage in each year of the waiver
Affordability	Improved affordability
Comprehensiveness	No change to EHBs (except insofar as increasing coverage increases the number of individuals with coverage providing EHBs).
Deficit Neutrality (5-year)	Federal savings in each year of the waiver and over the five-year waiver.

# Waiver Impact - Coverage, Affordability & Deficit Neutrality

Table 2: Impact of Waiver on Premium, Enrollment, and Federal Deficit

	2024	2025	2026	2027	2028
Premiums	-1.4%	-1.5%	-1.5%	-1.5%	-1.6%
Individual Market Enrollment	1.1%	1.2%	1.3%	1.3%	1.5%
Federal Savings (\$ millions)	\$1.87	\$2.14	\$2.31	\$2.46	\$2.80

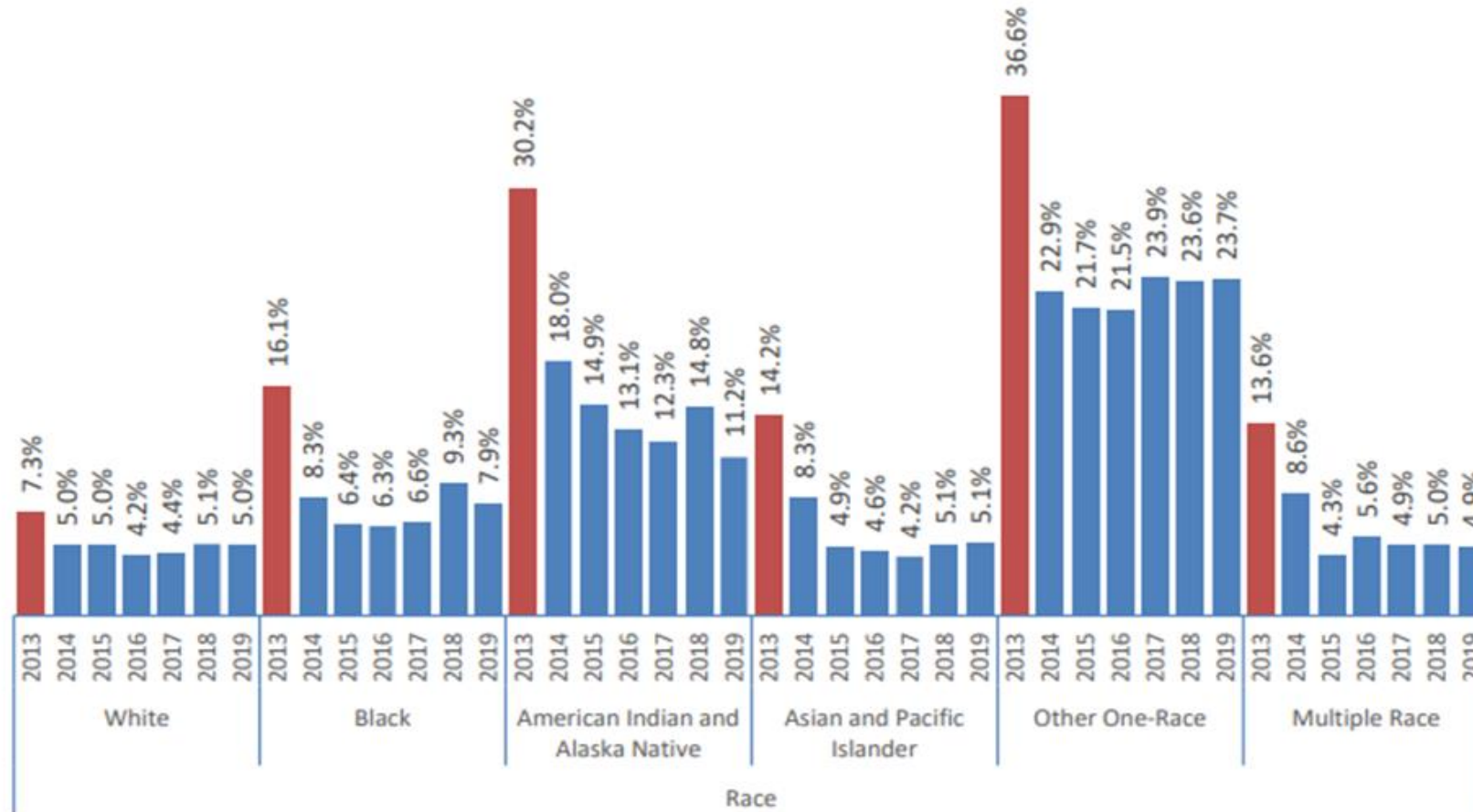
# Waiver Impact – Notice of Forthcoming Updates Based on Recent Federal Activity

- When modeling the waiver impact, the actuarial analysis must reflect current law
- Under current law, enhanced federal subsidies available under the American Rescue Plan (ARP) will expire at the end of 2022. The waiver application includes some initial projections of how state subsidy amounts, and the resulting projected waiver impact, would change in 2023 and 2024 if federal action is taken to extend the ARP subsidies beyond 2022. The 2024-2028 modeling assumes ARP subsidies end (current law) and will need to be updated if current law is changed.
- On April 5, a [proposed federal regulation](#) was released that, if finalized, would fix the ‘family glitch’ (amends existing federal tax credit regulations to provide that affordability of employer-sponsored minimum essential coverage (employer coverage) for family members of an employee is determined based on the employee’s share of the cost of covering the employee and those family members, not the cost of covering only the employee). This will increase the number of Washington residents who qualify for federal subsidies.
  - Modeling in the current waiver application will need to be updated to reflect this change
  - Reducing the number of non-federally subsidized Exchange customers under 250% will increase the amount of state subsidy those customers receive
  - Expected waiver impacts (guardrails) include: more gains in coverage and further affordability improvements (no expected changes to comprehensiveness and deficit neutrality)



# Waiver Impact - Health Equity

- Disproportionate share of Washingtonians of color are more likely to be uninsured
- Highest uninsured rates in Washington are among the Hispanic population (16.8%, approximately four times higher than the uninsured rate of 4.5% for the non-Hispanic population)



# Next Steps: Section 1332 Waiver Approval Process

- Public comment period open through **May 2, 2022**
- Planned submission of final 1332 Waiver in **May 2022**
  - Will reflect any updates needed based on recent federal activity
  - Will undergo federal completeness review, followed by 30-day federal public comment period
- Federal government has up to 180 days to approve
  - Washington requesting federal response **by August 2022**

# Next Steps: Section 1332 Waiver Implementation

- If Washington's Section 1332 Waiver is approved, the Exchange will:
  - **Begin community-led engagement activities to inform outreach and implementation efforts**
    - The Exchange received funds in the 2022 Legislative Session to work with community partners on education and outreach prior to coverage solution launch
  - **Make needed *Washington Healthplanfinder* updates**
    - The Exchange received funds in the 2022 Legislative Session to complete necessary updates to systems before Open Enrollment for Plan Year 2024
  - **Provide Cascade Care Savings program to newly eligible**
    - The Exchange received additional funds in the 2022 Legislative Session, contingent on waiver approval, to provide state-funded premium assistance (through the Cascade Care Savings program) to the newly-eligible Cascade Care enrollees up to 250% FPL with the waiver

# Tribal Consultation

Opportunity for tribal leaders to voice support, raise concerns, or provide any other feedback



# Additional Information

You can submit written public comments until  
noon (PST) on May 2, 2022

If you would like to provide written public comment, please

- Send an email to: [WA1332@wahbexchange.org](mailto:WA1332@wahbexchange.org)
  - *Please include "Public Comment" in subject line*
  - *Please include first and last name, and organizational affiliation (if applicable)*
  - *Written comments will be included in full in the Waiver Application*

To learn more about Washington's Section 1332 Waiver Application and sign up to receive email notifications about waiver related activities, please visit:

<https://www.wahbexchange.org/about-the-exchange/what-is-the-exchange/legislation/1332-waiver-information/>

# Tribal Liaison Contact Information

- James Manuel, Tribal Liaison  
Washington Health Benefit Exchange  
810 Jefferson Street SE  
Olympia, WA 98501

Phone: 360-688-7737

E-mail: [james.manuel@wahbexchange.org](mailto:james.manuel@wahbexchange.org)

# Appendix



# Cascade Care Overview

Goal: Increase the availability of quality, affordable health coverage in the individual market.

- **Address costs** through lower premiums, lower deductibles, and providing access to services before having to pay the deductible. This includes leveraging federal and state-based financial assistance, state purchasing power, and provider reimbursement expectations.
- Encourage more informed consumer choice with **products of better value and like benefits** across all participating carriers.
- **Grow enrollment** by attracting new enrollees and retaining current customers.
- Ensure **continued market stability** through carrier participation, competitive product offerings, and a larger and more diverse risk pool.



# Cascade Care Components

## 2019 and 2021 Legislative Directives

### Standard Plans

Requires HBE to design and implement standard QHPs starting in the 2021 plan year.

### Public Option

Requires HCA to contract with health carriers to offer state-procured standard QHPs starting in the 2021 plan year that have provider reimbursement rate caps and must include quality and value requirements.

### State-based Consumer Subsidies

#### Subsidy Study

Required HBE to develop and submit a plan for implementing premium subsidies through Exchange for individuals up to 500% FPL (submitted to Legislature in November 2020).

#### State Premium Assistance

Requires HBE to implement new partial state premium assistance for individuals up to 250%FPL in Cascade Care plans, supported by \$50 million in general fund state for plan year 2023.

In 2021, the Legislature also directed HBE to implement a coverage solution for people without federally recognized immigration status by plan year 2024 and provided additional state funding to do so in 2022.