



Update from the Health Benefit Exchange: State Subsidy Implementation Plan

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Exchange Background

- HBE runs the Washington Healthplanfinder - the website used by 1 in 4 Washingtonians to obtain health and dental insurance coverage
 - 1,500,000 Washington Apple Health/Medicaid enrollees
 - 200,000 Private, qualified health plan (QHP) enrollees
- Washington Healthplanfinder connects individuals and families to Washington Apple Health, and individual market coverage - relied on by those separated from their job; working for themselves or an employer that doesn't offer coverage; seasonally employed; and not yet eligible for Medicare.
- About 60% of Exchange QHP customers receive federal subsidies; HBE administers over \$600 million per year in federal premium subsidies for Washingtonians
- HBE also collaborates with Tribes, state agencies, community organizations, employers, and other partners to connect people in Washington state to health coverage options through our sponsorship program

Cascade Care (SB 5526) Implementation

- 1. Standard Qualified Health Plans (QHPs):** Requires HBE, in consultation with HCA, OIC, and an actuary and other stakeholders, to design and implement standard QHP plans for 2021 plan year
- 2. Public Option Plans:** Requires HCA, in consultation with HBE, to contract with health carriers to offer state procured standard QHPs (public option plans) for 2021 plan year that have provider reimbursement rate caps and must include quality and value requirements
- 3. State Subsidy Implementation Plan:** Requires HBE, in consultation with HCA and OIC, to develop and submit a plan for implementing premium subsidies through Exchange for individuals up to 500% FPL (submitted Nov. 15))

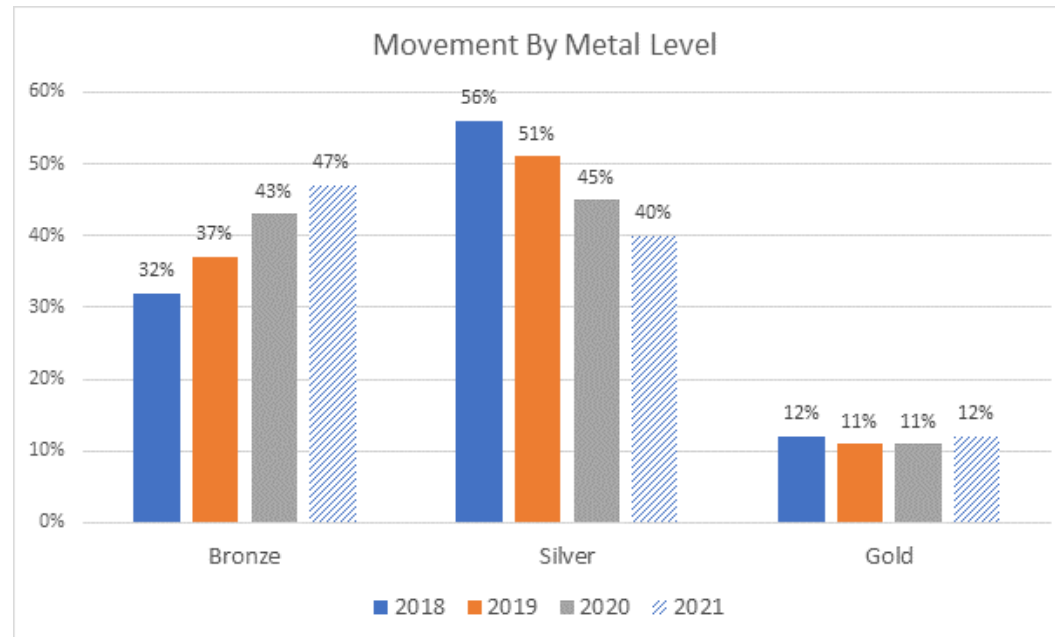
New 2021 Cascade Care Offerings

- Provide more value
 - *Cascade*: standard plans
 - *Cascade Select*: public option plans
- Meaningfully reduce deductibles (\$1000 less on average)
- Provide more access to first dollar services and co-pays (including primary care visits, mental health services, and generic drugs).



Preliminary 2021 Enrollment Numbers

- Total sign-ups: 193,000 (up from 185k last year)
- New sign ups: 11,500 (slightly down from 13k last year)
- Among new, 40% selecting Cascade Care plans
- Continued shift to bronze plans, consistent with prior years



Affordability Challenges

- Lower income QHP consumers continue to spend up to 30% of their total income on premiums
- Customers are purchasing coverage with higher deductibles and cost sharing in order to lower their monthly premium payments
 - Customers are buying down in their coverage (more are choosing bronze level coverage)
 - Average 2020 individual QHP deductible is \$3,908 (average 2019 individual employer-sponsored deductible was \$1,655)
 - 55,000 families in are a plan with over \$9,000 deductible
- Cost concerns cause customers to drop coverage
 - Over 50,000 drop coverage during the plan year
 - One of top reported reasons for dropping: does not fit budget
- Cost concerns impact utilization
 - 40-60% of respondents indicated skipping a medical service due to costs, across all open-enrollment surveys
 - Top two services skipped: going to doctor, medical test
 - Affordability is among the many health equity impacts faced by Washingtonians

Affordability Challenges Exacerbated by COVID-19

- Access to health insurance is a critical part of pandemic response (access to testing and care) and a key determinant of health
- Uninsured rate has increased, particularly among newly unemployed workers (rose from 10% to over 40% during the pandemic)
- Many newly uninsured are key to economic recovery from pandemic (Ex: childcare workers are at risk, and childcare needed to provide families with access to employment)
- Black, Indigenous, People of Color are being disproportionately impacted: minority owned businesses and minority employment is highest in industries most directly impacted by COVID-19

State Subsidy Implementation Plan

Legislative Requirements (SB 5526)

- Plan to implement and fund a state premium subsidy program
- Developed by Exchange in consultation with HCA and OIC
- Plan must include:
 - Assessment of the impact of subsidies on the uninsured rate
 - Assessment of providing cost-sharing reductions to plan participants
 - Implementing legislation
- Limited to individuals purchasing coverage on the Exchange
- Limited to individuals up to 500% FPL
- Affordability goal: limit participant premium spend to no more than 10% of income

Key Exchange Subsidy Goals & Considerations

- Lower Washington's uninsured rate
- Increase access
- Increase affordability
- Support continuity of coverage and retention
- Build credible and scalable model that can be used now and, in the future, to determine impacts on premiums, enrollment, state costs and the uninsured rate

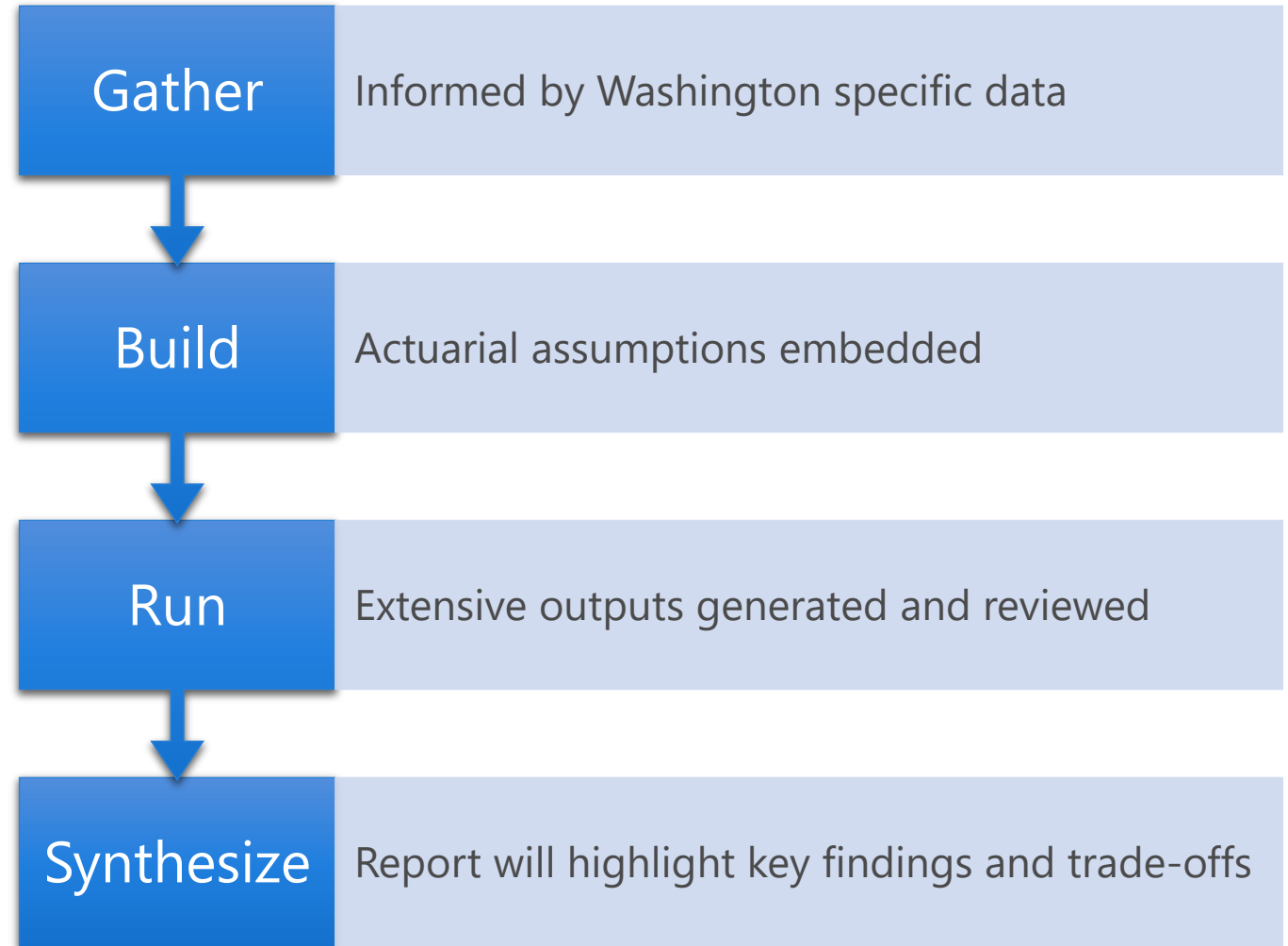
High Level of Stakeholder Engagement

- Exchange Board, Committee and Workgroup presentations
- Inter-agency Cascade Care Meetings (OIC, HCA, HBE)
- Cascade Care Workgroup meetings (monthly May – Oct)
- All-Carrier meetings
- Coordination with HCA & Universal Health Care Workgroup on actuarial assumptions and projections
- Coordination with OFM on COVID-19 uninsured projections

Wakely Subsidy Model

The Exchange contracted with Wakely to provide actuarial consulting services

Wakely has developed a flexible model that looks at the market impact of providing a state-based subsidy



Data Analysis

- Looked at impact on:
 - Total state cost
 - Number of uninsured gaining coverage
 - Number receiving state assistance
 - Average premium reduction
 - Morbidity/Risk pool
 - Increase in federal spending on premium tax credits
 - Percentage of individuals under 500% FPL Paying <10% of Income on Premium
- Looked at population specific outcomes, including:
 - Subsidy status
 - Age
 - Income
 - Race
 - Ethnicity
 - Geography

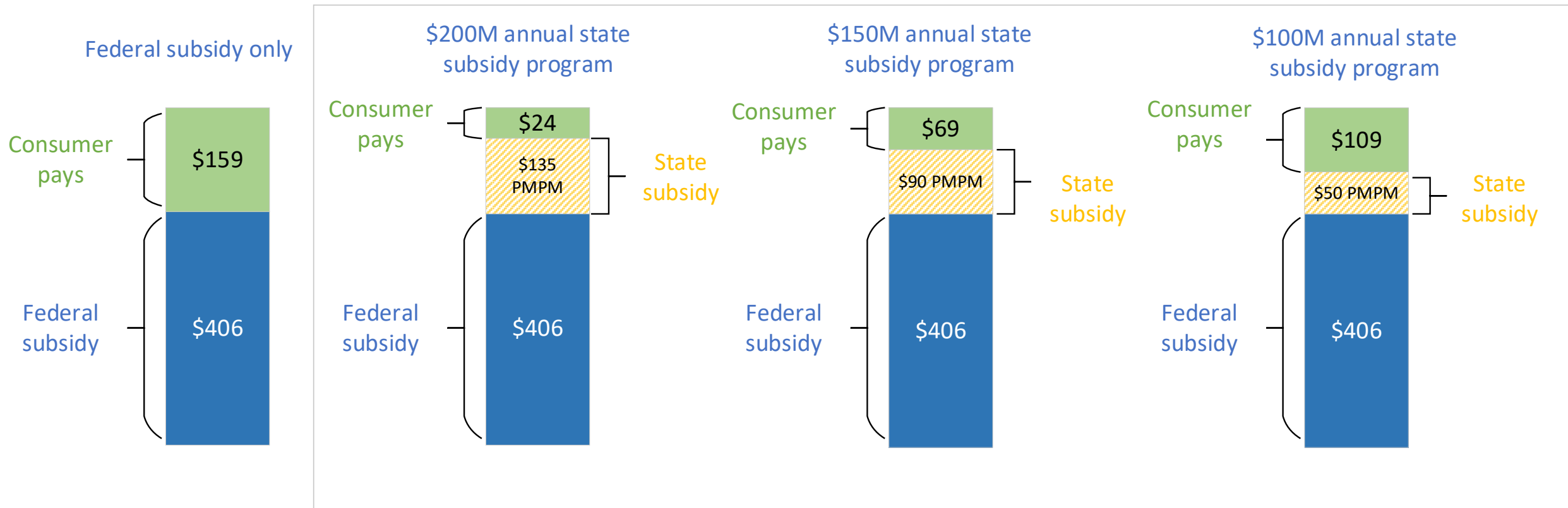
Illustrative State Premium Subsidy Scenarios: \$200M; \$150M; \$100M Annually

- A \$200M annual state-based premium subsidy program would result in 24,000 currently uninsured getting coverage, and would help nearly 180,000 customers stay covered by reducing their premiums
- Tying a state premium subsidy to Cascade care plans could strengthen public option and further lower customer costs (deductibles and cost-sharing)

Subsidy Scenario	Individuals Receiving State Premium Assistance	New HBE Enrollees - Total	New HBE Enrollees - Uninsured	Monthly PMPM State Subsidy	Additional APTC Assistance	Percent of Individuals Under 500% FPL Eligible to Pay 10% or Less of Income on Premium	Morbidity Impact on Premiums
\$200M State Appropriation	179,766	26,305	23,792	\$135/mo	\$91,469,000	93%	-2.5%
\$150M State Appropriation	173,820	20,360	18,684	\$90/mo	\$78,359,000	92%	-2.0%
\$100M State Appropriation	168,698	15,233	14,153	\$58/mo	\$64,396,000	92%	-1.5%

Illustrative State Premium Subsidy Scenarios: How State Premium Subsidy Combines with Federal Subsidy

(Premium based on 2020 silver plan average: \$565/monthly)



Financing Analysis

- Financing state premium subsidy in the current budget environment is a challenge
- Approached subsidy financing with a very broad lens (chart in appendix)
- Weakly modelling centered on 3 mechanisms that were contemplated most recently by the Legislature to help address affordability:
 - Health Insurance Premium Tax
 - Claims Tax
 - Covered Lives Assessment

Illustrative State Premium Subsidy Financing Scenarios

Subsidy Program	Financing Mechanism	Estimated Rate
\$135 Monthly PMPM	Covered Lives	\$3.52 PMPM
	Premium Tax	1.6%
	Claims Tax	1.0%
\$90 Monthly PMPM	Covered Lives	\$2.47 PMPM
	Premium Tax	1.1%
	Claims Tax	0.7%
\$58 Monthly PMPM	Covered Lives	\$1.64 PMPM
	Premium Tax	0.8%
	Claims Tax	0.5%

Subsidy Study – Legislative Report

- HBE Cover Memo: https://www.wahbexchange.org/wp-content/uploads/2020/11/Subsidy-Study_Exchange-Cover-Memo.pdf
- Wakely Actuarial Analysis: https://www.wahbexchange.org/wp-content/uploads/2020/11/Wakely-WAHBE-Premium-Subsidy-Analysis_2020.11.13.pdf

Legislative Deliverables

- ✓ Annual Strategic Plan (Sept. 30)
- ✓ State Subsidy Implementation Plan (Nov. 15)
- Individual Mandate Report (Dec. 15)
- Annual Financial Report (Jan. 1)

Questions?

- **Pam MacEwan, CEO**
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 - 360.688.7712
- **Joan Altman, Director of Government Affairs**
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Help spread the word: follow the Exchange on social media and share our content

- Twitter: @WAPlanFinder
- Facebook.com/WAHealthPlanFinder
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Appendix



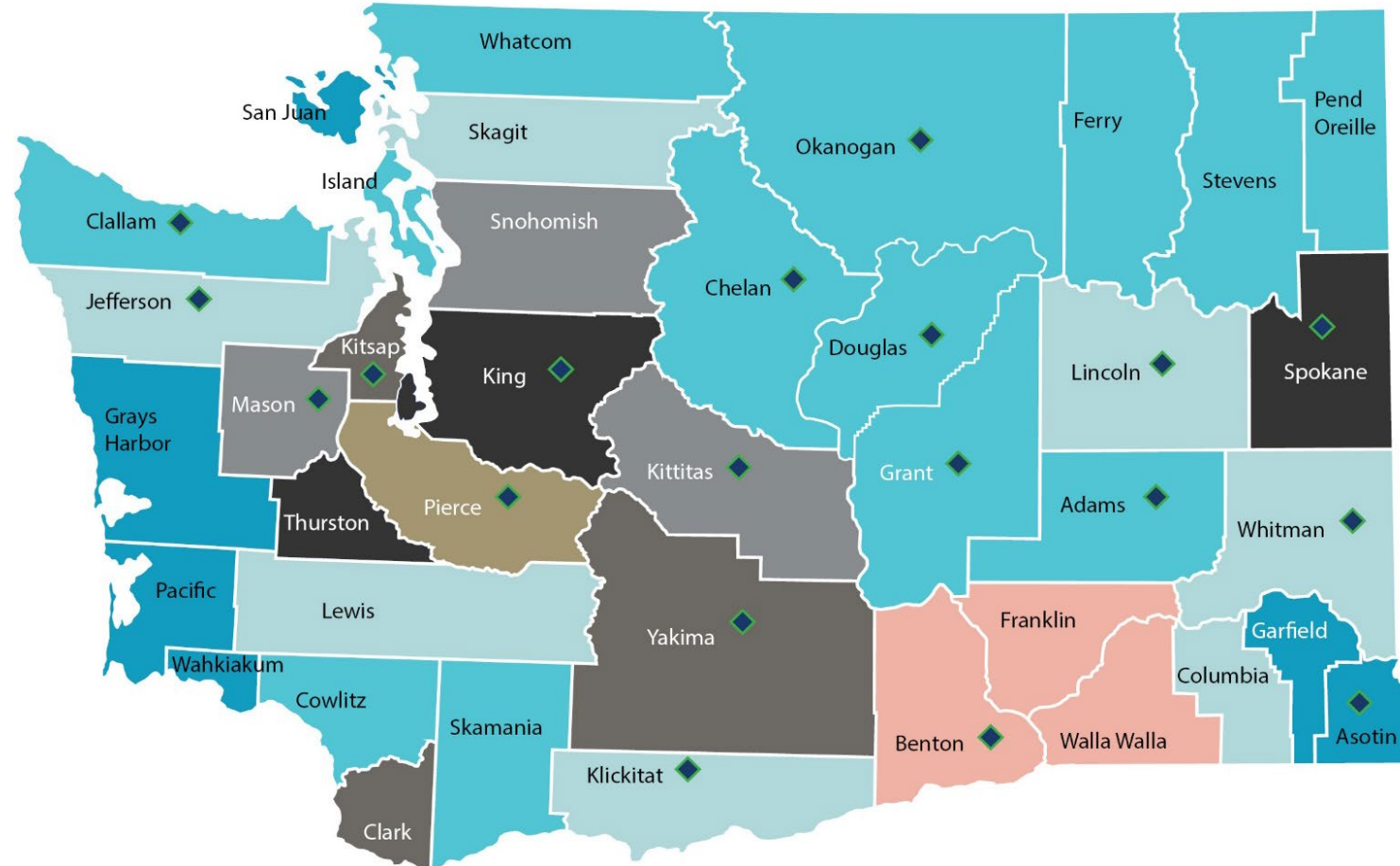
Enrollment assistance is available statewide

- Virtual or in-person enrollment assistance is available at no cost
 - Navigators located in communities across the state are ready to assist with the enrollment process and provide support updating applications year-round.
 - Certified insurance brokers are available to assist with enrollment and provide guidance on sorting through which plans may be best for you or your family.
 - 11 Enrollment Centers located throughout the state are staffed by brokers and navigators, ready to provide enrollment assistance and support.

To connect with an assister, visit [Wahealthplanfinder.org](https://www.wahealthplanfinder.org) and click "Get Virtual Help." From here, you can search for a navigator or broker in your community



2021 Carrier Participation on Exchange

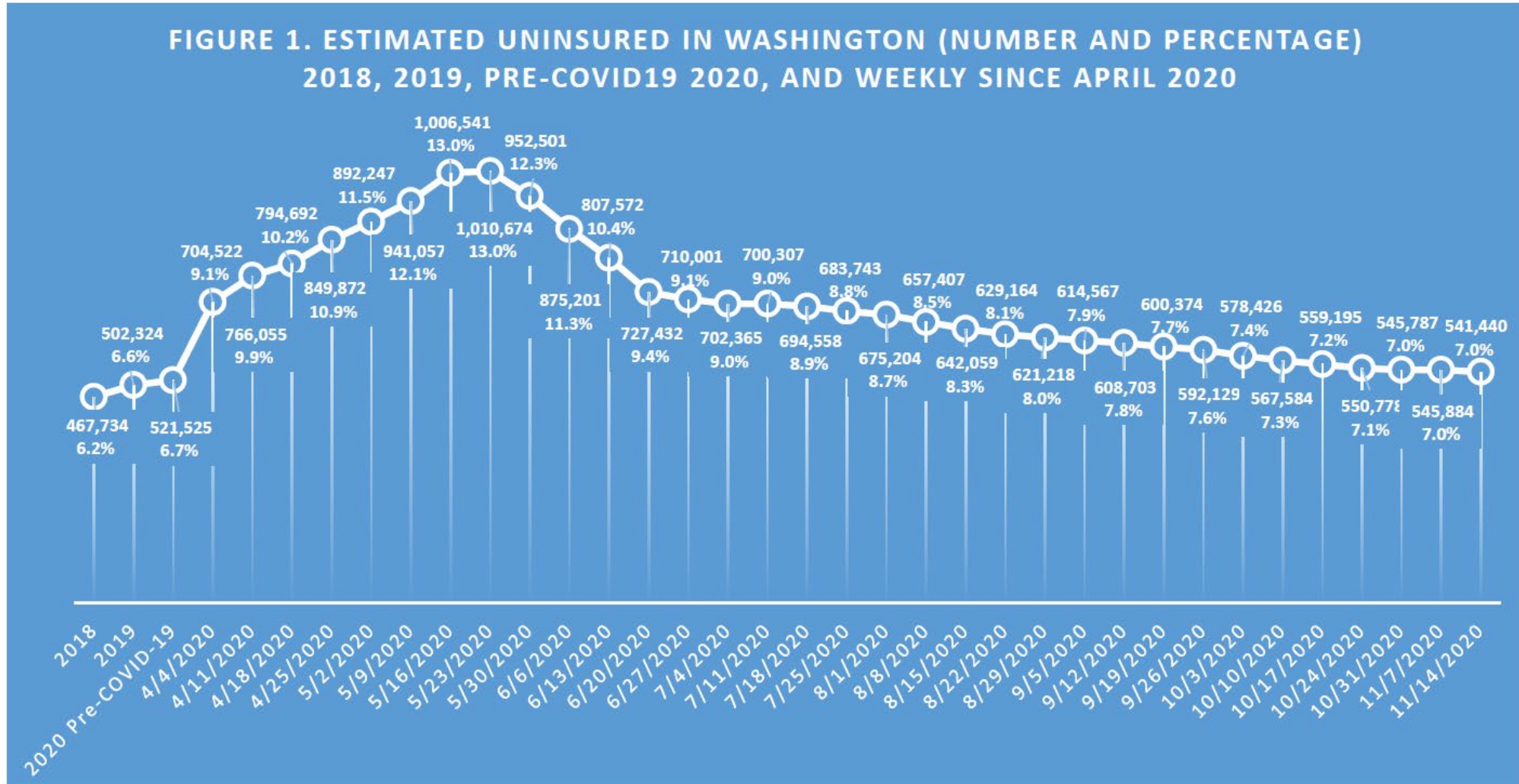


Issues Per County



◆ Cascade Care Select (Public Option) Plans Offered

Washington's Uninsured Rate



Source: OFM: Estimated Impact of COVID-19 on Washington State's Health Coverage

2020 FPL Guidelines

Percentages Over 2020 Poverty Guidelines

Family Size	100%	133%	150%	200%	250%	300%	400%	500%
1	\$12,760	\$16,971	\$19,140	\$25,520	\$31,900	\$32,280	\$51,040	\$63,800
2	\$17,240	\$22,929	\$25,860	\$34,480	\$43,100	\$51,720	\$68,960	\$86,200
3	\$21,720	\$28,888	\$32,580	\$43,440	\$54,300	\$65,160	\$86,880	\$108,600
4	\$26,200	\$34,846	\$39,300	\$52,400	\$65,500	\$78,600	\$104,800	\$131,000
5	\$30,680	\$40,804	\$46,020	\$61,360	\$76,700	\$92,040	\$122,720	\$153,400
6	\$35,160	\$46,763	\$52,740	\$70,320	\$87,900	\$105,480	\$140,640	\$175,800
7	\$39,640	\$52,721	\$59,460	\$79,280	\$99,100	\$118,920	\$158,560	\$198,200
8	\$44,120	\$58,680	\$66,180	\$88,240	\$110,300	\$132,360	\$176,480	\$220,600
For each additional family member	\$4,480	\$5,958	\$6,720	\$8,960	\$11,200	\$13,440	\$17,920	\$22,400

Cascade Care Workgroup Membership

- Workgroup has formal representation from business, consumer advocates, issuers, hospitals, and providers
- Additional engagement from state partners at OIC, HCA, OFM, and the Legislature
- Cascade Care meetings are open-public meetings, several additional stakeholders routinely attend.
- Carrier-specific workgroup of all Washington carriers has also met to discuss technical/implementation-related issues

Name	Title	Organization
Patrick Connor	Washington State Director	National Federation of Independent Business
Erin Dzedzic	Principal	Dzedzic Public Affairs
Sean Graham	Director of Legislative & Political Affairs	Washington State Medical Association
Bill Wehrle	Vice President, Health Insurance Exchanges	Kaiser Permanente
Sybill Hyppolite	Legislative Director	Washington State Labor Council, AFL-CIO
Kristin Meadows	Director of Individual Strategy	Premera
Daphne Pie	Health Services Administrator	Public Health-Seattle & King County
Shirley Prasad	Policy Director – Government Affairs	Washington State Hospital Association
Andrea Tull Davis	Senior Director, Government & External Relations	Coordinated Care
Marilyn Watkins	Policy Director	Economic Opportunity Institute
Janet Varon	Executive Director	Northwest Health Law Advocates

Cascade Care Implementation Website: Subsidy Study Materials

Subsidy Study Materials

Stakeholder Feedback

- [Summary of May 21 Meeting Feedback](#)
- [Summary of June 24 Meeting Feedback](#)
- [Summary of July 22 Meeting Feedback](#)

Background Research & Data

Washington State Research

- [Estimated Impact of COVID-19 on Washington State's Health Coverage – OFM 2020](#)
- [FPL and Immigration Status of the Uninsured](#)
- [Washington State's Uninsured Rate – Washington State Health Services Research Project – OFM 2019](#)
- [American Community Survey 2018 – Percent Uninsured by FPL](#)

National & Other State Research

- [Background on Affordability](#)
 - [California](#)
 - [Covered California Program Eligibility by FPL](#)
 - [Covered California State Subsidy Program Design \(2020\)](#)

- [Massachusetts](#)
 - [MIT Economics Study of Massachusetts Subsidies for Low-Income Adults \(2019\)](#)
 - [Massachusetts ConnectorCare Fact Sheet](#)
- [Vermont](#)
 - [Vermont Health Connect 2020 Subsidy Eligibility Thresholds](#)

Financing & Data Analysis

- [Funding Model Review Chart](#)
- [Health Insurance Provider Fee Background](#)
- [Colorado](#)
 - [Colorado Senate Bill 20-215 – Colorado HIT Tax](#)

Wakely Reports

- [Stakeholder Subsidy Analysis Model – 07/17/2020](#)

For more information on the Exchange's Cascade Care implementation work please contact Cascade Care Workgroup at cascadecare@wahbexchange.org

All Cascade Care Workgroup meeting materials available online:
<https://www.wahbexchange.org/about-the-exchange/cascade-care-2021-implementation/>

Impact to Consumer Out-of-Pocket Costs of Leveraging State Subsidies and Cascade Care Plan Design

Rosie			Current	State Subsidy - \$135/mo		
			Non-Standard Bronze	Non-Standard Bronze	CC Silver	CC Gold
Age	40	Monthly Premium	\$274	\$274	\$373	\$425
County	King	Federal Premium Subsidy	\$152	\$152	\$152	\$152
Income	\$31,896	State Premium Subsidy	\$0	\$135	\$135	\$135
FPL	250%	Net Premium	\$122	\$0	\$86	\$138
		<i>Premium as % of Income</i>	5%	0%	3%	5%
		Health Plan Combined Deductible (individual)	\$3,000	\$3,000	\$2,000	\$500

Leo			Current	State Subsidy - \$135/mo		
			Non-Standard Silver	Non-Standard Silver	CC Silver	CC Gold
Age	60	Monthly Premium	\$890	\$890	\$893	\$956
County	Chelan	Federal Premium Subsidy	\$523	\$523	\$523	\$523
Income	\$44,664	State Premium Subsidy	\$0	\$135	\$135	\$135
FPL	350%	Net Premium	\$367	\$232	\$235	\$298
		<i>Premium as % of Income</i>	10%	6%	6%	8%
		Health Plan Combined Deductible (individual)	\$5,650	\$5,650	\$2,000	\$500

Carol & Javier			Current	State Subsidy - \$135/mo		
			Non-Standard Silver	Non-Standard Silver	CC Silver	CC Gold
Age	50	Monthly Premium	\$962	\$962	\$1,010	\$1,106
County	Spokane	Federal Premium Subsidy	\$0	\$0	\$0	\$0
Income	\$77,580	State Premium Subsidy	\$0	\$270	\$270	\$270
FPL	450%	Net Premium	\$962	\$692	\$740	\$836
		<i>Premium as % of Income</i>	15%	11%	11%	13%
		Health Plan Combined Deductible (family)	\$11,300	\$11,300	\$4,000	\$1,000

Other State Subsidy Programs

State	Type of financial assistance	Additional Information	Eligibility
Massachusetts	Premium subsidy Cost-sharing subsidy	State provides premium subsidies for enrollees with incomes up to 300% FPL. Individuals must purchase lowest-cost silver plan to receive state premium assistance <i>and federal-APTCs (with annual exceptions provided to allow purchase of other plans)</i>	Available to all individuals under 300% FPL who are eligible for APTCs and purchase a Silver plan. Individuals in this program have a smaller number of participating carriers/plans to choose from.
Minnesota	Premium subsidy (2017 only)	For 2017 only, state provided premium subsidies for enrollees not eligible for federal premium tax credits, Medicaid, or the Basic Health Program	Individuals 138% - 200% FPL
Vermont	Premium subsidy Cost-sharing subsidy	State provides sliding-scale premium and cost-sharing subsidies for enrollees with incomes up to 300% FPL (subsidies are in addition to federal premium tax credits and cost-sharing assistance)	Individuals are eligible for Vermont Premium Assistance if they are at or below 300% FPL and enroll in a QHP Any metal level for the premium subsidy, silver only for CSRs
California	Premium Subsidy	Provides state-APTC premium subsidies to Californian's earning between 400-600% FPL. Premiums for those earning 600% of the FPL are capped at 18% of income.	Individuals up to 400% FPL who are eligible for APTCs and individuals between 400-600% FPL
New Jersey	Premium Subsidy (Beginning 2021)	Premium subsidies for individuals earning up to 400% FPL, w/ an estimated annual subsidy of \$564 (individual) / \$2,256 (family of 4). With a new Exchange, NJ has no mechanism for targeting subsidies in year one and is anticipated to provide a flat-dollar subsidy.	<i>Individuals up to 400% FPL. Unclear yet whether eligibility will be tied to federal APTCs.</i>
Colorado	Premium Subsidy (Beginning 2022)	Beginning in 2022, Colorado will provide funds from its HIT tax to fund subsidies for individuals receiving APTCs and under 300% FPL and ineligible for APTCs.	All individuals up to 300% FPL and individuals 300-400% FPL and eligible for federal APTCs. Must not be eligible for Medicaid, Medicare, or CHIP.
Maryland	<i>Studying Premium Subsidies</i>	<i>Analyzing impact of premium subsidies targeting: (1) Individuals between ages 18-34 earning under 400% FPL; and (2) Adults w/ incomes between 400-600% FPL.</i>	<i>Program parameters not yet set.</i>

CASCADE CARE - SUBSIDY STUDY - FUNDING MODEL REVIEW

This chart is provided in accordance with HBE's work "to develop a plan to implement and fund premium subsidies" pursuant to ESSB 5526 (2019). The chart provides an overview of assessments, fees, premiums, and taxes that have been proposed or enacted in Washington, in other states, or at the federal level.

*The level of assessment, revenues, and expenditures are provided for illustrative purposes where available, and are not meant to constrain the modelling of a state subsidy funding mechanism. This chart is not intended to be an exhaustive list of all funding options available to policymakers. *

	Assessments on Fully-insured & Self-funded Insurance					Assessments on Fully-insured Insurance		Assessment on Insurance & Hospitals	Assessment on Employers			Assessment on Individuals	
	WA Covered Lives Assessment	PALs	WSHIP Assessment	WA Claims Tax	Federal Health Insurance Tax (HIT)	WA Carrier Surplus Tax	WA Premium Tax	Colorado Tax / Assessment	Mass. Employer Fair-Share Contribution	Mass. Employer Medical Assistance Contribution	Washington Paid Family & Medical Leave	Individual Mandate Penalty	Capital Gains Tax
	SB 6062 (2018) - Cleveland [HB 2355 - Cody]	HB 2728 (2020) - Slatter	RCW 48.41.090	HB 2901 (2020) - Riccelli	Sec. 9010 of PPACA, P.L. 111-148	HB 2679 (2020) - Robinson [SB 6451 - Frockt]	HB 2821 (2020) - Cody	SB 20-215 (2020)	956 CMR 11 (2007-2014)	956 CMR 12 (2014-Present)	RCW 50A.10	SB 5840 (2019) - Cleveland	SB 5222 (2019) - Hasegawa
	<i>Proposed</i>	Enacted	Enacted	<i>Proposed</i>	Repealed, effective 2021	<i>Proposed</i>	<i>Proposed</i>	Enacted	<i>Repealed in 2014</i>	Enacted	Enacted	<i>Proposed</i>	<i>Proposed</i>
Entities Assessed	Fully-insured Carriers & Third-Party Administrators (TPA)	Fully-insured Carriers, Employers that provide insurance, & Self-funded Multiple Employer Welfare Agreements (MEWA)	Disability & Stop-loss insurers, HCSCs, HMOs, & Self-funded MEWAs	Fully-insured Carriers, TPAs, & Employers offering self-funded coverage	Fully-insured individual, small group, and large group health plans, Medicaid managed care, Medicare Part D, and Medicare Advantage	Fully-insured Carriers	Fully-insured Carriers & Managed Care Organizations (MCO)	Fully-insured Carriers & Hospitals	Employers w/ 11 or more FTEs that does not make a fair-share contribution to employee premiums	All employers w/ 6 or more employees	Employers & Employees	Uninsured Washington Residents	Washington Residents earning capital gains
Type of Assessment	Assessment on covered lives	Assessment on covered lives	Assessment on covered lives	Claims Tax	Fee on health insurance premiums	Non-profit Carriers = Fee on excessive surplus For-profit Carriers = Tax on depreciation deductibles	Premium Tax	Carrier Fee = percentage of annual premiums Hospital Assessment = annual \$20 million	Employer Assessment	Employer Assessment	Employer & Employee Payroll Premiums	Individual Mandate Penalty	Capital Gains Tax
Tax / Fee %	Assessment on entity's covered lives as a fraction of total covered lives in WA, necessary to equal \$200 million total (estimated at \$5 pmpm)	Assessment on entity's covered lives as a fraction of total covered lives in WA, necessary to equal program expenses	Assessment on entity's covered lives as a fraction of total covered lives in WA, necessary to equal program expenses (estimated at \$0.68 pmpm - 2019)	1% on all paid claims	Fee on 50% of net premiums between \$25 and \$50 million and 100% on net premiums above \$50 million (~2.2% of premiums). Based on insurer's market share.	Non-profit Carriers = Payment of 3% of all Surplus above 600% RBC For-profit Carriers = 3% tax of all depreciation deductibles	2.2% (2021) & 1.5% (2022-on)	Non-profit carriers = 1.15% of annual premiums For-profit carriers = 2.1% of annual premiums Hospital Assessment = \$20 million	\$295 or the sum of a Fair Share Employer Contribution and the Per Employee Cost of Unreimbursed Physician Care (whichever was less)	0.36% of all wages up to the Massachusetts unemployment insurance taxable wage base (~\$50 per employee per year in 2014)	2019-20 total premium rate of 0.4% of wages, with review for annual adjustments beginning in 2021. ~1/3 paid by employers & ~2/3 paid by employee	2.5% of an individual's annual income or \$695, whichever is greater, capped at the avg bronze premium in WA	8.5% of the individual's Washington capital gains
Dedicated Uses	Reinsurance	Partnership Access Line & Psychiatry Consultation Line @ UW (to fund non-Medicaid portion of calls)	WSHIP Program Administration	Premium assistance for individuals w/ income btwn 133-500% FPL, enrolled in a QHP	Federal Advance Premium Tax Credits	Subsidies for unsubsidized & Foundational Public Health	Low-income health insurance programs	Reinsurance / Subsidies for subsidized population / Subsidies for unsubsidized population	<i>In part</i> - Subsidized low monthly-premium insurance through ConnectorCare program	<i>In part</i> - Subsidized low monthly-premium insurance through ConnectorCare program	Paid Family & Medical Leave	Admin of penalty / outreach to uninsured / activities to increase availability of health insurance or affordability of premiums	Funding for a Universal Health Care trust program
State Revenue	\$200 million (yr 1) & ~\$160 million (yr 2-on)	Indeterminate	\$28 million (2019)	<i>Indeterminate - Mechanism to track claims or assess TPAs/Employers</i>	-	~\$57 million /yr in excess surplus (although true amounts unknown) Tax amounts = unknown	\$291 million (2021) & \$199 million (2022-on)	\$54.9 million (2021) / \$104.4 million (2022) / \$109.7 million (2023)	-	-	Employer Contribution = ~\$213 million / yr Employee contribution = ~\$367 million / yr	<i>Indeterminate - Commonwealth fund estimated a potential for \$165 million in revenue based on 2019 data</i>	~\$1.3 billion annually
Federal Revenue	\$40 million /yr	-	-	-	\$15.5 billion (2020)	-	\$97.4 million (2021) & \$66 million (2022-on), used to offset taxes on MCOs	~\$88 (2021) - \$175 (2023) million	-	-	-	None proposed, but 1332 possibility given reduction in premiums	-
Expenditures	\$200 million / yr	Indeterminate (\$510,000 in 2020)	\$29 million (2019)	-	-	-	(Offsets to PEBB/SEBB/Medicaid costs)	\$182.4 million (2021) up to \$314.8 million (2023)	-	-	-	-	-
Administrative Costs	Differs annually, between \$120,000 to \$400,000 - OIC	\$294,000 /yr	\$1.9 million (2019)... = 4.8% of total expenses	-	-	\$109,000 - OIC	-	\$2.8-\$4.2 million	-	-	-	-	-
Other Notes	Required establishment of a TPA registration program & federal 1332 waiver	-	-	Premium assistance is set on a sliding scale by HCA and must be applied-for	-	Concerns expressed around getting to a dollar-figure based on RBC. May need to adjust assessment calculation.	HCA has questions around whether the FMAP/dedicated use of funds align with CMS policies.	Federal match based on 1332 waiver	-	-	-	Commonwealth Fund projects a 15% reduction in premiums (based on 2019 data)	-
Other State/Federal Activity	Federal - Transitional Reinsurance Covered Lives Assessment (2014-2016)	-	-	Vermont - Health Care Claims Tax (includes TPAs & PBMs) (32 V.S.A. 243)	-	-	Washington - Insurer Premium Tax (RCW 48.14.020) Vermont - Insurance Premiums Tax (32 V.S.A. 211) Oregon - 1.5% premium tax on insurers, including PEBB to fund reinsurance and Medicaid programs (HB 2391 (2017)) N.J. - 2.75% premium tax to replace HIA (AB 4389 (2020))	-	-	-	Oregon - PFML Payroll Tax (HB 2005 (2019))	Federal - ACA Individual Mandate (2014-2018)	-

Illustrative State Premium Subsidy Financing Scenarios

Each of the financing options reviewed will spread the cost of the program across more than just the individual market, including small group and large group markets. Which markets will be included depends on the option reviewed. The table below shows which markets are included for each financing option reviewed.

Table 29: Financing Options Applicable Markets

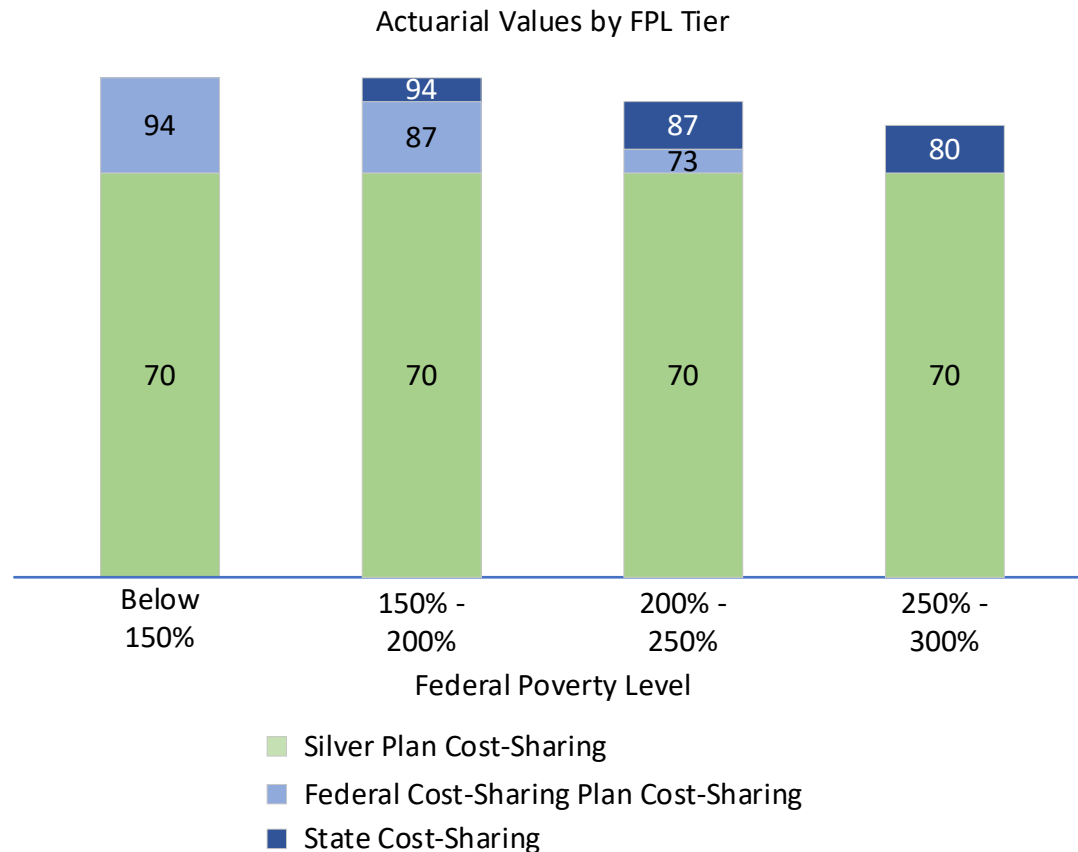
Market	Covered Lives Assessment	Premium Tax	Claims Tax
Individual	Y	Y	Y
Large Group Fully-Funded	Y	Y	Y
Small Group	Y	Y	Y
Managed Care Organizations (MCOs)	Y	Y	Y
Other Health (Dental and Vision Only, MedSupp)	N	Y	N
Medicare Advantage	N	N	N
TPAs and Employers (Self-Funded)	Y	N	Y

Cost-Sharing Reductions

CSR Wrap Program	Metric	Less than 150%	150%-199%	200%-249%	250%-299%	300%-349%	350%-399%
	Federal Program Actuarial Value	94%	87%	73%	70%	70%	70%
Lower Benefit Wrap (\$6.8M Program)	State Benefit Actuarial Value	94%	87%	77%	73%	70%	70%
	Increase in State Benefit Actuarial Value	0%	0%	4%	3%	0%	0%
Higher Benefit Wrap (\$52.9M Program)	State Benefit Actuarial Value	94%	94%	87%	80%	70%	70%
	Increase in State Benefit Actuarial Value	0%	7%	14%	10%	0%	0%

• Cost-Sharing Reductions

Cost-Sharing Reductions: Illustrative Example



- Shown: “Higher Benefit Wrap” modelled by Wakely
- Increases the AV, on top of existing federal CSRs for customers earning 150-250% FPL
- Adds a new CSR tier for customers earning 250-300% FPL

Cost-Sharing Reductions: Model Results

CSR Wrap Program	Total State Funding (\$Millions)	Number of Uninsured Take- Up	Total Customers Receiving State CSRs	% of On- Exchange Customers Receiving State CSRs
Lower Benefit Wrap (\$6.8M Program)	\$6.8	600	20,500	9.8%
Higher Benefit Wrap (\$52.9M Program)	\$52.9	2,600	61,300	28.9%

Exchange Sponsorship Program

- The Exchange currently runs a sponsorship program, which enables public and private third-party payors (the state, non-profits, tribes, foundations, etc.) to provide support for premiums and/or out-of-pocket costs to individuals enrolled in qualified health plans through Washington Healthplanfinder
- Currently 16 sponsors cover 3,500 enrollees
- Sponsors include:
 - Tribes (12 participating tribes and tribal communities)
 - Washington State (for HCA's COFA program)
 - Federal Government (via Ryan White funding for the EHIP program)
 - Health systems (for the two Project Access programs)
- The sponsor provides funding to reduce enrollee costs; sponsored enrollees sign-up with help from assister; designated as sponsored in Healthplanfinder; sponsor information sent to carriers; HBE facilitates payment from sponsor to carriers

Sponsorship Program & Pandemic Response

- Heightened interest in sponsorship program – provides an immediate opportunity for interested individuals and entities to make health coverage more affordable for Washingtonians during the COVID-19 pandemic and aftermath
- Program could be leveraged to provide immediate help to priority populations
- Program enhancements planned to:
 - Accommodate increased volume
 - Streamline program management
 - Provide bridge to potential state subsidy program/s

SB 5526 – Subsidy Implementation Plan

NEW SECTION. Sec. 6. (1) The Washington health benefit exchange, in consultation with the health care authority and the insurance commissioner, must develop a plan to implement and fund premium subsidies for individuals whose modified adjusted gross incomes are less than five hundred percent of the federal poverty level and who are purchasing individual market coverage on the exchange. The goal of the plan is to enable participating individuals to spend no more than ten percent of their modified adjusted gross incomes on premiums. The plan must also include an assessment of providing cost-sharing reductions to plan participants and must assess the impact of premium subsidies on the uninsured rate.

(2) The Washington health benefit exchange must submit the plan, along with proposed implementing legislation, to the appropriate committees of the legislature by November 15, 2020.

(3) This section expires January 1, 2021.

SB 6168 (Sec 214) - Individual Market Assessment

State appropriation for fiscal 2021 is provided solely for the exchange to contract with an independent actuarial consultant to conduct an assessment of the impact of a state requirement that individuals enroll in health coverage.

The assessment shall consider the effects of this requirement on revenue, individual market enrollment, individual market premiums, and the uninsured rate.

The exchange shall submit assessment findings to the chairs of the health committees of the legislature no later than December 15, 2020.



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