

Cascade Care Savings Update

Exchange Advisory Committee

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Today's discussion

- ▶ Cascade Care Savings goals & background
- ▶ Cascade Care Savings considerations in PY 2026 environment
 - ▶ Targeting Cascade Care Savings in challenging environment
 - ▶ PY 2026 state subsidy decisions as runway to years when getting and staying covered will be even more challenging

Public comment reminder

- ▶ The draft PY 2026 Cascade Care Savings maximum PMPM methodology is [available for review](#) and public comment.
- ▶ The public comment period for the draft PY 2026 Cascade Care Savings maximum PMPM methodology ends at 5 pm on Aug. 29, 2025.
- ▶ Please submit written public comment by emailing cascadecare@wahbexchange.org and including “Public Comment” in the subject line of your email.

Cascade Care

Cascade Care makes health insurance accessible and affordable for every *Washington Healthplanfinder* customer.



-  **Lower premiums**
-  **Higher quality benefits**
-  **Lower copays**
-  **Easier plan shopping**
-  **Available in all counties**
-  **Extra savings for those who qualify**

Cascade Care Savings goals

- ▶ Serve Exchange's core mission of reducing the uninsured in Washington
- ▶ Advance health equity
- ▶ Provide a bridge for individuals transitioning between Medicaid and QHP eligibility
- ▶ Soften impact for eligible customers most affected by the loss of federal subsidies
- ▶ Maximize impact of state investment into affordable individual market coverage
- ▶ Positively impact the individual market risk pool
- ▶ Maintain and grow enrollment

Plan year 2026 environment

Exchange

- ▶ The expected loss of Exchange enrollment in PY 2026 due to ePTC expiration mitigated by:
 - ▶ Premium alignment
 - ▶ Cascade Care Savings
- ▶ Federal changes are largely targeted at immigrant populations
- ▶ Plan shelf changes

Cascade Care Savings program

- ▶ Fixed \$55M budget for PY 26
 - ▶ Cascade Care Savings does not stretch as far
- ▶ No carrier tobacco rating
- ▶ Premium alignment
- ▶ New low-AV Cascade Care Vital Gold plan is Cascade Care Savings eligible
- ▶ PY 2025 Low Funds Contingency resulted in more customers choosing Bronze plans
- ▶ Non-federally subsidized customers are increasing in PY 26 and beyond

Subsidy cannot keep pace with increasing premiums

2026 Cascade Care Savings budget is \$55M

Maintaining the same maximum PMPMs from 2025 to 2026 would cost nearly \$70M more than the 2026 CCS budget

Setting the 2026 subsidy amounts requires tradeoffs

- Enrollment disparities
- Plan choice

	2025 Best Estimate	2026 Best Estimate With Draft 2026 Rates	Change
Source Tab:	[1]	[2]	[2]-[1]
<u>CCS Maximum Subsidy:</u>			
Group 1	\$155	\$155	
Group 2/3	\$250	\$250	
<u>Enrollment:</u>			
Group 1	85,750	82,490	(3,260)
Group 2/3	5,390	9,380	3,990
Total Exchange Enrollment	281,870	252,890	(28,980)
<u>CCS Expenditures (in millions):</u>			
Group 1	\$36.5	\$93.7	\$57.2
Group 2/3	\$16.1	\$28.1	\$12.0
Total	\$52.6	\$121.9	\$69.3
<u>CCS Utilization PMPM:</u>			
Group 1	\$35	\$95	\$59
Group 2/3	\$250	\$250	\$0
Total	\$48	\$111	\$62

*Based on initial rates filed with OIC. Proposed rates are subject to OIC approval and Exchange Board certification

Next steps: Milestones for 2026 Cascade Care Savings PMPM

- ▶ **Aug. 29:** Draft methodology public comment period closes
- ▶ **Sept. 11:** Exchange Board Plan Certification meeting
- ▶ **Sept. 30:** Two fixed 2026 Cascade Care Savings maximum PMPMs finalized
- ▶ **Nov. 1–Jan. 15:** Open enrollment with new Cascade Care Savings amounts for 2026

Appendix

Draft PY 2026 Cascade Care Savings PMPM Methodology

Illustrative scenarios for PY 2026

Increase group 2/3 PMPM

Group 1 PMPM: \$20
Group 2/3 PMPM: \$295

- ▶ Lowest net premium for customers without federal subsidies
- ▶ Federally subsidized customers likely to stay covered but in Bronze plans

CCS subsidy consistency for group 2/3

Group 1 PMPM: \$32
Group 2/3 PMPM: \$250

- ▶ Provides Cascade Care Savings subsidy consistency to customers without federal subsidies
- ▶ Scenario results in lowest total Exchange enrollment

Reduce both group 1 & group 2/3 PMPM

Group 1 PMPM: \$51
Group 2/3 PMPM: \$150

- ▶ Allows the most customers with federal subsidies up to 200% FPL access to \$0 Cascade Care Vital Gold plan

Highest PMPM for group 1

Group 1 PMPM: \$60
Group 2/3 PMPM: \$80

- ▶ Highest number of total Exchange enrollees, but with significant disparity watchpoints for non-federally subsidized populations

PMPMs overall must be reduced to stay within \$55M plan year budget

Group 1: Federally subsidized customers; Groups 2/3: non-federally subsidized customers, including IHC



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