

Leah Hole-Marshall (she/her),
General Counsel & Chief Strategist

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Federal Implementation Update

Exchange response to federal changes: Keep Washingtonians Covered



- ▶ Strategic implementation of federal requirements, with focus on customer harm reduction.



- ▶ Proactive mitigation to prevent uninsurance.

Today's update

Impact of 2026 federal changes

Preparing for 2027 federal changes

Federal implementation at HBE

Partner engagement



IMPACT OF 2026 CHANGES

Market Health

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

2026 enrollment summary

Signals for future market & customer experience

- ▶ Higher premiums
 - Carrier increases 26% on average
 - ePTC subsidies expired
 - <100% FPL subsidies disallowed
 - ▶ Premium alignment protected some
 - ▶ Cascade Care helped enrollees cover costs
- ▶ Enrollment decreased
 - Fewer new enrollees
 - Lower proportion of subsidized customers
 - ▶ Coverage drop levels are unprecedented
 - ▶ Assistors instrumental in supporting customers with changes
- ▶ Continued price pressure on enrollment through 2026
 - Silver plan enrollees may be paying more than is affordable
 - Expect continued attrition
 - ▶ Additional federal changes will cause pressure
 - Customer research reveals opportunities

Key trends in enrollment

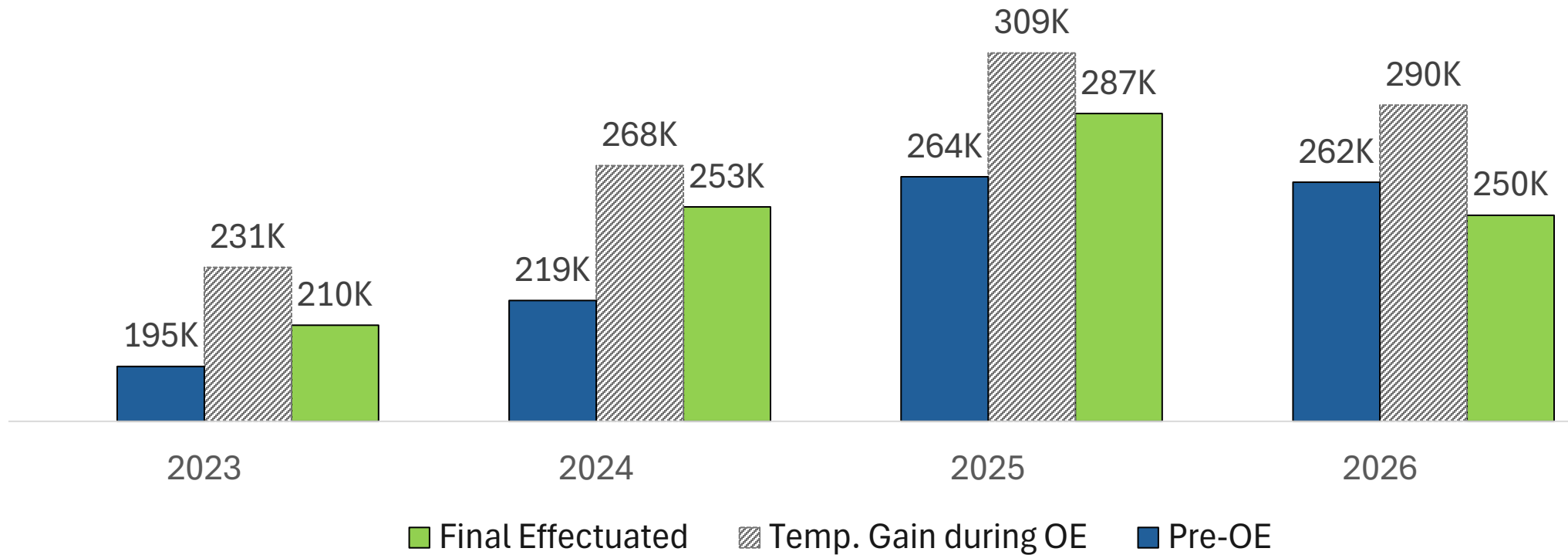


- ▶ **Nearly 250,000** enrolled; almost 13% fewer than 2025.
- ▶ Customers **dropped their coverage** at about twice the rate of prior years.
- ▶ Our strategies are working to mitigate customer harm, but **more coverage loss** is anticipated.

"The Exchange did a marvelous job of tempering the rate increases for 2026. Many Thanks!" Neil Angst, Broker

Changes in federal subsidies reduced enrollment

Enrollment Counts, Pre-OE, OE, and Final
PY 2023-2026



“I am probably going to drop my coverage... as I can't afford to be hit with thousands of dollars of extra payments.” - **QHP enrollee, Whatcom County**

Mitigation strategies helped reduce federal policy impacts in 2026

- ▶ **Premium alignment** offset the loss of ePTC for many enrollees.
- ▶ **Cascade Care Savings** and **Cascade Select** public option plans are serving more of our enrollees than ever.
- ▶ **Brokers, navigators and Customer Support Center** representatives were instrumental in clarifying savings, tax credits and policy changes.



Customers still APTC-eligible are helped by premium alignment

While the expiration of ePTCs increased premiums, the state was able to cushion the effect on customers with premium alignment and Cascade Care Savings.

Alma is a 50-year-old cashier who makes \$31,500 a year as a cashier at her local pharmacy in Union Gap. Because of her income, she qualifies for both APTCs and Cascade Care Savings.

2026 gross premium for the Cascade Care plan Alma chose: \$616		
	Without premium alignment	Actual 2026
APTC	\$436	\$613
Cascade Care Savings	\$55	\$3
2026 net premium	\$126	\$0

Illustrative customer scenario



Brokers, navigators and Customer Support Center representatives were instrumental

- ▶ “I spoke to Jasmine on January 15; she was patient, empathetic, and walked me through every step of the application process. Her skill and kindness was a huge relief!” – **QHP enrollee, Walla Walla County**
- ▶ *Regarding their navigator:* “Muy agradecida, en el momento fueron especial conmigo, me escucharon y pudieron ayudarme, gracias. (I’m very grateful. At the time, they were wonderful to me – they listened and were able to help me.)” – **QHP enrollee, Snohomish County**
- ▶ “The broker I worked with was so helpful, kind, and patient! She made something I was dreading into a lovely interaction. She took her time explaining things, which makes all the difference!” – **QHP enrollee, Cowlitz County**



The Exchange’s extensive network of statewide assisters helped approximately **49% of QHP enrollees** find and select their 2026 health insurance.

2026 customer research highlights opportunity



Eligibility

Customers find it easy to update their application before shopping.



Coverage
Continuity

Cross-mapping and auto-enrollment effectively kept customers covered. They shopped to ensure they had a plan that best met their needs.



Shopping
Experience

Plan affordability is increasingly customers' top priority, though shopping is complex and time-consuming. Customers need support and transparency.



Coverage +
Providers

Many customers want to keep their providers and expect accurate provider network and coverage information. Inaccurate information continues to be a barrier.

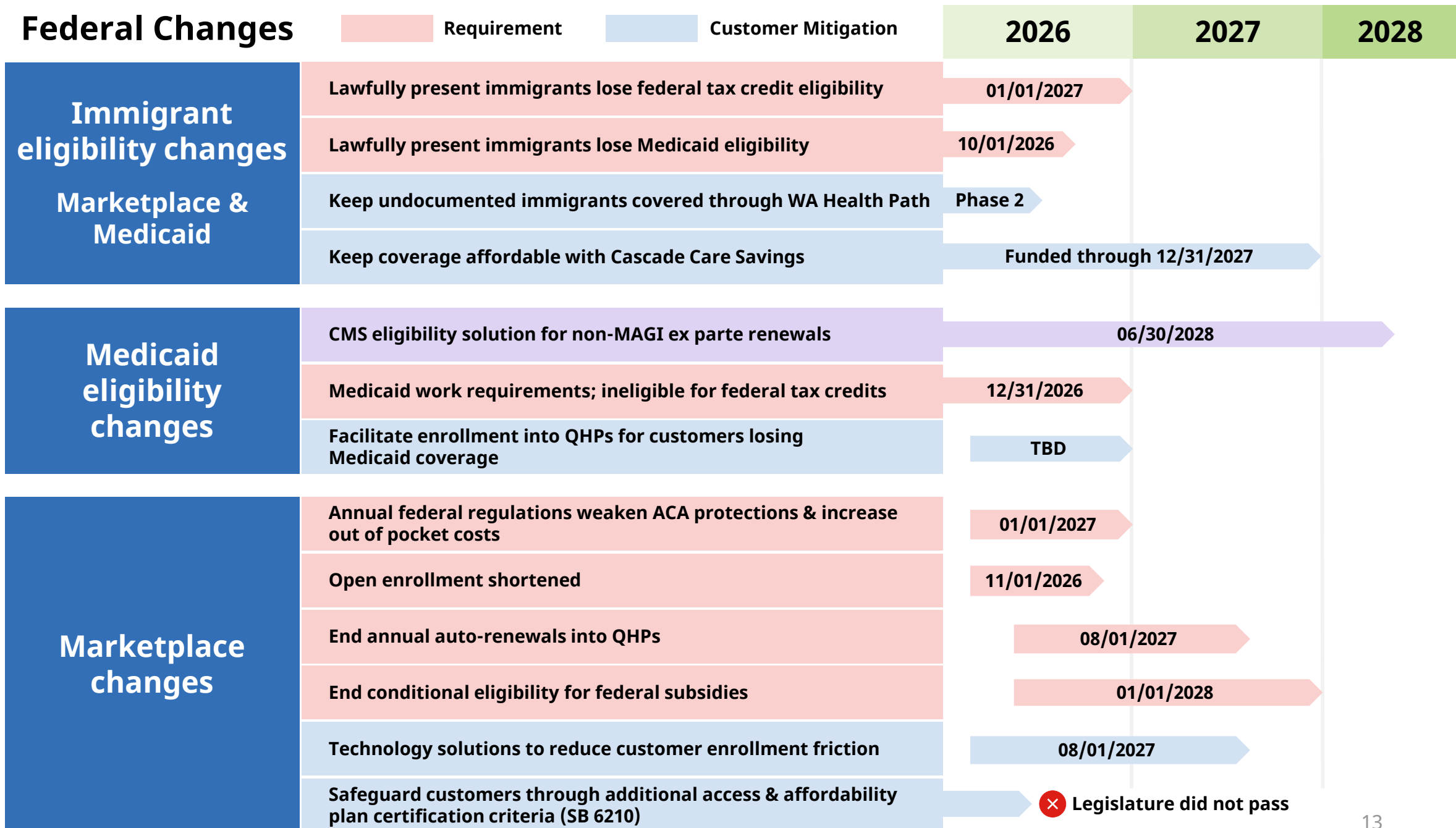


Health Equity

Some of our most vulnerable customers are cost-sensitive, want to understand plans but face health literacy barriers. However, they're the happiest with their coverage and shopping experience.

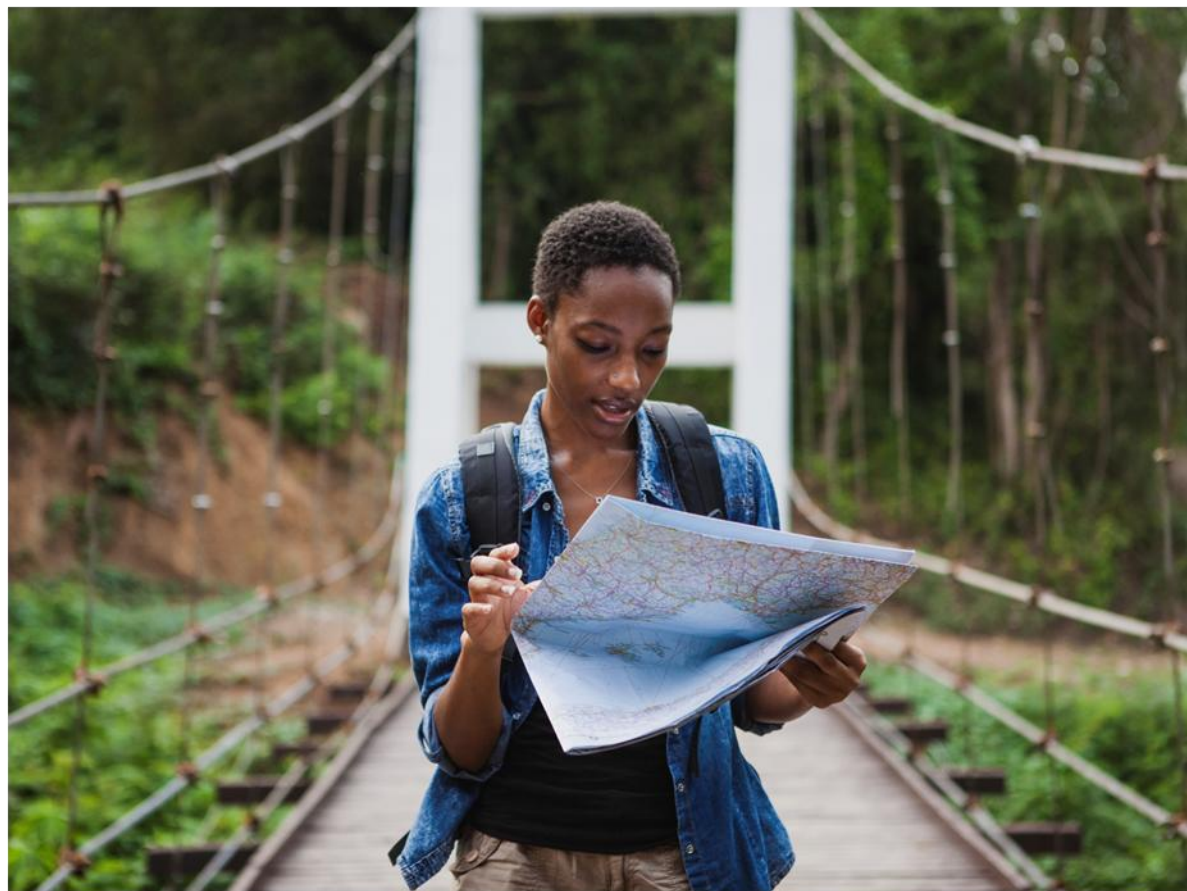
2027 Federal Changes





Highest priority changes listed; not inclusive of all required changes. End dates of requirements based on federal compliance dates.

Implementation at HBE



Federal implementation considerations

The quantity, frequency, complexity and impact of change is at a scale we haven't experienced

- ▶ Substantial system changes
- ▶ Substantial program, policy, communications and operational support changes
- ▶ Customer impacts are mostly negative

Federal implementation project delivery structure

Executive sponsor and steering committee

Project leadership team

Business Sponsors | IT Sponsor | Project Manager | Solution Architect

Medicaid eligibility changes

Immigrant eligibility changes

Marketplace changes

Teams will be comprised of Project Managers, Business Leads, Product Managers and SMEs



STATE AND FEDERAL

Partner Engagement



WAHBE goes to Washington

NASHP DC fly in highlights



State agency partner engagement

▶ OIC

- ▶ Premium Alignment Final Rule
- ▶ Rate Review
- ▶ Gender Affirming Care Defrayal

▶ HCA

- ▶ Public option PY 2027 renewal
- ▶ Affordability and Quality collaborations
- ▶ Medicaid HR1 Changes

▶ DSHS

- ▶ Non-MAGI Medicaid Application and renewal support
- ▶ HR 1 Changes

Forum invited partners to reimagine enrollment

Current state

- ▶ Customer-centered
- ▶ Customers enroll in affordable coverage while getting documents in order
- ▶ Customers can renew without taking action and have time to address inconsistencies
- ▶ Trusts customer information that has been previously verified

Starting in 2028

- ▶ Customers are penalized
- ▶ No federal financial help pending review of documents
- ▶ No passive renewal with tax credits, customers must take action
- ▶ Customers will drop coverage due to administrative burden and unaffordable costs

“ Health care is a system, and it takes all actors in that system to push for outcomes that we need to mitigate harms from this regulation. We appreciate WAHBE’s approach to gathering us. ”



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