

Plan Year 2026 Market Update

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PY 2026 plan certification timeline



2026 Exchange landscape highlights



- ▶ 12 QHP carriers
- ▶ 86 plans proposed (74 in 2025)
 - ▶ New Cascade Vital Gold Plan
- ▶ Significant market movement
- ▶ Average rate increase: 21%
 - ▶ 6.4% increase attributable to expiration of enhanced federal tax credits (ePTC)
- ▶ No tobacco rates filed

Driving toward timely Board certification



Building on last year's success

- All 2025 plans approved by OIC and certified on time
 - Last year added requirements to support certification timeliness
 - For 2026, clarified remediation plan expectations for late deliverables

Watchpoint for 2026

- Ability to pivot if ePTC is extended
 - Second set of rates

Supporting a transparent and collaborative certification process



Board Engagement

- ▶ In May, Policy Committee discussed Board's certification authority related to plan quality
 - ▶ Board may deny certification to carriers failing to meet quality or other criteria
- ▶ *August Policy Committee update on carrier progress toward certification for PY 2026*

HBE-OIC Collaboration

- ▶ Coordinated on due dates, messaging, and updated Guidance
- ▶ Checking in with OIC on progress for key milestones
- ▶ *Carriers must obtain OIC approval by 9/4 to be considered for Board certification on 9/11*

Visibility into 2026 market changes



- Premium alignment working as expected
 - Higher silver plan premiums result in additional APTC to customers
- Carrier service area & plan changes
 - Carriers leaving counties
 - Public option no longer statewide
 - Coordinated Care not offering bronze in some counties
- Discontinuation of many non-standard plans
 - 4 carriers offering only Cascade plans
 - 22,000 customers mapped to Cascade plans
- Rate changes from initial to final

2026 preparedness: Carrier survey responses

1. *Do you consider your individual market filing on track for OIC approval?*

- ▶ **All carriers responded yes**

2. *Do you anticipate significant changes to your plan filings from initial filings?*

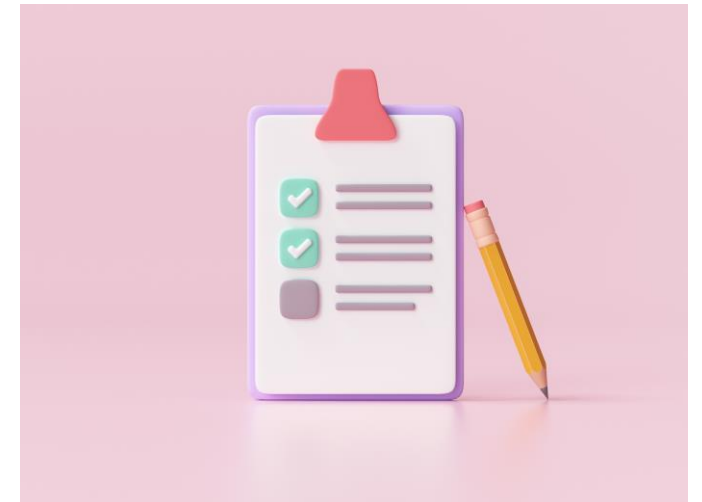
- ▶ **Two carriers noted more significant rate changes, driven by risk adjustment payments**

3. *Do you have concerns about your readiness for open enrollment?*

- ▶ **All carriers responded “No significant concerns”**

4. *Is there anything else the Board should be aware of as they prepare to certify plans?*

- ▶ **No carriers shared more information**



2026 Plan Certification readiness takeaways

- ▶ Good news – currently no known issues likely to prevent OIC approval by September 4
- ▶ While not a concern for 2026 certification, federal activity and uncertainty are impacting carrier thinking about market strategy, longer term
- ▶ With ePTC expiration, rate increases, premium alignment, and carrier service area changes, **2026 is a year of significant change for customers**



Appendix

Rate and Risk Adjustment Payment Information

Other Market Factors: Risk Adjustment Payments



- ▶ Risk adjustment transfers funds within a state market risk pool from carriers with lower-than-average actuarial risk to carriers with higher-than-average actuarial risk
- ▶ Carriers have the opportunity to amend their initial rates based on the results of the annual CMS Report on Permanent Risk Adjustment Transfers for the previous benefit year, released each July

July 2025 Risk Adjustment Payments by Carrier

Negative number indicates carrier made a payment to the pool

Carrier	Total (Millions)	Avg Payment Per Enrollee
Community Health Plan of Washington	-\$39.4	-\$1,220
Coordinated Care Corporation	-\$81.6	-\$953
LifeWise Health Plan of Washington	-\$14.5	-\$491
Regence BlueCross BlueShield of OR	-\$3.7	-\$391
Kaiser Foundation Health Plan of the Northwest	-\$1.8	-\$265
UnitedHealthcare of OR	\$0.5	\$73
Kaiser Foundation Health Plan of Washington	\$11	\$ 284
Regence BlueShield	\$32.3	\$1,119
Molina Healthcare of Washington	\$52	\$1,777
Premera Blue Cross	\$36.5	\$3,553
BridgeSpan	\$2.3	\$4,645

Carrier Plan Certification Progress Survey (1/2)

At this point, do you consider your individual market filing on track to be approved by OIC by September 4th?

- ▶ What milestones remain for plan certification?
- ▶ If no, what are the issues or areas of concern?

- ▶ Do you anticipate significant changes to your plan filings from the benefits, rates, or service areas that you submitted with your initial filings?
 - ▶ If so, please share with us as much as you can about anticipated changes, including changes since:
 - ▶ CMS released the Summary Report on Permanent Risk Adjustment
 - ▶ Changes included in final filings affect Exchange work that has already been done and will need to be re-done to prepare for OE (e.g., preparation for enrollee mapping to new plans for 2026).
 - ▶ HCA Public Option renewal decisions (as applicable)
 - ▶ Final CMS Marketplace Integrity rule published June 20, 2025 and multi-state lawsuit filed July 17, 2025
 - ▶ Reconciliation bill signed into law July 4, 2025

Carrier Plan Certification Progress Survey (2/2)

- ▶ ***A note on recent federal activity*** – The Exchange acknowledges several significant issues that can impact the market. The loss of enhanced premium tax credits is already included in a variation of the proposed rates and premium alignment significantly mitigates the impact. Two additional significant actions since proposed rate filing include the finalized CMS Marketplace Integrity Rule and the HR 1 reconciliation act.
- ▶ While we do anticipate market impact, we do not anticipate impact for plan year 2026, due to many factors, including the delayed start date of many provisions beyond 2026; the inapplicability to state based marketplaces for some provisions; the consistency with current Exchange practices for some provisions; and the multi-state litigation the Exchange. If you are anticipating impacts that affect rates, we encourage you to reach out to us to discuss and request that you summarize here.
- ▶ Please inform us if you have concerns about your readiness for open enrollment with respect to any of the following:
 - ▶ Documentation due to the Exchange for plan certification (e.g., SBCs, marketing materials)
 - ▶ Enrollment and payment file transfer with the Exchange
 - ▶ Healthplanfinder system display readiness

Reasons for Proposed Rate Increases

Carrier	Explanation
BridgeSpan	(Medical Trend/Utilization (10%), Financial Experience (-6%), Morbidity (4%), Product Design, including CSR load (10%)
CHPW	Medical/Pharmacy inflation (5.3%)
Coordinated Care	Unit Cost (10.5%), Utilization (3.2%), Benefit design changes, including CSR load(-23.5% - 14.8%), Admin costs (4.7%)
Kaiser NW	Medical claims (6.7%), Admin costs (3.3%)
Kaiser WA	Actual V Projected Claims (9.3%), Claims Trend (8.1%), Risk adjustment/Exchange fees (-5.6%), Admin costs/Commissions (5.48%)
LifeWise	Unit Cost (4.4%), utilization (2.7%), Risk adjustment (-1.7%)
Molina	Claims (17.3%), Admin costs (0.3%), Taxes and fees (0.5%), Margin (0.5%), Risk adjustment (-1.9%), Membership mix (5.7%)

Reasons for Proposed Rate Increases

Carrier	Explanation
Premera	Unit cost (6.9%), utilization (3.5%), cost share change (-0.7%), Risk adjustment (-17.3%)
Regence OR	Medical trend (10%), experience (1%), Product design (9%) Network Arrangements (4%), RX rebates (-2%)
Regence WA	Medical trend (10%), Experience (-3%), Administrative costs (1%), Product design, including CSR load (4%), Network arrangements (-6%), Morbidity (4%)
United OR	Experience (1.76%), Trend (8.81%), changes in morbidity (5.71%), Plan design changes (3.33%), Risk adjustment (2.61%), Benefit design and CSR load (12.66%), Provider network (-1.98%), Admin/taxes/fees (-2.16%), Other (2.76%)



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