

# PY 2027 Cascade Care Savings Policy

# Cascade Care Savings a primary premium affordability tool

- ▶ Lowers Cascade Care premiums for customers up to 250% FPL enrolled in Silver and Gold Cascade Care plans\*
- ▶ 110,000+ customers utilizing Cascade Care Savings as of January 2026\*\*
- ▶ In 2026, average net premiums for customers using Cascade Care Savings:
  - ▶ ~\$50 monthly for customers eligible for federal tax credits
  - ▶ ~\$300 monthly for customers not eligible for federal tax credits

\* American Indian and Alaska Native Cascade Care Savings (CCS)-eligible customers may apply CCS to any plan in which they enroll

\*\* Plan selections, not effectuated

# Cascade Care Savings goals

- ▶ Serve Exchange's core mission of reducing the uninsured in Washington
- ▶ Advance health equity
- ▶ Provide a bridge for individuals between Medicaid and QHP
- ▶ Soften impact for customers losing federal subsidies
- ▶ Maximize impact of state investment in individual market
- ▶ Positively impact the individual market risk pool
- ▶ Maintain and grow enrollment

# 2027 environment forces unfavorable policy solutions

## Knowns

- ▶ Vulnerable Medicaid & QHP populations losing federally subsidized insurance
  - ▶ More enrollees eligible for maximum amount of CCS
- ▶ Monthly premiums will increase

## Unknowns

- ▶ CCS is not funded in PY 2027
  - ▶ Funding request submitted to the Legislature & included in Governor's budget
- ▶ Continuation of premium alignment
  - ▶ Exchange monitoring direction from CMS

Two policy approaches:

Stretch & target fixed CCS funding

# Initial policy proposal

**Target Cascade Care Savings to those who need it most to stay covered**

- ▶ Bronze plan eligibility & availability

**Maximize limited state-funded assistance**

- ▶ Silver plan pricing
- ▶ Limit eligibility for federally subsidized customers



# Target funding: Bronze plan eligibility & availability

**Proposal:** Customers without federal subsidies could apply CCS to Cascade Care Bronze plans and carriers must offer Bronze to be eligible for CCS

## Impacts

- ▶ Targets CCS funds to non-federally subsidized customers
- ▶ Helps non-federally subsidized customers stay covered with lowest-premium options
- ▶ Incentivizes all carriers to offer Bronze
- ▶ May result in increased CCS utilization
- ▶ High cost-sharing in Bronze may result in increased medical debt for customers



# Stretch funding: Silver plan pricing

**Proposal:** A carrier's lowest premium Silver plan must be a Cascade Care plan to be eligible for CCS

Impacts:

- ▶ Stretches CCS dollars by maximizing APTC
- ▶ Some carriers may need to adjust their plan pricing or offerings to have CCS applied
- ▶ Aligns with statutory intent that standard silver sets benchmark



# Stretch funding: Limit eligibility for federally subsidized customers

**Proposal:** Reduce CCS income eligibility to <200% FPL for customers with access to federal subsidies

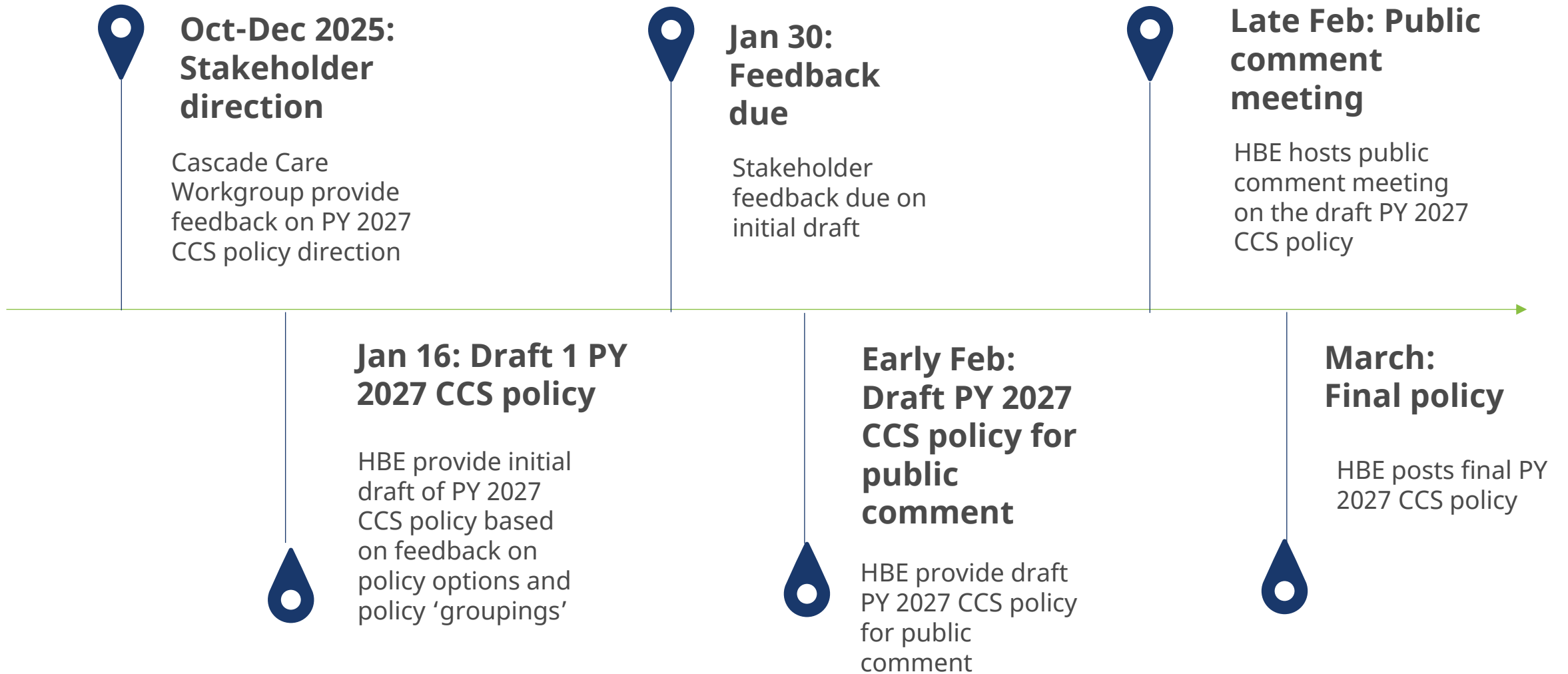
## Impacts

- ▶ Allows subsidy to be targeted to lowest income & non-federally subsidized
- ▶ Federally subsidized customers 200% - 250% FPL no longer eligible for CCS
- ▶ Dependent on and supportive of premium alignment



# Timeline & next steps

# PY 2027 Cascade Care Savings policy timeline





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