

Federal Tax Credit Changes and the Exchange

Presentation to House Health Care & Wellness Committee

December 5, 2025

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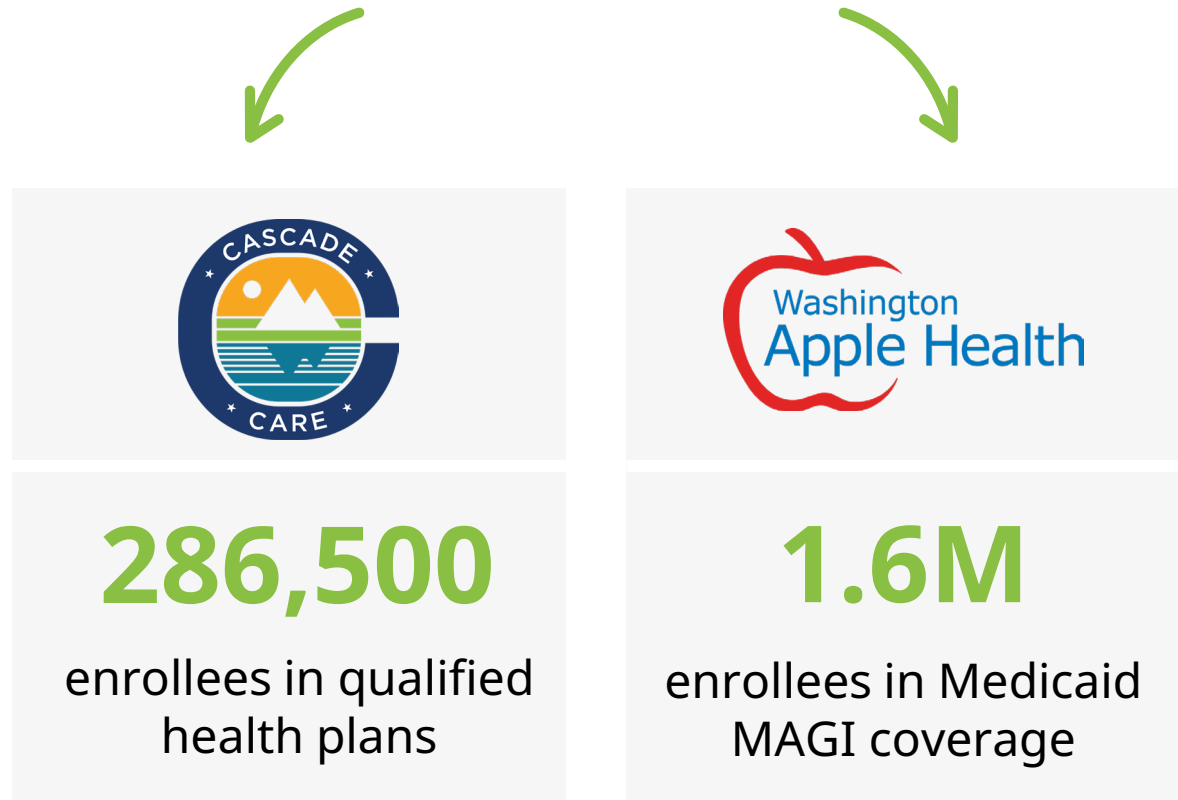


Overview

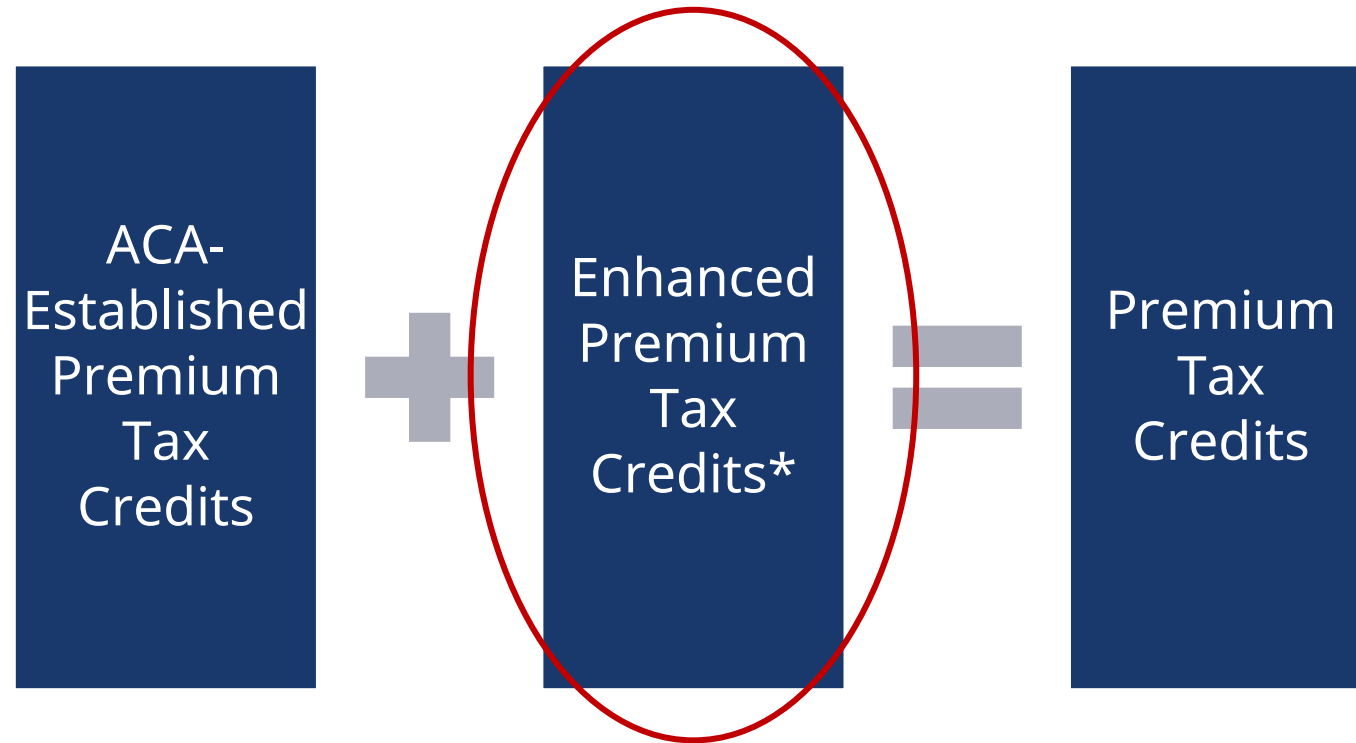
Washington Health Benefit Exchange manages the eligibility and enrollment for:

- Medicaid coverage based on modified adjusted gross income (MAGI); and
- ACA marketplace health plans (qualified health plans).

In 2025, nearly 1 in 4 Washingtonians get health insurance through Washington Healthplanfinder



Federal premium tax credits



Expires Dec 31, 2025

► Amount received depend on income and the cost of Silver plans in a county

* (1) for people under 400% FPL - increased amounts of PTCs; and
(2) for people above 400% FPL - newly eligible for PTCs and capped at 8.5% of income

Cascade Care Savings

Helps more than
75,000 people

More than 1 in 4
recipients are 55+
years old

More than 1 in 3
recipients are from
communities of color

Get up to \$660 a
year if also get
federal tax credits

Get up to \$3,000 a
year if not get
federal tax credits

Tax credit changes impacting OE 2026



- DACA recipients no longer eligible for premium tax credits as of Oct. 1

(In WA, still eligible for QHP coverage through state's sec. 1332 waiver)

- Without Congressional intervention, enhanced premium tax credits expire Dec. 31

- Most lawfully present, non-citizens below 100% FPL no longer eligible for premium tax credits

- For premium tax credit recipients, including under 400% FPL, removes limits on excess advance tax credit repayments

Federal changes impacting Washingtonians



Meet Ed

A customer from
Battleground
(Clark County)

[Hear Ed's story](#)

Mitigation impacts on subsidized customers

Income *	Average Premium		Increase
	2025	2026	
Below \$15,650	\$ 24.58	\$ 493.32	1907%
\$15,650 - \$23,475	\$ 51.26	\$ 95.88	87%
\$23,476 - \$31,300	\$ 61.76	\$ 122.91	99%
\$31,301 - \$39,125	\$ 89.30	\$ 70.14	-21%
\$39,126 - \$46,950	\$ 168.96	\$ 137.78	-18%
\$46,951 - \$62,600	\$ 257.52	\$ 196.35	-24%
Above \$62,600	\$ 452.12	\$ 823.21	82%

Cascade Care
Savings Eligible

- ▶ Premium alignment results
- ▶ Includes applicable federal tax credit and Cascade Care
- ▶ Includes cross-mapped results

*Annual income band reflects a one-person household

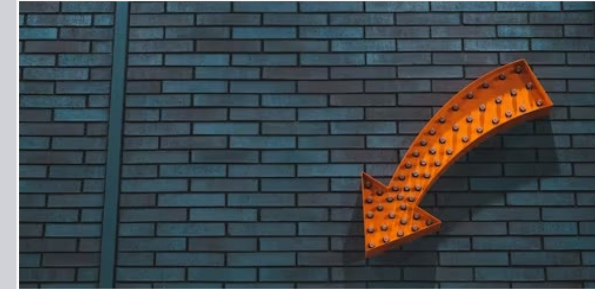
Week 4 highlights of OE 2026



Impact of federal policy changes vary broadly



Increase customer support needs



Fewer new customers and more people dropping coverage

Upcoming tax credit (and other) changes



- Most lawfully present, non-citizens above 100% FPL no longer eligible for premium tax credits
- People denied Medicaid due to work requirements not eligible for tax credits

Other changes:

- Open enrollment limited to 9 weeks
- AV changes increase out of pocket costs

- Enrollees lose premium tax credits if fail to file and reconcile income every year

Other changes:

- New enrollees no longer be conditionally enrolled
- Returning enrollees no longer be auto-enrolled into same or similar plans

Access and affordability challenges ahead

Premium alignment
may not be
permitted in 2027

Cascade Care Savings
funding only
through 2026

Impact on the
stability of the
individual market

Ongoing federal
threats to
immigrant health

Continuing growth
in premium costs

Medicaid changes
impacting eligibility



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