

Plan Year 2026 Cascade Care Savings Policy Options for Public Comment (October 21 – November 20, 2024)

Background: Cascade Care Savings Program

The Washington State Legislature created the State Premium Assistance Program, known as Cascade Care Savings (CCS) (SB 5377) in 2021. The program, launched in plan year 2023, is currently funded through an appropriation by the Legislature to benefit individuals with incomes up to 250% of the federal poverty level (FPL). RCW 43.71.110 outlines the responsibilities of the Washington Health Benefit Exchange (the Exchange) in administering the program.

Policy Change Goals & Opportunities:

Due to annual premium increases and enrollment growth, state-funded subsidies that customers use today to lower their premiums will not stretch as far in future years. Options for policy refinement present opportunities for the Exchange to:

- (1) Advance equity – Prioritize subsidy for populations most at risk of losing coverage or being uninsured
- (2) Serve as a responsible steward of state resources:
 - Encourage market behavior that advances affordability & plan quality
 - Maximize the benefit of public investment

Current Program Policy	2024 Impact
<ul style="list-style-type: none"> • Two fixed maximum per member, per month (PMPM) amounts—one amount for those eligible for federal subsidies and another for those not eligible for federal subsidies. • Customers up to 250% FPL, who maximize all available federal subsidies, are ineligible for Medicare or Medicaid, and are enrolled in Cascade Care Silver and Gold plans are eligible. • Lowest cost Cascade Care Silver plan provides the benchmark plan rate for purposes of determining maximum subsidy amount available to eligible individuals. 	<ul style="list-style-type: none"> • Outside factors (continued premium increases, enrollment increases, federal and state funding) impact how far the subsidy budget can stretch. • Under the current policy, setting PMPM subsidy amounts is the only lever the Exchange has to manage state subsidy budget in a dynamic market. • ~100,000 customers with federal subsidies receive state subsidy (average utilization of \$33 PMPM). • ~6,000 customers without federal subsidies (~25% of whom are customers without a documented status) receive state subsidy (average utilization of \$250 PMPM). • 93,000 enrollees have access to a \$0 plan, with about 42,000 enrollees choosing the \$0 plan. • About 30% of customers (~35,000) income-eligible for state subsidy do not receive it because they are not enrolled in an eligible plan. Half of these customers are enrolled in non-standard Silver plans and more than 40% are in Bronze plans.

Questions on which the Exchange seeks stakeholder feedback:

The Exchange seeks your feedback on the policy approaches listed below. Please use the questions as a lens to provide feedback on each policy approach, along with any other general feedback you may have. We also ask that you provide responses to the specific questions that follow each policy approach outlined below.

1. What, if any, equity implications might the policy approaches raise?
2. What, if any, concerns do you have about the policy approaches below (as stand-alone policy options or if combined)?
3. Are there any options that should be combined?
4. Are there options not listed that you would like the Exchange to consider?

Limiting CCS Plan Eligibility

Target Plans Eligible for Cascade Care Savings Based on Affordability:

Overview: This option would target plans eligible for CCS to Cascade Care Silver and Gold plans that are within a fixed percentage of the lowest cost Cascade Care Silver or Gold plan in each county. This proposal does not adjust the subsidy benchmark (the lowest cost Cascade Care Silver plan in each county) but includes an affordability benchmark that determines the plans to which CCS may be applied. This approach encourages affordability by incentivizing carriers to limit premium increases to stay within the benchmark threshold required for CCS eligibility. See Appendix A for examples on how different percentage benchmark thresholds may impact plan eligibility for CCS within a county, based on 2025 rates.

Equity: Low-cost plans are a driver of high Exchange enrollment. This approach would allow the Exchange to target limited resources to customers who are the most price sensitive and who require state subsidy to get and stay covered. Based on actuarial calculations, this approach results in more low-income customers enrolled in the Exchange.

Stewardship of state resources: As premiums increase, this approach encourages all carriers to maintain affordable plans. Carrier incentive to achieve the benchmark will drive lower premium prices and preserves state resources for coverage in more affordable plans. This approach allows a higher percentage of premiums to be covered by federal subsidy first before state dollars are used.

Specific questions for stakeholders on approach of limiting CCS-eligible plans based on affordability:

1. Which of the example affordability benchmarks (shown in appendix A) should be implemented?
2. Should Silver and Gold level plans have the same affordability benchmark percentage?

Target Plans Eligible for Cascade Care Savings Based on Quality:

Overview: This option would target plans eligible for CCS to Cascade Care Silver and Gold plans that meet defined quality standards. The following five options show examples of potential quality thresholds. See Appendix B for examples of how different quality thresholds may impact plan eligibility for CCS within a county.

Quality Policy Option	Policy Option Detailed
Quality Rating System (QRS) Performance	Limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that have a CMS QRS star rating score of 4+ (either global star rating or a summary indicator).

Quality Program Performance Expectations	Limit CCS eligibility to plans that meet quality performance expectations specified in the Exchange Guidance for Participation. For example, limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that achieve the Exchange quality expectation (currently NCQA 66 th Percentile Commercial-All LOB screening rate for 2022) for the required Quality Improvement Strategy (QIS) cervical cancer screening measure. Quality performance expectations may change in measure or standard over the years.
Race Data Collection Completeness	Limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that achieve the Exchange quality expectation of 80% directly reported customer race data.
Performance on Reportable HEDIS Measures at or Above 50 th Percentile	Limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that achieve a 50 th percentile performance (compared to Commercial All-LOB rates) on at least 50% of reportable* HEDIS measures.
Improvement on Selected Metric(s)	Limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that demonstrate improvement on specified quality metrics, such as those outlined in options 1- 4 above. Option 5 could be used alone or in combination with options 1- 4. For example, limit CCS eligibility to Silver and Gold Cascade Care plans of carriers that either met the cervical cancer screening performance expectation or improved their screening rate by 5% or more over the past year.

*For a HEDIS measure to be reportable, it needs a minimum denominator of 30 (hospital readmissions rate has a minimum denominator of 150 patients).

Equity: This policy option targets limited resources toward enrollment in plans that meet quality standards.

Stewardship of state resources: Carriers will be incentivized to meet national quality benchmarks, which over time can reduce health care costs. State resources will be reserved for higher-quality plans.

Specific questions for stakeholders on approach of limiting CCS-eligible plans based on quality:

1. If implemented, which quality benchmark(s) should be included?
2. Currently, some more affordable Exchange carriers and some carriers offering public option plans are less likely to meet some of these quality benchmarks. How should the Exchange consider the balance between affordability and quality when considering these options?

Limiting Customer Eligibility for CCS to Carrier's Highest-Value, Lowest Cost Plans, if available

Refine Metal Level Eligibility:

Overview: This option refines CCS eligible plans to ensure customers maximize the savings available to them. Customers not eligible for federal subsidies and customers over 200% FPL, regardless of eligibility for federal subsidies, would be able to apply their CCS to Cascade Care Silver and Gold plans. Customers eligible for federal subsidies (including cost-sharing reductions) who are under 200% FPL, would be eligible to apply their CCS only to Cascade Care Silver plans. This option encourages customers with access to cost sharing reductions that elevate their Silver plan to the equivalent of a Gold or Platinum tier, to best maximize their savings. Customers between 151% and 200% FPL are eligible for an 87% AV Silver variant plan (richer than a Gold plan) and customers up to 150% FPL are eligible for a 94% AV Silver variant plan (richer than a Platinum plan). See appendix C for more on CSR eligibility and how this option differs from current state.

Equity: This approach reduces customer confusion and potential plan choice error by encouraging customers to enroll in a carrier's best value plan for them (lower cost-sharing and lower premium) to maintain their CCS. In current state, we understand that some customers may be swayed to purchase a lower-value, higher premium Gold plan because of the "Gold" label, and this option would help customers to identify and enroll in a richer, lower premium option for which they qualify.

Stewardship of state resources: Overall premium costs for CCS-eligible plans will be reduced while retaining customer plan choice. This maximizes the effectiveness of CCS by reserving state subsidy dollars for qualifying customers enrolled in lower premium plans that meet their cost-sharing needs.

Expanding CCS Customer Eligibility

Increase eligibility to 300% FPL

Overview: This policy option would increase the eligibility for CCS from up to 250% FPL to up to 300% FPL. This expansion in eligibility would increase the reach of CCS to an additional group of low-income customers who are especially at risk for becoming uninsured with the sunset of enhanced federal subsidies. The fixed CCS budget would therefore be distributed to more customers. Importantly, as customer FPL increases, the federal subsidies they are granted decrease. For CCS eligible customers, as their federal subsidies decrease due to FPL, their CCS increases, capturing a larger portion of the fixed CCS budget. See Appendix D on how the sunset of enhanced federal subsidies would impact customers between 250% and 300% FPL.

Equity: Currently, the Exchange has over 21,000 customers between 251% and 300% FPL (annual income of between ~\$37,650 - \$45,180 for a household of one) who would gain access to state subsidy if CCS eligibility was expanded up to 300% FPL, 40% of whom would be customers of color. Over 30% of newly eligible customers would be 55 and older. This group of customers stands to lose the greatest dollar amount of federal subsidies of customers <400% FPL with the sunset of the enhanced federal tax credits. However, expanding eligibility to those not eligible today would reduce the available amount of subsidy dollars for those up to 250% FPL who are eligible today.

Stewardship of state resources: Newly CCS eligible customers may increase both Exchange enrollment and market competition across carriers for that enrollment. If paired with a different carrier incentive strategy above (e.g., limiting CCS eligibility based on plan affordability or quality), increasing the percentage of our market that could be eligible for CCS results in stronger market incentives for carriers to meet affordability and quality benchmarks necessary to qualify for CCS.

Encouraging Full Use of Federal Subsidies

Encourage full use of available federal subsidy to maximize state investment

Overview: This policy option would encourage customers to maximize the use of federal subsidies for which they are eligible in order to be eligible for CCS. The current policy allows some customers with documented status who may have the opportunity to access federal subsidies but are determined ineligible to receive federal subsidies for certain reasons to apply the full amount of CCS to their premium (currently \$250 PMPM). For example, a customer may opt not to file taxes or may have access to other affordable minimum essential coverage, which prevents them from receiving any APTC, but does allow the customer to receive the maximum amount of CCS. This policy option would limit the situations in which a customer not eligible for federal subsidies may receive the full amount of CCS. See Appendix E for reasons why customers may be found not eligible for federal subsidies.

Equity: This option would encourage customers who have access to federal subsidies to take reasonable action to capture APTC for which they may be eligible, maximizing their premium savings. The Exchange seeks to strike a balance with this option to ensure that customers facing circumstances that result in a hardship for them to access federal subsidies can still access CCS, and seeks stakeholder feedback on such circumstances.

Stewardship of state resources: This option would ensure all reasonably accessible federal subsidy is applied before CCS dollars are applied to premiums of eligible individuals, extending the reach of state investment.

Specific questions for stakeholders on approach of encouraging full use of federal subsidies:

- (1) Are there any federal subsidy denial reasons (listed in Appendix E) that you strongly recommend we should not allow CCS (currently maximum \$250 PMPM for PY 2025) for?
Are there any denial reasons that you strongly believe we should still allow CCS for?
- (2) Are there equity impacts for any of the federal subsidy denial reasons that the Exchange should consider?

Appendix A:

Limit Cascade Care Plans Eligible for Cascade Care Savings Based on Affordability

Silver Plans Meeting the Proposed Affordability Benchmark

*Based on 2025 final rates

	King	Lincoln
	Plan Landscape: - 9 carriers - 10 standard Silver plans	Plan Landscape: - 5 carriers - 6 standard Silver plans
15%	<u>Standard Plans Eligible for CCS:</u> - Coordinated Care Public Option \$414.99 - CHPW \$434.17 - Coordinated Care \$454.64 <u>Standard Plans Not Eligible for CCS:</u> - Molina \$495.32 - KPWA \$547.69 - United \$579.90 - LifeWise Standard Plan \$595.96 - Regence BS \$609.49 - BridgeSpan \$639.68 - Premera \$837.75	<u>Standard Plans Eligible for CCS:</u> - CHPW \$427.88 - Coordinated Care Standard Plan \$432.09 - LifeWise Public Option \$486.01 - Molina \$488.28 <u>Standard Plans Not Eligible for CCS:</u> - LifeWise Standard Plan \$594.18 - United \$621.06
25%	<u>Standard Plans Eligible for CCS:</u> - Coordinated Care Public Option \$414.99 - CHPW \$434.17 - Coordinated Care Standard Plan \$454.64 - Molina \$495.32 <u>Standard Plans Not Eligible for CCS:</u> - KPWA \$547.69 - United \$579.90 - LifeWise Standard Plan \$595.96 - Regence BS \$609.49 - BridgeSpan \$639.68 - Premera \$837.75	<u>Standard Plans Eligible for CCS:</u> - CHPW \$427.88 - Coordinated Care Standard Plan \$432.09 - LifeWise Public Option \$486.01 - Molina \$488.28 <u>Standard Plans Not Eligible for CCS:</u> - LifeWise Standard Plan \$594.18 - United \$621.06

35%	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> - Coordinated Care Public Option \$414.99 - CHPW \$434.17 - Coordinated Care Standard Plan \$454.64 - Molina \$495.32 - KPWA \$547.69 <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> - United \$579.90 - LifeWise \$595.96 - Regence BS \$609.49 - BridgeSpan \$639.68 - Premera \$837.75 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> - CHPW \$427.88 - Coordinated Care Standard Plan \$432.09 - LifeWise Public Option \$486.01 - Molina \$488.28 <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> - LifeWise Standard Plan \$594.18 - United \$621.06
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Gold Plans Meeting the Proposed Affordability Benchmark

*Based on 2025 final rates

	King	Lincoln
15%	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> - Coordinated Care Public Option \$452.45 - CHPW \$467.94 - Coordinated Care Standard Plan \$495.69 <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> - Molina \$525.60 - KPWA \$583.02 - United \$685.28 - LifeWise Standard Plan \$716.87 - Regence BS \$792.60 - BridgeSpan \$827.20 - Premera \$1,056.81 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> -CHPW \$461.16 -Coordinate Care Standard Plan \$471.10 -Molina \$518.12 <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> -LifeWise Public Option \$582.49 -LifeWise Standard Plan \$714.72 -United \$733.92
25%	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> - Coordinated Care Public Option \$452.45 - CHPW \$467.94 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> -CHPW \$461.16 -Coordinated Care Standard Plan \$471.10 -Molina \$518.12

	<ul style="list-style-type: none"> - Coordinated Care Standard Plan \$495.69 - Molina \$525.60 <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> - KPWA \$583.02 - United \$685.28 - LifeWise Standard Plan \$716.87 -Regence BS \$792.60 -BridgeSpan \$827.20 - Premera \$1,056.81 	<p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> -LifeWise Public Option \$582.49 -LifeWise Standard Plan \$714.72 -United \$733.92
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Appendix B:

Target Cascade Care Plans Eligible for Cascade Care Savings Based on Quality:

Quality Policy Option	King	Lincoln
Quality Rating System (QRS) Performance	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> BridgeSpan, CHPW*, Kaiser WA, Molina, Premera, Regence WA <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> Coordinated Care, LifeWise, United 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, Molina <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> Coordinated Care, LifeWise, United
Quality Program Performance Expectations	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> Kaiser WA, Premera <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> BridgeSpan, CHPW, Coordinated Care, LifeWise, Molina, Regence WA, United 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> None
Race Data Collection Completeness Expectation	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, Kaiser WA <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> BridgeSpan, Coordinated Care, LifeWise, Molina, Premera, Regence WA, United 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> Coordinated Care, LifeWise, Molina, United
Performance on Reportable HEDIS Measures at or Above 50 th Percentile	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, Coordinated Care, Kaiser WA, Premera, Regence WA, United <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> BridgeSpan, LifeWise, Molina 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, Coordinated Care, United <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> LifeWise, Molina
Improvement on Selected Metric(s)	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, Kaiser WA, LifeWise, Molina, Premera <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> BridgeSpan, Coordinated Care, Regence WA, United 	<p><u>Standard Plans Eligible for CCS:</u></p> <ul style="list-style-type: none"> CHPW, LifeWise, Molina <p><u>Standard Plans Not Eligible for CCS:</u></p> <ul style="list-style-type: none"> Coordinated Care, United

*CHPW does not currently receive a QRS rating from CMS as it is too new of a carrier.

Appendix C:

Refine Metal Level Eligibility

CSR eligibility*

FPL	Silver Level CSR Variant & Metal Level Equivalent
151%- 200%	87% AV Variant Richer than a Gold plan
Up to 150%	94% AV Variant Richer than a Platinum plan

*Customers 201 -250% FPL are eligible for a 73% CSR variant which is equivalent to a slightly more comprehensive Silver plans. These customers would be eligible to apply their CCS to either a Silver or Gold Cascade plan depending on the cost sharing they need.

Actuarial value by metal level

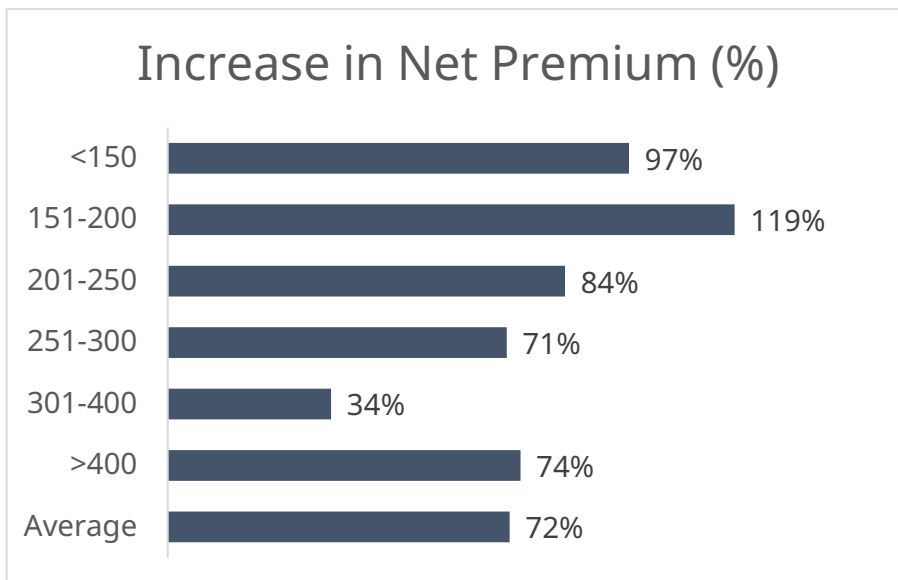
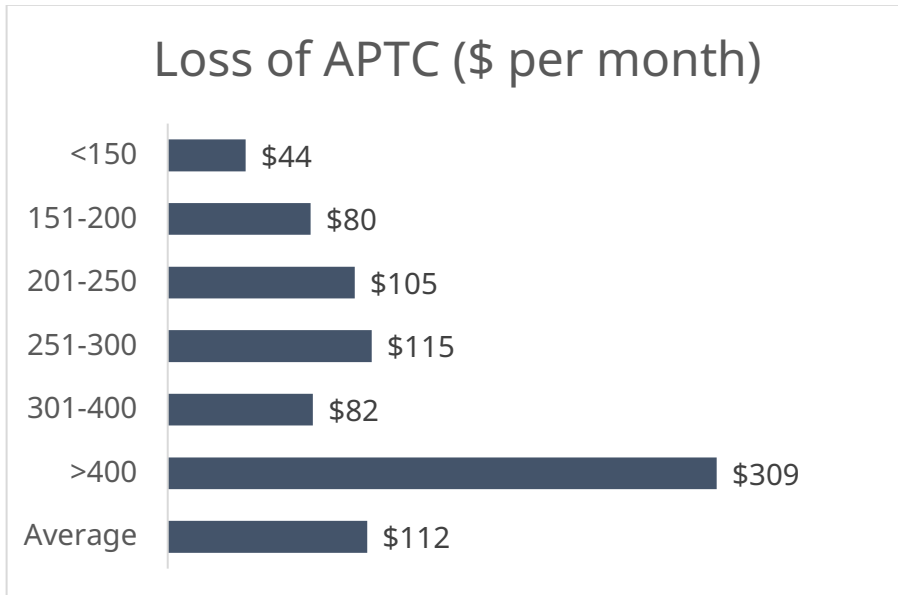
Metal levels are defined by the percentage of the average total costs the plan will cover for covered benefits (Actuarial Value). For example, in a Bronze plan, the carrier pays an average of 60% of the costs of care, in a Silver plan, the carrier pays an average of 70%, and in a Gold plan, the carrier pays an average of 80%. View the final PY 2025 Cascade Care plan design [here](#).

Current State of Customer Shopping Experience & CCS Availability	Proposed CCS Policy Change
<ul style="list-style-type: none"> While shopping in Healthplanfinder, customers eligible for the above level CSRs, are displayed only Silver and Bronze plans of any product. CCS is available for any Silver or Gold Cascade plan 	<ul style="list-style-type: none"> All customers eligible for CSRs at 87% and 94% AV level will have the same current state shopping experience For customers with federal subsidies at these CSR eligibility levels (up to 200% FPL), CCS will only be available for Silver level plans. <ul style="list-style-type: none"> These customers will still be able to shop and pick other plans, but CCS will not be applied.

Appendix D:

Increase Eligibility to 300% FPL

Enhanced federal subsidies are set to expire in 2026. Customers at higher income levels will experience larger losses of federal subsidies with the expiration of the enhanced subsidies. Those at lower income levels will experience larger percentage increases in net premium.



Appendix E:

Encourage Full Use of Available Federal Subsidy to Maximize State Investment

Currently there are ~5,500* customers that are not eligible for federal tax credit and are receiving full CCS, excluding customers without a federally recognized status. The primary reasons why a customer may be denied federal subsidies and, under current policy, would be eligible to receive full CCS (\$250 in 2025), include but are not limited to:

Customers not eligible for federal tax credits	
Does not intend to file taxes	~630
Failed to file or reconcile your taxes for the past two years (new starting in 2025)	~750
Income below allowable amount	~500
Not a qualifying tax dependent	<10
Eligible for other affordable coverage including, ESI, TRICARE, VA, Peace Corps	~2,800
Married filing taxes separately	~830

*As of September 2024