

# PY 2025 Cascade Care Savings Maximum Per Member Per Month Methodology

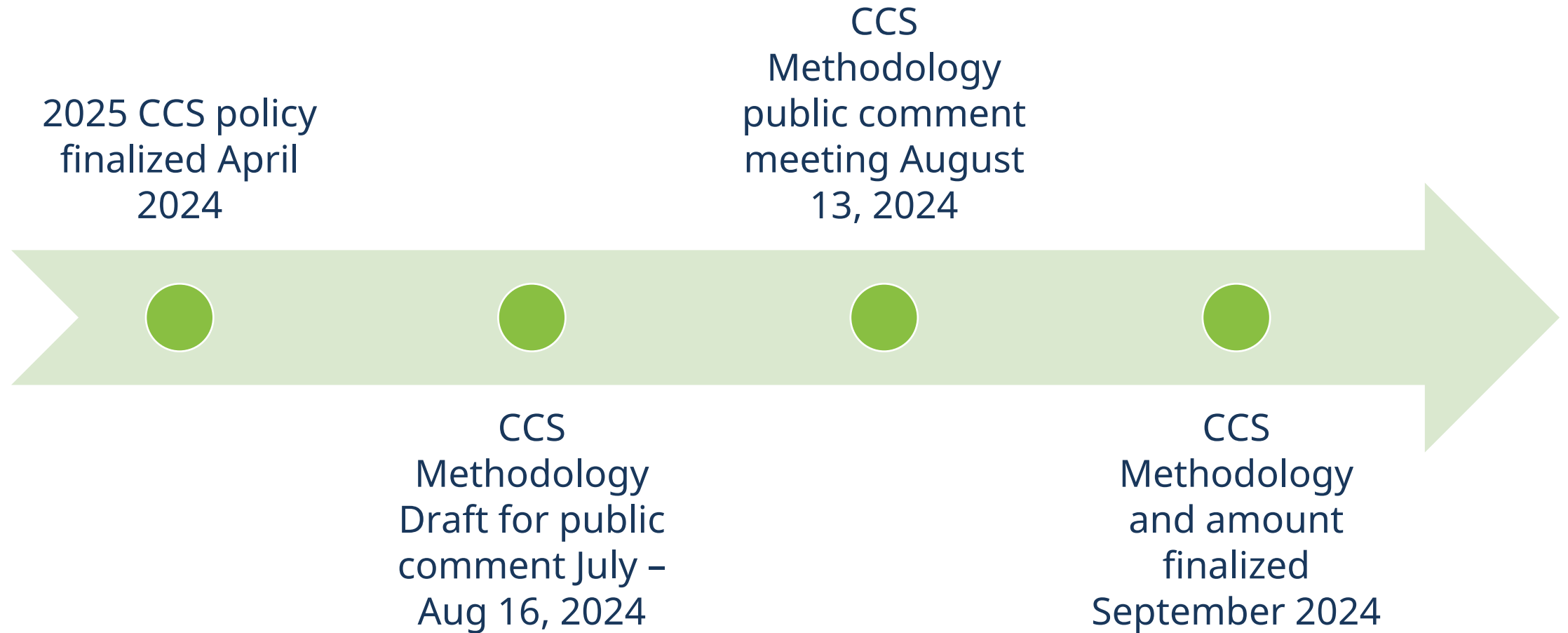
Exchange Policy Committee  
August 20, 2024

# Overview

- 2025 Cascade Care Savings Milestones
- Cascade Care Savings Overview
- Options & Considerations for 2025
- Stakeholder Feedback



# 2025 Cascade Care Savings Policy & Amount Timeline



# Cascade Care Savings Eligibility & PMPM

## Are you eligible for Cascade Care Savings?

Household income up to 250% of the federal poverty level ✓

Apply for and accept all available federal tax credits ✓

Not eligible for minimum essential coverage through federal or state programs, like Medicare or Washington Apple Health ✓

Enrolled in a high-quality Cascade Care Silver or Gold plan through *Washington Healthplanfinder* ✓

Qualified health plan (QHP)-eligible resident of Washington state ✓

*American Indian/Alaska Native (AI/AN) individuals may enroll in any plan that allows them to take advantage of their \$0 cost-sharing reduction benefit.*

- ▶ In 2024, eligible customers receive a maximum monthly state premium subsidy of:
  - ▶ **\$155 per month** for customers eligible for federal tax credits
  - ▶ **\$250 per month** for customers not eligible for federal tax credits



# Customer Benefits in Action



Customer With APTC

Lowest Cost Cascade Care Silver Plan	2024 Monthly Amount
Gross Premium	\$378
Federal Tax Credit	\$366
Cascade Care Savings	\$12
Net Premium	\$0

Customer Without APTC

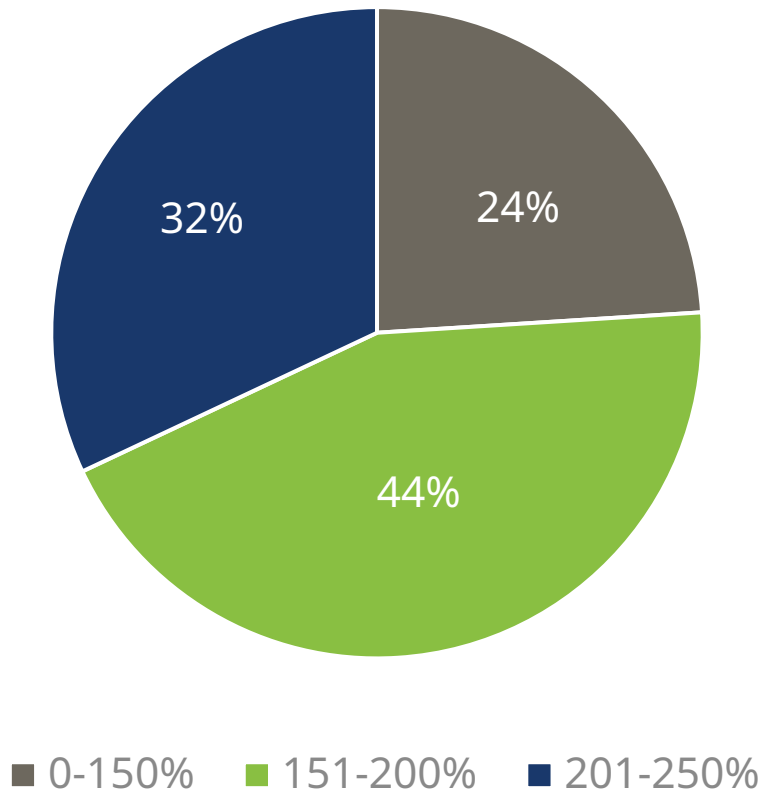
Lowest Cost Cascade Care Silver Plan	2024 Monthly Amount
Gross Premium	\$378
Federal Tax Credit	N/A
Cascade Care Savings	\$250
Net Premium	\$128

- 35-year-old customer.
- Their annual income of \$24,588 makes them eligible for state subsidies.
- Enrolled in a Community Health Plan of WA Public Option plan.

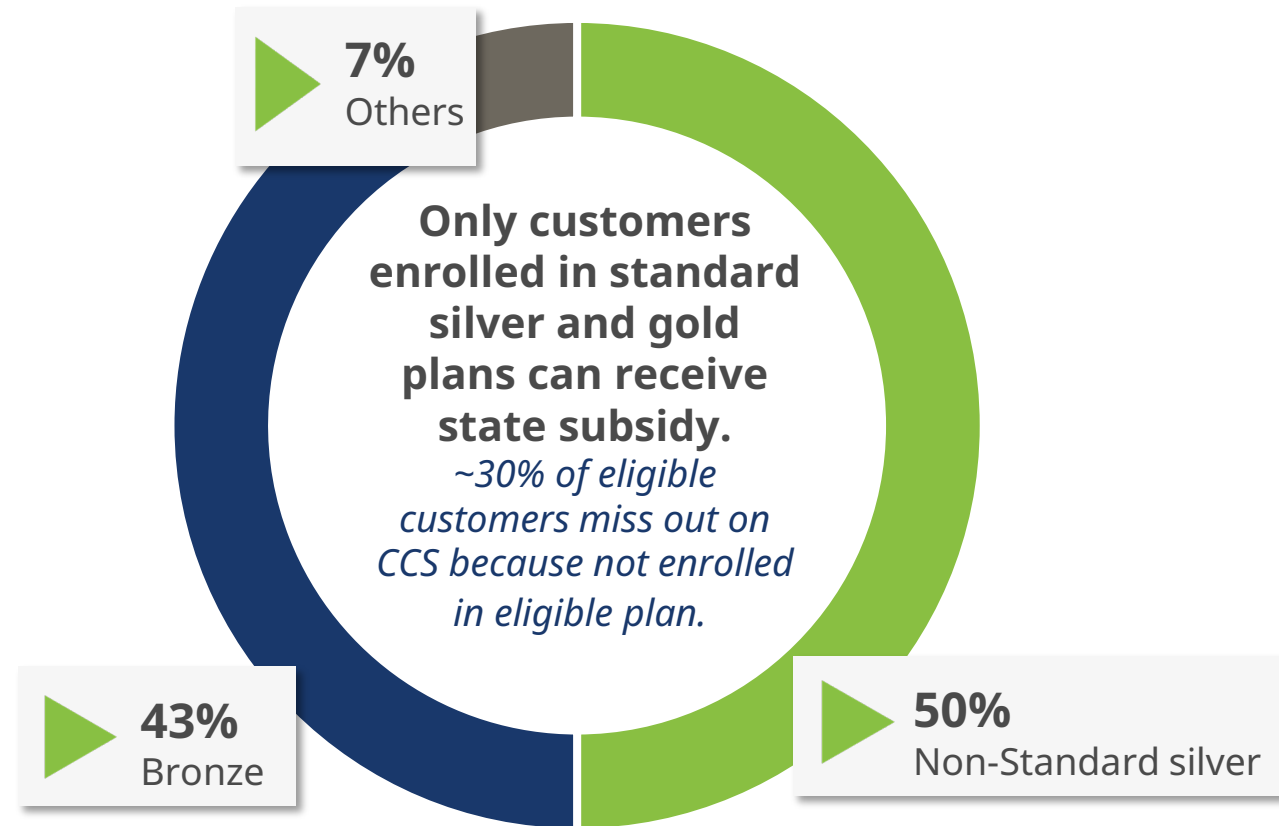
# CCS is Lowering Premiums for Over 100,000 Customers

~100,000 customers with APTC | ~6,000 customers without APTC

### Percentage of Cascade Care Savings Recipients by FPL



### 35,000 Customers Leaving Behind State Subsidy, by Plan Type



\*Data in tables from Exchange 2024 Spring Enrollment Report

# Subsidy Cannot Keep Pace with Increasing Rates

*Cascade Care Savings Budget is \$55M for PY 2025*

Carrier premium increases are the primary driver of 2025 changes.

Maintaining customers' same maximum monthly amounts 2024 to 2025 projected to result in nearly \$10M overspend of 2025 CCS budget.

	2024 Best Estimate	2025 Best Estimate With Draft 2025 Rates	Change
Source Tab:	[1]	[2]	[2]-[1]
<u>CCS Maximum Subsidy:</u>			
Group 1	\$155	\$155	
Group 2/3	\$250	\$250	
<u>Enrollment:</u>			
Group 1	95,580	101,900	6,320
Group 2	4,210	5,270	1,060
Group 3	1,130	2,060	930
Total Exchange Enrollment	262,290	266,090	3,800
<u>CCS Expenditures (in millions):</u>			
Group 1	\$42.1	\$44.2	\$2.1
Group 2	\$12.6	\$15.7	\$3.1
Group 3	\$3.4	\$6.2	\$2.8
<b>Total</b>	<b>\$58.1</b>	<b>\$66.1</b>	<b>\$8.0</b>

\*Based on initial rates filed with OIC. Proposed rates are subject to OIC approval and Exchange Board certification

Group 1: federally subsidized customers; Groups 2/3: non-federally subsidized customers, including IHC

# Range of Illustrative Scenarios Released for Public Comment

## Reduce Monthly Amount Across All Groups

APTC Group: \$90  
Non-APTC Group: \$200

- ▶ 93% of customers with APTC have access to \$0 CCS plans
- ▶ Maximizes Exchange enrollment

## Reduce Monthly Amount for Federally Subsidized

APTC Group: \$65  
Non-APTC Group: \$250

- ▶ 69% of customers with APTC have access to \$0 CCS plans
- ▶ Maximizes per member per month for customer who are not federally subsidized

## Reduce Monthly Amount to Maintain 10% Reserve

APTC Group: \$80  
Non-APTC Group: \$160

- ▶ 77% of customers with APTC have access to a \$0 CCS plans
- ▶ \$5.5M of PY 25 budget in reserve



Customer monthly subsidy amount must be reduced to stay within \$55M annual budget

# Stakeholder Feedback Themes

- ▶ Fully expend current appropriation
  - ▶ Desire to not reduce customers' maximum monthly subsidy amount
  - ▶ Stakeholders suggest not maintaining a reserve
- ▶ Prioritize maximum state subsidy for those who do not receive APTC

# Looking Ahead: Customer Premium Subsidies in 2026

- ▶ August:
  - ▶ HBE considers stakeholder and board input
  - ▶ Also considering potential disruptions in 2025 and 2026
- ▶ September:
  - ▶ Methodology and amount finalized



# Appendix

# Primary Effort for Exchange Customer Affordability

## 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**

# Cascade Care Savings Goals

- ▶ Serve Exchange's core mission of reducing the uninsured in Washington
- ▶ Advance health equity
- ▶ Provide a bridge for individuals transitioning between Medicaid and QHP eligibility
- ▶ Soften impact for customers most affected by the potential loss of federal subsidies
- ▶ Maximize impact of state investment into affordable individual market coverage
- ▶ Positively impact the individual market risk pool
- ▶ Grow enrollment

# Scenarios Illustrate Distinct Population Impacts

CCS Max PMPM Options Impact on Customers w/ CCS & APTC

CCS Max PMPM	% with \$0 net premium	% with <\$10 net premium	% with <\$25 net premium
\$155	98.7%	99.0%	99.4%
\$145	98.5%	98.8%	99.1%
\$135	98.0%	98.5%	98.9%
\$125	97.8%	98.1%	98.7%
\$115	97.6%	97.9%	98.3%
\$105	96.8%	97.7%	98.1%
\$90	93.0%	96.3%	97.7%
\$80	77.4%	93.1%	96.9%
\$75	76.2%	91.3%	96.4%
\$65	69.1%	76.5%	93.2%

- Nearly all customers eligible for APTC and CCS can access \$0 net premium in 2024
- Customers ineligible for APTC utilize all available state subsidy
  - 2024 average monthly net premium: \$212



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