

Carrier Readiness for Plan Year 2025

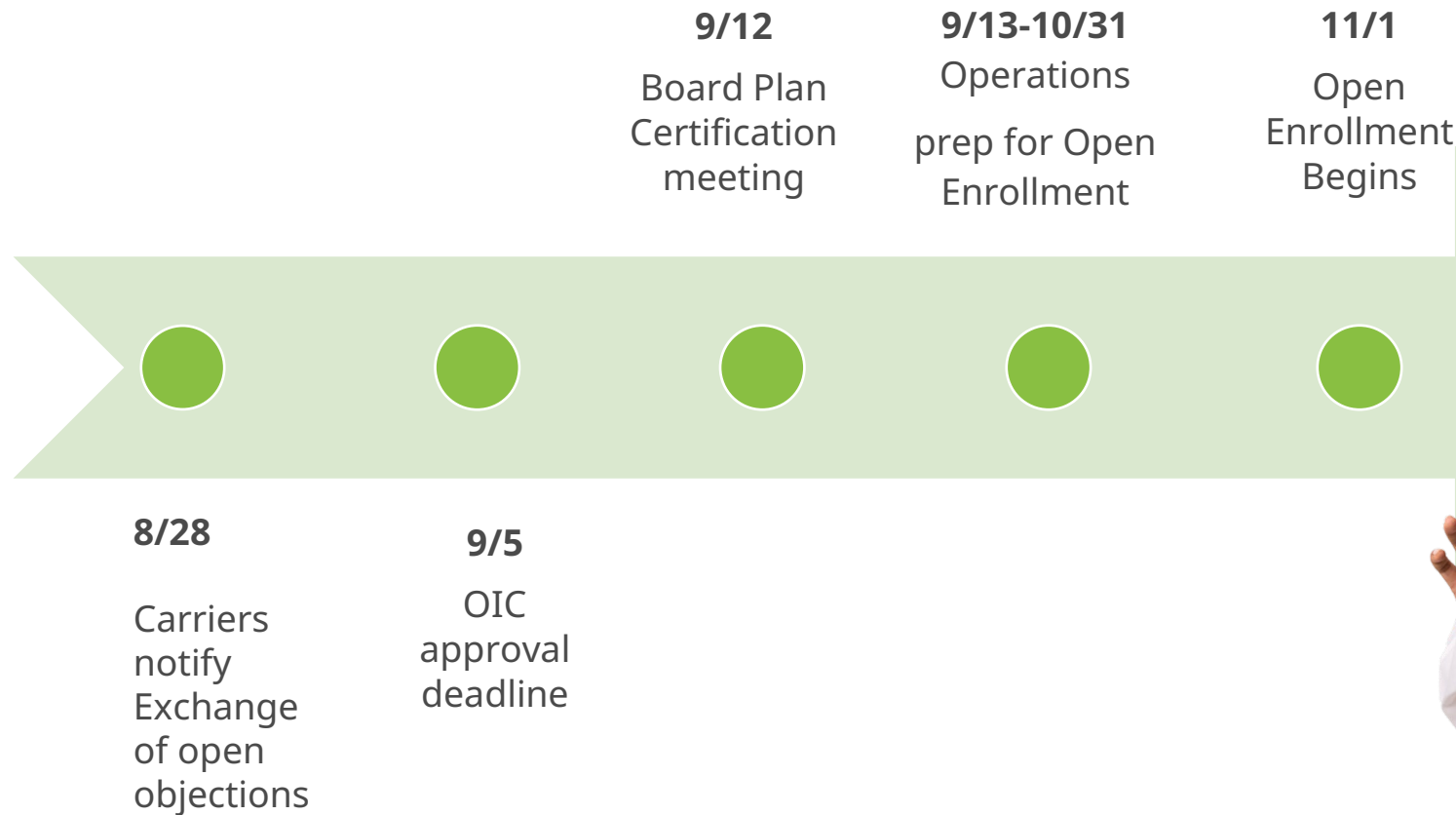
Policy Committee August 20th, 2024

Today's Agenda

- ▶ Preparing for 2025
 - ▶ Carrier Offerings
 - ▶ Major Milestones
- ▶ HBE Board Certification
 - ▶ Progress
 - ▶ Expectations



Why are we talking about 2025 plans in August?



Framing Plan Year 2025: What's On the Horizon

▶ Market is stable and crowded

- ▶ *11 Carriers and 74 Plans - most carriers offering in same counties or expanding*
- ▶ *PacificSource (~3,300 members) exits the Exchange*

▶ Premiums are increasing

- ▶ *Changes by carrier vary widely from +6% to +24%*
- ▶ *Customer net premium change will depend on whether they have a subsidy and the amount*

▶ Reduced Cascade Care Savings

- ▶ *Monthly state subsidy amount must be reduced because of premium increases*



Driving Toward Timely Board Certification



Thanks for your support in additional process changes last year after six (of 12) carriers were not approved in time

Added requirements:

- Clarified carrier communication requirements if OIC approval is at risk
- Carriers will not be presented to the board on Sept 12 if deadline is missed
- Board has discretion about whether to consider a special meeting for late carriers

Supporting a Transparent and Collaborative Certification Process

Board Engagement



- ▶ At March Policy Committee, introduced process improvements reinforcing importance of timely plan certification
- ▶ Initial 2025 rates previewed to Board in July's broader affordability discussion
- ▶ *Discussion at August Policy Committee of carrier progress*

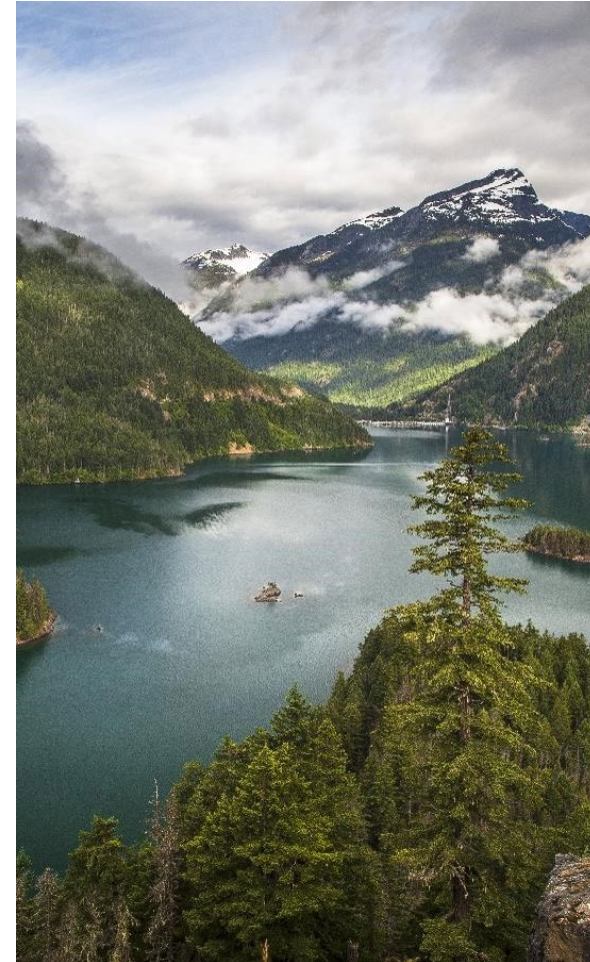
HBE-OIC Collaboration

- ▶ Coordinated on due dates, messaging, and updated Guidance
- ▶ Checking in with OIC on progress for key milestones
- ▶ *Carriers must obtain OIC approval by 9/5 to be considered for Board certification on 9/12*

Visibility into the 2025 Carrier Filings

Plan Landscape and Expected Changes from Initial Filings

- ▶ Carrier Service Area Changes
 - ▶ LifeWise exiting 3 counties
 - ▶ Coordinated Care now statewide
 - ▶ No changes to service areas from initial filings
- ▶ Some non-standard plans discontinued
 - ▶ KP Virtual plans, LifeWise HSA
- ▶ Notable changes from initial to final rates for select carriers driven by risk adjustment



2025 Visibility: Carrier Survey Responses

1. *Do you consider your individual market filing on track to be approved by OIC by September 5?*

- ▶ **All carriers responded yes**

2. *Do you anticipate significant changes to your plan filings from the benefits, rates, or service areas that you submitted with your initial filings?*

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

3. *Please inform us if you have concerns about your readiness for open enrollment with respect to Exchange plan certification documentation, file transfer, or Healthplanfinder display issues.*

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

4. *Is there anything else you wish the Board to be aware of as they prepare to certify plans in September?*

- ▶ **No carriers shared more information**



2025 Plan Certification Readiness - Takeaways

- ▶ Good news – current no known issues likely to prevent any carrier from securing OIC approval by September 5
- ▶ Some carriers still struggling to meet plan certification deadlines
 - ▶ KP WA, United, and Dentegra submitted remediation plans for late deliverables
- ▶ While final filings are generally expected to look similar to initial filings, some rate changes will have significant customer impacts



Estimated Initial to Final Rate Changes

Following Risk Adjustment Payments, Some Carrier Rates* Shift

Carrier	Initial	Estimated Final
BridgeSpan	20.3%	14.9%
CHPW	4.5%	9.3%
Coordinated Care	12.1%	9.3%
Kaiser NW	6.4%	9.9%
Kaiser WA	7.9%	8.5%
LifeWise	8%	8%
Molina	7.5%	6.4%
Premera	14.9%	14.9%
Regence OR	9.3%	9.3%
Regence WA	23.8%	22.8%
United OR	23.6%	23.7%

*August 2024 estimates from OIC, weighted for enrollment and includes off-Exchange enrollment

Appendix

Carrier Plan Certification Progress Survey

We asked the carriers:

At this point, do you consider your individual market filing on track to be approved by OIC by September 5?

- ▶ 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 2025).

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 (11%), Financial Experience (7%), Admin Costs (1.4%), Product Design (-0.2%)
CHPW	Medical/Pharmacy inflation (2.8%)
Coordinated Care	Unit Cost (8%), Utilization (5.4%), Benefit design changes (-3.2%-6.4%), Admin costs (-8.3%)
Kaiser NW	Medical claims (4%), Admin costs (2%)
Kaiser WA	Claims (11.2%), Admin costs (1.4%), Risk adjustment and exchange fees (-3.6%)
LifeWise	Medical/Pharmacy services (5.37%), utilization (2.39%)
Molina	Medical/Pharmacy Utilization (6.2%) and unit cost (3.8%); Admin costs (0.4%), Taxes and fees (0.5%)

Reasons for Proposed Rate Increases

Carrier	Explanation
Premera	Medical/Pharmacy services (6.88%), utilization (3.36%)
Regence OR	Medical trend (11%), Higher than expected claims (9%), Network Arrangements (-5%), Other (2%)
Regence WA	Medical trend (11%), Higher than expected claims (11%), Other (2%)
United OR	Experience and Trend (22.4%), Changes in benefits (1%)

Other Market Factors: Risk Adjustment Payments and MLR Rebates

- ▶ 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 June
- ▶ Exchange is aware that Coordinated Care will be paying out MLR rebates to enrollees based on a rolling average of the last three years of premiums collected – no information on whether other carriers will be issuing MLR rebates to customers this year

Total Risk Adjustment and HCRP Transfers

COMPANY NAME	Total (RA + HCRP)	High Cost Risk Pool (HCRP) Receipts Only (Receipts: a.k.a. Payments to Carriers)	HHS Risk Adjustment State Transfer Amounts Only (Note: Receivables positive; Payables negative)
Molina Healthcare of Washington, Inc.	\$40,897,280.00	\$1,249,071.32	\$39,648,208.68
Premera Blue Cross	\$37,967,761.50	\$1,619,456.64	\$36,348,304.86
Regence BlueShield	\$18,619,689.05	\$90,629.72	\$18,529,059.33
PacificSource Health Plans	\$5,070,788.40	\$1,485,393.12	\$3,585,395.28
Asuris Northwest Health	\$2,477,870.73	\$0.00	\$2,477,870.73
BridgeSpan Health Company	\$1,279,125.86	\$85,359.74	\$1,193,766.12
Providence Health Plan	\$1,031,631.91	\$0.00	\$1,031,631.91
UnitedHealthcare of Oregon, Inc.	(\$1,318,462.16)	\$0.00	(\$1,318,462.16)
Regence BlueCross BlueShield Of Oregon	(\$3,425,334.87)	\$0.00	(\$3,425,334.87)
Kaiser Foundation Health Plan of the Northwest	(\$5,235,059.77)	\$147,855.75	(\$5,382,915.52)
Community Health Plan of Washington	(\$11,290,576.21)	\$0.00	(\$11,290,576.21)
Kaiser Foundation Health Plan of Washington	(\$13,399,252.05)	\$1,969,414.40	(\$15,368,666.45)
Lifewise Health Plan of Washington	(\$20,178,465.39)	\$208,932.76	(\$20,387,398.15)
Coordinated Care Corporation	(\$45,376,105.74)	\$264,778.00	(\$45,640,883.74)
Washington State Total	\$7,120,891.26	\$7,120,891.45	(\$0.19)

*HCRP is a federal reinsurance program under the Risk Adjustment Program that pays 60% of high-cost individual's claims over \$1 million. August 2024 analysis from OIC of [CMS Summary Report on Risk Payment Transfers for 2023](#)



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