

# 2026 Cascade Care Savings Policy



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December 5, 2024

# Cascade Care Savings Background

- Cascade Care Savings is Washington state's monthly premium assistance program
- During the 2021 session, the Washington State Legislature directed the Exchange to establish a state premium assistance program
- The program launched in 2023
- In 2024, more than 100,000 customers under 250% FPL accessed Cascade Care Savings



# Cascade Care Savings Goals

- ▶ Serve Exchange's 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 enhanced premium tax credits
- ▶ Maximize effect of state investment into affordable individual market coverage
- ▶ Positively affect the individual market risk pool
- ▶ Grow enrollment

# PY 2026 Policy Goals and Opportunities

- ▶ Advance equity by prioritizing subsidy for populations most at risk of losing coverage or being uninsured
- ▶ Serve as a responsible steward of state resources:
  - ▶ Encourage market behavior that advances affordability and plan quality
  - ▶ Maximize the benefit of public investment

# Board Direction to Sharpen Cascade Care Tools

- ▶ As **rates increase** and with the **expected loss of ARPA enhanced federal tax credits (ePTC)**, state subsidies cannot stretch as far to lower net premiums
- ▶ Opportunity to refine Cascade Care Savings policy for 2026
  - ▶ Target subsidies to customers who need them to get and stay covered



State subsidy

# Policy Options Released for Public Comment

Target plans eligible for Cascade Care Savings based on affordability

Target plans eligible for Cascade Care Savings based on quality

Refine metal level eligibility

Increase eligibility to 300% FPL

Encourage full use of available federal subsidy to maximize state investment

## Guiding questions

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?

# Public Comment Theme: Stability & Predictability

Four carriers & 33 consumer advocate organizations submitted comments

- ▶ Strong desire for stability and predictability in the policy given:
  - ▶ Federal environment
  - ▶ Expectations of ePTC expiration
- ▶ Concern that some policy proposals may have unintended customer consequences



# Public Comment Themes: Affordability & Quality Benchmarks

- ▶ Little support for affordability benchmark as published
  - ▶ Some commenters did not address this proposal in their feedback; some noted it would be too limiting for plan choice
- ▶ If a quality benchmark were to be pursued, commenters recommended using CMS overall quality star rating



# Public Comment Themes Cont.

- ▶ Strong consensus to refine metal level eligibility
  - ▶ I.e., for enrollees up to 200% FPL with federal subsidies, CCS only available in **silver** Cascade plans
- ▶ Mixed support of increasing eligibility to 300% FPL
- ▶ Strong consensus for encouraging the full use of available federal subsidies to maximize state investment
  - ▶ Commenters urged Exchange to ensure populations are clearly defined and exceptions are possible

# Alternate Policy Proposals from Commenters

- ▶ Tiered subsidy where all plans are eligible for a baseline amount of CCS, and plans with higher quality scores eligible for a larger subsidy amount
- ▶ Multiple fixed-dollar subsidy amounts for customers not eligible for federal subsidies
- ▶ Alternate affordability and quality benchmarks that use a multi-year look back
- ▶ Expanding CCS to bronze Cascade Care plans for Immigrant Health Coverage enrollees

# Next Steps

- First draft 2026 CCS policy will be released in December
- Second draft 2026 CCS Policy will be released early 2025 and public comment period held
- Final 2026 CCS Policy will be finalized by the end of March