

2025 Initial Rates: Challenges to Customer Affordability

Exchange Advisory Committee

June 27, 2024

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Third Consecutive Year of Rate Increases Over 9%

11% Market Wide Average Rate Increase

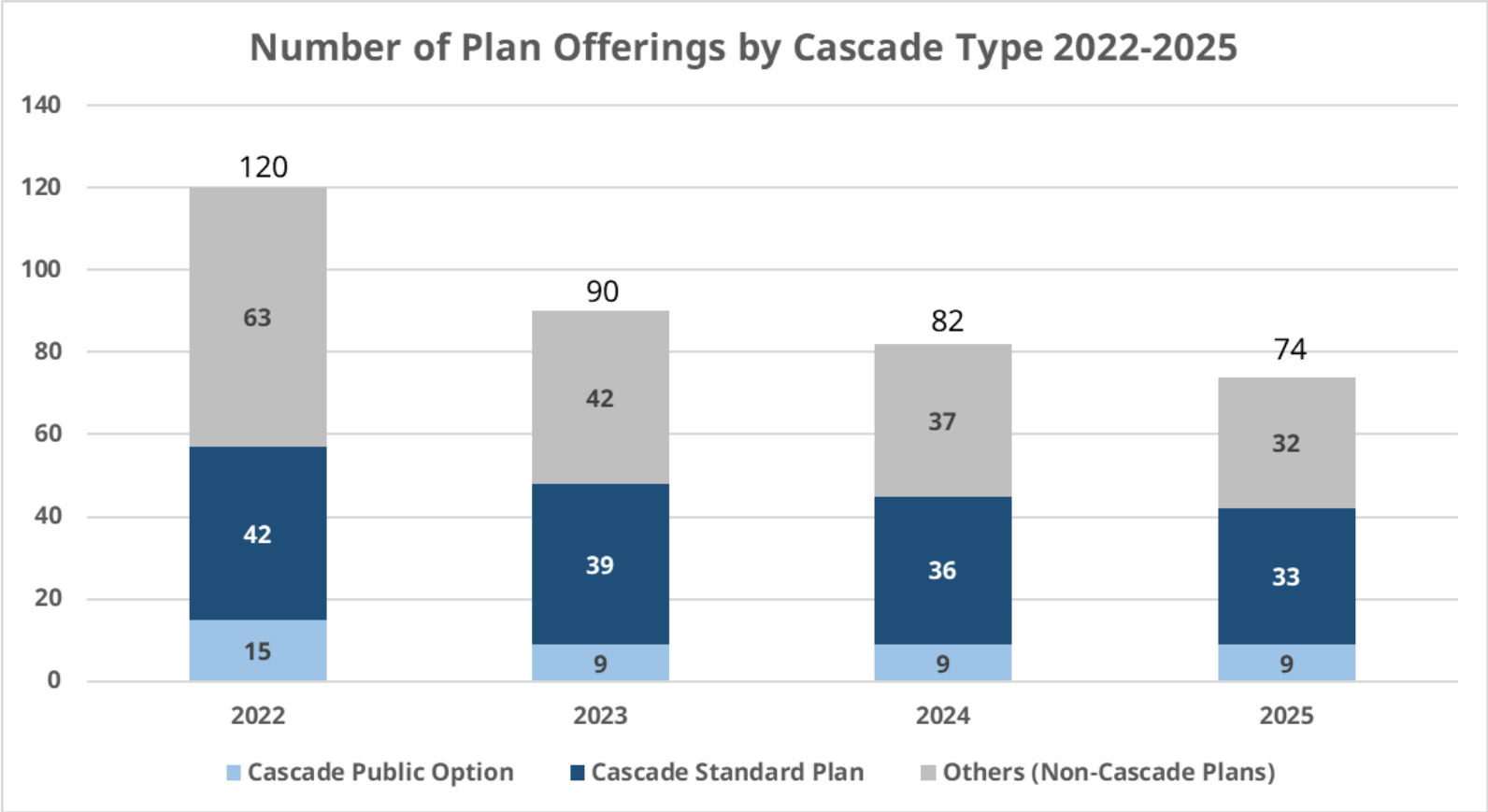
Carrier	Proposed Average % Increase*
UnitedHealthCare OR	24%
Regence WA	23%
BridgeSpan	20%
Premera	15%
Regence OR	15%
Coordinated Care	12%
Molina	8%
Kaiser WA	7%
LifeWise	8%
Kaiser NW	6%
CHPW	5%
Market Average	11%

- Nearly half of customers in renewing plans have proposed rate increases over 10%
- 2025 WA State Cost Growth target is 3%

*Weighted for Enrollment

Number of Proposed Plan Offerings Largely Unchanged

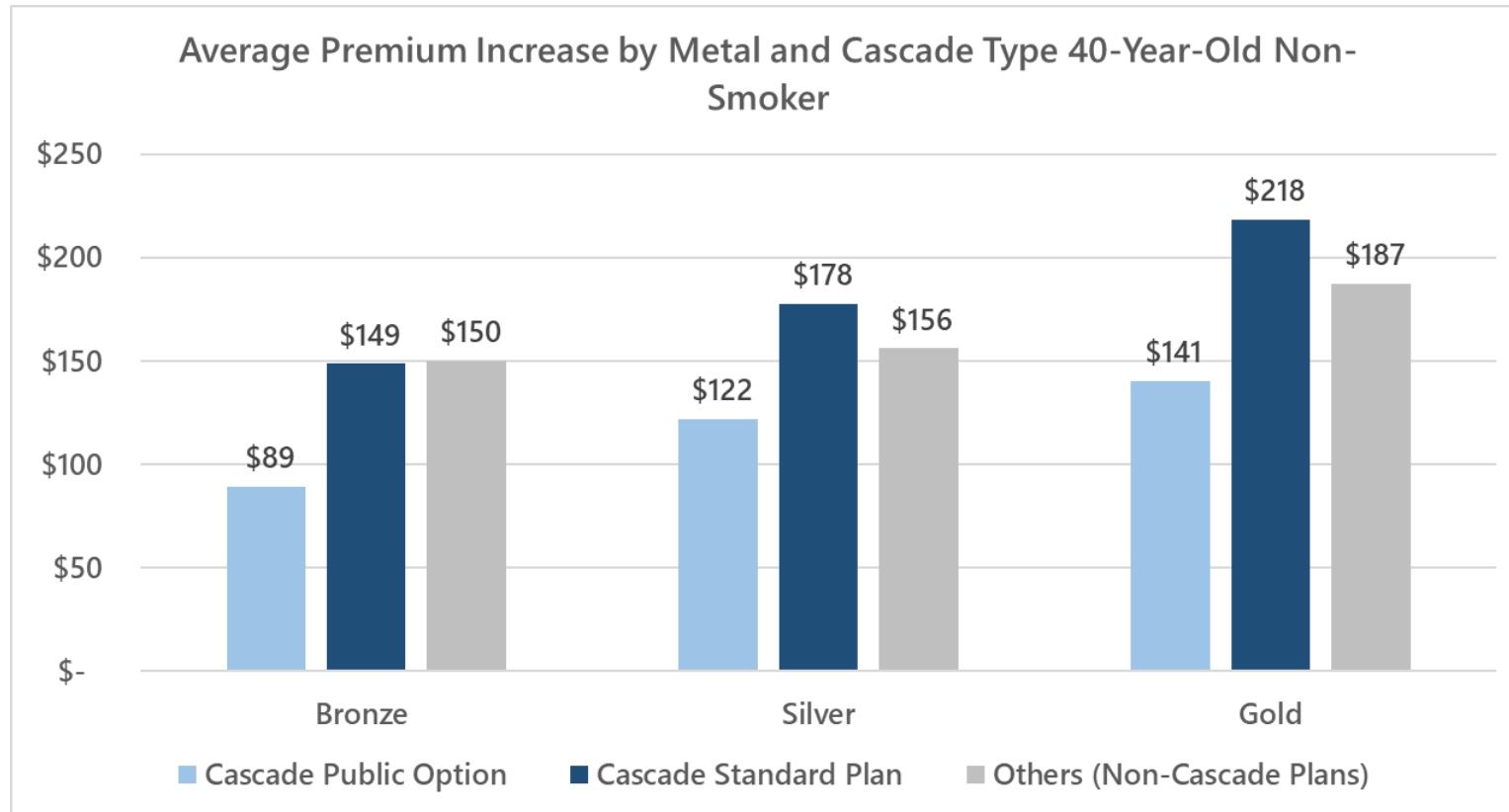
Exception is Exit of PacificSource



- Statewide coverage with 2-9 carriers in each county
 - 38 of 39 counties have three or more carriers
- Carriers responding to growing enrollment in standard plans
 - Consistency in number of non-standards
- Most non-standard plans at bronze level

All Plan Types and Metals Have Significant Proposed Rate Increases

Public Option Plans Have Lowest Average Rate Increases

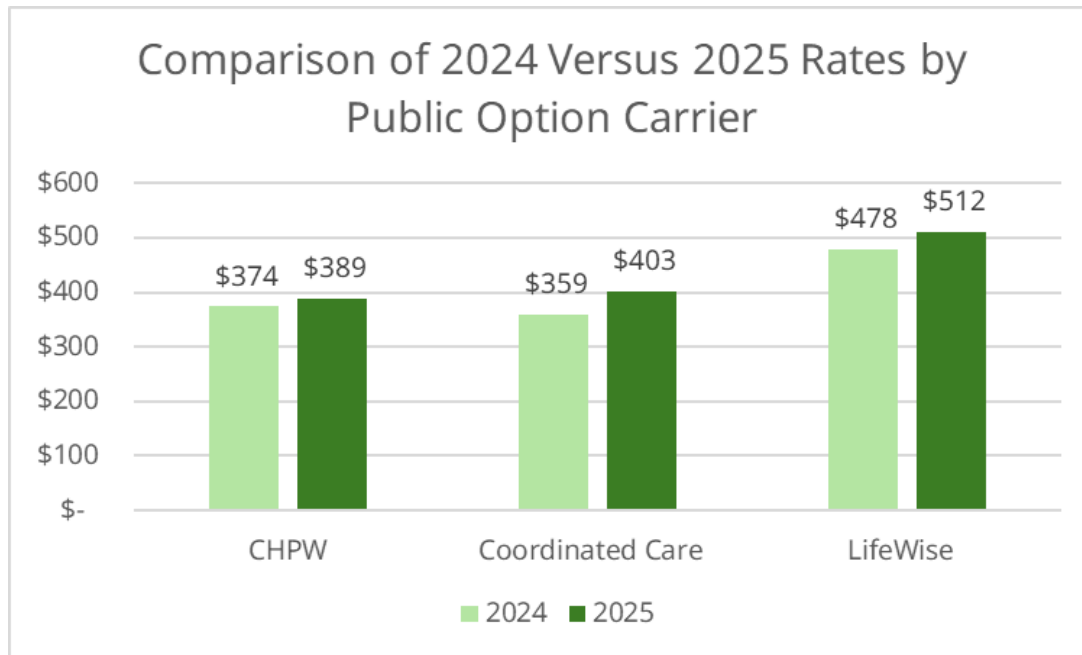


Plan Type	Rate Increase %*
Cascade Public Option	7.6%
Cascade Standard Plan	12.6%
Others (non-Cascade)	12.6%

*Rates are for 40-year-old non-smoker not weighted for enrollment

Public Option Proposed in all 39 Counties

Not All Expansions Serve Customer Affordability



- ▶ Coordinated Care proposes expanding to Grays Harbor; CHPW proposes expanding to Lincoln
 - ▶ Lowest-cost silver plans, but does represent premium increases over 2024
- ▶ LifeWise proposes expanding to Grays Harbor and Lincoln
 - ▶ \$125 more than lowest-cost silver in Grays Harbor; \$75 more than lowest-cost silver in Lincoln

Value Proposition of Proposed Public Option Plans Varies



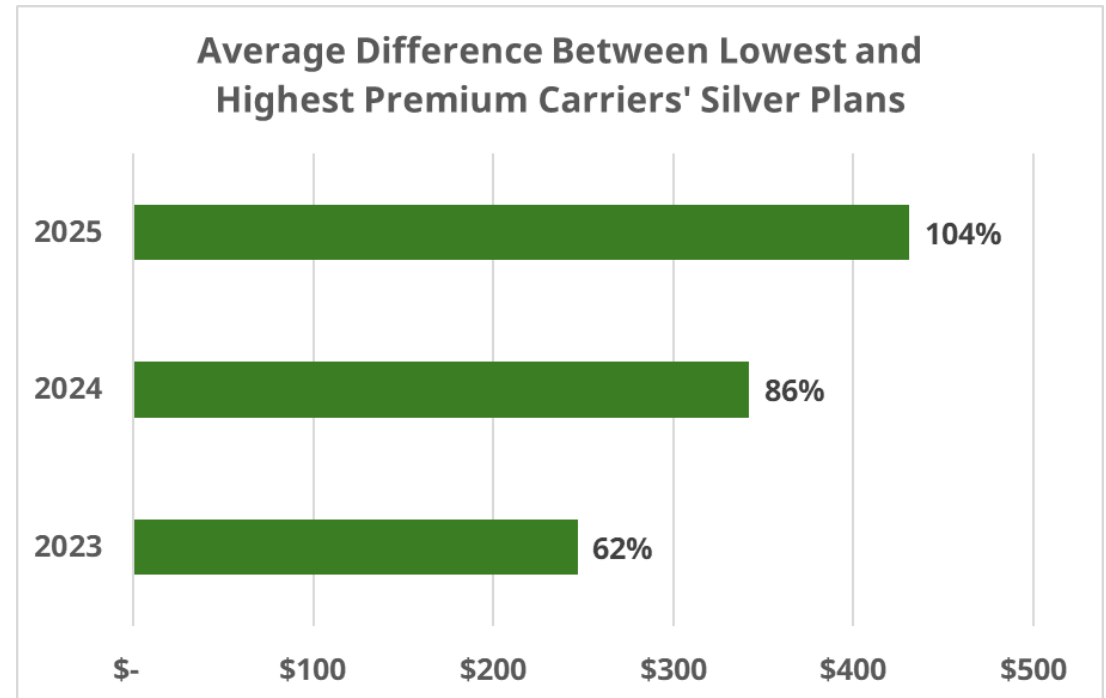
Public Option Issuer	Proposed Rate Increase (%)	Key Facts
CHPW	4%	Lowest-cost silver plan in 14 counties; meaningfully lower premium (10%) in 8 counties
Coordinated Care	12%	Lowest-cost silver plan in 17 counties; 30% rate increase in 2 counties
LifeWise	7%	PO in 21 counties (only proposed PO in 6); not proposing lowest cost silver premium in any county

*Rates are for 40-year-old Non-Smoker not weighted for enrollment

Gap Widening Between Lowest and Highest Cost Plans

Tax credits not keeping up with premium increases

- Most expensive plan over 100% more than least expensive on average in proposed 2025 rates
- APTC and Cascade Care Savings cannot close the gap
- Three plans setting tax credit across 39 counties
 - Premium of benchmark plan up ~\$25/month



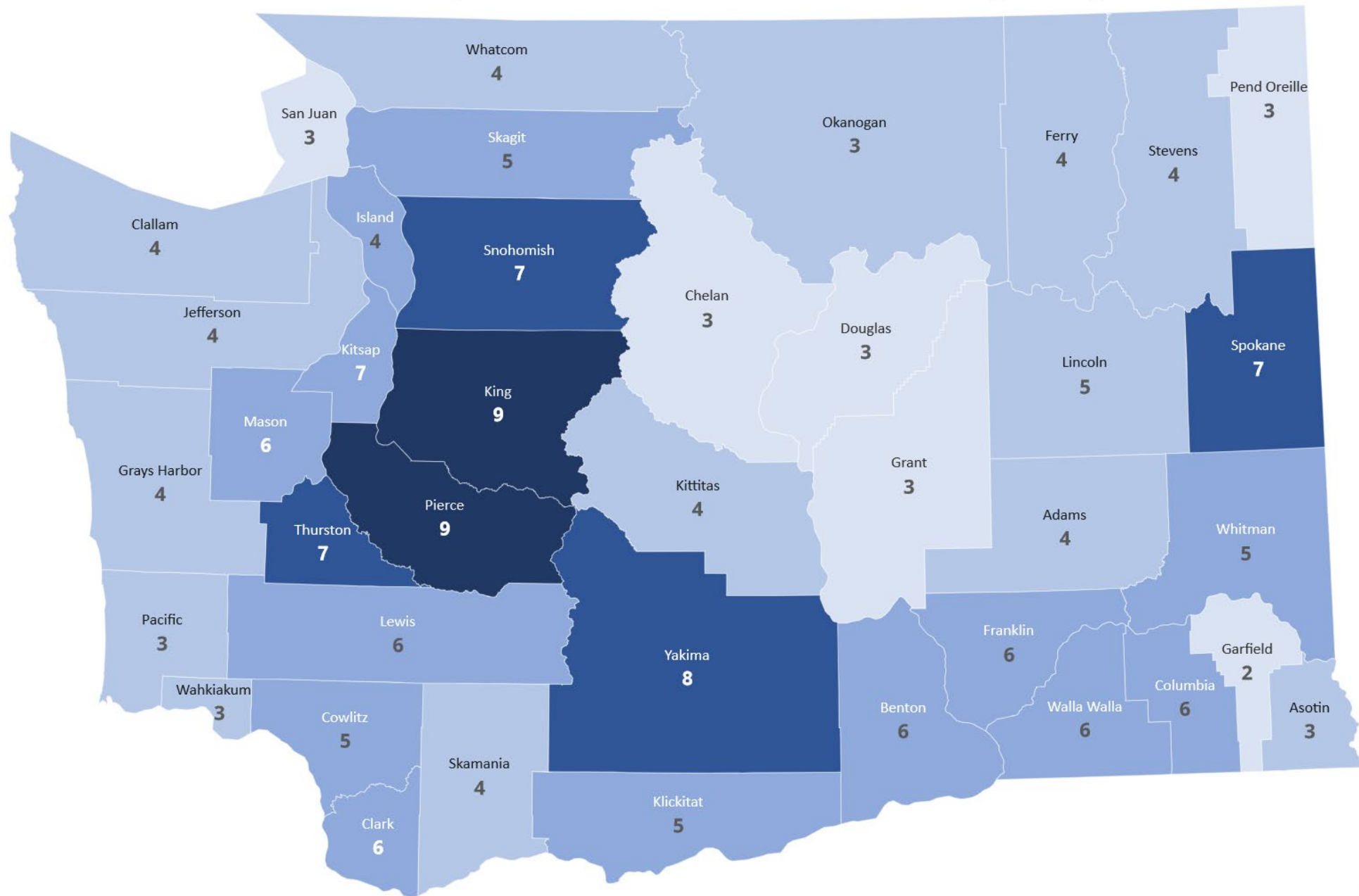
*Average rates are for 40-year-old non-smoker not weighted for enrollment

Appendix



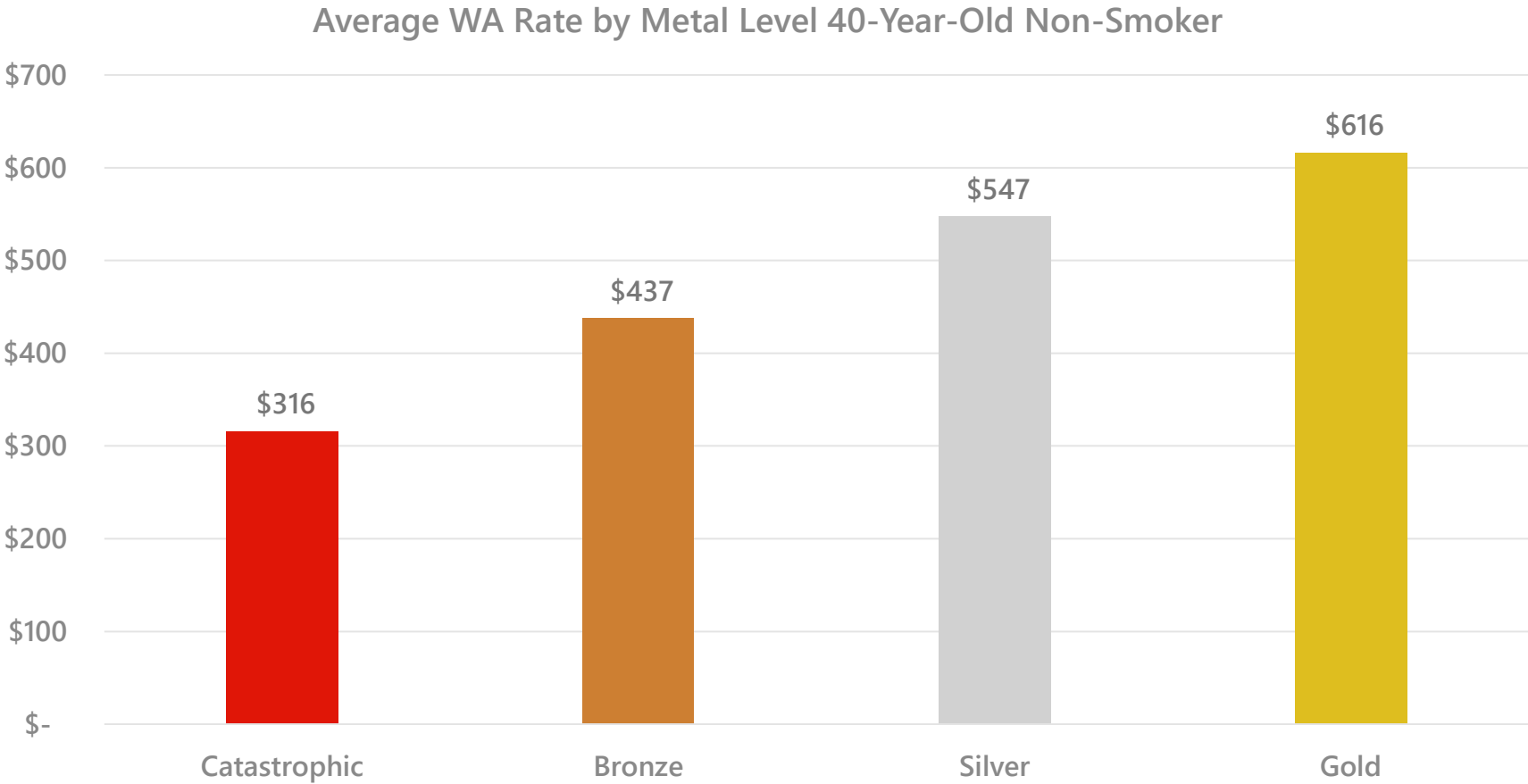
- ▶ Additional data on proposed rate offerings
- ▶ Carrier explanations for rate increases in OIC filings

Number of Proposed 2025 Carriers (#) and Plans (Color) by County



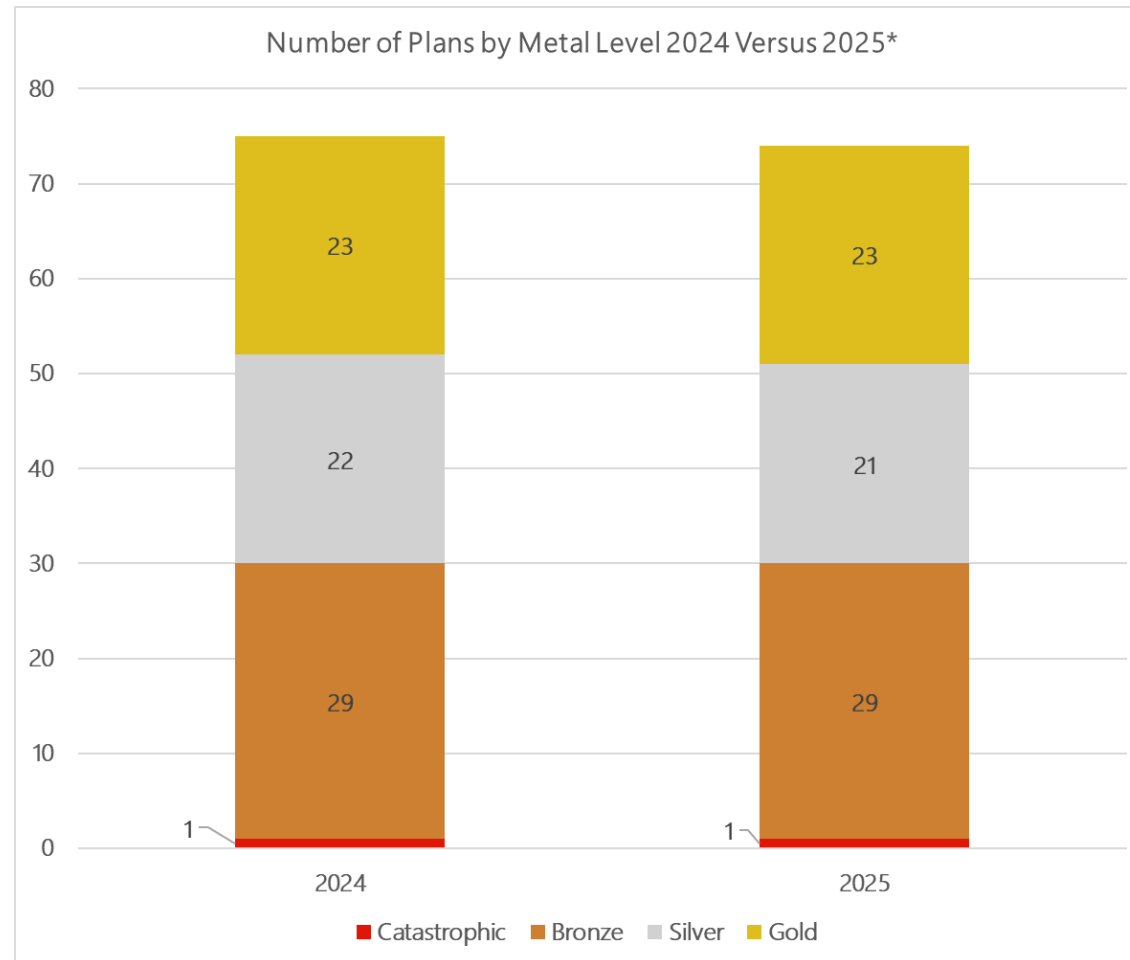
Legend: ■ <20 ■ 20-30 ■ 31-40 ■ 41-50 ■ 51+

Average Proposed Rates by Metal



Reductions in Plans for 2025

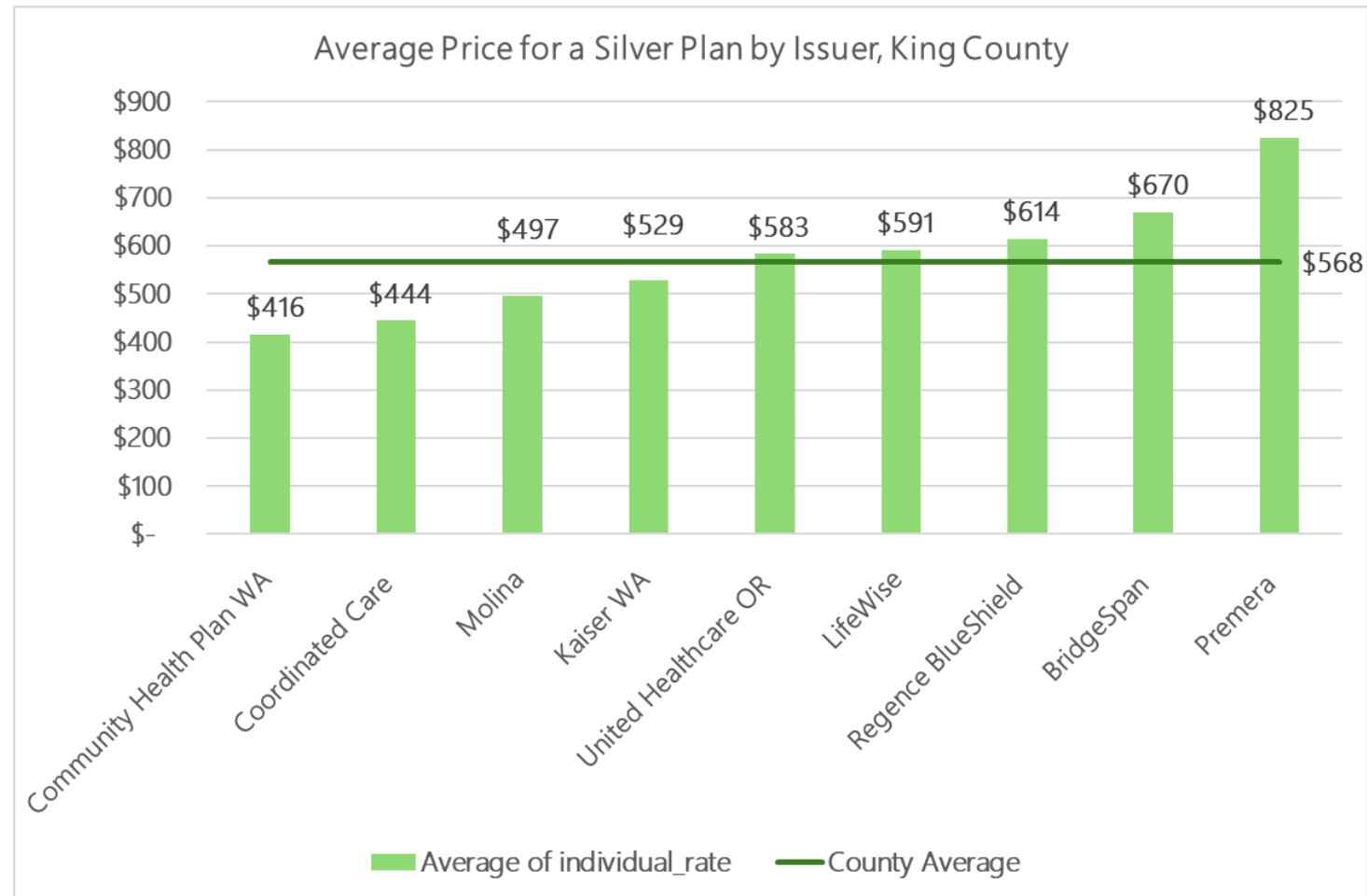
Bronze still most numerous plans on Exchange



*PacificSource excluded in 2024 to show changes among current 2025 issuers

Wide Variation in Proposed Silver Plan Rates in a Single County

Leaving Only a Few Affordable Plans



Rates are for a 40-year-old Non-Smoker

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%)



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