

Affordability Approaches

Exchange Advisory Committee

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Today's Discussion

- ▶ Affordability landscape review
- ▶ Your guidance requested! Small group exercise:
 - ▶ Given the state landscape and range of options to address health costs, where should the Exchange focus its influence and authority to move the needle on affordability?

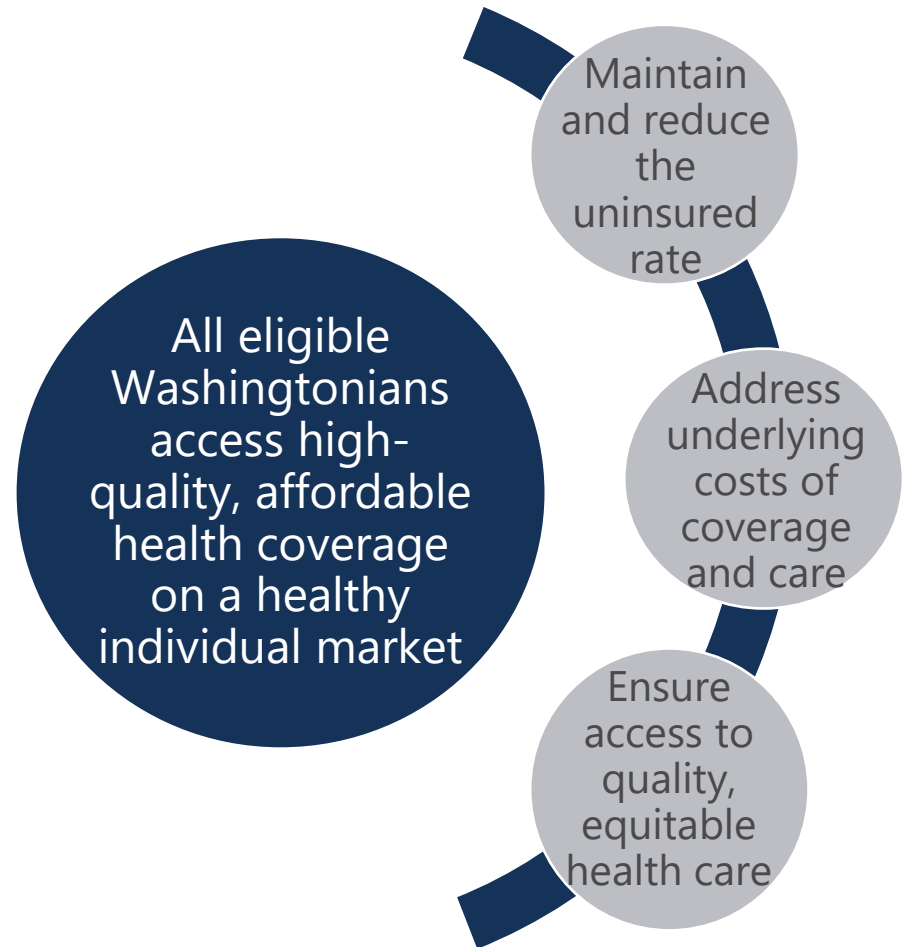
Exchange Affordability Action Plan

- ▶ **Cascade Care** – a primary affordability initiative
- ▶ Partner on **price transparency & value**
- ▶ Maintain & maximize state and federal **subsidies**
- ▶ Leverage Exchange **authority**

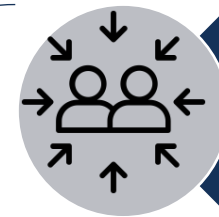


Cascade Care: Primary Exchange Affordability Effort

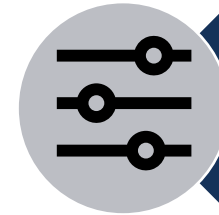
2027 Vision & Strategies



2023-2027 Core Action Opportunities



Strengthen Exchange participation requirements



Require that plans are meaningfully different to minimize choice overload



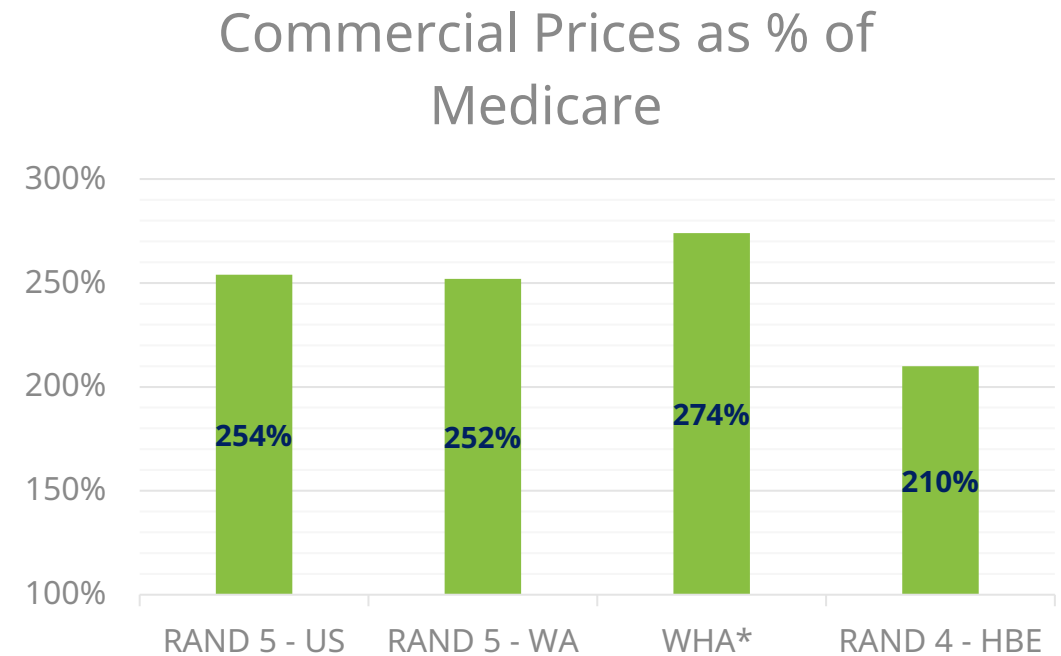
Cascade Care plans have higher requirements to deliver value



Address underlying costs through public option

Partner on Price Transparency & Value

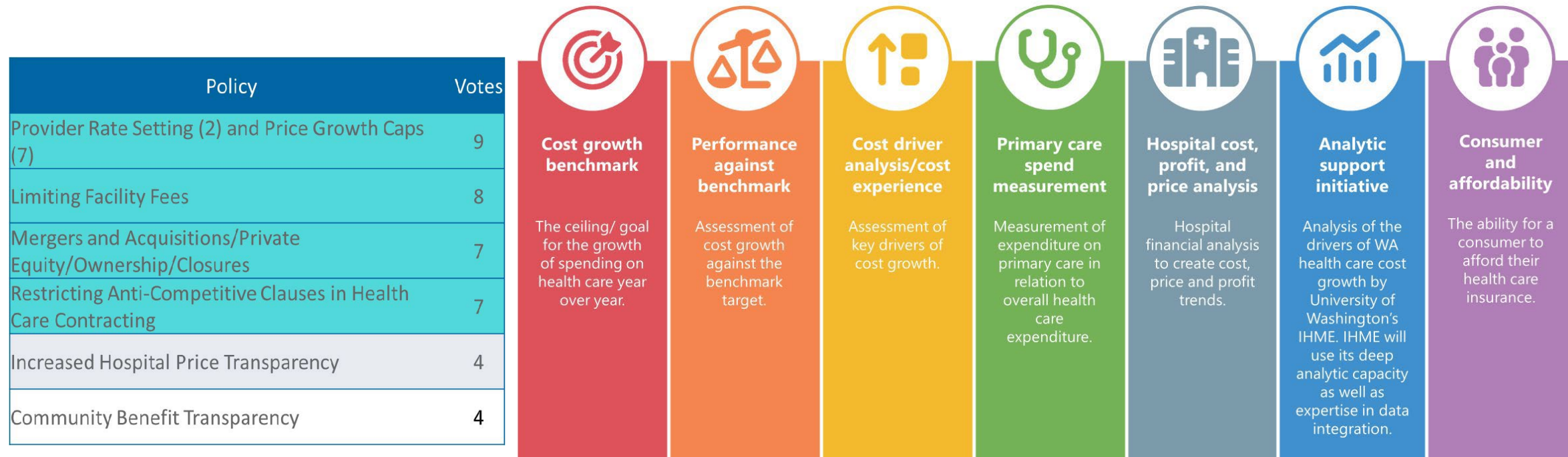
- ▶ Hospital price transparency reports released
- ▶ Washington's commercially insured consumers pay hospitals over two and a half times what Medicare pays
 - ▶ Washington Health Alliance
 - ▶ RAND 5.0 hospital price report



Source: Washington Health Alliance "[Statewide Hospital Price Level Variation](#) Acute and Critical Hospital Rate
Source: RAND [Hospital Price Transparency Study Round 5](#) | RAND

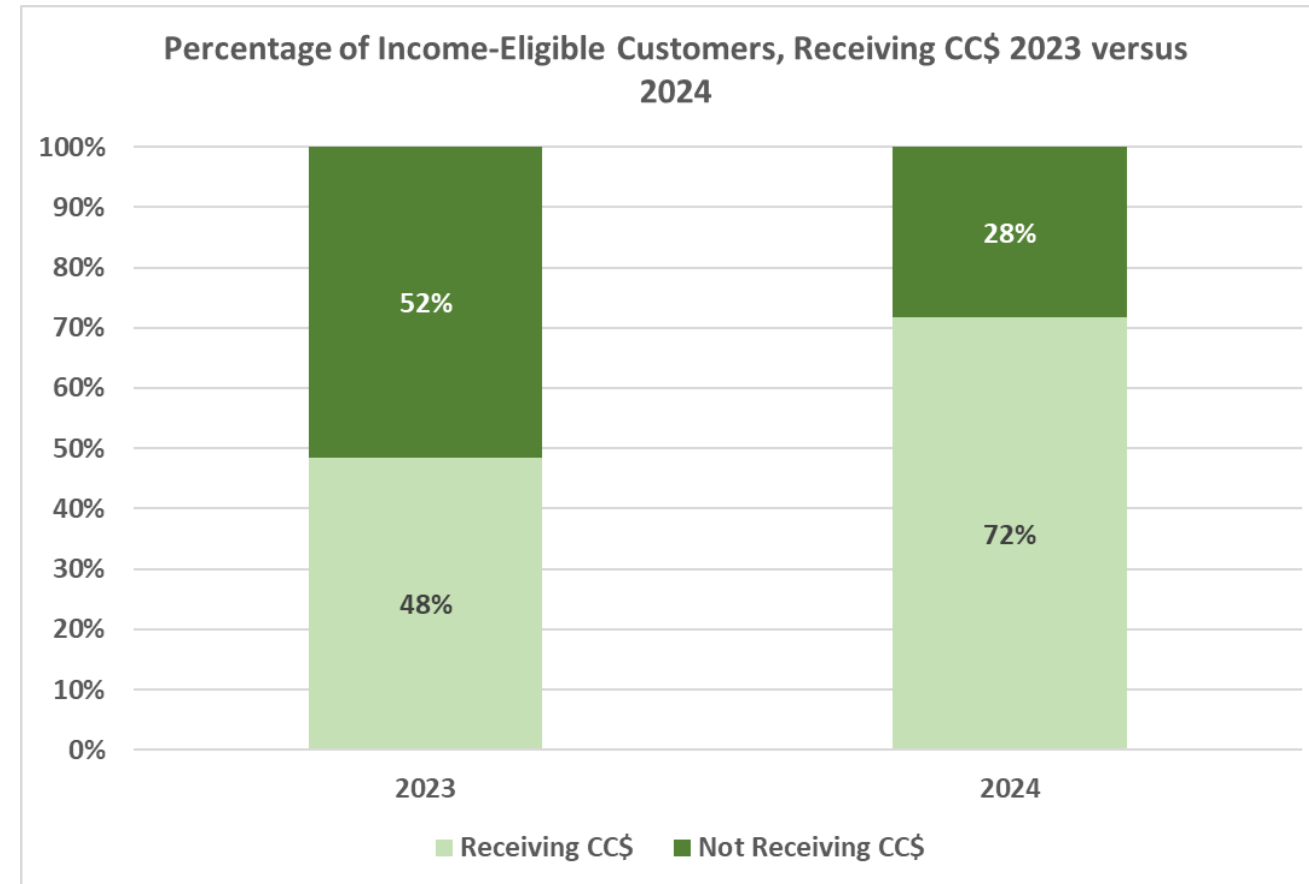
Partner on Price Transparency & Value

► State Cost Board Priorities



Maintain & Maximize State & Federal Subsidies

- ▶ Cascade Care Savings helping nearly 90,000 Exchange customers lower their monthly premiums.
 - ▶ More than 37,000 customers pay \$10 or less in monthly premium
- ▶ Legislature allocates funding to the state healthcare affordability account for state premium subsidies
 - ▶ \$55M annually for 2023-2025 plan years
 - ▶ Exchange must request new funding appropriation for 2026-2027



Maintain & Maximize State & Federal Subsidies

Summing it Up: Loss of ARPA Enhanced Subsidies

~55K

Projected enrollment decrease

~\$250M

Projected decrease in APTC

Impact will be different by:



Age



Income



Location

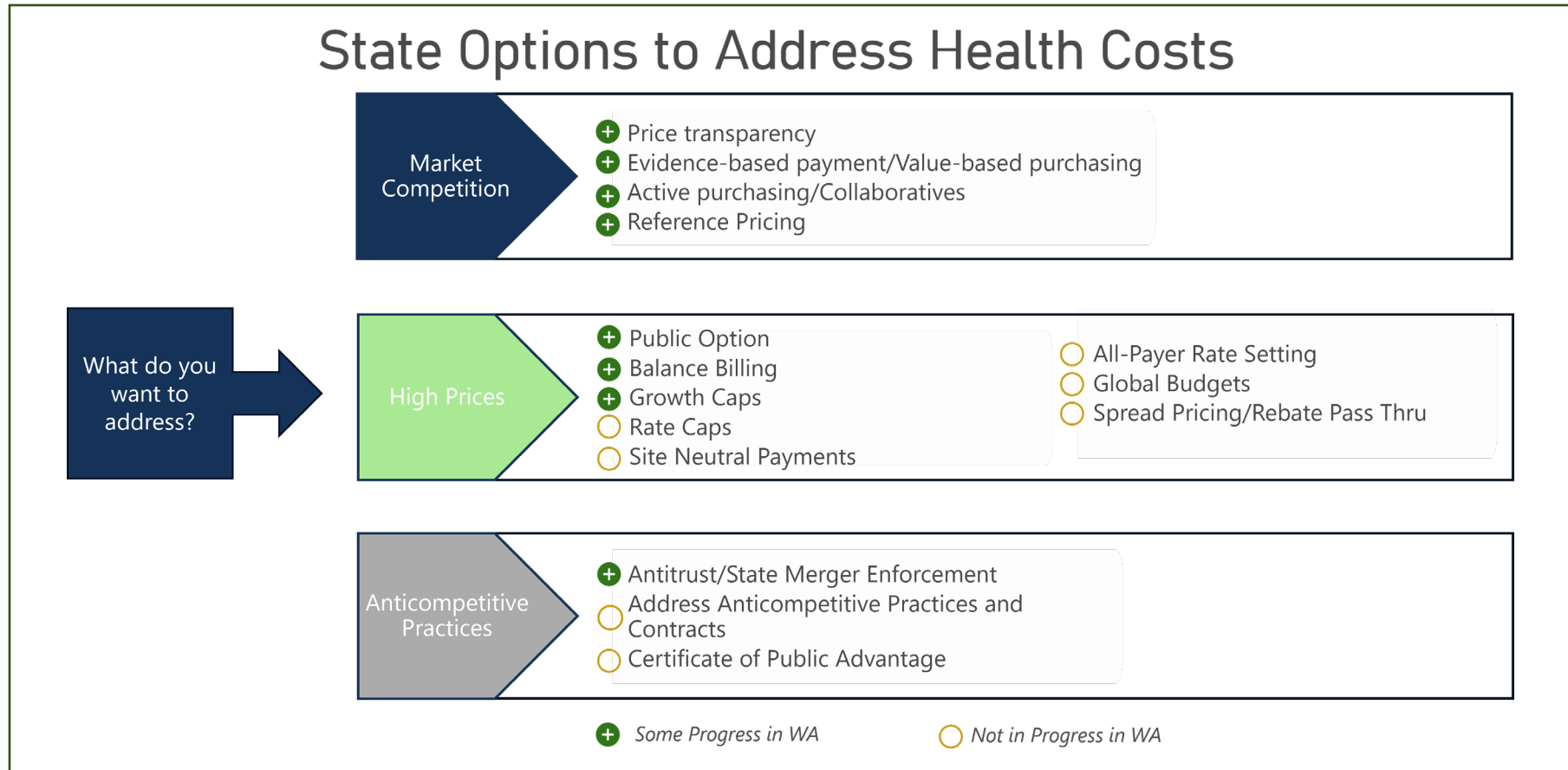


Race/
Ethnicity

- ▶ Exploring policy options to mitigate the impact
 - ▶ Cascade Care Savings policy changes
 - ▶ Marketplace innovations that generate federal 1332 waiver pass-through savings
 - ▶ Alternatives to current silver loading
 - ▶ Enrollment retention solutions

Small Group Exercise

Where should the Exchange Board focus its influence and authority to move the needle on affordability?



Discussion groups:

1. Standardizing the market
2. State subsidy approach & policy
3. Marketplace innovations to lower premiums, generate federal pass-through

Next Steps

Positioning Exchange
affordability priorities
for 2025 and beyond





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