

ADVISORY COMMITTEE GUIDANCE

Sharpening Cascade Care tools



Today's discussion

Sharpening Cascade Care tools



State subsidy



Standard plans



Public option

Sharpening Cascade Care tools

Goals & opportunities to advance access & affordability for customers



State Subsidy:

- More than **100,000** low-income customers reduce monthly premiums with Cascade Care Savings.
- As **rates increase**, subsidies cannot stretch as far.
- **Target** subsidies to customers who need them to get and stay covered.



Standard Plans:

- **Three out of four** Exchange customers enrolled in standard plans today.
- **Variation** in plan offerings is confusing and overwhelming.
- **Differentiate** plans based on what matters most to customers: premium, network, quality, customer service.



Public Option:

- Public option **statewide** in 2025.
- Customers experience **access barriers**.
- Current policies not resulting in meaningfully **lower premiums**.
- Drive **healthy competition** on price and quality.

Sharpening Cascade Care tools

Options and proposals for discussion and feedback



State Subsidy Options*:

1. Limit plans eligible
 - Based on affordability
 - Based on quality
2. Refine metal level eligibility
3. Increase eligibility to 300% FPL
4. Encourage full use of available federal subsidy



Standard Plans Options:

1. Standard plans only at Silver and limit non-standard to one each at other metal levels**
2. Phased approach to only standard plans, starting with Silver***
3. Only standard plans; Exchange designs two standard plans at each metal level



Public Option Proposal:

1. Strengthen provider participation:
 - All public option plans offering good faith contract
 - Hospital systems
2. Add targeted pricing caps:
 - Hospital inpatient/outpatient cap
 - Behavioral health floor

*2025 [Policy](#); Options proposed for 2026

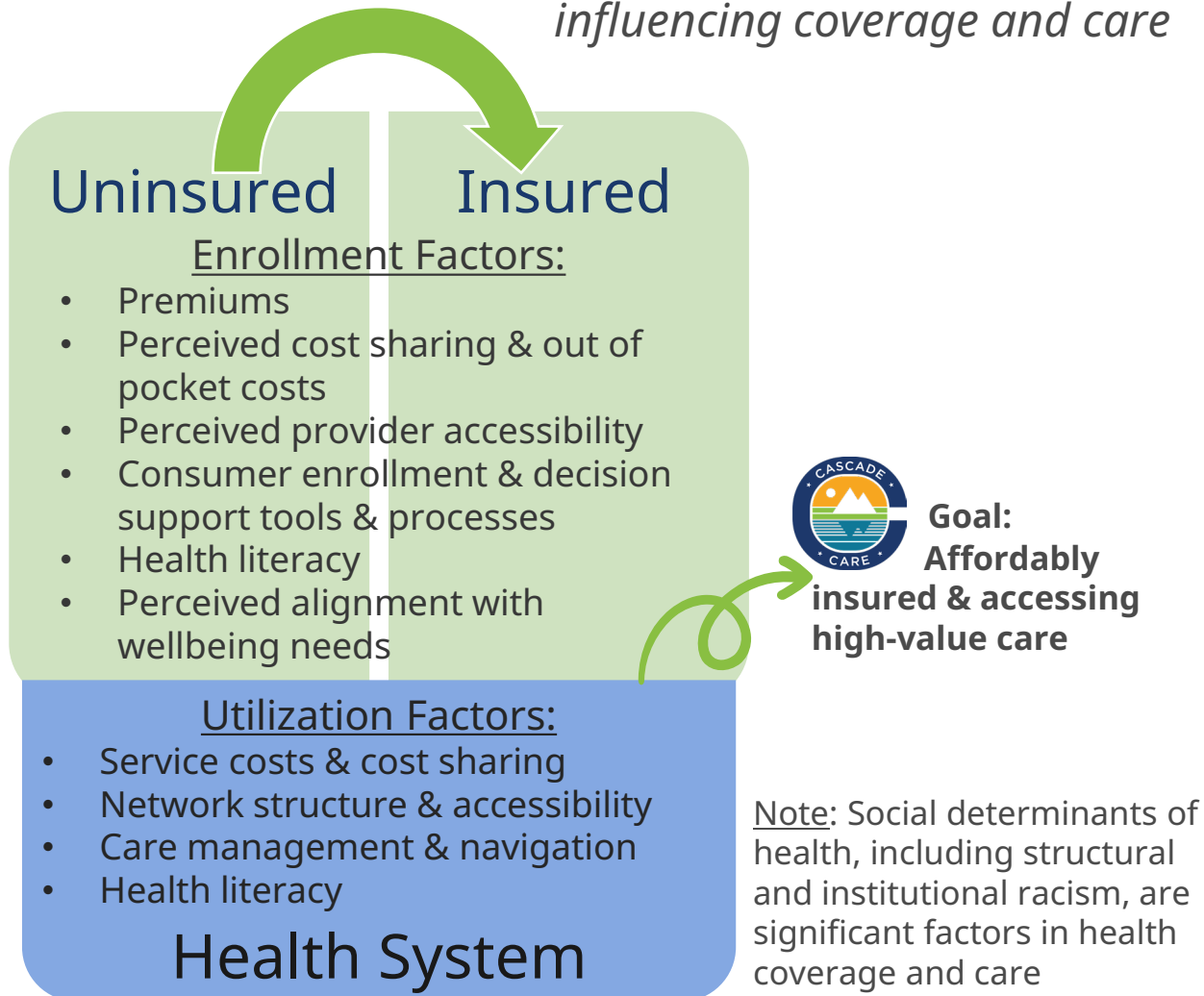
**Aligned with [ESHB 2361](#)

***Aligned with [HB 2361](#)/SB 6258

Small groups: Your feedback on options and proposals

- ▶ Framework for consideration when providing feedback

Graphic: Consider how proposals affect factors influencing coverage and care



Discussion questions:

- ▶ What do you support in this proposal?
- ▶ What concerns you in this proposal?
- ▶ What questions do you have? What additional information do you need?

Next steps

Sharpening Cascade
Care tools





Appendix

Background & reference materials:

- Why Cascade Care tools need sharpening
- 2025 Exchange market
- Exchange Board retreat summary

Why Cascade Care tools need sharpening

- Subsidies cannot keep pace with premium increases.
- Customers face choice overload due to variation in plan options.
- Underlying costs of care and access to affordable health care must be addressed.

State Subsidy Cannot Keep Pace with Increasing Rates

- Cascade Care Savings lowers premiums for more than 100,000 customers in 2024.
- Carrier premium increases are the primary driver of changes to customer monthly subsidy level.
- Setting maximum monthly amounts annually is currently only lever to manage 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
Total	\$58.1	\$66.1	\$8.0

Illustrative example from 2025 draft methodology: Maintaining customer maximum monthly subsidies from 2024 to 2025 requires \$8M more, driven by 2025 rate increases.

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

On the surface: The front door of three silver plans



**Molina
Non-Standard
Premium: \$490**

- \$0 Medical/\$900 Drug Deductible
- \$30 PCP Visit
- \$27 Generic drugs

**Standard Silver
Premium*:
\$505/\$453***

- \$2,500 Deductible
- First two PCP visits \$1, then \$30
- \$25 Generic Drugs

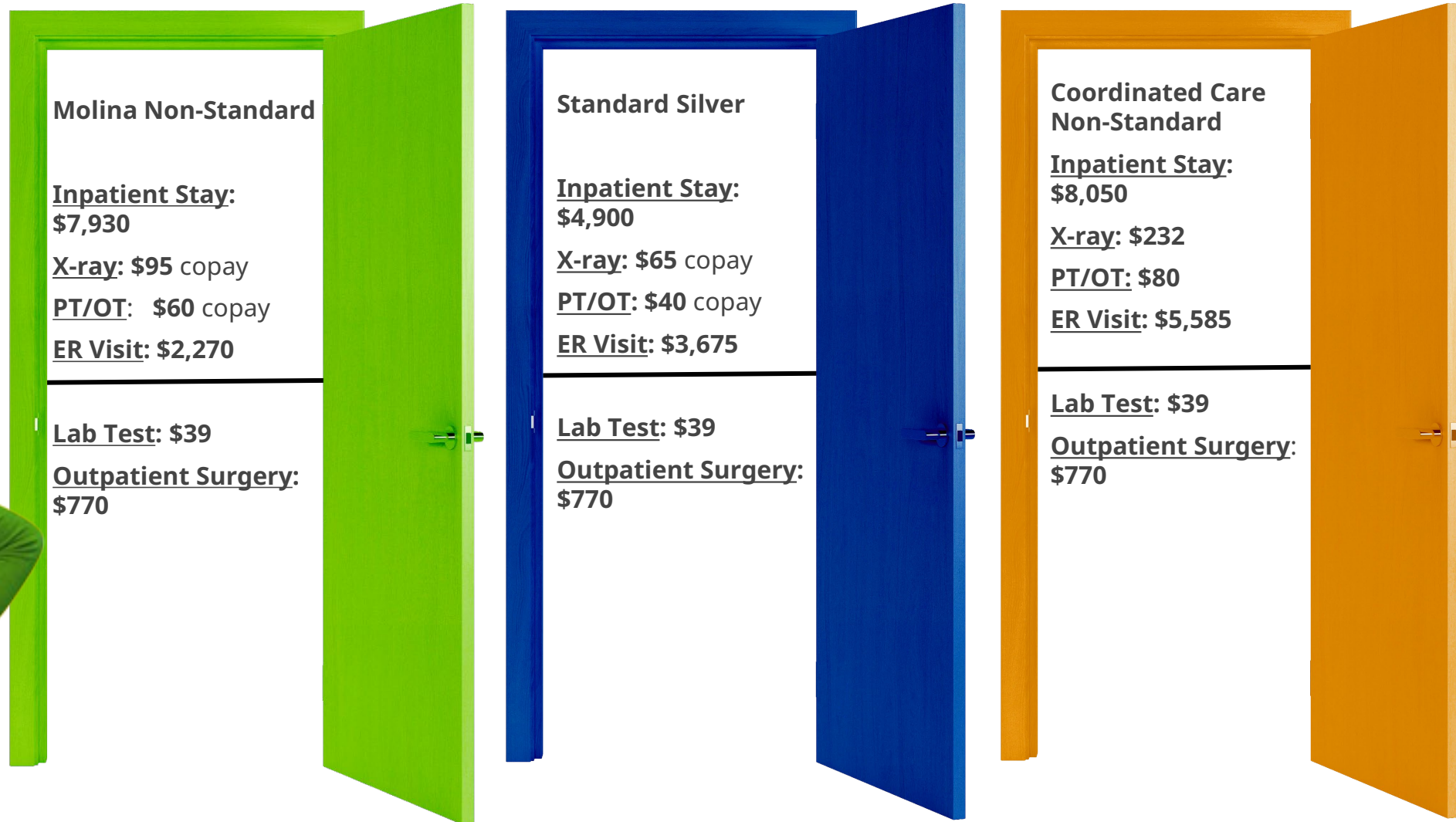
**Coordinated
Care Non-Standard
Premium: \$429**

- \$8,050 Deductible
- \$30 PCP visit
- \$15 Generic drugs

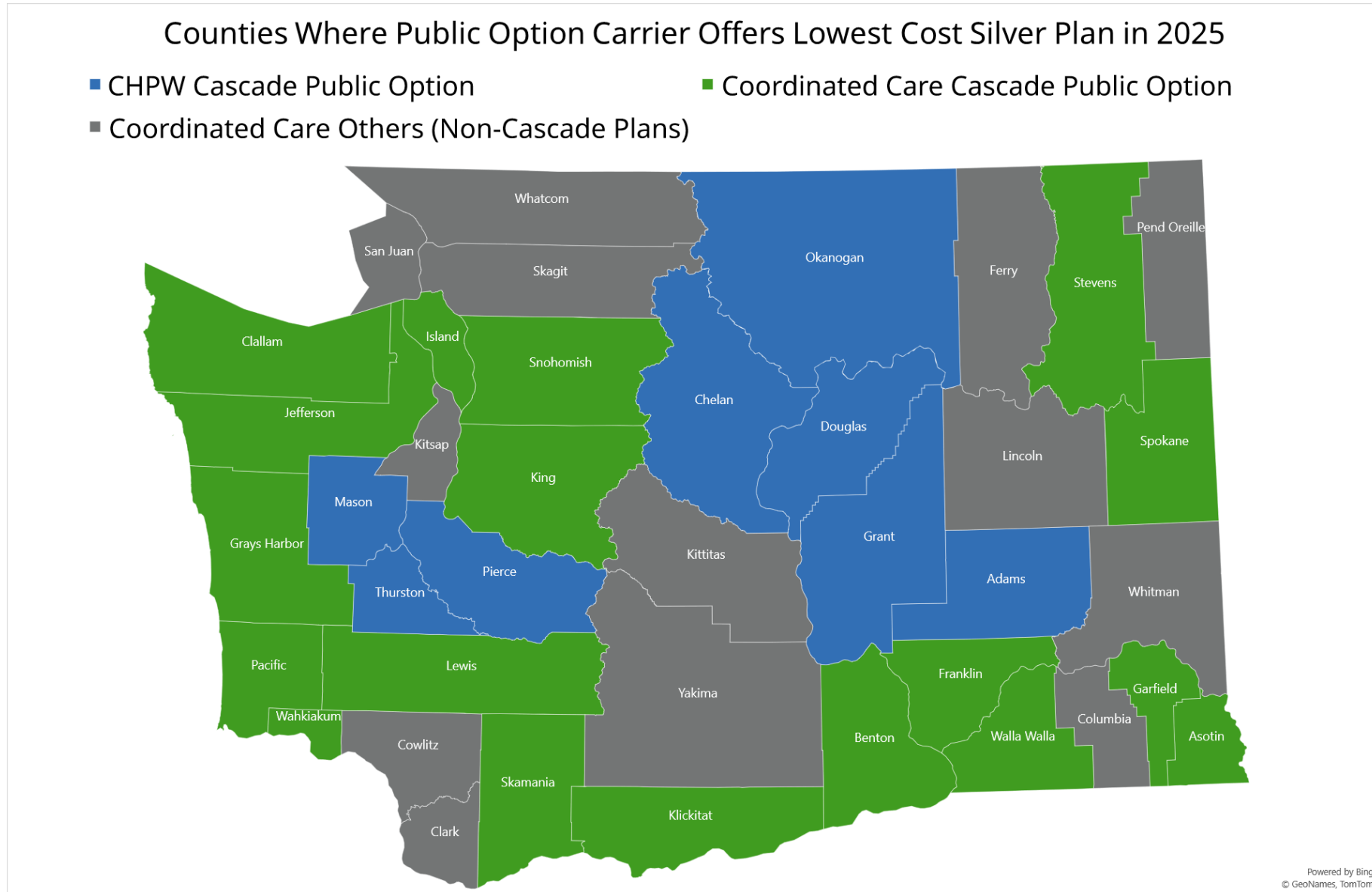
*Molina Cascade Silver Premium/Coordinated Care Cascade Silver Premium
All premiums are average rate for a 40-year-old non-smoker.

Below the surface: benefit designs are confusing

Costs of care vary based on coinsurance, co-pays and deductibles and make comparing plans nearly impossible



Public option lowest premiums in 26 counties, down from 31 in 2024





2025 Exchange market

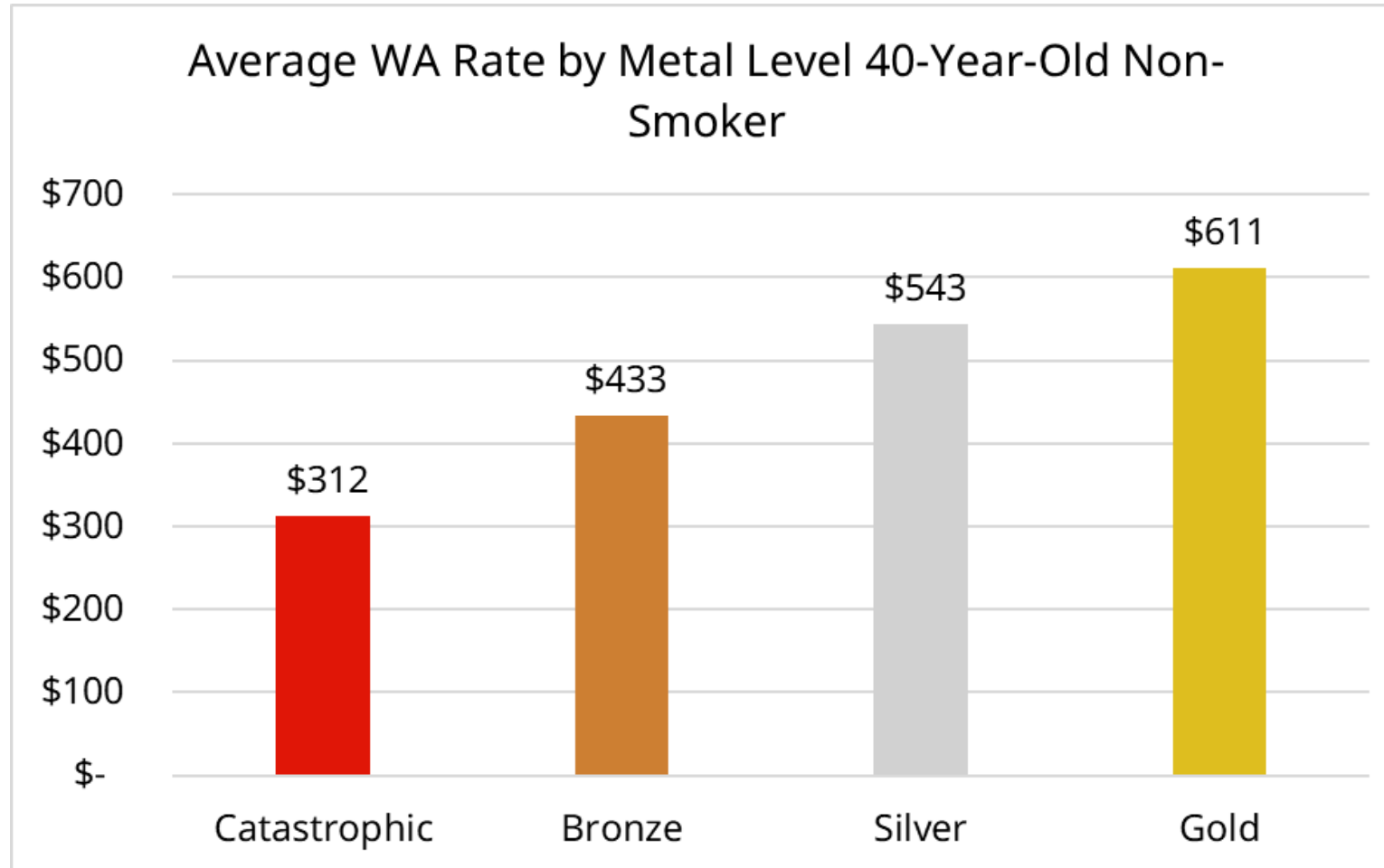
Premiums increasing at faster rate than wages & consumer price index

Third year of ~10% Exchange premium increase

Carrier	2025 Rate Increase	Cumulative Rate Increase 2022-2025
BridgeSpan Health Company	15%	53%
Premera Blue Cross	15%	48%
Regence BlueShield WA	22%	43%
UnitedHealthcare of Oregon, Inc.	24%	41%
Kaiser Washington	8%	37%
LifeWise Health Plan of Washington	8%	35%
Molina Healthcare of Washington	6%	24%
Kaiser Northwest	10%	23%
Regence BlueCross BlueShield of Oregon	15%	20%
Community Health Plan of Washington	9%	11%
Coordinated Care Corporation	9%	10%
Average Rate Change, All Carriers	10%	31%

Average rate changes are weighted for Exchange enrollment

2025 average rates by metal level

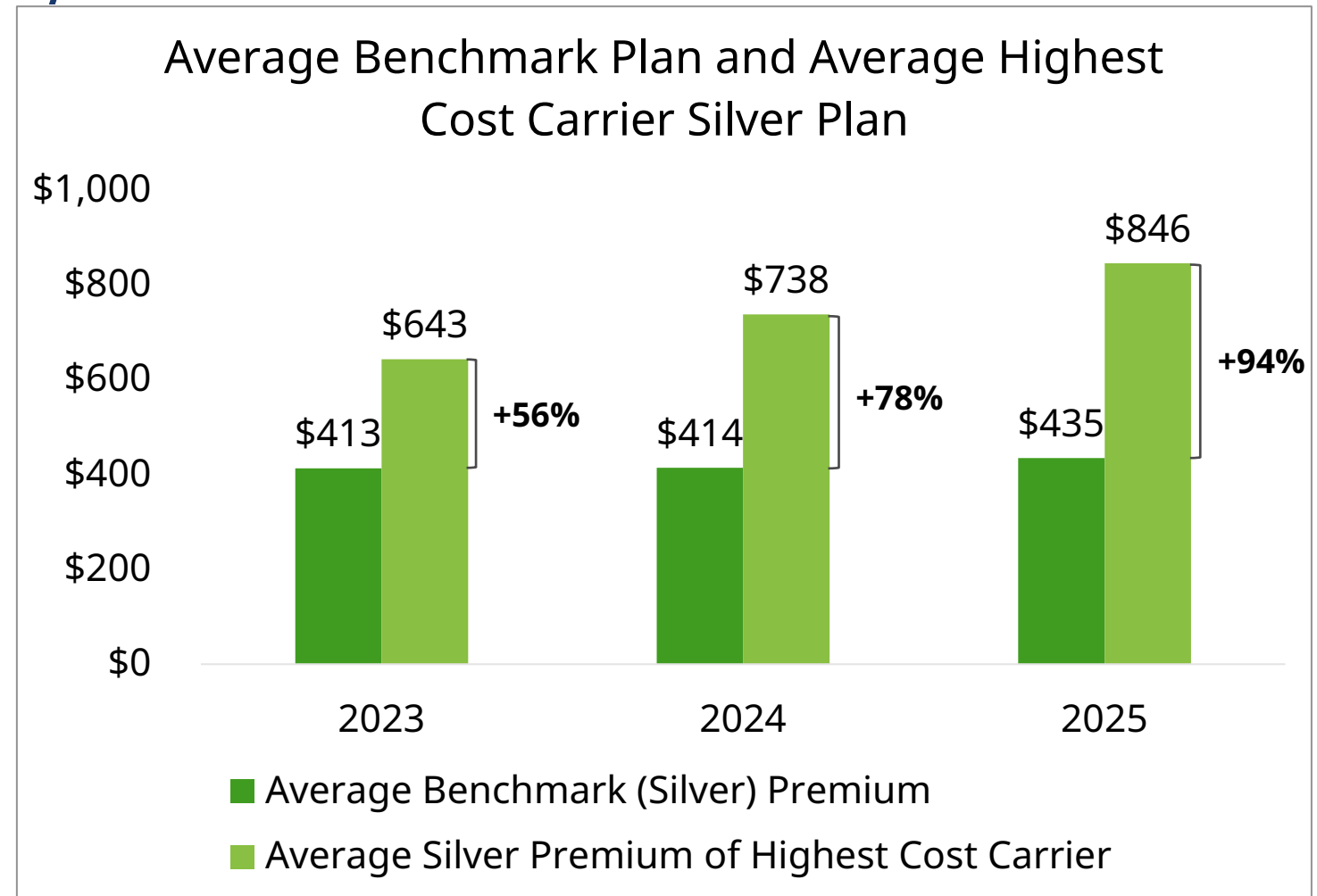


Rates are not weighted for enrollment

Gap Between Lower Cost and Higher Cost Plans is Widening

Tax credits can't keep up with premium increases

- ▶ At the same metal level, the price of the most expensive plan is now double the cost of a low-cost plan
- ▶ Tax credits have increased a little, while most premiums have increased a lot = reduced buying power for customers



Market Stability and Growth in Coverage Statewide

Overall: 11 carriers across Washington — Stable and crowded market

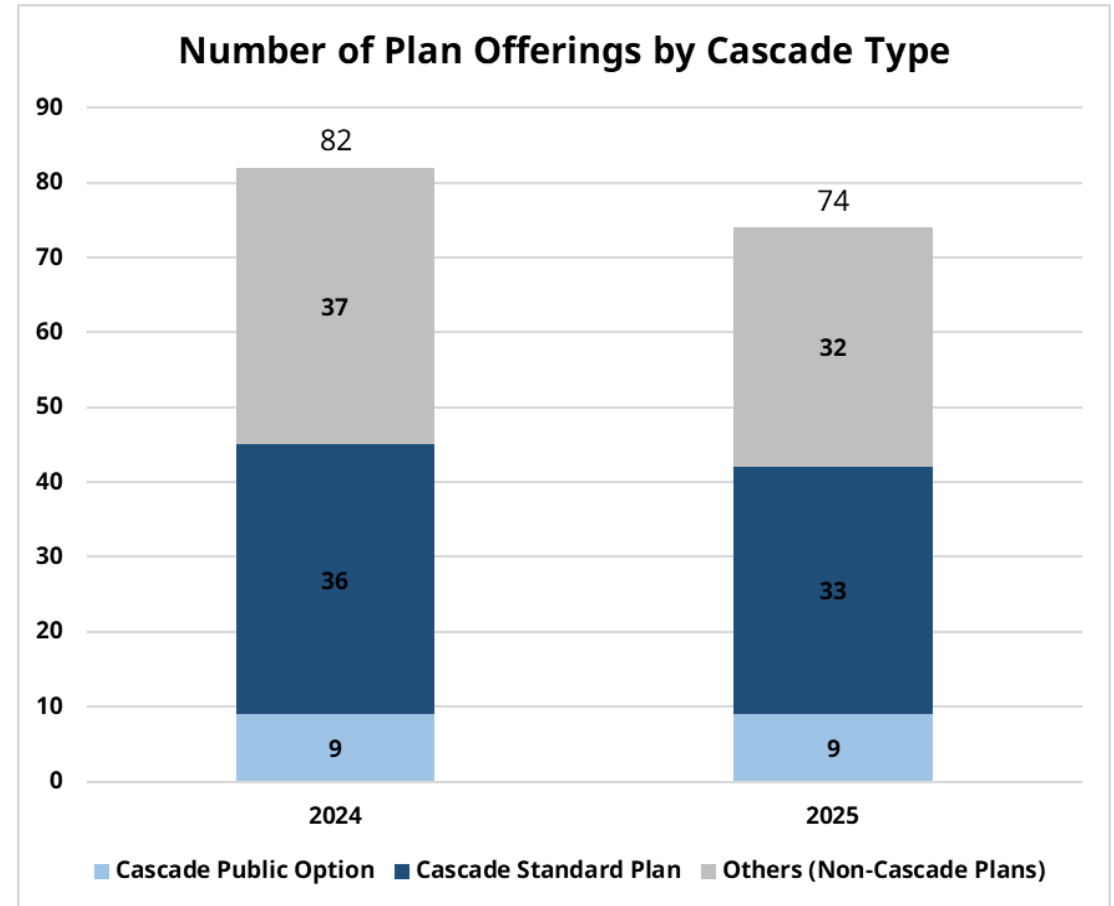
- One county with two carriers, all others have three to nine carrier choices
- 74 plans offered

Expansions:

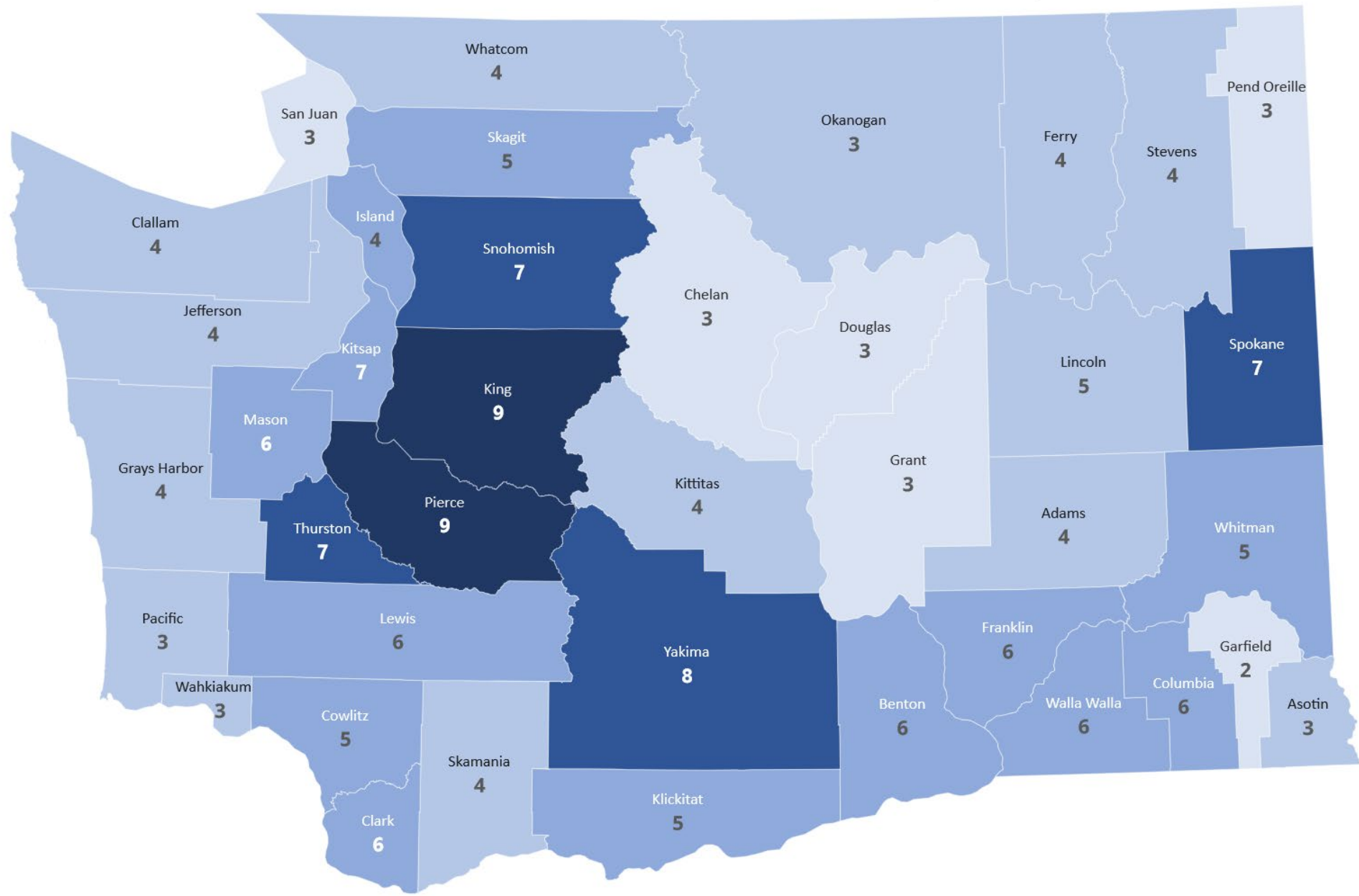
- ▶ Public option now statewide
 - ▶ CHPW, Coordinated Care, and LifeWise all expanding service areas
- ▶ Coordinated Care QHPs now statewide

Contractions:

- ▶ LifeWise leaving three counties
- ▶ PacificSource exiting Exchange
 - Only carrier offering PPO plans



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



<20 20-30 31-40 41-50 51+



Exchange Board retreat summary

July Exchange Board Retreat



Theme: Position for the future

Key outcomes

1. Deeper board member connection and cohesion with each other.
2. Greater understanding of opportunities and risks ahead.
3. Strategic / high-level policy and operational directional guidance to staff.

Board retreat direction

- ▶ Position for the future:
 - ▶ Be ambitious in advancing the Affordable Care Act and health justice.
 - ▶ Recognize that health insurance is necessary but not sufficient to ensure equity and strong health outcomes.
 - ▶ Protect gains and ensure the Exchange has bandwidth to fulfill its core mission.



Board retreat discussion – Affordability

- ▶ Informed by [Exchange Advisory Committee guidance](#) and representatives
- ▶ Maximize within Exchange influence of control through focus on sharpening Cascade Care tools
- ▶ Principles:
 - ▶ Accountability
 - ▶ Alignment
 - ▶ Coordination



State subsidy – Board discussion

Equity

- *Prioritize directing subsidy toward most vulnerable populations*

Stewardship of state investment

- *Incentivize carrier behavior through reward of state subsidy*

Environment of scarce funds

- *Develop best positioning to adapt to ambiguous subsidy landscape*





Market standardization – Board discussion

Standard plan legislation

- *Continue effort to standardize market*

Market shelf

- *Improve Healthplanfinder shelf, customer support tools and customer insurance transitions*

Health care delivery standards

- *Go beyond standardizing benefits to standardizing front- and back-end care experiences*





Cost containment – Board discussion

Data maturity and transparency

- *We cannot contain what we cannot measure*

Reference pricing

- *Use public option as an innovation lab to reduce costs*

Payment reform

- *Set common expectation to pay for outcomes while mitigating provider administrative burden*





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